

**Sumitomo Metal Industries, Ltd.**  
**Consolidated Financial Situation and Business Results**  
**for the Third Quarter of FY 2009 (ending March 31, 2010)**

The following information was originally prepared and published by the Company in Japanese. This English summary translation is being provided for your convenience only. To the extent there is any discrepancy between this 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.

Company name : Sumitomo Metal Industries, Ltd.  
Listed on : Tokyo, Osaka, Nagoya, Sapporo and Fukuoka Stock Exchanges  
Code number : 5405  
URL : <http://www.sumitomometals.co.jp/>  
Contact : Toshifumi Matsui, Manager, Public Relations Group  
Phone +81-3-4416-6115

(Omitting the figures below million yen)

1. Highlights of Consolidated Financial Results for the First Three Quarters of FY 2009 ended  
December 31, 2010 (April 1, 2009 – December 31, 2009)

(1) Consolidated Statements of Income (Cumulative basis) (%: change from the previous fiscal year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income(loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three quarters of FY 2009	924,790	-37.6	(31,179)	-	(58,658)	-	(57,475)	-
First three quarters of FY 2008	1,482,534	-	209,781	-	222,838	-	119,464	-

	Net income (loss) per share		Net income (loss) per share after dilution	
	Yen		Yen	
First three quarters of FY 2009	(12.40)		-	
First three quarters of FY 2008	25.75		-	

(2) Consolidated Balance Sheets

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
End of Third Quarter of FY 2009	2,448,381		857,987		33.0		174.52	
End of FY 2008	2,452,535		904,371		35.0		184.92	

(Note) Shareholders' Equity: End of Third Quarter of FY 2009 809,031 million yen  
End of FY 2008 857,697 million yen

## 2. Dividends

(Record Date)	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2008	-	5.00	-	5.00	10.00
FY 2009	-	2.50	-		
FY 2009(Target)				2.50	5.00

(Note) Change in dividends target for FY 2009 during the current quarter: None

Our targeted dividends payment per share for FY 2009 is minimum 2.50 yen for the year-end payment, and minimum 5.00 yen for the entire year (including interim payment in the second quarter.)

## 3. Forecasts of Consolidated Financial Results for FY 2009 (April 1, 2009 - March 31, 2010)

(%: change from previous year)

	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
Yearly total	1,290,000	-30.1	0	-	(45,000)	-	(50,000)	-	(10.79)

(Note) There is no change in target of consolidated financial results for FY 2009 during the current quarter of FY 2009.

## 4. Others

(1) Changes in material subsidiaries during the current period (Changes in specific subsidiaries affecting the scope of consolidation): None

(2) Adoption of accounting method which is simplified or is peculiar to quarterly consolidated financial statements: Yes

(3) Changes in principle/procedure of accounting method and presentation, etc. related to the preparation of quarterly consolidated financial statements (Items to be noted as changes related to the matter which is material to be a basis of preparing consolidated financial statements for the quarter):

- a) Changes due to the revision of accounting standards, etc.: Yes  
b) Changes other than a): None

(4) Number of issued shares (common stock)

a) Number of shares of common stock issued and outstanding (including treasury shares)

Last day of third quarter of FY 2009: 4,805,974,238 shares

Last day of FY 2008: 4,805,974,238 shares

b) Number of treasury shares

Last day of third quarter of FY 2009: 170,100,605 shares

Last day of FY 2008: 167,882,514 shares

c) The average number of shares of common stock issued and outstanding during the period

First three quarters of FY 2009: 4,636,191,713 shares

First three quarters of FY 2008: 4,638,506,184 shares

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, including "3. Qualitative Information on Target of Consolidated Financial Results" in <Qualitative Information and Financial Statements, etc.> on page 5 and 6 of this document, 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.

