



February 13, 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 Impairment Loss (Consolidated), Loss on Valuation of Shares of Subsidiaries and Associates (Non-consolidated), and Revision of the Full-Year Business Forecasts

Nitta Gelatin Inc. hereby announces that it recorded an impairment loss in its consolidated financial statements and a loss on valuation of shares of subsidiaries and associates in its non-consolidated financial statements for the first nine months of the fiscal year ending March 31, 2024.

In addition, taking into account the latest business performance figures, the Company has also decided to revise the full-year forecast of consolidated financial results for the fiscal year released on May 12, 2023 as follows.

1. About the Impairment Loss (Consolidated)

As announced in the “Notice Regarding Discontinuation of Production at a Consolidated Subsidiary” dated January 25, 2024, Nitta Gelatin USA, Inc., a consolidated subsidiary of the Company, discontinued the production of porcine gelatin, porcine collagen peptides, and other products on January 31, 2024. Due to this termination of production operations, Nitta Gelatin recorded an impairment loss of ¥1,762 million on noncurrent assets in the third quarter of the fiscal year ending March 31, 2024.

2. About the Loss on Valuation of Shares of Subsidiaries and Associates and the Provision of Allowance for Doubtful Accounts (Non-consolidated)

Due to a significant decline in the real value of the shares of Nitta Gelatin USA, Inc. held by the Company resulting from the recording of the impairment loss described in 1. above, the Company recorded a loss on valuation of shares of subsidiaries and associates of ¥267 million and a provision of allowance for doubtful accounts of ¥2,817 million.

The loss on valuation of shares of subsidiaries and associates and the provision of allowance for doubtful accounts, both recorded in the Company’s non-consolidated financial statements, are eliminated in the consolidated financial statements, and therefore there is no impact on the Company’s consolidated financial results.

3. About the Revisions to the Full-Year Forecast of Financial Results

(1) Revisions of Full-Year Forecast of Financial Results for FY2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Earnings per share
Previous forecast (A)	Millions of yen 40,000	Millions of yen 2,100	Millions of yen 2,100	Millions of yen 1,200	Yen 66.18
Current forecast (B)	40,000	1,700	1,700	(2,400)	(132.23)
Difference (B–A)	–	(400)	(400)	(3,600)	
Change (%)	–	(19.0)	(19.0)	–	
Reference: Results for the previous fiscal year (fiscal year ended March 31, 2023)	39,186	2,259	2,248	1,558	85.98

(2) Reasons for Revisions to the Full-Year Forecast of Financial Results

Net sales are expected to be at the same level as the previous forecast, primarily owing to an increase in sales of gelatin for capsules in Japan and overseas, despite a decrease in sales of collagen peptides overseas caused by inflation and other factors.

On the other hand, operating income and ordinary income are expected to be lower than the previous forecast, mainly due to the deterioration in productivity of Nitta Gelatin USA, Inc. As described above, Nitta Gelatin also recorded an impairment loss on noncurrent assets in the third quarter of the fiscal year. In addition, the Company expects to record a loss on liquidation of business, including special retirement expenses and costs for the removal of production facilities, in the fourth quarter. As a result, net income attributable to owners of the parent is also expected to be lower than the previous forecast.

No revisions will be made to the dividend forecast as a result of these revisions to the forecast of financial results.

Note: The above forecasts of financial results are based on information available as of the date of this release. Actual results may vary from the forecasts due to various factors in the future.