

# Business Strategy

June 8, 2022

Securities code: 4977

## Nitta Gelatin's Vision

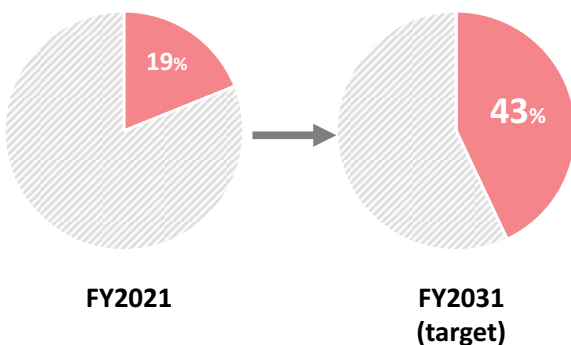


Nitta Gelatin has established a vision for the next 10 years with the aim to be **reborn as a highly profitable company.**

A shift away from general-purpose gelatin products to high-value-added collagen peptides

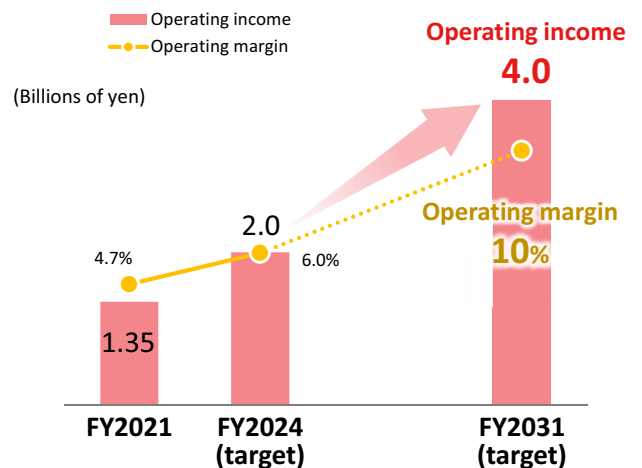
Operating income of ¥4bn, roughly three times that of fiscal 2021

Collagen peptides sales ratio



Note: Fiscal 2021 figures exclude the adhesive business

Operating income and Operating margin



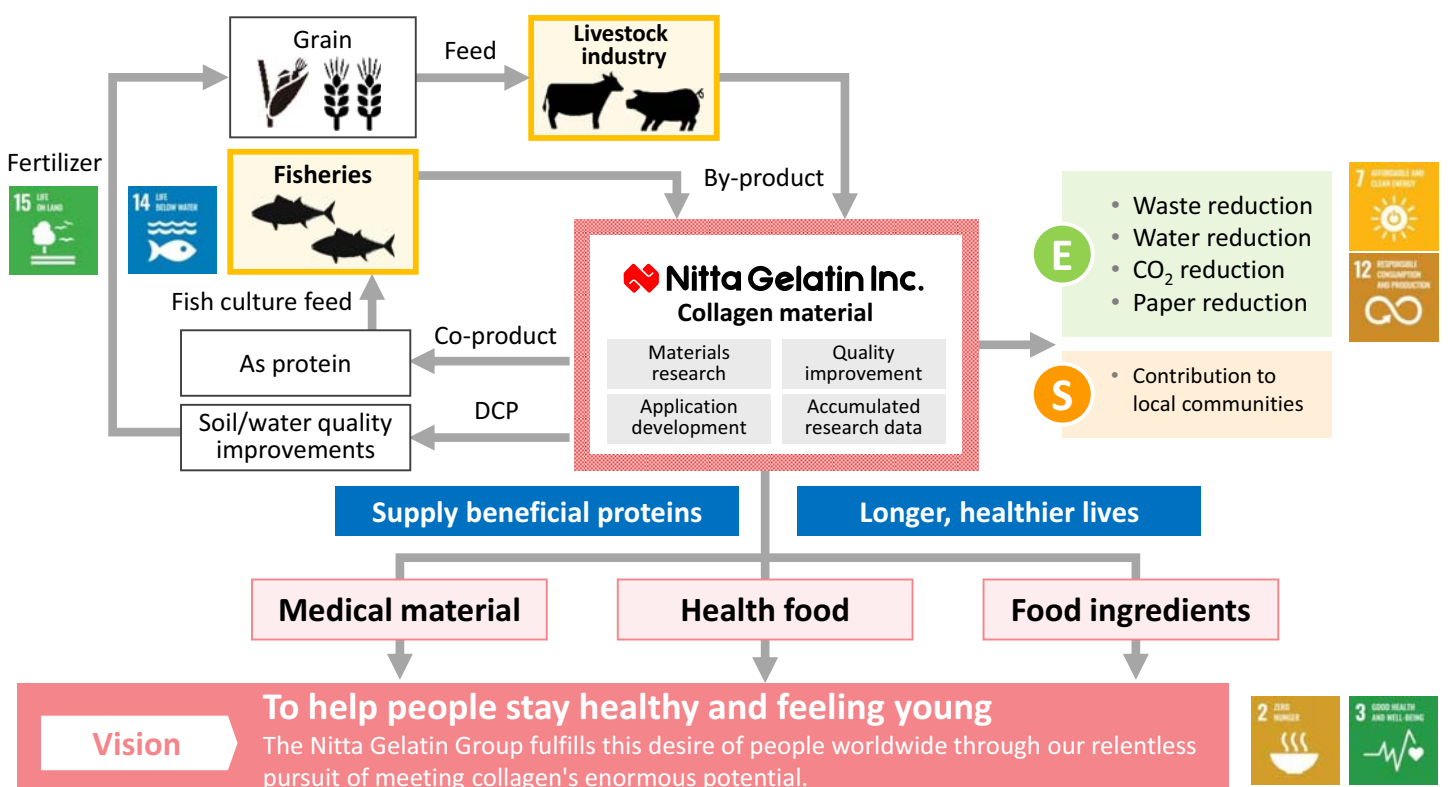
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## Company Outline

<b>Company Name</b>	Nitta Gelatin Inc.
<b>Representative</b>	Koichi Ogata, Representative Director and President
<b>Headquarters</b>	4-26, Sakuragawa 4-chome, Naniwa-ku, Osaka, Japan
<b>Establishment</b>	January 1918
<b>Stock Listing</b>	Prime Market, Tokyo Stock Exchange (Securities code: 4977)
<b>Capital</b>	¥3,144 million
<b>Net Sales (Consolidated)</b>	¥31.7 billion (fiscal 2022)
<b>Employees (Consolidated)</b>	1,009 (as of March 31, 2022)

## Business Model

Building a circular-economy business model that utilizes by-products from the livestock and fishery industries as collagen material

