



August 9, 2012

Consolidated Financial Results for the Three Months Ended June 30, 2012

(Japanese Accounting Standards)

Name of the Listed Company: **Nitta Gelatin Inc.**
 Listing: Second Section of Tokyo Stock Exchange
 Stock code: 4977
 URL: <http://www.nitta-gelatin.co.jp>
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Scheduled date to file Quarterly Securities Report: August 9, 2012

Scheduled date to commence dividend payments: -

Supplementary explanatory materials prepared: No

Explanatory meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2012

(from April 1, 2012 to June 30, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2012	7,071	—	592	—	619	—	462	—
June 30, 2011	—	—	—	—	—	—	—	—

Note: Comprehensive income

For the three months ended June 30, 2012: ¥127 million (-%)

For the three months ended June 30, 2011: ¥- million (-%)

	Net income per share	Diluted net income per share
Three months ended June 30, 2012	Yen 29.30	Yen —
June 30, 2011	—	—

Note: The Company has not prepared consolidated financial statements for the three months ended June 30, 2011. Accordingly, the Company has not disclosed results for the three months ended June 30, 2011, or year-on-year comparisons between results for the three months ended June 30, 2012 and 2011.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2012	22,964	8,101	35.0
March 31, 2012	23,371	8,108	34.4

Reference: Equity

As of June 30, 2012: ¥8,031 million

As of March 31, 2012: ¥8,033 million

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	–	2.00	–	8.00	10.00
Fiscal year ending March 31, 2013	–				
Fiscal year ending March 31, 2013 (Forecasts)		6.00	–	6.00	12.00

Note: Changes to most recent dividend forecasts: None

3. Consolidated financial forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	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
Six months ending September 30, 2012	14,000	(2.2)	1,000	(21.0)	1,020	(14.0)	660	(15.1)	41.85
Fiscal year ending March 31, 2013	28,900	4.1	2,070	2.7	2,100	4.9	1,370	(0.4)	86.87

Note: Changes to most recent consolidated financial forecasts: None

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

New: None

Excluded: None

(2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

a. Changes in accounting standards due to revisions to accounting standards and other guidelines: Yes

b. Changes in accounting policies due to reasons other than a. above: No

c. Changes in accounting estimates: Yes

d. Restatement of revisions: No

Note: For details, please refer to “(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions” in “2. Matters Concerning Summary Information (Notes)” on page 3 of the Attachment Contents to this report.

(4) Number of common shares issued

a. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2012 15,770,074 shares

As of March 31, 2012 15,770,074 shares

b. Number of shares of treasury stock at the end of the period

As of June 30, 2012 162 shares

As of March 31, 2012 162 shares

c. Average number of shares

For the three months ended June 30, 2012	15,769,912 shares
For the three months ended June 30, 2011	- shares

* Disclosure of status of quarterly review procedure

This report falls outside the scope of quarterly review procedures as laid out in the Financial Instruments and Exchange Act. As of the time of the release of this report, the review of the financial statements, etc., outlined in the Act had not yet been concluded.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors. For details on the conditions assumed and the cautionary notes and items in the financial forecasts, please refer to “Qualitative Information Concerning Consolidated Business Forecasts” on page 3 of the Attachment Contents to this report.

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1. Qualitative Information Concerning Quarterly Financial Statements

(1) Qualitative Information Concerning Consolidated Business Results

In the first quarter of the year ending March 31, 2013, the global economy experienced a slowdown on the whole. The U.S. economy staged a gradual recovery, despite weak personal consumption and other concerns. Emerging markets, led by China, saw a slower pace of economic growth, as internal demand weakened. On the other hand, the Japanese economy showed signs of picking up, mainly supported by firm internal demand related to post-quake reconstruction and other sources of demand. The economic outlook, however, remained uncertain due to instabilities such as an abrupt appreciation of the yen and sluggish stock prices stemming mainly from the European debt problem, as well as concerns about supplies of electric power in Japan.

Against this backdrop, the Group has adopted three basic management policies: (1) Customer First; (2) Global & Innovation; and (3) Selection and Concentration. Guided by these policies, the Group has actively worked to provide products and services that satisfy customers, and develop new products and cultivate new markets, with the aim of rising above the challenging business conditions. Overseas, the Group posted strong sales atop buoyant demand for gelatin. In Japan, sales declined, reflecting the end of a temporary boost in sales from post-quake demand in the first quarter of the previous fiscal year.

