

**Sumitomo Metals Announces the Continuation of the Policy Toward  
Large-scale Purchases of Sumitomo Metals Shares (Anti-takeover Defense Plan)**

In accordance with a resolution of the meeting of the Board of Directors held on April 6th, 2006, Sumitomo Metal Industries, Ltd. (Sumitomo Metals) decided to adopt a policy, as a so-called “anti-takeover defense plan to be introduced in advance”, toward (i) a purchase of Sumitomo Metals’ shares and other securities<sup>1</sup> by a group of shareholders<sup>2</sup> with the intent to hold 20% or more of the total voting rights<sup>3</sup> of Sumitomo Metals, or (ii) a purchase of Sumitomo Metals’ shares and other securities resulting in a group of shareholders holding 20% or more of the total voting rights of Sumitomo Metals (the purchases set out in (i) or (ii) above do not include the purchases to which Sumitomo Metals’ Board of Directors has given consent in advance). A purchase of Sumitomo Metals’ shares and other securities set out in (i) or (ii) above shall be hereinafter referred to as a Large-scale Purchase. A person or a company that intends to conduct a Large-scale Purchase shall be hereinafter referred to as a Large-scale Purchaser. This policy was approved by the shareholders upon the 83rd ordinary general shareholders meeting held on June 27th, 2006. Afterward, Sumitomo Metals decided to continue this policy with substantially the same content in accordance with a resolution of the meeting of the Board of Directors held on March 31st, 2009 (such policy after continuation shall be hereinafter referred to as the Policy), and then, the Policy was approved by the shareholders upon the 86th ordinary general shareholders meeting held on June 19th, 2009. Since then, Sumitomo Metals’ Board of Directors has further reviewed the anti-takeover defense plan in Sumitomo Metals on the basis of trends regarding the anti-takeover defense plan. As a result of such review, Sumitomo Metals announced today that, upon the meeting of the Board of Directors held on March 30th, 2012, Sumitomo Metals’ Board of Directors decided to continue the Policy as described below.

The above-mentioned meeting of the Board of Directors, at which the continuation of the Policy was adopted, was held today with all of the five Corporate Auditors of Sumitomo Metals present, three of whom are outside Corporate Auditors. They expressed their opinion that the Policy is a legitimate one for a large-scale purchase of Sumitomo Metals’ shares and other securities and that as long as the Policy is carried out properly the Policy will not improperly infringe shareholder’s rights, being for the purpose of protection of shareholders’ common interests.

Also, at the present moment, Sumitomo Metals is not proposed any Large-scale Purchase regarding its shares and other securities.

- Notes:
1. Certificates of shares and other securities as either defined in Paragraph 1, Article 27-23 or Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law of Japan; hereinafter the same.
  2. A group of shareholders shall mean any of the following:
    - (i) a holder (defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law of Japan, including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 thereof) of certificates of shares and other securities (defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law of Japan) of Sumitomo Metals and any joint holders (defined in Paragraph 5, Article 27-23 of the Financial Instruments and Exchange Law of Japan, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23 thereof) thereof, or
    - (ii) a person or a company who makes a purchase (defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law of Japan, including a purchase made on a financial instruments exchange market) of certificates of shares and other securities (defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law of Japan) of Sumitomo Metals and any specially related parties (defined in Paragraph 7, Article 27-2 of the Financial Instruments and Exchange Law of Japan) ; hereinafter the same.
  3. The ratio of the total voting rights shall mean:
    - (i) in case of note 2(i) above, the share holding ratio (defined in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law of Japan) of the holder of shares and other securities of Sumitomo Metals (taking into account the number of certificates of shares and other securities (defined in the said Paragraph) held by any joint holders), or
    - (ii) in case of note 2(ii) above, the sum of the shareholding ratio (defined in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law of Japan) of the purchaser of shares and other securities of Sumitomo Metals and its specially related parties; hereinafter the same.

