Basic Facts About Sumitomo Metal Industries, Ltd.

Public Relations Group, Public Relations & Investor Relations Department

2012

SUMITOMO METALS

Sumitomo Metal Industries, Ltd.

Public Relations Group
Public Relations & Investor Relations Department
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Nippon Steel & Sumitomo Metal Corporation, joint pre-integration website:
http://www.nssmc.com/en/

Contents

<Remarks>
1. In this book, "fiscal year" means the year ended / ending March 31 of the year shown.
   Ex. FY2011: The year from April 1, 2011 to March 31, 2012
2. Data as of the end of March 2012 is used unless noted otherwise;
3. Some of the establishments' names have been abbreviated.
e.g.
(Osaka):Osaka Head Office, (Tokyo): Tokyo Head Office,
(Kashima): Kashima Steel Works, (Wakayama): Wakayama Steel Works,
(Kainan): Wakayama Steel Warks (Kainan),
(Steel Tube): Steel Tube Works, (Osaka Steel) :Osaka Steel Works,
(Kokura): Kokura Steel Works, (Naoetsu): Naoetsu Works
4. Financial information on this booklet is prepared in accordance with generally accepted accounting principles in Japan.

1 Foundation of Sumitomo Metals

(1) The Sumitomo Spirit and history in manufacturing

① The Sumitomo Spirit of over 400 years

"You should exercise prudence in business and in all aspects of your life." This was a message written by Masatomo Sumitomo(1585-1652,)the founding father of the Sumitomo family. It was incorporated into the Rules Governing the Sumitomo family, has been long respected as the business principle of the family, and is even today the very basis of the activities of Sumitomo Metals.

1. **Sumitomo shall achieve prosperity based on solid foundation by placing prime importance on integrity and sound management in the conduct of its business.**
2. **Sumitomo's business interest must always be in harmony with public interest; Sumitomo shall adapt to good times and bad times but will not pursue immoral business.**

Excerpt from "Business Principles" in the Rules Governing the Sumitomo family, enacted in 1891

A man of noble character esteems wealth, and is scrupulous in seeking the way to acquire it.

Personal motto of Teigo Iba, appointed Second Director-General of Sumitomo in 1900

The Sumitomo Spirit, which we trace back 400 years to Masatomo Sumitomo, remains an integral part of Sumitomo Metals' management policy today. It forms the basis for the company's policy for sustained growth strategy, risk management, and compliance.

② More than 100 years of manufacturing experience

In 1897, Sumitomo Copper Plant, the precursor of Sumitomo Metals, was established in the present Kita Ward, Osaka City. Four yers later, in 1901, Sumitomo began production of cast steel at Sumitomo Steel Foundry in the present Konohana Ward, Osaka city. One hundred years since then, Sumitomo Metals is manufacturing seamless pipe for oil and natural gas, wheels and axles for railway cars, steel sheets for automobile bodies, and other high-grade steel products. The spirit, tradition, and technologies of steelmaking that generations of Sumitomo men and women have preserved and cultivated have been inherited by Sumitomo Metals in the present day.

(2) Sumitomo Metals Corporate Philosophy

We will preserve the Sumitomo Spirit and transmit it to the future,
treasure people and technologies, and contribute to society through manufacturing.

2 Overview

(1) Outline

① Corporate name Sumitomo Metal Industries, Ltd.

② Corporate logo 

③ Head offices (Osaka Head Office)
5-33, Kitahama 4-chome, Chuo-ku, Osaka 541-0041, Japan
Phone: +81-6-6220-5111
(Tokyo Head Office)
8-11, Harumi 1-chome, Chuo-ku, Tokyo 104-6111, Japan
Phone: +81-3-4416-6111
URL:http://www.sumitomometals.co.jp/e/

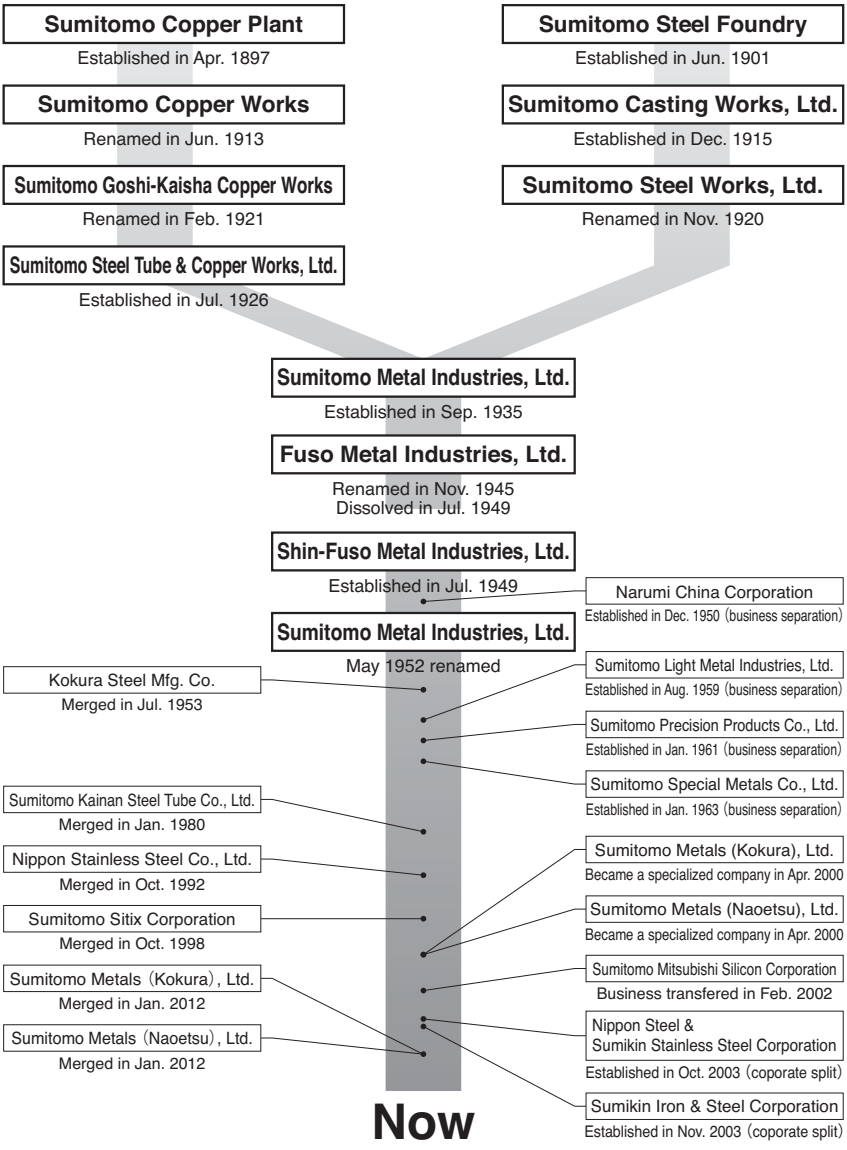
④ Incorporated July 1949

⑤ Main businesses of the Sumitomo Metals Group (As of the end of March 2012)

Main business areas		
Steel	Steel sheets and plates	Steel plates for structural uses, steel plates for low-temperature service, steel plates for line pipe, high-tensile-strength steel plates and sheets, hot strip, cold strip, electro-magnetic steel sheets, hot-dip galvanized steel sheets, electrolytic galvanized steel sheets, pre-painted steel sheets, pre-coatedsteel sheets, stainless steel precision rolled strips, pure nickel steel sheets, etc.
	Construction materials	H-shapes, fixed outer dimension H-shapes, lightweight welded beams, sheet piles, steel pipe piles, etc.
	Steel tubes and pipes	Seamless steel tubes and pipes, electric resistance welded tubes and pipes, large-diameter arc-welded pipes, hot ERW, specially shaped tubes, various coated tubes and pipes, stainless steel tubes and pipes, etc.
	Steel bars and wire rods	Mechanical structual quality wire rods, cold heading quality wire rods, spring quality bar, machining steel, bearing steel, stainless bars and wire rods, etc.
	Railway, automoive, and machinery parts	Wheels, axles, bogie trucks, gear units for electric cars, couplers, etc.
	Steel castings and forgings	Die forged crankshafts, materials for mold, aluminum wheels, flange for transmission tower, crane wheels, rolls, etc.
	Semi-finished iron products	Steel billets and slabs, pig iron for steel making, etc.
	Others	Titanium products, steel making technology, electric power, land and sea transport of steel materials, maintenance of machinery and facilities, pipelines, energy plant, sales of lime stone, etc.
Others		Electronic modules, lease and sale of real estate, etc.

(2) History

① Corporate history



* Sumitomo Metals is planning to integrate with Nippon Steel Corporation to become Nippon Steel & Sumitomo Metal Corporation on October 1, 2012.

② Corporate's major activities

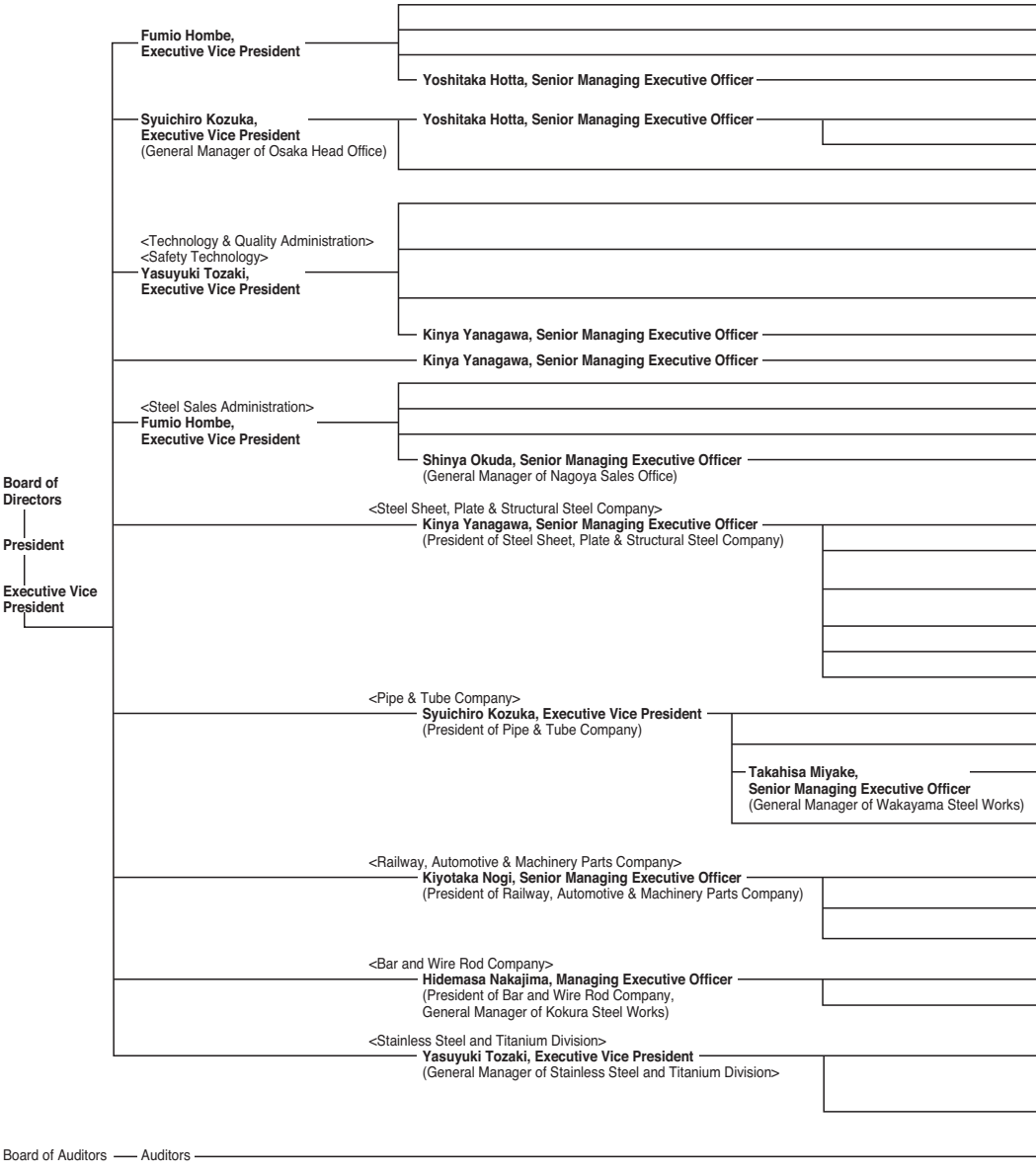
Year	Major Activities
1897	Sumitomo Copper Plant been established <Corporate's inauguration>
1901	Sumitomo Steel Foundry been established <present Osaka Steel Works>
1912	Steel tube factory been constructed at Sumitomo Copper Plant (The first private company in Japan that started manufacturing cold-drawn seamless steel pipes)
1913	Sumitomo Copper Plant renamed to Sumitomo Copper Works
1915	Sumitomo Steel Foundry re-established as Sumitomo Copper Works, Ltd.
1919	Amagasaki factory been established at Sumitomo Copper Works <present Steel Tube Works>
1920	Sumitomo Casting Works, Ltd. renamed to Sumitomo Steel Works, Ltd.
1921	Sumitomo Copper Works renamed to Sumitomo Goshi-Kaisya Copper Works
1926	Sumitomo Goshi-Kaisya Copper Works separated from Sumitomo Goshi-Kaisya and re-established as Sumitomo Steel Tube & Copper Works, Ltd.
1935	Sumitomo Metal Industries, Ltd. been established (Sumitomo Steel Tube & Copper Works, Ltd. and Sumitomo Steel Works, Ltd. been merged)
1942	<Wakayama Steel Works been established>
1943	Started manufacturing seamless pipes at Wakayama Steel Works
1945	Sumitomo Metal Industries, Ltd. renamed to Fuso Metal Industries, Ltd.
1949	Shin-Fuso Metal Industries, Ltd. been established <Corporate's foundation>
1949	Listed on stock exchanges at Tokyo, Nagoya, and Osaka
1950	Narumi China Corporation been established (former China Manufacturing Department)
1951	Started large quantities of OCTG export to USA
1951	Started manufacturing boiler tubes for power plants with high temperatures and pressures
1952	Shin-Fuso Metal Industries, Ltd. renamed to Sumitomo Metal Industries, Ltd.
1953	Merged with Kokura Steel Mfg.Co. <Kokura Steel Works been established> to be an integrated steelmaker
1956	The first continuous casting mill in Japan started operation in Osaka Steel Works
1958	World Bank loan been approved for funding construction of Wakayama Steel Works
1959	Sumitomo Light Metal Industries, Ltd. been established (former Copper Rolling and Alminum Rolling Department)
1959	Central Research Laboratories been established <present Corporate Research and Development Laboratories>
1961	Sumitomo Precision Products Co., Ltd. been established (former Aircraft Instruments Department)
1961	Wakayama Steel Works' No.1 Blast Furnace blown in, to be an integrated steel works
1962	Manufactured and supplied experimental bogie trucks for the first Shinkansen (bullet train)
1962	Wakayama Steel Works' Hot Strip Mill started operation. Sumitomo Metal Industries, Ltd. entered into steel sheet business
1963	Sumitomo Special Metals Co., Ltd. been established (former Magnetic Steel and Electronic Parts Manufacturing Departments)
1963	Thai Steel Pipe Industry Co., Ltd. been established
1965	"The Sumitomo Metals Incident" occurred
1966	Started "No Error Activity" (renamed to "JK Activity" afterward)
1966	Kainan Steel Tube Co., Ltd. been established
1968	<Kashima Steel Works been established>
1969	Kashima Steel Works' Hot Strip Mill started operation
1969	Received an order for large-diameter welded pipes for Alaska Pipe Line
1971	Kashima Steel Works' No.1 Blast Furnace blown in
1974	Hasaki Research Center been established <present Corporate Research and Development Laboratories (Hasaki)>
1974	Kashima Steel Works' Large Welded Pipe Mill started operation

Year	Major Activities
1975	Developed the manufacturing method of high toughness steel plate for low-temperature service
1977	Engineering Division been established (Entered into engineering business)
1978	National Pipe Company Ltd. been established at Saudi Arabia
1979	Developed Bake Hard-steel sheet
1980	Merged with Kainan Steel Tube Co., Ltd. <Kainan Steel Tube Works been established>
1982	Titanium Operation Center been established
1984	Business Develop Center been established (Launched new businesses other than steel)
1988	Kainan Steel Tube Works integrated into Wakayama Steel Works
1989	Started commercial production of advanced stainless boiler tube for ultra-supercritical (USC) coal-fired thermal power plants
1990	International Crankshaft Inc. been established in USA
1990	Electronics Division been established
1991	Developed SM HI-DRAIN Pile
1992	Merged with Nippon Stainless Co., Ltd. <Naoetsu Steel Works been established> <Kashima Stainless Steel Works been established>
1993	Human Resources Development Center been established
1994	Kashima Stainless Steel Works been integrated into Kashima Steel Works
1995	Steel business divisions been reorganized by product type
1997	New Seamless pipe mill (The world's first piercing process with high toe-angle and high expansion) started operation in Wakayama Steel Works
1998	Merged with Sumitomo Sitix Corporation
1999	New Steel Making Plant (It achieves the world shortest blowing decarburization time of 9 minutes) started operation in Wakayama Steel Works
2000	Sumitomo Metals (Kokura), Ltd. been established (former Kokura Steel Works)
2000	Sumitomo Metals (Naoetsu), Ltd. been established (former Naoetsu Steel Works)
2001	Tokyo Head Office moved to Harumi, Chuo-ku
2002	The silicon wafer business transferred to Silicon United Manufacturing Corporation (Renamed to Sumitomo Mitsubishi Silicon Corporation)
2002	Internal Company System been introduced
2002	Announced alliances with Nippon Steel Corporation and Kobe Steel, Ltd.
2003	Nippon Steel & Sumikin Stainless Steel Corporation been established
2003	Sumikin Iron & Steel Corporation been established (Corporate split to establish a new company for Wakayama Steel Works' upstream operations)
2004	Kashima Steel Works' new No.1 Blast Furnace blown in
2007	Vallourec & Sumitomo Tubos do Brasil Ltda. (“VSB”: Integrated Steelworks to manufacture seamless pipes in Brazil) been established
2007	Recieved Okochi Memorial Foundation Grand Production Prize for development of new-generation technologies for the high quality, high efficiency and environment-friendly steelmaking process
2007	Sumitomo Metals Kashima Thermal Power Station started commercial operation
2008	Implemented corprate split of Titanium business and succeeded to Sumitomo Metals (Naoetsu), Ltd.
2009	Recieved Okochi Memorial Foundation Grand Production Prize for development of Advanced Stainless boiler tube for ultra-supercritical (USC) coal-fired thermal power plants
2009	Wakayama Steel Works' new No.1 Blast Furnace blown in
2011	Commenced the Consideration of Business Integration with Nippon Steel Corporation
2012	Seamless pipe joint venture VSB in Brazil held inauguration. Merged with Sumitomo Metals (Kokura), Ltd. and Sumitomo Metals (Naoetsu), Ltd. Integrate with Nippon Steel Corporation to become Nippon Steel & Sumitomo Metal Corporation (scheduled.)

3 Organization Chart and Executive Officers

(1) Organization

① Executive officers and organization chart (as of July 1st, 2012)

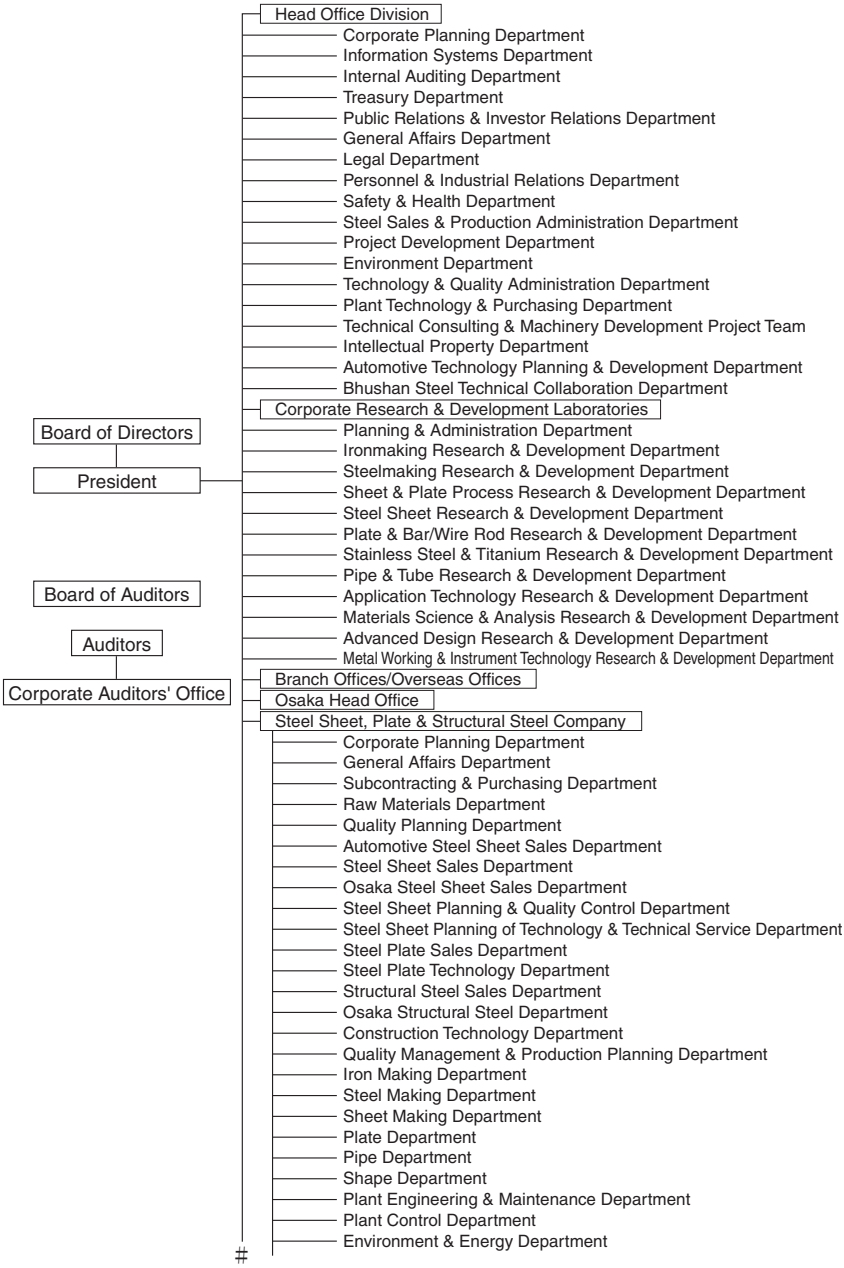


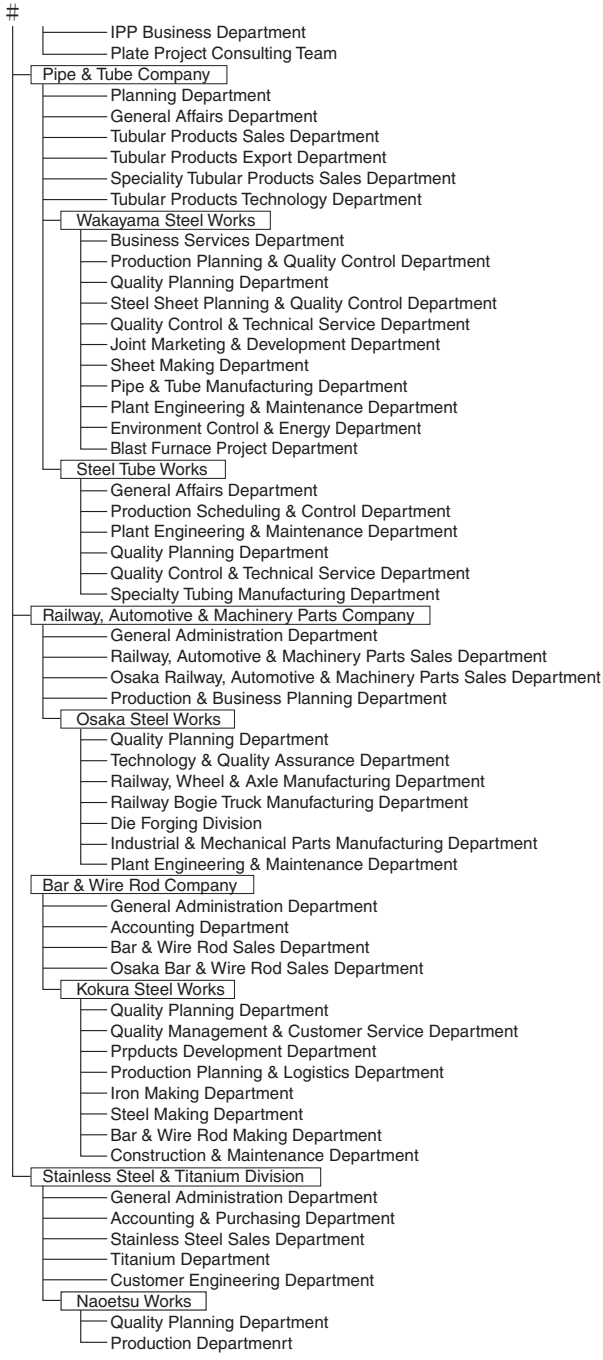
Executive Vice Presidents' Assignments

Each Executive Vice President	Assists the President
Fumio Hombe	Supervises the entirety of sales operations of each internal company.
Yasuyuki Tozaki	Comprehensively supervises technology and quality-related issues of each internal company and division. Cooperates with the Bhushan Steel Technical Collaboration Department and supports its operations.
Syuichiro Kozuka	Supervises special assignment related operations for business in the western region.

Shin Nishiura, Managing Executive Officer	Corporate Planning Department / Treasury Department
Kenji Takahashi, Managing Executive Officer	Information System Department
	Internal Audit Department / Public Relations & Investor relations Department
	General Affairs Department / Legal Department
Masato Matsuno, Managing Executive Officer	Personnel & Industrial Relations Department
	Safety & Health Department
	Osaka Head Office
Kenji Takahashi, Managing Executive Officer	Environment Department / Technology & Quality Administration Department / Intellectual Property Department, [In charge of Energy Technology]
Takashi Kosaka, Managing Executive Officer	Plant Technology & Purchasing Department / Technical Consulting & Machinery Development Project Team, [In charge of Plant Engineering & Process Control Technology]
Yutaka Akahane, Managing Executive Officer (General Manager of Corporate Research & Development Laboratories)	Corporate Research & Development Laboratories
	Automotive Technology Planning & Development Department
	Bhushan Steel Technical Collaboration Department
	Steel Sales & Production Administration Department
Kengo Shimizu, Managing Executive Officer	Project Development Department
	Branch Offices (Other than Nagoya Sales Office)
	Nagoya Sales Office
	Corporate Planning Department / General Affairs Department / Raw Materials Department
Katsuyoshi Iwata, Managing Executive Officer (General Manager of Kashima Steel Works)	Subcontracting & Purchasing Department / Steel Sheet Planning & Quality Control Department / Each Manufacturing Department / IPP Business Department
	Steel Sheet Planning of Technology & Technical Service Department / Steel Plate Technology Department / Construction Technology Department / Plate Project Consulting Team
Toshiyuki Kishibe, Managing Executive Officer	Automotive Steel Sheet Sales Department / Steel Sheet Sales Department / Osaka Steel Sheet Sales Department
Kengo Shimizu, Managing Executive Officer	Steel Plate Sales Department / Structural Steel Sales Department / Osaka Structural Steel Department
Toru Kaneko, Managing Executive Officer	[China Steel Sumikin Vietnam Joint Stock Company]
Hiroki Kawabata, Managing Executive Officer	Planning Department / Tubular Products Technology Department / Tubular Products Sales Department / Tubular Products Export Sales Department / Specialty Tubular Products Sales Department
	General Affairs Department
	Wakayama Steel Works
Ritsuya Iwai, Managing Executive Officer (General Manager of Steel Tube Works)	Steel Tube Works
	General Administration Department / Production Control Department Osaka Railway, Automotive & Machinery Parts Sales Department
Shinji Morinobu, Managing Executive Officer	<Railway, Automotive & Machinery Parts Sales Department /
Machi Nakata, Managing Executive Officer (General Manager of Osaka Steel Works)	Osaka Steel Works
	General Administration Department / Accounting Department / Bar & Wire Rod Sales Department / Osaka Bar & Wire Rod Sales Department
	Kokura Steel Works
Kanji Kasahara, Managing Executive Officer (Assistant General Manager of Stainless Steel and Titanium Division, General Manager of Naoetsu Works)	General Administration Department / Accounting & Purchasing Department / Stainless Steel Sales Department / Titanium Department / Customer Engineering Department
	Naoetsu Works
Machi Nakata, Managing Executive Officer (Assistant General Manager of Stainless Steel and Titanium Division)	
	Corporate Auditors' Office

② Organization chart (as of July 1st, 2012)

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IPP Business Department
Plate Project Consulting Team
Pipe & Tube Company
Planning Department
General Affairs Department
Tubular Products Sales Department
Tubular Products Export Department
Speciality Tubular Products Sales Department
Tubular Products Technology Department
Wakayama Steel Works
Business Services Department
Production Planning & Quality Control Department
Quality Planning Department
Steel Sheet Planning & Quality Control Department
Quality Control & Technical Service Department
Joint Marketing & Development Department
Sheet Making Department
Pipe & Tube Manufacturing Department
Plant Engineering & Maintenance Department
Environment Control & Energy Department
Blast Furnace Project Department
Steel Tube Works
General Affairs Department
Production Scheduling & Control Department
Plant Engineering & Maintenance Department
Quality Planning Department
Quality Control & Technical Service Department
Specialty Tubing Manufacturing Department
Railway, Automotive & Machinery Parts Company
General Administration Department
Railway, Automotive & Machinery Parts Sales Department
Osaka Railway, Automotive & Machinery Parts Sales Department
Production & Business Planning Department
Osaka Steel Works
Quality Planning Department
Technology & Quality Assurance Department
Railway, Wheel & Axle Manufacturing Department
Railway Bogie Truck Manufacturing Department
Die Forging Division
Industrial & Mechanical Parts Manufacturing Department
Plant Engineering & Maintenance Department
Bar & Wire Rod Company
General Administration Department
Accounting Department
Bar & Wire Rod Sales Department
Osaka Bar & Wire Rod Sales Department
Kokura Steel Works
Quality Planning Department
Quality Management & Customer Service Department
Prpducts Development Department
Production Planning & Logistics Department
Iron Making Department
Steel Making Department
Bar & Wire Rod Making Department
Construction & Maintenance Department
Stainless Steel & Titanium Division
General Administration Department
Accounting & Purchasing Department
Stainless Steel Sales Department
Titanium Department
Customer Engineering Department
Naoetsu Works
Quality Planning Department
Production Departmenrt