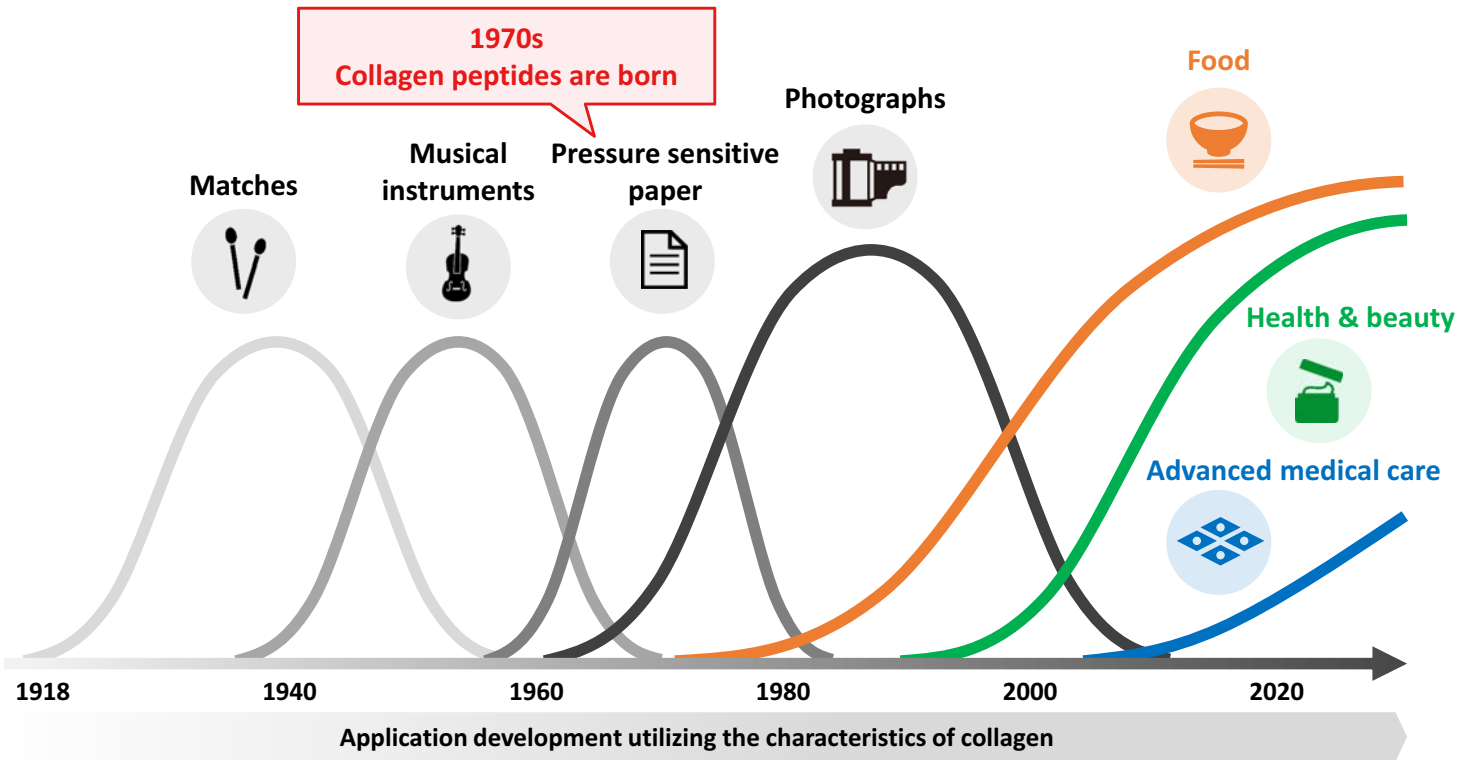




# Main Products by Segment

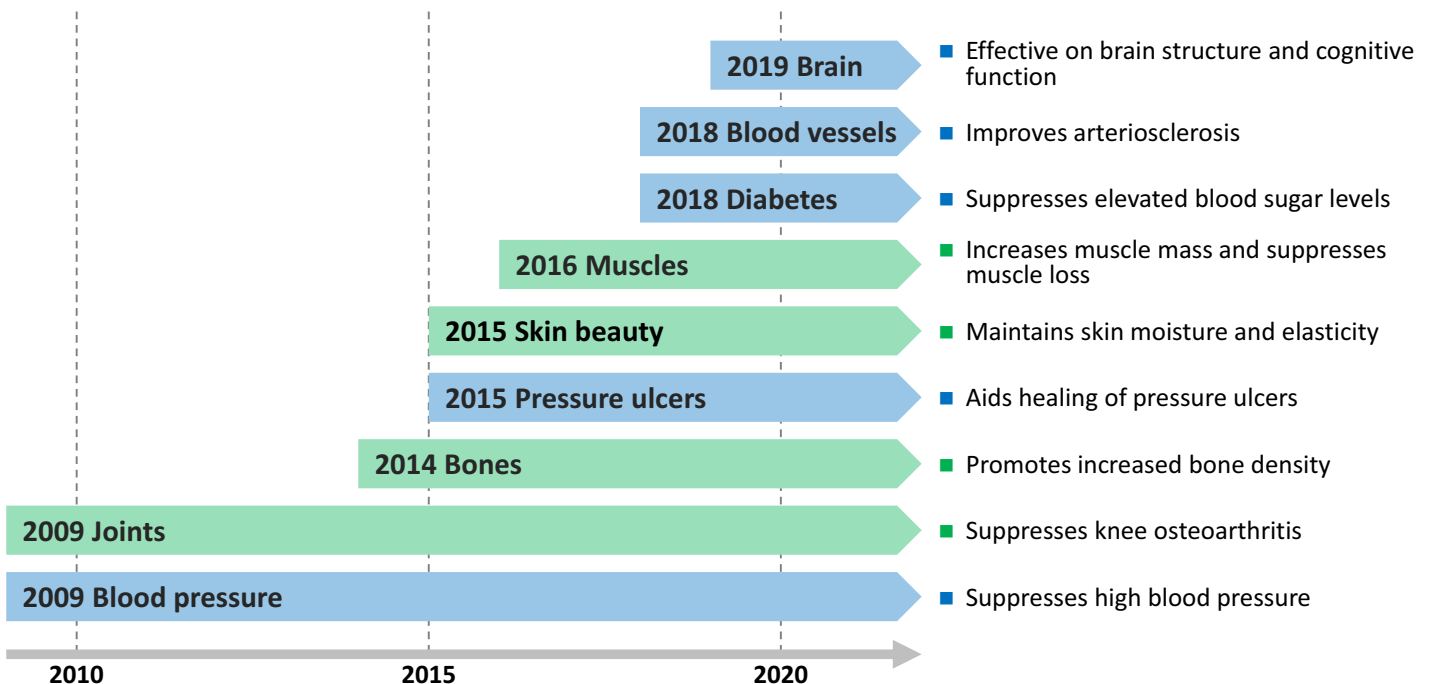
	Low Absorbency	High Absorbency		
	Collagen	Gelatin	Collagen peptides	
	<p><b>The triple helical structure of collagen protein</b></p> <p>Exceptional heat and moisture retention</p>	<p><b>The structure of three untie threads consisting of collagen by heating or other means</b></p> <p>Melts when heated and hardens when cooled</p>	<p><b>The state when the molecular threads that form gelatin are cut into smaller pieces</b></p> <p>Has a biological function that keeps the body healthy</p>	<p>Providing a blend of food products (edible gelling agents, quality stabilizers, etc.) for customers</p> <p>Food retention stability Improved texture</p>
<b>Food Solutions</b>		<ul style="list-style-type: none"> <li>Confectionery (gummies, candies, marshmallows)</li> <li>Convenience store delicatessen items (noodle soup gelatin)</li> <li>Yogurt</li> </ul>	<ul style="list-style-type: none"> <li>Protein supplements</li> </ul>	<ul style="list-style-type: none"> <li>Dessert ingredients</li> <li>Highly processed products for the industrial-use market</li> </ul> <p>* Products that can be used in the kitchen as they are unlike conventional powder products. (Edible collagen, Fuwa-Awa Quick, etc.)</p>
<b>Health Support</b>	<ul style="list-style-type: none"> <li>Cosmetics</li> </ul>	<ul style="list-style-type: none"> <li>Gelatin for capsules for pharmaceuticals and supplements</li> </ul>	<ul style="list-style-type: none"> <li>High-quality skin beauty supplements</li> <li>Wound healing and nutrition products</li> <li>Products for sports and mobility (joint and muscle recovery)</li> </ul>	
<b>Biomedical</b>	<ul style="list-style-type: none"> <li>Collagen for cell cultures</li> <li>Skin and bone prosthesis</li> <li>Collagen for regenerative medicine</li> </ul>	<ul style="list-style-type: none"> <li>Gelatin for cell cultures</li> <li>Gelatin for cell transport</li> <li>Gelatin for regenerative medicine</li> </ul>		

With its unique characteristics, collagen has contributed to a number of different applications. The birth of collagen peptides in the 1970s has expanded new applications.



It has been shown in various fields that ingesting collagen peptides has beneficial effects on the human body

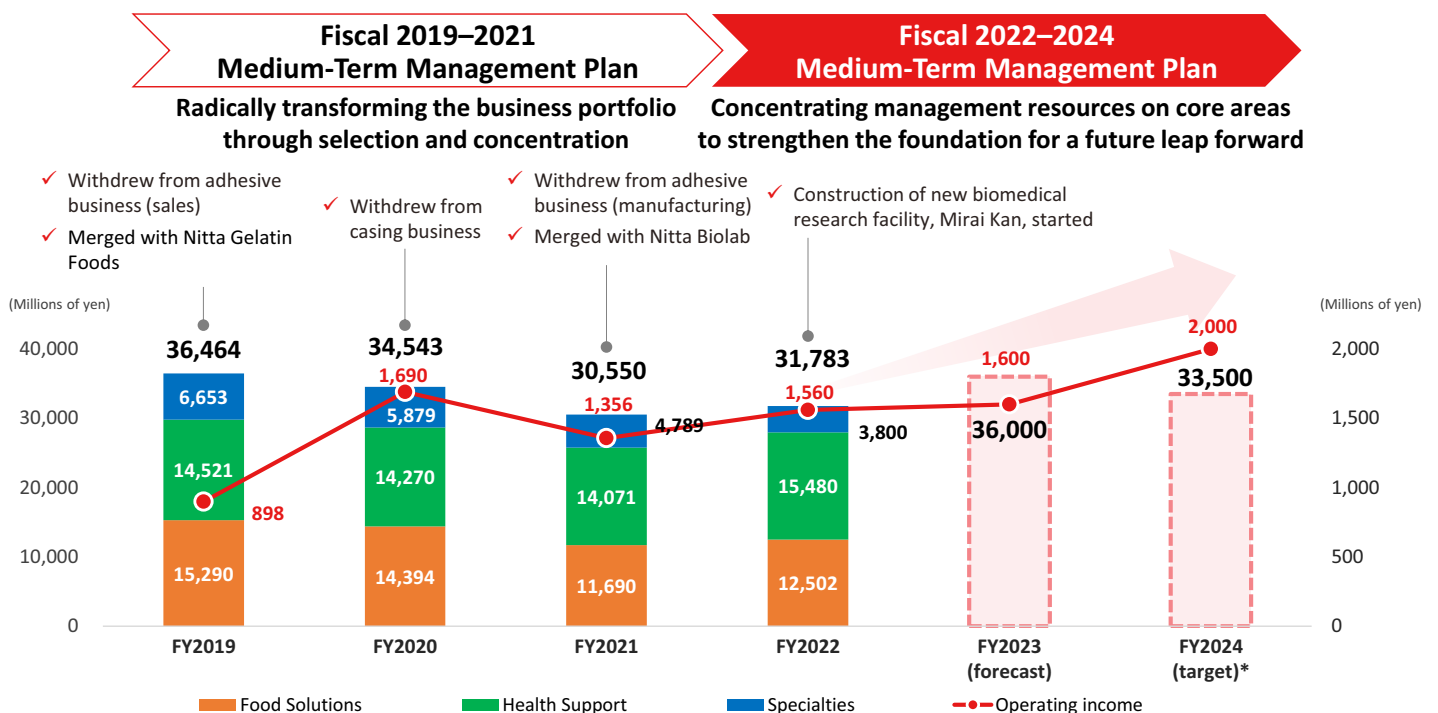
## ■ The effects of collagen peptides revealed in recent years



# Medium-Term Management Plan and Long-Term Vision

## Progress and Current State

In the previous medium-term management plan, we concentrated our management resources on the areas of Food Solutions, Health Support, and Biomedical. From fiscal 2022 we have shifted to an aggressive management approach.



\* The medium-term management plan target for fiscal 2024 has not been changed since its announcement on May 13, 2021.

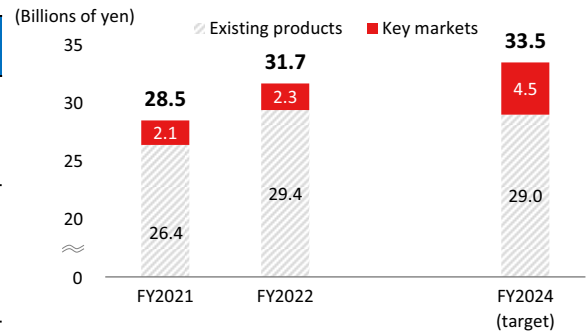
We aim to expand sales of high-value-added products by selecting five key markets to where management resources will be allocated

## Five key markets

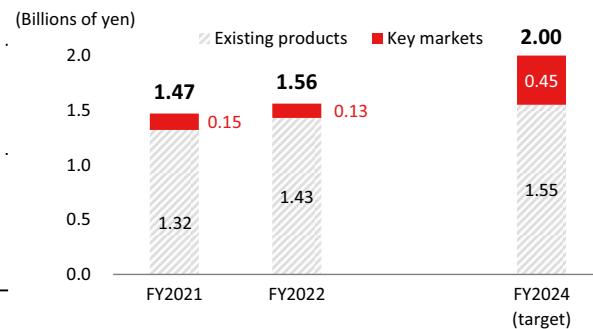
	FS	HS	BM
<b>1. Industrial-use market</b> Increase market share in industrial-use products with highly processed products that help ease labor shortages	✓		
<b>2. New needs in food market</b> Capture new needs among athletes and young people with protein supplements and plant-based food ingredients	✓		
<b>3. Overseas collagen peptide market</b> Expand sales of collagen peptides for health and beauty applications with North America and Asia as key markets		✓	
<b>4. Direct sales business</b> Acquire new customer base with rebranding and develop sports nutrition market		✓	
<b>5. Biomedical business</b> Strengthen the competitiveness of medical collagen and gelatin by expanding production capacity and develop new applications			✓