In calculating the voting rights ratio, the annual report, the quarterly report or the treasury stock purchase report of Sumitomo Metals, whichever is submitted to the authorities most recently, may be referred to in deciding the total number of voting rights (defined in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law of Japan) or the total number of issued and outstanding shares (defined in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law of Japan).

## 1. Basic Philosophy

Sumitomo Metals' Board of Directors believes that the company's shareholders should make the final decisions as to whether or not a Large-scale Purchase is acceptable. The Board of Directors also believes that such decision will be properly made based upon the shareholders' understanding of the management policy and the corporate value to be realized through such

management policy. Accordingly, the Board of Directors believes that shareholders should be provided with sufficient and appropriate information, from both of the Board of Directors and the Large-scale Purchaser, including information on the (i) conditions of the Large-scale Purchase, (ii) influence of the Large-scale Purchase affecting Sumitomo Metals' and its group companies' corporate value, (iii) management policies and business plans that the Large-scale Purchaser intends to adopt for Sumitomo Metals and its group companies, (iv) influence on various stakeholders such as customers, suppliers, employees, etc. and (v) any proposals alternative to the Large-scale Purchase (hereinafter referred to as alternative plans), and furthermore, should be given an opportunity and time to carefully consider the provided information. However Sumitomo Metals' Board of Directors considers that securing the above-mentioned opportunity and time are not enough under the current law system.

Based on the basic philosophy mentioned above, in order to provide an opportunity for Sumitomo Metals shareholders to receive necessary information about the Large-scale Purchase and any alternative plans and to secure a period of time for their consideration, the Board of Directors has established rules concerning Large-scale Purchases of Sumitomo Metals shares (hereinafter referred to as the Large-scale Purchase Rules) as described below. The Board of Directors will require any Large-scale Purchaser to comply with the Large-scale Purchase Rules. If the Large-scale Purchaser does not comply with the Large-scale Purchase Rules, the Board of Directors may take certain countermeasures. Based upon the thought that countermeasures should be enforced under objective conditions, the Board of Directors may take such countermeasures only in the cases where the Large-scale Purchaser does not comply with the Large-scale Purchase Rules.

## 2. Large-scale Purchase Rules (Steps to be taken when any Large-scale Purchaser comes forward)

Sumitomo Metals' Board of Directors believes that a Large-scale Purchase should be conducted in compliance with the Large-scale Purchase Rules for the benefit of all shareholders of Sumitomo Metals. The Large-scale Purchase Rules require that (i) a Large-scale Purchaser provide sufficient information to the Board of Directors before the commencement of the Large-scale Purchase, and (ii) a Large-scale Purchaser be permitted to commence the Large-scale Purchase only after the prescribed period has elapsed during which the Board of Directors assesses and examines the provided information. The details of the Large-scale Purchase Rules are as prescribed in the following paragraphs. A flowchart showing the process after the commencement of the Large-scale Purchase is attached hereto as Exhibit 1.

(1) Submission of Intention Letter

First, when a Large-scale Purchaser intends to commence a Large-scale Purchase, such Large-scale Purchaser is required to submit to Sumitomo Metals a letter of intention to comply with the Large-scale Purchase Rules (hereinafter referred to as the Intention Letter). In the Intention Letter, the name of the Large-scale Purchaser, address, governing law of incorporation, the name of the representative, contact details in Japan and an outline of the proposed Large-scale Purchase should be specified. When Sumitomo Metals receives the proposal of a Large-scale Purchase, Sumitomo Metals shall make disclosure in accordance with the relevant laws and financial instruments exchange regulations regarding timely disclosure.

