

August 30, 2012  
Sumitomo Metal Industries, Ltd.

**Notice Regarding the Decision on Particulars Related to  
Acquisition of the Company's Own Shares and Their Cancellation**

(Acquisition of the Company's own shares pursuant to the Articles of Incorporation  
based on the provision of Item 1 of Article 459 of the Companies Act and  
Cancellation of the Company's own shares pursuant to the Article 178 of the Companies Act)

Sumitomo Metal Industries, Ltd. (Sumitomo Metals) announced that the Board of Directors, at a meeting held on August 30, 2012, made a resolution to acquire its own shares, pursuant to the Articles of Incorporation based on the provision of Item 1 of Article 459 of the Companies Act, and to cancel its own shares, pursuant to the Article 178 of the Companies Act.

1. Reasons for acquisition and cancellation of own shares

Nippon Steel Corporation, which holds Sumitomo Metals' shares, gave notification of its intention to sell the shares in the market as its initial objective of deepening the business alliance has been achieved and the business integration of both companies is scheduled to be conducted on October 1, 2012. Sumitomo Metals will therefore acquire its own shares in a method that allows the company to avoid impacts on the demand-supply balance of its shares.

In addition, Sumitomo Metals will cancel those own shares with the aim of eliminating concerns over dilution.

2. Particulars related to the acquisition.

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|--------------------------------------|--|
| (1) Type of shares to be acquired:   | The Company's common stock   |
| (2) Number of shares to be acquired: | Up to 500 million shares (10.79% of the total shares issued and outstanding excluding treasury shares) |
| (3) Total acquisition amount:        | Up to 75 billion yen   |
| (4) Acquisition period:              | From August 31, 2012 to September 25, 2012   |
| (5) Acquisition method:              | To use Off-Auction Own Share Repurchase Trading (ToSTNeT-3)  |

3. Cancellation

- |                                      |   |
|--------------------------------------|---|
| (1) Type of shares to be canceled:   | The Company's common stock  |
| (2) Number of shares to be canceled: | Total shares of the Company's own shares that are acquired as in section 2 above. |
| (3) Planned date of cancellation:    | September 28, 2012  |

(Reference)

Holding of the Company's treasury shares as of July 31, 2012

Number of issued and outstanding shares (excluding own shares): 4,635,662,621 shares

Treasury shares: 170,311,617 shares