

Financial Results Briefing Material

(Nine months ended December 31, 2024)

February 13, 2025



Securities code: 4977

Highlights

Nine months ended December 31, 2024 (fiscal 2025)

1

While sales declined due to the suspension of production at NGU* in January 2024, profitability improved significantly.

* Nitta Gelatin USA, Inc.

2

Strong performance in Japan and other regions drove operating income to more than double YoY.

3

A ¥300 million foreign exchange gains further boosted ordinary income beyond operating income growth.

4

A gain on sale of noncurrent assets due to NGU's closure led to a substantial rise in net income.

Fiscal 2025 full-year forecast

1

Upward revision driven by strong performance and a gain on sale of noncurrent assets at NGU.

Consolidated Statements of Income

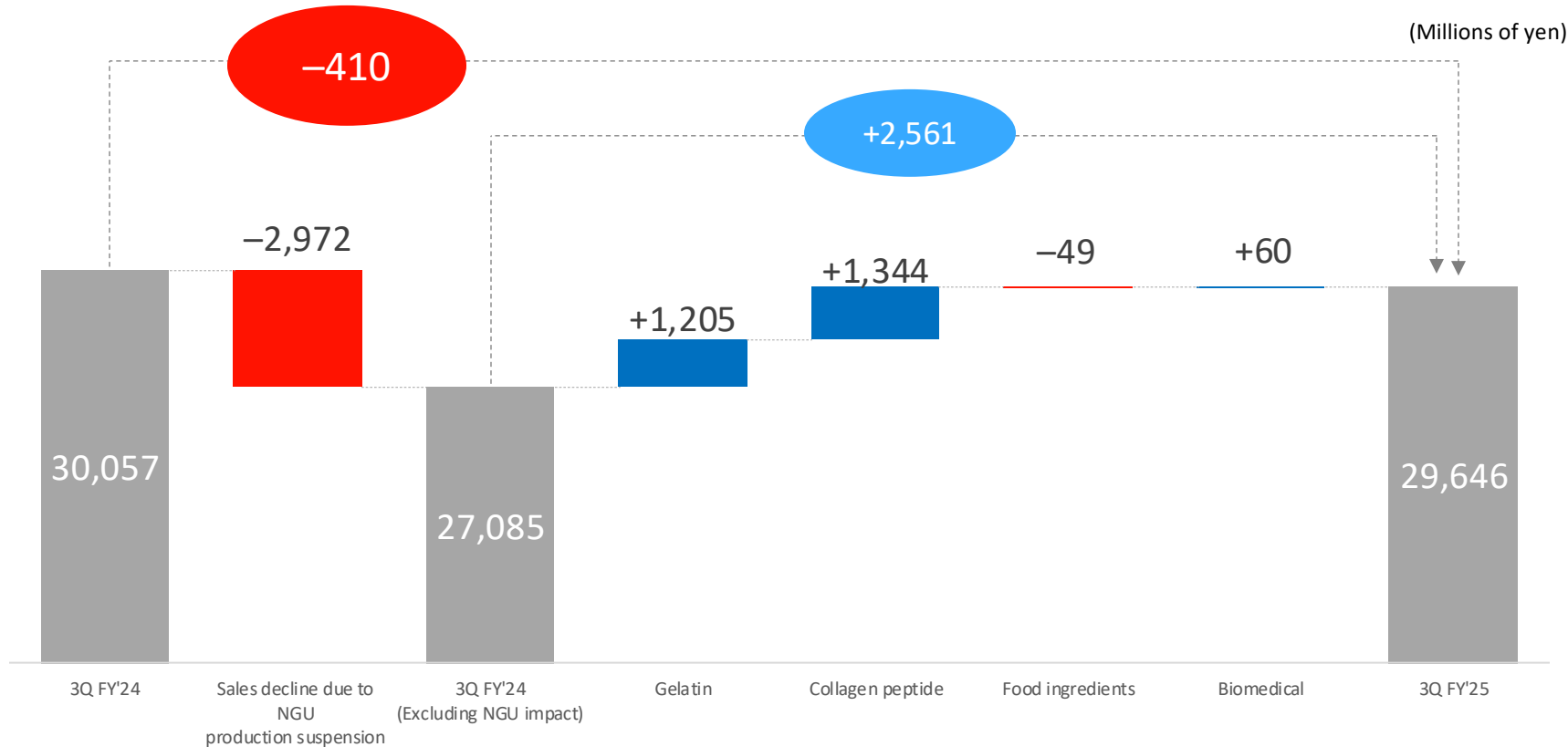
Significant profit growth fueled by improved earnings in North America and strong performance in Japan and other key markets.

