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**Notice Concerning the Recording of Non-Operating Expenses,
Difference Between Consolidated Business Forecasts and Actual Results
for the Six Months Ended September 30, 2016, and Revision
of Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2017**

Nitta Gelatin Inc. hereby announces that it has recorded non-operating expenses (foreign exchange losses) for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016). At the same time, Nitta Gelatin also announces a difference arising between its consolidated business forecasts announced on May 10, 2016 and actual results for the six months ended September 30, 2016. Details are as follows.

In light of factors such as actual results for the six months ended September 30, 2016, Nitta Gelatin also announces the revision of consolidated business forecasts for the fiscal year ending March 31, 2017, with details as follows.

1. Details of non-operating expense (foreign exchange losses)

The Company recorded foreign exchange losses of ¥246 million as a non-operating expense for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016).

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

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

2. Difference between consolidated business forecasts and actual results for the six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)

	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	
Previous forecast (A)	18,700	650	600	300	¥16.33
Result (B)	17,752	924	688	405	¥22.05
Difference (B-A)	(947)	274	88	105	—
% change	(5.1%)	42.2%	14.8%	35.1%	—
(Reference) Results for the six-months period of the previous fiscal year (six months ended September 30, 2015)	18,285	448	365	147	¥8.00

Reasons for the difference

Although net sales decreased year on year due to the foreign exchange impact, operating income increased owing to cost-cutting efforts. As a result, net income attributable to owners of the parent increased.

3. Revision of consolidated business forecasts for the fiscal year ending March 31, 2017 (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	
Previous forecast (A)	38,200	1,500	1,400	800	¥43.54
Revised forecast (B)	35,000	1,700	1,400	800	¥43.54
Difference (B-A)	(3,200)	200	0	0	—
% change	(8.4%)	13.3%	0.0%	0.0%	—
(Reference) Results for the previous fiscal year (fiscal year ended March 31, 2016)	36,885	1,273	979	477	¥26.00

Reasons for revisions

Compared to the previous forecast, net sales are susceptible to further foreign exchange impacts. Meanwhile, operating income is expected to surpass the previous forecast in light of the result for the six months ended September 30, 2016. For these reasons, Nitta Gelatin has revised its forecasts.

* The business forecasts in this press release were formulated based on information available as of the announcement date of this press release. Various factors going forward may cause actual results to differ from the forecasts.