(Reference) Highlights of Consolidated Financial Results for the Third Quarter of FY 2009  
(October 1, 2009 – December 31, 2009)

(Omitting the figures below million yen)  
(%: change from the previous fiscal year)

Consolidated Statements of Income (3 months)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income(loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter of FY 2009	326,051	-34.9	(3,117)	-	(11,044)	-	(10,798)	-
Third quarter of FY 2008	501,228	-	79,039	-	71,129	-	27,373	-
	Net income (loss) per share				Net income (loss) per share after dilution			
				Yen				Yen
Third quarter of FY 2009				(2.33)				-
Third quarter of FY 2008				5.90				-

**<Qualitative Information and Financial Statements>****1. Qualitative Information on Consolidated Business Results**

During the third quarter of the consolidated fiscal year under review (October 1, 2009 to December 31, 2009), steel demand for the automobile and other manufacturing industries and exports continued its recovery trend. Sumitomo Metal Industries, Ltd. and its consolidated subsidiaries (the SMI Group) made efforts to reduce costs and curb expenditures, and at the same time carried out projects to sustain future growth.

Our Group's business performance in the third quarter of the consolidated fiscal year under review has deteriorated compared with the third quarter of the previous consolidated fiscal year (October 1, 2008 to December 31, 2008) due to a decrease in sales prices as well as a worse sales mix and other factors. As a result, net sales were 326.0 billion yen (a decrease of 175.1 billion yen from the same period of the previous year), an operating loss was 3.1 billion yen (a decrease of 82.1 billion yen in profit), and an ordinary loss was 11.0 billion yen (a decrease of 82.1 billion yen in profit), resulting in a quarterly net loss of 10.7 billion yen (a decrease of 38.1 billion yen in profit).

**(Performance by segment)**

Business performance by segment on a consolidated basis for the third quarter of the consolidated fiscal year under review is shown in the following table.

	Net sales (Billion yen)	Increase (Decrease)*1 (%)	Operating income (loss) (Billion yen)	Increase (Decrease)*1 (%)
Steel Segment *2	308.1	(35.3)	(5.3)	-
Steel Sheet & Plate	133.8	(33.2)		
Pipe & Tube	113.0	(40.2)		
Railway & Automotive	20.9	(20.5)		
Kokura	28.8	(34.3)		
Naoetsu	5.5	(40.5)		
Other Steel	5.8	(17.5)		
Other *3	17.8	(29.1)	2.2	-
Corporate or eliminations	-	-	(0.0)	-
Total	326.0	(34.9)	(3.1)	-

\*1 Percentage change compared with the same quarter of the previous fiscal year.

\*2 Steel Sheet & Plate: Steel Sheet, Plate & Structural Steel Company  
 Pipe & Tube: Pipe & Tube Company  
 Railway & Automotive: Railway, Automotive & Machinery Parts Company  
 Kokura: Sumitomo Metals (Kokura), Ltd.  
 Naoetsu: Sumitomo Metals (Naoetsu), Ltd.

\*3 From the first quarter of FY 2009 (ending March 31, 2010), Engineering and Electronics have been included in "Other."

**(Business performance during the third quarter of the consolidated fiscal year under review, by segment)**

**(1) Steel Segment**

While taking measures to improve profitability through the reduction of costs and expenses, we carried out projects based on a medium- to long-term strategy of aiming for sustained growth that balances quality and scale.

In December 2009, we signed a memorandum of understanding with Bhushan Steel Limited in India to receive an OEM-based supply of steel sheets to be manufactured at its Orissa Steel Works. This scheme will enable us to supply high-grade steel products, manufactured at the most advanced steel plant based on the Sumitomo Metals' accumulated technologies, to our customers in India under the Sumitomo Metals' brand.

Sumitomo Metals (Kokura), Ltd. has completed the first phase of its project to invest in innovative steelmaking processes, namely construction and installation of a new secondary refining facility and a new continuous caster, and the company started operation of these facilities in December 2009. The company will be able to improve quality and efficiency in the production of specialty bars and wire rods and meet its customers' demand for higher quality products. The second phase, namely construction and installation of a phosphorous removal furnace, is currently in progress as scheduled.

SMI and Chuo Denki Kogyo Co., Ltd. (an affiliate accounted for by the equity method) have consolidated the secondary (rechargeable) battery business of the two companies in order to be more competitive in the battery market and expand the business. The market for these batteries is expected to grow.