| Millions of yen | Fiscal 2024 | Fiscal 2025 | YoY change | |
|--|--------------------|--------------------|------------|---------|
| | Nine-month results | Nine-month results | Change | Vs. |
| Net sales | 30,057 | 29,646 | -410 | -1.4% |
| Gross profit on sales | 6,306 | 7,661 | +1,354 | +21.5% |
| Operating income | 1,541 | 3,193 | +1,652 | +107.2% |
| Operating margin | 5.1% | 10.8% | +5.7 pts | — |
| Ordinary income | 1,712 | 3,536 | +1,824 | +106.5% |
| Net income (loss) attributable to owners of the parent | (1,610) | 1,876 | +3,486 | — |

| Factors affecting changes in operating income and below (Millions of yen) | |
|--|--------|
| Foreign exchange gains | +308 |
| Gain on sales of noncurrent assets | +248 |
| Losses related to plant closures | -196 |
| Reversal of impairment losses from fiscal 2024 | +1,762 |

Factors Driving Changes in Consolidated Net Sales

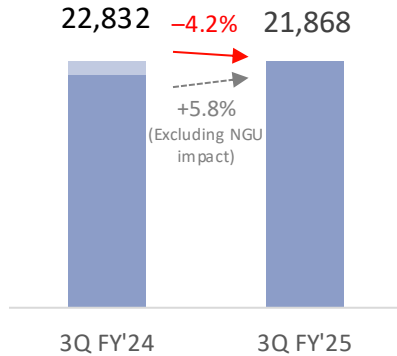
Excluding NGU's production suspension impact, all product categories performed well.



Sales Overview by Product Category

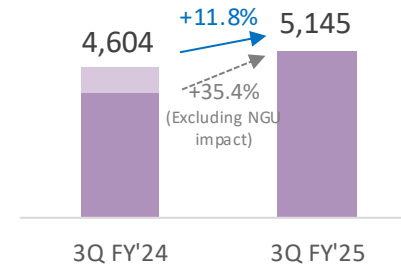
Net sales (Millions of yen)

Gelatin



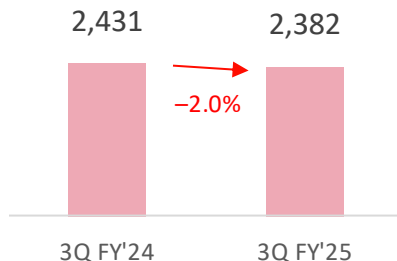
- Sales declined due to lower sales following the suspension of production at NGU.
- In Japan, sales of gelatin for gummy candies, soft capsules, and photography remained strong.
- In North America, sales of bovine bone gelatin for soft capsules increased.

Collagen peptide



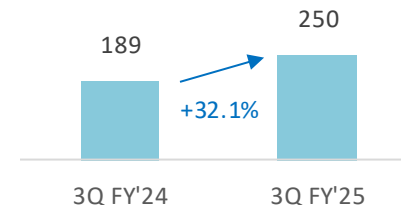
- Sales declined in Japan due to lower customer product sales.
- Sales volume expanded in North America through new sales promotions.
- India and other Asian markets remained strong.

Food ingredients



- While overall sales declined, profitability improved.
- Sales of gelling agents for confectionery and desserts increased.

