



April 30, 2020

Company Name : Nippon Steel Corporation
Representative : Eiji Hashimoto
Representative Director and President
Stock listing : First Section of Tokyo Stock Exchange, and Nagoya,
Fukuoka and Sapporo Stock Exchanges
Code Number : 5401
Contact : Public Relations Center, General Administration Div.
Telephone : +81-3-6867-2135, 2146, 2977, 3419

Announcement of Differences between Subsidiary's Full-year Earnings Forecasts for Fiscal Year Ended March 31, 2020 and Actual Results

Today, Sanyo Special Steel Co., Ltd., a subsidiary of Nippon Steel Corporation (the "Company"), announced differences between full-year earnings forecasts for fiscal year ended March 31, 2020 and actual results, as per the attachment.

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

To Whom It May Concern,

Company Name: Sanyo Special Steel Co., Ltd.
 Representative: HIGUCHI Shinya, Representative Director and President
 (Code Number: 5481, First Section of the TSE)
 Contact: Accounting & Finance Department
 (Telephone: +81-79-235-6004)

Notice regarding Differences between Full-year Earnings Forecasts for Fiscal Year Ended March 31, 2020 and Actual Results

Sanyo Special Steel Co., Ltd. (the “Company”) hereby announces that there are differences between the full-year earnings forecasts for the fiscal year ended March 31, 2020 announced on January 31, 2020 and the actual results announced today.

1. Differences between full-year consolidated earnings forecasts and actual results for the fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income Per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A)	260,000	-1,900	-2,300	-2,800	-50.57
Actual Results (B)	262,452	-1,417	-1,512	-3,717	-67.14
Increase/Decrease (B-A)	2,452	482	778	-917	
Change (%)	0.9	-	-	-	
(For Reference) Results for fiscal year ended March 31, 2019	185,818	10,123	9,437	7,721	237.75

2. Differences between full-year non-consolidated earnings forecasts and actual results for the fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A)	132,000	3,100	3,400	2,500	45.16
Actual Results (B)	134,624	3,618	3,978	-954	-17.24
Increase/Decrease (B-A)	2,624	518	578	-3,454	
Change (%)	2.0	16.7	17.0	-	
(For Reference) Results for fiscal year ended March 31, 2019	162,804	9,757	10,164	7,162	220.54

3. Reasons for the differences

Operating income and ordinary income exceeded the previous forecasts due to a decline in raw material and fuel prices and a decrease in fixed costs through further profit improvement measures such as reduction of labor costs and other expenses. Despite an increase in the above, due to the recording of a write-off of goodwill relating to Mahindra Sanyo Special Steel Pvt. Ltd. (“MSSS”) in India of 1,289 million yen as an extraordinary loss on a consolidated basis, and the recording of an impairment loss on valuation of shares of MSSS of 3,854 million yen as an extraordinary loss on a non-consolidated basis, net income attributable to owners of the parent and net income were below the previous forecasts.

For further details regarding the write-off of goodwill and the impairment loss on shares of MSSS, please refer to the “Notice regarding Write-off of Goodwill and Impairment Loss on Shares of Consolidated Subsidiary” released today.

Please note that the official text of this document has been prepared in Japanese. To the extent there is any discrepancy between the English translation and original Japanese version, please refer to the Japanese version.