



November 15, 2011

Company name: Nitta Gelatin Inc.
Representative: Norimichi Soga, Representative Director and President
(Stock code: 4977)
Contact: Tsuneo Sasaki, Director and Managing Executive Officer,
General Manager of the General Affairs Division
Tel: +81-72-949-5381

Notice of Board of Directors Resolution Concerning Issuance of New Shares, Disposal of Treasury Stock and Offer of Existing Shares

Nitta Gelatin Inc. today announced that at the Board of Directors meeting held today, the Board of Directors approved a resolution concerning the issuance of new shares, the disposal of treasury stock and the offer of existing shares in conjunction with the listing of the Company's shares on the Tokyo Stock Exchange, with details as follows.

1. Issuance of New Shares for Public Subscription

(1) Class and Number of Shares for Public Subscription

2,781,000 shares of Nitta Gelatin common stock

(2) Amount to Be Paid In

Not determined. (To be determined at the Board of Directors meeting scheduled for December 2, 2011)

(3) Matters Concerning the Amount of Increase in Capital and Capital Reserves

In conjunction with the issuance, capital shall be increased by half of the maximum for increase in capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations of Japan, based on the underwriting price (the monetary amount to be paid in to the Company by the Underwriters) scheduled to be determined on December 12, 2011. Any fraction less than one yen resulting from the calculation shall be rounded up to the nearest one yen. The amount of increase in capital reserve shall

be the amount calculated by subtracting the aforementioned increase in capital from the maximum for increase in capital.

(4) Subscription Method

SMBC Nikko Securities Inc., Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Capital Markets Co., Ltd., Mizuho Investors Securities Co., Ltd., SMBC Friend Securities Co., Ltd., Toyo Securities Co., Ltd., Okasan Securities Co., Ltd., and SBI SECURITIES Co., Ltd. (collectively, the Underwriters) shall purchase all new shares Nitta Gelatin issues and underwrite them for subscription to the public at subscription price.

This issuance of new shares for subscription to the public shall be canceled, however, in the event that the underwriting price, to be determined along with the subscription price, falls below the amount to be paid in that the Underwriters agree to beforehand with Nitta Gelatin.

(5) Subscription Price

Not determined. (After agreeing to an amount to be paid in to Nitta Gelatin, the underwriters will survey demand for the new shares by presenting potential subscribers with a range of provisional issuance terms, all priced higher than the amount to be paid in. The subscription price shall be determined on December 12, 2011, based on the results of this survey.

(6) Consideration for Underwriters

Nitta Gelatin shall pay no underwriting commission to the Underwriters. In lieu of such commission, the gross amount of difference between the subscription price at which the new shares are subscribed to the public and the underwriting price shall constitute proceeds to the Underwriters.

(7) Subscription Period

From Tuesday, December 13, 2011 to Thursday, December 15, 2011

(8) Due Date of Payment

Monday, December 19, 2011

(9) Delivery Date of Shares

Tuesday, December 20, 2011

(10) Subscription Unit: 100 shares

(11) The amount to be paid in and other matters concerning the issuance of new shares for public subscription that require the Board of Directors' approval shall be determined by the Board of Directors of Nitta Gelatin going forward. All other matters necessary to the issuance of new shares for public subscription shall be determined at the discretion of the Representative Director and President of Nitta Gelatin.

(12) All the items above shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan.

2. Disposal of Treasury Stock Through Public Subscription

(1) Class and Number of Shares for Public Subscription

219,000 shares of Nitta Gelatin common stock

(2) Amount to Be Paid In

Not Determined. (To be determined at a meeting of the Board of Directors scheduled for December 2, 2011). The amount to be paid in shall be priced in the same manner as under 1. Issuance of New Shares for Public Subscription.

(3) Subscription Method

SMBC Nikko Securities Inc., Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Capital Markets Co., Ltd., Mizuho Investors Securities Co., Ltd., SMBC Friend Securities Co., Ltd., Toyo Securities Co., Ltd., Okasan Securities Co., Ltd., and SBI SECURITIES Co., Ltd. (collectively, the Underwriters) shall purchase the treasury stock from Nitta Gelatin and underwrite them for subscription to the public at the disposal price.

