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**Notice Regarding Financial Results for the First Half of FY2010
 and Revised Financial Forecasts for the Entire FY2010**

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 the English translation and the original Japanese version, please refer to the Japanese version. The 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 forecast previously announced on July 29, 2010 and the actual results for the first half of fiscal year ending March 31, 2011 (April 1, 2010 - September 30, 2010). Due to recent business developments, the Company has revised its forecasts for the entire fiscal year ending March 31, 2011 (April 1, 2010 - March 31, 2011). The results and changes are shown in tables below.

(Figures less than a million yen are truncated.)

**1. Actual results for the first half of the fiscal year ending March 31, 2011,
 compared with the previous forecasts**

**(1) Consolidated basis - Actual results for the first half of the fiscal year ending March 31, 2011
 (April 1, 2010 - September 30, 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)	720,000	30,000	25,000	25,000	5.39
Actual results (B)	693,783	34,778	28,967	34,889	7.53
Difference (B-A)	-26,216	4,778	3,967	9,889	
Rate of change (%)	-3.6	15.9	15.9	39.6	
(Reference) Results for the first half of previous fiscal year	598,739	(28,061)	(47,614)	(46,676)	(10.07)

(2) Reasons for the difference between the actual results and the previous forecasts for the first half of the fiscal year

The financial performance in the first half of the fiscal year exceeded the forecast figures published on July 29, 2010, as a result of recording deferred tax assets based on tax-effect accounting, in addition to our efforts to improve steel prices to reflect the changes in raw material costs.

2. Revised forecasts for the fiscal year ending March 31, 2011

(1) Consolidated basis - Forecasts for the fiscal year ending March 31, 2011

(April 1, 2010 - March 31, 2011)

	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)	-	90,000	80,000	60,000	12.94
Revised forecasts (B)	1,500,000	80,000	70,000	60,000	12.94
Difference (B-A)	-	-10,000	-10,000	0	
Rate of change (%)	-	-11.1	-12.5	0.0	
(Reference) Results for the previous fiscal year	1,285,845	(928)	(36,634)	(49,772)	(10.74)

(2) Reasons for the revision of the forecasts for the fiscal year ending March 31, 2011

Net sales figures, that we were not able to make an appropriate forecasting when we announced the previous forecasts on July 29, 2010, can now be properly estimated. The forecast is shown above.

We have revised our forecasts previously announced on July 29, 2010 with regard to other financial indicators. The reason for this revision is that despite our efforts to improve our profitability by reducing costs as well as improving steel prices responding to fluctuations of raw material prices, we are facing difficulties in making progress in the price improvement of our export products, due to the slump in Asian markets.

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 *shihannki 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 any changes in the assumptions and factors on which they are based.