FS: Food Solutions, HS: Health Support, BM: Biomedical

## Net sales



## Operating income



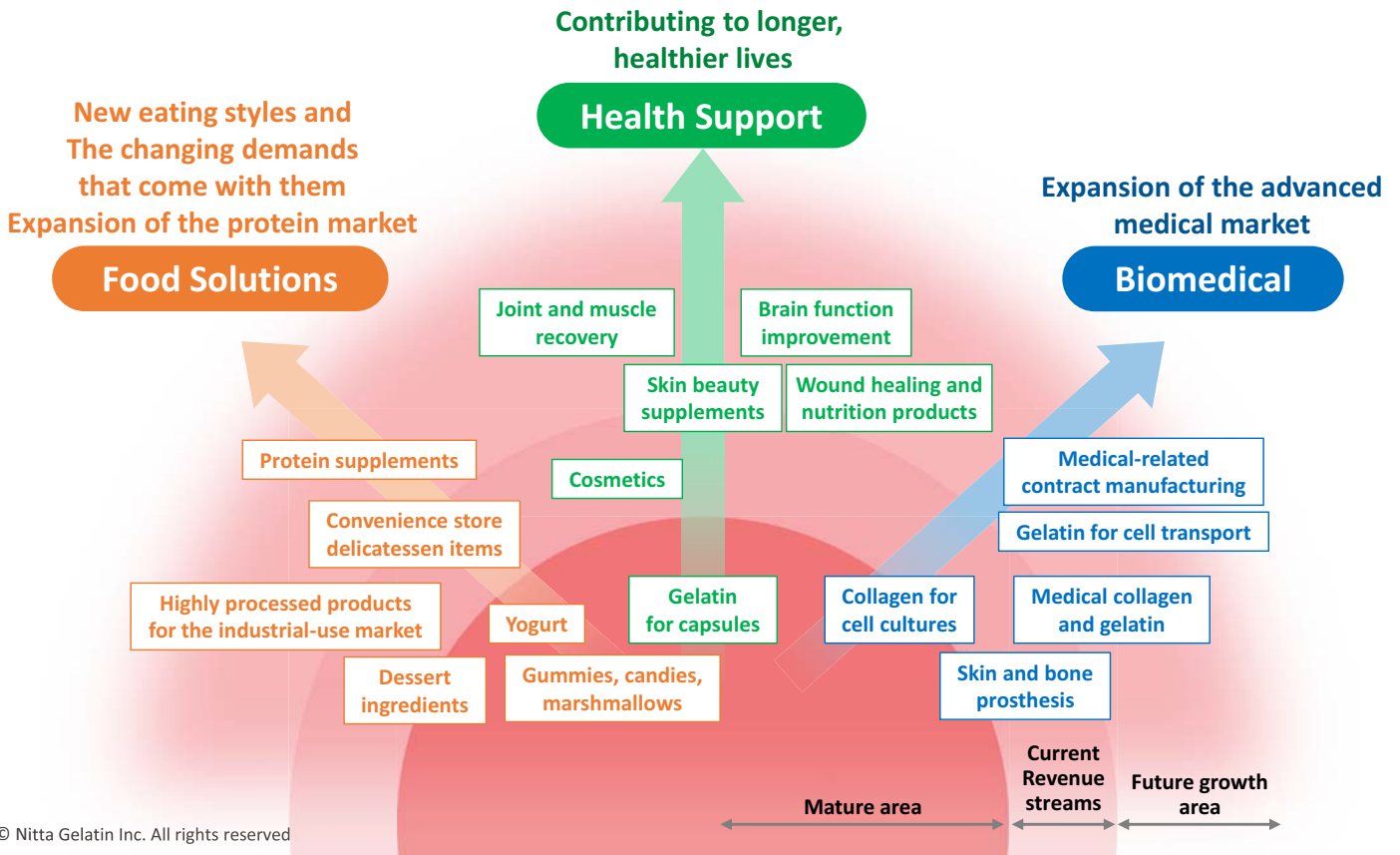
Note: Fiscal 2021 figures exclude the adhesive business

# Market Environment

While the price war for commodities continues to intensify, the market for high value-added areas is expanding, especially in the fields of beauty, health, and medical care.

	Food Solutions	Health Support	Biomedical
<b>Advantages</b>	<ul style="list-style-type: none"> <li>Increasing demand for ready-to-eat meals, increasing need for shorter cooking time</li> <li>More diversified foods, greater awareness about health</li> <li>Growing awareness of the importance of protein intake (to maintain health, muscles)</li> </ul>	<ul style="list-style-type: none"> <li>Increasing need overseas for beauty and anti-aging products</li> <li>Need to prevent frailty</li> </ul>	<ul style="list-style-type: none"> <li>Practical applications and widespread use of biopharmaceuticals</li> <li>Expanding practical applications for cell therapy (using collagen)</li> <li>Expanding approval overseas for medical devices (skin and bone prosthesis, etc.)</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>The plight of the food service industry due to the COVID-19 pandemic</li> <li>Difficult to expand applications from commodities such as gummies and capsules</li> </ul>	<ul style="list-style-type: none"> <li>Intensifying competition due to market expansion</li> </ul>	<ul style="list-style-type: none"> <li>Intensifying competition due to market expansion</li> </ul>
	<ul style="list-style-type: none"> <li>Demand for gelatin expands with economic growth in Asia</li> <li>Intensifying price war for commodities</li> <li>Concerns about instability in the procurement of raw materials over the medium to long term, and the possibility of alternatives</li> </ul>		

The global market for collagen materials with exceptional effects is expected to grow

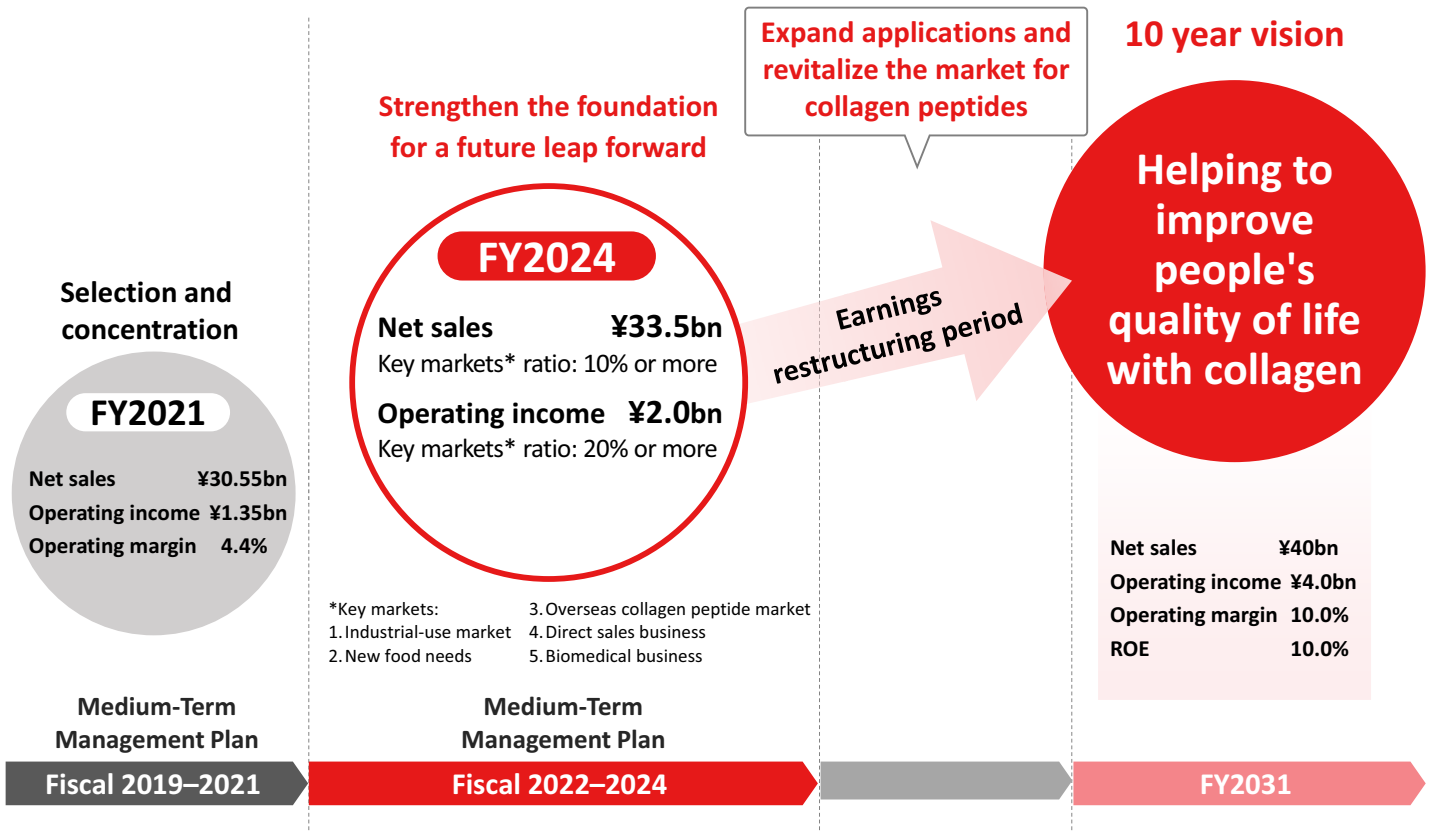


## Current State and Future Measures

Market Environment and Challenges	Future Measures
<p><b>■ Market environment</b></p> <ul style="list-style-type: none"> <li>Expanding global demand for gelatin and collagen due to economic growth in Asia</li> <li>Expanding high-value-added gelatin and collagen market centered on the food, health, and medical fields</li> <li>Expanding protein market due to rising demand for protein intake</li> <li>Intensifying price war for commodities</li> <li>Instability concerns for the procurement of raw materials, fluctuations in raw material prices</li> </ul>	<p><b>■ Formulate business plan from a long-term perspective</b></p> <ul style="list-style-type: none"> <li>Growth of high-value-added fields in the three domains of food, health, and biomedical</li> <li>Global sales expansion of collagen peptides</li> <li>Market development for new food needs</li> <li>Expansion of direct sales business</li> </ul>
<p><b>■ Current State</b></p> <ul style="list-style-type: none"> <li>Withdrawal from unprofitable sectors completed</li> <li>Achieved stable production system mainly in Japan</li> <li>Accumulation of knowledge and research data on collagen materials over many years</li> <li>Delay in development and sales of high value-added products</li> <li>Fluctuations in profit margins by product and region due to delays in optimizing manufacturing and sales systems</li> </ul>	
	<p><b>■ Strengthening of business foundation</b></p> <ul style="list-style-type: none"> <li>Promote production innovation at each base to build a stable and low-cost production system, and support for increased production in response to global sales expansion</li> <li>Strengthen the promotion system for new business and new product development</li> <li>Review of the evaluation and treatment system for employees who are more likely to take on challenges</li> <li>Promote employee growth by improving the training system</li> </ul>



