



August 8, 2018

Company name Nitta Gelatin Inc.  
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## **Notice Concerning Expected Recording of Extraordinary Gain (Progress Report on Disclosed Matters)**

Nitta Gelatin Inc. hereby announces that it conducted a company split on August 1, 2018, of the Company Adhesive Business (excluding manufacturing) with Bostik-Nitta Co., Ltd., as stated in the Notice Concerning Board of Directors Resolution regarding the Company Split (Simplified Absorption-Type Split) of the Adhesive Business (Excepting Manufacturing) with Bostik Nitta Co., Ltd. announced on May 17, 2018.

In conjunction, Arkema Asie SAS completed acquisition of Bostik-Nitta shares by a private placement. As a result, the Company's equity interest in Bostik-Nitta decreased from 34.0% to 20.0%.

Moreover, the Company announces that it now expects to record the following extraordinary gain for the six months ending September 30, 2018 (from April 1, 2018 to September 30, 2018).

### **1. Recording of an extraordinary gain (Transfer gain on business divestiture)**

The Company has recorded a transfer gain of ¥650 million on a consolidated basis (non-consolidated: ¥860 million) as an extraordinary gain for the six months ending September 30, 2018 (from April 1, 2018 to September 30, 2018).

This has enabled finalizing the amount of assets and liabilities associated with the simplified absorption-type split, which had been assessed, and so enables a forecast. This extraordinary gain included ¥180 million for advisory fees related to the company split which is stated in the Notice Concerning Recording of Extraordinary Loss (Advisory fees) announced today.

### **2. Recording of extraordinary gain (gain on change in equity)**

Nitta Gelatin is expected to record a gain on change in equity of ¥410 million as an

extraordinary gain for the three months ending September 30, 2018 (from July 1 2018 to September 30, 2018).

This is due to change in the Company's share of ownership as a result of Bostik-Nitta's private placement of shares.

### **3. Future outlook**

The impact of this change and other factors on the consolidated financial results for the fiscal year ending March 31, 2019, is currently being assessed. Nitta Gelatin Inc. will promptly disclose any material impact that may require a revision of the consolidated earnings forecast.