As a result, in the first quarter of the fiscal year ending March 31, 2013, net sales were ¥7,071 million, operating income was ¥592 million, ordinary income was ¥619 million and net income was ¥462 million.

Segment business performance was as follows:

(a) Collagen Material Business

In the gelatin field, the Group posted lower sales in Japan, reflecting the end of a temporary boost in sales from post-quake demand in the first quarter of the previous fiscal year. However, edible gelatin performed strongly in Japan, particularly for use in convenience store delicatessen items, dairy products, and household gelatin powder. On the other hand, sales of gelatin capsules for the pharmaceutical and the health food sectors both performed well. Meanwhile, photographic gelatin sales declined. In overseas markets, sales increased due to buoyant demand for edible gelatin and gelatin for capsules in both North America and Asia. Another contributing factor was the positive impact of the revision of gelatin prices to the Group's advantage.

Collagen peptide sales declined year on year, mainly reflecting falling unit prices as a result of intensified competition and lower shipment volume in Japan, as well as delays

in developing Asian markets.

Collagen casing sales increased, buoyed by robust demand for collagen casings for snack sausages in U.S.A. and strong exports to China.

As a result, net sales in the segment were ¥4,384 million and segment profit (operating income) was ¥550 million.

(b) Formula Solution Business

In food materials, the Formula Solution Business saw steady growth in sales of stabilizers for ham, sausage and other meat products, in addition to stabilizers for use in chilled desserts sold in convenience stores. This growth was underpinned by strong conditions in the Japanese food market.

In adhesives, overall sales declined despite firm sales of hot melt adhesives for packaging applications for the beverage and food sectors. This decrease was mainly due to lower sales of hot melt adhesives for bookbinding applications due to weak conditions in the publishing sector, as well as the sale of certain product businesses.

As a result, net sales in this segment were ¥2,687 million and segment profit (operating income) was ¥384 million.

(2) Qualitative Information Concerning Consolidated Financial Position

Total assets amounted to ¥22,964 million at June 30, 2012, ¥407 million lower than at March 31, 2012.

Current assets decreased ¥248 million from March 31, 2012 to ¥14,687 million. This was attributable to a ¥332 million decrease in cash and deposits and a ¥139 million decrease in notes and accounts receivable-trade, despite a ¥270 million increase in inventories.

Noncurrent assets decreased ¥158 million from March 31, 2012 to ¥8,277 million at June 30, 2012. This was mainly due to a ¥172 million decrease in investment securities in line with lower stock prices.

Current liabilities stood at ¥9,132 million at June 30, 2012, ¥43 million lower than March 31, 2012. This was attributable to a ¥248 million decrease in income taxes payable, despite a ¥184 million increase in notes and accounts payable-trade.

Noncurrent liabilities decreased ¥357 million to ¥5,730 million. This was mainly due to a ¥265 million decrease in long-term loans payable and a ¥59 million decrease in provision for retirement benefits.

Net assets decreased ¥6 million to ¥8,101 million. This decrease was mainly due to a decline of ¥268 million in foreign currency translation adjustments in line with the yen's

appreciation from the previous fiscal year-end, and a decline of ¥82 million in valuation difference on other available-for-sale securities. These factors were partly offset by an increase of ¥335 million in retained earnings.

As a result, the equity ratio stood at 35.0% as of June 30, 2012, compared to 34.4% at March 31, 2012.

(3) Qualitative Information Concerning Consolidated Business Forecasts

The Group's business performance has been largely in line with consolidated business forecasts for the fiscal year ending March 31, 2013. Accordingly, the Group has not revised its business forecasts announced on May 11, 2012.

2. Matters Concerning Summary Information (Notes)

(1) Significant Changes in Subsidiaries During the Quarterly Period Under Review (Changes in Depreciation Method)

Following the amendment of the Corporation Tax Act, effective from the first quarter of the year ending March 31, 2013, the Company and its domestic consolidated subsidiaries have changed the method of depreciation for tangible fixed assets acquired on or after April 1, 2012 to the method of depreciation stipulated by the amended Corporation Tax Act.