This disposal of treasury stock for subscription to the public shall be canceled, however, in the event that the underwriting price, to be determined along with the disposal price, falls below the amount to be paid in that the Underwriters agree to beforehand with Nitta Gelatin.

(4) Disposal Price

Not determined. (After agreeing to an amount to be paid in to Nitta Gelatin, the underwriters will survey demand by presenting potential subscribers with a range

of provisional issuance terms, all priced higher than the amount to be paid in. The disposal price shall be determined on December 12, 2011, based on the results of this survey.)

The treasury stock shall be disposed for subscription to the public at the same price as the subscription price of the newly issued shares.

(5) Consideration for the Underwriters

Nitta Gelatin shall pay no underwriting commission to the Underwriters. In lieu of such commission, the gross amount of difference between the disposal price at which the treasury stock are disposed to the public and the underwriting price shall constitute proceeds to the Underwriters.

(6) Subscription Period

Same as the subscription period in item 1.

(7) Due Date of Payment

Same as the due date of payment in item 1.

(8) Delivery Date of Shares

Same as the delivery date of shares in item 1.

(9) Subscription Unit

Same as the subscription unit in item 1.

(10) The amount to be paid in and other matters concerning the disposal of treasury stock for public subscription that require the Board of Directors' approval shall be determined by the Board of Directors of Nitta Gelatin going forward. All other matters necessary to the disposal of treasury stock for public subscription shall be determined at the discretion of the Representative Director and President of Nitta Gelatin.

(11) All the items above shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan.

3. Existing Shares Offered Through Purchase and Sale by the Underwriter

(1) Class and Type of Existing Shares on Offer

628,000 shares of Nitta Gelatin common stock

(2) Selling Stockholders and the Number of Existing Shares to be Offered

IBP Co., Ltd.

4-26, 4-chome Sakuragawa, Naniwa-ku, Osaka City

250,000 shares

Seiichi Nitta

Nara City, Nara Prefecture

200,000 shares

Daiwa Corporate Investment Co., Ltd.

9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

62,000 shares

Iwaki LLC

1-17, Kitabatake 3-chome, Abeno-ku, Osaka City

50,000 shares

Mikiko Hayashi

Kamakura City, Kanagawa Prefecture

50,000 shares

SMBC Capital No.6 Venture Capital Investment Limited Partnership

13-12, Nihonbashi Kayaba-cho 1-chome, Chuo-ku, Tokyo

16,000 shares

(3) Offer Price

Not determined. The existing shares shall be offered to the public at the subscription price of the newly issued shares.

(4) Offering Method

SMBC Nikko Securities Inc. is the sole buyer of existing shares from selling stockholders, underwritten for offer to the public at the subscription price.

(5) Consideration for the Underwriter

Nitta Gelatin shall pay no underwriting commission to the Underwriters. In lieu of such commission, the gross amount of difference between the subscription price at which the existing shares are offered to the public and the underwriting price shall constitute proceeds to the Underwriters. The underwriting price in offering existing shares shall be the same as the underwriting price for the newly issued shares.

(6) Subscription Period

Same as the subscription period in item 1.

(7) Delivery Date of Shares

Same as the delivery date in item 1.

(8) Subscription Unit

Same as the subscription unit in item 1.

(9) All other matters necessary to this offering of existing shares shall be determined at the discretion of the Representative Director and President of Nitta Gelatin.

(10) All of the foregoing items shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan. Moreover, in the event of the cancellation of the 1. Issuance of New Shares for Public Subscription, as well as 2. Disposal of Treasury Stock Through Public Subscription, this offering of existing shares shall also be canceled.

4. Existing Shares on Offer to Cover Over-allotments

(1) Class and Number of Existing Shares on Offer

Up to 542,000 shares of Nitta Gelatin common stock

This number of shares will be the maximum number of existing shares on offer to cover over-allotments. The number may decrease, or the existing shares on offer to cover over-allotments may be canceled depending on the level of demand. The number of existing shares on offer to cover over-allotments shall be determined on the pricing date of the offer, taking into account the level of demand.

(2) Offer Underwriter

SMBC Nikko Securities Inc.

