

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. 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.

The following financial information was prepared in accordance with generally accepted accounting principles in Japan.

Sumitomo Metal Industries, Ltd.
Consolidated Financial Results for the Third Quarter of FY2011

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

(Figures less than a million yen are truncated.)

1. Highlights of Consolidated Financial Results for the First Three Quarters of FY2011

(April 1, 2011 – December 31, 2011)

(1) Consolidated Statement of Operations (%: change from the previous year)

	Net sales		Operating income		Ordinary income		Net income / (losses)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three quarters of FY2011	1,075,878	2.9	57,727	45.1	56,568	110.4	(37,663)	-
First three quarters of FY2010	1,045,776	13.1	39,776	-	26,888	-	34,929	-

(Note) Comprehensive Income/(Losses): First three quarters of FY2012 (44,671) million yen(- %)

First three quarters of FY2011 8,663 million yen (- %)

	Net income/(losses) per share		Net income per share after dilution	
	Yen		Yen	
First three quarters of FY2011	(8.12)		-	
First three quarters of FY2010	7.53		-	

(2) Consolidated Balance Sheets

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
First three quarters of FY2011	2,446,278		763,835		29.1	
FY2010	2,440,761		818,080		31.4	

(Note) Shareholders' Equity: First three quarters of FY2011 711,577 million yen

FY2010 766,777 million yen

2. Dividends

(Record Date)	Dividends per share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Total
FY2010	Yen -	Yen 2.50	Yen -	Yen 1.00	Yen 3.50
FY2011	-	1.00	-		
FY2011(Forecasts)				1.00	2.00

(Note) Changes from the most recent dividends forecasts for FY2011 announced previously: Yes

3. Forecasts for Consolidated Financial Performance for FY2011 (April 1, 2011 - March 31, 2012) (%: change from previous year)

	Net sales		Operating income		Ordinary income		Net income / (losses)		Net income / (losses) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	1,480,000	5.5	70,000	24.3	55,000	61.5	(55,000)	-	(11.87)

(Note) Changes from the most recent forecasts for consolidated financial performance for FY2011 announced previously: Yes

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 peculiar to quarterly consolidated financial statements: None

(3) Changes in the principle/procedure of accounting method and presentation, changes in estimation related to financial statements, and re-statement of revisions.

(i) Changes in the principle/procedure of accounting method and presentation due to the revision of accounting standards, etc.: None

(ii) Changes other than (i): None

(iii) Changes in estimation related to financial statements: None

(iv) Re-statement of revisions: 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, FY2011: 4,805,974,238 shares

Last day of FY2010: 4,805,974,238 shares

(b) Number of treasury shares

Last day of third quarter, FY2011: 170,531,993 shares

Last day of FY2010: 170,413,839 shares

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

First three quarters of FY2011: 4,635,490,984 shares

First three quarters of FY2010: 4,635,733,656 shares

(Note) This document, including the APPENDIX, is not a subject of audit procedure under the Financial Instruments and Exchange Law of Japan. The consolidated quarterly financial statements are currently under review according to the Financial Instruments and Exchange Law of Japan.

(Note) We are scheduled to conduct a conference call for analysts and fund managers on Thursday, February 2, 2012. We will upload the document and a summary of Q&A on our website (<http://www.sumitomometals.co.jp/e/ir/>) after the conference.

The forecasts or targets included in this document, including the APPENDIX, 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, forecasts or expectations or the current intent, belief, targets, forecasts 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, including "1. Qualitative Information on Consolidated Financial Results" on page 2 of the APPENDIX, important factors that could cause these differences. Sumitomo Metal 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.

APPENDIX

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1. Qualitative Information on Consolidated Financial Results

(1) Qualitative Information on Consolidated Financial Results during the First Three Quarters of Fiscal Year 2011

During the first three quarters of Fiscal Year 2011, domestic steel demand in Japan did not reach the level for the same period of the last fiscal year. Domestic demand mainly for the automotive sector picked up in the second quarter but then showed signs of slowdown in the third quarter. Exports decreased year-on-year due to deteriorated overseas markets with weakness seen in the steel sheet market and the effect of the flood in Thailand.