Clarifying the Company's medium- to long-term vision

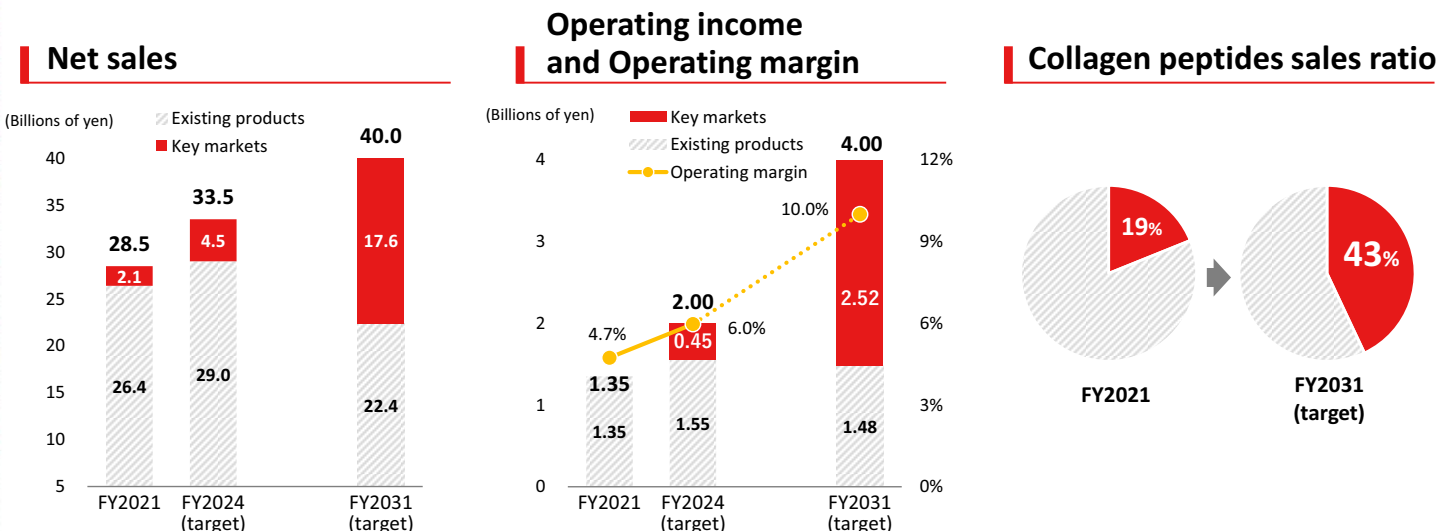


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## 10 Year Goals

- 10 year vision** Helping to improve people's quality of life with collagen
- Our direction** Focus on key markets to become a highly profitable company
- Specific measures** Shift away from general-purpose gelatin products to high-value-added collagen peptides, concentrating resources on markets with high growth potential to improve profitability



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Note: Fiscal 2021 figures exclude the adhesive business

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# Our Strengths for Realizing Long-Term Vision

## Strengths for Realizing Our Long-Term Vision

1

**Strong brand power from high market share**



2

**Stable and low-cost manufacturing with an integrated production system**



3

**Strong technological development capabilities and a wealth of data**



4

**Ability to address diverse needs with a global manufacturing and sales system**

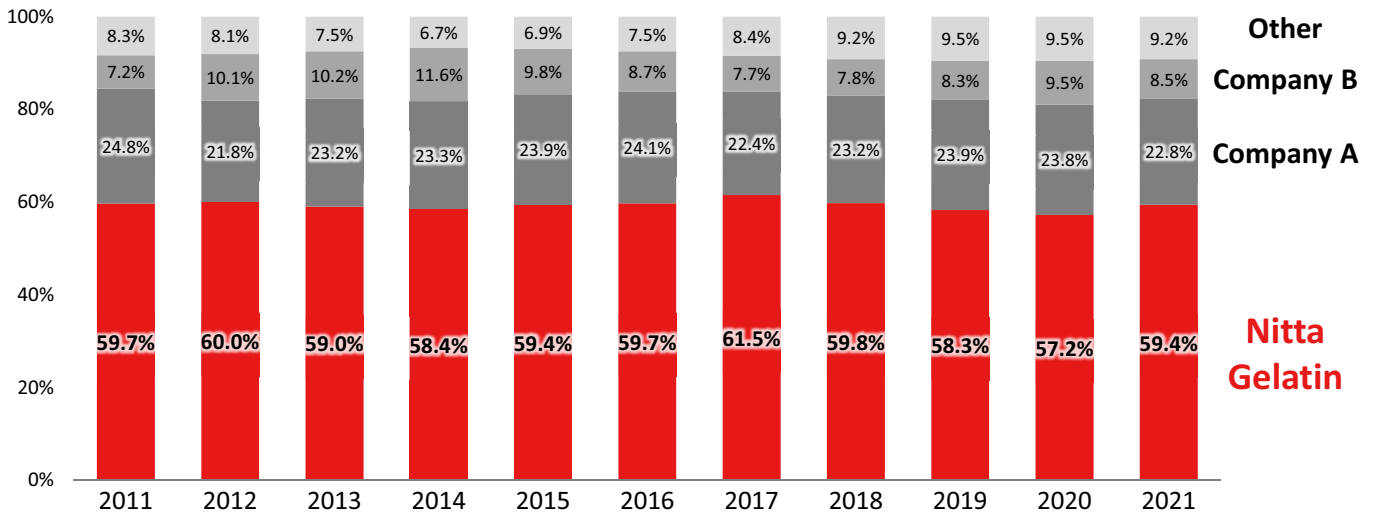


## Strength 1: Strong Brand Power from High Market Share

A gelatin manufacturer with an overwhelming domestic market share over many years, recognized as the industry leader

Gelatin sales volume in Japan (FY2022)

### Japan's largest gelatin company



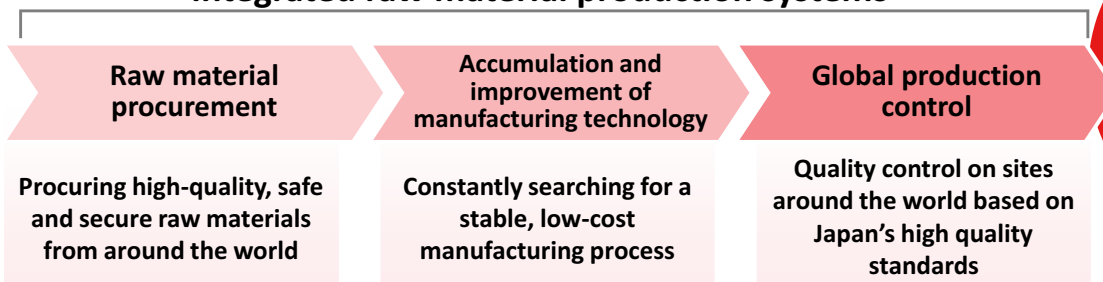
Source: Gelatin Manufacturers Association of Japan (fiscal year 2012 - 2022 excluding exports)

Company A: Develops business in leather-related, non-leather-related (gelatin and collagen divisions), and other fields. Integrated gelatin production was discontinued with production outsourced to partner plants in Japan and overseas.

## Strength 2: Stable and Low-Cost Manufacturing with an Integrated Production System

Utilizing the strengths of our integrated production system, we have developed a stable and low-cost process for the manufacture of collagen peptides for protein intake

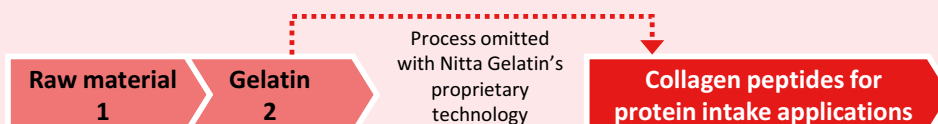
### One of Japan's largest integrated raw material production systems



Stable production of high-quality products That meet customers' needs  
Development of proprietary manufacturing process

### Development of proprietary collagen peptide manufacturing process for protein intake applications

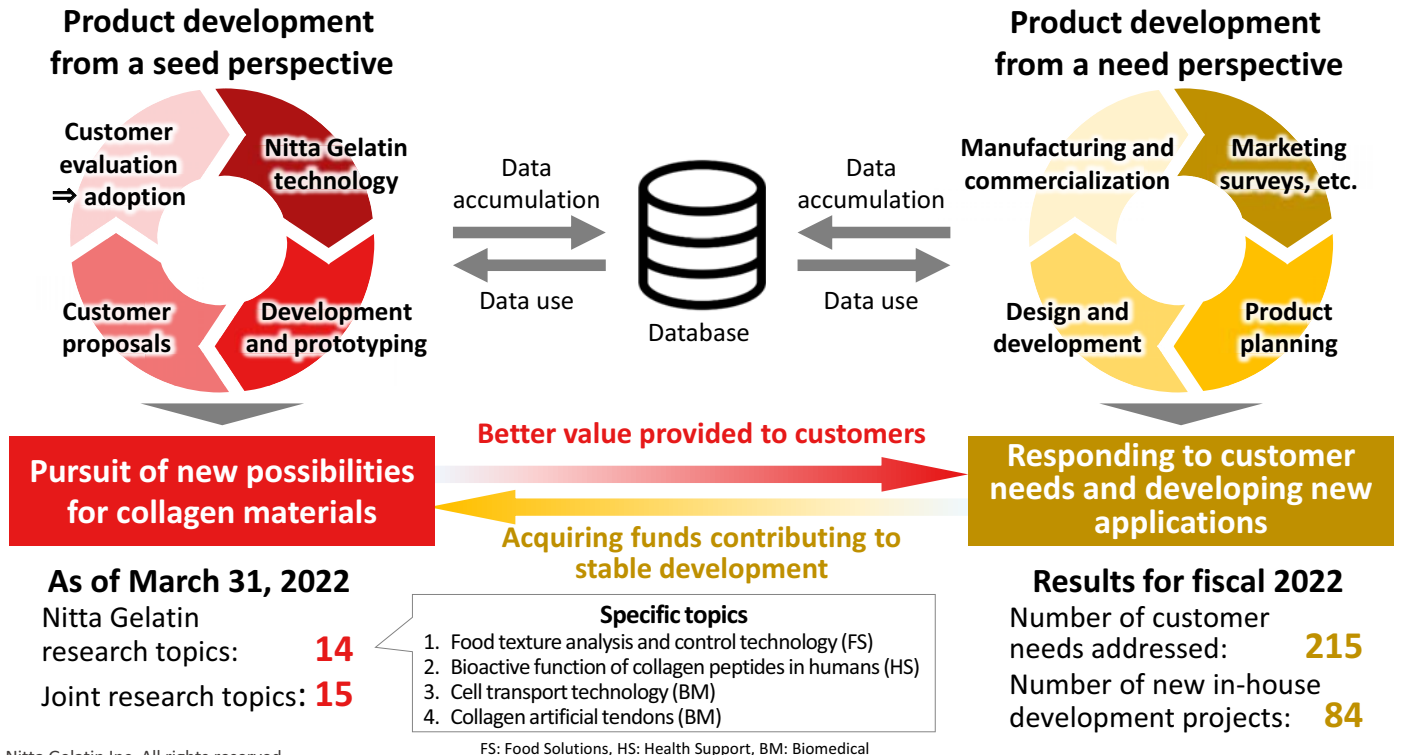
#### ■ Nitta Gelatin collagen peptide manufacturing process for protein intake applications



