



September 8, 2016

Company Name: Nippon Steel & Sumitomo Metal Corporation
Representative: Kosei Shindo
Representative Director and President
(Code Number: 5401)

Announcement of Revision to Subsidiary's Earnings Forecasts

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

The impact of the revision is immaterial with regard to the Company's consolidated financial results.

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attachment

September 8, 2016

Company Name: GEOSTR Corporation
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Notice Concerning Revision to Earnings Forecasts

Considering recent trends in performance, GEOSTR Corporation (the “Company”) hereby notifies that it has revised its consolidated earnings forecasts for fiscal 2016 ended March 31, 2017, which were announced on May 13, 2016.

The Company also notifies that its non-consolidated earnings forecasts for the same fiscal year are now expected to increase substantially from the results for the previous fiscal year.

1. Revision to Full-Year Fiscal 2016 Earnings Forecasts (April 1, 2016 - March 31, 2017)

(1) Revision to Consolidated Earnings Forecasts

	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit attributable to owners of parent (million yen)	Earnings per share (yen)
Previous forecasts (A)	27,000	1,650	1,640	1,080	34.52
Revised forecasts (B)	30,100	2,000	2,000	1,300	41.55
Increase/Decrease (B-A)	3,100	350	360	220	-
Change (%)	11.5	21.2	22.0	20.4	-
(For reference) Results for fiscal 2015 ended March 31, 2016	26,689	1,119	1,142	1,203	38.46

(2) Revision to Non-Consolidated Earnings Forecasts

	Net sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit (million yen)	Net profit per share (yen)
Previous forecasts (A)	-	-	-	-	-
Revised forecasts (B)	28,900	2,200	2,200	1,500	47.95
Increase/Decrease (B-A)	-	-	-	-	-
Change (%)	-	-	-	-	-
(For reference) (C) Results for fiscal 2015 ended March 31, 2016	21,232	1,414	1,451	1,320	42.21
Increase/Decrease (B-C)	7,668	786	749	180	-
Change (%)	36.1	55.6	51.6	13.6	-

2. Reasons for the Revision

As announced in the “Notice Concerning Revision to Earnings Forecasts” dated on August 9, 2016, the Company revised its consolidated earnings forecasts for the second quarter of fiscal 2016 (cumulative basis). Based on these revised forecasts and a close analysis of future project trends, the Company expects to revise upward earnings forecasts on a full-year basis. The reasons for the earnings forecasts revision are as follows.

The consolidated net sales are expected to be 30.1 billion yen, up 11.5% from the previous forecast, as a result of such factors as net sales in segment products and steel processed products are expected to increase (the non-consolidated net sales are expected to be 28.9 billion yen, up 36.1% from the results for the previous fiscal year).

With regard to profit and loss, the gross margin ratio is expected to improve due to the following factors: (1) an increase in profit associated with the above increase in net sales; (2) the continuation of stable production, which stems from each plant’s continued implementation of capital investments, streamlining measures and enhanced mutual cooperation with other plants; and (3) the promotion of cost reduction measures. Hence, the consolidated operating profit is expected to be 2.0 billion yen, up 21.2% from the previous forecasts, and the consolidated ordinary profit is expected to be 2.0 billion yen, up 22.0% from the previous forecasts. The net profit attributable to owners of parent is expected to be 1.3 billion yen, up 20.4% from the previous forecasts. (On a non-consolidated basis, the Company’s revised forecasts are the operating profit of 2.2 billion yen, up 55.6% from the results for the previous fiscal year, the ordinary profit of 2.2 billion yen, up 51.6% from the results for the previous fiscal year, and the net profit of 1.5 billion yen, up 13.6% from the results for the previous fiscal year.)

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.