



November 8, 2018

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Notice Concerning Recording of Non-Operating Income, Difference between Consolidated Business Forecasts and Actual Results for the Six Months Ended September 30, 2018, and Revision of Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2019

Nitta Gelatin Inc. hereby announces that it has recorded non-operating income (foreign exchange gain) for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018). At the same time, Nitta Gelatin also announces a difference arising between its consolidated business forecasts announced on May 17, 2018 and actual results for the six months ended September 30, 2018. Details are as follows.

In light of factors such as actual results for the six months ended September 30, 2018, Nitta Gelatin also announces the revision of consolidated business forecasts for the fiscal year ending March 31, 2019, with details as follows.

1. Detail of non-operating income (foreign exchange gains)

The Company recorded foreign exchange gains of ¥149 million as non-operating income for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018).

The gains were mainly caused by a change in the valuation of the Group's foreign currency-denominated assets and liabilities in line with foreign exchange market conditions at the end of September 2018.

The abovementioned item is a foreign exchange gain as of the end of September 2018, and could vary depending on foreign exchange market conditions going forward.

2. Difference between consolidated business forecasts and actual results for the six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)

	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)	19,000	600	500	600	32.66
Results (B)	18,010	428	594	1,253	68.21
Difference (B-A)	(989)	(171)	94	653	
% change	(5.2)	(28.5)	18.9	108.9	
(Reference) Results for the six-month	18,623	530	605	344	18.74

period of the previous fiscal year (six months ended September 30, 2017)					
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Reasons for the difference

Net sales and operating income fell below the previous forecasts mainly as a result of lackluster sales of gelatin for confectionary and food preparation and collagen peptide for beauty applications. Meanwhile, ordinary income surpassed the previous forecast due to the recording of foreign exchange gains, as detailed in “1. Detail of non-operating income (foreign exchange gains)” above.

Moreover, net income attributable to owners of the parent surpassed the previous forecast due to the recording of extraordinary gains (transfer gain on business divestiture and gain on change in equity).

3. Revision of consolidated business forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

	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)	38,200	1,300	1,100	900	48.98
Results (B)	37,100	1,200	1,000	1,400	76.20
Difference (B-A)	(1,100)	(100)	(100)	500	
% change	(2.9)	(7.7)	(9.1)	55.6	
(Reference) Results for the previous fiscal year (fiscal year ended March 31, 2018)	37,777	1,095	1,009	(615)	(33.50)

Reasons for revision

The Company expects its net sales, operating income and ordinary income for the fiscal year ending March 31, 2019 to fall below the initial forecasts in consideration of factors including its performance in the first six months of the fiscal year ending March 31, 2019 and the management environment going forward.

On the other hand, the Company expects its net income attributable to owners of the parent for the fiscal year ending March 31, 2019 to rise above the initial forecast due to recording of extraordinary gains (transfer gain on business divestiture and gain on change in equity) in the first six months of the fiscal year ending March 31, 2019.

* The business forecasts in this press release were formulated based on information available as of the announcement of this press release. Various factors going forward may cause actual results to differ from the forecasts.