

Notice Regarding Revised Forecasts and Other Information

The following information was originally prepared and published by the Company in Japanese. This English translation is being provided for your convenience only. To the extent there is any discrepancy between English translation and the original Japanese version, please refer to the Japanese version.

Financial information was prepared in accordance with generally accepted accounting principles in Japan.

Due to recent business developments, Sumitomo Metal Industries, Ltd. has revised its forecast previously announced on July 31, 2008. The changes are shown in tables below.

1. Consolidated

(1) Result for the first half of the fiscal year ending March 31, 2009 (April 1, 2008 - September 30, 2008)

	Net sales	Operating profit	Recurring profit	Net Income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	970,000	100,000	115,000	75,000	16.17
Result (B)	981,306	130,742	151,709	92,090	19.85
Difference (B-A)	11,306	30,742	36,709	17,090	-
Rate of change (%)	1.2	30.7	31.9	22.8	-
(Reference) Result for the first half of previous year	847,807	141,730	152,768	96,907	21.15

(2) Revised forecast for the fiscal year ending March 31, 2009 (April 1, 2008 - March 31, 2009)

	Net sales	Operating profit	Recurring profit	Net Income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	2,060,000	230,000	250,000	160,000	34.49
Revised forecast (B)	2,030,000	280,000	300,000	185,000	39.88
Difference (B-A)	(30,000)	50,000	50,000	25,000	-
Rate of change (%)	(1.5)	21.7	20.0	15.6	-
(Reference) Result for the previous fiscal year	1,744,572	274,396	298,218	180,547	39.43

2. Non-Consolidated

(1) Result for the first half of the fiscal year ending March 31, 2009
(April 1, 2008 – September 30, 2008)

	Net sales	Operating profit	Recurring profit	Net Income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	625,000	70,000	90,000	60,000	12.93
Result (B)	648,277	94,063	113,471	76,295	16.45
Difference (B-A)	23,277	24,063	23,471	16,295	-
Rate of change (%)	3.7	34.4	26.1	27.2	-
(Reference) Result for the first half of previous year	550,067	105,975	115,314	72,566	15.83

(2) Revised forecast for the fiscal year ending March 31, 2009
(April 1, 2008 - March 31, 2009)

	Net sales	Operating profit	Recurring profit	Net Income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	1,340,000	145,000	160,000	100,000	21.56
Revised forecast (B)	1,350,000	200,000	215,000	135,000	29.10
Difference (B-A)	10,000	55,000	55,000	35,000	-
Rate of change (%)	0.7	37.9	34.4	35.0	-
(Reference) Result for the previous fiscal year	1,141,473	204,531	214,985	129,368	28.25

3. Reasons for the revision

The Sumitomo Metals Group's major issue for the current fiscal year has been to counter the huge cost burden derived from the surge in prices of raw materials such as iron ore and coal. The Group is making every effort to reduce its costs as well as to improve sale prices while seeking the understanding from customers. Due to some improvement on our prices, the financial result for the first half of the current fiscal year was as shown in tables above.

With regard to the forecast for the fiscal year ending March 31, 2009, there is a risk that the sub-prime mortgage crisis in the US will have some negative impact on demand for steel. The Group, however, has been working to build a business structure that is intended to be more resilient to downside risks. Taking into account that our financial performance during the first half of the current fiscal year has improved due to factors such as improvement in our steel prices, we expect our consolidated recurring profit for the current fiscal year to increase by 50 billion yen from our previous forecast.

The forecasts or targets included in this document reflect the company's current beliefs and are based upon information currently available to it. Forward-looking statements appear in a number of places in this document and include statements regarding our current intent, belief, targets or expectations or the current intent, belief, targets or expectations of our management. In many, but not all cases, we used words such as "aim," "anticipate," "believe," "estimate," "expect," "hope," "intend," "may," "plan," "predict," "probability," "risk," "should," "will," and similar expressions, as they relate to us or our management, to identify forward-looking statements. Forward-looking statements are not guarantees of future performance. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those which are anticipated, aimed at, believed, estimated, expected, intended or planned. We identify in our *yuka shoken hokokusho* and financial summaries important factors that could cause these differences. Sumitomo Metals Industries, Ltd. is under no obligation, and disclaims any obligation, to update its forward-looking statements whether as a result of new information, future events or otherwise, or to advise of any changes in the assumptions and factors on which they are based.