

# **ARTICLES OF INCORPORATION**

**(As of June 19, 2009)**

**Sumitomo Metal Industries, Ltd.**

# **ARTICLES OF INCORPORATION**

## **CHAPTER I** **GENERAL PROVISIONS**

### **Article 1. Trade Name**

The Company shall be called "Sumitomo Kinzoku Kogyo Kabushiki Kaisha" and shall be called "Sumitomo Metal Industries, Ltd." in English.

### **Article 2. Location of Head Office**

The Company shall have its head office in the city of Osaka.

### **Article 3. Purposes**

The purposes of the Company shall be to carry on the following business:

- (1) Manufacture and sale of steel, nonferrous metal and their alloys;
- (2) Manufacture and sale of carbonic products and other inorganic chemical products, coal chemical products and resins;
- (3) Manufacture and sale of electronic implements, their parts and their materials;
- (4) Manufacture and sale of various instruments and appliances, plants, steel structures, etc.;
- (5) Manufacture and sale of processed products, accessories and byproducts related to the preceding paragraphs;
- (6) Design, supervision and undertaking of civil engineering, constructions, plants, and other erection works;
- (7) Development business of regions and cities, and purchase, sale, lease and brokerage of real estate and warehousing business;
- (8) Management of facilities related to sports, recreation, education, medical treatment etc.;
- (9) Process, offer, correspondence and other service of information and design, produce and sale of software;
- (10) Supply of electricity;
- (11) Collection, transportation, disposal and recycle of non-industrial waste and industrial waste and sale of such recycled waste
- (12) Sale of technologies and know-how related to the preceding paragraphs; and
- (13) Other enterprises incidental and related to any of the preceding paragraphs.

#### **Article 4. Institutions**

The Company shall have a General Shareholders' Meeting, Directors, a Board of Directors, Corporate Auditors, a Board of Corporate Auditors and Independent Auditors.

#### **Article 5. Method of Public Notice**

Public notices of the Company shall be given electronically. If, due to accident or some other unavoidable reason, electronic publication is not possible, then public notice shall be given in the *Nihon Keizai Shimbun*.

## **CHAPTER II** **SHARES AND SHAREHOLDERS**

#### **Article 6. Total Number of Shares that can be Issued by the Company**

The total number of shares that can be issued by the Company shall be 10,000,000,000.

#### **Article 7. Number of shares in one voting unit**

The number of shares in one voting unit shall be 1,000.

#### **Article 8. Registrar of Shareholders**

1. The Company shall have a Registrar of Shareholders.
2. The Registrar of Shareholders and its place of business shall be decided by resolution of the Board of Directors, and shall be made public.
3. The Registrar of Shareholders shall be entrusted with the preparation and maintenance of the Company's register of shareholders and the register of stock acquisition rights, as well as other duties relating to the register of shareholders, register of lost share certificates and register of stock acquisition rights.

#### **Article 9. Share Handling Rules**

The handling of stock and the carrying out of procedures to enable shareholders to exercise their rights shall be in accordance with applicable laws and regulations, the Articles of Incorporation and the Share Handling Rules stipulated by the Board of Directors.

#### **Article 10. Record Date**

1. The Company grants that the shareholders having voting rights who are recorded on the final register of shareholders on the last day of each financial year shall be able to exercise their rights at the Annual General Shareholders' Meeting for that financial year.
2. If otherwise specified in the previous Section or elsewhere in the Articles of Incorporation, or if necessary, the Company will set a date (with advance public notice) when it will designate those shareholders or registered pledgees who shall be able to exercise their rights.

### **CHAPTER III** **GENERAL MEETINGS OF SHAREHOLDERS**

#### **Article 11. Time of Convocation**

The Annual General Shareholders' Meeting shall be convened in June of each year, and an extraordinary general shareholders' meeting shall be convened when it is deemed necessary.

#### **Article 12. Convocation of Meetings**

1. A General Shareholders' Meeting shall be convened by the President of the Company pursuant to a resolution of the Board of Directors. The President shall preside over the General Meeting as chairman.
2. In case the President is prevented from so acting, one of the other Directors in the order prearranged by resolution of the Board of Directors shall substitute for the President.