(2) Provision of Information

Second, the Large-scale Purchaser is required to provide Sumitomo Metals' Board of Directors with sufficient information (hereinafter referred to as the Large-scale Purchase Information) so that the company's shareholders may make decisions and the Board of Directors may form its opinion regarding such Large-scale Purchase. The Large-scale Purchase Information includes the following:

- (i) an outline of the Large-scale Purchaser and its group;
- (ii) the purposes and conditions of the Large-scale Purchase (in the case of a partial purchase of Sumitomo Metals shares, including the reason for the upper limit of the shares to be purchased and the capital composition of the company after the purchase);
- (iii) the basis for determination of the purchase price and funds for purchase;
- (iv) management policies which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase (including business plans (including a reorganization plan of existing business, new business plan and capital expenditure plan), financial plan, equity policy, dividend policy, labor policy, asset utilization policy and other measures and policies to implement the Large-scale Purchaser's management policy, and plan of the integration and alliance between the Large-scale Purchaser's business and Sumitomo Metals' businesses (including its group companies' businesses) and specific measures to avoid conflict of interests between the Large-scale Purchaser and Sumitomo Metals (including its group companies));
- (v) policies to be implemented after the completion of the Large-scale Purchase on customers, suppliers, local community, employees and any other interested parties of Sumitomo Metals and its group companies; and

(vi) in case where the Large-scale Purchaser conducts business of the same kind as Sumitomo Metals' or its group companies' business, view on the legality of the Large-scale Purchase in terms of the Antimonopoly Act of Japan and overseas competition laws.

In order for the Large-scale Purchaser to provide the Large-scale Purchase Information, Sumitomo Metals will, within five (5) business days after receipt of the Intention Letter, deliver to the Large-scale Purchaser a list of the Large-scale Purchase Information to be provided by the Large-scale Purchaser. If the Board of Directors regards the information initially provided by the Large-scale Purchaser is deemed insufficient as Large-scale Purchase Information, Sumitomo Metals may require additional information to the extent necessary and appropriate for the above-mentioned purpose. The Board of Directors will disclose all or part of the Large-scale Purchase Information submitted to the Board of Directors at the time it deems appropriate, if such disclosure is considered necessary for shareholders to make decisions. When the Board of Directors determines that it has fully received the Large-scale Purchase Information, the Board of Directors shall make disclosure in accordance with the relevant laws and financial instruments exchange regulations regarding timely disclosure.

### (3) Assessment Period

The Board of Directors of Sumitomo Metals believe that after the provision of the Large-scale Purchase Information is completed, the Board of Directors should be allowed a sixty-business-day period (in case of the purchase of all Sumitomo Metals shares by a tender offer with cash-only (yen) consideration) or a ninety-business-day period (in case of any other Large-scale Purchase), depending on the difficulty level of assessment of the Large-scale Purchase, as the period during which it will assess, examine, negotiate, form an opinion and seek any alternative plans (hereinafter referred to as the Assessment Period). The Large-scale Purchaser may commence the Large-scale Purchase only after the Assessment Period has elapsed. The reason why the Board of Directors requests a sixty- or ninety-business-day period as the Assessment Period is that the impact of the Large-scale Purchase should be carefully considered in terms of corporate value because (i) Sumitomo Metals has a relationship of trust with major customers and suppliers that has been formed over a long period of time, (ii) Sumitomo Metals has broad range of alliance relationships with the other organization of a like nature etc., and (iii) Sumitomo Metals' activity will have a significant impact on the local economy of the areas where the company's steel works and other facilities are located. The Board of Directors will thoroughly examine and assess the provided Large-scale Purchase Information with advice from outside experts including lawyers, accountants and financial

advisors during the Assessment Period, and form and disclose its opinion. The Board of Directors may negotiate with the Large-scale Purchaser in order to improve the terms of the proposed Large-scale Purchase or it may offer the alternative plan to shareholders, if necessary.