(3) Offer Price

Not determined. The offer price on existing shares shall be the same as the subscription price of the new shares issued for subscription to the public.

(4) Offering Method

SMBC Nikko Securities Inc. will offer the existing shares of Nitta Gelatin common stock that it borrows from IBP Co., Ltd., a shareholder of the Company (the Stock Lender), at the offer price (subscription price), taking into account the level of excess demand with respect to the issuance of new shares and disposal of treasury stock for public subscription, and the existing shares offered through purchase and sale by the underwriter.

(5) Subscription Period

Same as the subscription period in item 1.

(6) Delivery Date of Shares

Same as the delivery date in item 1.

(7) Subscription Unit

Same as the subscription unit in item 1.

(8) All other matters necessary to this offering of existing shares shall be determined at the discretion of the Representative Director and President of Nitta Gelatin.

(9) All items above shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan. In the event of the cancellation of 1. Issuance of New Shares for Public Subscription, as well as 2. Disposal of Treasury Stock Through Public Subscription, this offering of existing shares shall be canceled.

5. Issuance of New Shares for Third-Party Allotment

(1) Class and Number of Shares for Issue

542,000 shares of Nitta Gelatin common stock

(2) Amount to Be Paid In

Not determined. The amount to be paid in shall be priced in the same manner as under 1. Issuance of New Shares for Public Subscription.

(3) Matters Concerning the Amount of Increase in Capital and Capital Reserves

In conjunction with the issuance of new shares for third-party allotment, capital shall be increased by half of the maximum for increase in capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations of Japan, based on the allotment price shown in item (4) below. Any fraction less than one yen resulting from the calculation shall be rounded up to the nearest one yen. The amount of increase in capital reserve shall be the amount calculated by subtracting the aforementioned increase in capital from the maximum for increase in capital.

(4) Allotment Price

Not determined. The allotment price shall be the same as the underwriting price for the 1. Issuance of New Shares for Public Subscription.

(5) Number of Shares and Recipient of the Allotment

SMBC Nikko Securities Inc.

542,000 shares

However, in the event that the allotment price falls short of the amount to be paid in, this issuance of new shares for third-party allotment shall be canceled.

(6) Subscription Period

Thursday, January 17, 2012

(7) Due Date of Payment

Wednesday, January 18, 2012

(8) Subscription Unit

Same as the subscription unit in item 1.

(9) The amount to be paid in and any other matters concerning the issuance of new shares for third-party allotment that require the Board of Directors' approval shall be determined by the Board of Directors of Nitta Gelatin going forward. All other matters necessary to the issuance of new shares for third-party allotment shall be determined at the discretion of the Representative Director and President of Nitta Gelatin.

(10) Shares SMBC Nikko Securities Inc. forfeits from subscribing on Thursday, January 17, 2012 shall not be issued.

(11) In the event of the cancellation of the 4. Existing Shares on Offer to Cover Over-allotments, the issuance of new shares for third-party allotment shall also be canceled.

Reference

1. Outline of the Issuance of New Shares and Disposal of Treasury Stock for Subscription to the Public, and Offer of Existing Shares

(1) Number of Shares for Subscription and Offer to the Public

Number of Shares for Subscription to the Public

Nitta Gelatin common stock

3,000,000 shares

(Of which, the number of Nitta Gelatin treasury stock disposed for public offering is 219,000 shares)

Number of Existing Shares on Offer

Nitta Gelatin common stock

1) Existing Shares Offered Through Purchase and Sale by the Underwriter

628,000 shares

2) Existing Shares on Offer to Cover Over-allotments*

Up to 542,000 shares

(2) Subscription Demand Survey Period

From Monday, December 5, 2011 to Friday, December 9, 2011

(3) Pricing Date

Monday, December 12, 2011 (The subscription price and offer price shall be determined at a price at or above the amount to be paid in for shares subscribed to the public, taking into account among other considerations the level of surveyed demand, based on a range of provisional issuance terms.)

