



May 19, 2015

Company name: Nitta Gelatin Inc.  
Representative: Koichi Ogata, Representative Director and President  
(Stock code: 4977; First Section of Tokyo Stock Exchange)  
Contact: Tsuneo Sasaki, Director and Senior Managing Executive Officer  
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## **Notice Concerning Change in a Consolidated Subsidiary**

Nitta Gelatin Inc. hereby announces that a Board of Directors meeting held on May 19, 2015 resolved to change the content of a joint venture agreement of Nitta Gelatin's consolidated subsidiary Beijing Nitta Collagen Casing Co., Ltd. As a result of the change, Beijing Nitta Collagen Casing Co., Ltd. will change from a consolidated subsidiary to an equity-method affiliate.

### **1. Reason and method for the change associated with the change in joint venture agreement**

In a change of the joint venture agreement with Nitta Hong Kong Ltd. and Beijing Qiushi Agriculture Development Co., Ltd., Beijing Qiushi Agriculture Development Co., Ltd. will make an additional investment. As a result, the shareholding ratio of Nitta Hong Kong Ltd. after the change in the joint agreement will be 30%, changing Beijing Nitta Collagen Casing Co., Ltd. from a consolidated subsidiary to an equity-method affiliate.

Note: Nitta Hong Kong Ltd. is a wholly owned subsidiary of Nitta Gelatin Inc.'s consolidated subsidiary Nitta Casings Inc.

### **2. Overview of subsidiary undergoing change**

|                             |  |     |
|-----------------------------|--|-----|
| (1) Name                    | Beijing Nitta Collagen Casing Co., Ltd.          |     |
| (2) Location of head office | Beijing, People's Republic of China              |     |
| (3) Representative          | Rodney Moore                                     |     |
| (4) Business activities     | Production and sale of collagen casing           |     |
| (5) Paid-in capital         | US\$ 3 million                                   |     |
| (6) Date of establishment   | September 20, 2012                               |     |
| (7) Shareholding ratios     | Nitta Hong Kong Ltd.                             | 70% |
|                             | Beijing Qiushi Agriculture Development Co., Ltd. | 30% |

### 3. Overview of Beijing Qiushi Agriculture Development Co., Ltd.

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|-----------------------------|--|
| (1) Name                    | Beijing Qiushi Agriculture Development Co., Ltd. |
| (2) Location of head office | Beijing, People's Republic of China              |
| (3) Representative          | Du Daxue   |
| (4) Business activities     | Processing and sales of sheep casing             |
| (5) Paid-in capital         | RMB 66 million                                   |
| (6) Date of establishment   | December 1979                                    |

### 4. Change in shareholding ratio

- (1) Shareholding ratios before change in joint venture agreement

|  | Paid-in capital (US\$ thousand) | Shareholding ratio |
|--|---------------------------------|--------------------|
| Nitta Hong Kong Ltd.                             | 2,100                           | 70%                |
| Beijing Qiushi Agriculture Development Co., Ltd. | 900                             | 30%                |
| Total  | 3,000                           | 100%               |

- (2) Shareholding ratios after change in joint venture agreement

|  | Paid-in capital (US\$ thousand) | Shareholding ratio |
|--|---------------------------------|--------------------|
| Nitta Hong Kong Ltd.                             | 2,100                           | 30%                |
| Beijing Qiushi Agriculture Development Co., Ltd. | 4,900                           | 70%                |
| Total  | 7,000                           | 100%               |

### 5. Schedule

May 19, 2015: Resolution of the Board of Directors of Nitta Gelatin Inc.

May 22, 2015: Resolution of the Board of Directors of Beijing Nitta Collagen Casing Co., Ltd.

The date of the change will be the date of the additional investment, following approval by the Chinese regulatory authorities.

### 6. Outlook

The impact of this change on the consolidated financial results for the fiscal year ending March 31, 2016 is currently being assessed. Nitta Gelatin Inc. will promptly disclose any material impact that may arise.