### 3. Countermeasures against Non-compliance with the Large-scale Purchase Rules

If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules such as the case where a Large-scale Purchaser commences the Large-scale Purchase without providing Large-scale Purchase Information, Sumitomo Metals' Board of Directors may take countermeasures against the Large-scale Purchaser to protect the interests of all of its shareholders as a whole. Countermeasures include the issuance of stock acquisition rights or any other measures that the Board of Directors is permitted to take under the Corporate Code of Japan or other laws and the company's articles of incorporation. The Board of Directors will adopt specific countermeasures which it deems appropriate at that time. If the Board of Directors elects to issue stock acquisition rights by the method of gratuitous allotment to shareholders, the terms and conditions of the issuance thereof shall be as described in Exhibit 2. If the Board of Directors elects to issue stock acquisition rights as a countermeasure, it may determine the exercise period, exercise conditions and others of the stock acquisition rights in consideration of the effectiveness thereof as a countermeasure, including such exercise conditions as not allowing the exercise of stock acquisition rights held by a person or a company belonging to a group of shareholders holding a specific percentage of the total voting rights at some point after March 31st, 2009, the effective date of the Policy. Sumitomo Metals has filed the issuance registration (*hakko-toroku*) of stock acquisition rights, the planned issuance period of which is from April 14th, 2010 to April 13th, 2012, for the issuance of stock acquisition rights as a countermeasure. Since such issuance registration includes the statements such as (i) the Board of Directors adopted the continuation of the Policy upon the meeting of the Board of Directors held on March 31st, 2009, and (ii) the Policy was approved by the shareholders upon the 86th ordinary general shareholders meeting held on June 19th, 2009, taking into account the fact that the Board of Directors decided to continue the Policy again upon the meeting of the Board of Directors held today, Sumitomo Metals today withdraws the issuance registration and will file another issuance registration.

The purpose of the Large-scale Purchase Rules is (i) to provide an opportunity for Sumitomo Metals shareholders to receive (a) information necessary to determine whether or not a purchase of Sumitomo Metals shares that may have an impact on the management of the company is acceptable and (b) an opinion by the Board of Directors that is currently in charge of

Sumitomo Metals' management, (ii) to secure the period of time necessary for the provision of such information and opinion, and (iii) to provide an opportunity for Sumitomo Metals' shareholders to consider any alternative plans. The Large-scale Purchase Rules are established from the viewpoint that the interests of all its shareholders as a whole shall be protected in the event of a purchase of Sumitomo Metals shares that may have an impact on the management of the company. If a Large-scale Purchaser complies with the Large-scale Purchase Rules, the Board of Directors does not intend to prevent the Large-scale Purchase at its own discretion.

Sumitomo Metals believes that the establishment of the Large-scale Purchase Rules and countermeasures to be taken in the event of non-compliance with such rules are reasonable and appropriate in order to protect the legitimate interests of all Sumitomo Metals shareholders as a whole. The company recognizes that the aforementioned countermeasures may cause damage or loss, economic or otherwise, to a prospective Large-scale Purchaser who does not comply with the Large-scale Purchase Rules. Thus, the Board of Directors is hereby advising in advance against commencing a Large-scale Purchase that does not comply with the Large-scale Purchase Rules.

#### 4. Influence on Shareholders and Investors, etc.

##### (1) Influence on Shareholders and Investors, etc. given by the Large-scale Purchase Rules

The purpose of the Large-scale Purchase Rules is (i) to provide an opportunity for Sumitomo Metals shareholders to receive (a) information necessary to determine whether or not the Large-scale Purchase is acceptable and (b) an opinion by the Board of Directors that is currently in charge of Sumitomo Metals' management, (ii) to secure the period of time necessary for the provision of such information and opinion and (iii) to consider any alternative plans. The Board of Directors believes that under the Large-scale Purchase Rules, Sumitomo Metals shareholders will be able to receive sufficient information and make appropriate decisions as to whether or not the Large-scale Purchase is acceptable, whereby the interests of all Sumitomo Metals shareholders as a whole shall be protected. Accordingly, the Board of Directors believes that the establishment of the Large-scale Purchase Rules is an appropriate condition in order for shareholders and investors to make appropriate decisions and is for the benefit of Sumitomo Metals shareholders and investors.