(4) Subscription Period

From Tuesday, December 13, 2011 to Thursday, December 15, 2011

(5) Due Date of Payment

Monday, December 19, 2011

(6) Delivery Date of Shares

Tuesday, December 20, 2011

* Existing Shares on Offer to Cover Over-allotments

SMBC Nikko Securities Inc., as lead manager of Nitta Gelatin's issuance of new stock and disposal of treasury stock for subscription to the public, as well as the existing shares offered through purchase and sale by the underwriter, may borrow up to 542,000 of Nitta Gelatin common stock to cover over-allotments in the subscription. This number of shares is the maximum shares to be offered. The number of shares may decrease, or the offer of existing shares to cover over-allotments may be canceled altogether depending on the level of demand.

In the event common stock is borrowed and put on offer to cover over-allotments, Nitta Gelatin Inc. shall grant SMBC Nikko Securities Inc. the right (Green Shoe Option) to receive a third-party allotment of newly issued shares, up to the maximum number of shares borrowed to cover over-allotments. This Green Shoe Option may be exercised through Friday, January 13, 2012.

For the purpose of returning the borrowed shares, SMBC Nikko Securities Inc. may conduct syndicate cover transactions, or the purchase of Nitta Gelatin common stock on the Tokyo Stock Exchange, up to the maximum number of shares it was authorized to borrow. Such syndicate cover transactions would be executed during the syndicate cover transaction period, beginning with the listing and trading commencement date on Tuesday, December 20, 2011, and ending Friday, January 13, 2012. Shares of Nitta Gelatin common stock purchased in this way shall be used to return the borrowed shares. During the syndicate cover

transaction period, SMBC Nikko Securities Inc. may at its own discretion decide not to conduct syndicate cover transactions, or suspend the transactions before the number of shares it is authorized to buy back reaches the maximum.

SMBC Nikko Securities Inc. plans to exercise its Green Shoe Option and receive a third-party allotment of new shares amounting to its residual exposure to borrowed shares after the syndicate cover transactions. Accordingly, SMBC Nikko Securities Inc. may not subscribe to part or all of the third-party allocation of new Nitta Gelatin common stock it has the option of receiving. This may result in a decrease in the final number of shares Nitta Gelatin issues for third-party allotment, or in the cancellation of the entire issuance due to forfeiture.

In the event that SMBC Nikko Securities Inc. accepts the third-party allotment of newly issued shares, SMBC Nikko Securities Inc. shall pay for it using the proceeds from the borrowed shares it offered to cover over-allotments in the public subscription.

On Monday, December 12, 2011, a decision will be made on whether or not to borrow shares to cover an over-allotment, as well as the number of borrowed shares that will be placed on offer. In the event no coverage of over-allotments takes place, SMBC Nikko Securities Inc. shall not borrow shares of Nitta Gelatin common stock from the Stock Lender. Accordingly, there would be no third-party allotment of new shares, as SMBC Nikko Securities Inc. would forfeit its Green Shoe Option. There would also be no syndicate cover transactions on the Tokyo Stock Exchange.

2. Change in the total number of issued shares as a result of the issuance of new shares

Total number of issued shares at present: 12,733,874 shares

Increase in number of shares via issuance of new shares for public subscription: 2,781,000 shares

Increase in number of shares via issuance of new shares for third-party allotment: 542,000 shares (Maximum)

Total number of issued shares after capital increase: 16,056,874 shares (Maximum)

3. Change in number of treasury shares as a result of the disposal

Total number of treasury shares at present: 219,092 shares

Number of treasury shares to be disposed: 219,000 shares

Number of treasury shares after disposal: 92 shares

4. Use of proceeds from the capital increase

Nitta Gelatin is estimating total proceeds of 1,558,000 thousand yen, as well as proceeds of up to 284,600 thousand yen from the issuance of new shares for third-party allotment, which was approved at the Board of Directors meeting held on November 15, 2011 along with the issuance of new shares and the disposal of treasury stock for subscription to the public. Of this amount, the Company has allocated 864,000 thousand yen for use in the fiscal year ending March 2012 for collagen peptide production facilities and collagen casing production facilities, as well as for upgrading general gelatin production facilities. The remainder is scheduled to be allocated for use within the fiscal year ending March 2013. The Company's policy is to invest the proceeds in highly secure financial instruments and similar investments until the scheduled period of allocation.