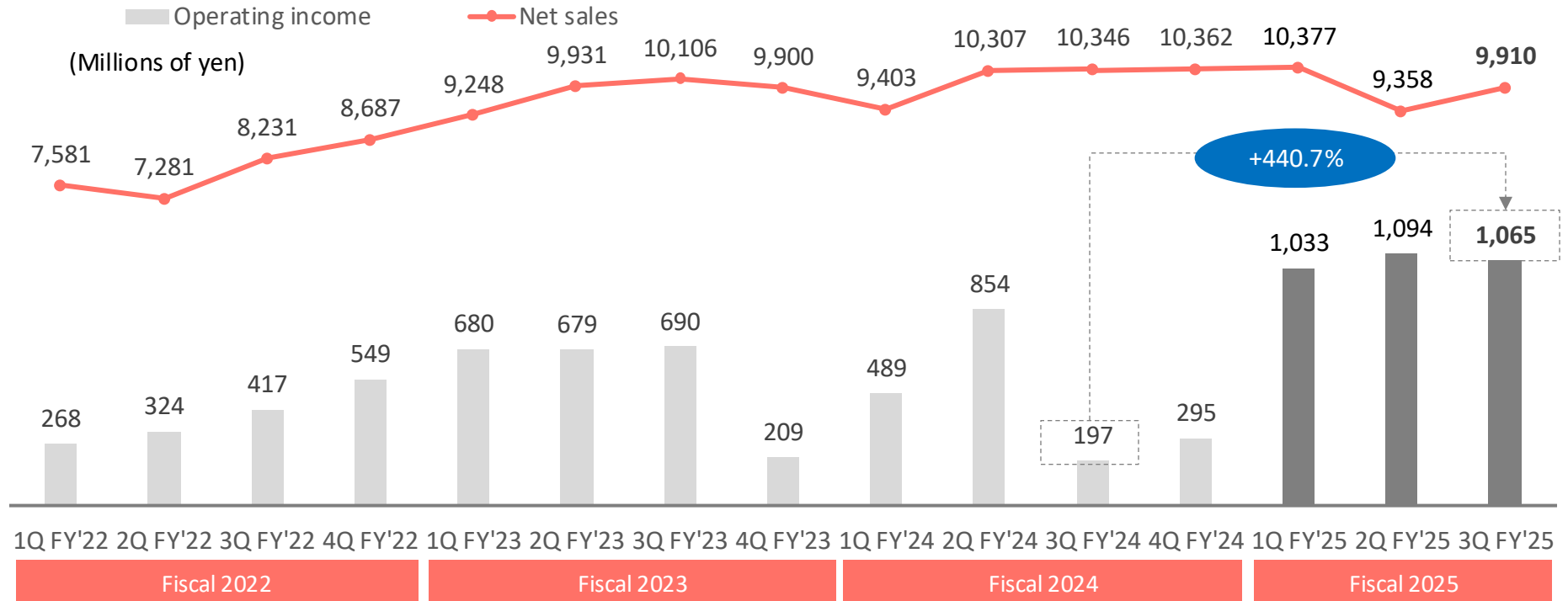
Biomedical



- Sales to major domestic customers increased.
- Sales of medical-use gelatin, which overseas medical material manufacturers began handling in 2Q, expanded steadily.

Trend in Quarterly Consolidated Performance

Improved profitability and strong sales maintained a high profit level.



Forecast of Consolidated Financial Results for Fiscal 2025

Based on strong performance and the occurrence of extraordinary income, the Company made upward revisions to its full-year forecast.

| Millions of yen | Fiscal 2024 Results | Fiscal 2025 Forecast as of Nov. 12 | Fiscal 2025 Revised forecast as of Feb. 13 | YoY | | Vs. previous forecast | |
|--|------------------------|--|---|----------|---------|-----------------------|--------|
| | | | | Change | Vs. | Change | Vs. |
| Net sales | 40,420 | 39,000 | 39,000 | -1,420 | -3.5% | — | — |
| Gross profit on sales | 8,289 | 9,900 | 9,900 | +1,610 | +19.4% | — | — |
| Operating income | 1,836 | 3,600 | 3,900 | +2,063 | +112.3% | +300 | +8.3% |
| Operating margin | 4.5% | 9.2% | 10.0% | +5.5 pts | — | +0.5 pts | — |
| Ordinary income | 2,382 | 3,400 | 4,000 | +1,617 | +67.9% | +600 | +17.6% |
| Net income (loss) attributable to owners of the parent | (1,850) | 1,600 | 2,100 | +3,950 | — | +500 | +31.3% |