The Board of Directors is hereby advising Sumitomo Metals shareholders and investors to observe carefully any actions taken by a Large-scale Purchaser, because steps and actions to be taken by Sumitomo Metals will be different depending on whether or not a Large-scale Purchaser complies with the Large-scale Purchase Rules as described in 3 above.

(2) Influence on Shareholders and Investors, etc. given by Countermeasures

If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, Sumitomo Metals' Board of Directors may take countermeasures, which the Board of Directors is permitted to take under the Corporate Code of Japan or other laws and the company's articles of incorporation, against the Large-scale Purchaser to protect the interests of all its shareholders as a whole. As a function of a countermeasure itself, however, the Board of Directors is not assuming that such countermeasure taken will cause any specific legal or economic damage or loss to Sumitomo Metals shareholders (excluding a Large-scale Purchaser who does not comply with the Large-scale Purchase Rules). Provided, however, that if Sumitomo Metals once decides to take the countermeasure of issuing stock acquisition rights through the method of gratuitous allotment to shareholders and thereafter Sumitomo Metals cancels such countermeasure, then damage may be incurred by Sumitomo Metals' shareholders and investors who have sold Sumitomo Metals shares with assumption that such countermeasure shall be made, due to fluctuations in the value of shares. When the Board of Directors elects to take or cancel any specific countermeasure, Sumitomo Metals shall make disclosure in accordance with the relevant laws and financial instruments exchange regulations regarding timely disclosure.

With respect to the issuance of stock acquisition rights contemplated as a countermeasure, it may be necessary for a stock acquisition rights holder to make a specific amount of payment in order to exercise such stock acquisition rights. In addition to the above, Sumitomo Metals may request stock acquisition rights holders to provide information of the accounts to be recorded book-entry stocks, in order to allot such book-entry stocks by exercising the repurchase terms (*shutoku joko*) of the stock acquisition rights. Sumitomo Metals will make notification about the details of such steps in accordance with the relevant laws in case Sumitomo Metals is to issue such stock acquisition rights. Please note, however, that a Sumitomo Metals shareholder needs to be registered or recorded on the latest register of shareholders by the record date, which the Board of Directors will separately determine and make a public notice of, in order to acquire the stock acquisition rights.

5. Effective Date and Effective Term of the Policy

The continuation of the Policy was adopted by the meeting of Sumitomo Metals' Board of Directors held March 30th, 2012, and such continuation took effect as of said date. The Policy will remain effective until the first meeting of the Board of Directors to be held after the ordinary general shareholders meeting in 2015.



The Board of Directors plans to propose the outline of the Policy at the ordinary general shareholders meeting to be held in June this year (hereinafter referred to as the SH meeting) as an agenda item for affirmative votes. Notwithstanding the preceding paragraph, in case not more than a half of Sumitomo Metals shareholders present or represented at the SH meeting vote for the affirmative, then the Policy will be abolished immediately.

Sumitomo Metals plans to merge with Nippon Steel Corporation (hereinafter referred to as Nippon Steel), with Nippon Steel being the surviving company, on the effective date of October 1st, 2012 (Please refer to the press release, "Execution of Master Integration Agreement between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd." issued on September 22nd, 2011, for details of the merger). In case such merger takes effect, then the Policy will cease to be effective.

Sumitomo Metals intends to review the Policy from time to time from the viewpoint of enhancing the benefit of its shareholders as a whole, taking into account the enactments of various legislations and any development of its Business Plan, and may amend or abolish the Policy if necessary even during the effective term of the Policy by a resolution of the Board of Directors. Since the terms of office of Sumitomo Metals' directors are one (1) year, any amendment or abolishment of the Policy will be determined by the Board of Directors composed of directors elected by the general shareholders meeting every year.

