



February 8, 2016

Company Name: Nippon Steel & Sumitomo Metal Corporation

Representative: Kosei Shindo

Representative Director and President

(Code Number: 5401)

Announcement of Revision in Subsidiary's Earnings Forecasts

Today, GEOSTR Corporation, a subsidiary of Nippon Steel & Sumitomo Metal Corporation (the "Company"), announced revision of its earnings forecasts, as per the attachment.

The impact of the revision is immaterial with regard to the Company's consolidated earnings forecasts.

For inquiries,

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attachment

February 8, 2016

Company Name:	GEOSTR Corporation
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Notice Concerning Posting of Extraordinary Profit and Loss and Revision in Earnings Forecasts

GEOSTR Corporation (the “Company”) hereby notifies that it will post extraordinary profit and loss for fiscal 2015 (April 1, 2015 – March 31, 2016). In addition, considering recent trends in performance, the Company has revised its consolidated earnings forecasts for fiscal 2015 as previously announced on May 15, 2015. Furthermore, the Company notifies its non-consolidated earnings forecasts for fiscal 2015 as it will substantially exceed the results for fiscal 2014.

1. Posting of Extraordinary Profit and Loss

(1) Posting of Extraordinary Profit (Gain on Sales of Shares of Subsidiaries)

As separately announced in the press release dated February 8, 2016, “Notice Concerning Sale of Shares of Subsidiary and Concurrent Changes in the Scope of Subsidiaries” and “Flash Report of Consolidated Basis Results for the Third Quarter of Fiscal 2015 (under Japanese GAAP) 3. (3) Major Subsequent Events”, the Company has decided, at the Meeting of the Board of Directors held today, to sell all of its shares of RESCOHOUSE Corporation (“RESCOHOUSE”), a consolidated subsidiary of the Company, to Hinokiya Holdings Co., Ltd. (“Hinokiya HD”) and entered into a share transfer agreement with Hinokiya HD today.

With respect to the sale of RESCOHOUSE’s shares, the Company will post an extraordinary profit, with an account title of “gain on sales of shares of subsidiaries”, of approximately 410 million yen on both consolidated and non-consolidated basis for fiscal 2015. The amount of the consolidated extraordinary profit may differ in the future because it is posted based on the amount of RESCOHOUSE’s net asset at the end of fiscal 2015.

(2) Posting of Extraordinary Loss (Loss on Sales of Fixed Assets)

As separately announced in the press release dated February 8, 2016, “Notice Concerning Sale of Shares of Subsidiaries and Concurrent Changes in the Scope of Subsidiaries” and “Flash Report Consolidated Basis Results for the Third Quarter of Fiscal 2015 (under Japanese GAAP) 3. (3) Major Subsequent Events”, the Company has decided, at the Meeting of the Board of Directors held today, to sell its plant site that the Company rents RESCOHOUSE to RESCOHOUSE to be a subsidiary of Hinokiya Holdings Co., Ltd. after the said share transfer and entered into a land sale contract between the Company, Hinokiya HD and RESCOHOUSE today.

With respect to the sale of the fixed asset, the Company will post an extraordinary loss, with an account title of “loss on sales of fixed assets”, that will amount for about 61 million yen on consolidated basis and about 79 million yen on non-consolidated basis for fiscal 2015.



2. Revision to Full-Year Fiscal 2015 Earnings Forecasts (April 1, 2015 - March 31, 2016)

(1) Revision of Consolidated Earnings Forecasts

(Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Earnings per Share (Yen)
Previous Forecasts (A)	31,000	560	590	390	12.47
Revised Forecasts (B)	26,000	710	730	600	19.18
Increase/Decrease (B-A)	(5,000)	150	140	210	—
Change (%)	(16.1)	26.8	23.7	53.8	—
(For reference) Results for Fiscal 2014 ended March 31, 2015	19,887	(325)	(276)	(267)	(8.56)

(2) Revision of Non-Consolidated Earnings Forecasts

(Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Profit	Earnings per Share (Yen)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	20,500	1,020	1,050	960	30.69
Increase/Decrease (B - A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(For reference) Results for Fiscal 2014 ended March 31, 2015 (C)	14,503	(78)	(22)	(510)	(16.32)
Increase/Decrease (B - C)	5,997	1,098	1,072	1,470	—
Change (%)	41.4	—	—	—	—



3. Reasons for the Revision

The consolidated sales for fiscal 2015 will be 26 billion yen (16.1% down from the previous forecasts) due to postponement to the next fiscal year of seawall and other construction projects, and delay on foreign subsidiaries' concrete segment projects (non-consolidated sales will be 20.5 billion yen, 41.4% up from the results for fiscal 2014).

The consolidated operating profit and ordinary profit will rise from the previous forecasts because of good progresses in production for major investment projects, decrease in raw materials' prices, the Company's cost reduction, and increase in margin by fewer unprofitable projects.

Furthermore, the consolidated profit attributable to owners of parent will be 600 million yen (53.8% up from the previous forecasts) due to increase in ordinary profit and posting of extraordinary profit and loss with respect to the sale of RESCOHOUSE's shares and the sale of the Company's land to RESCOHOUSE (extraordinary profit of 410 million yen and extraordinary loss of 61 million yen) as mentioned in "1. Posting of Extraordinary Profit and Loss" (non-consolidated net profit will be 960 million yen).

Note: The above forecasts are based on information that was available on the announcement date of this release. Actual results may differ from the forecasts due to various risks and uncertainties.