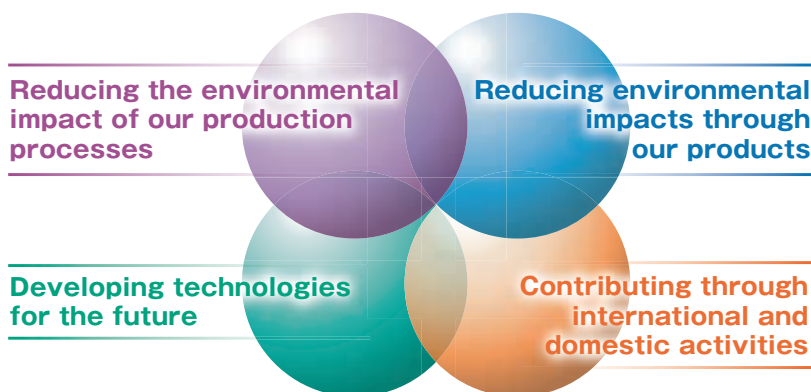


Environmental Activities of the Sumitomo Metals Group

This report describes the group's primary activities, focusing on four policies: production, products, technology, and international and domestic activities.



Special Notes on this Report

The 2009 edition of this report was prepared based on the environmental activities of Sumitomo Metals and Group companies during the period April 1, 2008 to March 31, 2009 (fiscal year 2008). When this report refers to the "Company" and "Sumitomo Metals," or where there is no specific reference, it includes Sumitomo Metal Industries, Ltd., Sumitomo Metals (Kokura), Ltd., Sumitomo Metals (Naoetsu), Ltd., and Sumikin Iron & Steel Corporation (Wakayama). References to Group companies include the affiliated companies listed in the corporate data section (please see page 5).

We have prepared this report by following the Environmental Reporting Guidelines (fiscal year 2007 edition) from the Ministry of the Environment, and have also referred to the GRI*¹ Sustainability Reporting Guidelines 2006.

*1 GRI (Global Reporting Initiative): An international NGO based in the Netherlands, and an official collaborating center of UNEP (United Nations Environment Program). The mission of GRI is to develop guidelines for sustainability reporting.

Improvements from Previous Edition

The section on Environmental Highlights has been expanded to six pages so that readers can better understand our company's environmental activities. In addition, the report as a whole is presented from the perspective of our four environmental policies (reducing the environmental impact of production processes, reducing environmental impacts through our products, developing technologies for the future, and contributing through international and domestic activities). In the future, we will continue to work to create reports that present our environmental activities in a way that is both informative and easy to understand. If you have any opinions or suggestions in this regard, please use the provided form and let us know.

Information Disclosure

As the environmental volume of the Annual Report that summarizes our business performance and business activities during fiscal year 2008, this report describes our company's environmental activities.

For business performance, business activities, and related information, please refer to the Annual Report itself.

Annual Report 2009



Annual Report 2009 Environment Volume



Information is also available on our homepage.

<http://www.sumitomometals.co.jp/shareholders-and-investors/annual-report.html>

<http://www.sumitomometals.co.jp/environment/kan.html>

Annual Report 2009 Environment Volume

CONTENTS

○ Environmental Message	3
○ Business Overview	5
○ Plan, Targets, and Results	6

Environmental Highlights

Reducing the environmental impact of our production processes	7
Reducing the environmental impacts through our products	9
Developing technologies for the future	11
Contributing through international and domestic activities	12

Reducing the environmental impact of our production processes

Energy Balance and Materials Balance	13
Initiatives to Prevent Global Warming	
• Promoting reductions of CO ₂ emissions in manufacturing processes	15
• Promoting CO ₂ emission reductions in logistics systems	17

Contributing to Build a Reduce-Reuse-Recycle Society

• Promoting recycling governance for wastes	18
• Promoting recycling of by-products	19
• Reducing and effectively using slag	19
• Accepting outside wastes and other materials	20

Environmental Risk Management

• Atmospheric quality	21
• Soil and water quality · Noise, vibration, and foul odors · Chlorofluorocarbon	22
• Chemical substances-PCB control-Environmental preservation pacts with municipalities	23
Environmental Management	
• Environmental management organization	24
• Environmental management system-Environmental audit	25
• Environmental education-Green purchasing	26
• Disclosure of Environmental Information	27
• Environmental Accounting	28

Reducing the environmental impacts through our products

• Working to reduce CO ₂ emissions	29
• Contributing to environmental preservation	34

Developing technologies for the future

• R&D for environmental preservation	37
--------------------------------------	----

Contributing through international and domestic activities

• Overseas assistance activities	39
• Domestic community and tree-planting activities	41
• Office and household CO ₂ reduction efforts	45
○ External Awards and Recognition	46
○ Third-party Opinion	47
○ History of Environmental Activity	48
○ Site Data	49