Under these circumstances, the Sumitomo Metals Group made efforts to improve its profitability by reducing costs and through other measures. Through retrenchment in various areas, we are endeavoring to secure within the current fiscal year, more than half of the approximately 100 billion yen of cash that is needed for the recovery of Kashima Steel Works from damage caused by the Great East Japan Earthquake.

For the first three quarters of Fiscal Year 2011, Sumitomo Metals Group achieved sales of 1,075.8 billion yen (a year-on-year increase of 30.1 billion yen), operating income of 57.7 billion yen (a year-on-year increase of 17.9 billion yen), and ordinary income of 56.5 billion yen (a year-on-year increase of 29.6 billion yen). The factors behind the results include; cost reduction efforts, profitability improvement of seamless pipe due to firm demand, absence of negative impacts from temporary blast furnace instability which occurred in the previous year, rising raw material prices, and sales drop caused by the earthquake damage on equipment. Net loss of 37.6 billion yen (a year-on-year decrease of 72.5 billion yen) was posted mainly due to extraordinary losses such as valuation loss caused by impairment loss on investment securities.

With regard to the business integration with Nippon Steel Corporation (“Nippon Steel”), we received in December 2011 a no-action letter from the Japan Fair Trade Commission, meaning that the business integration has been approved. Both Sumitomo Metals and Nippon Steel are steadily moving forward so that “Nippon Steel & Sumitomo Metal Corporation,” to be established on October 1, 2012, will become the “the Best Steelmaker with World-Leading Capabilities.”

Sumitomo Metals merged with Sumitomo Metals (Kokura) Ltd., which is engaged in special steel bars and wire rods business, and Sumitomo Metals (Naoetsu), Ltd., which is engaged in stainless and titanium business, on January 1, 2012. Through the merger, we will make our organization more unified and will improve our management efficiency.

(2) Qualitative Information on Financial Forecasts for Fiscal Year 2011

The business environment for the remainder of Fiscal Year 2011 remains uncertain with worries over the sluggish global economy, due to no signs for improvement in the European financial crisis, some slowdown seen in the Chinese economy, and other factors. In this environment, the Sumitomo Metals Group will strive to improve profitability by proceeding with its after-quake recovery plan, reduction of costs, and by taking other measures, to combat deteriorating overseas markets, impacts of the prolonged appreciation of the yen on our domestic customers, and an increase in imports of steel products. For Fiscal Year 2011, we are forecasting sales of 1,480 billion yen, operating income of 70.0 billion yen, ordinary income of 55.0 billion yen, and a net loss of 55.0 billion yen. Ordinary income is expected to be affected by a decrease in earnings of equity-method affiliates, and net loss is expected to result from evaluation loss on investment securities and other factors.

These forecasts were separately disclosed in the “Notice Regarding Revised Financial Forecasts and Dividends Forecasts for FY2011” today.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

Items	At the end of previous FY (As of March 31, 2011)	At the end of third quarter under review (As of December 31, 2011)
(Assets)		
Current assets:		
Cash and deposits	83,264	16,553
Notes and accounts receivable-trade	109,571	157,562
Merchandise and finished goods	144,655	189,083
Work in process	23,476	31,824
Raw materials and supplies	230,533	257,585
Other	57,089	55,652
Allowance for doubtful accounts	(660)	(698)
Total current assets	647,930	707,563
Noncurrent assets:		
Property, plant and equipment:		
Buildings, net	262,229	264,012
Machinery, equipment and vehicles, net	413,400	395,738
Land	350,518	350,256
Other, net	91,563	100,992
Total property, plant and equipment	1,117,712	1,111,001
Intangible assets	6,208	22,750
Investment and other assets:		
Investment securities	485,511	404,097
Other	183,608	201,052
Allowance for doubtful accounts	(209)	(186)
Total investments and other assets	668,910	604,962
Total noncurrent assets	1,792,830	1,738,714
Total assets	2,440,761	2,446,278