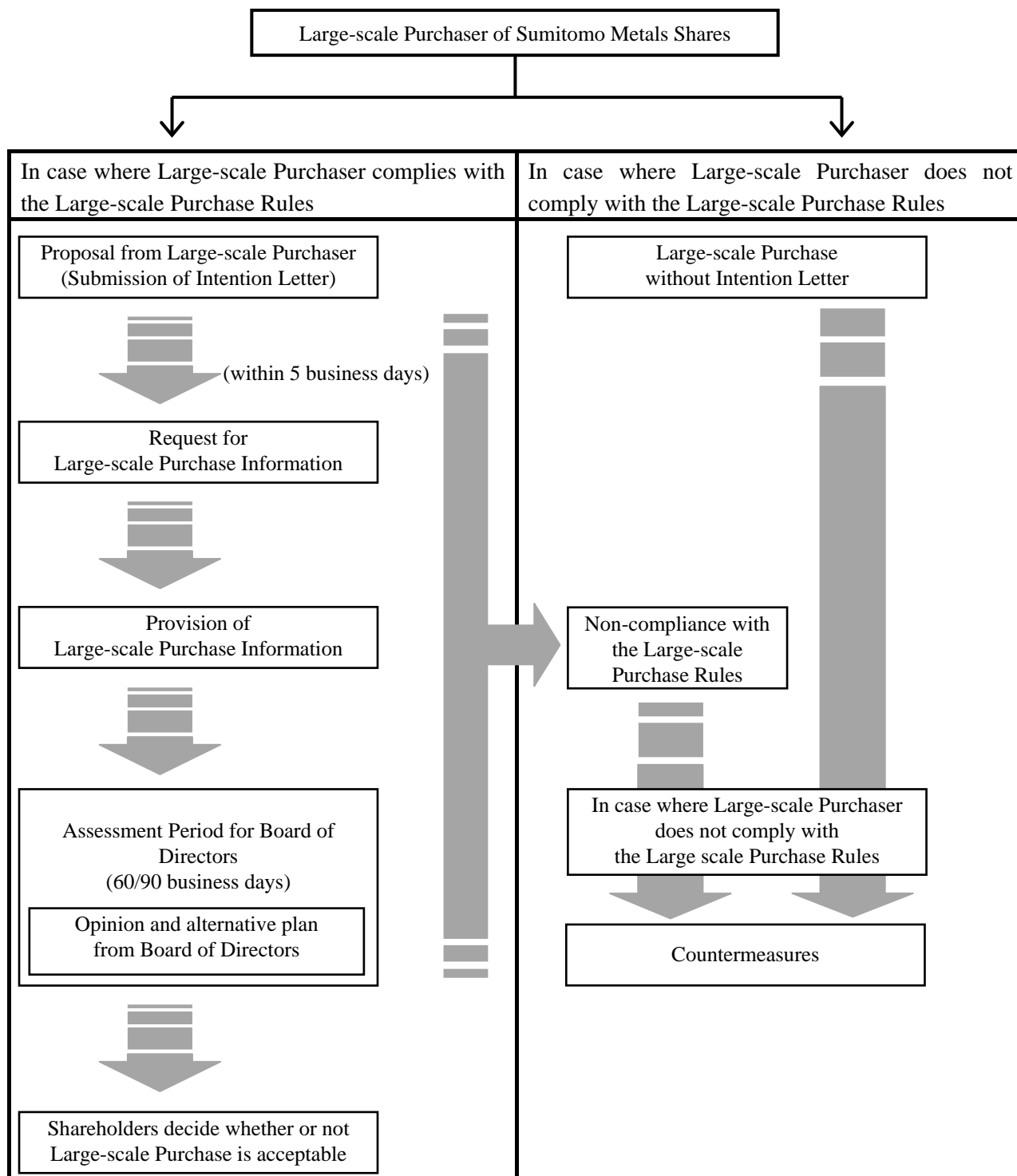
If the Policy is amended or abolished, Sumitomo Metals will make a prompt disclosure regarding the amendment (including the contents of the amendment) or abolishment of the Policy and other matters that the Board of Directors deems appropriate.

