



April 28, 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 financial results.

For inquiries,

Public Relations Center, General Administration Div.

Tel: +81-3-6867-2135



attachment

April 28, 2016

Company Name: GEOSTR Corporation  
Representative: Minori Kuriyama, Representative Director and President  
Code Number: 5282 (Tokyo Stock Exchange, Second Section)  
Contact: Yoshitaka Furuhashi, Director, Finance and Accounting Team,  
Business Management Headquarter  
Telephone: +81-3-5844-1201

### Notice on the Revision of Earnings Forecasts

GEOSTR Corporation (the “Company”) hereby notifies that it has revised its earnings forecasts announced on February 8, 2016, considering recent trends in performance. The Company also notifies that it has settled the amount of extraordinary profit and loss (“gain on sales of shares of subsidiaries” and “loss on sales of fixed assets”) announced on the same day.

#### 1. 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	Net Profit Attributable to Owners of Parent	Earnings per Share (Yen)
Previous Forecasts (A)	26,000	710	730	600	19.18
<b>Revised Forecasts (B)</b>	<b>26,689</b>	<b>1,119</b>	<b>1,142</b>	<b>1,203</b>	<b>38.46</b>
Increase/Decrease (B-A)	689	409	412	603	—
Change (%)	2.7	57.6	56.4	100.5	—
(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	Net Profit per Share (Yen)
Previous Forecasts (A)	20,500	1,020	1,050	960	30.69
<b>Revised Forecasts (B)</b>	<b>21,232</b>	<b>1,414</b>	<b>1,451</b>	<b>1,320</b>	<b>42.21</b>
Increase/Decrease (B-A)	732	394	401	360	—
Change (%)	3.6	38.6	38.2	37.5	—
(For reference)					
Results for Fiscal 2014 ended March 31, 2015	14,503	(78)	(22)	(510)	(16.32)

### Reasons for the Revision

The consolidated net sales are expected to be 26.6 billion yen, up 2.7% from the previous forecasts, as a result of such factors as the company's segment products and seawall products were sold ahead of schedule (non-consolidated net sales are expected to be 21.2 billion yen, up 3.6% from the previous forecasts).

In view of the expectation of the improvement of the gross margin ratio resulting from the continuation of stable production, cost reduction efforts and other factors, and a decrease in selling, general, and administrative expenses, in addition to an increase in operating profit and ordinary profit associated with the above net sales increase, the consolidated operating profit is expected to be 1.11 billion yen, up 57.6% from the previous forecasts, and the consolidated ordinary profit to be 1.14 billion yen, up 56.4% from the previous forecasts, (non-consolidated operating profit is expected to be 1.41 billion yen, up 38.6% from the previous forecasts, and non-consolidated ordinary profit is expected to be 1.45 billion yen, up 38.2% from the previous forecasts).

The net profit attributable to owners of parent is expected to be 1.2 billion yen (up 100.5% from the previous forecasts), in view of the fact that all of extraordinary profit and loss, tax expenses, and net loss attributable to non-controlling stockholders are expected to improve from the previous forecasts, in addition to the above factors of earnings growth (non-consolidated net profit is expected to be 1.32 billion yen, up 37.5% from the previous forecasts).

#### 2. Extraordinary profit and loss and their details

As announced in the "Notice Concerning Posting of Extraordinary Profit and Loss and Revision in Earnings Forecasts" dated February 8, 2016, the Company has sold all shares of RESCOHOUSE Corporation ("RESCOHOUSE") which was a consolidated subsidiary of the Company, to Hinokiya Holdings Co., Ltd. ("Hinokiya HD"). As a result, the Company will post an extraordinary profit ("gain on sales of shares of subsidiaries") of 447 million yen on consolidated basis and 417 million yen on non-consolidated basis for fiscal 2015. (The amount previously announced was approximately 410 million yen.)

Additionally, the Company has sold its plant site to RESCOHOUSE, which had rented the site from the Company when it was the Company's consolidated subsidiary, and which is now a subsidiary of Hinokiya HD. As a result, the Company will post an extraordinary loss ("loss on sales of fixed assets") of 60 million yen on consolidated basis and 78 million yen on non-consolidated basis for fiscal 2015. (The loss previously announced was approximately 61 million yen on consolidated basis and approximately 79 million yen on non-consolidated basis.)

The loss on sales of fixed assets will be included in the overall "loss on sales and retirement of fixed assets" (91 million yen on consolidated basis and 108 million yen on non-consolidated basis), together with a loss on sales and retirement of other fixed assets.

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.