



January 25, 2024

Company name	Nitta Gelatin Inc.
Representative	Koichi Ogata, Representative Director and President
(Stock code: 4977; Standard Market of Tokyo Stock Exchange)	
Contact	Kazuya Hayashi, Director and Executive Officer General Manager of General Management Division
Phone Number	+81-72-949-5381

Notice Regarding Discontinuation of Production at a Consolidated Subsidiary

Nitta Gelatin Inc. (hereinafter “Nitta Gelatin”) hereby announces that, at a Board of Directors’ meeting held on January 25, 2024, a resolution was passed to discontinue production activities at its consolidated subsidiary, Nitta Gelatin USA, Inc., and to close the plant.

1. Reason for discontinuing production

Nitta Gelatin USA, Inc. was established in December 2004 in North Carolina, the United States, to meet demand in the North American and Japanese markets, and has since been engaged in the manufacture and sale of such products as gelatin and collagen peptides derived from porcine skin.

Despite past efforts to improve production structure and operational efficiency, the environment has proven challenging, marked by declining productivity and the recent surge in energy costs and labor expenses in the United States. Furthermore, the highly competitive market environment is expected to exert downward pressure on product selling prices going forward.

Against this backdrop, Nitta Gelatin extensively deliberated and carefully considered measures concerning its commitment to the North American market and the restructuring of operations there. Based on the assessment that streamlining North American operations and focusing resources on future growth areas would contribute to the overall enhancement of the Group’s corporate value, a decision was made to discontinue production at Nitta Gelatin USA, Inc.

Note that Nitta Gelatin Canada, Inc. will continue to produce porcine gelatin. In addition, the sales structure in North America remains unchanged.

2. Overview of Nitta Gelatin USA, Inc.

(1) Company name	Nitta Gelatin USA, Inc.
(2) Address	4341 Production Dr, Fayetteville, NC 28306, USA
(3) Representative	Keiji Suzuki, President and CEO
(4) Business	Production of porcine gelatin and porcine and bovine collagen peptides
(5) Capital	US\$0 thousand
(6) Established	December 2004
(7) Major shareholder and shareholding ratio	Nitta Gelatin Holding, Inc. (100% subsidiary of Nitta Gelatin) 100%

3. Schedule for discontinuing production

(1) Date of Board of Directors' resolution	January 25, 2024
(2) Date of discontinuation	January 31, 2024 (scheduled)

4. Future outlook

Nitta Gelatin is currently assessing the impact of this matter on the Group's performance for the fiscal year ending March 31, 2024. In the event that there are any pertinent disclosures to be made in the future, such matters will be promptly disclosed.