



June 27, 2012

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

Notice Regarding Establishment of Joint Venture and Changes in Specified Subsidiaries

Nitta Gelatin Inc. has announced that at a Board of Directors' meeting held on June 27, 2012 the Company passed a resolution to increase capital in Nitta Casings Inc., a consolidated subsidiary. Nitta Casings Inc. will in turn invest in Beijing Nitta Collagen Casing Co., Ltd. (provisional name), a Chinese joint venture. Today's announcement relates to a press release titled "Notice Regarding Joint Venture in China" dated March 21, 2012.

Beijing Nitta Collagen Casing Co., Ltd. (provisional name) and Nitta Hong Kong Ltd. will also become specified subsidiaries of Nitta Gelatin Inc.

1. Purpose of Establishment

The Nitta Gelatin Group has long been engaged in the collagen casing business. To further expand this business in China, we will establish a joint venture company.

2. Method of Establishment

Plans call for Nitta Casings Inc. (consolidated subsidiary) to increase capital in Hong Kong-based company Nitta Hong Kong Ltd. (consolidated subsidiary), which will establish the joint venture following approval of the application for establishment to the Beijing City government.

3. Outline of the Joint Venture Company

- (1) Name: Beijing Nitta Collagen Casing Co., Ltd. (provisional name)
- (2) Representative: J. Ronald Frump, President (President & CEO, Nitta Casings Inc.)
- (3) Head office location: Beijing, People's Republic of China
- (4) Date of establishment: July 2012 (planned)
- (5) Business activities: Production and sale of collagen casing
- (6) Paid-in capital: US\$3 million
- (7) Shareholding ratio: Nitta Hong Kong Ltd. 70%

Beijing Qiushi Agriculture Development Co., Ltd. 30%

* The March 21, 2012 press release stated that Nitta Casings Inc. would invest directly in the joint venture. However, the investment will be made by Nitta Hong Kong Ltd.

4. Outline of Beijing Qiushi Agriculture Development Co., Ltd.

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

5. Outline of Nitta Casings Inc.

- (1) Name: Nitta Casings Inc.
- (2) Representative: J. Ronald Frump, President & CEO
- (3) Head office location: New Jersey, U.S.A.
- (4) Date of establishment: August 1996
- (5) Business activities: Production and sale of collagen casing
- (6) Paid-in capital: US\$22.6 million (after capital increase)
- (7) Shareholding ratio: Nitta Gelatin Inc. 95.4%
Nitta Gelatin Holding, Inc. 4.6%

* Nitta Gelatin Holding, Inc. is a wholly owned consolidated subsidiary of Nitta Gelatin Inc.

6. Outline of Nitta Hong Kong Ltd.

- (1) Name: Nitta Hong Kong Ltd.
- (2) Representative: J. Ronald Frump, President
- (3) Head office location: Hong Kong
- (4) Date of establishment: March 2012
- (5) Business activities: Intermediate holding company
- (6) Paid-in capital: approx. US\$2.1 million (after capital increase)
- (7) Shareholding ratio: Nitta Casings Inc. 100.0%

7. Schedule

July 2012 Capital increase at Nitta Casings Inc.

July 2012 Capital increase at Nitta Hong Kong Ltd.

July 2012 Establishment of joint venture company (investment by Nitta Hong Kong Ltd. after approval for company establishment)

8. Outlook

The establishment of this joint venture will have only a negligible impact on consolidated operating results for the fiscal year ending March 31, 2013.