Since the gelatin manufacturing process is omitted  
✓ Low manufacturing cost

## Strength 3: Strong Technological Development Capabilities and a Wealth of Data

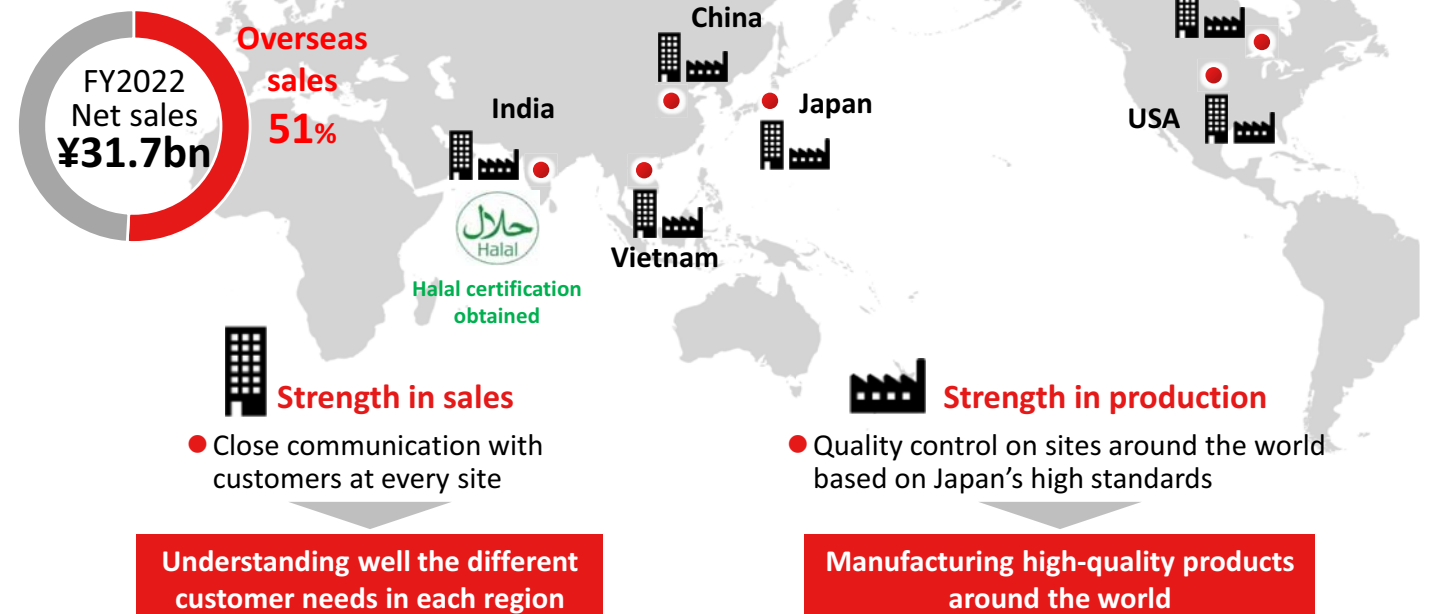
Nitta Gelatin develops products that maximize the potential of collagen materials by accumulating and utilizing data on research activities, research institutes, and application development that utilize networks with universities and public research institutes



## Strength 4: Ability to Address Diverse Needs with a Global Manufacturing and Sales System

With manufacturing and sales bases in Japan, Asia, and North America, Nitta Gelatin has built a system that can stably supply high-quality products around the world

Nitta Gelatin is a global company with over 50% of all sales overseas



Expanding manufacturing bases around the world to stably procure various raw materials

		Business	Raw Material		
			Fish 	Bovine 	Porcine 
	Japan	Manufacture of gelatin, collagen peptides, medical gelatin and collagen	✓	✓	✓
	India	Manufacture of gelatin and collagen peptides	✓	✓	
	China	Manufacture of gelatin and collagen peptides, etc.	✓		
	USA	Manufacture of gelatin and collagen peptides		✓	✓
	Canada	Manufacture of gelatin			✓
	Vietnam	Manufacture of gelling agents	—	—	—

## Growth Strategy

1

## Food Solutions

- Break into the industrial-use market and respond to new needs in food market

2

## Health Support

- Expand sales of collagen peptides overseas and strengthen direct sales business

3

## Biomedical

- Strengthen competitiveness and expand sales of medical collagen and gelatin

4

## Strengthening of the production system

- Production innovation and construction of a stable production system in readiness for global sales expansion

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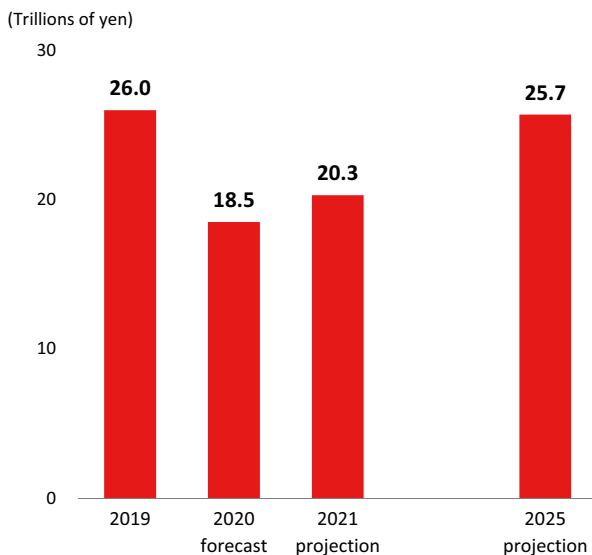
## Strengthening of business foundation

- Strengthen the promotion system for new business and new product development and measures for human resources

# Market Environment for Food Solutions

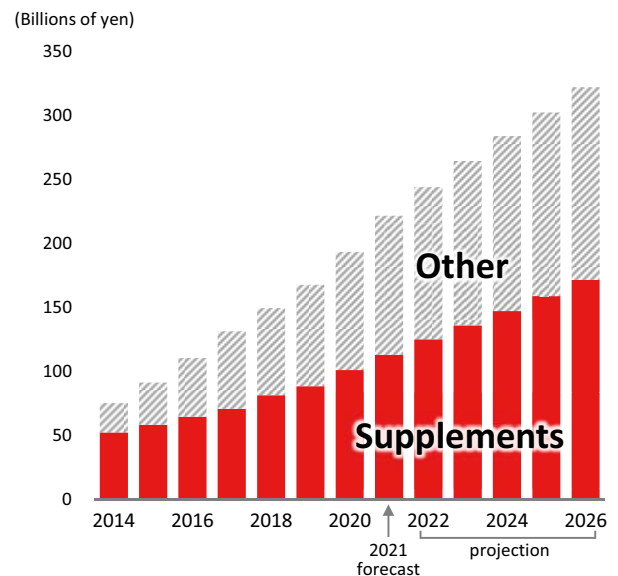
Domestic demand in the food service industry had fallen due to restrictions on going out but is now seeing a recovery. The protein supplement food market is expected to continue to grow, driven by demand for health promotion.

## Domestic demand in the food service industry



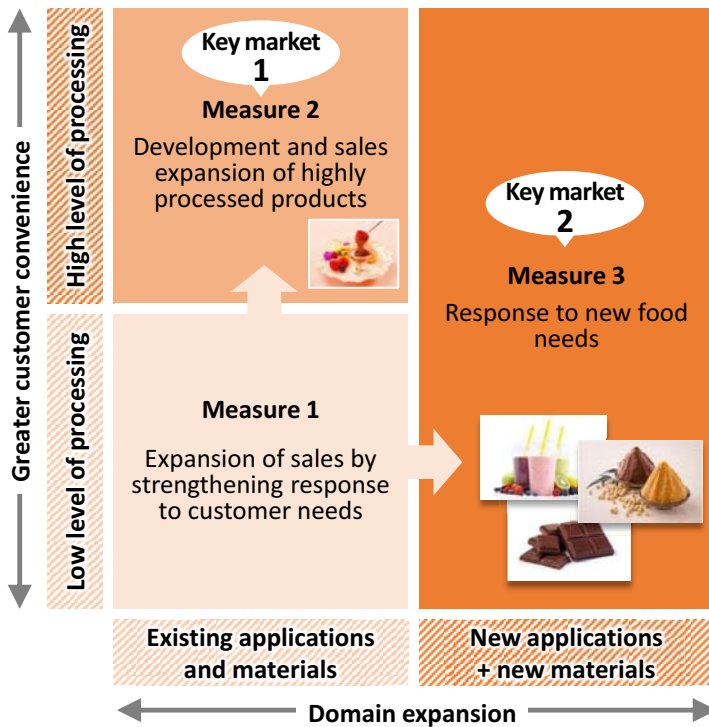
Source: *Medium-Term Economic Outlook for the Domestic and International Economies and Japanese Industries*, Vol. 22, One Think Tank Report, Mizuho Financial Group

## Protein supplement market size



Source: *The 2021 Protein Supplement Market—Greater Competition between Channels and with Product Development due to the Protein Boom*, Fuji Keizai

Expand sales in an industrial-use market with plenty of room for development  
 Creating a new market with collagen peptides for protein intake in anticipation of major changes in food needs



**Nitta Gelatin's strengths in Food Solutions**

- Product development capabilities that can meet all customer needs
- Cost competitiveness with integrated production system
- A network of well-known chefs in Japan

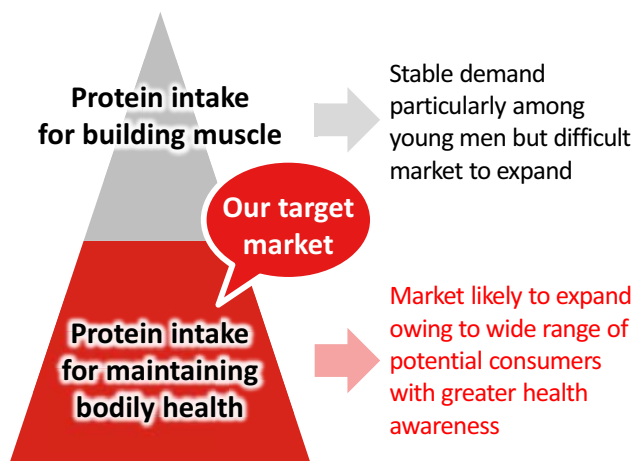
- Measure 1:  
**Expansion of sales by strengthening response to customer needs**
- Discover potential needs through detailed response to customer requests and making proposals
- Measure 2:  
**Development and sales expansion of highly processed products**
- Development and sales expansion of products that help improve customer convenience in the industrial-use market, including the food service and other industries
  - Discover new potential customers by utilizing network of chefs and opening an e-commerce site
- Measure 3:  
**Response to new food needs**
- Development and proposals of new products using plant materials and collagen peptides for highly soluble protein intake applications