**(2) Other**

We are seeking to improve efficiency in our other business operations in line with the SMI Group's strategy to focus its resources on its core competencies.

In October 2009, we launched a joint operation with Yokogawa Bridge Holdings Corporation in the bridge business.

Note: Please refer to the Financial Results for the First Quarter of FY 2009 disclosed on July 30, 2009, and the Financial Results for the Second Quarter disclosed on October 29, 2009 for qualitative information on consolidated business results for the first quarter and second quarters of FY 2009.

**2. Qualitative Information on Financial Situation**

At the end of the current third quarter, total assets amounted to 2,448.3 billion yen, down 4.1 billion yen from the end of the previous year (March 31, 2009). Net assets totaled 857.9 billion yen, down 46.3 billion yen, with an equity ratio of 33.0%. Debt increased by 187.3 billion yen to 1,177.4 billion yen, mainly due to our capital investments for "accelerating distinctiveness" and our weak business performance in the first three quarters of FY 2009.

**3. Qualitative Information on Targets for Consolidated Financial Results**

For the fourth quarter of FY 2009 (January 1, 2010 to March 31, 2010), we anticipate that demand for steel sheet will continue to improve and demand for steel pipe will grow gradually. We expect to become profitable in terms of operating income, ordinary income and net income in the fourth quarter.

Pricing of some products that are linked to the spot market prices is likely to decline. We plan to offset this negative impact by raising our profitability through our efforts of improving sales mix and other activities. Our forecasts for the entire fiscal year remain the same as those disclosed on October 29, 2009.

In response to the harsh economic environment, the SMI Group is endeavouring to improve its financial position by reducing costs and curbing expenditures. We believe that global steel demand will steadily increase in the medium- and long-term. We will carry out projects based on our medium- to long-term strategy of aiming for sustained growth that balances quality and scale. In particular, global environmental protection will become an even more important issue, and we will endeavour to be competitive in technologies and products that help to reduce CO<sub>2</sub> emissions.

## 4. Consolidated financial statements

## (1) Consolidated Balance Sheets

(Million yen)

Items	At the end of third quarter of the current FY (As of December 31, 2009)	Summarized balance sheets at the end of the previous FY (As of March 31, 2009)
(Assets)		
Current assets:		
Cash and deposits	22,688	41,056
Notes and accounts receivable-trade	147,880	135,804
Merchandise and finished goods	172,476	208,713
Work in process	43,211	37,278
Raw materials and supplies	208,491	264,257
Other	58,356	51,339
Allowance for doubtful accounts	(187)	(1,087)
Total current assets	652,916	737,362
Noncurrent assets:		
Property, plant and equipment:		
Buildings, net	265,295	247,065
Machinery, equipment and vehicles, net	430,711	379,805
Land	341,771	341,477
Other, net	101,118	164,858
Total property, plant and equipment	1,138,896	1,133,207
Intangible assets	6,368	5,226
Investment and other assets:		
Investment securities	535,833	483,001
Other	115,930	93,995
Allowance for doubtful accounts	(1,564)	(258)
Total investments and other assets	650,199	576,738
Total noncurrent assets	1,795,464	1,715,172
Total assets	2,448,381	2,452,535

## (1) Consolidated Balance Sheets (Continued)

(Million yen)

Items	At the end of third quarter of the current FY (As of December 31, 2009)	Summarized balance sheets at the end of the previous FY (As of March 31, 2009)
(Liabilities)		
Current liabilities:		
Notes and accounts payable-trade	210,286	313,706
Short-term loans payable	283,592	237,323
Other	184,576	192,939
Total current liabilities	678,454	743,969
Noncurrent liabilities:		
Bonds payable	185,656	160,652
Long-term loans payable	655,154	568,035
Provision for retirement benefits	20,734	22,510
Provision for special repairs	212	225
Other	50,181	52,770
Total noncurrent liabilities	911,939	804,194
Total liabilities	1,590,394	1,548,163
(Net Assets)		
Shareholders' equity:		
Capital stock	262,072	262,072
Capital surplus	61,829	61,829
Retained earnings	588,551	680,807
Treasury stock	(91,093)	(90,528)
Total shareholders' equity	821,360	914,180
Valuation and translation adjustments:		
Valuation difference on available-for sale securities	(5,637)	(41,542)
Deferred gains or losses on hedges	(1,367)	(690)
Revaluation reserve for land	11,834	11,833
Foreign currency translation adjustment	(17,158)	(26,083)
Total valuation and translation adjustment	(12,329)	(56,483)
Minority interests	48,955	46,674
Total net assets	857,987	904,371
Total liabilities and net assets	2,448,381	2,452,535



