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**Notice Concerning Difference in Non-consolidated Business Forecasts and
 Previous Fiscal Year's Results, and the Recording of an Extraordinary Loss
 (Loss on Valuation of Shares of a Subsidiary)**

Nitta Gelatin Inc. hereby announces that it now sees a difference arising between its non-consolidated business forecasts for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016) and the previous fiscal year's results.

At the same time, Nitta Gelatin also announces an extraordinary loss (loss on valuation of shares of a subsidiary) that it now expects to record for the fiscal year ended March 31, 2016. Details are as follows.

1. Difference in non-consolidated business forecasts for the fiscal year ended March 31, 2016 and the previous fiscal year's results

	Net Sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	¥
Previous results (A) (Year ended March 2015)	21,872	377	1,213	816	44.44
Business forecasts (B) (Year ended March 2016)	22,746	789	837	(269)	(14.68)
Amount change (B-A)	873	412	(376)	(1,086)	—
% change	3.9	109.2	(30.9)	—	—

2. Reasons for the difference and the recording of an extraordinary loss (loss on valuation of shares of a subsidiary)

Nitta Gelatin expects net sales to increase and its operating income for the fiscal year ended March 31, 2016 to exceed that of the previous fiscal year. This is mainly attributable to the strong business performance it saw in the gelatin sector for edible gelatin and gelatin for capsules in Japan, and strong inbound demand in the collagen peptide sector as a nutritional food supplement.

Meanwhile, foreign exchange losses as a non-operating expense have arisen from fluctuations in the foreign exchange market. In addition, Nitta Gelatin now expects to record an extraordinary loss (loss on valuation of shares of a subsidiary) of 850 million yen. This is due to the valuation of fair value of shares of consolidated subsidiary Nitta Casings Inc. falling substantially below book value.

As a result, Nitta Gelatin expects its ordinary income and net income (loss) for the fiscal year ended March 31, 2016 to fall below the previous fiscal year's results.

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