(2) Executive management

① Executive officers (as of end of June, 2012)

Titles Name	Date of birth	Education	Graduation year Employment year	Post
President (Representative Director) **Hiroshi Tomono**	Jul.13, 1945	Kyoto Univ. (Engineering) Kyoto Univ. Graduate School Swiss Federal Institute of Technology (acquired doctor of engineering)	1971 1971	1996 Assistant General Manager (Kashima) 1998 Director, General Manager of Electronics Components Division 1999 Managing Executive Officer, General Manager of Electronics Division 2001 Managing Executive Officer, General Manager (Kashima) 2003 Director, Senior Managing Executive Officer, President of Steel Sheet, Plate, Titanium & Structural Steel Company 2005 Representative Director, President 2008 Representative Director, President, General Manager of Titanium Division 2009 Representative Director, President to present
Executive Vice President (Representative Director) **Fumio Hombe**	Nov.29, 1946	Kyoto Univ. (Economics)	1970 1970	1999 General Manager of Steel Sheet Sales Department 2001 Managing Executive Officer 2003 Director, Senior Managing Executive Officer 2005 Representative Director, Executive Vice President to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Executive Vice President (Director) **Yasuyuki Tozaki**	Jul.25, 1946	Tohoku Univ. (Engineering) Tohoku Univ. Graduate School	1971 1971	1998 General Manager of Iron & Steel Making Technology Department 1999 Managing Executive Officer, General Manager of Corporate Research & Development Laboratories 2001 Managing Executive Officer, General Manager of Corporate Research & Development Laboratories, General Manager of Center of Application Technology for Customers 2003 Senior Managing Executive Officer, General Manager of Corporate Research & Development Laboratories, General Manager of Center of Application Technology for Customers 2005 Director, Executive Vice President 2009 Director, Executive Vice President, General Manager of Titanium Division 2012 Director, Executive Vice President, General Manager of Stainless Steel & Titanium Division to present
Executive Vice President (Director) **Syuichiro Kozuka**	Nov.13, 1948	Kyoto Univ. (Economics)	1972 1972	1999 General Manager of Personnel & Industrial Relations Department 2002 Managing Executive Officer, General Manager of General Affairs Department, General Manager of Personnel & Industrial Relations Department 2003 Managing Executive Officer 2005 Director, Managing Executive Officer 2006 Director, Senior Managing Executive Officer 2009 Director, Executive Vice President, General Manager of Osaka Head Office 2011 Director, Executive Vice President, General Manager of Osaka Head Office, President of Pipe & Tube Company to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Senior Managing Executive Officer (Director) **Yoshitaka Hotta**	Dec.3, 1950	Waseda Univ. (Law)	1974 1974	2002 General Manager of Personnel & Industrial Relations Department 2006 Managing Executive Officer, General Manager of Personnel & Industrial Relations Department 2009 Managing Executive Officer 2010 Director, Senior Managing Executive Officer to present
Senior Managing Executive Officer (Director) **Kiyotaka Nogi**	Sep.23, 1952	Kyoto Univ. (Engineering) Kyoto Univ. Graduate School	1977 1977	2003 General Manager (Osaka Steel), Railway Automotive Machinery Parts Company 2007 Managing Executive Officer, General Manager (Osaka Steel), Railway Automotive Machinery Parts Company 2009 Managing Executive Officer, General Manager (Osaka Steel), Railway Automotive Machinery Parts Company, Assistant General Manager of Titanium Division 2011 Director, Senior Managing Executive Officer, President of Railway Automotive Machinery Parts Company to present
Senior Managing Executive Officer (Director) **Shinya Okuda**	Jul.26, 1952	Tokyo Univ. (Economics)	1976 2008	1976 Entered Ministry of International Trade and Industry (MITI) 2005 Director - General for Regional Economic and Industry Policy, METI 2006 Secretary General, Japan Textile Federation Vice President & Director General, Japan Chemical Fibers Association 2007 Senior Managing Director, Kansai Economic Federation 2008 Managing Executive Officer, Sumitomo Metal Industries, Ltd. 2011 Director, Senior Managing Executive Officer, General Manager of Nagoya Sales Office to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Senior Managing Executive Officer (Director) **Kinya Yanagawa**	Oct.3, 1952	Tohoku Univ. (Engineering) Tohoku Univ. Graduate School	1978 1978	2005 Assistant General Manager (Kashima), Steel Sheet Plate, Titanium & Structural Steel Company 2007 Managing Executive Officer, Assistant General Manager (Kashima), Steel Sheet Plate, Titanium & Structural Steel Company 2009 Managing Executive Officer, General Manager (Kashima), Steel Sheet Plate & Structural Steel Company 2011 Senior Managing Executive Officer, General Manager (Kashima), Steel Sheet Plate & Structural Steel Company 2012 Director, Senior Managing Executive Officer, President of Steel Sheet, Plate & Structural Steel Company to present
Senior Managing Executive Officer **Takahisa Miyake**	Nov.30, 1954	Tokyo Univ. (Engineering) Tokyo Univ. Graduate School	1979 1979	2006 General Manager of Technology Administration & Planning Department 2008 Managing Executive Officer, General Manager of Corporate Research & Development Laboratories, General Manager of Center of Application Technology for Customers 2009 Managing Executive Officer, General Manager of Corporate Research & Development Laboratories 2010 Managing Executive Officer, General Manager (Wakayama), Pipe & Tube Company 2012 Senior Managing Executive Officer, General Manager (Wakayama), Pipe & Tube Company to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Managing Executive Officer **Takashi Kosaka**	Apr.8, 1952	Chiba Institute of Technology (Mechanical Engineering)	1975 1975	2008 General Manager of Plant Engineering & Process Control Department 2009 Managing Executive Officer 2010 Managing Executive Officer, General Manager of Plant Technology & Purchasing Department to present
Managing Executive Officer **Shinji Morinobu**	Sep.8, 1953	Kyoto Univ. (Economics)	1977 1977	2005 General Manager of Railway, Automotive & Machinery Parts Sales Department, Railway Automotive Machinery Parts Company 2009 Managing Executive Officer, General Manager of Railway, Automotive & Machinery Parts Sales Department, Railway Automotive Machinery Parts Company 2010 Managing Executive Officer to present
Managing Executive Officer **Hidemasa Nakajima**	Jun.3, 1954	Tokyo Univ. (Engineering)	1977 1977	2008 General Manager of Technology & Quality Administration Department 2009 Managing Executive Officer, General Manager of Technology & Quality Administration Department 2012 Managing Executive Officer, President of Bar & Wire Rod Company, General Manager (Kokura) to present
Managing Executive Officer **Katsuyoshi Iwata**	May.22, 1955	Nagoya Univ. (Engineering) Nagoya Univ. Graduate School	1980 1980	2008 Assistant General Manager (Kashima), Steel Sheet, Plate & Structural Steel Company 2009 Managing Executive Officer, Assistant General Manager (Kashima), Steel Sheet, Plate & Structural Steel Company 2012 Managing Executive Officer, General Manager (Kashima) to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Managing Executive Officer **Yutaka Akahane**	Dec.23, 1955	Tohoku Univ. (Engineering) Tohoku Univ. Graduate School	1980 1980	2008 Assistant General Manager (Wakayama), Pipe & Tube Company 2010 Managing Executive Officer, General Manager of Corporate Research & Development Laboratories to present
Managing Executive Officer **Kenji Takahashi**	Jul.1, 1955	Tokyo Univ. (Engineering) Tokyo Univ. Graduate School	1981 1981	2008 General Manager of Corporate Planning Department 2010 Managing Executive Officer 2012 Managing Excutive Officer, General Manager of Technology & Quality Administration Department to present
Managing Executive Officer **Kengo Shimizu**	Jun.19, 1956	Keio Univ. (Business & Commerce)	1979 1979	2004 Genaral Manager of Steel Plate Sales Department, Steel Sheet, Plate & Structural Steel Company 2010 Managing Executive Officer, Genaral Manager of Steel Plate Sales Department, Steel Sheet, Plate & Structural Steel Company 2011 Managing Executive Officer to present
Managing Executive Officer **Ritsuya Iwai**	Sep.16, 1956	Kyoto Univ. (Engineering) Kyoto Univ. Graduate School	1981 1981	2007 Assistant General Manager (Wakayama), Pipe & Tube Company 2010 Managing Executive Officer 2012 Managing Executive Officer, General Manager (Steel Tube) to present
Managing Executive Officer **Machi Nakata**	May.19, 1956	Kyoto Univ. (Engineering) Kyoto Univ. Graduate School	1981 1981	2009 Railway Automotive Machinery Parts Company, General Manager of Quality Planning Department 2011 Managing Executive Officer, General Manager (Osaka Steel), Railway Automotive Machinery Parts Company, Assistant General Manager of Titanium Division 2012 Managing Executive Officer, General Manager (Osaka Steel), Railway Automotive Machinery Parts Company, Assistant General Manager of Stainless Steel & Titanium Division to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Managing Executive Officer **Hiroki Kawabata**	Aug.12, 1955	Kyoto Univ. (Engineering) Tokyo Univ. Graduate School	1982 1982	2010 Assistant General Manager (Wakayama), General Manager of Quality Planning Department, General Manager of Business Operations and Architecture Department (Brazil Steel Works Project), Pipe & Tube Company 2011 Managing Executive Officer, General Manager of Business Operations and Architecture Department (Brazil Steel Works Project), Pipe & Tube Company 2012 Managing Executive Officer to present
Managing Executive Officer **Toshiyuki Kishibe**	Oct. 26, 1956	Tokyo Univ. (Law)	1980 1980	2004 Genaral Manager of Automotive Steel Sheet Sales Department, Steel Sheet, Plate & Structural Steel Company 2011 Managing Executive Officer, Genaral Manager of Automotive Steel Sheet Sales Department, Steel Sheet, Plate & Structural Steel Company to present
Managing Executive Officer **Toru Kaneko**	Dec.23, 1956	Tokyo Univ. (Engineering) Tokyo Univ. Graduate School	1982 1982	2008 General Manager of Vietnam Project Team, Steel Sheet, Plate & Structural Steel Company 2009 Vice President of China Steel Sumikin Vietnam Joint Stock Company 2011 Managing Executive Officer to present
Managing Executive Officer **Kanji Kasahara**	Apr.28, 1948	Shinshu Univ. (Engineering)	1971 1971	1971 Joined Nippon Stainless Steel Co., Ltd. 2008 President of Sumitomo Metals (Kokura), Ltd. 2012 Managing Executive Officer, Assistant General Manager of Stainless Steel & Titanium Division, General Manager (Naoetsu) to present

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Managing Executive Officer **Masato Matsuno**	May 29, 1957	Tokyo Univ. (Economics)	1981 1981	2006 General Manager of General Affairs Department 2009 General Manager of Personnel & Industrial Relations Department 2012 Managing Executive Officer, General Manager of Personnel & Industrial Relations Department to present
Managing Executive Officer **Shin Nishiura**	Jun.26, 1958	Hitotsubashi Univ. (Law)	1981 1981	2007 General Manager of Treasury department 2010 General Manager of Corporate Planning Department 2012 Managing Executive Officer, General Manager of Corporate Planning Department to present
Standing Corporate Auditor **Kitaro Yoshida**	Jun.16, 1949	Tokyo Univ. (Economics)	1971 1971	2002 President of Sumitomo Metals (Kokura), Ltd. 2008 Standing Corporate Auditor to present
Standing Corporate Auditor **Hirohiko Minato**	Mar.9, 1956	Keio Univ. (Law)	1978 1978	2006 Assistant General Manager (Kashima), General Manager of General Affairs Department, Steel Sheet, Plate & Structural Steel Company 2010 Standing Corporate Auditor to present
Corporate Auditor **Keiichi Murakami**	Jan.4, 1940	Kyoto Univ. (Law)	1964 2006	1966 Assistant judge of Tokyo District Court 2000 Presiding judge of Tokyo High Court 2005 Retired 2005 Lawyer (Present Position) 2006 Distingushed visiting professor of Doshisha University Law School (Present Position) 2006 Corporate Auditor 2006 Distingushed visiting professor of Doshisha University Law School, Corporate Auditor (Present Position) 2010 Non-regular employee lecturer of Doshisha University Law School 2011 Visiting professor of Doshisha University Law School (Present Position)

Titles Name	Date of birth	Education	Graduation year Employment year	Post
Corporate Auditor **Toshiro Mutoh**	Jul.2, 1943	Tokyo Univ. (Law)	1966 2009	1966 Entered Ministry of Finance (MOF) 2000 Administrative Vice Minister, MOF 2003 Resigned from MOF 2003 Deputy Governer, Bank of Japan 2008 Visiting professor of Research Center for Advanced Science and Technology, The University of Tokyo (Present Position) 2008 Chairman of the Institute, Daiwa Institute of Research Ltd. (Present Position) 2009 Corporate Auditor (Present Position) 2010 Outside Director of Mitsui& Co., Ltd. (Present Position)
Corporate Auditor **Hirotake Abe**	Nov.13, 1944	Chuo Univ. (Commerce)	1968 2010	1970 Entered Tohmatsu Awoki & Co. (Now: Deloitte Touche Tohmatsu LLC) 1974 Registered as a Certified Public Accountant 2001 CEO of Tohmatsu & Co. 2004 Executive Member of Deloitte Touche Tohmatsu (a Swiss Verein) 2009 Resigned from Deloitte Touche Tohmatsu LLC 2010 Established the Certified Public Accountant Hirotake Abe Office 2010 Corporate Auditor (Present Position) Outside Corporate Auditor of ITC Networks Corporation (Present Position) Visiting professor of Chuo Graduate School of International Accounting 2011 Outside Corporate Auditor of Honda Motor Co.,Ltd. (Present Position)

★ The Titles described above indicate those at Sumitomo Metals unless named otherwise

② Changes in the number of officers

	October 1998	July 1999	July 2008	July 2009	July 2010	June 2011	June 2012
Directors	38	10	10	10	10	10	8
Auditors	4	4	5	5	5	5	5
Total	42	14	15	15	15	10	13
Executive Officers	—	29	26	27	28	30	24

③ The executive officer system

1) Purpose of introduction (June 1999)

The executive officer system has been introduced to reform our company's business structure so that it can respond quickly to the changes in the business environment. Details are as follows:

- ○ Reinforce the board of directors' decision-making functions and expedite the process by reducing the number of directors.
- ○ Strengthen each operation's business execution system including those at our group companies (clarify missions and responsibilities).
- ○ Clarify a business decision-making process by reviewing the Executive Management Meeting system.

2) Executive officers' posts

The positions of executive officers are established. They are the chairman, the president, executive vice presidents, senior managing executive officers, and managing executive officers.

④ Successive chairmen and presidents

Tenure	Chairman	Vice-chairman	President
July 1949			Hisakazu Hirota (July 1949 - Nov. 1962)
Nov. 1962	Hisakazu Hirota (Nov. 1962 - May 1973)		Hosai Hyuga (Nov. 1962 - Nov. 1974)
Nov. 1974	Hosai Hyuga (Nov. 1974 - June 1986)		Noboru Inui (Nov. 1974 - June 1978)
Jun. 1978			Yoshifumi Kumagai (June 1978 - June 1986)
Jun. 1986	Yoshifumi Kumagai (June 1986 - June 1988)		Yasuo Shingu (June 1986 - June 1992)
Jun. 1992	Yasuo Shingu (June 1992 - June 1998)		Tameaki Nakamura (June 1992- June 1996)
Jun. 1996		Tameaki Nakamura (June 1996- June 1998)	Matao Kojima (June 1996 - June 2000)
Oct. 1998	Reijiro Mori (Oct. 1998 - June 2000)		
Jun. 2000	Matao Kojima (June 2000 - June 2001)		Hiroshi Shimozuma (June 2000 - June 2005)
Jun. 2005	Hiroshi Shimozuma (June 2005 - June 2012)		Hiroshi Tomono (June 2005 -)

<Reference>

Hisakazu Hirota	President (July 1949 - Nov. 1962), Chairman (Nov. 1962 - May 1973)
Hosai Hyuga	President (Nov. 1962 - Nov. 1974), Chairman (Nov. 1974 - June 1986), Honorary Chairman and Director (June 1986 - June 1988)
Noboru Inui	President (Nov. 1974 - June 1978), Director and Advisor (June 1978 - June 1981)
Yoshifumi Kumagai	President (June 1978 - June 1986), Chairman (June 1986 - June 1988)
Yasuo Shingu	President (June 1986 - June 1992), Chairman (June 1992 - June 1998)
Tameaki Nakamura	President (June 1992- June 1996), Vice Chairman (June 1996- June 1998)
Matao Kojima	President (June 1996 - June 2000), Chairman (June 2000 - June 2001)
Reijiro Mori	Chairman (Oct. 1998 - June 2000), Director and Advisor (June 2000 - June 2001)
Hiroshi Shimozuma	President (June 2000 - June 2005), Chairman (June 2005 - June 2012)
Hiroshi Tomono	President (June 2005 -)

4 Business Plan

(1) Management Policy and Direction

Feature1:

By integrating with Nippon Steel, we aim to become "the Best Steelmaker"

Our major initiatives is to establish a global supply system (with global production capacity of 60-70 million tons), utilize world-leading advanced technologies, improve cost competitiveness with synergies of 150 billion yen a year, and reinforce non-steel business segments.

Corporate Profile

Company Name	NIPPON STEEL & SUMITOMO METAL CORPORATION
Head Office	Chiyoda-ku, Tokyo, Japan
Leadership	Chairman and CEO : Shoji Muneoka President and COO : Hiroshi Tomono
Date of Integration	October 1, 2012 (scheduled)
Share Exchange Ratio	Nippon Steel : 1, Sumitomo Metals : 0.735 (0.735 shares of common stock of Nippon Steel will be allotted for each share of common stock of Sumitomo Metals.)
Stock Listings	Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo

Integrated Company's Organizational Operation

1. Organizational operation of consolidated management

The integrated company will be a business holding company which comprises five businesses: steel, engineering, chemicals, new materials, and system solutions.

2. Organizational operation within the steel business

(1) The Integrated Company will have product-based units. It will operate through these product-based units including its group companies to swiftly formulate and implement strategies for each product unit, where cooperation of manufacturing, sales and technology forces is essential.

(2) Each steelworks will secure a supply system best suited to each area and customer, and will reinforce and improve the efficiency of coordination among steelworks.

(3) The R&D division will accelerate and improve development operations and pursue efficient R&D by integrating the operations of both companies.

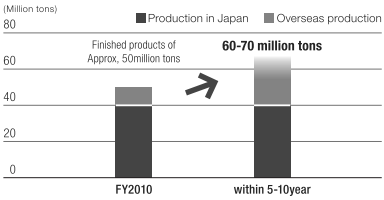
(4) The head office will be efficient where human resources efficiency will be pursued.

Integrated Company's Management Policy

Nippon Steel & Sumitomo Metal aims to become "the Best Steelmaker" at an early stage after the establishment by strongly advancing the following four initiatives.

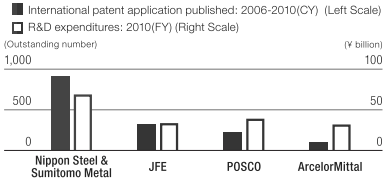
1 Globalizing the steel business

Worldwide demand for steel will increase. Nippon Steel & Sumitomo Metal will strengthen its capability to provide solutions to customers worldwide and expand overseas manufacturing and processing bases, particularly in the growing sectors such as automotive, environment and resources/energy sectors. Nippon Steel & Sumitomo Metal aims to achieve global production of 60 to 70 million tons.



2 Utilizing advanced technologies

The integrated company will further improve its world-leading technologies by aggregating technological strengths of Nippon Steel and Sumitomo Metals. There is still a huge frontier of potential for steel to perform better as a physical element. Nippon Steel & Sumitomo Metal will lead the world in product development with a focus on growing sectors and development of manufacturing technology including innovative production processes with the goal of "maximizing the potential of steel as material."



3 Improving cost competitiveness

The integrated company aims to realize synergies of around 150 billion yen per year within approximately three years after the establishment. Nippon Steel and Sumitomo Metals will endeavour to increase the above target synergies amount and to achieve the synergies at an early stage. In addition, Nippon Steel & Sumitomo Metal will continue to make further efforts to reduce costs to attain cost competitiveness which enables itself to compete more effectively on a global basis.

Main measures		Amount of synergies per annum (approx.)
Technology/ R&D	1. Improving development speed and quality by consolidation in technology and R&D 2. Pursuing the best practices for operational and manufacturing technologies (top-runner technologies/know-how)	40 billion yen
Production/ Sale	1. Improving productivity by optimal allocation of tasks among production lines 2. Establishing an efficient production system and preventing redundant investments 3. Securing sufficient production of high-functioning products by mutually complementing bottleneck processes 4. Cooperation among steelworks (including raw material, coke, energy, maintenance, investment and workforce) 5. Integration and cooperation among group companies and improving efficiency on an integrated basis from upstream to downstream processes (including rolling, processing and logistics)	40 billion yen
Procurement	1. Reducing costs by improving efficiency in procurement and transport of raw materials 2. Reducing equipment cost, repair cost and material cost by standardizing equipment specifications and promoting efficiency in orders and contracts 3. Integration and cooperation among group companies (including raw materials, construction, repair and operations)	40 billion yen
Improvement in Efficiency of the Head Office, Divisions, etc.	1. Integrating and improving the efficiency of the head office and branches in and outside Japan, etc., and re-allocating human resources for overseas business development and other related activities 2. Reducing general administrative expenses 3. Reducing system development cost (including avoidance of redundant investments) 4. Adjusting redundant assets and inventory (including raw materials, finished products, semi-finished products and materials)	30 billion yen
Total		150 billion yen

4 Reinforcing non-steel business segments

Each business segment of the engineering, chemicals, new materials and system solutions will seek greater inter-business synergies with the steel business, thus contributing to improvement in the consolidated profits of the integrated company.

By promoting the four initiatives above, Nippon Steel & Sumitomo Metal will respond to changes in the management environment and will secure "world top-level profitability" at any time, and will aim to increase its corporate value and to improve the evaluation by shareholders and capital markets. Nippon Steel & Sumitomo Metal plans to announce promptly after its establishment its medium-term management goals and major measurement policy.

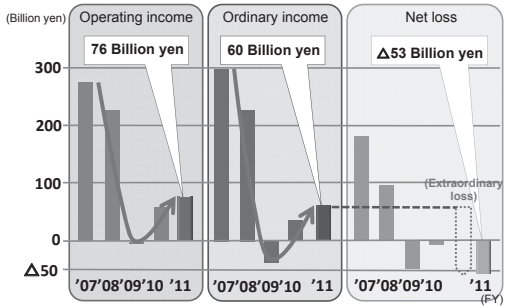
NIPPON STEEL & SUMITOMO METAL 新日鐵住金

Logo of the Integrated Company

The triangle in the logo with dark blue represents a blast furnace and the people who create steel. It reflects the fact that steel, indispensable for civilization, brightens the world. The center point can be viewed as a peak, which represents the best steelmaker. It can be also viewed as the destination of a road, which represents the unlimited future of steel as a material. The blue color represents leading technology and reliability.

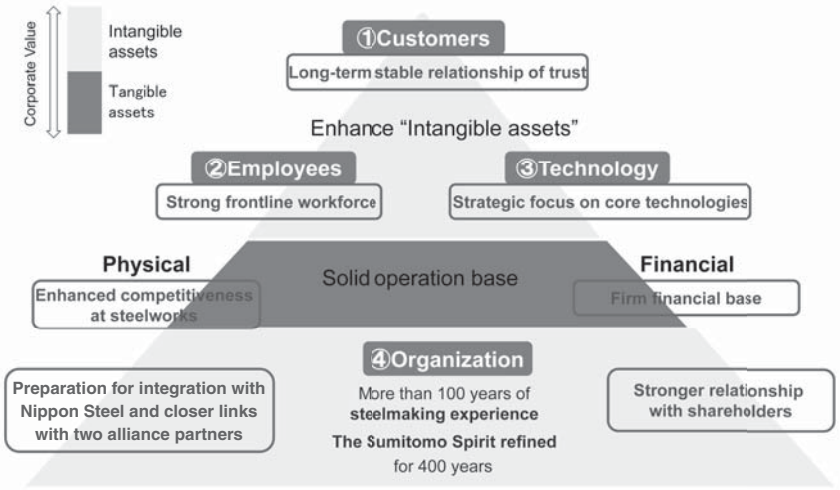
(2) Business Results of FY2011

We have improved operating income and ordinary income for two consecutive years. Nevertheless, we recorded a net loss of ¥53.7 billion due to extraordinary losses which include losses on the revaluation of investment securities.



(3) Strategies to Create Corporate Value

We aim for sustained growth by enhancing intangible assets that include customers assets, technology assets, human assets and organizational assets, in order to increase corporate value.



① Customers Assets

Evaluations from customers and relationships of trust with customers are the most valuable assets for our group.


Toyota Motor Kyushu, Inc.
"Lexus Quality Award"


Panasonic Corporation
"ECO-VC Award"


Exxon Mobil Corporation
"Shield of Appreciation"


Toyota Motor Corporation
"Letter of Appreciation"

② Human Assets

We put emphasis on raising work force who can perform on global stage to accelerate our global strategy.

③ Technology Assets

We focus on developing application technologies which will be evaluated by customers, and concentrate our resources on selected fields.

Focus on developing application technologies


For Automobile

Concentrate resources on selected fields


For Energy Development

In 2011 we acquired Standard Steel, LLC, the leading manufacturer of railway wheels and axles in the U.S. We plan to transfer our human resources and certain technologies, aiming to expand sales in overseas growth markets.

Our Corporate Research & Development Laboratories opened a new research building and a new laboratory in October 2011. Researchers of various fields closely work in the new building, 2nd to 4th floor being a pillar-free open space office as wide as a soccer ground in total. This should facilitate communication and exchange among researchers and speed up their technological and product development.

(4) Major Announcements Regarding Business Integration with Nippon Steel Corporation

① Execution of Final Agreement regarding the business integration (April 27,2012)

April 27, 2012
Nippon Steel Corporation
Sumitomo Metal Industries, Ltd.

Execution of Final Agreement regarding Business Integration between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd.

Nippon Steel Corporation (President: Shoji Muneoka; "Nippon Steel") and Sumitomo Metal Industries, Ltd. (President: Hiroshi Tomono; "Sumitomo Metals") (collectively, the "Companies") executed a Master Integration Agreement in September 2011. Subsequently, the Companies continued to have discussions on various occasions including the Integration Preparation Committee meetings, which are co-chaired by the Presidents of both companies. The Companies hereby announce that they have reached a final agreement to integrate their businesses on October 1 of this year using a two-step legal procedure, consisting of a share exchange followed by an absorption-type merger on the same day (please refer to 2.(1) below for details) and that the Companies have executed a share exchange agreement and a merger agreement after approval at a meeting of the board of directors of each company held today.

The share exchange and the absorption-type merger (collectively, the "Business Integration") mentioned above are expected to be conducted after the share exchange agreement and the merger agreement are approved at the annual shareholders' meeting to be held by each company, scheduled on June 26 of this year.

Presently, the Companies are further examining various measures for achieving the synergies resulting from the integration, the business plan of the integrated company ("Integrated Company") and other matters related to the Integrated Company. Hereafter, the Companies will endeavor to further expedite various preparations toward the integration and to achieve the management policies of the Integrated Company at an early stage by aggregating their resources.

The objectives of the Business Integration, outline of the Business Integration, outline of the Integrated Company, management policies of the Integrated Company and other matters are as follows:

Rule 802 Legend
(for those resident in the United States)

This exchange offer or business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its

officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgments.

You should be aware that the issuer may purchase securities otherwise than under the exchange offer, such as in the open market or privately negotiated purchases.

1. Objectives of the Business Integration

Through the Business Integration, the Companies will make a thorough effort to seek the "combination of their respective advanced management resources that each has built up and the consolidation of the superior areas of their respective businesses". In addition, the Companies will accelerate the implementation of business structure reform by such means as "pursuing greater efficiency in domestic production bases and expanding overseas businesses". Through realization of these objectives at an early stage, the Companies aim to be "the Best Steelmaker with World-Leading Capabilities," a company with higher standards in all areas including scale, cost, technology and customer service.

Through maximization of the potential of steel as a fundamental industrial material by utilizing worldleading technology and manufacturing know-how, the Integrated Company will support the development of customers in and outside Japan, as well as contribute to further growth of the Japanese and global economies and the improvement of global society.

2. Outline of the Business Integration

(1) Method of the Business Integration

The Business Integration will be conducted using the following two-step legal procedure,consisting of a share exchange followed by an absorption-type merger on the same day.

Step 1: Share Exchange

On October 1, 2012 (planned) (the "Integration Date"), the Companies will effect a share exchange pursuant to which Nippon Steel will acquire all of the issued shares of Sumitomo Metals and will deliver shares of Nippon Steel to each of the shareholders of Sumitomo Metals (excluding Nippon Steel) (the "Share Exchange"). Nippon Steel will thereupon become a wholly-owning parent company of Sumitomo Metals.

Step 2: Absorption-type Merger

On the Integration Date, the Companies will effect an absorption-type merger pursuant to which Nippon Steel will be the company surviving the absorption-type merger and Sumitomo Metals will be the company absorbed in the absorption-type merger subject to the effectuation of the Share Exchange (the "Merger").

With respect to the method of the Business Integration, as of September 22 of last year when the Master Integration Agreement was executed, it was contemplated that the Companies would effect an absorption-type merger without a share exchange process ("One-Step

Merger"). However, by taking into account the views of advisors regarding Australian tax and legal matters, the Companies agreed to change the method of the Business Integration to the two-step procedure as described above, which is lawful and valid under Japanese laws and regulations, in order to ensure that the roll-over relief under Australian tax law applies to some of the assets to be integrated.

This change in the method aims to implement the Business Integration without lowering the corporate value of Nippon Steel and Sumitomo Metals, and the Companies believe that this arrangement will serve the interests of all of the shareholders of the Companies. The company resulting from the Business Integration via the two-step procedure will not be different from that resulting from the originally-intended One-Step Merger.