(2) Consolidated Statements of Income  
 First Three Quarters on a Cumulative Basis (April 1 – December 31)

(Million yen)

Items	First three quarters of the previous FY on a cumulative basis (April 1, 2008 - December 31, 2008)	First three quarters of the current FY on a cumulative basis (April 1, 2009 - December 31, 2009)
Net Sales	1,482,534	924,790
Cost of sales	1,166,911	863,861
Gross profit	315,622	60,929
Selling, general and administrative expenses:		
Shipment expenses	34,410	22,583
Employees' salaries and allowances	30,265	29,324
Other	41,164	40,201
Total selling, general and administrative expenses	105,841	92,109
Operating income (loss)	209,781	(31,179)
Non-operating income:		
Dividends income	-	2,928
Equity in earnings of affiliates	28,584	-
Other	18,280	10,207
Total non-operating income	46,864	13,136
Non-operating expenses:		
Interest expenses	10,705	11,916
Equity in losses of affiliates	-	16,058
Foreign exchange losses	8,052	-
Other	15,049	12,640
Total non-operating expenses	33,807	40,615
Ordinary income (loss)	222,838	(58,658)
Extraordinary losses		
Loss on change in equity	-	1,592
Restructuring loss	-	1,532
Loss on valuation of investment securities	15,872	-
Total extraordinary losses	15,872	3,124
Income (loss) before income taxes and minority interests	206,965	(61,783)
Income taxes-current	72,372	2,981
Income taxes-deferred	11,726	(7,218)
Total income taxes	84,099	(4,236)
Minority interests in income (loss)	3,402	(71)
Net income (loss)	119,464	(57,475)

(2) Consolidated Statements of Income (Continued)  
Third Quarter (October 1 – December 31)

(Million yen)

Items	Third quarter of the previous FY (October 1, 2008 - December 31, 2008)	Third quarter of the current FY (October 1, 2009 - December 31, 2009)
Net Sales	501,228	326,051
Cost of sales	386,607	298,337
Gross profit	114,621	27,713
Selling, general and administrative expenses:		
Shipment expenses	11,638	8,661
Employees' salaries and allowances	9,856	9,389
Other	14,086	12,779
Total selling, general and administrative expenses	35,582	30,831
Operating income (loss)	79,039	(3,117)
Non-operating income:		
Foreign exchange gains	-	1,045
Dividends income	3,326	-
Equity in earnings of affiliates	4,352	-
Other	1,651	3,922
Total non-operating income	9,330	4,968
Non-operating expenses:		
Interest expenses	3,516	4,097
Equity in losses of affiliates	-	4,356
Foreign exchange losses	8,676	-
Other	5,047	4,440
Total non-operating expenses	17,240	12,894
Ordinary income (loss)	71,129	(11,044)
Extraordinary losses:		
Loss on valuation of investment securities	15,872	-
Total extraordinary losses	15,872	-
Income (loss) before income taxes and minority interests	55,256	(11,044)
Income taxes-current	22,547	1,809
Income taxes-deferred	4,425	(2,536)
Total income taxes	26,972	(727)
Minority interests in income	910	481
Net income (loss)	27,373	(10,798)

## (3) Consolidated Statement of Cash Flows

(Million yen)

