

May 12, 2023

Company name	Nitta Gelatin Inc.
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(Stock code: 4977; Prime Market of Tokyo Stock Exchange)	
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Notice Regarding Recognition of Non-Operating Income, Extraordinary Gains, and Extraordinary Losses, as well as Differences between Non-Consolidated Financial Results and Previous Fiscal Year's Results

Nitta Gelatin Inc. (hereinafter “Nitta Gelatin”) hereby announces that it has recognized non-operating income, extraordinary gains, and extraordinary losses as follows in its consolidated and non-consolidated financial results for FY2023, ended March 31, 2023. Nitta Gelatin also reports differences between its non-consolidated financial results for FY2022 and FY2023 results. Details are as follows.

1. Recognition of non-operating income (non-consolidated)

(1) Details of non-operating income

Nitta Gelatin recorded non-operating income of ¥245 million as a result of foreign exchange gains related to settlements of foreign currency denominated receivables and payables as well as revaluation due to the fiscal year-end exchange rate.

(2) Impacts on financial results

The above non-operating income is reflected in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2023” announced today.

2. Recognition of extraordinary gains (consolidated and non-consolidated)

(1) Details of extraordinary gains

Nitta Gelatin recorded gain on sales of investment securities of ¥616 million as extraordinary gains after reviewing its cross-shareholdings based on Japan’s Corporate Governance Code, and selling investment securities to strengthen its financial position and increase asset efficiency.

(2) Impacts on financial results

The above extraordinary gains are reflected in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2023” announced today.

3. Recognition of extraordinary losses (non-consolidated)

(1) Details of extraordinary losses

Nitta Gelatin recorded loss on valuation of shares of subsidiaries and associates of ¥619 million as extraordinary losses in the non-consolidated financial results, taking into account the situation of the financial results and net assets of Nitta Gelatin USA Inc., a consolidated subsidiary.

(2) Impacts on financial results

These losses are fully eliminated in the consolidated financial statements, and as a result, there is no impact on consolidated financial results.

4. Differences between Full Year Non-consolidated Financial Results for FY2022 and FY2023 (April 1, 2022 to March 31, 2023)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
Results for FY2022 (A)	Millions of yen 20,105	Millions of yen 163	Millions of yen 730	Millions of yen 453	Yen 25.06
Results for FY2023 (B)	22,676	300	843	761	42.02
Difference (B–A)	2,571	136	113	307	
Change (%)	12.8	83.3	15.6	67.9	

Reason for the Difference

In the food solution category, sales for gummy candies were strong. In the health support category, sales of gelatin for capsules and collagen peptide for beauty use increased.

As a result of the above, net sales, operating income, ordinary income and net income each exceeded the amounts for FY2022, ended March 31, 2022.