May 10, 2017

Company name: Nitta Gelatin Inc.
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Notice Concerning Recording of Non-Operating Income and Extraordinary Loss, Differences Between Full-Year Consolidated Financial Forecasts and Results, and Differences Between Non-consolidated Financial Results and Previous Fiscal Year's Results

Nitta Gelatin Inc. hereby announces that it has recorded non-operating income and an extraordinary loss for the fiscal year ended March 31, 2017, along with reporting differences between its full-year consolidated financial forecasts for the fiscal year ended March 31, 2017 and the results announced today.

At the same time, Nitta Gelatin also wishes to report differences between its non-consolidated financial results for the fiscal year ended March 31, 2017 and the previous fiscal year's results. Details are as follows.

1. Recording of non-operating income (foreign exchange gains) (consolidated and non-consolidated)

The Company has recorded foreign exchange gains of ¥214 million on a consolidated basis (non-consolidated: ¥249 million) as non-operating income for the fiscal year ended March 31, 2017.

The gain was mainly caused by a change in the valuation of the foreign-currency denominated assets and liabilities of the Company and the Group in line with the foreign exchange market conditions on March 31, 2017.

2. Recording of extraordinary loss (loss on valuation of shares of subsidiaries) (non-consolidated)

Nitta Gelatin recorded a loss on valuation of shares of subsidiaries of ¥527 million as an extraordinary loss for the fiscal year ended March 31, 2017.

This loss was due to a substantial decrease in the valuation of the fair value of shares of consolidated subsidiaries, Nitta Casings Inc. and Reva Proteins Ltd.

The extraordinary loss will not affect the consolidated business results, as the entire amount will be eliminated in Nitta Gelatin's consolidated financial statements.

3. Differences between full-year consolidated financial forecasts for the fiscal year ended March 31, 2017 and results (from April 1, 2016 to March 31, 2017)

	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 forecast (A)	35,000	1,700	1,400	800	¥43.54
Results for the Year Ended March 2017 (B)	36,575	1,617	1,831	693	¥37.74
Difference (B-A)	1,575	(83)	431	(107)	—
% change	4.5	(4.8)	30.8	(13.3)	—
(Reference) Results for the previous fiscal year (ended March 31, 2017)	36,885	1,273	979	477	26.00

Reasons for the difference

Net sales surpassed the previous forecast, owing to firm sales in Japan, along with a positive contribution from the inclusion of Vyse Gelatin, LLC in the scope of consolidation.

On the earnings front, although operating income was slightly below the previous forecast, ordinary income surpassed the previous forecast mainly due to the positive impact of foreign exchange gains.

Meanwhile, net income attributable to owners of the parent fell below the previous forecast mainly due to the recording of loss on retirement of noncurrent assets at overseas subsidiaries.

4. Differences between non-consolidated financial results for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017) and the previous fiscal year's results

	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 forecast (A)	22,746	789	837	(269)	¥(14.68)
Results for the Year Ended March 2017 (B)	22,902	1,229	1,647	663	¥36.14
Difference (B-A)	155	440	809	933	—
% change	(0.7)	55.8	96.7	—	—

Reasons for revisions

Net sales surpassed the previous fiscal year's result because of firm sales in Japan.

On the earnings front, operating income, ordinary income, and net income surpassed the previous year's results, mainly owing to an increase in net sales, the implementation of cost reductions and the positive impact of foreign exchange gains.