	First three quarters of the previous FY on a cumulative basis (April 1, 2008 - December 31, 2008)	First three quarters of the current FY on a cumulative basis (April 1, 2009 - December 31, 2009)
Operating activities:		
Income (loss) before income taxes and minority interests	206,965	(61,783)
Depreciation and amortization	81,812	88,636
Equity in (earnings) losses of affiliates	(28,584)	16,058
Loss (gain) on sales and valuation of investment securities	15,872	-
Decrease (increase) in notes and accounts receivable-trade	(45,976)	(22,470)
Decrease (increase) in inventories	(82,892)	85,336
Increase (decrease) in notes and accounts payable-trade	73,107	(102,638)
Other	15,594	10,736
Subtotal	235,899	13,876
Income taxes paid	(94,278)	(37,671)
Net cash provided by (used in) operating activities	141,620	(23,794)
Investment activities:		
Interest and dividends income received	20,165	10,502
Purchase of investment securities	(29,029)	(24,733)
Payments for investments in capital	-	(34,595)
Purchase of property, plant and equipment and intangible assets	(125,932)	(96,141)
Other	(6,521)	8,543
Net cash provided by (used in) investment activities	(141,317)	(136,424)
Financing activities:		
Net increase (decrease) in short-term loans payable	27,654	7,690
Increase (decrease) in commercial papers	(6,000)	43,000
Proceeds from long-term loans payable	75,464	154,515
Repayments of long-term loans payable	(38,453)	(29,103)
Proceeds from issuance of bonds	49,988	35,000
Redemption of bonds	(31,500)	(24,000)
Cash dividends paid	(46,389)	(34,782)
Other	(8,106)	(13,526)
Net cash provided by (used in) financing activities	22,657	138,793
Effect of exchange rate change on cash and cash equivalents	(1,016)	1,166
Net increase (decrease) in cash and cash equivalents	21,943	(20,259)
Cash and cash equivalents at beginning of period	16,669	42,979
Increase (decrease) in cash and cash equivalents resulting from changes in the scope of consolidation	82	(147)
Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	7	39
Cash and cash equivalents at end of period	38,703	22,613

## (4) Notes on going concern assumption:

Not applicable.

## (5) Segment Information

## a) Segment information by business sector

**Third quarter of the previous fiscal year (October 1, 2008 - December 31, 2008)**

(Million yen)

	Steel	Engineering	Electronics	Others	Total	Corporate or eliminations	Consolidated
Sales to customers	476,026	2,378	9,553	13,270	501,228	-	501,228
Intersegment sales	679	-	-	4,644	5,324	-5,324	-
Total sales	476,706	2,378	9,553	17,915	506,553	-5,324	501,228
Operating income (loss)	79,038	49	(980)	995	79,102	-63	79,039

**Third quarter of the current fiscal year (October 1, 2009 - December 31, 2009)**

(Million yen)

	Steel	Others	Total	Corporate or eliminations	Consolidated
Sales to customers	308,191	17,859	326,051	-	326,051
Intersegment sales	260	4,444	4,705	-4,705	-
Total sales	308,451	22,304	330,756	-4,705	326,051
Operating income (loss)	(5,327)	2,235	(3,091)	-25	(3,117)

**First three quarters of the previous fiscal year (April 1, 2008 - December 31, 2008)**

(Million yen)

	Steel	Engineering	Electronics	Others	Total	Corporate or eliminations	Consolidated
Sales to customers	1,400,303	7,564	39,147	35,518	1,482,534	-	1,482,534
Intersegment sales	1,288	16	-	14,131	15,436	-15,436	-
Total sales	1,401,592	7,581	39,147	49,650	1,497,971	-15,436	1,482,534
Operating income (loss)	212,126	(484)	(1,177)	(452)	210,011	-229	209,781

**First three quarters of the current fiscal year (April 1, 2009 - December 31, 2009)**

(Million yen)

	Steel	Others	Total	Corporate or eliminations	Consolidated
Sales to customers	865,938	58,852	924,790	-	924,790
Intersegment sales	677	13,264	13,941	-13,941	-
Total sales	866,615	72,116	938,732	-13,941	924,790
Operating income (loss)	(34,902)	3,614	(31,287)	107	(31,179)

(Notes) Method for identifying business sectors and major products classified to each sector

1 Method for identifying business sectors

Each business sector is determined based on similarities in characteristics of products and market.