#### **Article 13. Deemed provision of general shareholders' meeting reference documents via the Internet**

When the Company convenes a General Shareholders' Meeting, the Company may, in accordance with applicable laws and regulations, use the Internet to furnish shareholders with information to be displayed or described in the general shareholders' meeting reference documents, business reports, non-consolidated and consolidated financial statements, and may deem that they have been supplied to shareholders.

#### **Article 14. Resolution**

1. Except as otherwise provided by Applicable laws, regulations, or the Articles of

- Incorporation, resolutions of a General Shareholders' Meeting shall be adopted by a majority vote of the shareholders present having the right to exercise such voting rights.
2. Any special resolution prescribed under Article 309, Paragraph 2 of the Companies Act may be adopted only by a vote of at least two-thirds of the shareholders present at a General Shareholders' Meeting attended by shareholders holding shares representing at least one-third the aggregate outstanding voting rights and having the right to exercise such voting rights.

#### **Article 15. Proxy Voting Rights**

A shareholder may exercise his/her voting right by authorizing any other shareholder of the Company to act as his/her proxy. To do so, the shareholder or proxy must submit documented verification of the proxy to the Company for each General Shareholders' Meeting.

#### **Article 16. Minutes**

Minutes of the proceedings at each General Shareholders' Meeting shall be prepared and shall be maintained at the office of the Company.

### **CHAPTER IV** **DIRECTORS AND CORPORATE AUDITORS**

#### **Article 17. Number**

The Company shall have not more than twenty (20) Directors and not more than five (5) Corporate Auditors.

#### **Article 18. Election**

1. The election of Directors and Corporate Auditors requires a majority vote of the shareholders present at a meeting attended by shareholders holding shares representing at least one-third of the total number of the aggregate outstanding voting rights and having the right to exercise such voting rights.
2. No cumulative voting shall be allowed in the election of Directors.

#### **Article 19. Term of Office**

The term of office of a Director shall expire upon the conclusion of the Annual General

Shareholders' Meeting for the last fiscal year ending within one (1) year period following his/her election to office, and the term of office of a Corporate Auditor shall expire upon the conclusion of the Annual General Shareholders' Meeting for the last fiscal year ending within four (4) years period following his/her election to office.

#### **Article 20. Executive Directors and Representative Directors**

1. The Board of Directors may resolve to appoint, from among Directors, one (1) Chairman of the Board of Directors, one (1) Director and President, and one or more Vice Chairmen of the Board of Directors.
2. The Board of Directors may resolve to select one or more Representative Directors.
3. Each of the Representative Directors has the authority to represent the Company.
4. Each Representative Director shall execute the affairs of the Company in accordance with resolutions of the Board of Directors. However, he/she may manage the day-to-day business of the Company at his/her own discretion.

#### **Article 21. Full-time Corporate Auditors and Standing Corporate Auditors**

1. The Board of Corporate Auditors may resolve to select one or more full-time Corporate Auditors.
2. The Board of Corporate Auditors may resolve to select one or more Standing Corporate Auditors from among the full-time Corporate Auditors.

#### **Article 22. Remuneration, etc.**

The remuneration and other benefits received by Directors and Corporate Auditors from the Company as compensation for the performance of their duties shall be fixed by resolution of a General Shareholders' Meeting.

#### **Article 23. Agreement Limiting Liability between the Company and Outside Directors**

As stipulated in Article 427, Paragraph 1 of the Companies Act, the Company may conclude an agreement with an outside Director (as defined in Article 2, Item 15 of the said Law) to limit the total compensation liability to the sum of the amount calculated according to the stipulations of each item of Article 425, Paragraph 1 of the said Law for liability arising from actions described in Article 423, Paragraph 1 of the said Law.

**CHAPTER V**  
**THE BOARD OF DIRECTORS AND**  
**THE BOARD OF CORPORATE AUDITORS**

**Article 24. Purposes**

1. In addition to the matters provided by law, regulation, or the Articles of Incorporation, the Board of Directors shall decide the execution of important affairs of the Company.
2. In addition to the powers provided by law, regulation, or the Articles of Incorporation, the Board of Corporate Auditors shall decide the matters concerning the execution of the Corporate Auditors. Provided, however, the Board of Corporate Auditors may not prevent the exercise of the power of the Corporate Auditors.