Due to the change in the method, the Companies will submit additional application for merger review with some of the relevant authorities outside Japan, as necessary.

(2) Schedule of the Business Integration (the Share Exchange and the Merger)

- February 3, 2011 — Execution of the Memorandum Regarding Consideration of the Business Integration
- September 22, 2011 — Execution of the Master Integration Agreement
- April 27, 2012 — Execution of the Memorandum Regarding the Amendment of the Master Integration Agreement and Execution of the Share Exchange Agreement and the Merger Agreement (executed today)
- June 26, 2012 (planned) — Shareholders' meeting of each of the Companies to approve the Share Exchange Agreement, the Merger Agreement and other related matters
- October 1, 2012 (planned) — Effective date of Share Exchange and Merger (the date of integration)

(3) Allotment of shares under the Share Exchange

[Share Exchange Ratio (the ratio of the number of Nippon Steel shares to be delivered for each share of Sumitomo Metals)]

	Nippon Steel Corporation	Sumitomo Metal Industries, Ltd.
Share Exchange Ratio	1	0.735

(Note 1) The number of Nippon Steel shares expected to be delivered under the Share Exchange: 3,200,346,201 shares.

(Note 2) Under the Share Exchange, Nippon Steel shares will be delivered by allotment to each of the shareholders of Sumitomo Metals as at the time immediately before Nippon Steel acquires all of the issued shares of Sumitomo Metals by the Share Exchange at the ratio of 0.735 Nippon Steel shares to one Sumitomo Metals share held by such shareholders (the exchange ratio of the shares is the same as the share allotment ratio under the One-Step Merger agreed and determined on September 22, 2011 between Nippon Steel and Sumitomo Metals). However, no Nippon Steel shares will be allotted with respect to Sumitomo Metals shares held by Nippon Steel (451,761,720 shares as of

March 31, 2012).

(Note 3) To those shareholders of Sumitomo Metals who are to receive, as a result of the Share Exchange, an allotment of a fraction of less than one share of Nippon Steel, the amount equivalent to the value of such fraction will be paid in cash pursuant to the provisions of Article 234 of the Companies Act and other applicable laws and regulations.

(Note 4) There has been no substantive change in the descriptions of the basis for calculation of the merger ratio, process of calculation, relationship with financial advisors, prospects for delisting and reasons therefor (in accordance with the delisting standards of the relevant financial instruments exchanges where the shares of Sumitomo Metals are currently listed, shares of Sumitomo Metals are expected to be delisted as of September 26, 2012 from such financial instruments exchanges), measures to ensure fairness and measures to avoid conflicts of interest in Exhibit 1 of the press release on September 22, 2011 titled "Execution of Master Integration Agreement between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd." (The overview of the financial analyses by each of the respective financial advisors and written opinions described in the press release relate to a merger ratio based on the assumption that the Business Integration would take the form of the One-Step Merger).

(Note 5) As described in 2.(1) "Method of the Business Integration", although the Companies decided after September 22, 2011 to change the method of the Business Integration from the One-Step Merger to a two-step procedure whereby the Share Exchange will be followed by the Merger on the same day, the allocation ratio of Nippon Steel shares to be distributed in exchange for each share of Sumitomo Metals remains unaffected by such change. This is because their respective per share values and the corporate structure after the Business Integration will be the same regardless of whether the transaction takes the form of the One-Step Merger as originally intended, or a two-step procedure whereby the Share Exchange will be followed by the Merger on the same day. Each of the Companies has confirmed that no event has occurred since September 22, 2011 that would require the parties to reconsider the agreed allocation ratio of Nippon Steel shares to be distributed in exchange for each share of Sumitomo Metals, taking into consideration the respective parties' status after September 22, 2011 as well as advice from their respective financial advisors, which was based on publicly available information and other information that was provided by the parties to their respective financial advisors.

(4) Handling of share options and bonds with share options of Sumitomo Metals in connection with the Share Exchange Sumitomo Metals has not issued any share options or bonds with share options.

3. Status after the Share Exchange and the Merger (Outline of the Integrated Company, etc.)

(1)	Trade name	Shinnittetsu Sumikin Kabushiki Kaisha ("NIPPON STEEL & SUMITOMO METAL CORPORATION" in English)
(2)	Location of head office	Chiyoda-ku, Tokyo
(3)	Representatives (expected to assume the post)	Representative Director, Chairman and CEO: Shoji Muneoka Representative Director, President and COO: Hiroshi Tomono
(4)	Business	Steelmaking and steel fabrication (manufacture and sale of iron and steel), etc.
(5)	Stated capital	419.5 billion yen
(6)	Fiscal year end	March 31
(7)	Net assets	Not fixed
(8)	Total assets	Not fixed

Net assets, total assets and other matters will be announced later once they are finalized.

4. Management Policy

The Integrated Company will strongly advance the following four measures with the aim to become "the Best Steelmaker with World-Leading Capabilities" at an early stage after the Business Integration.

(1) Globalizing the steel business

The Integrated Company will establish a global network to supply a wide range of products, including flat products, bars and wire rods, pipes and tubes and plates in response to increasing worldwide demand for steel. In particular, with respect to the growing sectors such as automotive, environment and resources/energy sectors, the Integrated Company will focus on strengthening its capability to provide proposals to customers inside and outside Japan and on expanding overseas manufacturing and processing bases by aggregating the Companies' management resources.

The Integrated Company will aim to achieve 60 to 70 million metric tons in terms of global production capacity by further accelerating its overseas business development.

(2) Utilizing advanced technologies

Through integration of the Companies' manufacturing technology capability, product technology capability and R&D capability, the Integrated Company will further improve its world-leading technologies. In particular, through integration of the Companies' R&D divisions, the Integrated Company will establish an R&D system that is efficient in terms of both development speed and quality. By carrying out the above, the Integrated Company will lead the world in product development with a focus on growing sectors, development of manufacturing technology including innovative production processes, and the like, with the aim of "maximizing the potential of steel as material."

(3) Improving cost competitiveness

By implementing, inter alia, the following measures, the Integrated Company will aim to realize synergies of around 150 billion yen per year approximately three years after the

Business Integration. The Companies will endeavor to increase the above target synergies amount and to achieve the synergies at an early stage. In addition, the Integrated Company will continue to make further efforts to reduce costs, and establish cost competitiveness that will allow the Integrated Company to compete more effectively on a global basis.

<Reference: targeted synergies, such as cost reduction>

Main measures	Approximate amount of annual synergies
[Technology/R&D] 1. Improving development speed and quality by consolidation in technology and R&D - Strengthening development of high-functioning products in growing sectors and other sectors - Reducing costs by strengthening the development of manufacturing process technologies (including use of lower grade raw materials, and promotion of high efficiency in processes, such as blast furnace and coke oven processes) 2. Pursuing the best practices for operational and manufacturing technologies (top-runner technologies/know-how) - operational technologies, use of low-cost raw materials, yield rate, energy-saving, etc. in each process	40 billion yen
[Production/Sale] 1. Improving productivity by optimal allocation of tasks among production lines 2. Establishing an efficient production system and preventing redundant investments 3. Securing sufficient production of high-functioning products by mutually complementing bottleneck processes 4. Cooperation among steelworks (including raw material, coke, energy, maintenance, investment and workforce) 5. Integration and cooperation among group companies and improving efficiency on an integrated basis from upstream to downstream processes (including rolling, processing and logistics)	40 billion yen
[Procurement] 1. Reducing costs by improving efficiency in procurement and transport of raw materials 2. Reducing equipment cost, repair cost and material cost by standardizing equipment specifications and promoting efficiency in orders and contracts 3. Integration and cooperation among group companies (including raw materials, construction, repair and operations)	40 billion yen
[Improvement in Efficiency of the Head Office, Divisions, etc.] 1. Integrating and improving the efficiency of the head office and branches in and outside Japan, etc., and re-allocating human resources for overseas business development and other related activities 2. Reducing general administrative expenses 3. Reducing system development cost (including avoidance of redundant investments) 4. Adjusting redundant assets and inventory (including raw materials, finished products, semi-finished products and materials)	30 billion yen
Total	150 billion yen

(4) Reinforcing non-steel business segments

Each business segment of the engineering, chemicals, new materials and system solutions will aim to expand its business in growing sectors and to reinforce its financial structure essentially by seeking greater inter-business synergies with the steel business, thus contributing to improvement in the consolidated profits of the Integrated Company.

By promoting the measures above, the Integrated Company will respond to changes in the management environment and will secure "world top-level profitability" at any time; furthermore, it will realize a "strong financial structure." By carrying out the above, the Integrated Company will aim to increase its corporate value and to improve the evaluation by shareholders and capital markets.

Further, the medium-term management goals and major measurement policy of the Integrated Company will be announced promptly after the Business Integration.

5. Organizational Operation of the Integrated Company

(1) Organizational operation of consolidated management

The Integrated Company will be a business holding company, which comprises five businesses: the steelmaking and steel fabrication business (to be conducted by the Integrated Company itself), and the engineering, chemicals, new materials and system solutions businesses.

(2) Organizational operation within the steelmaking and steel fabrication business

The Integrated Company will quickly integrate the Companies' businesses, and will aim to realize the synergies at an early stage:

(i) The Integrated Company will have product based units: plate, flat products, bar and wire rod, construction products, pipe and tube, railway/automotive/machinery parts and titanium/specialty stainless steel. It will operate primarily through these product based units including its group companies to swiftly formulate and implement strategies for each product unit, where manufacturing, sales and technology forces are one unit.

(ii) Each steelworks will secure the supply system best suited to each area and customer, and will reinforce and improve efficiency of coordination among steelworks.

(iii) The R&D division will accelerate and improve the development and pursue efficient R&D by integrating the Companies' human resources and advanced R&D capabilities.

(iv) The organization of the head office will be an efficient division basis, where human resources efficiency will be pursued.

② Execution of Master Integration Agreement Regarding the business integration (September 22, 2011)

September 22, 2011
Nippon Steel Corporation
Sumitomo Metal Industries, Ltd.

Execution of Master Integration Agreement between
Nippon Steel Corporation and Sumitomo Metal Industries, Ltd.

Today, Nippon Steel Corporation (President: Shoji Muneoka; "Nippon Steel") and Sumitomo Metal Industries, Ltd. (President: Hiroshi Tomono; "Sumitomo Metals") (collectively, the "Companies") jointly announced that they have agreed to integrate their businesses (such integration referred to herein as the "Business Integration") on October 1, 2012, and have entered into a Master Integration Agreement, after due discussion by the Integration Study Committee co-chaired by the Presidents of both Companies, with the spirit of their relationship being based on equality, conducted since the Companies agreed to commence consideration of the Business Integration in February 2011. An outline of the Business Integration, the name of the integrated company to be established by the Business Integration ("Integrated Company"), and the management goals of the Integrated Company and other information are provided below.

The Business Integration is subject to, inter alia, the approval of the relevant authorities and shareholder approval at the respective shareholders meetings of the Companies.

1. Objectives of the Business Integration, etc.

(1) Objectives of the Business Integration

The Companies will, through the Business Integration, make a thorough effort to seek synergies by combining their respective advanced resources that each has built up, and by consolidating the superior areas of their respective businesses. In addition, the Companies will accelerate the implementation of business structure reform by such means as pursuing greater efficiency in domestic production bases and expanding overseas businesses. Through realization of these objectives at an early stage, the Companies aim to be "the Best Steelmaker with World-Leading Capabilities" by boosting competitiveness in all areas including scale, cost, technology and customer service.

Through maximization of the potential of steel as a fundamental industrial material by utilizing world-leading technology and manufacturing know-how, the Companies desire to support the development of customers in and outside Japan, as well as contribute to further growth of the Japanese and global economies and the improvement of global society.

Rule 802 Legend
(for those resident in the United States)

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comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgments.

You should be aware that the issuer may purchase securities otherwise than under the exchange offer, such as in the open market or privately negotiated purchases.

(2) Background of the Business Integration

The Companies have implemented various measures to strengthen each company's competitiveness since the execution of their alliance agreement in 2002. These measures have produced excellent results. Nevertheless, there have been substantial changes in the recent business environment surrounding the steel industry, such as those mentioned below:

(i) Expansion of steel demand all over the world, especially in emerging countries;

(ii) Increase in high-grade steel demand in energy and environment-related sectors, etc.;

(iii) Intensified competition due to commissioning of newly constructed steel mills in various countries including China and Korea;

(iv) Accelerating globalization in production and sale by steel consuming industries; and

(v) Escalating raw material prices and shortening of the pricing cycle.

In order to address such changes in the business environment, the Companies commenced consideration of the Business Integration in February 2011. Since then, changes in the operating environment for the steel business, such as the sharp appreciation of the Japanese yen, have been progressing at an even faster rate than expected. Accordingly, with the execution of the Master Integration Agreement at this time, the Companies will endeavor to further speed up the examination of specific integration measures, in order to realize the advantages of the integration at an early stage.

2. Outline of the Business Integration (method, etc.)

(1) Method of the Business Integration

The Business Integration will take the form of a merger, with Nippon Steel being the surviving company (the "Merger").

(2) Schedule of the Merger

·February 3, 2011	Execution of the Memorandum Regarding Consideration of the Business Integration
·September 22, 2011	Execution of the Master Integration Agreement (executed today)

・April 2012 (planned) Execution of a Merger Agreement

・June 2012 (planned) Shareholders meetings to approve the Merger Agreement

・October 1, 2012 (planned) Date of Merger (effective date)

(3) Allotment of shares under the Merger

1) Merger ratio (the ratio of the number of Nippon Steel shares to be delivered for each share of Sumitomo Metals):

	Nippon Steel Corporation	Sumitomo Metal Industries, Ltd.
Merger ratio	1	0.735

(Note 1) The number of Nippon Steel shares expected to be delivered under the Merger: 3,075,306,130 shares

(Note 2) Nippon Steel shares will be delivered by allotment to each of the shareholders of Sumitomo Metals as at the end of the day preceding the date of merger in the ratio of 0.735 Nippon Steel shares to one Sumitomo Metals share. However, no shares will be allotted as a result of the Merger with respect to shares of Sumitomo Metals held by Nippon Steel (451,761,720 shares as of March 31, 2011) and treasury stock held by Sumitomo Metals (170,122,545 shares as of March 31, 2011).

(Note 3) To those shareholders of Sumitomo Metals who are to receive, as a result of the Merger, an allotment of a fraction of less than one share of Nippon Steel, the amount equivalent to the value of such fraction will be paid in cash, pursuant to the provisions of Article 234 of the Companies Act and other applicable laws and regulations.

2) Basis for calculation of the merger ratio, etc.:

Please refer to the "Basis of Calculation and Other Matters Related to the Merger Ratio" attached hereto as Exhibit 1.

(4) Handling of share options and bonds with share options of Sumitomo Metals in connection with the Merger

Sumitomo Metals has not issued any share options or bonds with share options.

3. Outline of the Parties to the Merger

Please refer to the "Outline of the Companies" attached hereto as Exhibit 2.

4. Status after the Merger (Outline of the Integrated Company, etc.)

(1) Trade name
Shinnittetsu Sumikin Kabushiki Kaisha ("Nippon Steel & Sumitomo Metal Corporation" in English)

(2) Location of head office
Chiyoda-ku, Tokyo

(3) Business
Steelmaking and steel fabrication (manufacture and sale of iron and steel), etc.

(4) Fiscal year end
March 31 (planned)

Representative, stated capital, net assets, total assets and other matters will be determined later through consultation between the Companies. The Companies will announce such details once they are finalized.

5. Management Goals

(1) Goals

The Integrated Company will strongly advance the following six items, with the aim to be "the Best Steelmaker with World-Leading Capabilities", at an early stage after the Business Integration.

1) Globalizing the steel business

The Integrated Company will establish a global network for supplying a wide range of product types with a focus on high-grade steel, in response to increasing worldwide demand for steel and the local procurement needs of Japanese steel consumers operating overseas, by such means as re-organizing and reinforcing existing overseas manufacturing bases of the Companies and promptly realizing new projects which are under consideration by the respective Companies by consolidating them and concentrating human resources on such projects.

(i) Re-organization and expansion of existing manufacturing, processing, and sales bases of the Companies in, among others, emerging countries such as China, Southeast Asian countries, Brazil, and India;

(ii) Reinforcement of existing overseas manufacturing and sales operations, including integrated manufacturing operations (ironmaking, steelmaking and rolling), and establishment of new such operations (in Asia and the Americas, for example); and

(iii) Improvement in capability to provide comprehensive proposals and services to customers by combining and complementing the product types in which each of the Companies has expertise:

· Combining steel sheets, steel pipes, steel bars and wire rods, and crankshafts, etc. in the automotive sector;

· Strengthening capability to provide high-grade steel such as steel pipes and steel sheets and plates in the resources/energy sector; and

· Enhancing capability to provide comprehensive proposals regarding rails (Nippon Steel) and wheels (Sumitomo Metals) in response to the increasing demand for rail transport infrastructure.

The Integrated Company will aim to achieve 60 to 70 million tons in terms of global production capacity by further accelerating its overseas business development.

2) Utilizing the world's leading technologies

Through integration of the Companies' manufacturing technology capability, product technology capability, and R&D capability, the Integrated Company will lead the world in advanced technology and energy efficiency. By maximizing the potential of steel, the Integrated Company will also respond to the increasingly sophisticated needs of customers.

(i) Increasing sophistication of, efficiency in, and speeding up of R&D by integration of research organizations;

(ii) Reinforcement of capability to make proposals tailored to customers' needs;

(iii) Development of new manufacturing technologies including innovative production processes;

(iv) Taking a leadership role with respect to energy-saving technology, CO2 emission-reducing technology and other technologies for addressing global environment issues; and

(v) Development of technologies for using raw materials which are showing downward trends in quality.

3) Improving cost competitiveness

By implementing, inter alia, the following measures, the Integrated Company will aim to realize synergies resulting from the integration of around 150 billion yen per year starting approximately three years after the Business Integration; the Companies will endeavor to increase the above target synergies. In addition, the Companies will continue to make further efforts to reduce costs, and establish cost competitiveness that will allow the Integrated Company to compete more effectively on a global basis.

(i) Cost cutting by sharing best practices for operational and manufacturing technologies;

(ii) Improvement in production efficiency by integrating the manufacturing process;

(iii) Improvement in productivity by optimal allocation of tasks among production lines;

(iv) Strengthening of ties among steel mills;
e.g.: Kanto district (Kashima, Kimitsu), Kansai to Chubu district (Wakayama, Sakai, Hirohata, Nagoya), Kyushu district (Yawata, Kokura, Oita)

(v) Improvement in efficiency in procurement and transport of raw materials;

(vi) Reduction of equipment cost, repair cost and material cost by standardizing equipment specifications, etc.;

(vii) Compression of redundant assets;

(viii) Unification of financing and improvement of capital management in relation to the Integrated Company and its subsidiaries;

(ix) Improvement of efficiency with respect to its domestic and overseas group companies; and

(x) Improvement of efficiency in administrative/back-office functions and utilizing

human resources for overseas development, etc.

4) Reinforcing non-steel business segments

With respect to non-steel business segments such as engineering, urban development, chemicals, new materials and system solutions, the Companies will also consider business integration to reinforce each business. In addition, the Integrated Company will strengthen its capabilities to offer comprehensive proposals to customers, by improving synergy among its businesses while maintaining the steel business as its core business.

5) Maximizing corporate value and improving evaluations from shareholders and capital markets

By implementing the foregoing measures, the Integrated Company will, with a view to increasing its profits and cash flows, pursue greater competitiveness of its domestic manufacturing bases while also devoting management resources to overseas

businesses. With these efforts, the Integrated Company will seek to obtain even higher evaluations from shareholders and capital markets.

6) Aggregating resources

All the employees will work together as a team towards realizing the above goals at an early stage. Further, the Integrated Company will share its strategies with its group companies, as well as cooperate with partner contracting companies, while also pursuing harmonization with local communities, etc.

(2) Operation of the Integrated Company

1) Consolidated management system

The Integrated Company will be a business holding company, which engages in the steelmaking and steel fabrication business and also conducts businesses through companies held by it.

2) Operation of steelmaking and steel fabrication business

(i) The Integrated Company will further strengthen its operations, the cornerstone of which will be its divisionally integrated operating system, and will more speedily formulate and implement strategies for each product type to respond to the changing business environment and customer needs.

(ii) The Integrated Company will reinforce ties among steel mills to implement more efficient operations.

e.g.: Kanto district (Kashima, Kimitsu), Kansai to Chubu district (Wakayama, Sakai, Hirohata, Nagoya), Kyushu district (Yawata, Kokura, Oita)

(iii) The Integrated Company will maintain and reinforce its strategic alliance relationships with domestic and overseas business partners, and promote specific alliance projects, dealing flexibly with future changes in the business environment.

(3) Synergies

By improving cost competitiveness and expanding global development, the Integrated Company will aim to realize synergies of around 150 billion yen per year starting approximately three years after the Business Integration; the Companies will endeavor to

increase the above target synergy amount. In addition, the Companies will continue to make further efforts to reduce costs.

Main measures	Approximate amount of annual synergies
[Expansion of global development] 1. Accelerating overseas business development by utilizing the Companies' human resources 2. Re-organizing and reinforcing overseas manufacturing and sales bases 3. Improving efficiency of administrative/back-office functions, etc. in a manner that aligns with the above efforts etc.	30 billion yen
[Technology/R&D] 1. Realizing the benefits of advanced technology by consolidating the areas of technology and R&D (including sharing of best practices for operational and manufacturing technologies) 2. Speeding up and increasing efficiency in R&D etc.	40 billion yen
[Production/Sale] 1. Improving production efficiency by integrating the manufacturing process (including the benefits of strengthening ties among steel mills) 2. Improving productivity by optimal allocation of tasks among production lines etc.	40 billion yen
[Procurement] 1. Improving efficiency in procurement and transport of raw materials 2. Reducing equipment cost, repair cost and material cost by standardizing equipment specifications, etc. 3. Unifying financing, and improving efficiency in capital managementetc.	40 billion yen
Total	150 billion yen

(5) Major alliances and cooperative operations with other steelmakers

① Japan

<Business integration with Nippon Steel Corporation ("Nippon Steel")>

Jun. 2012 Business integration between Sumitomo Metals and Nippon Steel was approved at their respective annual shareholders' meetings
Apr. 2012 Executed Final Agreement regarding business integration with Nippon Steel
Sep. 2011 Executed Master Integration Agreement with Nippon Steel
Feb. 2011 Announced the commencement of the consideration of business integration with Nippon Steel Corporation

<Alliances/cooperative perations with Nippon Steel, Kobe Steel, Ltd. ("Kobe Steel")>

Jul. 2009 Integrated arc-welded stainless steel pipe and tube business with that of Nippon Steel Group
Apr. 2008 Began consigning production of stainless steel boiler tube by Kobe Special Tube Co., Ltd.
Dec. 2007 Agreed on additional mutual investments with Nippon Steel and Kobe Steel, through expanded and enhanced mutual cooperation
Dec. 2006 Integrated structural steel sheet businessees and road and civil engineering materials businesses with Nippon Steel Group
Apr. 2006 Integrated cast rolls businesses with Nippon Steel
Mar. 2006 Signed a Memorandum of Understanding on enhancement of trilateral cooperation
Agreed with Nippon Steel on mutual licensing of technologies in the field of ironmaking
Dec. 2005 Completed additional mutual investments with Nippon Steel and Kobe Steel, through expanded and enhanced mutual cooperation
Jun. 2005 Nippon Steel and Kobe Steel made equity investment in East Asia United Steel Corporation
Began joint utilization of iron and steelmaking facilities at the Wakayama Steel Works
Apr. 2005 Nippon Steel and Kobe Steel began supplying hot-rolled steel coils, and Kobe Steel began supplying hot-rolled titanium sheet to Sumitomo Metals
Mar. 2005 Began studies on additional mutual investments and on deepening the cooperation among Nippon Steel, Kobe Steel, and Sumitomo Metals
Jan. 2005 Tied-up with Nippon Steel for automotive steel pipe business in China
Oct. 2003 Integrated stainless steel businesses of Nippon Steel and Sumitomo Metals
Nov. 2002 Signed an agreement concerning hot rolled steel sheet supply, further strengthening of collaboration, and mutual investments with Nippon Steel
Signed an agreement concerning cooperation in hot rolled steel sheet, tie-up arrangements and mutual investments with Kobe Steel
Jul. 2002 Integrated welding material businesses of Nippon Steel and Sumitomo

Metals

Feb. 2002 Agreed with Nippon Steel for collaboration to enhance competitiveness of each company

② Overseas

<Vallourec Group>

Sep. 2011 Seamless pipe Joint venture VSB in Brazil held inauguration

Feb. 2009 Agreed on mutual equity investments (Completed acquisition of equities in the first half of fiscal 2009)

Jul. 2007 Established a joint venture company with Vallourec to manufacture seamless pipe in Brazil

1976 Signed a license agreement on VAM®, for premium joints to connect seamless pipes (In 1985, an R&D agreement was made)
Set up joint ventures for processing of and services for premium joints in the U.S. in 1984 and in Indonesia, Singapore, Vietnam and China in subsequent years

<China Steel Group>

Sep. 2011 China Steel Sumikin Vietnam Joint Stock Company held its ground breaking ceremony

Aug. 2008 Concluded agreement to establish steel sheet joint venture in Vietnam

Aug. 2007 China Steel Group made capital participation in Thai Sumilox Co., Ltd.

May 2007 The cumulative shipment of slsb reached 5 million tons

Since spring of 2005 Expanded supply of slab to 1.8 million tons per year

Nov. 2003 Established Sumikin Iron & Steel Corporation (Completed the joint venture framework for upstream operations)

Jul. 2003 Established East Asia United Steel Corporation

May 2003 Signed the Joint Venture Agreement for upstream operation at Wakayama Steel Works

Apr. 2002 Agreed on stable supply of slab

<Bhushan Steel>

Mar. 2012 Started OEM supply of Steel sheet at Orissa Steel Works

Jan. 2010 Sumitomo Metals' technical counselor initially stationed at Orissa Steel Works

Dec. 2009 Agreed on OEM supply of steel sheet at Orissa Steel Works

Nov. 2009 Signed a technical assistance contract for Orissa Steel Works

Dec. 2007 Agreed on participating in Bhushan Steel's Orissa Project

Feb. 2003 Agreed on strategic alliance with Bhushan Steel & Strips Limited

Oct. 1997 Agreed on providing technical assistance to Bhushan Steel & Strips Limited.

<Corus Group>

Jan. 2002 Agreed on technical collaboration with Corus Group plc.

<ThyssenKrupp Group>

Oct. 2004 Agreed with ThyssenKrupp Automotive on its equity investment in Huizhou Sumikin Forging Co., Ltd.

Sep. 2004 ThyssenKrupp Steel AG (TKS), the steel segment of the ThyssenKrupp Goup, agreed with Daiichi Chuo Kisen Kaisha on cooperation for transportation activities.

(6) Recent major news releases

June 26, 2012	○	Approval of Business Integration between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd. at Their Respective Annual Shareholders' Meetings
June 26, 2012	○	Nippon Steel Pipeline and Sumitomo Metal Pipeline and Piping Agreed to Merge
June 19, 2012		Sumitomo Metals Receives Nippon Keidanren Chairman's Innovation Prize from the Japan Institute of Invention and Innovation for its "Innovation of Steel Plate that Extends Fatigue-Life of Welded Steel Structure"
May 30, 2012		Sumitomo Metals and Sumitomo Corporation Start Producing High Strength Large Diameter Welded (UOE) Line Pipe for the Ichthys LNG Project in Australia
May 14, 2012		Sumitomo Metals' Forging Crankshaft Subsidiary ICI in the U.S. Holds 20th Anniversary of Its Production Start-up
April 27, 2012	○	Execution of Final Agreement regarding Business Integration between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd.
April 20, 2012		Sumitomo Metals Completes Development of Three-Dimensional Hot Bending Quench Mass Processing Technology
April 2, 2012		2012 New Employees' Initiation Ceremony and President's Message
April 2, 2012		Logo of Nippon Steel & Sumitomo Metal Corporation Unveiled
March 19, 2012		The Business Integration of Nippon Steel and Sumitomo Metals Has Been Approved by the Relevant Authorities Inside and Outside of Japan
March 2, 2012	○	Nippon Steel and Sumitomo Metals name the CEO and COO of Nippon Steel & Sumitomo Metal Corporation
February 16, 2012		Sumitomo Metals Receives Monodzukuri Nippon Grand Award for Efficient -Manufacturing Technology for High Quality Very Thick Steel Plate-
January 4, 2012		New Year Message from President Hiroshi Tomono
December 27, 2011		Sumitomo Metals Merges with Sumitomo Metals (Kokura) and Sumitomo Metals (Naoetsu) on January 1, 2012
December 14, 2012	○	The Business Integration of Nippon Steel and Sumitomo Metals Has Been Approved by the Japan Fair Trade Commission
December 8, 2011		"SMart BEAM Floor Framing System" Obtains Technical Evaluation -First Adopted Property is Constructed in Hokkaido, Japan-
December 7, 2011		Sumitomo Metals Developed High Strength and High Corrosion Resistant Alloy, Super 17Cr OCTG for Ultra Deep Well Application
December 7, 2011		Sumitomo Metals' New Corporate Research & Development Laboratories Introduces State-of-the-Art Equipment to Lead Cutting-Edge Technology - Will Lead to Customer Solutions in Shortest Time through Material Analysis at Atomic Level -
November 17, 2011		Sumitomo Metals Conducts Disaster Drill
November 9, 2011		Sumitomo Metals Receives Two Awards from Japan Institute of Metals for development of new non-leaded free cutting steel and high fatigue-resistant steel sheet

November 2, 2011		Sumitomo Metals Receives Highest-Ranked "Best Partner Award" from Panasonic
October 19, 2011		Sumitomo Metals' Corporate Research & Development Laboratories Completes Construction of New Research Building and New Laboratory
October 12, 2011	○	Suspension of Electromagnetic Steel Sheet Processing Facilities in Thailand due to the Flood
September 22, 2011	○	Execution of Master Integration Agreement between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd.
September 22, 2011	○	Sumitomo Metals Merges with Sumitomo Metals (Kokura) and Sumitomo Metals (Naoetsu)
September 9, 2011		China Steel Sumikin Vietnam Joint Stock Company holds Its Ground Breaking Ceremony
September 2, 2011		Sumitomo Metals' s seamless pipe joint venture VSB in Brazil holds inauguration
August 31, 2011		SMI Amtek decided to Install Second Forging Press Line - Expansion of Forged Crankshaft Business in India - SMI Amtek
August 25, 2011		SSC Establishes New Coil Center in Iwate Prefecture -Contribution to reconstruction of Tohoku region and Toyota Motor' s production-
August 10, 2011		Sumitomo Metals Acquires Certification for Its Improved Construction Method in Connecting H-Beams and Columns for Steel Frame Building
July 8, 2011		Sumitomo Metals Receives World' s First Order for H-SA700, Innovative Ultra-high Tensile Strength Steel -Realizing Safe Wide Span Space That Withstands Large Earthquakes-
June 27, 2011	○	Sumitomo Metals to Acquire Standard Steel in U.S
June 20, 2011		Sumitomo Metals Receives Chairman' s Prize from the Japan Institute of Invention and Innovation for its "Invention of Advanced Steam Oxidation-Resistant Steel Tube for Ultra-Supercritical (USC) Boilers"
May 20, 2011		Corrosion-Resistant Steel with Tin Added Is Newly Developed -High-Tensile Steel Plates with High Salt Resistance-
May 13, 2011		Sumitomo Metals Introduces Summertime Working Hours
May 2, 2011		Kashima Steelworks' Blast Furnaces Restore Normal Operation Status
April 28, 2011	○	Sumitomo Metals Plans to Recover the Damage of Great East Japan Earthquake
April 14, 2011	○	Sumitomo Metals Announces Estimated Loss Caused by East Japan Earthquake
April 13, 2011		Sumitomo Metals Restarts Operation of Hot Strip Mill at Kashima Steelworks
April 6, 2011		Sumitomo Metals Restarts Plate Mill Rolling Operation

○ Timely disclosures to Stock Exchanges

5 Personnel and Labor Management

(1) Changes in the number of employees (non-consolidated)

① The number of employees in the whole company

(Persons at the end of March of each fiscal year) (Unit : person)

	FY2007	FY2008	FY2009	FY2010	FY2011
Management group	1,223	1,233	1,167	1,151	1,299
General	5,727	5,851	5,912	5,953	7,114
Total	6,950	7,084	7,079	7,104	8,413
Reemployed persons (not included in the total above)	(268)	(418)	(493)	(632)	(1,047)
Seconded employees (not included in the total above)	(131)	(125)	(133)	(125)	(156)

② The number of employees per the business fields

(Persons at the end of March 2011) (Unit : person)

Organization	Number of employees
Head Office Division	348
Corporate Research & Development Laboratories	594
Steel Sheet, Plate, Titanium & Structual Steel Company	3,184
Pipe & Tube Company	1,909
Railway, Automotive & Machinery Parts Company	1,032
	1,089
	257
Total	8,413

(2) Changes in the number of new employees

① Regular recruitment (※1)

(Unit: person)

		FY2008	FY2009	FY2010	FY2011	FY2012
General work group	Male	86	82	92	87	91
	Female	5	5	8	9	6
	Subtotal	91	87	100	96	97
Basic work group	Male	152	193	169	192	202
	Female	15	32	27	21	23
	Subtotal	167	225	196	213	225
Total		258	312	296	309	322

※1 The total of Sumitomo Metal Industries, Ltd, Sumikin Iron & Steel Corporation, former Sumitomo Metals (Kokura)(Currently Bar & Wire Rod Company), Ltd, and former Sumitomo Metals (Noetsu), Ltd.(Currently Stainless Steel & Titanium Division)

② Mid-career recruitment (※2)

(Unit: person)

	FY2007	FY2008	FY2009	FY2010	FY2011
Basic work group	217	309	156	85	164

※2 The total of Sumitomo Metal Industries, Ltd, and Sumikin Iron & Steel Corporation.