2 Major products for respective segments

Segment	Major products etc.	
Steel	Steel sheets and plates	Steel plates for structural uses, steel plates and sheets for low-temperature service, steel plates and sheets for line pipe, high-tensile-strength steel plates and sheets, hot strip, cold strip, electromagnetic steel sheets, hot-dip galvanized steel sheets, electrolytic galvanized steel sheets, pre-painted steel sheets, pre-coated steel sheets, stainless steel precision rolled strips, pure nickel sheet etc.
	Construction materials	H-shapes, fixed outer dimension H-shapes, lightweight welded beams, sheet piles, steel pipe piles etc.
	Steel tubes and pipes	Seamless steel tubes and pipes, electric resistance welded tubes and pipes, large-diameter arc-welded pipes, hot ERW, specially shaped tubes, various coated tubes and pipes, stainless steel tubes and pipes etc.
	Steel bars and wire rods	Mechanical structural quality wire rods, cold heading quality wire rods, spring quality bar, machining steel, bearing steel, stainless bar and wire rods etc.
	Railway, automotive, and machinery parts	Wheels, axles, bogie trucks, gear units for electric cars, couplers etc.
	Steel castings and forgings	Die forged crankshafts, materials for mold, aluminum wheels, flange for transmission tower, crane wheels, rolls etc.
	Semi-finished iron products	Steel billets and slabs, pig iron for steel making etc.
	Other steel	Titanium products, steel making technology, electric power, land and sea transport of steel materials, maintenance of machinery and facilities, pipelines, energy plant, sales of lime stone etc.
Other	Electronic modules, lease and sale of real estate, etc.	

b) Segment information by location

For the third quarter of the previous fiscal year (October 1, 2008 - December 31, 2008) and the first three quarters of the previous fiscal year (April 1, 2008 – December 31, 2008), the segment information by location is not stated as sales revenue of domestic entities accounted for more than 90% of our total sales revenue.

For the third quarter of the current fiscal year (October 1, 2009 - December 31, 2009) and the first three quarters of the current fiscal year (April 1, 2009 – December 31, 2009), the segment information by location is not stated as sales revenue of domestic entities accounted for more than 90% of our total sales revenue.

## c) Overseas sales

Third Quarter of the previous fiscal year (October 1, 2008 - December 31, 2008)

	Asia	Other	Total
1 Overseas Sales (Million yen)	154,566	56,522	211,088
2 Consolidated Sales (Million yen)			501,228
3 Percentages of Overseas Sales in Consolidated Sales (%)	30.8	11.3	42.1

Third Quarter of the current fiscal year (October 1, 2009 - December 31, 2009)

	Asia	Other	Total
1 Overseas Sales (Million yen)	91,123	33,233	124,357
2 Consolidated Sales (Million yen)			326,051
3 Percentages of Overseas Sales in Consolidated Sales (%)	27.9	10.2	38.1

First three quarters of the previous fiscal year (April 1, 2008 - December 31, 2008)

	Asia	Other	Total
1 Overseas Sales (Million yen)	462,207	152,361	614,568
2 Consolidated Sales (Million yen)			1,482,534
3 Percentages of Overseas Sales in Consolidated Sales (%)	31.2	10.3	41.5

First three quarters of the current fiscal year (April 1, 2009 - December 31, 2009)

	Asia	Other	Total
1 Overseas Sales (Million yen)	265,406	105,097	370,503
2 Consolidated Sales (Million yen)			924,790
3 Percentages of Overseas Sales in Consolidated Sales (%)	28.7	11.4	40.1

(Note) Method of classifying countries or areas, and major countries or areas classified to each region.

## 1 Method for classifying countries or areas

Countries or areas are classified based on geographical proximity.

## 2 Major countries or areas classified to each region

Asia----China, South Korea, Southeast Asia, the Middle and Near East etc.

## (6) Notes on any significant change in shareholders' equity

Not applicable.

## 5. Other Information

- 1) Crude steel production (including Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation) (Million tons)

						Total	
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter		2 <sup>nd</sup> half
FY2007	3.21	3.40	6.61	3.52	3.49	7.01	13.62
FY2008	3.50	3.54	7.04	3.36	2.48	5.84	12.87
FY2009 (Forecast)	2.28	2.79	5.07	3.26	3.37 (approx.)	6.63 (approx.)	11.70 (approx.)