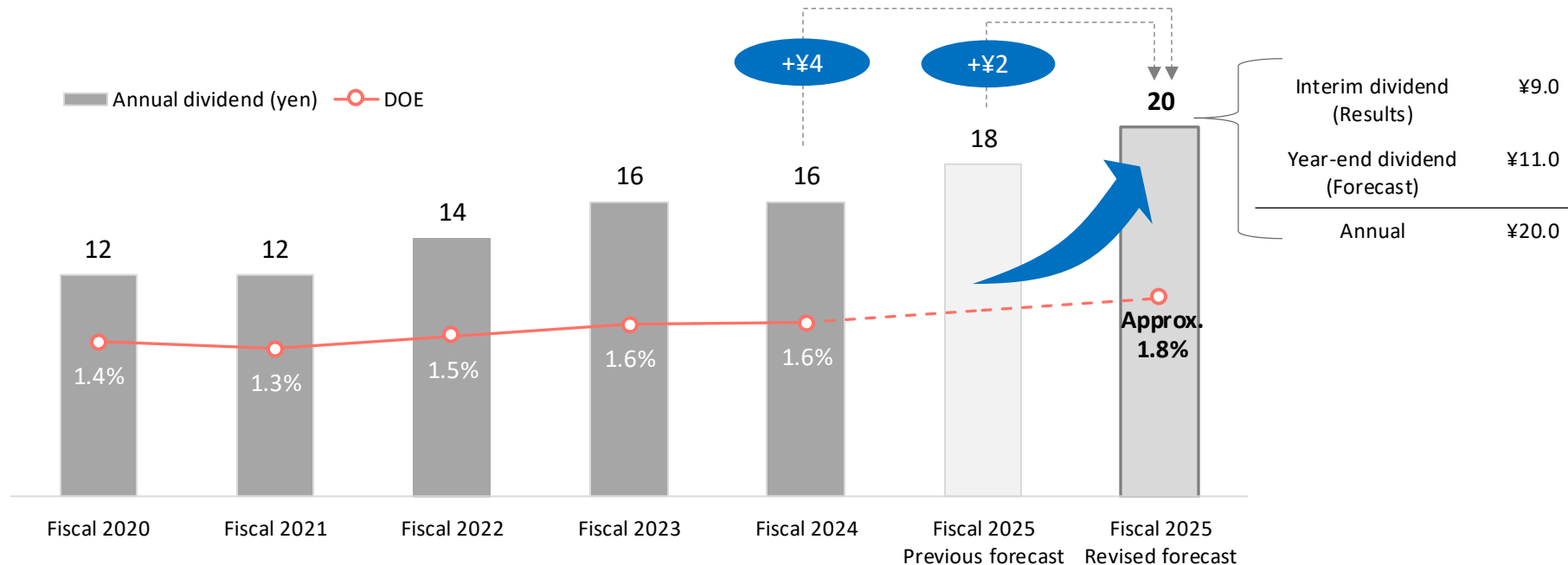
Cash Dividends

The annual dividend forecast has been revised upward to ¥20.0, an increase of ¥2.0 from the previous forecast.

Dividend policy

Nitta Gelatin aims to maintain a stable level of dividend on equity (DOE)* of 1.5% or higher and raise it to 2.0% or more in the final fiscal year of the current Medium-Term Management Plan.