(3) Changes in the number of reemployed persons (non-consolidated)

(Unit: person)

	FY2007	FY2008	FY2009	FY2010	FY2011
Total	146	199	212	239	388

(4) Changes in the number of annual holidays and working hours

		FY1990	FY1991	FY1992	FY1993-FY1998	FY1999-
Annual holidays	Daytime/2-shift workers	111days	113days	115days	117days	118days
	3-shift workers	93days	96days	99days	102days	103days
Annual working hours scheduled	Daytime/2-shift workers	1,971Hr	1,952Hr	1,939Hr	1,924Hr	1,916Hr
	3-shift workers			1,928Hr	1,906Hr	1,899Hr

(5) Changes in starting salary

(Unit: Thausand Yen)

	FY2002-2005	FY2006	FY2007	FY2008	FY2009
General work group (University graduate)	200.0	201.0	202.0	202.5	203.5
Basic work group (High school graduate)	156.5	156.5	160.0	160.0	160.0

(6) Wage increase/decrease

(Unit: Yen)

		FY2008	FY2009	FY2010	FY2011	FY2012
Wage-level raise	Demand	3,000Yen level	—	—	—	—
	Agreed	Performance-based pay is to be raised during two years of FY2008 and FY2009	Performance-based pay is to be raised during two years of FY2008 and FY2009	0	0	0
Promotional increase		3,700	3,700	3,700	3,700	3,700

Note
* Union negotiations are held biennially since FY1998.
* Wage improvement was demanded in FY2008.

(7) Changes in bonus and incentive payment

(Unit: Thausand Yen)

		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Demand		2,400	2,400	2,260	1,750	1,860	1,700
Agreed		2,260	2,260	1,980	1,710	1,500	1,300
	Summer	1,130	1,130	990	855	750	650
	Year-end	1,130	1,130	990	855	750	650

Note
* Life-plan support incentive payment of 200 thausand yen was provided as well as wage of the agreed amount from FY2006.

6 Accounts Settlement and Capital Investment

(1) 11year financial performance

	FY2001 March 31, 2002	FY2002 March 31, 2003	FY2003 March 31, 2004	FY2004 March 31, 2005
Operating Results		Unit: Billions of yen		
Net sales	1,349.5	1,224.6	1,120.8	1,236.9
Operating income	40.0	69.8	93.0	182.8
Ordinary income *1	0.7	41.3	68.7	173.2
Income before income taxes and minority interests	-105.1	33.2	39.9	169.5
Net income	-104.7	17.0	30.7	110.8
Capital expenditures on property, plant and equipment	74.6	50.9	67.1	60.3
Depreciation of property, plant and equipment	121.1	91.7	78.3	79.2
Research and development expenses	18.6	13.5	13.5	14.7
Financial Position				
Total assets	2,433.4	2,122.3	2,001.7	1,923.1
Shareholders' equity Total equity - Minority interests	274.4	328.7	376.0	483.2
Total equity	325.9	347.6	399.4	517.3
Debt *2	1,648.7	1,415.3	1,171.2	885.9
Cash Flows				
Operating cash flow	18.4	161.1	220.8	277.3
Investing cash flow	39.6	58.3	-27.4	-12.0
Financing cash flow	-89.4	-164.9	-240.8	-297.3
Free cash flow	58.1	219.4	193.4	265.3
Cash and cash equivalent at end of period	70.3	121.7	74.0	42.4
Amounts per Share of Common Stock		Unit: yen		
Net income	-28.83	4.36	6.42	23.05
Yearly dividend (yen / share)	0	1.5	1.5	5.0
Financial Index				
Operating income margin (ROS)	3.0%	5.7%	8.3%	14.8%
Return on assets (ROA) Ordinary income before interest payment / Total assets (yearly average)	1.1%	2.9%	4.4%	9.7%
Return on equity (ROE) Net income / Shareholders' equity (yearly average)	-32.6%	5.7%	8.7%	25.8%
Equity ratio Shareholders' equity / Total assets	11.3%	15.5%	18.8%	25.1%
		Unit: times		
Debt-to-equity ratio Debt / Shareholders' equity	6.01	4.31	3.11	1.83
Price earnings ratio (PER) Share price / Net income per share	—	12.4	21.6	8.4
		Unit: yen		
Share price at end of period	48	54	139	193

*1 Ordinary income is an important management indicator at Sumitomo Metals and a common item on financial statements in Japan; calculated by adding to or subtracting from operating income items such as interest and dividend income, equity in earnings of unconsolidated subsidiaries and associated companies, interest expenses and foreign exchange gain or losses.

*2 Debt = (Short-term borrowings) + (Long-term debt) – (Obligation to return collateral under security loan agreement) – (Lease obligation)

FY2005 March 31, 2006	FY2006 March 31, 2007	FY2007 March 31, 2008	FY2008 March 31, 2009	FY2009 March 31, 2010	FY2010 March 31, 2011	FY2011 March 31, 2012
			Unit: Billions of yen			
1,552.7	1,602.7	1,744.5	1,844.4	1,285.8	1,402.4	1,473.3
305.8	303.7	274.3	226.0	-0.9	56.3	76.8
280.7	327.6	298.2	225.7	-36.6	34.0	60.8
306.1	341.7	281.2	194.4	-39.7	-27.9	-51.2
221.2	226.7	180.5	97.3	-49.7	-7.1	-53.7
82.6	135.8	178.8	159.1	136.6	109.9	115.7
75.2	72.2	102.5	109.8	120.8	126.2	122.9
16.4	18.7	20.1	22.1	22.8	22.7	22.8
2,113.3	2,301.5	2,418.3	2,452.5	2,403.6	2,440.7	2,386.1
720.8	880.8	901.9	857.6	829.2	766.7	709.3
762.1	924.7	949.3	904.3	879.2	818.0	761.4
679.7	717.9	883.8	990.0	1,138.3	1,173.3	1,172
311.9	171.8	230.0	190.5	67.0	202.3	88.0
-63.8	-108.9	-274.3	-214.9	-172.9	-144.0	-120.1
-258.3	-83.4	48.7	52.6	87.8	-1.3	-32.7
248.0	62.8	-44.2	-24.3	-105.9	58.3	-32.0
32.5	13.0	16.6	42.9	26.2	82.5	17.5
			Unit: yen			
46.03	47.89	39.43	20.98	-10.74	-1.54	-11.61
7.0	8.0	10.0	10.0	5.0	3.5	2.0
19.7%	19.0%	15.7%	12.3%	-0.1%	4.0%	5.2%
14.5%	15.4%	13.2%	9.9%	-0.9%	2.0%	3.1%
36.7%	28.3%	20.3%	11.1%	-5.9%	-0.9%	-7.3%
34.1%	38.3%	37.3%	35.0%	34.5%	31.4%	29.7%
			Unit: times			
0.94	0.82	0.98	1.15	1.37	1.53	1.65
11.0	12.7	9.6	9.4	—	—	—
			Unit: yen			
505	609	378	197	283	186	167

(2) Consolidated Balance Sheets

(Million yen)

Items	At the end of FY2011 (As of March 31, 2012)	At the end of FY2010 (As of March 31, 2011)
(Assets)		
Current assets:		
Cash and deposits	17,637	83,264
Notes and accounts receivable-trade	139,656	109,571
Merchandise and finished goods	175,345	144,655
Work in process	26,824	23,476
Raw materials and supplies	244,723	230,533
Deferred tax assets	25,066	29,622
Other	29,429	27,467
Allowance for doubtful accounts	(616)	(660)
Total current assets	658,067	647,930
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	792,540	779,421
Accumulated depreciation	(533,807)	(517,191)
Buildings and structures, net	258,733	262,229
Machinery, equipment and vehicles:	2,338,447	2,290,645
Accumulated depreciation	(1,947,893)	(1,877,244)
Machinery, equipment and vehicles, net	390,554	413,400
Land	346,501	350,518
Construction in progress	98,804	79,819
Other	83,536	81,151
Accumulated depreciation	(72,672)	(69,407)
Other, net	10,863	11,743
Total property, plant and equipment	1,105,457	1,117,712
Intangible assets		
Goodwill	13,449	1,314
Other	6,659	4,894
Total intangible assets	20,108	6,208
Investment and other assets:		
Investment securities	411,651	485,511
Deferred tax assets	44,696	49,889
Other	146,451	133,718
Allowance for doubtful accounts	(275)	(209)
Total investments and other assets	602,524	668,910
Total noncurrent assets	1,728,090	1,792,830
Total assets	2,386,158	2,440,761

(Million yen)

Items	At the end of FY2011 (As of March 31, 2012)	At the end of FY2010 (As of March 31, 2011)
(Liabilities)		
Current liabilities:		
Notes and accounts payable-trade	251,443	221,195
Short-term loans payable	224,685	279,818
Commercial papers	46,000	105,000
Current portion of bonds	35,000	35,000
Deferred tax liabilities	7	11
Provision for bonuses	—	16,814
Provision for loss on disaster	10,687	49,307
Other	123,212	93,452
Total current liabilities	691,035	800,600
Noncurrent liabilities:		
Bonds payable	206,266	180,664
Long-term loans payable	660,169	572,899
Deferred tax liabilities	7,091	4,557
Deferred tax assets regarding revaluation	5,353	6,919
Provision for retirement benefits	18,918	20,318
Provision for special repairs	220	197
Other	35,617	36,524
Total noncurrent liabilities	933,637	822,080
Total liabilities	1,624,673	1,622,681
(Net Assets)		
Shareholders' equity:		
Capital stock	262,072	262,072
Capital surplus	61,829	61,829
Retained earnings	504,065	565,931
Treasury stock	(91,186)	(91,161)
Total shareholders' equity	736,781	798,671
Other comprehensive income (accumulative):		
Valuation difference on available-for sale securities	6,122	(18,877)
Deferred gains or losses on hedges	(188)	(594)
Revaluation reserve for land	11,021	11,203
Foreign currency translation adjustment	(44,422)	(23,627)
Total other comprehensive income (accumulative)	(27,465)	(31,894)
Minority interests	52,169	51,303
Total net assets	761,484	818,080
Total liabilities and net assets	2,386,158	2,440,761

(3) Consolidated Statement of Operations

(Million yen)

Items	FY 2011 (April 1, 2011 - March 31, 2012)	FY 2010 (April 1, 2010 - March 31, 2011)
Net Sales	1,473,367	1,402,454
Cost of sales	1,274,599	1,222,407
Gross profit	198,767	180,047
Selling, general and administrative expenses:		
Shipment expenses	36,998	37,482
Employees' salaries and allowances	34,293	34,252
Research and development expenses	20,541	20,910
Other	30,131	31,100
Total selling, general and administrative expenses	121,966	123,745
Operating income/(losses)	76,801	56,301
Non-operating income:		
Interest income	1,030	1,459
Dividends income	6,568	4,627
Insurance income	5,602	—
Other	10,521	11,519
Total non-operating income	23,723	17,606
Non-operating expenses:		
Interest expenses	13,265	15,135
Equity in losses of affiliates	6,420	3,493
Loss on sales and retirement of noncurrent assets	4,929	8,663
Other	15,106	12,566
Total non-operating expenses	39,721	39,858
Ordinary income/losses	60,803	34,049
Extraordinary losses:		
Impairment Loss	5,516	—
Loss on disaster	16,722	62,041
Loss on sales of investment securities	1,990	—
Loss on valuation of investment securities	80,816	—
Restructuring loss	3,366	—
Loss related to carbon emission credits	3,642	—
Total extraordinary losses	112,055	62,041
Income/(losses) before income taxes and minority interests	(51,251)	(27,991)
Income taxes:		
Income taxes-current	9,489	13,722
Income taxes-deferred	(8,653)	(37,694)
Total income taxes	835	(23,972)
Income/(losses) before minority interests	(52,087)	(4,019)
Minority interests in income	1,712	3,125
Net income/(losses)	(53,799)	(7,144)

(4) Consolidated Statement of Cash Flows

(Million yen)

Items	FY 2011 (April 1, 2011 - March 31, 2012)	FY 2010 (April 1, 2010 - March 31, 2011)
Operating activities:		
Income/(losses) before income taxes and minority interests	(51,251)	(27,991)
Depreciation and amortization	124,020	127,137
Increase (decrease) in allowance for doubtful accounts	20	675
Increase (decrease) in provision for loss on disaster	(38,620)	49,307
Increase (decrease) in provision for retirement benefits	(1,443)	360
Increase (decrease) in provision for special repairs	22	(10)
Interest income and dividend income	(7,598)	(6,087)
Interest expenses	13,265	15,135
Equity in (earnings) losses of affiliates	6,420	3,493
Impairment loss	5,516	—
Loss (gain) on sales of investment securities	1,990	—
Loss (gain) on valuation of investment securities	80,816	—
Loss on business restructuring	3,366	—
Loss related to carbon emission credits	3,642	—
Decrease (increase) in notes and accounts receivable-trade	(28,473)	37,367
Decrease (increase) in inventories	(46,613)	(14,601)
Increase (decrease) in notes and accounts payable-trade	29,724	18,223
Other	6,251	7,862
Subtotal	101,055	210,871
Income taxes paid	(12,989)	(8,531)
Net cash provided by (used in) operating activities	88,065	202,340
Investing activities:		
Interest and dividends income received	23,097	19,707
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(13,026)	—
Purchase of investment securities	(5,738)	(11,879)
Proceeds from sales of investment securities	17,856	1,630
Payments for investments in capital	(14,874)	(35,337)
Purchase of property, plant and equipment and intangible assets	(109,019)	(115,546)
Payments of loans receivable	(19,518)	(2,191)
Other	1,114	(392)
Net cash provided by (used in) investment activities	(120,110)	(144,009)

(Million yen)

Items	FY 2011 (April 1, 2011 - March 31, 2012)	FY 2010 (April 1, 2010 - March 31, 2011)
Financing activities:		
Interest expenses paid	(13,607)	(15,425)
Net increase (decrease) in short-term loans payable	(28.317)	(7,910)
Increase (decrease) in commercial papers	(59,000)	81,000
Proceeds from long-term loans payable	204,430	73,557
Repayments of long-term loans payable	(143,468)	(129,836)
Proceeds from issuance of bonds	50,000	30,000
Redemption of bonds	(35,000)	(10,000)
Cash dividends paid	(9,271)	(23,180)
Other	1,520	470
Net cash provided by (used in) financing activities	(32,714)	(1,325)
Effect of exchange rate change on cash and cash equivalents	(547)	(1,056)
Net increase (decrease) in cash and cash equivalents	(65,306)	55,949
Cash and cash equivalents at beginning of period	82,512	26,233
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	352	—
Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	—	329
Cash and cash equivalents at end of period	17,558	82,512

(5) Segment Information

① Segment information by business sector

(a) FY2010 (April 1, 2010 - March 31, 2011) (Million yen)

	Steel	Other *1	Total	Adjustment *2	Consolidated *3
Sales to customers	1,351,620	50,834	1,402,454	—	1,402,454
Inter-segment sales	1,149	18,991	20,140	(20,140)	—
Total sales	1,352,769	69,825	1,422,595	(20,140)	1,402,454
Operating income/(losses)	50,248	6,286	56,534	(233)	56,301
Assets	1,946,590	231,710	2,178,300	262,460	2,440,761
Other items					
Depreciation	123,947	3,188	127,135	2	127,137
Investments in equity method affiliates	244,448	67,303	311,752	—	311,752
Increased amount of tangible and intangible assets	107,675	2,951	110,627	—	110,627

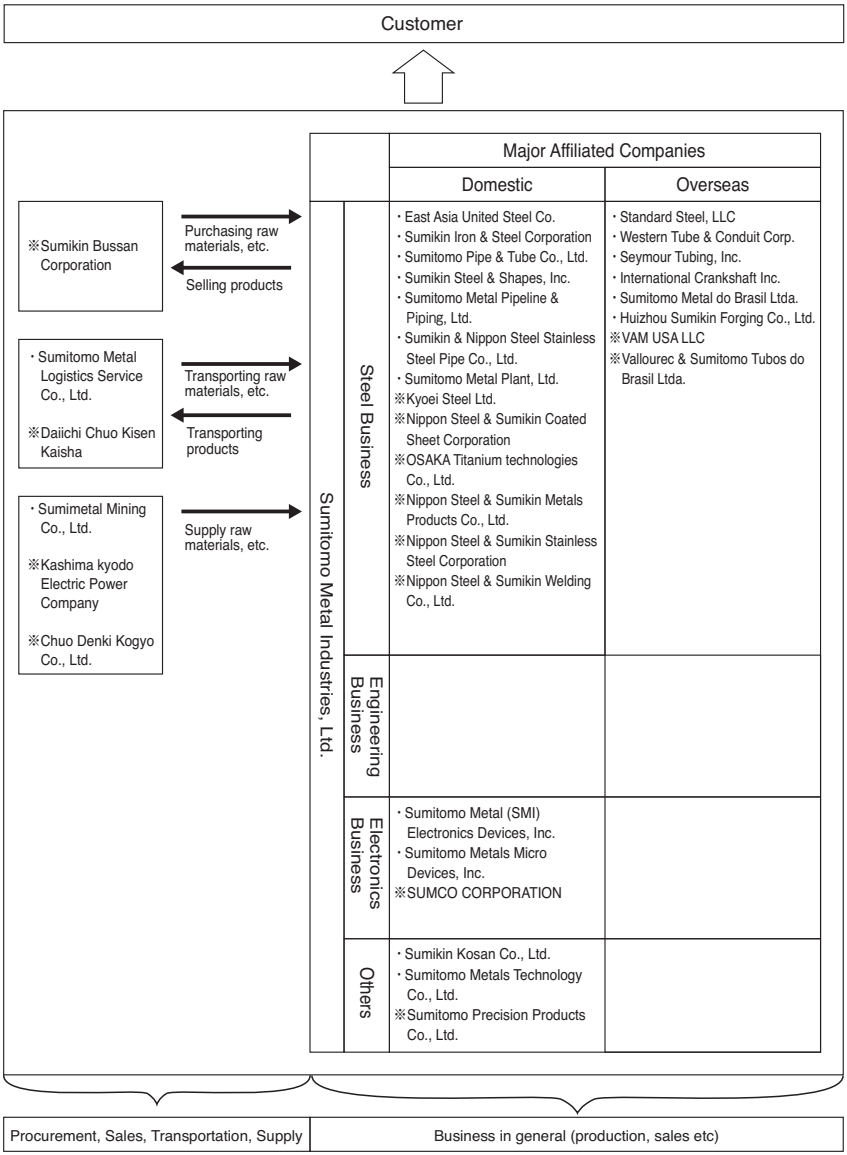
(Note)
*1 Segment "Other" includes businesses of electronic modules, lease and sale of real estate and other.
*2 Adjustment amounts are as follows:
a)Adjustment amount of negative 233 million yen for operating income is inter-segment elimination.
b)Adjustment amount of positive 262,460 million yen is 324,384 million yen of company assets which are not allocated to business segment and negative 61,924 million yen of inter-segment elimination. Company assets mainly consist of "investment securities", "deferred tax assets" and "cash and deposits".
c)Adjustment amount of 2 million yen for depreciation is related to the assets of the entire Company.
*3 Income by segment is adjusted against operating income of consolidated income statements.

(b) FY2011 (April 1, 2011 - March 31, 2012) (Million yen)

	Steel	Other *1	Total	Adjustment *2	Consolidated *3
Sales to customers	1,433,256	40,111	1,473,367	—	1,473,367
Inter-segment sales	1,142	19,471	20,614	(20,614)	—
Total sales	1,434,399	59,582	1,493,982	(20,614)	1,473,367
Operating income/(losses)	72,913	3,915	76,829	(27)	76,801
Assets	2,009,265	201,406	2,210,672	175,485	2,386,158
Other items					
Depreciation	120,813	3,204	124,018	2	124,020
Investments in equity method affiliates	241,992	45,719	287,712	—	287,712
Increased amount of tangible and intangible assets	113,778	2,637	116,416	—	116,416

(Note)
*1 Segment "Other" includes businesses of electronic modules, lease and sale of real estate and other.
*2 Adjustment amounts are as follows:
a)Adjustment amount of negative 27 million yen for operating income is inter-segment elimination.
b)Adjustment amount of positive 175,485 million yen is 234,650 million yen of company assets which are not allocated to business segment and negative 59,164 million yen of inter-segment elimination. Company assets mainly consist of "investment securities", "deferred tax assets" and "cash and deposits".
c)Adjustment amount of 2 million yen for depreciation is related to the assets of the entire Company.
*3 Income by segment is adjusted against operating income of consolidated income statements.

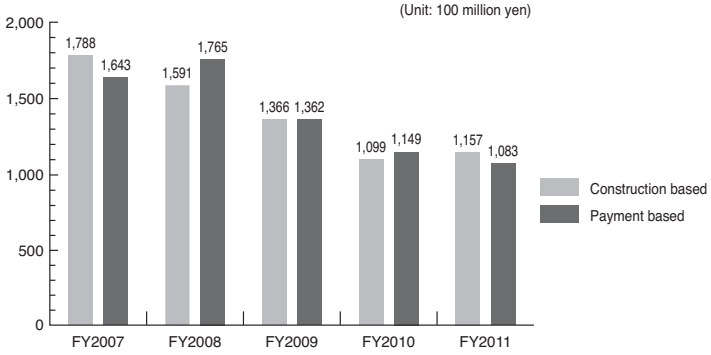
(6) Current status of Sumitomo Metals Group



(Remark) Company marked ・ :Consolidated subsidiaries
Company marked ※ :Related affiliate to which the entity method is applicable

(7) Equipment investments

① Changes in equipment investment (consolidated)



② Major equipment investment completed

Completion year	Location	Projects	Work period	Total work expenditure
FY2007	(Kashima)	Renovation of No.3 blast furnace	May 2005-May 2007	29 billion yen
	(Kashima)	Construction of IPP power plant	Jan. 2004-Jun. 2007	57 billion yen
	(Kashima)	Construction of a new continuous pickling line	Apr. 2005-Sep. 2007	9 billion yen
	(Steel Tube)	Production capacity expansion for stainless steel boiler tube	Sep. 2006-Oct. 2007	6.5 billion yen
	(Kashima)	Production capacity expansion for high-grade steel plate	Sep. 2006-Nov. 2007	7 billion yen
FY2008	(Osaka Steel)	Production capacity expansion for railway wheels	Jan. 2007-Apr. 2008	2 billion yen
	(Wakayama) (Steel tube) (Kainan)	Construction of facilities for more cutting-edge seamless pipe	Jun. 2006-Jun. 2008	35 billion yen
	(Steel Tube)	Reinforcement of production equipment for steam generator tubes	May 2008-Oct. 2008	2.3 billion yen
FY2009	(Wakayama)	Replacing upstream facilities 1st phase (Construction of new No.1 blast furnace etc.)	Nov. 2006-Jul. 2009	160 billion yen
	(Osaka Steel)	Production capacity expansion for large size crankshafts	Nov. 2007-Jan. 2010	2 billion yen
	(Kokura)	Installation of bar finishing mill	Mar. 2009-Aug. 2009	2 billion yen
FY2010	(Kokura)	Innovation in steelmaking processes	Feb. 2007-Oct. 2010	27 billion yen
	(Kashima)	Production capacity expansion for ultra high strength line pipes	Sep. 2006-Jan. 2011	10 billion yen
FY2011 and after	(Corporate Research & Development Laboratories)	Renewal of Corporate Research & Development Laboratories (Amagasaki)	Jun.2010-May.2012	10 billion yen

③ Major capital expenditure projects in progress or planned

Location	Projects	Work period	Total work expenditure
(Wakayama)	Replacing upstream facilities 2nd step	Apr. 2008-Second half of FY 2012	115 billion yen
(Steel tube)	Increasing capacity for SG tubes for nuclear power plants	Jun. 2010-Apr.2012	14 billion yen

7 Production and Sales

(1) Pig iron production by location

(Unit: ton)

Works	FY2007	FY2008	FY2009	FY2010	FY2011
Kashima	7,853,511	7,722,737	6,842,264	6,812,169	6,622,957
Sumikin Iron & Steel Corporation*	3,957,605	3,816,787	3,763,906	4,293,782	4,545,557
Kokura**	1,489,761	1,262,465	1,011,134	1,381,259	1,393,114
Total	13,300,877	12,801,989	11,617,304	12,487,210	12,561,628

* Wakayama
** Sumitomo Metals (Kokura), Ltd. until the end of 2011.

(2) Crude steel production by location

(Unit: ton)

Works	FY2007	FY2008	FY2009	FY2010	FY2011
Kashima	7,874,373	7,622,703	6,820,882	7,003,655	6,728,764
Sumikin Iron & Steel Corporation*	4,231,081	4,018,779	3,865,481	4,599,609	4,641,793
Osaka Steel Works	49,391	47,926	34,166	36,452	35,695
Kokura**	1,437,792	1,182,945	929,792	1,261,336	1,311,356
Naoetsu***	26,621	0	0	0	0
Total	13,619,258	12,872,353	11,650,321	12,901,052	12,717,608

* Wakayama
** Sumitomo Metals (Kokura), Ltd. until the end of 2011.
*** Sumitomo Metals (Naoetsu), Ltd. until the end of 2011.

(3) Continuous casting ratio

(Unit: %)

Works	FY2007	FY2008	FY2009	FY2010	FY2011
Kashima	100.0	100.0	100.0	100.0	100.0
Sumikin Iron & Steel Corporation*	99.4	99.6	99.7	99.8	99.8
Kokura**	97.1	100.0	100.0	100.0	100.0
Average	99.1	99.5	99.6	99.6	99.6

* Wakayama
** Sumitomo Metals (Kokura), Ltd. until the end of 2011.

(4) Consolidated sales by internal company

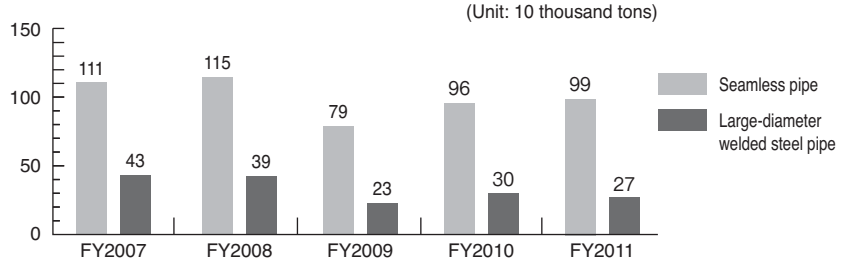
(Unit: 100 million yen)

		FY2007	FY2008	FY2009	FY2010	FY2010
	Steel Sheet, Plate & Structural Steel Company	6,291	7,001	4,985	5,496	5,507
	Pipe & Tube Company	6,745	7,169	4,729	5,067	5,587
	Railway, Automative & Machinery Parts Company	1,030	1,054	866	991	1,160
	Bar & Wire Rod Company*	1,545	1,480	1,016	1,447	1,527
	Stainless Steel & Titanium Division**	289	413	234	279	319
	Others	322	288	226	234	233
Steel Business Total		16,222	17,405	12,058	13,516	14,332
Engineering Business		153	116	—	—	—
Electronics Business		616	453	—	—	—
Others		451	465	799***	508***	401***
Total Sales		17,442	18,439	12,858	14,024	14,733

Export ratio (%)	45.1	45.2	42.9	41.6	40.9
Average price of steel products (Thousand yen/ton)	105.7	124.3	88.0	94.2	103.5

* Sumitomo Metals (Kokura), Ltd. until the end of 2011.
** Sumitomo Metals (Naoetsu), Ltd. until the end of 2011.
***From FY 2009 (ended March 31, 2010), Engineering and Electronics Businesses have been included in "Others".