(1) Consolidated Balance Sheets (Continued)

(Million yen)

Items	At the end of previous FY (As of March 31, 2011)	At the end of third quarter under review (As of December 31, 2011)
(Liabilities)		
Current liabilities:		
Notes and accounts payable-trade	221,195	274,888
Short-term loans payable	279,818	281,332
Provision for loss on disaster	49,307	15,159
Other	250,278	211,679
Total current liabilities	800,600	783,059
Noncurrent liabilities:		
Bonds payable	180,664	216,098
Long-term loans payable	572,899	614,861
Provision for retirement benefits	20,318	21,182
Provision for special repairs	197	214
Other	48,000	47,026
Total noncurrent liabilities	822,080	899,383
Total liabilities	1,622,681	1,682,442
(Net Assets)		
Shareholders' equity:		
Capital stock	262,072	262,072
Capital surplus	61,829	61,829
Retained earnings	565,931	518,985
Treasury stock	(91,161)	(91,181)
Total shareholders' equity	798,671	751,706
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	(18,877)	(5,437)
Deferred gains or losses on hedges	(594)	(432)
Revaluation reserve for land	11,203	12,150
Foreign currency translation adjustment	(23,627)	(46,409)
Total accumulated other comprehensive income	(31,894)	(40,129)
Minority interests	51,303	52,258
Total net assets	818,080	763,835
Total liabilities and net assets	2,440,761	2,446,278

(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income**(Consolidated Statement of Operations)**

Items	(Million yen)	
	First three quarters of the previous FY (April 1, 2010- December 31, 2010	First three quarters of the current FY (April 1, 2011- December 31, 2011
Net Sales	1,045,776	1,075,878
Cost of sales	912,610	927,270
Gross profit	133,165	148,608
Selling, general and administrative expenses	93,389	90,880
Operating income	39,776	57,727
Non-operating income:		
Dividends income	4,019	6,196
Equity in earnings of affiliates	3,374	11,073
Other	8,202	8,790
Total non-operating income	15,596	26,059
Non-operating expenses:		
Interest expenses	11,284	9,855
Other	17,200	17,363
Total non-operating expenses	28,484	27,219
Ordinary income	26,888	56,568
Extraordinary losses:		
Loss on disaster	-	12,320
Loss on sales of investment securities	-	1,990
Loss on valuation of investment securities	-	88,643
Total extraordinary losses	-	102,955
Income/(losses) before income taxes	26,888	(46,386)
Income taxes-current	10,101	7,410
Income taxes-deferred	(20,341)	(18,090)
Total income taxes	(10,239)	(10,679)
Net income/(losses) before minority interest in income adjustment	37,127	(35,706)
Minority interests in income	2,198	1,956
Net income/(losses)	34,929	(37,663)

(Consolidated Quarterly Statements of Comprehensive Income)

(Million yen)

Items	First three quarters of the previous FY (April 1, 2010- December 31, 2010	First three quarters of the current FY (April 1, 2011- December 31, 2011
Net income/(losses) before minority interests	37,127	(35,706)
Other comprehensive income:		
Valuation difference on available-for-sale securities	(17,477)	14,391
Deferred gains on hedges	337	273
Revaluation reserve for land	(643)	861
Foreign currency translation adjustment	(3,940)	(6,605)
Share of other comprehensive income of associates accounted for using equity method	(6,740)	(17,886)
Total other comprehensive income	(28,464)	(8,965)
Comprehensive income	8,663	(44,671)
(Detail)		
Comprehensive income attributable to owners of the parent	7,119	(45,909)
Comprehensive income attributable to minority interests	1,544	1,237

(3) Notes on Going Concern Assumption:

Not applicable.

(4) Notes on Any Significant Change in Shareholders' Equity:

Not applicable.