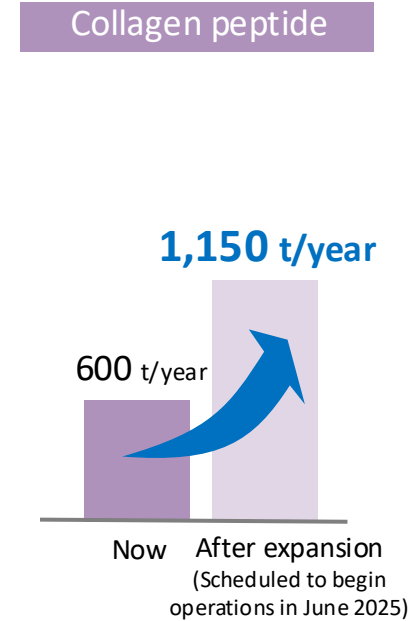
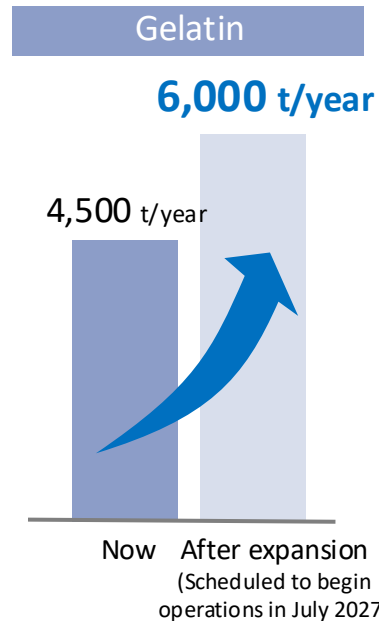
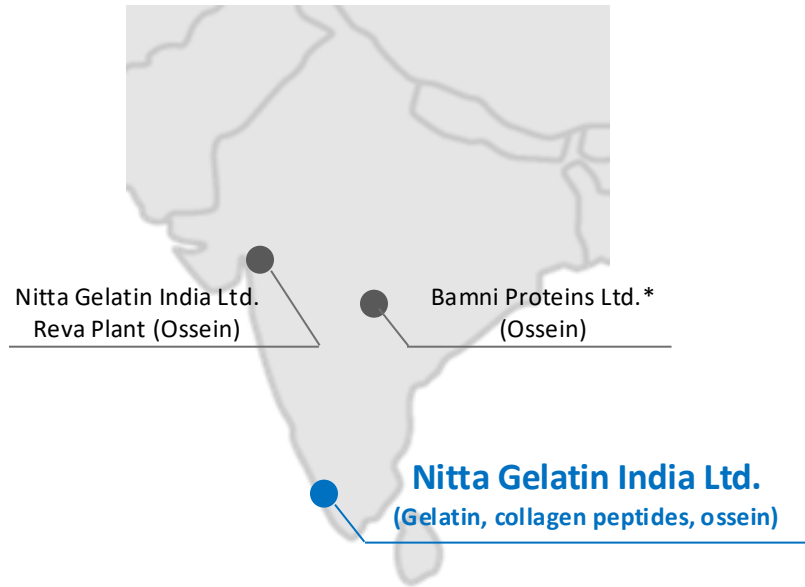
* DOE (Dividend on Equity) = Total dividends / (net assets - non-controlling interests)