(5) Sales volume of seamless pipe and large-diameter welded steel pipe



8 Major Products (As of June 30, 2012)

Company		Product type	Major products	Product name
Steel Sheet, Plate & Structural Steel Company	Steel sheets & coils	Hot-rolled steel sheets and coils (Manufacturing process : P66 ①)	Sheets	
			Wide strips	
			High tensile strength steel sheet for automobile	
		Cold-rolled steel sheets and coils (Manufacturing process : P66 ②)	Sheets	
			Wide strips	
			High tensile strength steel sheet for automobile	
			High accurate thickness controlled steel sheet	RECTY
			Steel sheet hot-press use	SUMIQUENCH, SUMIQUENCH-Z
		Electrical steel sheets (Manufacturing process : P66 ④)	Non-oriented electrical steel sheets	SUMILOX
		Galvanaized steel sheets (Manufacturing process : P66 ③⑤)	Hot-dip galvanized steel sheets	TOUGH-ZINK
				TOUGH-ZINK NEO COAT
				TOUGH-ZINK ALLOY
				SUMITOMO ALZINC
				SUMITOMO ALZINC NEO COAT
			Electrolytic Galvanized steel sheets	SUMI-ZINC
				SUMI-ZINC NEO COAT
				SUMI-ZINK SUPER
				SUMI-ZINK SUPER NEO COAT BLACK
		Other coated steel sheets	Organic composite-coat sheets	SUMITOMO HIGH COAT "NEO"
	Steel plates	Steel plates (Manufacturing process : P66 ⑨)	Steel for general structural uses	
			High tensile strength steel	SUMITEN
			Ausformed bainite steel	AFB
			Abrasion-resistant steel	SUMIHARD
			Corrosion-resistant steel	CR series
			・Sulfuric acid-resistant steel	CR1A
			・Atmosphric corrosion-resistant steel	CR2
			・Seawater-resistant steel	CR4
			・Hydrogen induced cracking-resistant	CR5
			Steel for ships	

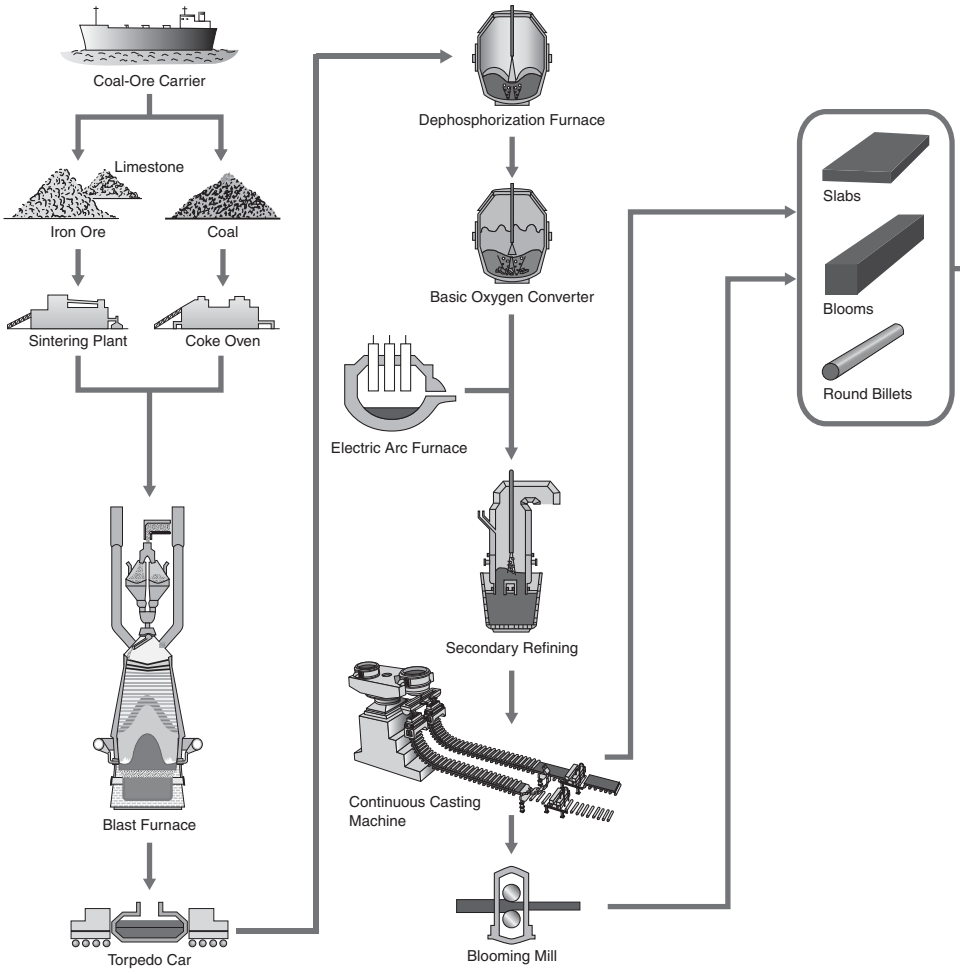
Company		Product type	Major products	Product name
Steel Sheet, Plate & Structural Steel Company	Steel plates	Steel plates (Manufacturing process : P66 ⑨)	Highly corrosion resistant steel plate for cargo oil tank	SMICORE
			Steel for boiler	
			Steel for pressure vessels	
			Steel for low-temperature service	SLT
			Steel for offshore structures	
			Steel for line pipe	
			Carbon steel for machine structural use	T-DAC, EZ-WELD
			Alloy steel for machine structural use	
			Soft magnetic iron steel	SSM
			Differential thickness steel plates	
			Longitudinally profiled steel plates	
			Steel with high resistance to fatigue fracture	FCA・FCA-W
	Structural steel	Shaped steel (Manufacturing process : P66 ⑧ , P67 ⑪)	Sheet piles	
			Non-deadspace sheet piles	SM-J piles
			Fabricated steel pile with high rigidity for retaining	SM-HJ piles
			Sheet piles with drain capability	SM HI-DRAIN piles
			Wide flange shapes	
			Fixed outer dimension H-shapes	HIFIT BEAM
			Thick web rolled H-shapes	SM-TWH
			Extra-heavy gauge shapes	T-CRS
			Lightweight welded H-shape beams	Smart BEAM
		Tubes & pipes (Construction materials)	Steel pipe piles	
			Steel pipe sheet piles	
			Rotary penetration pipe piles with wings	Geo Wing Pile Ⅱ
			Steel pipe pile with enlarged foot protection at end	TBSR
			Steel pipe with inner ribs for cast-in-place concrete pile	STBC-SR
			Steel pipe for structure	SA-T, SA-TT
		Steel sheets & coils (Construction materials)	Hot-rolled steel coils Hot-dip galvanized steel sheets	
		Steel plates (Construction materials)	Steel plates for structures	
			・TMCP Steel	T-DAC 325, 355, 385
			・Steel with high weldability	EzWELD
			・590N/mm^2 structural steel with low yield	SA440
			・Low-yield strength steel	SLY

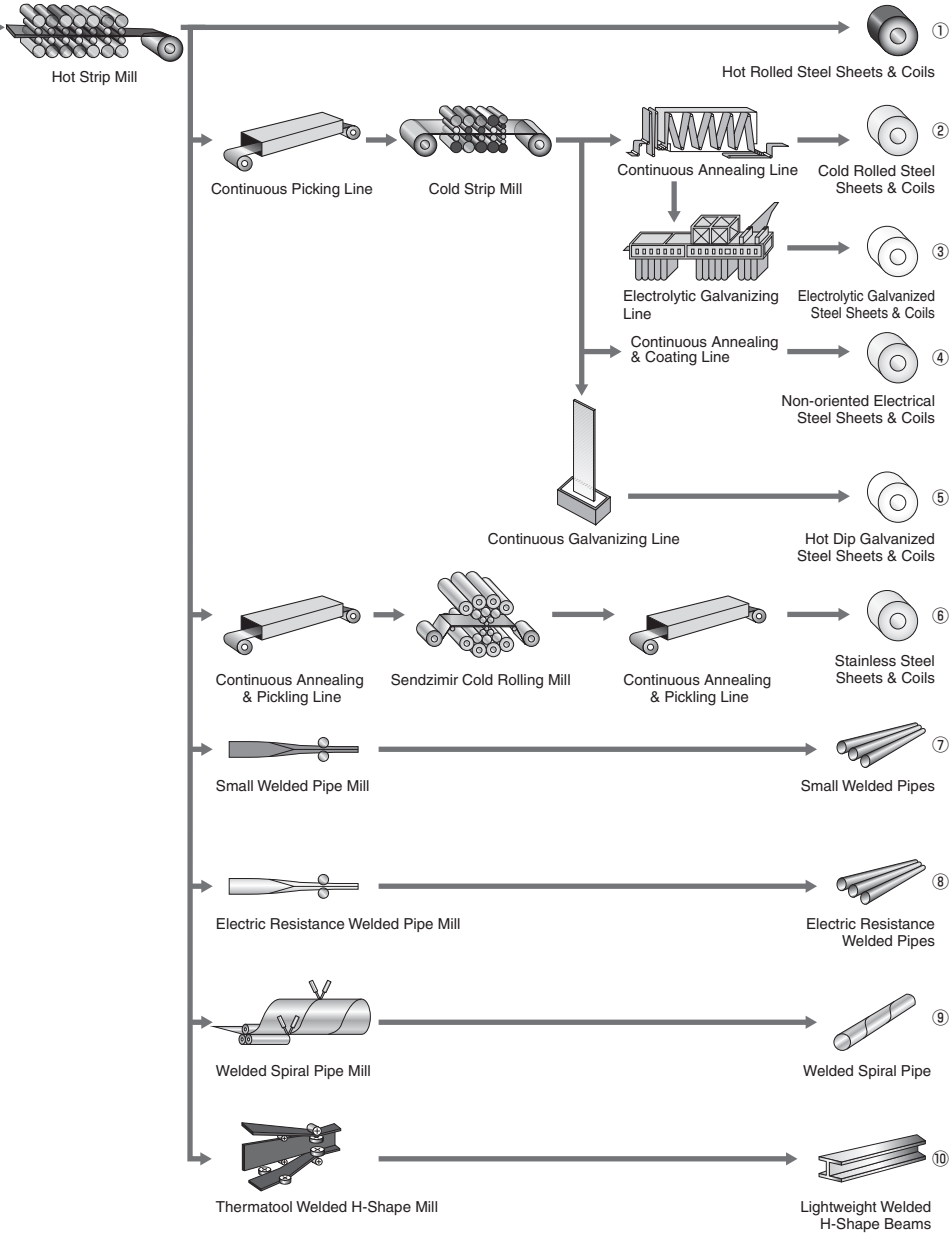
Company		Product type	Major products	Product name
Steel Sheet, Plate & Structural Steel Company	Structural steel	Steel plates (Construction materials)	・Fatigue-resistant steel	FCA, FCA-W
			・BHS steel	
Pipe & Tube Company		Seamless tubes & pipes (Manufacturing process : P67 ⑫⑬)	Oil Country Tubular Goods	SM series
			Premium joint for Oil Country Tubular Goods	VAM® series
			Line pipe	
			Tubular products for thermal power	
			Tubular products for nuclear power	
			Tubular products for petroleum and chemical industries	
			Tubular products for machine structural purposes	SUMINICAL TUBE
		Large-diameter steel pipes (Manufacturing process : P66 ⑩)	Line pipe Arc welded carbon steel pipes	
		Electric resistance welded pipes (Manufacturing process : P66 ⑥⑦)	Carbon steel pipes for ordinary piping Carbon steel pipes for pressure service Boiler tubes	
		Coated pipes	Polyethylene power lining steel pipes for water works	SUMICOAT PE
			Unplasticized polyvinyl chloride lining steel pipes for water works	SUMICOAT PV
			Tar-free epoxy resin coated steel pipes for drainage	SUMICOAT TEX
			Polyethylene coated steel pipes	SUMICOAT PEL series
Railway Automotive Machinery Parts Company		Rolling stock parts (Manufacturing process : P67 ⑭⑮⑯)	Wheels	Solid wheels Corrugated wheels Noise damped wheels Wheel with brake disks
			Axles	
			Wheelsets	
			Bogie trucks	
			Vehicle Dynamics Control	Active suspension system Pneumatic Spring Tilting System
			Couplers	
			Gear units	
			Air springs	SUMIRIDE
			Gears	

Company	Product type	Major products	Product name
Railway Automotive Machinery Parts Company	Rolling stock parts (Manufacturing process : P67 ⑭⑮⑯)	Couplings Draft gears Brake disks Brake caliper Brake lining	
	Die forgings (Manufacturing process : P67 ⑰)	Crankshafts Front axle beams Equalizer beams Connecting rods Aircraft parts	
	Forged aluminum wheels	Alminum wheels for truck & bus	Tough Bright
	Retarders	Parmanent magnet eddy current retarders	
	Circular forgings	Flanges for transmission tower Crane wheels Manholes Gears	
	Forgings	Rolls Mold materials of plastic Die materials for forgings	Hardened forged steel roll VC Rolls SD steel series
	Titanium mill products	Titanium bars & wire rods Titanium forgings	
Sumitomo Metals (Kokura), Ltd.	Steel bars and wire rods (Manufacturing process : P67 ⑱ , P68 ⑲)	Mechanical structural quality wire rods Cold heading quality wire rods Machining steel Bearing steel Spring quality bar	 SUMICUT series
Sumitomo Metals (Naoetsu), Ltd.	Stainless steel	Sheets & Plates, Coils Angles Channels Wide flange shapes Flat bars	NAR
	Stainless precision rolled products	Stainless cold rolled coils for spring High performance stainless cold rolled coils Stainless foils Pure Nickel	NAR
	Titanium mill products	Titanium sheets & coils Titanium plates Titanium welded tubes & pipes Titanium seamless tubes & pipes Titanium foils	

9 Facilities

(1) Manufacturing process of steel




Hot Strip Mill
①
Hot Rolled Steel Sheets & Coils
Continuous Picking Line
Cold Strip Mill
Continuous Annealing Line
②
Cold Rolled Steel Sheets & Coils
Electrolytic Galvanizing Line
③
Electrolytic Galvanized Steel Sheets & Coils
Continuous Annealing & Coating Line
④
Non-oriented Electrical Steel Sheets & Coils
Continuous Galvanizing Line
⑤
Hot Dip Galvanized Steel Sheets & Coils
Continuous Annealing & Pickling Line
Sendzimir Cold Rolling Mill
Continuous Annealing & Pickling Line
⑥
Stainless Steel Sheets & Coils
Small Welded Pipe Mill
⑦
Small Welded Pipes
Electric Resistance Welded Pipe Mill
⑧
Electric Resistance Welded Pipes
Welded Spiral Pipe Mill
⑨
Welded Spiral Pipe
Thermatool Welded H-Shape Mill
⑩
Lightweight Welded H-Shape Beams

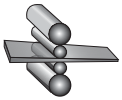
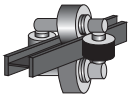


Plate Mill

⑪ Plates

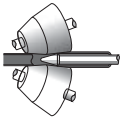
Large Welded Pipe Mill

⑫ Large-Diameter Steel Pipes



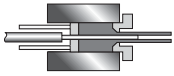
Large Shape Mill

⑬ H-Shapes Sheet Piles



Seamless Pipe Mill
(Mannesmann Mandrel Mill)

⑭ Seamless Tube & Pipes



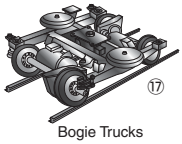
Seamless Pipe Mill
(Ugine-Sejournet Extrusion Mill)

⑮ Seamless Tube & Pipes
(Speciality Tubular Products)

Wheel Rolling Mill

⑯ Wheels

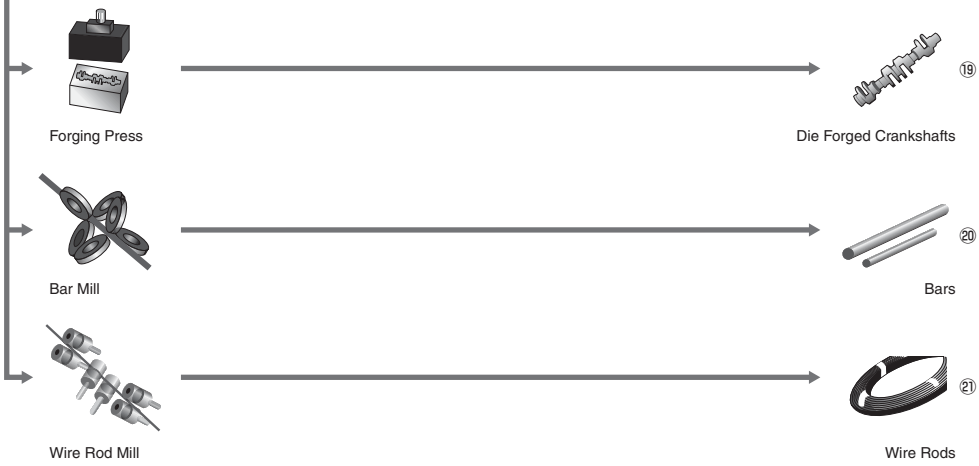
Bogie Truck
Manufacturing Plant



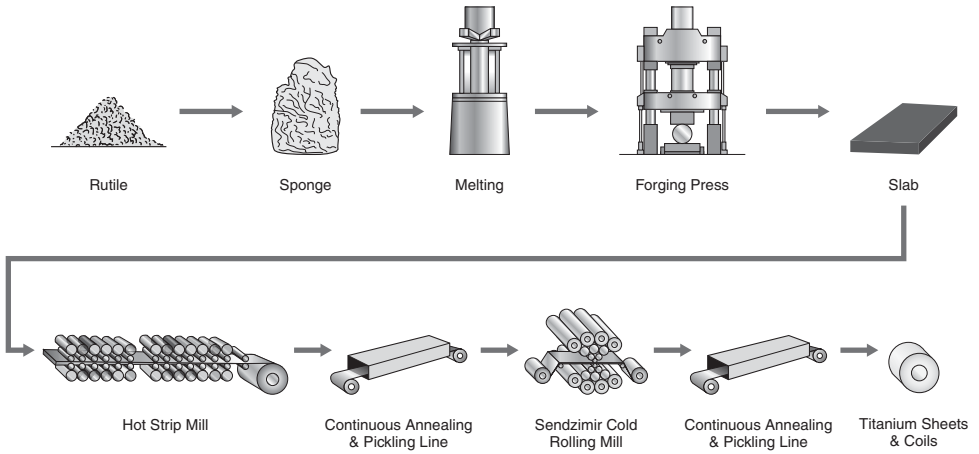
⑰ Bogie Trucks

High-speed Precision Forging Machine

⑱ Axles



(2) Manufacturing process of Titanium (Part is not a processes of Sumitomo Metals)



(3) Steel Works / Steel Division

		Kashima Steel Works	Wakayama Steel Works	Sumikin Iron & Steel Corporation
Founding *1		1968	1942	2003
General Manager *2 (As of end of June, 2012)		Katsuyoshi Iwata	Takahisa Miyake	Takashi Okada
No. of employees		2,925	1,166	929
Location		Kashima-shi, Ibaraki	Wakayama-shi, Wakayama Kainan-shi, Wakayama	Wakayama-shi, Wakayama
Site (1,000m^2)		8,510	5,385	—
Crude steel production (million tons)		6.73	—	4.64
Equipment	Blast furnace (Inner Volume)	No.1 (5,370m^3) No.3 (5,370m^3)		No.1 (3,700m^3) No.5 (2,700m^3)
	Converter	No.1 Steelmaking 250t/time x 3 (Dephosphorization x 1) (Decarburization x 2) No.2 Steelmaking 250t/time x 2 (Decarburization)		Steelmaking 210t/time x 3 (Dephosphorization x 1) (Decarburization x 2)
	Electric furnace			Stainless Steelmaking 80t/time x 1
	Continuous caster	No.1 (for slab) No.2 (for slab) No.3 (for slab) No.3-3 (for slab)		No.1 SL-CC (for stainless slab) No.3 SL-CC (for slab, bloom) No.1 R-CC (for round billet) BL-CC (for bloom)
	Blooming mill	No.2 Steelmaking x 1		Slab mill x 1
	Shape mill	Large shape mill x 1		
	Wire rod mill			
	Pipe and tube mill	UO x 1 Small Welded Pipe mill x 1	Mannesmann Mandrel mill x 3 (Medium-size seamless tube making mill x 1 Small-size seamless pipe mill x 2)	
	Plate/Sheet mill	Hot strip mill x 1 Cold strip mill x 2 Plate mill x 1	Cold strip mill x 2	
	Coating line	Electrolytic galvanizing line x 2 Hot-dip galvanizing line x 3	Hot-dip galvanizing line x 1	
	Wheel/Outer wheel mill			
	Forging mill			
	Welded H-shape mill	Thermatool welded H-shape mill x 1		

*1 For Sumikin Iron & Steel Corporation, established year.
For Kokura Steel Works, established year of Asano Kokura Steel.
For Naoetsu Works, the year when Nippon Stainless Co., Ltd. started manufacturing stainless steel.
*2 President for Sumikin Iron & Steel Corporation

(As of the end of March 2012)

Steel Tube Works	Osaka Seel Works	Kokura Steel Works	Naoetsu Works
1919	1901	1918	1934
Ritsuya Iwai	Machi Nakata	Hidemasa Nakajima	Kanji Kasahara
662	982	1,041	230
Amagasaki-shi, Hyogo	Konohana-ku, Osaka-shi, Osaka	Kokurakita-ku, Kitakyushu-shi, Fukuoka	Jyoetsu-shi, Niigata
519	527	1,205	256
—	0.04	1.31	—
		No.2 (2,150m^3)	
		Steelmaking 70t/time x 4 (Dephosphorization x 1) (Decarburization x 3)	
	Steelmaking, Forging 40t/time x 1		
		No.2 (for bloom) No.3 (for bloom) No.4 (for bloom)	
		Blooming mill x 1	
		Bar mill x 1	Shaped steel mill x 1
		Wire rod mill x 1	
Ugine-Sejournet extrusion mill x 1 Ehrhardt push bench x 1			
			Plate mill x 1 Cold strip mill x 3
	Wheel mill x 1 Outer wheel mill x 1		
Super forging press x 1	Die forging press x 4 Axle forging machine x 1 Free forging press x 2		

(4) Operation history of blast furnaces

(As of the end of June 2012)

Works	Blast furnace No.	Blast furnace volume (m^3)	Year of construction Year of repair
Kashima	No.1	3,159	Constructed: Jan. 1971
		3,680	Blown in (Second): Feb. 1979
		5,370	Blown in (Third): Sep. 2004
	No.3	5,050	Constructed: Sep. 1976
		5,050	Blown in (Second): Aug. 1990
		5,370	Blown in (Third): May 2007
Sumikin Iron & Steel Corporation	No.1	3,700	Constructed: Jul. 2009
	No.5	2,630	Constructed: Feb. 1969
		2,700	Blown in (Second): Mar. 1975
		2,700	Blown in (Third): Feb. 1988
Kokura	No.2	1,850	Constructed: Sep. 1974
		1,850	Blown in (Second): Mar. 1981
		2,150	Blown in (Third): Apr. 2002

(5) Overview of facilities

(As of the end of June 2012)

Equipment	Works			Completion
Blast furnace	Kashima	No.1 (5,370 m^3) blown in: Sep. 2004		Sep. 2004
		No.3 (5,370 m^3): blown in: May 2007		May 2007
	Sumikin Iron & Steel Corporation	No.1 (3,700 m^3): blown in: Jul. 2009		Jul. 2009
		No.5 (2,700 m^3): blown in: Feb. 1988		Feb. 1988
	Kokura	No.2 (2,150 m^3): blown in: Apr. 2002		Apr. 2002
Sintering plant	Kashima	No.2		Feb. 1973
		No.3		Aug. 1977
	Sumikin Iron & Steel Corporation	No.4		Nov. 1968
		No.5		Dec. 1969
	Kokura	No.3		Apr. 1977
Coke oven	Kashima	No.1 (4,700 tons per day)		Jan. 1971
		No.2 (5,500 tons per day)		Mar. 1973
	Sumikin Iron & Steel Corporation	No.1 (3,200 tons per day)		May 2009
		No.4 (1,600 tons per day)		Mar. 1967
		No.5 (2,010 tons per day)		May 1968
Converter	Kashima	No.1 Steelmaking (Combination Blowing)	250t/time x 3 (Dephosphorization x 1) (Decarburization x 2)	Feb. 1973
		No.2 Steelmaking (Combination Blowing)	250t/time x 2 (Decarburization)	Jun. 1974

Equipment	Works			Completion
Converter	Sumikin Iron & Steel Corporation	Steelmaking (Combination Blowing)	210t/time x 3 (Dephosphorization x 1) (Decarburization x 2)	Jul. 1999
	Kokura	Steelmaking (Combination Blowing)	70t/time x 4 (Dephosphorization x 1) (Decarburization x 3)	Oct. 2010
Electric furnace	Osaka Steel Works	Steelmaking, Forging	40t/time x 1	Jun. 1995
	Sumikin Iron & Steel Corporation	Stainless Steelmaking	80t/time x 1	Oct. 1969
Secondary refining	Kashima	No.1 Steelmaking	RH (250t/time)	Mar. 1995
		No.2 Steelmaking	RH (250t/time) x 2	Jun. 1983
	Sumikin Iron & Steel Corporation	Steelmaking	RH (210t/time) x 2	Jul. 1999
		Stainless Steelmaking	VOD (80t/time)	Jan. 1990
		Stainless Steelmaking	AOD (80t/time)	Jan. 1977
Secondary refining	Osaka Steel Works	Steelmaking, Forging	VIM (3.5t/time)	Aug. 1991
		Steelmaking, Forging	ESR (5t/time)	Mar. 1983
		Steelmaking, Forging	ESR (15t/time)	Nov. 2003
		Steelmaking, Forging	VAR (3t/time)	Jun. 1991
		Steelmaking, Forging	VAR (10t/time)	Jun. 2006
		Steelmaking, Forging	LFV (40t/time)	May 1984
	Kokura	Steelmaking	No.1 RH (70t/time)	Apr. 2000
		Steelmaking	VAD (70t/time)	Sep. 1979
		Steelmaking	No.1 LF (70t/time)	Aug. 1996
		Steelmaking	No.2 RH (70t/time)	Dec. 2009
		Steelmaking	No.2 LF (70t/time)	Dec. 2009
Blooming	Kashima	No.2 Steelmaking		Dec. 1970
	Sumikin Iron & Steel Corporation	Slab		Jun. 1969
	Kokura	Blooming		Feb. 1962
Continuous casters	Kashima	No.1 (for slab)		Sep. 1972 (repaired in Jul. 2007)
		No.2 (for slab)		May 1974 (repaired in May 2000)
		No.3 (for slab)		Jun. 1983
		No.3-3 (for slab)		Oct. 1999
	Sumikin Iron & Steel Corporation	No.1 SL-CC (for stainless slab)		Jan. 1969
		No.3 SL-CC (for slab, bloom)		Oct. 1981
		No.1 R-CC (for round billet)		Jul. 1996
		BL-CC (for bloom)		Jan. 1979
	Kokura	No.3 (for bloom)		Jun. 1995
		No.4 (for bloom)		Dec. 2009

Equipment	Works		Completion
Large shape	Kashima		Apr. 1975
Medium bars	Kokura	Bars	Apr. 1976
	Naoetsu	Steel plate, shaped steel	Jan. 1970
Wire rods	Kokura	Wire rods	Oct. 1970

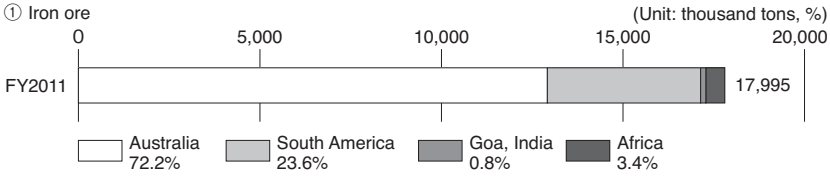
Equipment	Works		Specification		Completion
Plate mill	Kashima		(width)	1,000 ~ 5,230mm	Oct. 1970
			(thickness)	4.5 ~ 320mm	
			(maximum length)	52m	
	Naoetsu	Steel plate, shaped steel	(width)	500 ~ 1,600mm	Jun. 1979
			(thickness)	3 ~ 100mm	
			(maximum length)	14m	
Hot strip mill	Kashima		(width)	650 ~ 1,653mm	Apr. 1969
			(thickness)	1.2 ~ 25.4mm	
Cold strip mill	Kashima	No.1	(width)	600 ~ 1,625mm	Oct. 1971 (repaired in Apr. 1983)
			(thickness)	0.25 ~ 3.2mm	
		No.2	(width)	600 ~ 1,880mm	Apr. 1993
			(thickness)	0.35 ~ 2.4mm	
	Wakayama	No.1	(width)	610 ~ 1,270mm	Apr. 1963
			(thickness)	0.15 ~ 2.3mm	
		Reverse	(width)	610 ~ 1,320mm	Feb. 1988
			(thickness)	0.15 ~ 3.2mm	
	Naoetsu	4high/6high	(width)	600 ~ 1,350mm	Sep. 1960
			(thickness)	0.3 ~ 6mm	
		6high	(width)	300 ~ 650mm	Apr. 1990
			(thickness)	0.05 ~ 1.5mm	
		20high	(width)	775 ~ 1,250mm	Oct. 1962
			(thickness)	0.1 ~ 6.0mm	
Electrolytic galvanizing line	Kashima	No.1	(width)	600 ~ 1,600mm	Feb. 1984
			(thickness)	0.3 ~ 1.6mm	
		No.2	(width)	600 ~ 1,650mm	Jul. 1988
			(thickness)	0.3 ~ 2.3mm	
Hot-dip galvanizing line	Kashima	No.1	(width)	610 ~ 1,250mm	Jun. 1977
			(thickness)	0.35 ~ 4.5mm	
		No.2	(width)	610 ~ 1,830mm	Jan. 1992
			(thickness)	0.35 ~ 2.3mm	
		No.3	(width)	600 ~ 1,650mm	Dec. 2006
			(thickness)	0.40 ~ 1.6mm	
	Wakayama	No.3	(width)	600 ~ 1,830mm	Jan. 1988
			(thickness)	0.35 ~ 1.6mm	