3. Supplemental Information

(1) Financial Performances (Consolidated Basis)

(Billion yen)

	Forecasts for FY2011						
	1st quarter	2nd quarter	1st half	Forecast for			Total (approx.)
				3rd quarter	4th quarter (approx.)	2nd half (approx.)	
Steel	297.2	373.8	671.1	374.8	396.0	770.0	1,440.0
Other	9.6	11.4	21.1	8.8	10.0	20.0	40.0
Net Sales	306.8	385.3	692.2	383.6	406.0	790.0	1480.0
Steel	16.4	22.7	39.1	15.7	13.5	29.0	67.0
Other	0.4	1.6	2.1	0.6	0.0	1.0	3.0
Adjustment	(0.0)	0.0	(0.0)	0.0	-	-	-
Operating income	16.8	24.4	41.2	16.4	13.5	30.0	70.0
Ordinary income	19.0	22.3	41.3	15.1	(1.0)	14.0	55.0
Net income (losses)	3.2	(35.6)	(32.3)	(5.2)	(18.0)	(23.0)	(55.0)

(2) Crude Steel Production (Including Sumitomo Metals (Kokura), Ltd. and Sumikin Iron & Steel Corporation)

(Million tons)

	Forecasts for FY2011						Total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY2009	2.28	2.79	5.07	3.26	3.32	6.58	11.65
FY2010	3.35	3.43	6.78	3.00	3.13	6.12	12.90
FY2011	2.77	3.34	6.11	3.25	(approx.) 3.38	(approx.) 6.63	(approx.) 12.74

(3) Export Ratio (Including Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation): Value Basis

(%)

	Forecasts for FY2011						Total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY2009	48	42	45	41	41	41	43
FY2010	43	39	41	42	42	42	42
FY2011	46	40	42	38	(approx.) 40	(approx.) 39	(approx.) 41

(4) Foreign Exchange Rate

(Yen/US\$)

	Forecasts for FY2011						Total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY2009	97	94	95	90	91	90	93
FY2010	92	86	89	83	82	82	86
FY2011	82	78	80	77	(approx.) 80	(approx.) 79	(approx.) 79

(5) Exposure to Foreign Exchange Fluctuations (Consolidated Basis)

FY2010	Forecast for FY2011
Receipt and payment of US\$ is balanced.	Excess payment of approximately US\$ 0.6 billion per year.

(6) Average Price of Steel Products (Including Sumitomo Metals (Kokura), Ltd.,
Sumitomo Metals (Naoetsu), Ltd. and Sumikin Iron & Steel Corporation)

(Thousand yen/ton)

							Total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY2009	109.4	86.8	96.8	79.0	84.3	81.7	88.0
FY2010	87.7	95.6	91.6	95.9	97.9	96.9	94.2
FY2011	104.5	107.3	106.0	103.1	(approx.) 100	(approx.) 101	(approx.) 103

(7) Outstanding Debt (Consolidated Basis)

(Billion yen)

As of March 31, 2011	As of September 30, 2011	As of December 31, 2011	As of March 31, 2012 (Forecast)
1,173.3	1,207.2	1,204.2	approx. 1,190.0

(8) Analysis on Contributors to Change in Ordinary Income (Consolidated Basis)

-Foreign exchange (TTM) assumption:

79 Yen/US\$ (First three quarters of FY2011) ← 87 Yen/US\$ (First three quarters of FY2010)

(Billion yen)

	First three quarters of FY2011	First three quarters of FY2010	Increase/(Decrease)
Consolidated ordinary income/(losses)	56.5	26.8	29.6

(Billion yen)

Positive impact		Negative impact	
Cost improvement	30.0	Prices of raw materials and other materials	(119.0)
Temporary production instability of the blast furnace	15.0	Valuation loss	(17.0)
Decrease of fixed costs	8.0	Sales volume	(7.0)
Increase of equity in earnings of unconsolidated subsidiaries	7.6	Carry-over of raw materials costs*	(5.0)
Inventory devaluation	3.0	Effect of the earthquake	(4.0)
Sales price/mix and others	118.0		
Total	181.6	Total	(152.0)
Difference: 29.6			

* Impact of carry-over: First three quarters of FY2011 - positive 14.0 billion yen
First three quarters of FY2010 - positive 19.0 billion yen