Topics

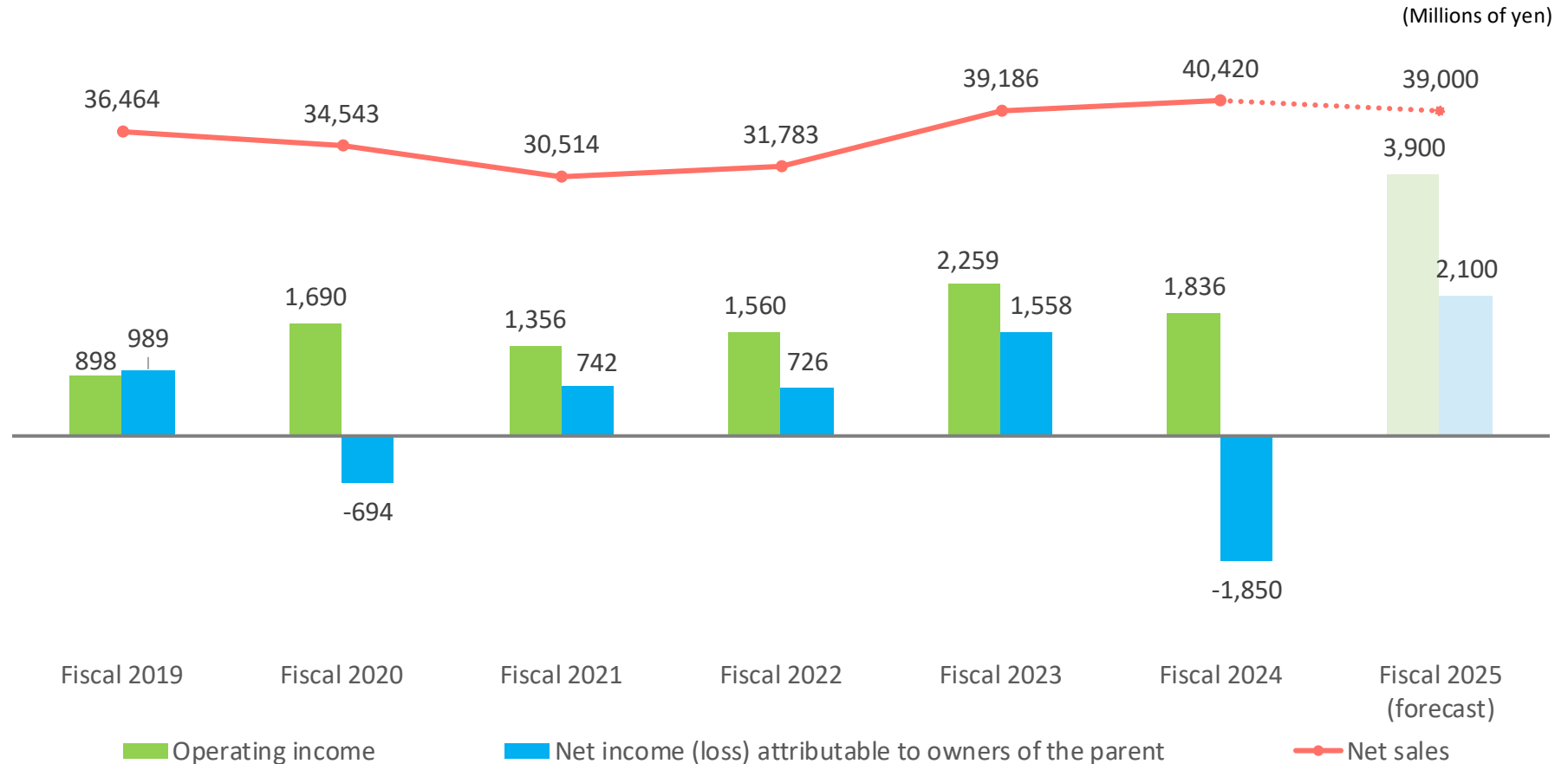
A resolution has been passed to expand gelatin production facilities at Nitta Gelatin India Ltd.

- Gelatin production capacity in India to be expanded to 6,000 tons per year (scheduled to begin operations in July 2027).
- Collagen peptide facility expansion also underway (scheduled to begin operations in June 2025).



* Bamni Proteins Ltd., which manufactures bovine ossein (a raw material for gelatin), has suspended production, but the impact on consolidated financial results has already been factored into the fiscal 2025 forecast. Ossein production can be shifted to another site in India, ensuring no impact on the Group's overall supply capacity or global growth strategy.

(Reference materials) Trend in Consolidated Performance



(Reference) Foreign Exchange Rates

Nine months ended
December 31

| Yen | Nine-month results for fiscal 2024 | Nine-month results for fiscal 2025 | YoY difference |
|------------------|------------------------------------|------------------------------------|----------------|
| US dollars | 142.76 | 152.86 | +10.10 |
| Canadian dollars | 105.80 | 110.92 | +5.12 |
| Indian rupee | 1.73 | 1.82 | +0.09 |

Full-year

| Yen | Fiscal 2024 results | Fiscal 2025 revised forecast as of Feb. 13 | YoY difference |
|------------------|---------------------|--|----------------|
| US dollars | 144.40 | 154.08 | +9.68 |
| Canadian dollars | 106.99 | 110.66 | +3.67 |
| Indian rupee | 1.75 | 1.83 | +0.08 |

Notice

The opinions, outlooks, and forecasts contained in this material are based on the judgment of the Company at the time of the preparation of this document.

The Company does not guarantee the accuracy of the information. Due to various factors such as market environment, etc., future results may vary from those in this document. Thank you for your understanding.

Nitta Gelatin Inc.

IR/Public Relations Team, Corporate Planning Department

[Inquiries] <https://cloud.swcms.net/nitta-gelatinPublic/ja/ir/inquiry6.html>