

Notice Regarding Results for First Half of FY 2009 and Revised Forecasts for Entire Year of FY 2009

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.

Sumitomo Metal Industries, Ltd. (the “Company”) makes the following notification regarding the differences between the forecasts previously announced on July 30, 2009 and the actual results for the first half of the fiscal year ending March 31, 2010 (April 1, 2009 – September 30, 2009).

Further, due to recent business developments, the Company has revised its forecasts for the entire fiscal year ending March 31, 2010 (April 1, 2009 – March 31, 2010) previously announced on July 30, 2009.

The results and changes are shown in tables below.

1. Actual results for the first half of the fiscal year ending March 31, 2010, compared with previous forecast

(1) Consolidated basis - Actual results for the first half of the fiscal year ending March 31, 2010 (April 1, 2009 - September 30, 2009)

	Net sales	Operating income (losses)	Ordinary income (losses)	Net income (losses)	Net income (losses) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	590,000	(40,000)	(70,000)	(60,000)	(12.94)
Actual results (B)	598,739	(28,061)	(47,614)	(46,676)	(10.07)
Difference (B-A)	8,739	11,938	22,385	13,323	
Rate of change (%)	1.5	-	-	-	
(Reference) Result for the first half of previous year	981,306	130,742	151,709	92,090	19.85

(2) Non-Consolidated basis - Actual results for the first half of the fiscal year ending March 31, 2010 (April 1, 2009 – September 30, 2009)

	Net sales	Operating income (losses)	Ordinary income (losses)	Net income (losses)	Net income (losses) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts(A)	390,000	(10,000)	(10,000)	(5,000)	(1.08)
Actual results (B)	396,036	4,189	5,202	969	0.21
Difference (B-A)	6,036	14,189	15,202	5,969	
Rate of change (%)	1.5	-	-	-	
(Reference) Result for the first half of previous year	-	-	-	-	-

(3) Reasons for the difference between the previous forecasts and the actual results for the first half of the fiscal year (Consolidated and Non-Consolidated basis)

The financial performance in the first half of the fiscal year exceeded the forecast figures published on July 30, 2009, as described in the previous page, mainly because the recovery of the profitability in the steel sheet business exceeded the prior expectations.

2. Revised forecasts for the fiscal year ending March 31, 2010

(1) Consolidated basis - Forecasts for the fiscal year ending March 31, 2010
(April 1, 2009 - March 31, 2010)

	Net sales	Operating income	Ordinary income (losses)	Net income (losses)	Net income (losses) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	1,340,000	0	(40,000)	(45,000)	(9.71)
Revised forecasts (B)	1,290,000	0	(45,000)	(50,000)	(10.79)
Difference (B-A)	-50,000	0	-5,000	-5,000	
Rate of change (%)	-3.7	-	-	-	
(Reference) Result for the previous fiscal year	1,844,422	226,052	225,736	97,327	20.98

(2) Non-Consolidated basis - Forecasts for the fiscal year ending March 31, 2010
(April 1, 2009 - March 31, 2010)

	Net sales	Operating income (losses)	Ordinary income (losses)	Net income (losses)	Net income (losses) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	890,000	35,000	30,000	20,000	4.31
Revised forecasts (B)	820,000	20,000	10,000	5,000	1.08
Difference (B-A)	-70,000	-15,000	-20,000	-15,000	
Rate of change (%)	-7.9	-42.9	-66.7	-75.0	
(Reference) Result for the previous fiscal year	1,246,074	187,609	191,163	90,771	19.57

(3) Reasons for the revision (Consolidated and Non-Consolidated basis)

The ordinary income for the entire fiscal year is expected to fall. The reason is that the recovery of demand in the steel pipe business is slower than expected and that the profitability of our consolidated affiliates accounted for by the equity method is expected to worsen. Accordingly, we have revised, as described above, our forecasts on consolidated and non-consolidated basis previously announced on July 30, 2009.

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.