This change will have only a negligible impact on operating income, ordinary income and income before income taxes and minority interests for the first quarter of the year ending March 31, 2013.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	Fiscal 2012 (As of March 31, 2012)	1Q Fiscal 2013 (As of June 30, 2012)
Assets		
Current assets		
Cash and deposits	2,098,305	1,765,966
Notes and accounts receivable-trade	6,449,185	6,309,206
Merchandise and finished goods	4,011,191	4,377,634
Work in process	651,952	649,400
Raw materials and supplies	1,308,008	1,214,547
Other	431,247	386,031
Allowance for doubtful accounts	(14,013)	(15,501)
Total current assets	14,935,878	14,687,285
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,519,511	2,434,763
Machinery, equipment and vehicles, net	1,160,053	1,074,162
Other, net	1,707,611	1,853,029
Total property, plant and equipment	5,387,176	5,361,955
Intangible assets		
Other	18,491	21,295
Total intangible assets	18,491	21,295
Investments and other assets		
Investment securities	2,055,225	1,882,234
Other	976,926	1,013,391
Allowance for doubtful accounts	(1,814)	(1,670)
Total investments and other assets	3,030,338	2,893,955
Total noncurrent assets	8,436,005	8,277,207
Total assets	23,371,884	22,964,492

(Thousands of yen)

	Fiscal 2012 (As of March 31, 2012)	1Q Fiscal 2013 (As of June 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,476,611	3,661,042
Short-term loans payable	925,340	867,008
Current portion of long-term loans payable	1,878,380	1,809,021
Current portion of bonds	330,000	330,000
Income taxes payable	387,141	138,793
Provision for bonuses	235,319	360,493
Other	1,943,430	1,966,308
Total current liabilities	9,176,223	9,132,668
Noncurrent liabilities		
Bonds payable	200,000	200,000
Long-term loans payable	3,261,365	2,996,160
Provision for retirement benefits	2,158,327	2,098,566
Provision for directors' retirement benefits	33,772	34,184
Other	434,018	401,338
Total noncurrent liabilities	6,087,483	5,730,249
Total liabilities	15,263,707	14,862,918
Net Assets		
Shareholders' equity		
Capital stock	1,577,121	1,577,121
Capital surplus	1,398,633	1,398,633
Retained earnings	6,889,910	7,225,821
Treasury stock	(68)	(68)
Total shareholders' equity	9,865,597	10,201,507
Accumulated other comprehensive income (loss)		
Valuation difference on other available-for-sale securities	416,438	333,593
Deferred gains (losses) on hedges	6,173	(16,608)
Foreign currency translation adjustments	(1,350,928)	(1,619,229)
Pension liability adjustment of foreign subsidiaries	(903,985)	(867,934)
Total accumulated other comprehensive income (loss)	(1,832,302)	(2,170,178)
Minority interests	74,881	70,245
Total net assets	8,108,176	8,101,574
Total liabilities and net assets	23,371,884	22,964,492

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statements of Income

	(Thousands of yen)
	1Q Fiscal 2013 (From April 1, 2012 to June 30, 2012)
Net sales	7,071,616
Cost of sales	5,252,160
Gross profit on sales	1,819,455
Selling, general and administrative expenses	1,227,107
Operating income	592,348
Non-operating income	
Interest income	131
Dividend income	9,113
Equity in earnings of affiliates	63,051
Other	21,769
Total non-operating income	94,065
Non-operating expenses	
Interest expenses	38,513
Foreign exchange losses	23,173
Other	4,728
Total non-operating expenses	66,416
Ordinary income	619,996
Extraordinary income	
Gain on sales of noncurrent assets	10,897
Total extraordinary income	10,897
Extraordinary losses	
Loss on valuation of investment securities	9,871
Total extraordinary losses	9,871
Income before income taxes and minority interests	621,022
Income taxes	156,217
Income before minority interests	464,805
Minority interests in income	2,735
Net income	462,069

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	1Q Fiscal 2013 (From April 1, 2012 to June 30, 2012)
Income before minority interests	464,805
Other comprehensive income (loss)	
Valuation difference on other available-for-sale securities	(82,787)
Deferred losses on hedges	(16,649)
Foreign currency translation adjustments	(175,878)
Pension liability adjustment of foreign subsidiaries	36,050
Share of other comprehensive loss of associates accounted for using equity method	(97,810)
Total other comprehensive loss	(337,074)
Total comprehensive income	127,730
Comprehensive income attributable to:	
Owners of the parent	124,193
Minority interests	3,536

(3) Note Concerning Going Concern Assumption

None

(4) Note Concerning Significant Changes in Shareholders' Equity

None