



April 28, 2017

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.

For inquiries,

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Attachment

April 28, 2017

Company Name: GEOSTR Corporation
Representative: Minori Kuriyama
Representative Director and President
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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 non-consolidated earnings forecasts for fiscal 2016 ended March 31, 2017, which were announced on September 8, 2016.

The Company also notifies that it has revised, considering the latest trends in performance, its consolidated earnings forecasts for fiscal 2016 ended March 31, 2017 (announced on February 7, 2017).

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

Revision to Non-Consolidated Earnings Forecasts

(Million yen)

	Net sales	Operating profit	Ordinary profit	Net profit	Earnings per share (Yen)
Previous forecasts (A)	28,900	2,200	2,200	1,500	47.95
Revised forecasts (B)	29,716	2,934	2,923	2,021	64.61
Increase/Decrease (B-A)	816	734	723	521	—
Change (%)	2.8	33.4	32.9	34.7	—
(For reference) Results for fiscal 2015 ended March 31, 2016	21,232	1,414	1,451	1,320	42.21

2. Reasons for the Revision to Non-Consolidated Earnings Forecasts

Net sales are expected to increase by 0.81 billion yen (up 2.8% from the previous forecasts) to 29.7 billion yen.

With regard to profit and loss, profit is expected to increase in association with the increase in net sales, and the gross margin ratio is also expected to improve due to the following factors: (1) active and systematic promotion of various measures aiming maximization of the Company’s operations (i.e. capital investments, streamlining measures in each plant and enhanced mutual cooperation among plants); and (2) the achievement of cost savings through various cost reduction measures. Hence, operating profit is expected to be 2.93 billion yen, up 33.4% from the previous forecasts, ordinary profit is expected to be 2.92 billion yen, up 32.9% from the previous forecasts, and net profit is expected to be 2.02 billion yen, up 34.7% from the previous forecasts.

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

Revision to Consolidated Earnings Forecasts

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Previous forecasts (A)	31,400	2,710	2,710	1,860	59.45
Revised forecasts (B)	31,044	2,838	2,812	1,943	62.13
Increase/Decrease (B-A)	(356)	128	102	83	—
Change (%)	(1.1)	4.7	3.8	4.5	—
(For reference) Results for fiscal 2015 ended March 31, 2016	26,689	1,119	1,142	1,203	38.46

4. Reasons for the Revision to Consolidated Earnings Forecasts

With regard to the consolidated full-year fiscal 2016 earnings forecasts, compared to the previous forecasts released on February 7, 2017, profit is expected to increase mainly due to the improvement of the gross margin ratio while net sales are expected to decline slightly.

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.