**Article 25. Convocation of Board of Directors**

1. The Chairman of the Board of Directors shall convene meetings of the Board of Directors and preside over the meeting as chairman.
2. In case the Chairman of the Board of Directors is prevented from so acting, or a vacancy occurs in the office of the Chairman, the President shall substitute for the Chairman. In case the President is prevented from so acting, one of the other Directors in the order prearranged by resolution of the Board of Directors shall substitute for the President.
3. Notice of a meeting of the Board of Directors shall be given to each Director and Corporate Auditor at least three days prior to the day set for such meeting. In case of emergency, this notice period may be shortened.

**Article 26. Convocation of Board of Corporate Auditors**

1. The Board of Corporate Auditors may resolve to appoint the Chairman of the Board of Corporate Auditors.
2. The Chairman of the Board of Corporate Auditors shall convene meetings of the Board of Corporate Auditors. Provided, however, if necessary, other Corporate Auditors may convene meeting thereof.
3. Notice of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor at least three days prior to the day set for such meeting. In case of emergency, this notice period may be shortened.

**Article 27. Resolution**

1. A quorum for a meeting of the Board of Directors shall be a majority of all Directors then in office and resolutions shall be adopted by a majority of votes of the Directors present.

2. Unless as otherwise provided by applicable laws and regulations, resolutions of the Board of Corporate Auditors shall be adopted by a majority of votes of the Corporate Auditors.

**Article 28. Minutes**

1. Minutes of the proceedings of the meetings of the Board of Directors shall be prepared and shall be maintained at the office of the Company after the Directors and Corporate Auditors present at the meeting have affixed their names and seals thereto.
2. Minutes of the proceedings of the meetings of the Board of Corporate Auditors shall be prepared and shall be maintained at the office of the Company after the Corporate Auditors present at the meeting have affixed their names and seals thereto.

**CHAPTER VI**  
**INDEPENDENT AUDITORS**

**Article 29. Election**

Independent Auditors shall be appointed at the General Shareholders' Meeting.

**Article 30. Term of Office**

1. The term of office of an Independent Auditor shall expire upon the conclusion of the Annual General Shareholders' Meeting for the last fiscal year ending within one (1) year period following his/her election to office.
2. If there is no resolution to the contrary at the Annual General Shareholders' Meeting referred to in the previous paragraph, then the term of an Independent Auditor shall be regarded as having been renewed at such Annual General Shareholders' Meeting.

**CHAPTER VII**  
**ACCOUNTS**

**Article 31. Fiscal Year**

The fiscal year of the Company shall be from and including April 1 of each year to and including March 31 of the following year.

**Article 32. Power to Make Decisions regarding Distribution and Use of Distributable Surplus “*Joyo-Kin*”**

The distribution and use of distributable surplus “*Joyo-Kin*” and decisions concerning the matters specified in each item of Article 459, Paragraph 1 of the Companies Act may be determined by resolution of the Board of Directors.

**Article 33. Record Date for Distribution of Distributable Surplus “*Joyo-Kin*”**

1. The Company may distribute distributable surplus “*Joyo-Kin*” as a year-end dividend to shareholders or registered pledgees who are included in the final register of shareholders on the last day of each fiscal year.
2. The Company may distribute distributable surplus “*Joyo-Kin*” as an interim dividend to shareholders or registered pledgees who are included in the final register of shareholders on September 30, each year.
3. In addition to the provisions of the previous two paragraphs, the Company may set record dates for the purpose of distribution of distributable surplus “*Joyo-Kin*”.

**Article 34. Forfeiture of Distributions of Distributable Surplus “*Joyo-Kin*”**

The Company shall be relieved from its obligation to pay any cash distribution distributable surplus “*Joyo-Kin*” that has remained uncollected by the applicable shareholder for three (3) years or more from the date of such distribution.

**-End-**