



February 8, 2017

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Notice Concerning Recording of Non-Operating Income (Foreign Exchange Gains) and Extraordinary Loss (Loss on Retirement of Noncurrent Assets)

Nitta Gelatin Inc. hereby announces that it has recorded non-operating income (foreign exchange gains) and extraordinary loss (loss on retirement of noncurrent assets) for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016). Details are as follows.

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

The Company recorded foreign exchange losses of ¥246 million as non-operating expense for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016); however, due to subsequent foreign exchange rate fluctuations, foreign exchange gains of ¥522 million were generated in the three-months ended December 31, 2016 (from October 1, 2016 to December 31, 2016). Accordingly, the Company has recorded foreign exchange gains of ¥275 million as non-operating income for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016).

The gain was mainly caused by a change in the valuation of the Group's foreign-currency denominated assets and liabilities in line with the foreign exchange market conditions at the end of December 2016.

The abovementioned item is a foreign exchange gain as of the end of December 2016, and could vary depending on foreign exchange market conditions going forward.

2. Details of extraordinary loss (loss on retirement of noncurrent assets)

The Company recorded loss on retirement of noncurrent assets of ¥346 million for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016).

This mainly related to the sale of machinery and equipment that was no longer expected to be used at the Company's wholly owned subsidiary Nitta Casings Inc.

3. Impact on earnings result

Details of the impact of recording non-operating income (foreign exchange gains) and extraordinary loss (loss on retirement of noncurrent assets) are given in the Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Japanese Accounting Standards).

Furthermore, since the amount of the non-operating income (foreign exchange gains) will fluctuate depending on the status of the foreign exchange rate going forward, the Company has not revised its earnings forecast announced on November 8, 2016. If it becomes necessary to revise the forecast, the Company will promptly give notice.