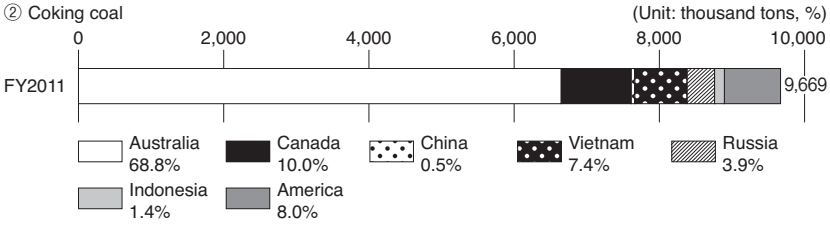
Seamless mill	Wakayama <Kainan area>	Mannesmann Mandrel mill 〔Small-size seamless pipe mill (west mill)〕	(outer diameter) 73.0 ～ 182.0mm (wall thickness) 4.5 ～ 46mm (maximum length) 14m	Feb. 1968
		Mannesmann Mandrel mill 〔Small-size seamless pipe mill (east mill)〕	(outer diameter) 25.4 ～ 141.3mm (wall thickness) 2.5 ～ 40mm (maximum length) 18m	Jan. 1983
	Wakayama <Wakayama area>	Mannesmann Mandrel mill 〔Medium-size seamless tube making mill〕	(outer diameter) 139.8 ～ 426.0mm (wall thickness) 4.0 ～ 50.0mm (maximum length) 13.2m	Feb. 1997
	Steel Tube Works	Ugine-Sejournet Extrusion mill	(outer diameter) 42.7 ～ 267.4mm (wall thickness) 3 ～ 50mm (maximum length) 15m	Jan. 1968
		Ehrhardt Push Bench	(outer diameter) 267.4 ～ 949.3mm (wall thickness) 15 ～ 175mm (maximum length) 9.5m	Mar. 1957
Electric resistance welded pipe mill	Kashima	Sumitomo Super-Welded	(outer diameter) 21.7 ～ 114.3mm (wall thickness) 2.3 ～ 10mm (maximum length) 12m	Oct. 1969 (repaired in Jan. 1985)
Large welded pipe mill	Kashima	UO	(outer diameter) 508(20φ) ～ 1,524(60φ)mm (wall thickness) 6.4 ～ 38.1mm (maximum length) 18.3m	Oct. 1974

Equipment	Works			Completion
Wheel outer wheel	Osaka Steel Works	Wheel		Jul. 1959
	Osaka Steel Works	Outer wheel		May 1975
Forging	Osaka Steel Works	Die forging	10,000 t x 1	Sep. 1971
			16,000 t x1	Jun. 1981
			6,500 t x1	Jul. 1991
			5,000 t x1	Sep. 2001
		Axle forging（150,000 pieces/ year）		Mar. 1969
		Free forging	3,000 TVP x 1	Sep. 1999
			3,000 THP x 1	Mar. 1935
	Steel Tube Works	Super forging press	1,500 t x 1	Mar. 1997
Thermatool welded H-shape mill	Kashima			Oct. 1973

10 Raw Materials

(1) Volume and ratio of major materials purchased by region





(2) The price of major materials

Raw materials name (Source : unit)		FY 2007	FY 2008	FY 2009	FY2010				FY2011				FY2012
					(Apr-Jun)	(Jul-Sep)	(Oct-Dec)	(Jan-Mar)	(Apr-Jun)	(Jul-Sep)	(Oct-Dec)	(Jan-Mar)	(Apr-Jun)
Iron ore Benchmark price for Japan (¢/DMTU) ( ) : $/DMT<Fe 64%>	Lumpy ore	103 (66)	202 (129)	112 (72)	218 (140)	266 (170)	231 (148)	248 (159)	311 (199)	299 (191)	294 (188)	241 (154)	227 (145)
	Fine ore	80 (52)	145 (93)	97 (62)	194 (124)	237 (151)	205 (131)	221 (141)	276 (177)	272 (174)	269 (172)	232 (148)	210 (135)
Coal (Representative brand base : $/ton)	Hard coking coal	96	300	129	200	225	209	225	330	315	285	235	210
	Semisoft coking coal	63	240	83	167	172	143	180	259	227	179	179	145
	PCI coal	68	245	89	170	180	150	180	275	230	208	171	153

(3) Yearly average price of major materials

Material name (Source : unit)	2007	2008	2009	2010				2011				2012
				(Jan-Mar)	(Apr-Jun)	(Jul-Sep)	(Oct-Dec)	(Jan-Mar)	(Apr-Jun)	(Jul-Sep)	(Oct-Dec)	(Jan-Mar)
Nickel (LME : $/pound)	16.9	9.6	6.7	9.1	10.2	9.6	10.7	12.2	11.0	10.0	8.3	8.9
Zink (LME : $/ton)	3,242	1,875	1,655	2,289	2,026	2,013	2,315	2,395	2,254	2,226	1,897	2,024
Molybdeum (*1$/pound)	30.3	29.1	11.1	15.6	15.6	15.0	15.7	17.3	16.7	14.6	13.4	14.2

＊1 The figures listed on "Metal's Week"

11 IPP (Independent Power Producer) Business

(1) Outline of power station and power supply contract

① Name: Sumitomo Metals Kashima Thermal Power Station
② Place: Sumitomo Metals Kashima Steel Works
③ Maximum output: 507,000kW
④ Supplied electric power: 475,000kW (equivalent to the power demand of all households in Ibaraki Perfecture)
⑤ Method of generation: Coal-fired thermal generator (using a pulverized coal boiler and a turbine)
⑥ Capital expenditure: 57 billion yen
⑦ Customer: The Tokyo Electric Power Company, Incorporated (TEPCO)
⑧ Term of contract: 15 years (from the commencement of operation in June 2007)

(2) Background of the IPP business

Kashima Steel Works was selected by TEPCO for wholesaling thermal power, thanks to its competitiveness.

① Utilization of infrastructure at the steel works
Land, harbor, coal stocking yard, transmission lines, etc.
② Utilization of technology and skill in private power generation
Operational and maintenance skill in private power generation based on a long time experience
③ Environmental conditions
Capability to meet emission quotas and preventing negative impacts on environmental conditions in steel works

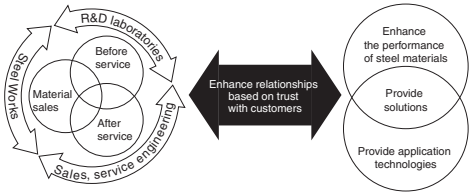
(3) Features of the IPP business

① Minimized capital expenditures by utilizing the infrastructure of steel works
② Enhanced energy saving effects
・Power generation with high efficiency by using a super critical boiler
③ Environmental measures
・Helps to greatly reduce nitrogen oxide, sulfur oxide and soot dust to the lowest level among domestic coal thermal power stations.
・Green area ratio is 51%
・Full Recycling of by-products
Recycling coal ash for production of cement and emitted plaster for production of plaster boards and cement

12 Research and Development

Technology development that addresses customer needs : Ensuring our leading reputation among customers

Technology development, manufacturing and sales forces operate in an integrated manner and R&D is tailored to customer needs



Enhance the performance of steel materials and provide customer-centric application technologies and solutions

(1) Changes in research and development costs

Years ended March 31 (Unit: 100 million yen)

Fiscal Year	FY2007	FY2008	FY2009	FY2010	FY2011
Total	201	221	228	227	228

(2) Examples of main research and development projects

Year	Projects
2007	"Spot Welding Method by Seven Steps Current" for high-tensile-strength steel sheet
	Nickel (Ni)-based alloy that is the most resistant to metal dusting in the world
	High strength steel plate for hull structures of yield strength of 460Mpa with superior fatigue property; this steel was developed based on the FCA (Fracture Crack Arrester) technology and has twofold longer fatigue life expectancy than conventional steels
	"FCA-W Steel Plate", the world's first high-tensile-strength plate for improving the fatigue strength of welded joints
	High corrosion dual phase stainless steel for urea processing plant "DP-28W" (Joint development with TOYO Engineering Corporation, The material is applied to an actual plant)
	High strength type "Pile head connection method with outer steel ring and in-filled concrete" of short term works and high-quality construction (joint development with Shimizu Corporation)
	"SSAT-35", a new titanium alloy with an optimal balance between workability and strength
	Innovative continuous casting technologies (PCCS & SSC) for high-quality steel plates
2008	Quench-hardenable steel sheet for hot stamping "SUMIQUENCH SCSQ30B"
	Chrome-free electrogalvanizing steel sheet for motor case "NEO COAT T2"
	Walking Control Technology in Hot Strip Finishing Mill
	Ultra high strength steel plates for building structures "SSS1000" (Joint development with Osaka University, Kyoto Institute of Technology, NIKKEN SEKKEI Ltd., and KATAYAMA STRATECH Corp.)
	SM-composite pile method with concrete-filled steel pipe
	Steam generator tubes to be used in advanced nuclear power plant
	The advanced bogie track with rail-interaction-force monitoring system
	Evaluation technique for local strength in spot weld of steel sheet using small specimen
	Solution growth method to grow silicon carbide

Year	Projects
2008	Single crystal highly-active visible light responsive photocatalyst (Joint development with Osaka Titanium technologies Co., Ltd.)
2009	"CLEANWELL® DRY", an environmentally-friendly premium connection, which does not contain heavy metals
	"VAM® 21", a premium connection with good performance, used connecting oil country tubular goods
	Non-heat treated nitrocarburized high-strength crankshaft steel (joint development with Honda R&D Co., Ltd.)
	Three-Dementinal Hot Bending Quench (3DQ) Mass Processing Technology which enables steel components with a hollow tubular structure to acquire ultra high-tensile strength
	Anti-entrapment mold flux with properties of high viscosity and high surface-tension which crystallizes into melilite as a main phase.
	New Analytic Technology for Automobile Collision Simulation (Joint development with Mazda Motor Corporation and Corus, the British and Dutch steel company)
	Stainless steel sheet for polymer electrolyte fuel cell separator
	optimization design simulation technology for an exterior unit of an air conditioner
	Cold forging method of one piece stainless steel fuel union for high grade vehicle engines.
	Fine grain stainless steel sheet for the long fatigue life diaphragm of the hydrogen compressor
	New Temperature Measurement and Control Technologies for Manufacturing of High-tensile Strength Hot Strip
2010	Manufacturing process innovation in high carbon and chromium steel wire for needle bearings
	"NAR-DP-28W", high-chrome duplex stainless steel on urea plant, with superior weldability (jointly developed with Toyo Engineering Corporation)
	Technology that serves to reduce radiation exposure of workers at nuclear plants through manufacture of material which reduces the content of cobalt and a film processing technology to reduce release of metal ion from tubes
	Resource-saving, high-strength electromagnetic steel "SXRC"
	Heat resistant stainless steel sheet "NAR-AH-7" for advanced high-temperature heat exchangers (jointly developed with Sumitomo Metals (Naoetsu), Ltd.)
	"High-precision drop weight impact test machine" that is used to accumulate data and develop technology aimed at further enhancing automobile safety
	New molten pig iron dephosphorization technology with powder top blowing for realization of high efficiency production of low phosphor steel with low environmental load
	Development of "VAM®21", the world's highest-performance threaded connection ((jointly developed with Vallourec S.A.)
	Heat release steel sheet as heat sink material for ultra-thin TVs
	Further reduction in welded light-weight H-beams that are used for housing construction
	Dual-wall exhaust manifold by press forming (jointly developed with Sumitomo Metals (Naoetsu) Ltd., Toyota Motor Corporation, Sango Co., Ltd).
2011	Development of corrosion-resistant steel with tin added -High-Tensile Steel Plates with High Salt Resistance-
	Development and commercialization of a thick steel plate with excellent weldability for use in developing marine resources and energy
	Development of "SM-HSJ (H-column Simple Joint) construction method," which uses an improved method of connecting H-beams and columns for steel frame buildings.
	Development of low-carbon non-leaded free cutting steel "Smigreen CS"
	Development of fine-precipitates dispersed stainless steel sheet "NAR-301L HSX"
	Development of *Sumi Quench 1800*, the steel sheet for hot pressing with the world's highest tensile strength of 1800 MPa (jointly developed with Mazda Motor Corporation, Aisin Takaoka Co., Ltd., and Futaba Kogyo Co., Ltd.)

Year	Projects
2011	Development of high strength and high corrosion resistant alloy, "Super 17Cr OCTG" for ultra deep well application
	Development of upper drafting counter flow type deep bed sinter cooler (jointly developed with Mitsubishi-Hitachi Metals Machinery, Inc.)
	Development of three-dimensional hot bending quench mass processing technology
	Invention of steel plate that extends fatigue-life of welded steel structure
	Full launch of the biomass mixed power generation fired by coffee grounds mixed with coal
	Development of steel used as common rail for diesel engine (jointly developed with Denso Corporation)

(3) Main prize winning technologies (last 20 years)

① Okochi Memorial Prizes (Okochi Memorial Foundation)

Year	Awards	Projects
1992	Production Prize	Development of High Strength and Corrosion Resistant Ni Base Alloy O.C.T.G.
1994	Production Prize	Development of High Speed and High Performance Bogie Trucks for Railway Vehicles
1995	Production Prize	Development of High Reliability Heat Exchanger Tube for Nuclear Power Plants
1996	Production Prize	Development of Roll Pair Cross Rolling Method for High Accuracy and Productivity in Steel Rolling Process of Flat Products Joint award with Nippon Steel Corporation and Mitsubishi Heavy Industries, Ltd.
1998	Technology Prize	Development of Stainless Steel Pipe for Supply of Ultra-Hi-Purity Gas Joint award with Sumikin Stainless Steel Pipe Co., Ltd. And Tohoku University
1999	Production Prize	Die-Forged Crankshaft Performance Enhancement and Development of High Production Total System
2003	Production Prize	★New-generation Technologies for the Production of Medium-Size Seamless Pipes and Tubes
2006	Grand Production Prize	★Development of new-generation technologies for the high-quality, high-efficiency and environmentally friendly steelmaking process
2008	Grand Production Prize	★Development of advanced stainless boiler tube for ultra-supercritical (USC) coal-fired thermal power plants
2010	Production Prize	★Development of Technologies that Extend Campaign Life of Blast Furnaces ※

※ Award details: Achievement by the Wakayama Steel Works' No. 4 blast furnace for the world's longest continuous operation of 10,001 days (27 years and 4 months)
Major technologies: Unique development of simulation technologies which enable inner conditions to be quantitatively evaluated, and operation and repair technologies based on such evaluation
Impacts: (1) Omission of the relining that requires a long repair period and high costs (each relining costs approximately 30 billion yen for a large furnace) for three times
(2) Development of a simulation model enables to design a facility that realizes an efficient and stable operation of a blast furnace. Adoption of the model, when designing a new furnace or at a repair time, contributes to reduction in CO_2 emission.

★We have received Okochi Memorial Foundation awards on technology development for all major manufacturing processes of seamless pipe, and have become **the first steelmaker to receive the Quadruple Awards.**

② Ichimura Industrial Prizes (New Technology Development Foundation)

Year	Awards	Projects
1992	Meritorious Achievement Award	Development of High Performance Ferritic Stainless Steel with Nb and Cu Joint award with Nippon Stainless Steel Co., Ltd.
1994	Contribution Award	Development of Wide Aluminum/Stainless Steel Clad Coil
1998	Meritorious Achievement Award	Development of Powder Top Blowing Process under Reduced Pressure
2002	Contribution Award	Development of High Performance 60-kg High Tensile Strength Steel Plate with Strikingly Improved Welding Capabilities
2005	Contribution Award	Development of Processing Technology to Promote the Generation of Protective Rust for Weatherproof Steel
2007	Contribution Award	Development of non-oriented electrical steel sheet for high-efficiency motors
2009	Contribution Award	Development of steel plate for improving the fatigue strength in welded joints

③ National Commendation for Invention (Japan Institute of Invention and Innovation)

Year	Awards	Projects
2003	Invention Award	Protective Rust-layer Accelerant Technology for Weather-Resistant Steel
2005	The Prize of the Minister of Economy Trade and Industry	New-generation Technologies for the Production of Medium-size Seamless Pipes and Tubes
2007	Invention Award	Development of mold flux for high-speed continuous casting
2008	Imperial Invention Prize	Development of super-high strength low-alloy steel oil country tublar goods (OCTG) for sour service
2009	Invention Award	Invention of strengthened low-alloy steel for economical boilers (Joint award with Mitsubishi Heavy Industries, Ltd. and kyushu Institute of Technology)
2011	Chairman' s Prize	Development of advanced stainless boiler tube for Ultra-Supercritied (USC) coal-fired thermal power plants

④ Monodzukuri Nippon Grand Award (Ministry of Economy, Trade and Industry etc.)

Year	Awards	Projects
2007	Prime Minister's Award (Manufacturing and Production Process Category)	For the Invention of manufacturing method of high quality steel plates using nano-size particles
2009	Special Prize (Product and Technology Development Category)	Development of a high-strength Pb-free non-heat-treated steel for the application of fracture splitting connecting rods (Joint award with Honda Motor Co., Ltd.)
	Excellence Prize (Manufacturing and Production Process Category)	Blast furnace operation/maintenance technology that has achieved Japan's longest operating days
	Excellence Prize (Manufacturing and Production Process Category)	Development of an innovative production method allowing the production of flat hot-rolled high-tensile steel plates
2011	Minister of Economy, Trade and Industry Prize (Manufacturing and Production Process Category)	Development of new continuous casting technologies for very thick plate (PCCS)
	Excellence Prize (Manufacturing and Production Process Category)	Development of the world's first hot rolling steel sheet thermometer with high precision even during a cooling process and the high-tensile steel sheet manufacturing techonology by using this thermometer

⑤ The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology (Ministry of Education, Culture, Sports, Science and Technology)

Year	Awards	Projects
1998	Person of Scientific and Technological Merit	Development and promotion of steel tube and pipe for oil refining and petrochemistry
	Person of Scientific and Technological Research Merit	Research of analysis model on solidification and segregation of steel
1999	Person of Scientific and Technological Merit	Development and promotion of high efficiency dimensionally-stable electrode and high quality electrolytic galvanized steel sheets technology
2001	Person of Scientific and Technological Research Merit	Research of environmentally friendly free-cutting steel
2005	Prize for Science and Technology	Development of high quality and high speed round billet casting technology
2008	Prize for Science and Technology	Development of non-oriented electromagnetic steel sheet for high efficiency motors
2009	Prize for Science and Technology	Development of crash-box that improves fuel efficiency and crash safety (Joint award with Toyoda Iron Works Co., Ltd.)
2010	Prize for Science and Technology	High-pressure fuel injection pipe for diesel engines
	Prize for Science and Technology	Heat-releasing pre-painted steel sheets

(4) Number of patent applications

Calender year	2007	2008	2009	2010	2011
Number of applications	408	375	377	454	419

(5) Technical concierge for our customers "SMICAT"

We have established Sumitomo Metal Industries' Customer Service in Application Technology (SMICAT) to provide solutions for customer needs by leveraging the integrated technological abilities of Sumitomo Metals and its group companies. The latter include affiliated companies that have knowledge in non-steel areas. The integrated technological abilities of Sumitomo Metals Group enable us to respond to needs of our customers in a comprehensive manner.

E-mail : smicat@sumitomometals.co.jp

13 Environmental Management

(1) Environmental policies

Sumitomo Metals conducts energy saving, the reduction and recycling of resources, and the development of environmental technology. We continue to be actively engaged in a number of programs aimed at constructing an environmental-aware society, and at environmental preservation on a global scale.

	Medium-term Targets	Fiscal Year 2011 Results
Environmental management	・Reinforcing environmental management for pollution control	Promoted acquisition of pollution control management qualifications
	・Promoting the establishment of environmental management systems at Group companies	Established at 32 companies
Reducing the environmental impact of our production processes	● Activties for preventing global warming	
	・Reducing energy consumption (Objective for steel industry : Average 10% reduction for FY2008-2012 from FY1990 levels)	7.3% reduction (compared to FY 1990)
	・Reducing CO_2 emissions from energy sources (Objective for steel industry : Average 9% reduction for FY2008-2012 from FY1990 levels)	6.9% reduction (compared to FY 1990)
	● Contributing to the creation of a reduce/reuse/recycle society	
	・Reducing the amount of slag generated per unit of steel production	6% reduction in blast furnace slag (compared to FY 1996) 15% reduction in steel slag (compared to FY 1996)
	・Reducing the amount of final disposal of slag (Objective for steel industry : Bring the amount of final disposal of slag to around 400 thousand tons in total as of FY2015)	70 thousand tons
	● Environmental risk management	
	・Reducing the transfer and release of chemical substances (chemicals designated by the PRTR Law)	15% increase compared to FY 2001 (FY 2010 result)
Reducing environmental impacts through our products	・Development and sales of eco-conscious products	・New high corrosion resistant alloy OCTG, non-leaded free cutting steel
	・Working to receive environment-related awards	The Japan Institute of Metals Technical Development Award
Developing revolutionary manufacturing technologies	・Technological development of an eco-conscious steel production process (national project)	Started from FY 2008
	・Technological development in an innovative production process of molten pig iron (national project)	Started from FY 2009
Contributing to the hight global enviroment through overseas development of our technologies	・Activities for international contributions	Japan-China exchange meetings, other exchange programs Survey for forming project of reducing CO_2 for Indian blast furnaces, etc

(2) Environmental accounting

① Environmental measures costs

In FY2011, environmental measures costs comprised 7.6 billion yen in environment-related capital investments, and 61.1 billion yen in maintenance costs related to environmental preservation. In addition, the cost of environment-related R&D, such as the development of eco-conscious products, was 17.0 billion yen.

(Unit: 100 million yen)

Item			Definitions	FY2011	
				Investment	Maintenance
Business area costs	Environmental measures costs	Air pollution	Costs of electricity and other operating costs, and maintenance costs of dust collectors, exhaust gas desulfurization, denitrization, etc.; facility maintenance costs and expenses for material stockyard dust control	31.0	130.7
		Water pollution	Costs of electricity/chemicals and other operating costs, and maintenance costs of effluent treatment facilities	13.7	16.5
		Other environmental load	Costs involving measurement for noise, odor, soil and other environmental load	1.1	0.8
	Global environmental measures costs		Costs of electricity and other operating costs, and maintenance costs of waste-heat and wasteenergy recovery equipment	21.9	8.9
	Resource recycling costs		Costs of electricity/chemicals and other operating costs, and maintenance costs of water recycling facilities; costs related to recycling of by-products; costs related to reduction and processing of industrial wastes, or to outside contracting of such services	5.8	259.6
Management activity costs			Costs for employee environmental training, ISO 14001 operation, and monitoring and measuring environmental loads, and personnel costs of environmental preservation organizations	—	8.8
R&D costs			R&D costs (including personnel) for eco-conscious steel products and reduction of environmental load during production and logistics	—	169.5
Social activity costs			Costs for creating greenbelts on plant grounds, support for external environmental activities and disclosure of environmental information	2.9	6.0
Environmental damage costs			SOx levies stipulated by the Law Concerning Pollution-related Health Damage Compensation and Other Measures	—	10.5
Total				7.6	61.1

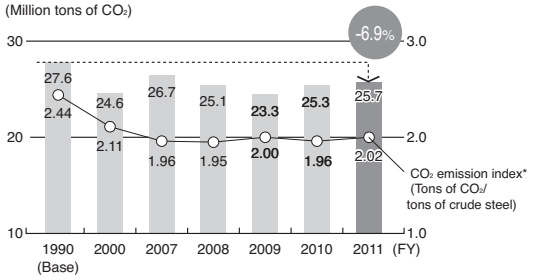
The costs of environmental measures were categorized and tabulated based on the "Environmental Accounting Guidelines 2006" issued by the Ministry of the Environment. However, maintenance costs do not include depreciation expenses.

② Effects of environmental measures

Environmental measures that can be quantified in monetary terms include revenue from the sale of fine slag powder, roadbed sub base materials, and other by-products, which totaled approximately 4.0 billion yen, while revenue generated by disposing waste for other industries on a consignment basis amounted to about 0.4 billion yen.

(3) Total and unit CO_2 emission

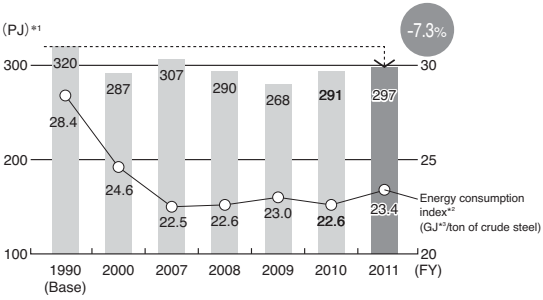
Production of crude steel by Sumitomo Metals in fiscal 2011 was 12.72 million tons, a 12.7% increase over the amount in fiscal 1990. But our efforts at reducing CO_2 production resulted in a 6.9% decrease during the same period, to 25.7 million tons. Our emission of CO_2 per ton crude steel was 2.02 tons - 17% less than it had been in fiscal 1990.



* CO_2 emission index・・・CO_2 emissions per unit ton of crude steel

(4) Total and unit energy consumption

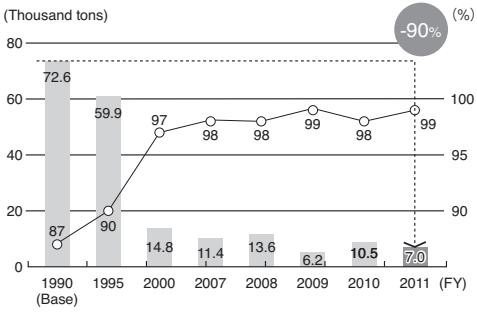
Our energy consumption per ton crude steel in fiscal 2011 was 17.6% less than it had been in fiscal 1990 and was one of the lowest of all integrated steel producers in the world.



*1 PJ(peta joule)・・・A unit of energy or heat the prefix "peta" is equal to 10^{15}
*2 Energy consumption index・・・Energy consumption per unit ton of crude steel

(5) The recycle ratio and waste disposal volume

We have endeavored to recycle our by-products to the greatest extent that is feasible. Disposal of waste in fiscal 2011 was down to 70,000 tons, 90% less than it was in fiscal 1990, and our recycle ratio is 99%.



(6) Reducing environmental burden by making our products more eco-friendly

Our products contribute to our customers' development of eco-friendly products.

(7) Eco-conscious product map

Contributions for the energy indutry	・Stainless steel boiler tubes for ultra supercritical coal-fired power generation ・Steam generator heat transfer (SG) tubes for pressurized water reactor (PWR) nuclear power plants ・"SM125S" Super high-strength oil country tubular goods (OCTG) for sour service ・"Super 13Cr steel pipe" for pipelines ・"CLEANWELL® DRY" oil well pipe joints ・"FCA-W" steel plate, a high-tensile-strength plate for improving the fatigue strength of welded joints
Contributions for the automobile, railways and aerospace industries	・Non-oriented electromagnetic steel sheet for high-efficiency motors ・High-efficiency crash box ・Non-heat treated nitrocarburized high-strength crankshaft steel ・High-strength steel for forged connecting rods ・High-pressure fuel injection pipe for diesel engines ・High heat-resistance stainless steel "NAR-AH-4" and "Dual-wall exhaust manifold" ・"NAR-301L HS1" stainless steel plate for cylinder head gaskets ・Stainless steel sheet for polymer electrolyte fuel cell separator ・Aluminum wheels for trucks and buses ・High-speed railway wheels, axles, and bogie trucks ・Bogie equipped with steering device for metro ・Pure titanium sheet for aircraft, titanium alloy rods for aircraft engines
Contributions for the other industries	・Heat-releasing pre-painted steel sheets ・Chrome-free steel sheet ・Low-carbon non-leaded free cutting steel ・"SMart BEAM™" lightweight welded H-beam ・"GEO-WING PILE™ Ⅱ" steel pipe pile for the rotary penetration method

14 Activities for Contribution to Communities

Facilities' Activities

(unless noted otherwise, figures are for FY2011, ended March 31, 2012)

	Corporate Research and Development Laboratories	Kashima Steelworks	Wakayama Steelworks	Steel Tube Works
Plant Tour Visitors	1,371	18,759	Wakayama: 9,886 Kainan: 796 Total: 10,682	1,000
Sports Events		·Sumikin Cup sports competition (baseball and girls volleyball) ·Baseball classes ·Swimming classes		
Volunteer Activities	·Clean-up in Hasaki Industrial Park (twice a year)	·Beach clean-up in Kashima City ·Clean-up of surrounding areas of the Steelworks ·Removal/disposal of illegally posted advertisements ·Planting, maintenance of trees along Stadium Oodori	·Kinokawa riverbed clean-up ·Wakayama-shi 10,000 participants clean-up ·sonoura beach clean-up (organized by Wakayama Steelworks)	·Clean-up of community roads and etiquette awareness activities for employees ·Participation in regular cleaning activities organized by local community associations
Community Relations Activities		·Participation in the Kashima Festival ·Sumikin Sakura Festival suspended due to the Earthguake	·Participation in the Kainan Festival ·Participation in the Lacquerware Festival ·Co-hosting of the Kasei Green Buffer Zone Walking Festival ·Participation in Kishu Dancing Festival ·Participation in the Geta (Japanese wooden clog) Festival	·Provision of fields for practice by American and flag football teams (since April 2001) ·Sakura Festival (inviting local community associations and government bodies) ·Cooperation to projects to raise next generation youth
Facilities Made Available		·Sakura Park ·Ooka Park	·Gymnasium and field (Kainan area)	·Field
Other Activities	·Agree with Amagasaki-City to make available a certain facility as a safe shelter in case of tsunami-alert issued as a result of disaster		·Hosting of an in-site sketching event for local elementary school children	·Participation in Amagasaki Industrial Fair ·Steel Tube Works Cup (futsal) ·Futsal classes

Osaka Steel Works	Kokura Steel Works	Naoetsu Works
1,845	3,169	298
·Konohana-area Youth Baseball Tournament (Sumikin Cup)		·Child Baseball Tournament (Sumitomo Metals (Naoetsu) Cup) (elementary schools)
·Clean-up of community roads (once a week) ·Cooperation to Japan Handicapped Players Ping Pong Tournament	·Clean-up of community roads (three times a month) and etiquette awareness activities for employees (4 times a year) ·Participation in downtown Kokura clean campaign hosted by the City (twice a year, but once canceled by rain)	·Beach clean-up in Naoetsu Beach (once a year)
·Participation in local events (i.e., Sakurajima "O-Bon" dance festival, local community festival in the Konohana district, local athletic day for handicapped people and their families from the Konohana district), and orange picking) ·Cooperation for a children' s portable shrine for summer festival ·Collection of pull-top tabs	·Participation in Kokura Gion Drum Festival	·Participation in Joetsu Festival ·Participation in and provision of prizes for a sports day of local elementary schools
·Employees' clubhouse	·Gymnasium	·Field

15 Major Domestic Affiliated Companies (As of April 1st, 2012)

Company name *1	Location	Sales (100 million yen)	Capital (100 million yen)	Ownership ratio (%)*2	Establishment Description of business	Description of business
Consolidated subsidiaries						
East Asia United Steel Corporation	Chuo-ku, Tokyo	0	17,217	54.6	2003. 7	Holding company of Sumikin Iron & Steel Corporation
Sumikin Iron & Steel Corporation	Wakayama-shi, Wakayama	3,882	17,217	100 (100)	2003.11	Production and sales of slabs, billets and other steel products
○ Sumitomo Pipe & Tube Co., Ltd.	Sumida-ku, Tokyo	425	4,801	57.2	1911. 9	Production and sales of conduit tubes, welded pipes, and mechanical tubes and pipes
Sumitomo Metal (SMI) Electronics Devices Inc.	Mine-shi, Yamaguchi	185	3,450	100	1991. 3	Production and sales of ceramics packages, functional circuit-board, and electro functional products
Sumikin Weld Pipe Company, Ltd.	Kamisu-shi, Ibaraki	81	3,097	100	1965. 7	Production and sales of large-diameter welded spiral pipes
Sumikin Steel & Shapes Inc.	Wakayama-shi, Wakayama	245	3,000	100	1988.10	Production and sales of H-shapes and steel sheet piles
Sumitomo Metal Pipeline and Piping, Ltd.	Sakai-shi, Osaka	226	2,800	100	2005.10	production, installation and repair of the plants of steelmaking, chemistry and others, gas, water service and oil plumbing and equipment that accompanies them
Sumimetal Mining Co., Ltd.	Hachinohe-shi, Aomori	56	2,000	70	1970. 8	Mining and sales of limestone
Kashima Antlers Football Club Co., Ltd.	Kashima-shi, Ibaraki	41	1,570	72.5 (13.4)	1991.10	Operation of a professional soccer team
Sumitomo Metal Logistics Service Co., Ltd.	Chuo-ku, Tokyo	776	1,515	100	2001.10	Marine and land transportation and warehousing
Sumikin & Nippon Steel Stainless Steel Pipe Co., Ltd.	Koga-shi, Ibaraki	125	916	60	1971. 4	Production and sales of welded and cold seamless stainless steel tubes and titanium tubes

*1 ○ Companies with a circle on their left are public limited companies
*2 Ownership ratio includes indirect ownership ratio which is described in a bracket.

