

Notification of Differences between Forecast and Actual Business Results for FY2009 (year ended March 31, 2010)

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 forecast previously announced on February 3, 2010 and the actual results for the fiscal year ended March 31, 2010.

The differences between the forecasted business results and the actual results for the fiscal year ended March 31, 2010:

(Figures less than a million yen are truncated.)

(1) Consolidated Financial Performance for the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

	Net sales	Operating income/(loss)	Ordinary income/(loss)	Net income/(loss)	Net income/(loss) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	1,290,000	0	(45,000)	(50,000)	(10.79)
Actual result (B)	1,285,845	(928)	(36,634)	(49,772)	(10.74)
Difference (B-A)	-4,154	-928	8,365	227	
Rate of change (%)	-0.3	-	-	-	
(Reference) Result for the previous fiscal year (fiscal year ended March 31, 2009)	1,844,422	226,052	225,736	97,327	20.98

(2) Non-Consolidated Financial Performance for the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

	Net sales	Operating income	Ordinary income	Net income/(loss)	Net income/(loss) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	820,000	20,000	10,000	5,000	1.08
Actual result (B)	830,486	19,530	18,491	(9,616)	(2.07)
Difference (B-A)	10,486	-469	8,491	-14,616	
Rate of change (%)	1.3	-2.3	84.9	-	
(Reference) Result for the previous fiscal year (fiscal year ended March 31, 2009)	1,246,074	187,609	191,163	90,771	19.57

(3) Reasons for the differences (consolidated and non-consolidated)

In the press release dated February 3, 2010, the Company reported a forecasted consolidated operating income for the financial period ended March 31, 2010 of zero yen; however, the actual figure turned out to be a consolidated operating loss of 900 million yen.

As for the non-consolidated basis, non-operating income exceeded expectations, resulting in an improvement in the ordinary income; however, the extraordinary losses arising from loss on valuation of stocks of subsidiaries and affiliates had a negative impact, and as a result, the net income for the fiscal year ended March 31, 2010 became worse than the 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.