## New Ventures in Food Solutions

Nitta Gelatin aims to expand sales of collagen peptides for protein intake by leveraging our product development capabilities and the strength of our integrated production system in response to growing health consciousness

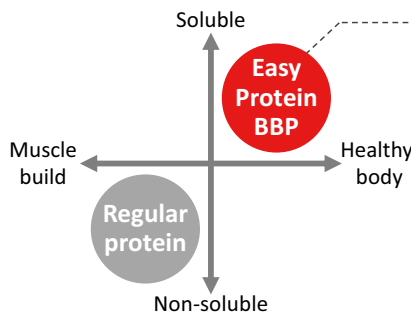
### ■ Nitta Gelatin protein intake collagen peptide target

Rather than target the muscle building protein market which has already been established, target the health-conscious market where demand is expected to grow in the future



### ■ Features of the new product - Easy Protein BBP

#### Differences between Easy Protein BBP and regular protein



**What is Easy Protein BBP?**  
 Easy Protein BBP is hydrolyzed collagen with reduced molecular weight derived from bovine. It has a **lower viscosity** and **better solubility** than other protein ingredients.

**Efficient protein intake with plenty of flavor**

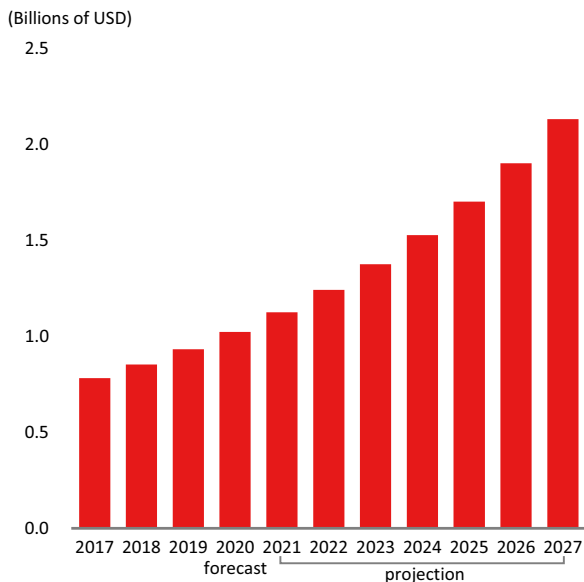
#### A range of possible applications



The global collagen peptide market is expected to grow against the backdrop of an increasing awareness for functionality.

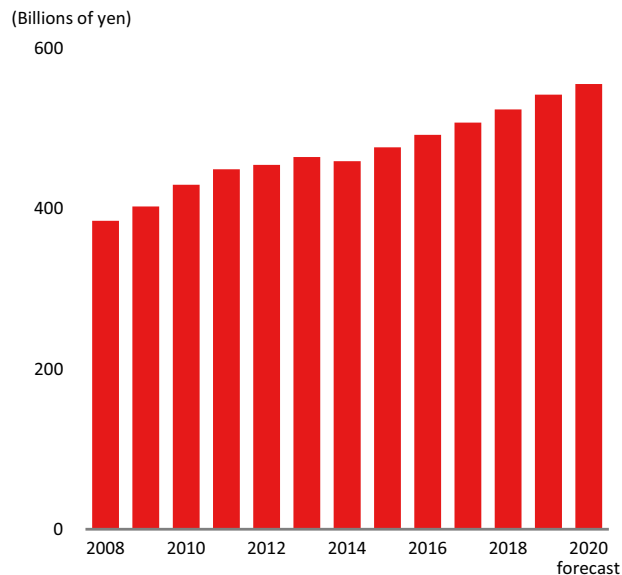
The direct marketing health food market in Japan is slowly expanding.

## Global collagen peptide market



Source: Global Collagen Peptide Market to 2027, The Insight Partners

## Direct marketing health food market



Source: The 2020 Survey on Health Food Mail-Order Business Strategy, TPC Marketing Research

# Health Support Strategy

Nitta Gelatin will steadily increase its presence overseas with quality (reliability) as one of its greatest strengths. We will prepare for full-scale entry into the direct sales business.

### Nitta Gelatin's strengths in Health Support

- Product development capabilities with collagen peptides based on many years of research and knowledge
- Reliability as a top manufacturer
- Bases in India covering a wide range of markets

Measure 1:

#### Further pursuit of collagen peptide functionality

- Creating new markets other than beauty

Measure 2:

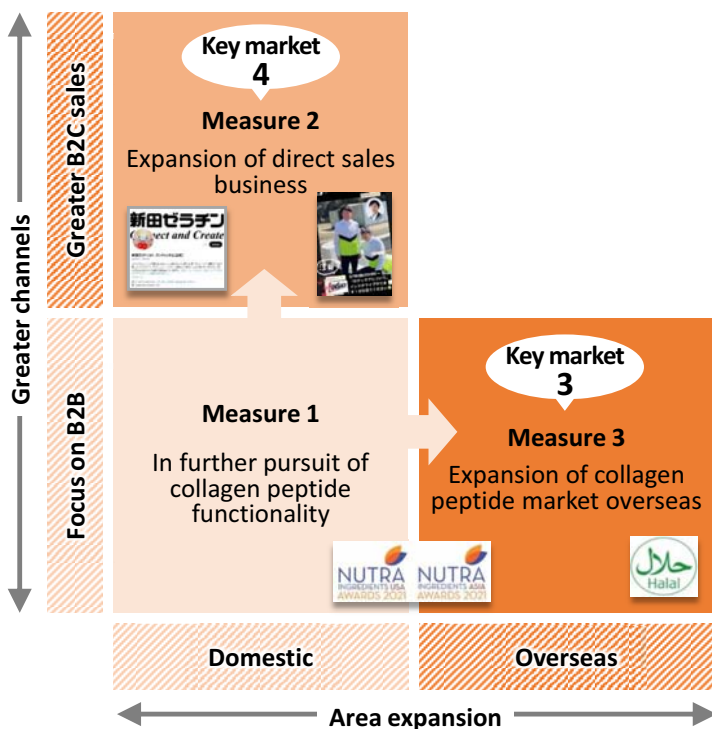
#### Expansion of collagen peptide market overseas

- Work closely with distributors in Asia for market penetration of our collagen brand, Wellnex
- Global sales of collagen manufactured at Halal certified bases in India

Measure 3:

#### Expansion of direct sales business

- Rebranding aimed at developing new customer base
- Raise product awareness and expand sales with effective advertising investment
- Raise awareness of the strong health benefits of collagen peptides through active public relations





Expand sales by leveraging the strengths of our brand in Asia in the collagen peptide market, which is expected to grow rapidly in the future

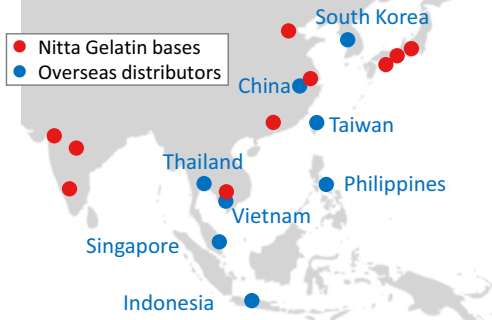
## Penetration in Asia for the collagen peptide brand - Wellnex

- Maximize reliability as a top collagen manufacturer in Japan in collaboration with overseas distributors

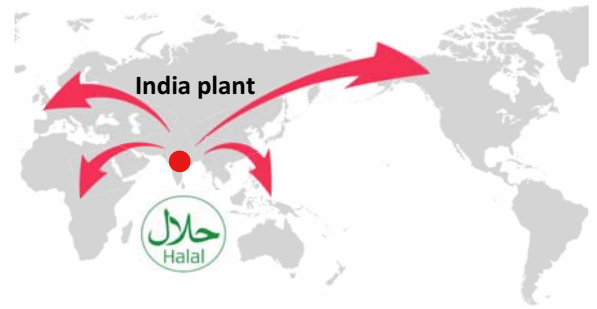
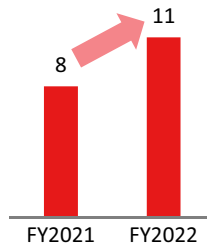
## Develop global sales of halal-certified collagen peptides

- Tie-up with overseas distributors
- Supply from bases in India to the growth markets of India, the Middle East and Africa in addition to Asia and North America

Partnering with distributors in Asia (8 countries) to establish a foundation for business expansion



Number of co-brandings\* with overseas companies



Overseas awards for Wellnex



\* Co-branding is where overseas retailers display the Wellnex logo on their packaging to highlight the brand and sell products

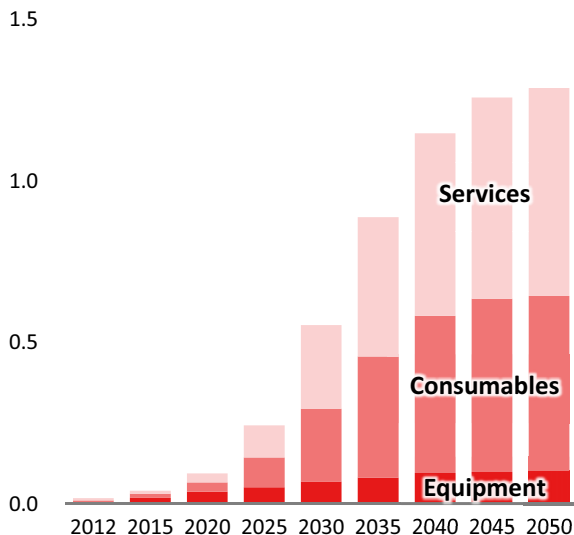


# The Biomedical Market Environment

The industrialization of regenerative medicine has only just begun with further market expansion expected in the future