* Estimates have been calculated based on the assumed subscription price (570 yen) when submitting the marketable securities registration statement.

5. Profit Distribution to Shareholders and Other Matters

(1) Basic policy concerning profit distribution

The Company's basic profit distribution policy is to secure necessary internal reserves for future business development and enhancing the operating structure, while maintaining the payment of a stable dividend, and issuing dividends twice every fiscal year.

(2) Use of internal reserve funds

The Company intends to enhance its cost competitiveness even more than before, strengthen its framework for developing technologies and products that answer market needs, and make effective investments in developing its global strategy, with a view to staying on top of anticipated changes in the business environment.

(3) Specific measures for increasing the distribution of profits to shareholders going forward

The Company fully recognizes that it will shoulder greater social responsibilities toward shareholders as a result of the listing of its shares. Accordingly, the Company will adhere to its basic policy of maintaining a stable dividend, while constantly remaining mindful of the importance of returning profits to shareholders.

(4) Dividends for the past three fiscal years

| Item | 70th business term | 71st business term | 72nd business term |
|---|------------------------------------|-------------------------------------|-------------------------------------|
| Fiscal year | Year ended March 2009 | Year ended March 2010 | Year ended March 2011 |
| Net income per share (consolidated) (yen) | - | 153.00 | 160.39 |
| Dividend per share (Interim dividend per share) (yen) | Common stock 7.50 (3.75) | Common stock 7.50 (3.75) | Common stock 7.50 (3.75) |
| | Class A preferred stock 7.77 | Class A preferred stock 45.00 | Class A preferred stock 22.56 |
| Actual dividend payout ratio (consolidated) % | - | 4.9 | 4.7 |
| Return on equity (consolidated) % | - | 20.1 | 17.4 |
| Ratio of dividend to net assets (consolidated) % | - | 1.1 | 0.9 |

Notes:

1. The Company has prepared consolidated financial statements since the 71st business term.
2. Net income per share is calculated based on the average number of issued shares during a given fiscal year, taking into consideration amounts related to preferred stock.
3. The Company conducted a two-for-one common stock split on April 1, 2011. For reference purposes, the Company provides the following information on changes in retroactively adjusted per-share indicators, taking into account the effects of this stock split, based on the "Points of Consideration for the Preparation of the Securities Report for Initial Listing Application (Section 1)," (Notice No. 428 issued by the TSE Listing Committee on April 2, 2008), a notice issued to all market participants on the Tokyo Stock Exchange.

| Item | 70th business term | 71st business term | 72nd business term |
|--|--------------------------|--------------------------|--------------------------|
| Fiscal year | Year ended March 2009 | Year ended March 2010 | Year ended March 2011 |
| Net income per share (consolidated) (yen) | - | 76.50 | 80.19 |
| Dividend per share (yen) | 3.75 | 3.75 | 3.75 |

6. Sales to the Employee Shareholding Association

Of the number of shares for subscription to the public, the Underwriters plan to sell a certain number of shares to the Employee Shareholding Association of Nitta Gelatin Inc.

7. Sales Policy

When selling the shares, shares may be sold to investors who have not notified their intention to subscribe to shares, taking into account requirements for the number of shareholders as stipulated by the Securities Listing Regulations of the Tokyo Stock Exchange, and the need to ensure share liquidity after the listing, among other factors.

The Underwriter's policy is to sell the shares according to the basic policy concerning allocations determined by each syndicate company, internal regulations, and so forth. For details on the basic policy concerning allocation, please refer to information displayed over the counter or on the websites of each syndicate company.

Note: Information provided on future profit distributions to shareholders in "5. Profit Distribution to Shareholders and Other Matters" are based on forecasts, and do not constitute an assurance of a certain level of dividends or other returns.

**This document is intended as a press release to publicize Nitta Gelatin Inc.'s issuance of new shares for public subscription, disposal of treasury stock, and offer of existing shares, and was not prepared for the purpose of soliciting investment. When making an investment decision, please refer to the "Registered Prospectus on the Issuance of New Shares, Disposal of Treasury Stock and Offer of Existing Shares (along with errata)" prepared by the Company. All investment decisions should be made solely at the discretion of the investor.*