Company name *1	Location	Sales (100 million yen)	Capital (100 million yen)	Ownership ratio (%)*2	Establishment Description of business	Description of business
Sumitomo Metal Plant Co., Ltd.	Wakayama-shi, Wakayama	616	630	100	2003. 4	Plant engineering, plant maintenance, and design and construction of computer systems
Wako Steel Co., Ltd.	Narita-shi, Chiba	86	503	63.9	1962. 9	Cutting, processing and plate working of finished steel
Ring Techs Co., Ltd.	Kurashiki-shi, Okayama	95	500	100	1952. 5	Production and sales of wheels for automobiles
Sumikin Kikoh Company, Ltd.	Amagasaki-shi, Hyogo	57	500	100	1958. 4	Production and sales of gas containers and steel pipe fittings
Sumitomo Metal Fine Technology Co., Ltd.	Kashiwara-shi, Osaka	78	500	100	1945.12	Production and sales of steel pipe fittings, molds, and industrial equipments
Sumikin Precision Forge, Inc.	Handa-shi, Aichi	103	480	100	1985. 3	Production and sales of cold-forged products for automobiles
Shearing Kozyo, Ltd.	Sakai-shi, Osaka	32	477	74.9 (1.3)	1909. 4	Cutting, processing, and field warehousing of finished steel
Sumikin Steel Processing Co., Ltd.	Sakai-shi, Osaka	255	360	74.4	1950.11	Production and sales of steel wires for cold forging
Nippon Stainless Steel Kozai Co., Ltd.	Joetsu-shi, Niigata	36	320	69.3	1947. 6	Processing of stainless steel products
Sumikin Kansai Industries, Ltd.	Osaka-shi, Osaka	173	310	100	1960. 6	Design, improvement, assembly, and maintenance of machinery and facilities
Sumikin Koka Co., Ltd.	Kashima-shi, Ibaraki	184	300	100	2002. 9	Disposal and sales of blast furnace slag
Sumikin Recycling Co., Ltd.	Kashima-shi, Ibaraki	15	270	100	2004. 2	Recycling of general waste and industrial waste, and sales of recycled products
Sumikin Recotech Co., Ltd.	Kita-kyushu-shi, Fukuoka	57	140	100	1977. 3	Slag processing and engineering
Sumikin Kosan Co., Ltd.	Osaka-shi, Osaka	43	100	100	1967.10	Operation of insurance and real estate businesses
Sumitomo Metal Technology, Inc.	Amagasaki-shi, Hyogo	155	100	100	1987. 1	General research and testing center specializing in materials analysis and evaluation

	Company name *1	Location	Sales (100 million yen)	Capital (100 million yen)	Ownership ratio (%)*2	Establishment Description of business	Description of business
	Ware House Industrial Co., Ltd.	Hamamatsu-shi, Shizuoka	107	72	51	1961.12	Cutting and processing of finished steel
	Sumikin Financial Service Co., Ltd.	Osaka-shi, Osaka	0	10	100	1987. 4	Financing activity for subsidiaries of Sumitomo Metals
Affiliated companies accounted for using the equity method							
○	SUMCO CORPORATION	Minato-ku, Tokyo	2,471	114,107	27.8	1999. 7	Production and sales of silicon wafers
	Kashima Kyodo Electric Power Company	Kashima-shi, Ibaraki	827	22,000	50	1969.12	Supply of electricity
○	Kyoei Steel Ltd.	Osaka-shi, Osaka	1,049	18,515	26.7	1947. 8	Production and sales of steel bars, shapes, and flat bars
○	Daiichi Chuo Kisen Kaisha	Chuo-ku, Tokyo	1,271	13,258	15.5	1960.10	Marine transportation and shipping agency
○	Sumikin Bussan Corporation	Osaka-shi, Osaka	6,773	12,335	39	1962.10	Import, export and sales of steel, textiles, foodstuffs and other products
	Nippon Steel & Sumikin Coated Sheet Corporation	Chuo-ku, Tokyo	746	11,019	23.3	1950. 2	Production and sales of coated steel sheet, surface treatment of steel sheet, cold strip steel sheet, and construction material
○	Sumitomo Precision Products Co., Ltd.	Amagasaki-shi, Hyogo	385	10,311	40.7 (0.1)	1961. 1	Production and sales of aircraft components,heat exchangers, hydraulic controls, and environmental equipment
○	OSAKA Titanium technologies Co., Ltd.	Amagasaki-shi, Hyogo	622	8,739	23.9	1997. 5	Production and sales of metallic titanium, titanium ingot, semiconductor-grade polycrystalline silicon
	Nippon Steel & Sumikin Metal Products Co.,Ltd.	Koto-ku, Tokyo	770	5,912	15	1973. 4	Production and sales of buliding materials, civil materials, and vinyl chlorided steel sheet
	Nippon Steel & Sumikin Stainless Steel Corporation	Chiyoda-ku, Tokyo	2,240	5,000	20	2003.10	Production and sales of stainless steel products
○	Chuo Denki Kogyo Co., Ltd.	Myoko-shi, Niigata	360	3,630	38.3	1934. 2	Production and sales of ferroalloys and electrolytic manganese metal

Company name *1	Location	Sales (100 million yen)	Capital (100 million yen)	Ownership ratio (%)*2	Establishment Description of business	Description of business
Nippon Steel & Sumikin Welding Co., Ltd.	Koto-ku, Tokyo	246	2,100	20	1958. 7	Production, sales, and construction of, and consultation on, welding materials, equipment, and devices
Wakayama Kyodo Power Company, Inc.	Wakayama-shi, Wakayama	277	2,000	47	1961. 6	Supply of electricity
Yokogawa Sumikin Bridge Corp.	Kamisu-shi, Ibaraki	122	499	40	1990. 6	Design, production, and construction of steel structure
Kyoei Recycling Co.,Ltd.	Sanyo-onoda-shi, Yamaguchi	23	495	20	2004. 2	Production and sales of fuel (gas,carbide) and raw materials for steel making, collection and dispose of general waste and industrial waste
Zirco Products Co., Ltd.	Shimonoseki-shi, Yamaguchi	29	450	33.4	1999.12	Production and sales of nuclear fuel cladding tubes
Panasonic Eco Solutions Steel Pipe & Tube Co., Ltd.	Ishioka-shi, Ibaraki	76	450	35 (35)	2006. 4	Production and sales of steel conduit tube and its accessories
Wakayama Slag Cement., Ltd.	Wakayama-shi, Wakayama	34	450	33.3	1990. 4	Production and sales of blast furnace cement, and subcontract manufacturing of granulated blast-furnace slag
HDK Micro Devices Co.,Ltd.	Toyama-shi, Toyama	145	450	20	2001.10	Development and production of printed circuit board assemblies for electronic products
Nippon Steel & Sumikin Rolls Corporation	Kita-kyushu-shi, Fukuoka	81	400	20	2006. 4	Production and sales of cast rolls

16 Major Overseas Subsidiaries

(1) Major overseas subsidiaries (As of April 1st, 2012)

Company name	Location	Sales	Capital	Ownership ratio (%)	Capital Date of capital investment	Description of business
Consolidated subsidiaries						
Standard Steel, LLC	Pittsburgh, PA, U.S.A	US$ 88 milliom	US$ 78,189 thousand	100 (100)	2011.8	Production and sales of forged wheels & axles
SMI Crankshaft LLC	St. Fostoria, OH, U.S.A.	US$ 50 million	US$ 25,500 thousand	60 (60)	2008.1	Crankshaft machining manufacturer
Western Tube & Conduit Corp.	Long Beach, CA, U.S.A.	US$ 208 million	US$ 17,000 thousand	96.7 (1.7)	1968.4	Production and sales of steel conduit tubes and mechanical tubes
Seymour Tubing, Inc.	Seymour, IN, U.S.A.	US$ 104 million	US$ 10,000 thousand	80 (80)	1989.3	Production and sales of cold-drawn tubes for automobiles
International Crankshaft Inc.	Georgetown, KY, U.S.A.	US$ 86 million	US$ 22 thousand	80 (80)	1990.2	Production and sales of small-size forged crankshafts
Sumitomo Metal do Brasil Ltda.	Rio de Janeiro, RJ, Brazil	—	1,445 million reais	100 (0.0)	2010.11	sales of seamless pipes manufactured by Vallourec & Sumitomo Tubos do Brasil Ltda.
Thai Steel Pipe Industry Co., Ltd. (TSP)	Don Hua Roh A. Muang, Chonburi, Thailand	2,879 million baht	365,800 thousand baht	55	1963.12	Production, processing and sales of mechanical steel pipes, mainly for four-wheeled vehicles
Steel Processing (Thailand) CO., Ltd.	Amphur Pluakdaeng, Rayong, Thailand	2,296 million baht	341,400 thousand baht	80 (4.1)	1997.2	Production and sales of steel wires for cold heading and cold forging
Thai Sumilox Co., Ltd.	Amphur U-Thai, Ayutthaya, Thailand	1,761 million baht	75,000 thousand baht	52	1990.4	Service center specializing in electromagnetic steel sheet

Company name	Location	Sales	Capital	Ownership ratio (%)	Capital Date of capital investment	Description of business
Huizhou Sumikin Forging Co., Ltd.	Huizhou, Guangdong, China	342 million yuan	239 million yuan	51	2003.8	Production and sales of small-size forged crankshafts
Ring Techs Guangzhou Company Limited.	Guangzhou, Guangdong, China	148 million yuan	105 million yuan	80 (80)	2005.1	Production and sales of steel wheels for automobils
Guangzhou You-Ri Automotive Parts Co., Ltd.	Guangzhou, Guangdong, China	276 million yuan	53 million yuan	51 (51)	2003.11	Production, processing and sales of mechanical steel pipes, mainly for four-wheeled vehicles
Sumitomo Metal (SMI) Electronics Devices (M) Sdn. Bhd. (SMMY)	Penang, Malaysia	81 million ringgit	54,000 thousand ringgit	100 (100)	1995.8	Production of IC ceramics and plastic packages
SMCi Globetronics Technology Sdn. Bhd. (SGT)	Penang, Malaysia	21 million ringgit	1,600 thousand ringgit	51 (51)	1994.12	Production of IC ceramics packages
Sumitomo Metal Australia Pty,Ltd. (SMA)	Sydney, N.S.W. Australia	A$ 198 million	A$ 14,829 thousand	100	1977.3	Investment in mining of raw material
Affiliated companies accounted for using the equity method						
Pennsylvania Extruded Tube Company	Clarks Summit, PA, U.S.A.	US$ 77 million	US$ 48,385 thousand	30 (30)	1992.5	Production of hot finished seamless stainless steel pipes and tubes
VAM USA LLC	Houston, TX, U.S.A.	US$ 190 million	US$ 20,000 thousand	34 (34)	1989.3	Threading of oil well pipes and tubes
Vallourec & Sumitomo Tubos do Brasil Ltda.	Belo Horizonte, Minas Gerais, Brazil	30 million yuan	5,376 million reais	40.4 (19)	2007.7	Production of high-grade seamless pipe.
Baoji-SMI Petroleum Steel Pipe Co., Ltd.	Baoji, Shaanxi, China	776 million yuan	334 million yuan	25	2001.3	Production and sales of oil well pipes and of line pipes for petroleum, natural gas, etc.

Company name	Location	Sales	Capital	Ownership ratio (%)	Capital Date of capital investment	Description of business
VAM (Changzhou) Oil & Gas Premium Equipment Co., Ltd.	Changzhou, Jiangsu, P.R.China	29 million yuan	360 million yuan	34 (34)	2007.11	Threading of oil well pipes and sales
SMI-Amtek Crankshaft Pvt. Ltd.	Rewari, Haryana, India	400 million rupees	1,290 million rupees	40	2010.4	Production and sales of small-size forged crankshafts
Voith Turbo SMI Technologies, Gmbh & Co, KG	Heidenheim, Germany	0.5 million euro	100 thousand euro	49 (49)	2008.3	Development of the permanent magnetic retarder and sales to Europe etc
National Pipe Company Limited (NPC)	Al-Khobar, Saudi Arabia	823 million riyals	200,000 thousand riyals	33	1978.8	Production and sales of large welded pipes for petroleum, natural gas, etc.

(2) Overseas operations (As of July 1st, 2011)

① Standard Steel, LLC

Brief history:	1795 Established. 2011 Sumitomo Metals acquired a 100% stake.
Location:	1200 Reedsdale St. Ste3, Pittsburgh, PA 15233
Outlay of initial investment:	August 2011
Shareholding ratio:	100%
President:	Yukinori Akimoto
Description of business:	Production and sales of forged wheelsand axles
Settlement of accounts:	End of December
Number of employees:	619 (as of December 2011)
Main facilities:	One 10,000-ton forging press line (with an annual production capacity of 300 thousands Wheels)

② International Crankshaft Inc.

Brief history:	1990 Established. 1992 Started production. 1997 Started operation of the second die forging press line. 2009 Started operation of the third die forging press line.
Location:	101 Carley Court, Georgetown, Kentucky 40324, U.S.A.
Capital:	US $ 22,000
Outlay of initial investment:	February 1990

Shareholding ratio:	80%
President:	Makoto Tsuruhara
Description of business:	Production and sale of small-size forged crankshafts
Settlement of accounts:	End of December
Number of employees:	154 (as of December 2011)
Main facilities:	Two 6,000-ton die forging press line One 7,000-ton die forging press line (with a combined annual production capacity of 2.65 million crankshafts)

③ Huizhou Sumikin Forging Co., Ltd.

Brief history:	2003 Established. 2004 Started operation. 2005 ThyssenKrupp Automotive Systems GmbH took equity stake. 2007 Started operation of the second die forging press line.
Location:	Xiangshui River Industrial Park, Daya Bay, Huizhou, China 516083
Capital:	239 million yuan
Outlay of initial investment:	August 2003
Shareholding ratio:	51%
President:	Yasuo Hida
Description of business:	Produciton and sale of small-size forged crankshafts
Settlement of accounts:	End of December
Number of employees:	189 (as of December 2011)
Main facilities:	Two 6,000-ton die forging press line (with an annual production capacity of 1.8 million crankshafts)

④ SMI-Amtek Crankshaft Private Limited

Establishment:	April 2010
Location:	Industrial Plot No.20, Phase-1, Urban Estate, Dharuhera, Distt.Rewari, Hariana 122105, India
Capital:	540 million rupees
Outlay of initial investment:	April 2010
Shareholding ratio:	40%
President:	Ryousuke Nobuyoshi
Description of business:	Production and sale of small-size forged crankshafts
Settlement of accounts:	End of March
Main facilities:	a 4,000-ton die forging press line (with an annual production capacity of 0.8 million crankshafts)

⑤ Western Tube & Conduit Corp.

Brief history:	1964 Established in Oakland, California. 1968 Sumitomo Metals acquired a 60% stake. 1975 Moved to the current location. 1990 Sumitomo Metals increased its stake to 95.05%. 2002 Started operation of new In-line galvanizing tube line.

	2003 Certified for ISO 9001
	2010 Certified for ISO 14001
Location:	2001 East Dominguez Street, Long Beach, CA 90801-2720 U.S.A.
Capital:	US $ 17 million
Outlay of initial investment:	April 1968
Shareholding ratio:	95%
President:	Ichirou Yasumura
Description of business:	Production and sale of steel conduit tubes and mechanical tubes
Settlement of accounts:	End of December
Number of employees:	239 (as of March 2012)
Main facilities:	Six *ERW steel tube machines (three of which serving as In-line galvernizing tube lines) with an annual production capacity of 180,000 tons Three steel-tube threading machines Eight steel-tube cutting machines

*ERW : Electrical Resistance Welding

⑥ Thai Steel Pipe Industry Co., Ltd.

Brief history:	1963 Established. (Sumitomo Metals' first overseas operation)
	1965 Started operation at Phrapradaeng area near Bangkok. Production and sales of steel tubes for engineering works and buildings.
	1990 Started operation of a 2-inch ERW mill and expanded to mechanical steel tube business for two and four-wheeled vehicles.
	1994 Started operation of a cold drawing line.
	1996 Started operation of a 2-inch diameter ERW steel tube line at the No. 2 Plant in Bang Pakong.
	1997 Demand decrease caused by the Thai Baht Crisis.
	1999 Shifted all production to the No. 2 Plant in Bang Pakong.
	2001 Installed a 1.5-inch diameter ERW steel tube line and replaced cold drawing bench.
	2002 Expanded the diameter of an ERW steel tube line from 2 inches to 3 inches for producing steel pipe for propeller shafts.
	2004 Started oeration of steel pipe for high strength propeller shafts.
	2005 Certified for ISO/TS16949.
	2006 Installed the No.4 Cold drawing bench.
	2007 Certified for ISO 14000.
Location:	700/332 Moo 6, Amata Nakorn Industrial Park, Bangna-Trad Rd., Don Hua Roh, A. Muang, Chonburi 20000, Thailand
Capital:	365.8 million baht

Outlay of initial investment:	July 1964
Shareholding ratio:	55%
General manager:	Toshitaka Hara
Description of business:	Production and sale of steel pipe for mainly two and four-wheeled vehicles
Settlement of accounts:	End of December
Number of employees:	410 (as of December 2011)
Main facilities:	Two *ERW steel tube machines with an annual production capacity of 50,000 tons Three cold drawing benches with an annual production capacity of 12,000 tons Twenty six steel-tube cutting machines

*ERW : Electrical Resistance Welding

⑦ National Pipe Co., Ltd.

Brief history:	1978 Established. 1980 Started commercial production. 1985 Achieved an annual output of 190,000 tons and received the King Fahd Ideal Factory Award. 1994 Achieved a total tube-making output of 1 million tons and opened a new office. 1995 Certified for ISO9001. 1998 Achieved a total tube-making output of 1.5 million tons. 2001 Started the operation of a *SAW longitudinal seam pipe mill. 2007 Achieved cumulative total pipe production of 3 million tons
Location:	P.O. Box 1099, Al-Khobar 31952, Saudi Arabia
Capital:	200 million riyals
Outlay of initial investment:	August 1978
Shareholding ratio:	Sumitomo Metals 33%, Sumitomo Corporation 16%
President:	Hirofumi Yamamoto
Description of business:	Production and sale of large welded pipes
Settlement of accounts:	End of December
Main facilities:	Two *SAW herical seam piping machines (ranging between 20 and 60 inches in outer diameter) with an annual production capacity of 250,000 tons One *SAW longitudinal seam piping machine (ranging between 24 and 60 inches in outer diameter) with an annual production capacity of 180,000 tons

*SAW : Submerged Arc Welding Method

⑧ Baoji-SMI Petroleum Steel Pipe Co., Ltd.

Establishment:	December 2000
Location:	No. 10 Jiangtan Road, Baoji City, Shaanxi Province, People's Republic of China
Capital:	334 million yuan
Outlay of initial investment:	February 2001

Shareholding ratio:	Sumitomo Metals 25%, Sumitomo Corporation 12%
President:	Yasuhiko Arii
Description of business:	Production and sale of OCTG and line pipes for petroleum, natural gas, etc.
Settlement of accounts:	End of December
Main facilities:	One *ERW steel tube machine with an annual production capacity of 200,000 tons One OCTG finishing line with an annual production capacity of 100,000 tons

*ERW : Electrical Resistance Welding

⑨ Vallourec & Sumitomo Tubos do Brasil Ltda.

Establishment:	July 2007
Brief history:	2010 Produced its first steel pipe
Scheduled startup:	By the end of 2010
Location:	65 Avenida Olinto Meireles Usina, lote 12 Bairro de Baixo District CEP 30640-010 Belo Horizonte Minas Gerais Brazil
Shareholding ratio:	Sumitomo Metals 39%, Sumitomo Corporation 5%.
President:	Tancredo Martins Neto
Description of business:	Integrated steelmaker to manufacture high-grade seamless pipes
Main facilities:	Integrated steel works including -Upstream facilities such as blast furnaces and steel making plants -Seamless pipe mill (product size range:168.3-406.4mm) -Finishing facilities
Capacity:	-600,000 tons/year of seamless pipe (Vallourec and Sumitomo Metals to sell 300,000 tons each) -One million tons/year of crude steel (700,000 tons of crude steel to be used internally, and the rest to be purchased by Vallourec)
Investment:	5,376 million reais

⑩ Thai Sumilox Co., Ltd.

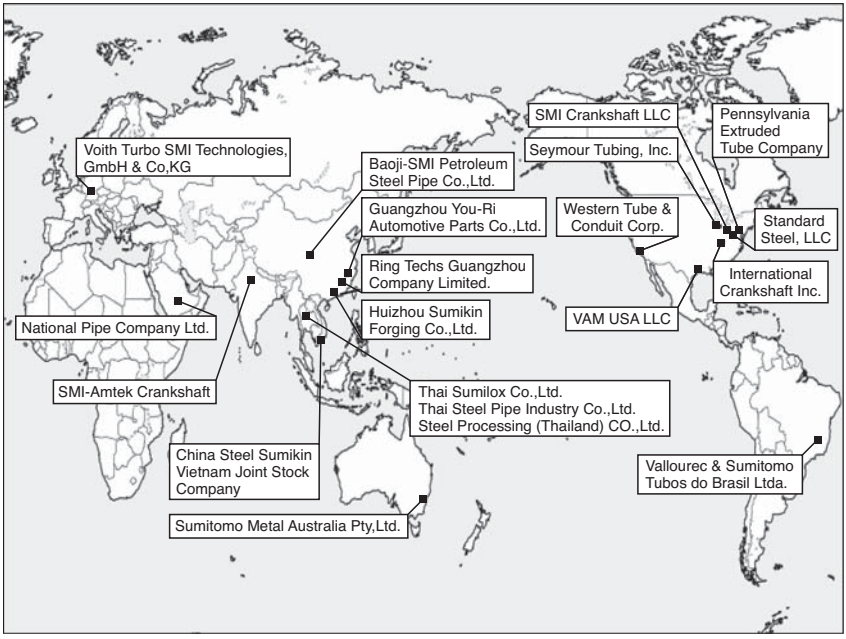
Brief history:	1990 Established. 1991 Started operation. 2001 Started operation of a new faculty 2008 Started operation of a 300-ton stamp line (No.4 line).
Location:	1/79 Rojana Industrial Park, Rojana Road, Thambon Khanham, Amphur U-Thai, Ayutthaya 13210, Thailand
Capital:	75 million bahts
Outlay of initial investment:	April 1990
Shareholding ratio:	52%
Representative:	Shinichi Takaya
Settlement of accounts:	End of December
Number of employees:	148 (as of December 2011)

Description of business:	electromagnetic steel processing and sales
Main facilities:	Two slitting machines and Six stamping machines (with an annual machining ability of 72,000 tons)

⑪ **China Steel Sumikin Vietnam Joint Stock Company**

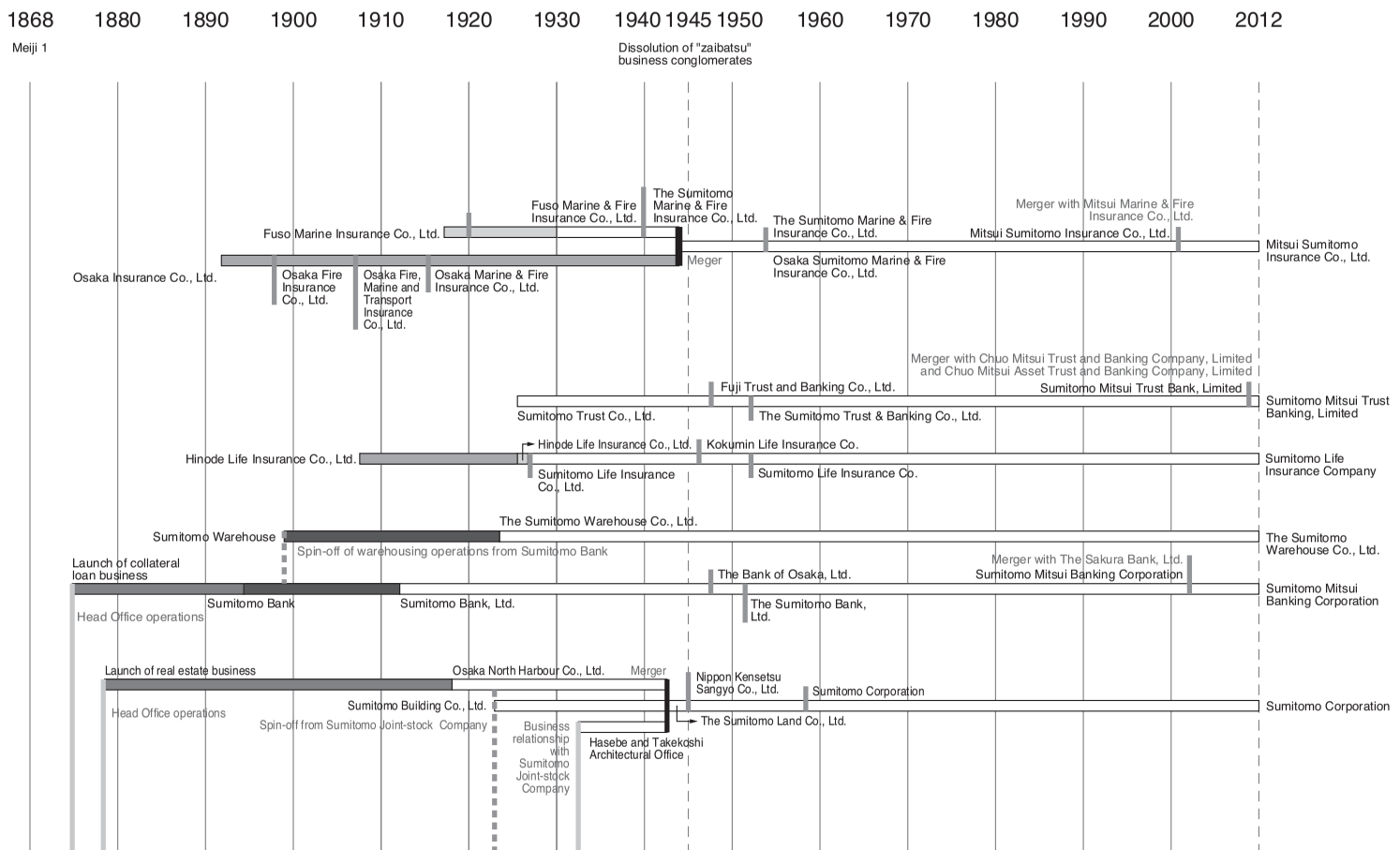
Establishment:	May 2009
Scheduled startup:	FY2012 (scheduled)
Location:	My Xuan A2 Industrial Zone, Tan Thanh Dist., Ba Ria-Ving Tau Province, Vietnam
Share holding ratio:	Sumitomo Metals 30%, Sumitomo Corporation 5%, Sumikin Bussat Corporation 5%
General Director:	Wong, Chao-Tung
Description of business:	Production and sale pickling steel sheer,cold rolled sheet, electrical sheet and hot-dip galvanized coil
Main facilities:	Heavy-gauge shearing line, pickling line, tandem cold rolling mill, continuous galvanizing line, annealing and coating line, and auxiliary lines
Capacity:	1.6million MT per year
Total investment:	115 billion yen