#### Exhibits

- Exhibit 1 Flowchart of the the Large-scale Purchase under the Large-scale Purchase Rules
- Exhibit 2 Terms and Conditions of Issuance of Stock Acquisition Rights by the Method of Gratuitous Allotment to Shareholders
- Exhibit 3 Outline of the Major Shareholders

Exhibit 1

Flowchart of the Large-scale Purchase under the Large-scale Purchase Rules



Notice: The above flowchart is provided only to help the understanding of the Large-scale Purchase Rules. Please refer to the contents of the press release for details of the Large-scale Purchase Rules.

## Exhibit 2

### Terms and Conditions of Issuance of Stock Acquisition Rights by the Method of Gratuitous Allotment to Shareholders

1. Shareholders who are entitled to receive stock acquisition rights and conditions of issuance thereof:

One stock acquisition right shall be granted to a shareholder, per one share of common stock held by such shareholder (excluding the shares held by Sumitomo Metals as treasury stock), whose name is recorded in the register of shareholders as of the record date to be specified by the Board of Directors without consideration.

2. Type and number of shares to be acquired upon exercise of stock acquisition rights:

The type of shares to be acquired upon exercise of stock acquisition rights shall be common stock, and the number of shares to be acquired upon exercise of one stock acquisition right shall be one share or less to be determined by the Board of Directors. Provided, however, that such number shall be adjusted if Sumitomo Metals makes a stock split or a stock consolidation.

3. Total number of stock acquisition rights to be issued:

The total number of stock acquisition rights to be granted shall be determined by the Board of Directors. The Board of Directors may grant stock acquisition rights more than once.

4. Amount to be paid upon exercise of a stock acquisition right:

The amount to be paid upon exercise of a stock acquisition right shall be one Japanese yen or more to be determined by the Board of Directors.

5. Restriction on transfer of stock acquisition rights:

Stock acquisition rights may only be transferred with the approval of the Board of Directors.

6. Conditions of exercise of stock acquisition rights:

Conditions of exercise of stock acquisition rights may be established by the Board of Directors. The Board of Directors may prohibit a person or company belonging to a group of shareholders including a Large-scale Purchaser from exercising stock acquisition rights.

7. Repurchase of stock acquisition rights:

The repurchase events and conditions of repurchase of stock acquisition rights shall be

determined by the Board of Directors. The Board of Directors may determine that the company may repurchase stock acquisition rights that are not exercised and not held by a holder of a stock acquisition right who is prohibited from exercising stock acquisition rights due to the exercise condition mentioned in item 6 above, and deliver one share of common stock or less to be determined by the Board of Directors per one stock acquisition right to each of the holders of stock acquisition rights. In such case, the holders of stock acquisition rights that are repurchased by Sumitomo Metals would receive Sumitomo Metals' share as consideration of such repurchase without contributing money equivalent to the amount to be paid upon enforcement of a stock acquisition right set out in 4. above. Even if the enforcement of the countermeasure is determined, if the Board of Directors decides that such enforcement of the countermeasure is not appropriate, for example, in the case where the Large-scale Purchaser cancels or changes the Large-scale Purchase, the Board of Directors may cancel the countermeasure and may repurchase stock acquisition rights without consideration during the period from the effective date of gratuitous allotment to the first date of the exercise period of stock acquisition rights.

8. Exercise period and other conditions of stock acquisition rights:

The exercise period of stock acquisition rights and other necessary conditions shall be determined by the Board of Directors.