## Market growth forecast for regenerative medicine peripheral industries (Japan)

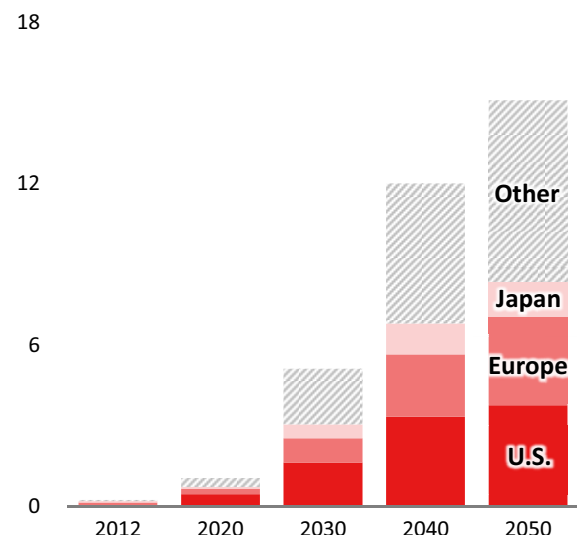
(Trillions of yen)



Source: Outline of the Program for Multiple Issues in the Basic Technology Development Project for the Industrialization of Regenerative Medicine and Gene Therapy, Ministry of Economy, Trade and Industry

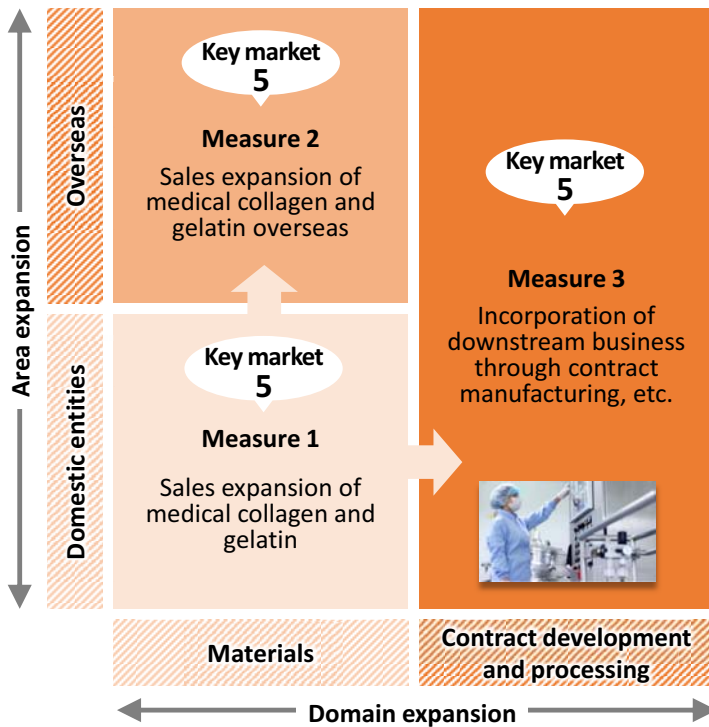
## Market growth forecast for regenerative medicine peripheral industries (Worldwide)

(Trillions of yen)



Source: Outline of the Program for Multiple Issues in the Basic Technology Development Project for the Industrialization of Regenerative Medicine and Gene Therapy, Ministry of Economy, Trade and Industry

Nitta Gelatin solidifies its position as a raw material manufacturer in the biomedical field and aims to acquire new revenue streams, such as downstream business, through contract manufacturing



**Nitta Gelatin's strengths in Biomedical**

- Reliability in terms of safety as a top manufacturer in Japan
- Accumulation of knowledge and network of experts through many years of collagen and gelatin research

- Measure 1:  
**Sales expansion of medical collagen and gelatin**
- Respond to diverse needs (expand applications)
- Measure 2:  
**Sales expansion of medical collagen and gelatin overseas**
- Collaboration with overseas group companies
  - Raise awareness of Nitta Gelatin overseas by strengthening online marketing
- Measure 3:  
**Incorporation of downstream business through contract manufacturing, etc.**
- Medical-related products contract manufacturing

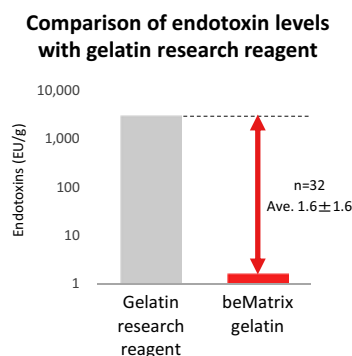
# Accelerating Biomedical Growth

Taking advantage of the high safety of our collagen and gelatin, we will accelerate further expansion of medical use with the completion of the Mirai Kan

## Collagen and gelatin for biological tissue engineering - beMatrix

- Achieves high safety by reducing endotoxins\* through proprietary method

\* Since inflammation occurs when endotoxin levels increase, it is essential to reduce levels in medical applications

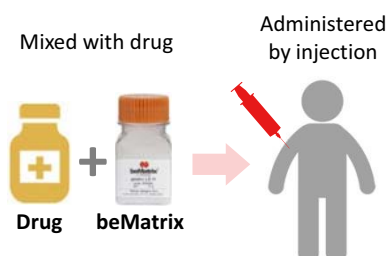


## Positioning of the Mirai Kan (new research facility) in Biomedical

- Brings R&D together under one roof
- Manufacturing under stringent medical level-quality control
- A place of disseminating information welcoming tours of researchers, etc.



Instance of beMatrix used in advanced medicine  
**Drug delivery system (sustained release)\***



\* **Drug delivery system (sustained release)**  
 A system that regulates the rate at which a single dose of a drug, administered to a specific point, dissolves in the body, sustaining the effects of the drug for a prolonged period of time.  
 Collagen and gelatin can be delivered to the affected area by coating the drug through bioaffinity or bioadsorption to enhance its therapeutic effect.

**A view to expanding from material sales business to downstream business, such as with contract manufacturing of medical equipment, etc.**

Plans to make capital investment of ¥22bn over the next 10 years to include increased production of collagen peptides

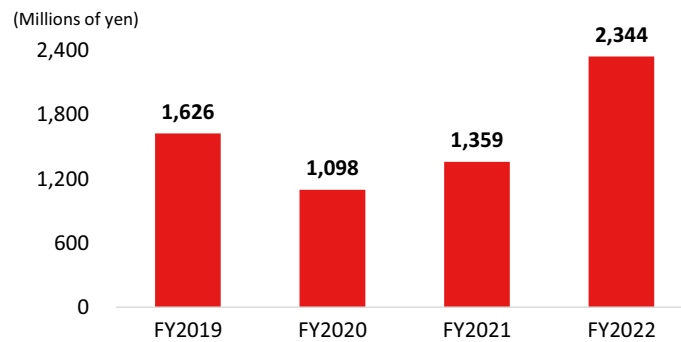
## Strengthening of a stable and low-cost production system

- Stable production on a global basis
- Development of new raw materials and cost reductions by improving production efficiency, such as factory automation
- Business efficiencies and labor saving by utilizing AI
- Strengthen initiatives to better the environment

## Capital investment and specific details

	Amount	Details
New investment	¥7.5bn	<ul style="list-style-type: none"> <li>■ Collagen peptide production for protein intake applications</li> <li>■ Construction of the Mirai Kan</li> <li>■ Increased production of collagen peptides</li> </ul>
Renewal of existing facilities	¥14.5bn	<ul style="list-style-type: none"> <li>■ Reorganization at the Osaka Plant</li> <li>■ Other</li> </ul>

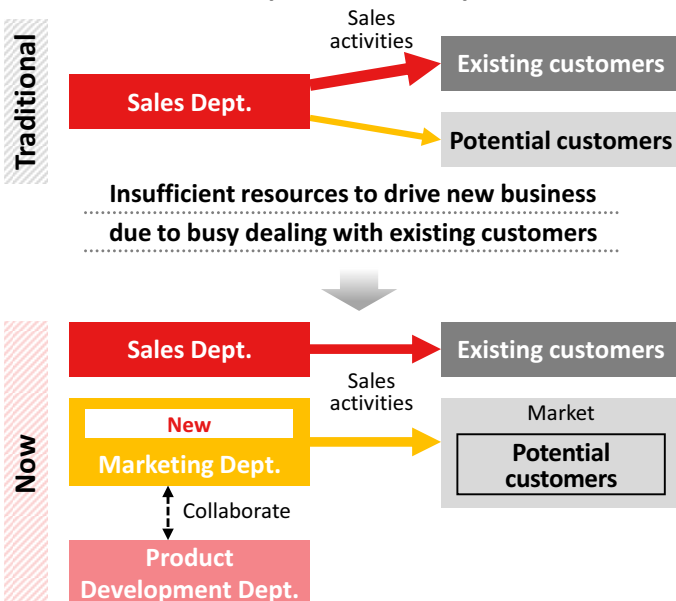
## Actual capital investment



# Strengthening of Business Foundation

As well as strengthening the promotion system for new business and new product development, we will establish a foundation where employees can flourish

## Strengthen the promotion system for new business and new product development



**Established new marketing department, moving from the product development process to reflect market needs**

## Measures for our human resources

### Review of the employee assessment and treatment system

- Revisions to the personnel system to reward taking on challenges and achievements
- Introduction of a highly transparent and understandable assessment system

### Strengthening of human resource development

- Development of human resources who can shoulder management responsibilities
- Enhancement of the training system to develop young and mid-level employees to support their desired career development

### Work style reform and further promotion of women's advancement

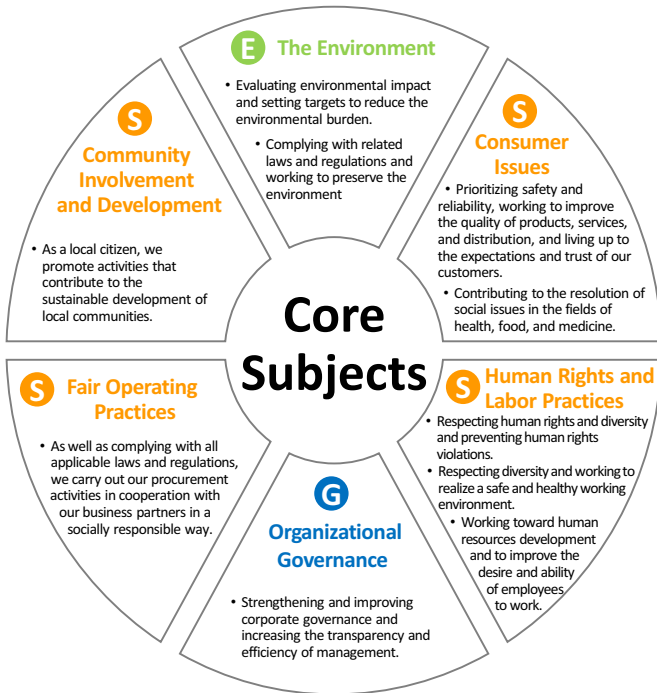
- Promotion of flexible working styles through flextime and telework system
- Creating a work environment where women can play an active role (encouraging childbirth/childcare leave, etc.)