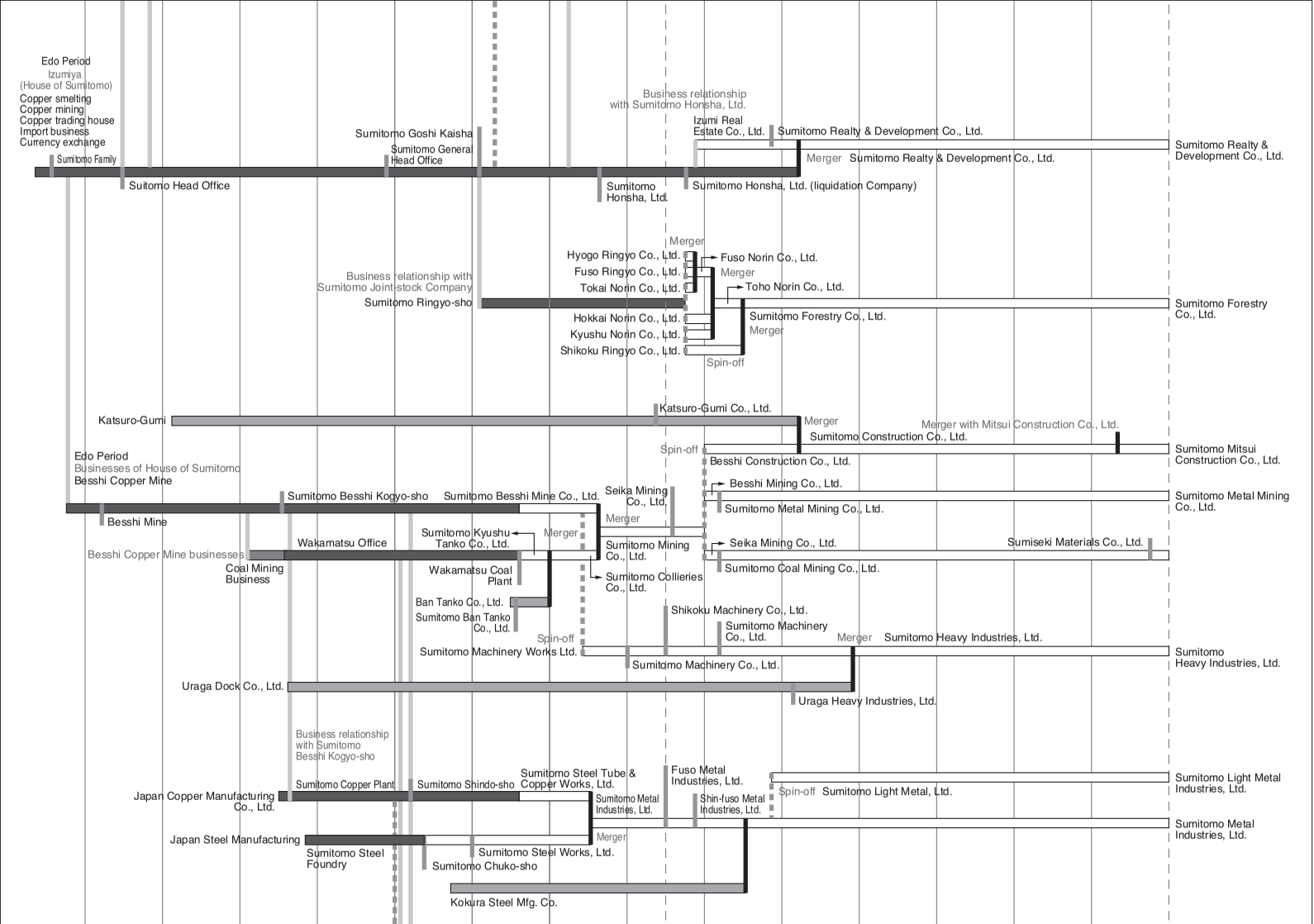
(3) Location of major overseas subsidiaries

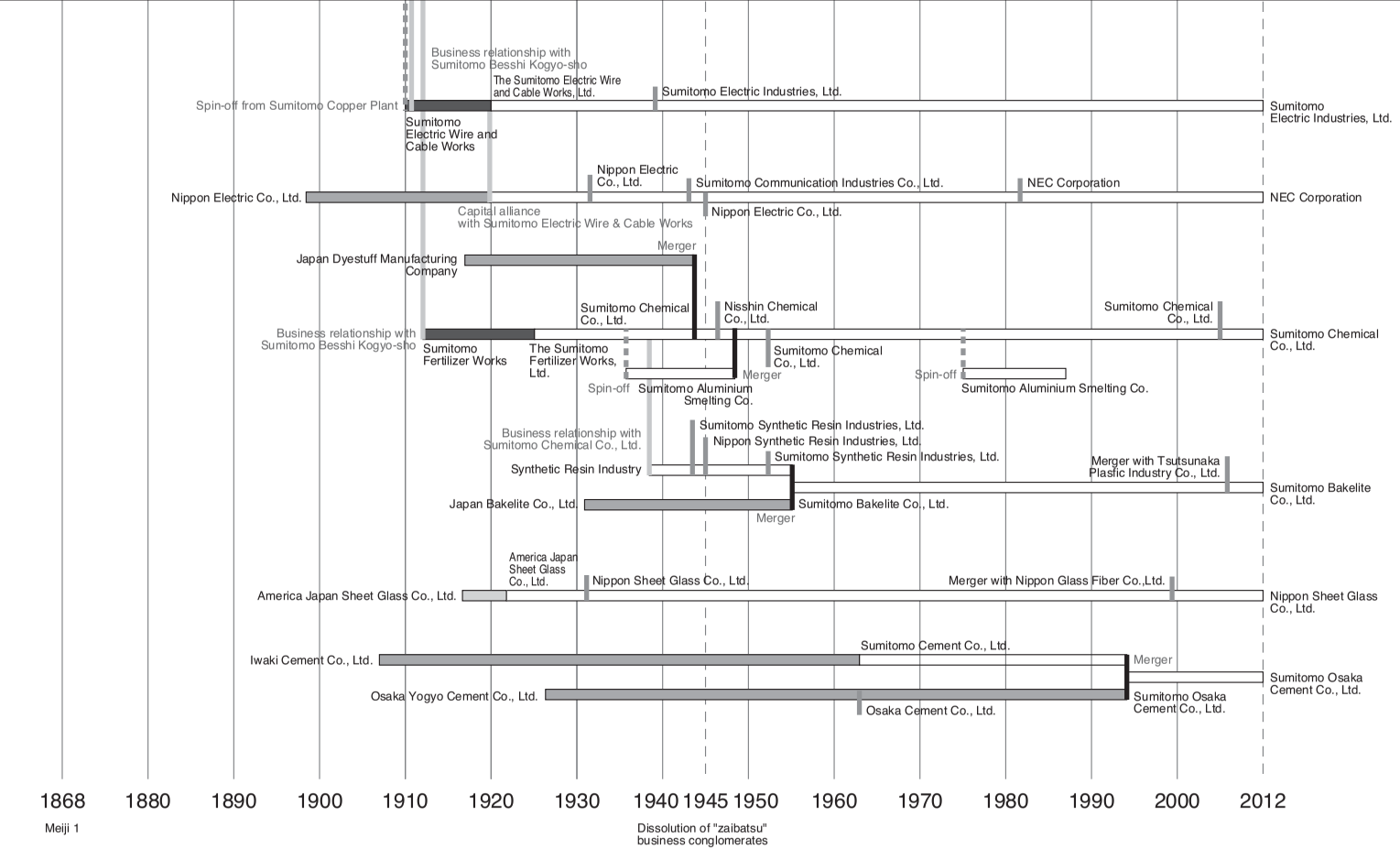


17 Sumitomo Group

(1) Development of Sumitomo Group




Edo Period
Izumiya
(House of Sumitomo)
Copper smelting
Copper mining
Copper trading house
Import business
Currency exchange
Sumitomo Family
Suitomo Head Office
Sumitomo Goshi Kaisha
Sumitomo General Head Office
Business relationship with Sumitomo Honsha, Ltd.
Izumi Real Estate Co., Ltd.
Sumitomo Realty & Development Co., Ltd.
Merger
Sumitomo Realty & Development Co., Ltd.
Sumitomo Realty & Development Co., Ltd.
Sumitomo Honsha, Ltd.
Sumitomo Honsha, Ltd. (liquidation Company)
Merger
Hyogo Ringyo Co., Ltd.
Fuso Ringyo Co., Ltd.
Tokai Norin Co., Ltd.
Fuso Norin Co., Ltd.
Merger
Toho Norin Co., Ltd.
Business relationship with Sumitomo Joint-stock Company
Sumitomo Ringyo-sho
Sumitomo Forestry Co., Ltd.
Hokkai Norin Co., Ltd.
Kyushu Norin Co., Ltd.
Shikoku Ringyo Co., Ltd.
Sumitomo Forestry Co., Ltd.
Merger
Spin-off
Katsuro-Gumi
Katsuro-Gumi Co., Ltd.
Merger
Sumitomo Construction Co., Ltd.
Merger with Mitsui Construction Co., Ltd.
Spin-off
Besshi Construction Co., Ltd.
Sumitomo Mitsui Construction Co., Ltd.
Edo Period
Businesses of House of Sumitomo
Besshi Copper Mine
Sumitomo Besshi Kogyo-sho
Sumitomo Besshi Mine Co., Ltd.
Besshi Mine
Seika Mining Co., Ltd.
Besshi Mining Co., Ltd.
Sumitomo Metal Mining Co., Ltd.
Sumitomo Metal Mining Co., Ltd.
Merger
Besshi Copper Mine businesses
Wakamatsu Office
Sumitomo Kyushu Tanko Co., Ltd.
Merger
Sumitomo Mining Co., Ltd.
Seika Mining Co., Ltd.
Sumiseki Materials Co., Ltd.
Coal Mining Business
Wakamatsu Coal Plant
Sumitomo Collieries Co., Ltd.
Sumitomo Coal Mining Co., Ltd.
Ban Tanko Co., Ltd.
Sumitomo Ban Tanko Co., Ltd.
Shikoku Machinery Co., Ltd.
Sumitomo Machinery Co., Ltd.
Spin-off
Merger
Sumitomo Heavy Industries, Ltd.
Sumitomo Machinery Works Ltd.
Sumitomo Machinery Co., Ltd.
Sumitomo Heavy Industries, Ltd.
Uraga Dock Co., Ltd.
Uraga Heavy Industries, Ltd.
Business relationship with Sumitomo Besshi Kogyo-sho
Sumitomo Copper Plant
Sumitomo Shindo-sho
Sumitomo Steel Tube & Copper Works, Ltd.
Fuso Metal Industries, Ltd.
Sumitomo Light Metal Industries, Ltd.
Spin-off
Sumitomo Light Metal, Ltd.
Japan Copper Manufacturing Co., Ltd.
Sumitomo Metal Industries, Ltd.
Shin-fuso Metal Industries, Ltd.
Sumitomo Metal Industries, Ltd.
Japan Steel Manufacturing
Merger
Sumitomo Steel Foundry
Sumitomo Steel Works, Ltd.
Sumitomo Chuko-sho
Kokura Steel Mfg. Co.


Business relationship with Sumitomo Besshi Kogyo-sho
The Sumitomo Electric Wire and Cable Works, Ltd.
Sumitomo Electric Industries, Ltd.
Spin-off from Sumitomo Copper Plant
Sumitomo Electric Industries, Ltd.
Sumitomo Electric Wire and Cable Works
Nippon Electric Co., Ltd.
Sumitomo Communication Industries Co., Ltd.
NEC Corporation
Nippon Electric Co., Ltd.
NEC Corporation
Capital alliance with Sumitomo Electric Wire & Cable Works
Nippon Electric Co., Ltd.
Merger
Japan Dyestuff Manufacturing Company
Sumitomo Chemical Co., Ltd.
Nisshin Chemical Co., Ltd.
Sumitomo Chemical Co., Ltd.
Business relationship with Sumitomo Besshi Kogyo-sho
Sumitomo Chemical Co., Ltd.
Sumitomo Fertilizer Works
The Sumitomo Fertilizer Works, Ltd.
Sumitomo Chemical Co., Ltd.
Merger
Spin-off
Spin-off
Sumitomo Aluminium Smelting Co.
Sumitomo Aluminium Smelting Co.
Sumitomo Synthetic Resin Industries, Ltd.
Business relationship with Sumitomo Chemical Co., Ltd.
Nippon Synthetic Resin Industries, Ltd.
Sumitomo Synthetic Resin Industries, Ltd.
Synthetic Resin Industry
Merger with Tsutsunaka Plastic Industry Co., Ltd.
Sumitomo Bakelite Co., Ltd.
Japan Bakelite Co., Ltd.
Sumitomo Bakelite Co., Ltd.
Merger
America Japan Sheet Glass Co., Ltd.
Nippon Sheet Glass Co., Ltd.
Merger with Nippon Glass Fiber Co.,Ltd.
America Japan Sheet Glass Co., Ltd.
Nippon Sheet Glass Co., Ltd.
Sumitomo Cement Co., Ltd.
Iwaki Cement Co., Ltd.
Merger
Sumitomo Osaka Cement Co., Ltd.
Osaka Yogyo Cement Co., Ltd.
Sumitomo Osaka Cement Co., Ltd.
Osaka Cement Co., Ltd.
1868
1880
1890
1900
1910
1920
1930
1940
1945
1950
1960
1970
1980
1990
2000
2012
Meiji 1
Dissolution of "zaibatsu" business conglomerates
Business relationship
Merger
Spin-off
Change in company name
Company name after capital participation or merger
Capital participation
Company name prior to capital participation or merger
Business conducted by the Head Office
Business unit of the Head Office

(2) The Sumitomo Group Public Affairs Committee

① History

Established as a PR research workshop in 1958 to cultivate customer trust and develop public support for Sumitomo Group activities. The body underwent name changes in 1962, 1969 and 1980, since when it has retained its current name. Founded by eight companies, the committee now has 36 member companies, all having their roots in Sumitomo.

② Basic philosophy

All Group companies share Sumitomo's basic business philosophy and corporate culture, developed throughout Sumitomo's 400-year history. On behalf of all Group companies, the Sumitomo Group Public Affairs Committee can develop public relations more extensively than a single company can, thereby enhancing public trust in our Group.

③ Current major activities

Issuance of "Sumitomo Quarterly", our PR magazine in English

Sumitomo Quarterly, a quarterly PR magazine in English for readers abroad, is issued to make the Group better known and appreciated. The magazine features Japanese people and their activities past, present and future.

Since its first issue in February 1980, the Quarterly has consistently offered information that enables better understanding of Japan, to ensure continued friendly relations with the rest of the world.

Support of the *Brief Message from the Heart* contest

We are proud supporters of the *Brief Message from the Heart* contest, a townrevitalization project which has served to bring Maruoka-cho, a small castle town in Fukui Prefecture, Hokuriku, to considerable fame.

The contest has its roots in a letter, regarded in Japan as a gem of piercing brevity. Roughly translated as "Watch out for fire; don't let Osen cry; keep the horses well fed", the evocative missive was written by Shigetsugu Honda, a retainer of feudal lord Ieyasu Tokugawa, to his wife from his battle station. Osen grew up to be none other than Narishige Honda, feudal lord of Maruoka.

We have supported this event since 1994. There are two reasons why we support this contest: first, the contest features the spirit common to our message: passing important values from people to people; and second, Maruoka-cho is dear to our hearts, it being the town where Masatomo Sumitomo, our founder, was born.

Support of the Intercollegiate Negotiation Competition

In this competition, we offer an aim to students learning arbitration and negotiation and also we would like students to deepen exchange with persons in charge of judgment such as

businessman, lawyer and instructor being active in society and learn something unlearnable within the range of lessons at the university through the intercollegiates.
Sumitomo Group Public Affairs Committee has been supporting the Intercollegiate Negotiation Competition since its establishment in 2002 because we sympathize with the competition's gist "Deepening the society's interest in negotiation and developing the young human resource" and think an establishment of the intercollegiates between universities is "important and meaningful".

Special support of The Speech Contest of School for the Blind

Sumitomo Group Public Affairs Committee has been supporting "The Speech Contest of School for the Blind".This contest has been observing tradition since its establishment in 1928 by Tenji Mainichi of Mainichi Newspaper Co.,Ltd.
Because the gist of this contest "Sending the message of our mind with our own words" has a commonality with our group message "Passing important values from people to people", we've been specially supporting this event since 2003.

Managing corporate website

The Sumitomo Group Public Affairs Committee manages the Group's website to ensure the Group gains trust and creates a favorable impression. (URL http://www.sumitomo.gr.jp/)
"Gensen-400 years of Sumitomo," a Sumitomo history series in an easy-to-understand comic form (Japanese only), was launched on the website in April 2010, with materials provided by the Sumitomo History Museum.

(3) The Sumitomo Foundation (Public-interest Incorporated Foundation)

① History

Sumitomo began in the second half of the 16th century in Kyoto in a trade known as "nan-ban buki," the name given to copper refining and copper work. Thereafter, operations expanded to the management of the Besshi Copper Mine in Ehime Prefecture, the cornerstone of Sumitomo's present-day business.
Although the Besshi Copper Mine closed in 1973, the Sumitomo Foundation was set up in 1991 with funding from 20 companies of the Sumitomo Group as part of celebrations in 1990 marking the 300th anniversary of the opening of the mine.

② Objectives of the Foundation

The goals of the Sumitomo Foundation are to assist in the creation of a more affluent society through grant that meets the needs of the times and which is given with an international perspective, to business and research in various fields attempting to solve or lessen problems confronting humanity.

③ Main activities

1) Grant for Basic Science Research Projects

The Foundation provides grant to basic science research projects, vital but often underfunded, particularly the funding of the germinating studies of promising young researchers.

2) Grant for Environmental Research Projects

The Foundation provides grant to research in many disciplines (the humanities, social sciences and natural sciences) that is needed to gather and analyze data and formulate policies to overcome environmental problems.

3) Grant for Projects for the Protection, Preservation & Restoration of Cultural Properties in Japan

This Foundation provides grant for projects for the protection preservation & restoration of cultural properties (arts and crafts including paintings, sculptures, crafts, books, old manuscripts, antique documents, archeological evidences, historical records) in Japan, as a means for preservation of cultural property.

4) Grant for Projects for the Protection, Preservation & Restoration of Cultural Properties Outside Japan

The Foundation provides grant for work in countries around the world to maintain and restore cultural assets (arts, crafts and historical sites) and to conduct preliminary studies (directly related to maintenance and restoration), since these are the cultural assets of all mankind and these must be passed on to future generations.

5) Grant for Japan-related Research Projects by East or Southeast Asian researchers (except for Japanese nationality)

This grant is directed towards researchers in the nations of East or Southeast Asia who are studying Japan-related themes (including Japanese studies, comparative studies, international studies and cross-cultural studies, each of which includes Japan as an object). The objective is to create the grounds for greater levels of understanding of Japan in these countries and to promote mutual understanding between Japan and the nations of Asia.

④ Results of grants

(Unit: million yen)

Fiscal year	2007	2008	2009	2010	2011	Total (1991 to 2011)
Total amount	372	383	427	440	460	7,331
(No. of grants)	(281)	(262)	(291)	(287)	(295)	(4,514)

* The URL of the Sumitomo Foundation: http://www.sumitomo.or.jp/

(Reference) Stock Information

(1) Principal shareholders (As of March 31, 2012)

Name	Investment in Sumitomo Metals: Shares owned (thousands)	Investment in Sumitomo Metals: Shareholding ratio (%)
Sumitomo Corporation	458,326	9.89
Nippon Steel Corporation	451,761	9.75
Japan Trustee Services Bank, Ltd. (account in trust)	181,744	3.92
The Master Trust Bank of Japan, Ltd. (account in trust)	119,411	2.58
Kobe Steel, Ltd.	112,565	2.43
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Banking Corporation retirement benefit trust account re-entrusted by The Sumitomo Trust and Banking Co., Ltd.)(*1)	90,315	1.95
Nippon Life Insurance Company	88,919	1.92
SSBT OD05 Omnibus Account Treaty Clients	76,308	1.65
Japan Trustee Services Bank, Ltd., The Sumitomo Trust and Banking Corporation retirement benefit trust (*2)	55,000	1.19
Sumitomo Life Insurance Company	51,503	1.11
Total	1,685,854	36.37

Notes: 1. Ownership as a % of total issued shares is calculated with treasury stock being subtracted from the total number of issued shares.

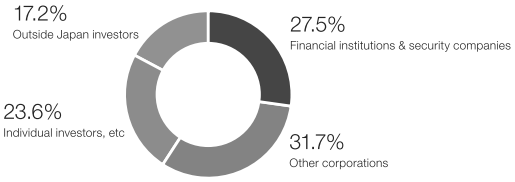
2. (*1) The 90,315 thousand shares registered in the name of "Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Banking Corporation retirement benefit trust account re-entrusted by The Sumitomo Trust and Banking Co., Ltd.)" are owned beneficially by Sumitomo Mitsui Banking Corporation and held as a retirement benefit trust by Japan Trustee Services Bank, Ltd. Sumitomo Mitsui Banking Corporation holds the right to direct the voting of these shares. In addition to the listings above, Sumitomo Mitsui Banking Corporation holds 28,090 thousand shares (0.61% of total issued shares).

3. (*2) The 55,000 thousand shares registered in the name of "Japan Trustee Services Bank, Ltd., The Sumitomo Trust and Banking Corporation retirement benefit trust" are owned beneficially by The Sumitomo Trust and Banking Co., Ltd. and held as a retirement benefit trust by Japan Trustee Services Bank, Ltd. The Sumitomo Trust and Banking Co., Ltd. holds the right to direct the voting of these shares. In addition to the listings above, The Sumitomo Trust and Banking Co., Ltd. holds 20,000 thousand shares (0.43% of total issued shares).

4. On April 1, 2012, The Sumitomo Trust and Banking Co., Ltd. merged with The Chuo Mitsui Trust Banking Co., Ltd. and Chuo Mitsui Asset Trust and Banking Co., Ltd. to become Sumitomo Mitsui Trust Bank, Ltd.

(2) Share Ownership by Category* (As of March 31, 2012)

*Excluding treasury stock



(3) Sumitomo Metals' share price on the Tokyo Stock Exchange

(Reference) Financial Data

(1) Consolidated financial data

FY	Number of companies			Net sales (100 million yen)	Operating income (100 million yen)	Equity in earnings of unconsolidated subsidiaries and associated companies (100 million yen)	Ordinary income (100 million yen)
	Consolidated subsidiaries	Equity method applied affiliated companies	Total				
1982	7	0	7	13,705	1,434	—	495
1983	7	0	7	11,626	△ 379	—	△ 67
1984	7	10	17	12,978	1,259	10	414
1985	8	9	17	12,068	749	4	205
1986	7	10	17	9,578	△ 18	6	△ 143
1987	10	8	18	10,616	746	10	193
1988	10	9	19	12,233	1,674	25	901
1989	23	11	34	18,050	1,802	49	1,015
1990	25	9	34	18,153	1,705	27	864
1991	29	12	41	☆ 18,180	1,337	71	466
1992	29	11	40	16,875	752	21	93
1993	28	12	40	12,228	227	△ 22	△ 343
1994	85	35	120	13,296	554	9	△ 242
1995	84	33	117	14,313	1,045	38	294
1996	84	33	117	14,577	1,024	△ 96	402
1997	84	33	117	14,694	986	26	407
1998	91	30	121	13,470	124	△ 41	△ 649
1999	120	33	153	14,241	93	△ 127	△ 637
2000	110	34	144	14,976	905	4	236
2001	86	40	126	13,495	400	5	7
2002	72	35	107	12,246	698	15	413
2003	72	31	103	11,208	930	0	687
2004	77	31	108	12,369	1,828	141	1,732
2005	72	30	102	15,527	☆ 3,058	166	2,807
2006	70	32	102	16,027	3,037	418	☆ 3,276
2007	71	34	105	17,445	2,743	☆ 419	2,982
2008	73	36	109	☆ 18,444	2,260	221	2,257
2009	72	37	109	12,858	△ 9	△ 225	△ 366
2010	68	37	105	14,024	563	△ 34	340
2011	72	38	110	14,733	768	△ 64	608

☆ Record

Net income (100 million yen)	Total assets (100 million yen)	Shareholders' equity (100 million yen)	Equity ratio (%)	Debt (100 million yen)	Capital expenditures on property, plant and equipment (Construction base) (100 million yen)	Depreciation of property, plant and equipment (100 million yen)
324	21,652	3,246	15.0			
△ 96	22,235	3,044	13.7	12,519		
253	22,689	3,325	14.7	12,172		
186	22,770	3,320	14.6	13,140		
△ 139	21,686	3,190	14.7	13,347		
29	20,608	3,358	16.3	11,749		
580	19,596	3,807	19.4	9,994		
393	22,219	5,299	23.8	9,779		
540	25,340	5,648	22.3	11,837		
300	26,734	5,766	21.6	13,355		
6	26,983	5,754	21.3	14,123		
△ 388	22,851	5,275	23.1	12,393		1,168
△ 289	24,220	4,993	20.6	13,715	1,261	1,211
215	24,518	5,219	21.3	13,695	1,492	1,172
265	24,362	5,415	22.2	13,338	1,541	1,156
40	24,933	5,359	21.5	13,852	1,289	1,194
△ 694	27,205	5,022	18.5	16,733	1,373	1,197
△ 1,451	☆ 27,744	3,415	12.3	☆ 18,833	1,066	1,468
58	27,331	3,681	13.5	17,806	770	1,322
△ 1,047	24,334	2,744	11.3	16,487	746	1,211
170	21,223	3,287	15.5	14,153	509	917
307	20,017	3,760	18.8	11,712	671	783
1,108	19,231	4,832	25.1	8,859	603	792
2,212	21,133	7,208	34.1	6,797	826	752
☆ 2,267	23,015	8,808	☆ 38.3	7,179	1,358	722
1,805	24,183	☆ 9,019	37.3	8,838	1,788	1,025
973	24,525	8,576	35.0	9,900	1,591	1,098
△ 497	24,036	8,292	34.5	11,383	1,366	1,208
△ 71	24,407	7,667	31.4	11,733	1,099	1,262
△ 537	23,861	7,093	29.7	11,721	1,157	1,229

(2) Unconsolidated financial data

FY	Crude steel production (Japan) (million tons)	Crude steel production (Sumitomo Metals) (million tons)	Net sales (100 million yen)	Operating income (100 million yen)	Ordinary income (100 million yen)	Net income (100 million yen)	Total assets (100 million yen)
1982	96.3	10.3	12,934	1,326	450	297	20,394
1983	100.2	10.7	10,772	270	△ 115	△ 117	20,755
1984	106.5	11.4	11,974	1,133	352	221	21,082
1985	103.8	10.8	11,076	664	171	165	20,832
1986	96.4	9.9	9,026	76	△ 137	△ 136	20,407
1987	101.9	10.5	9,092	657	160	13	18,990
1988	105.7	11.0	10,545	1,596	874	552	17,948
1989	108.1	11.1	11,196	1,629	956	304	18,096
1990	111.7	11.3	11,568	1,394	735	476	19,710
1991	105.9	10.7	11,570	1,055	404	225	20,270
1992	98.9	10.0	11,085	554	53	3	20,902
1993	97.1	10.0	10,426	183	△ 330	△ 344	19,957
1994	101.4	10.5	10,115	465	△ 269	△ 268	19,422
1995	100.0	10.0	10,569	874	202	161	19,291
1996	100.8	10.0	10,162	764	224	121	19,050
1997	102.8	10.2	10,270	874	345	24	19,037
1998	91.0	9.0	9,457	292	△ 269	△ 207	21,613
1999	98.0	9.6	9,095	301	△ 177	△ 926	19,870
2000	106.9	10.4	8,622	640	129	59	19,575
2001	102.1	9.8	7,728	324	10	△ 1,194	16,802
2002	109.8	10.8	7,277	486	292	119	15,818
2003	111.0	9.6	7,117	736	577	237	15,178
2004	112.9	7.5	7,728	1,264	1,107	716	14,578
2005	112.7	7.8	9,549	2,223	1,945	1,297	16,565
2006	117.7	7.9	10,314	☆ 2,385	☆ 2,406	☆ 1,392	18,737
2007	121.5	7.9	11,414	2,045	2,149	1,293	19,406
2008	105.5	7.7	12,460	1,876	1,911	907	19,886
2009	96.4	6.9	8,304	195	184	△ 96	20,325
2010	110.8	7.0	9,077	346	354	159	21,314
2011	106.5	7.1	9,756	646	699	△ 204	☆ 21,644

☆ Record

Shareholders' equity (100 million yen)	Equity ratio (%)	Debt (100 million yen)	Capital expenditures on property, plant and equipment (Construction base) (100 million yen)	Depreciation of property, plant and equipment (100 million yen)	Dividend per share (yen)	Export ratio (%)
3,126	15.3	10,814			5.0	
2,904	14.0	12,275			5.0	
3,038	14.4	12,162			5.0	
3,101	14.9	12,511			5.0	
2,972	14.6	☆ 13,085	822	885	3.0	30.4
3,189	16.8	11,486	646	891	3.0	27.9
3,594	20.0	9,708	661	998	5.0	28.6
5,027	27.8	7,971	814	922	6.0	25.4
5,311	26.9	9,281	1,112	864	6.0	22.3
5,355	26.4	9,860	1,801	848	6.0	22.4
5,388	25.8	10,800	1,781	892	6.0	20.9
4,948	24.8	10,686	1,300	1,011	—	22.0
4,680	24.1	10,294	1,008	975	—	21.2
4,842	25.1	9,952	1,157	920	3.0	22.9
4,869	25.6	9,949	1,238	885	3.0	23.6
4,799	25.2	10,220	986	917	3.0	26.8
5,201	24.1	12,639	928	891	—	27.9
4,275	21.5	11,900	653	920	—	25.2
4,423	22.6	11,594	444	809	—	27.9
3,153	18.8	11,233	391	727	—	35.8
3,719	23.5	9,969	288	589	1.5	34.7
4,149	27.3	8,068	488	487	1.5	35.1
4,824	33.1	6,171	366	480	5.0	36.6
6,257	☆ 37.8	5,357	519	432	7.0	42.2
☆ 6,908	36.9	6,393	847	410	8.0	46.3
6,729	34.7	8,004	1,040	662	10.0	45.0
6,431	32.3	9,202	443	720	10.0	43.7
6,393	31.5	10,850	538	677	5.0	42.3
6,125	28.7	11,268	673	657	3.5	41.3
6,084	28.1	11,411	567	702	2.0	39.7

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