Exhibit 3

Outline of the Major Shareholders (As of September 30, 2011)

| Shareholders   | Address  | Investment in Sumitomo Metals |                           |
|--|--|-------------------------------|---------------------------|
|  |  | Shares owned<br>(thousands)   | Shareholding<br>ratio (%) |
| Sumitomo Corporation   | 8-11, Harumi 1-chome, Chuo-ku, Tokyo, Japan  | 458,326                       | 9.54                      |
| Nippon Steel Corporation   | 6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan  | 451,761                       | 9.40                      |
| Japan Trustee Services Bank, Ltd. (account in trust)   | 8-11, Harumi 1-chome, Chuo-ku, Tokyo, Japan  | 192,816                       | 4.01                      |
| The Master Trust Bank of Japan, Ltd. (account in trust)  | 11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo, Japan  | 139,617                       | 2.91                      |
| Kobe Steel, Ltd.   | 10-26, Wakinohamacho 2-chome, Chuo-ku, Kobe, Hyogo, JAPAN  | 112,565                       | 2.34                      |
| Japan Trustee Services Bank, Ltd.<br>(Sumitomo Mitsui Banking Corporation retirement benefit trust account re-entrusted by The Sumitomo Trust and Banking Co., Ltd.) | 8-11, Harumi 1-chome, Chuo-ku, Tokyo, Japan  | 90,315                        | 1.88                      |
| Nippon Life Insurance Company  | 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan  | 88,919                        | 1.85                      |
| SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing Agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)                                      | 338 PITT STREET SYDNEY NSW 2000 AUSTRALIA<br>(11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo, Japan)               | 72,982                        | 1.52                      |
| Japan Trustee Services Bank, Ltd. (account in trust 9)   | 8-11, Harumi 1-chome, Chuo-ku, Tokyo, Japan  | 59,197                        | 1.23                      |
| NT RE GOVT OF SPORE INVT CORP PLTD<br>(Standing Agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)   | 168 ROBINSON ROAD #37-01 CAPITAL TOWER SINGAPORE 068912<br>(11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo, Japan) | 57,236                        | 1.19                      |
| Total  | —  | 1,723,736                     | 35.87                     |

- Notes: 1. Ratio of total issued shares is calculated excluding 170,209 thousand treasury stocks.
2. 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 beneficially owned by Sumitomo Mitsui Banking Corporation and are held as a retirement benefit trust by Japan Trustee Services Bank, Ltd. Sumitomo Mitsui Banking Corporation holds the voting rights for these shares. Sumitomo Mitsui Banking Corporation holds 28,090 thousand shares in addition to those described above.
3. We have received from Sumitomo Mitsui Trust Holdings, Inc., a copy of Report of Possession of Large Volume as of July 22nd, 2011 with The Sumitomo Trust and Banking Co., Ltd., Chuo Mitsui Asset Trust and Banking Company, Limited, Chuo Mitsui Asset Management Company, Limited, and Nikko Asset Management Co., Ltd. being joint holders. We have been reported that the shares they hold as of July 15th, 2011 were as stated below.

However, since we have not been able to confirm the number of shares substantially held as of September 30th, 2011, these shares are not included in the above “The Outline of the Major Shareholders”. The content of the Report of Possession of Large Volume is as follows.

| Shareholders   | Address                                       | Investment in Sumitomo Metals |                        |
|--|---|-------------------------------|------------------------|
|  |   | Shares owned (thousands)      | Shareholding ratio (%) |
| The Sumitomo Trust and Banking Co., Ltd.             | 5-33, Kitahama 4-chome, Chuo-ku, Osaka, Japan | 156,032                       | 3.25                   |
| Chuo Mitsui Asset Trust and Banking Company, Limited | 23-1, Shiba 3-chome, Minato-ku, Tokyo, Japan  | 46,538                        | 0.97                   |
| Chuo Mitsui Asset Management Company, Limited        | 23-1, Shiba 3-chome, Minato-ku, Tokyo, Japan  | 5,174                         | 0.11                   |
| Nikko Asset Management Co., Ltd.                     | 7-1, Akasaka 9-chome, Minato-ku, Tokyo, Japan | 36,489                        | 0.76                   |
| Total  | —   | 244,233                       | 5.08                   |