**Fostering a culture in which employees feel rewarded for their work and taking on challenges toward a common goal**

In addition to establishing a sustainability policy for the realization of a sustainable environment and society, we will select and promote activities that should be prioritized in light of our corporate philosophy and our unique business model

## Sustainability policy and focus activities



Focus Activities

<b>Environmental Improvement Initiatives</b>	<b>Details of initiatives</b> <ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> emissions</li> <li>Reducing water use</li> <li>Environmental improvements through by-products</li> </ul>	<b>Related SDGs</b> 
<b>Living with and Contributing to Local Communities</b>	<b>Details of initiatives</b> <ul style="list-style-type: none"> <li>Regional cleanups, making ground available</li> <li>Factory tours</li> <li>Various sports support</li> </ul>	<b>Related SDGs</b> 
<b>Toward Resolving Social Issues</b>	<b>Details of initiatives</b> <ul style="list-style-type: none"> <li>Resolving issues in an aging society</li> <li>Maintaining and improving human health</li> <li>Resolving issues in food</li> <li>Resolving issues in the medical field</li> </ul>	<b>Related SDGs</b> 
<b>Realizing Better Workplaces and Human Resource Development</b>	<b>Details of initiatives</b> <ul style="list-style-type: none"> <li>Promoting diversity</li> <li>Occupational health and safety</li> <li>Supporting employee health management</li> <li>Human resource development</li> <li>Maintaining work-life balance</li> </ul>	<b>Related SDGs</b> 

# Thank You

# Appendix

## Key Market 1: Development and Sales Expansion of highly processed Products

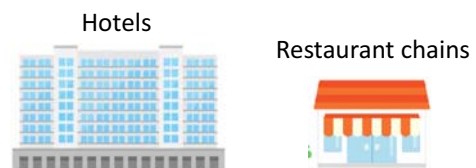
Improve customer convenience through the development and sales expansion of highly processed products

### ■ Mochi-nobi Dolce



- A distinctly authentic dessert in appearance and texture is made simply by squeezing out and serving
- Creating a surprise for posting pictures on social media

### Main targets



### Issues for hotels and restaurant chains

- A need to cut cooking times due to labor shortages
- A need to attract customers with more distinctive dishes due to less customers from the pandemic

**The environment has become accepting of products processed to a high degree**

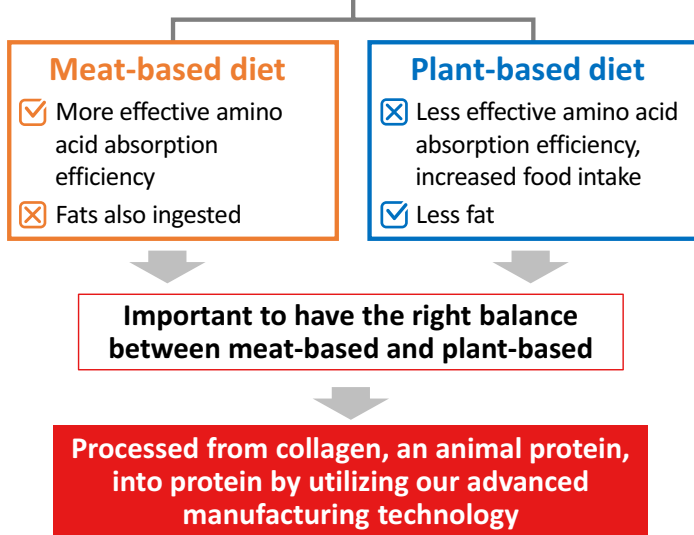
**Aim to discover new potential customers by utilizing network of chefs and opening e-commerce site**

Nitta Gelatin aims to expand sales of collagen peptides for protein intake by leveraging our product development capabilities and the strength of our integrated production system in response to growing health consciousness

## Protein varieties and uses

Although demand for protein intake is growing, getting the right balance is difficult

### Ways to take protein



## Easy Protein BBP—new product website

<https://easyprotein.nitta-gelatin.co.jp/> (in Japanese only)



<b>Product</b>	<b>Easy Protein BBP (Bovine Bone Powder)</b>
<b>Intended use</b>	<b>Protein ingredient specifically for protein supplements</b>
<b>Features</b>	<ul style="list-style-type: none"> <li>With low viscosity and exceptional solubility, and no flavor lost even when more is mixed, it is the perfect ingredient for protein supplements.</li> <li>Made completely at plants in Japan. Stable supplies ensured with a speedy and timely supply system.</li> <li>Specialists in developing recipes for various foods and creating samples working in the Application Lab. Technical support for the planning and development of products high in protein also provided.</li> </ul>

# Key Market 3: Expansion of Collagen Peptide Market Overseas

Expand sales of collagen peptide overseas, mainly in Asia and North America, by leveraging the Wellnex brand, which has made a name for itself in Japan and is becoming more prominent in Asia

# Wellnex™

Wellnex is the brand name for collagen peptides developed by Nitta Gelatin.



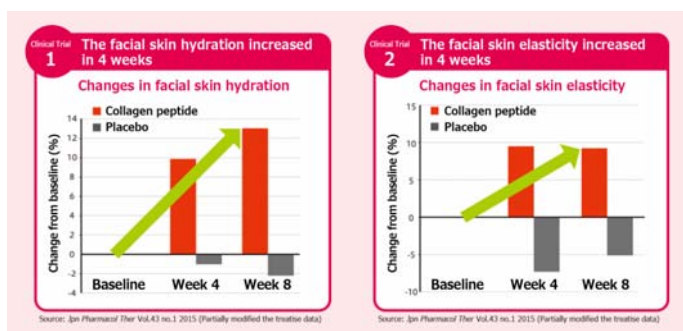
## A Wellnex product



### Wellnex Hadamaru

A food with functional claims that helps to alleviate lessening skin moisture and elasticity.

## Wellnex benefits



## Track record of Wellnex brand development

- 2012** Developed Wellnex as a highly functional collagen peptide brand
- 2020** Developed Replenwell to strengthen the brand power of highly functional collagen peptides in North America
- 2021** Developed Wellnex Dipeptide to strengthen the brand power of highly functional collagen peptides in Asia

Expand the direct sales business by raising awareness and promoting functionality

## Measures to raise awareness and expand sales

### Raising product awareness with effective advertising investment

- Attracting visitors to the special collagen website by investing in advertising
- Promoting the special benefits of exercise with the help of RUNSHOT supporters



### Communicating the benefits of collagen peptides through active public relations



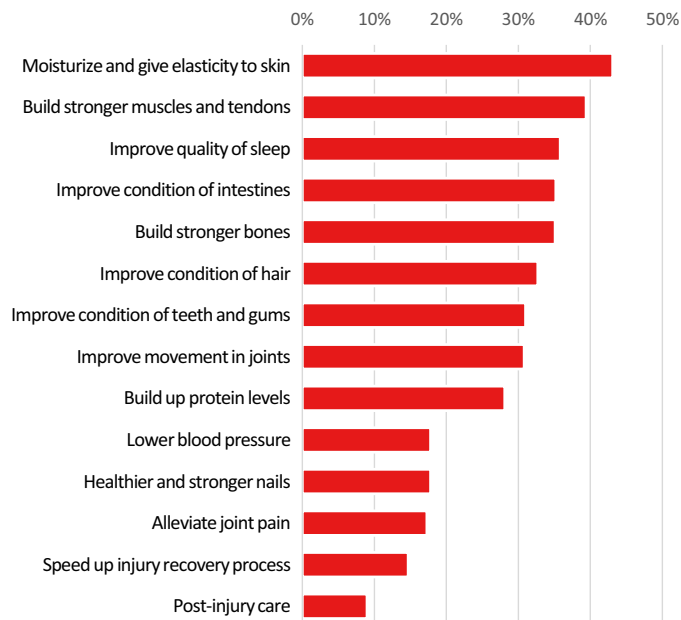
Repeat rate for existing customers  
**77%**  
(FY2022)

### Rebranding to gain new customers

- Health foods have been reorganized into three series (Health, Beauty, and Sports) with updated product names and packaging

## Potential for expanding collagen intake

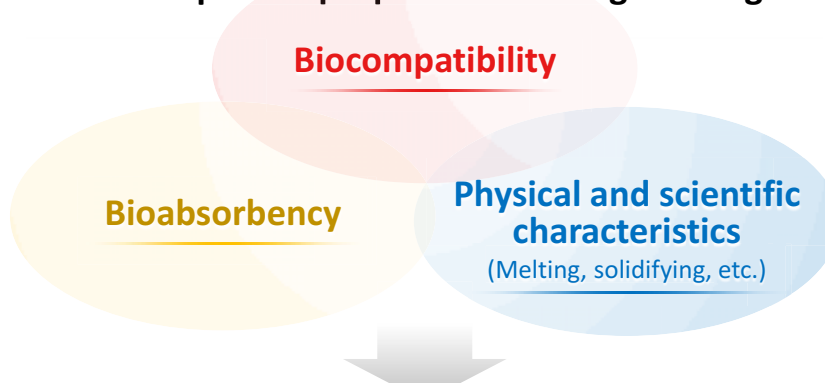
Survey results asking about the purpose of collagen intake show there is a latent need for collagen outside of health and beauty applications



Survey by Nitta Gelatin, April 2022

Solving medical problems by combining the various medical functions of collagen and gelatin

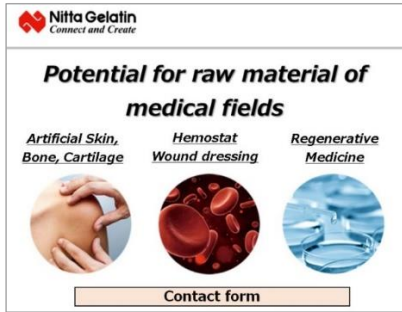
## The exceptional properties of collagen and gelatin



<b>Medical use cases</b>	<p><b>Drug delivery system (sustained release)</b> Sustains the effects of medicines, reducing side effects</p>	<p><b>Cell therapy</b> Use cases that take advantage of collagen/gelatin's compatibility with cells are progressing</p>	<p><b>Bio-adhesives, hemostatic and embolic agents</b> Efficiently binds tissue</p>
	<p><b>Cell culture collagen</b> Stable culture of human cells derived from iPS cells and stem cells</p>	<p><b>Skin and bone prosthesis</b> Effectively reproduces bones and skin</p>	<p><b>Biopharmaceuticals</b> Solving problems during storage and administration</p>

Eye on expanding usage by raising awareness of our company overseas and expanding into downstream business

- Raising awareness of Nitta Gelatin overseas by strengthening online marketing
  - Sharing information through the Company's dedicated medical website for overseas markets



Dedicated medical website for overseas markets

- Public relations in collaboration with overseas sales subsidiaries
- Active participation in overseas exhibitions

- Incorporating downstream business through contract manufacturing of medical-related products
  - Policy to engage in downstream business initiatives from material sales to contract manufacturing
  - Leveraging our strengths as a collagen and gelatin manufacturer

### Outsourcing of medical-related manufacturing

