



# SUMITOMO METAL INDUSTRIES, LTD.

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January 11, 2006

The United States Securities and Exchange Commission  
Office of International Corporate Finance  
Room 3099  
Mail Stop 3-7  
450 Fifth Street, Northwest  
Washington, DC 20549  
U.S.A.



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OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

Rule 12g3-2(b) Exemption of Sumitomo Metal Industries, Ltd.

File No. 82-3507

Dear sirs,

In connection with Sumitomo Metal Industries, Ltd.'s exemption, pursuant to Rule 12g3-2(b), from the registration and reporting requirements of the Securities Exchange Act of 1934, and in compliance with its ongoing requirements under Rule 12g3-2(b)(1)(iii), enclosed please find the following information:

1. Sumitomo Metals Industries, Ltd. Consolidated Interim Financial Statements

Very truly yours,

Mamoru Shinagawa  
Manager  
Investor Relations Group  
Sumitomo Metal Industries, Ltd.

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Cc: The Bank of New York

(translation)

Sumitomo Metal Industries, Ltd.  
Consolidated Interim Financial Statements

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Consolidated Interim Balance Sheet, as of September 30, 2005 (Unaudited)

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Assets:

	Millions of yen	Thousands of U.S. dollars
<b>Current assets:</b>	¥ 620,752	\$ 5,484,159
Cash and time deposits	22,037	194,693
Notes and accounts receivable	180,176	1,591,801
Marketable securities	1	6
Inventories	352,014	3,109,947
Other	67,097	592,778
Allowance for doubtful accounts	(573)	(5,066)
<b>Fixed assets:</b>	1,379,754	12,189,720
<b>Property, plant and equipment, at cost:</b>	1,000,354	8,837,829
Buildings and structures	240,004	2,120,360
Machinery and equipment	352,182	3,111,419
Land	345,998	3,056,793
Other	62,170	549,257
<b>Intangibles:</b>	5,956	52,628
<b>Investments and other assets:</b>	373,444	3,299,263
Investment securities	334,888	2,958,638
Other	39,520	349,143
Allowance for doubtful accounts	(964)	(8,518)
<b>Deferred assets:</b>	47	413
<b>Total</b>	<u>¥ 2,000,553</u>	<u>\$ 17,674,292</u>

(translation)

Consolidated Interim Balance Sheet, as of September 30, 2005 (Unaudited)

Liabilities and Shareholders' Equity:

	Millions of yen	Thousands of U.S. dollars
<b>Current liabilities:</b>	¥ 902,626	\$ 7,974,429
Notes and accounts payable	329,558	2,911,549
Short-term borrowings	388,643	3,433,543
Current portion of long-term debt	31,400	277,410
Other	153,025	1,351,927
<b>Long-term liabilities and reserves:</b>	479,465	4,235,935
Bonds	96,600	853,432
Long-term borrowings	279,535	2,469,614
Liability for employees' retirement benefits	34,023	300,581
Reserve for rebuilding furnaces	4,248	37,527
Other	65,059	574,781
<b>Total liabilities</b>	<u>1,382,091</u>	<u>12,210,364</u>
<b>Minority interests</b>	39,272	346,957
<b>Capital</b>	262,072	2,315,331
<b>Capital surplus</b>	61,897	546,843
<b>Retained earnings</b>	183,254	1,618,992
<b>Land revaluation surplus</b>	16,547	146,190
<b>Net unrealized gain on available-for-sale securities</b>	57,642	509,247
<b>Foreign currency translation adjustments</b>	(1,894)	(16,735)
<b>Treasury stock, at cost</b>	(328)	(2,897)
<b>Total shareholders' equity:</b>	<u>579,190</u>	<u>5,116,971</u>
<b>Total</b>	<u>¥ 2,000,553</u>	<u>\$ 17,674,292</u>

(translation)

**Consolidated Interim Statement of Income (Unaudited)**  
**(For the six months ended September 30, 2005)**

	<u>Millions of yen</u>	<u>Thousands of U.S. dollars</u>
<b>Recurring profit and loss</b>		
<b>Operating income and expenses:</b>		
Revenues:	¥ 730,566	\$ 6,454,330
Sales	730,566	6,454,330
Cost and expenses:	(585,760)	(5,175,015)
Cost of sales	(518,570)	(4,581,412)
Selling, general and administrative expenses	(67,190)	(593,603)
<b>Operating profit</b>	<u>144,806</u>	<u>1,279,315</u>
<b>Non-operating income and expenses:</b>		
Non-operating income:	12,178	107,593
Interest and dividend income	2,522	22,281
Equity in earnings of unconsolidated subsidiaries and associated companies	6,811	60,178
Other	2,845	25,134
Non-operating expenses:	(25,143)	(222,134)
Interest expense	(6,496)	(57,387)
Other	(18,647)	(164,747)
<b>Recurring profit</b>	<u>131,841</u>	<u>1,164,774</u>
<b>Non-recurring profit and loss</b>		
Non-recurring profit	6,843	60,460
Gain on sales of investment securities	6,843	60,460
Non-recurring loss	(8,236)	(72,763)
Loss on impairment of fixed assets	(3,179)	(28,089)
Loss on business restructuring	(5,057)	(44,674)
<b>Income before income taxes and minority interests</b>	<u>130,448</u>	<u>1,152,471</u>
Income taxes:	(37,156)	(328,259)
Current	(50,565)	(446,728)
Deferred	13,409	118,469
Minority interests	(1,220)	(10,780)
<b>Net income</b>	<u>¥ 92,072</u>	<u>\$ 813,432</u>

(translation)

**Consolidated Interim Statement of Cash Flows (Unaudited)**  
**(For the six months ended September 30, 2005)**

	Millions of yen	Thousands of U.S. dollars
<b>Operating activities:</b>		
Income before income taxes and minority interests	¥ 130,448	\$ 1,152,471
Adjustments for:		
Depreciation and amortization	37,131	328,044
Interest and dividend income	(2,522)	(22,281)
Interest expense	6,496	57,387
Equity in earnings of unconsolidated subsidiaries and associated companies	(6,811)	(60,178)
Changes in assets and liabilities-		
Decrease in receivables	10,765	95,103
Increase in inventories	(45,638)	(403,200)
Decrease in payables	33,525	296,187
Other, net	(13,118)	(115,889)
Net cash provided by operating activities	<u>150,276</u>	<u>1,327,644</u>
<b>Investing activities:</b>		
Interest and dividends received	5,098	45,042
Acquisition of property, plant and equipment and other assets	(44,764)	(395,478)
Other, net	(10,628)	(93,900)
Net cash used in investing activities	<u>(50,294)</u>	<u>(444,336)</u>
<b>Financing activities:</b>		
Interest paid	(6,611)	(58,409)
Decrease in short-term bank loans and long-term debt	(90,462)	(799,200)
Other, net	(23,766)	(209,968)
Net cash used in financing activities	<u>(120,839)</u>	<u>(1,067,577)</u>
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	<u>352</u>	<u>3,116</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(20,505)</u>	<u>(181,153)</u>
<b>Cash and cash equivalents increase by change of consolidated subsidiaries</b>	4	36
<b>Cash and cash equivalents at beginning of period</b>	<u>42,416</u>	<u>374,734</u>
<b>Cash and cash equivalents at end of period</b>	<u>¥ 21,915</u>	<u>\$ 193,617</u>

The above represents a translation, for convenience only, of the original report issued in Japanese language. The United States dollar amounts included herein represent translations using the approximate exchange rate at September 30, 2005 of ¥113.19= U.S.\$1, solely for convenience.