

SHARE HANDLING RULES

(As of January 5, 2009)

Sumitomo Metal Industries, Ltd.

SHARE HANDLING RULES

CHAPTER I GENERAL PROVISIONS

Article 1. Objective

1. Pursuant to the Articles of Incorporation, handling of shares of Sumitomo Metal Industries, Ltd. (the “Company”) and procedures relating to exercise of rights of shareholders shall be governed by these rules (the “Rules”) and the regulations of the Japan Securities Depository Center, Inc. (“JASDEC”) and of companies at which shareholders have opened depository accounts such as securities companies (“Account Management Institution”).
2. The Rules can be amended upon resolutions by the Board of Directors.

Article 2. Registrar of Shareholders

The Company’s registrar of shareholders and the location for its handling office are as below:

Registrar of Shareholders	The Sumitomo Trust and Banking Co., Ltd. 4-5-33 Kitahama, Chuo-ku, Osaka
Handling Office	The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department 4-5-33 Kitahama, Chuo-ku, Osaka

CHAPTER II
RECORDS ON SHAREHOLDERS' LIST

Article 3. Records on Shareholders' List

1. The Company shall create new records on or amend the records on the shareholders' list pursuant to notifications from JASDEC such as general shareholder notifications. However, the Company shall not make any amendments based on individual shareholder notifications pursuant to Article 154, Item 3 of the Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, etc.
2. Notwithstanding the foregoing, upon issuance of new shares and/or otherwise required by laws and regulations, the Company shall create new records on or amend the records on the shareholders' list without notifications from JASDEC.
3. The Company shall create new records on or amend the records on the shareholders' list using the letters and symbols specified by JASDEC.

Article 4. Notifications Regarding Records on Shareholders' List

Shareholders shall provide notifications regarding their names and addresses to the Company through Account Management Institution and JASDEC as required by JASDEC. Changes to such information shall be provided to the Company in the same manner.

Article 5. Notifications Regarding Representatives of Corporate Shareholders

Each corporate shareholder shall provide notifications regarding one of its representatives to the Company through Account Management Institution and JASDEC as required by JASDEC. Changes to such information shall be provided to the Company in the same manner.

Article 6. Notifications Regarding Representatives of Co-owners of Shares

Shareholders jointly holding shares shall designate one representative and provide notifications regarding such representative to the Company through Account Management Institution and JASDEC as required by JASDEC. Changes to such information shall be provided to the Company in the same manner.

Article 7. Notifications Regarding Legal Representatives

Legal representatives of shareholders, such as parents and guardians, shall provide notifications regarding their names and addresses to the Company through Account Management Institution and JASDEC as required by JASDEC. Changes to such information or information on discontinuation of legal representation shall be provided to the Company in the same manner.

Article 8. Representatives of Overseas Shareholders; Notifications Regarding Temporary Address

Shareholders and listed pledgees residing abroad, or their legal representatives, shall appoint a standing proxy in Japan or designate an address in Japan to receive notices, and provide to the Company notifications regarding the name and address of the standing proxy or the address to receive notices through Account Management Institution and JASDEC as required by JASDEC. Changes to such information shall be provided to the Company in the same manner.

Article 9. Confirmation through JASDEC

The Company shall deem any notifications provided through Account Management Institution and JASDEC pursuant to Articles 4 through 8 to have been made by shareholders themselves.

CHAPTER III
SHAREHOLDER IDENTIFICATION

Article 10. Shareholder Identification

1. When shareholders (including shareholders who have made individual shareholder notifications; hereinafter the same shall apply in Article 10) make any demands or exercise their shareholder rights (the “Demands”), shareholders shall attach documents proving that such Demands were made by shareholders themselves, or otherwise submit such documents. However, such documents are not required if the Company can confirm that such Demands have been made by the shareholders

themselves.

2. When the Demands from shareholders are made through Account Management Institution and JASDEC, the Company shall deem the Demands to have been made by the shareholders themselves and shall not require the shareholders to attach or provide identification documents.
3. To make the Demands through a representative, shareholders must attach a signed or stamped power of attorney in addition to procedures required under the foregoing Items 1 and 2. The power of attorney must include the name and address of the representative.
4. Items 1 and 2 are applicable correspondingly to representatives of shareholders.

CHAPTER IV

PROCEDURES RELATING TO EXERCISE OF SHAREHOLDER RIGHTS

Article 11. Minority Shareholder Rights, etc.

When shareholders directly exercise their minority shareholder rights pursuant to Article 147, Item 4 of the Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, etc., they shall do so in writing, signed or stamped, with a receipt issued by an Account Managing Institution that accepted the individual shareholder notification.

Article 12. Description of Shareholder Proposals in Reference Materials for Shareholder Meetings

When matters for resolution at a shareholder meeting are submitted by shareholders, the Company may publish a summary on the following if the original text submitted by the shareholders exceeds 400 letters:

- (1) Reason for proposal of matters for resolution; and
- (2) With respect to matters for resolution concerning the election of Directors, Corporate Auditors or Independent Auditors, information on the candidates.

CHAPTER V
PURCHASE OF SHARES CONSTITUTING LESS THAN A FULL VOTING
UNIT

Article 13. Procedures for Requesting Purchase of Shares Constituting Less Than a Full Voting Unit

When shareholders request the Company to purchase their shares constituting less than a full voting unit, the purchase shall be conducted through Account Management Institution and JASDEC as required by JASDEC.

Article 14. Purchase Price

1. The purchase price of shares constituting less than a full voting unit shall be the closing price of the Company shares as reported by the Tokyo Stock Exchange on the day when the request for the purchase pursuant to the foregoing article reaches the handling office of the Registrar of Shareholders.
2. If there is no trading of the Company shares on the day the request reaches the Registrar of Shareholders pursuant to the foregoing item, the purchase price of the shares constituting less than a full voting unit shall be the opening price on the first day on which the trading of the Company shares commences thereafter.

Article 15. Payment of Trading Value

1. Trading value of shares constituting less than a full voting unit shall be the amount obtained by multiplying the purchase price determined pursuant to the foregoing article by the number of shares requested to be purchased.
2. The trading value under the foregoing item, net of fees determined pursuant to Article 17 as well as consumption and local consumption taxes, shall be paid at the handling office of the Registrar of Shareholders on the fourth day counted from the day after the date the purchase price was determined pursuant to the foregoing article, without counting the Registrar of Shareholders holidays; provided, however, that the Company can delay the payment date by an appropriate number of days if inevitable circumstances exist when the request is made on the date of payment of dividends or on an ex-rights day.
3. Shareholders requesting the purchase can designate the method of payment of the trading value.

Article 16. Timing of Share Transfer

The Company shall deposit the shares constituting less than a full voting unit requested to be purchased in the Company's transfer account once the payment of the trading value pursuant to the foregoing article has been completed.

CHAPTER VI

FEEES

Article 17. Fees for Purchase of Shares Constituting Less Than a Full Voting Unit

When purchasing shares constituting less than a full voting unit, the Company shall charge fees equal to the amount obtained by prorating, according to the number of shares constituting less than a full voting unit, the brokerage fee separately determined by the Company charged upon trading of a trading unit of shares at the purchase price determined pursuant to Article 14. In addition, the Company shall collect the consumption tax and the local consumption tax relating to the purchase of the shares.

CHAPTER VII

SPECIAL TREATMENT FOR SPECIAL ACCOUNTS

Article 18. Special Treatment for Special Accounts

With respect to shareholders who have opened special accounts through the Company, the identification procedures and other procedures relating to the special accounts shall be pursuant to the requirements of JASDEC as well as Account Management Institution at which the special accounts were opened.

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