- 2) Export ratio (including Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation) (Value basis %)

						Total	
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter		2 <sup>nd</sup> half
FY2007	46	46	46	44	44	44	45
FY2008	44	44	44	46	48	47	45
FY2009 (Forecast)	48	42	45	41	42 (approx.)	41 (approx.)	43 (approx.)

- 3) Foreign exchange rate (Yen/US\$)

						Total	
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter		2 <sup>nd</sup> half
FY2007	121	118	119	114	105	109	114
FY2008	105	108	106	96	94	95	101
FY2009 (Forecast)	97	94	95	90	90 (approx.)	90 (approx.)	93 (approx.)

- 4) Consolidated exposure to foreign exchange fluctuations

FY2008	Forecast for FY2009
Excess payment of approximately 0.2 billion US\$ per year	Excess receipt of approximately 0.7 billion US\$ per year *

\*Foreign exchange forward contract has been executed.

- 5) Average price of steel products (including Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation) (Thousand yen/ton)

						Total	
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter		2 <sup>nd</sup> half
FY2007	102.3	108.8	105.6	107.3	104.3	105.8	105.7
FY2008	110.1	126.9	118.6	130.3	132.7	131.3	124.3
FY2009 (Forecast)	109.4	86.8	96.8	79.0	83 (approx.)	81 (approx.)	88 (approx.)

- 6) Forecast for non-consolidated figures

	FY 2009		FY2009 (Previous forecasts)
	Results for first three quarters	Entire year forecasts	
Sales	602.3	820(approx.)	820(approx.)
Operating income (loss)	(2.9)	20(approx.)	20(approx.)
Ordinary income (loss)	(6.2)	10(approx.)	10(approx.)
Net income (loss)	(6.2)	5(approx.)	5(approx.)

## 7) Forecasts for sales and operating income (loss) by segment (Consolidated basis)

(Billion yen)

	Results for first three quarters of FY2009		Forecasts for FY2009	
	Sales	Operating income (loss)	Sales	Operating income (loss)
Steel	865.9	(34.9)	1,210(approx.)	(5)(approx.)
Others	58.8	3.6	80(approx.)	5(approx.)

## &lt;Sales by internal companies of Steel Segment&gt;

(Billion yen)

	FY2009	
	Results for first three quarters	Forecasts for entire year
Steel sheet, plate & structural steel company (consolidated)	357.2	500(approx.)
Pipe and tube company (consolidated)	343.7	475(approx.)
Railway, automotive & Machinery parts company (consolidated)	61.9	85(approx.)
Sumitomo Metals(Kokura) (consolidated)	70.3	100(approx.)

## 8) Debt (as of the end of the month)

(Billion yen)

	March 2009	September 2009	December 2009	(Forecasts) March 2010
Consolidated	990.0	1,148.7	1,177.4	1,140(approx.)
Non consolidated	920.2	1,069.5	1,102.4	1,070(approx.)

## 9) Analysis of consolidated ordinary income (loss)

-Foreign exchange (TTM) assumption:

94 Yen/US\$ (First three quarters of FY 2009) ← 103 Yen/US\$ (First three quarters of FY 2008)

(Billion yen)

	First three quarters of FY2009	First three quarters of FY 2008	Increase/(Decrease)
Consolidated ordinary income	(58.6)	222.8	(281.4)

(Billion yen)

Positive impacts		Negative impacts	
Raw materials price decrease *1	172.0	Losses from valuation	(112.0)
Cost improvement	24.0	Negative impact of production cut	(70.0)
Inventory valuation	7.0	Decrease of equity in earnings of unconsolidated subsidiaries	(44.6)
		Increase of fixed costs	(3.0)
		Sales mix and others	(254.8)
Total	203.0	Total	(484.4)
Difference: (281.4)			

\*1 Positive impact of "Raw materials price decrease" includes negative impact of 92.0 billion yen due to carry over of raw materials costs.