

Financial Results Briefing Material

(Three months ended June 30, 2024)

August 9, 2024

Securities code: 4977

1Q Fiscal 2025 Consolidated Statements of Income

- Net sales rose. Operating income increased significantly, driven by strong domestic sales and improved profitability following the suspension of production at Nitta Gelatin USA, Inc.
- We recorded foreign exchange gains of ¥310 million in non-operating income, which contributed to a significant increase in both ordinary income and net income attributable to the owners of the parent. We are also making steady progress toward our full-year forecast for the fiscal year ending March 31, 2025, as announced in May this year.

(Millions of yen)	1Q fiscal 2024	1Q fiscal 2025	Change	Vs.
Net sales	9,403	10,377	+973	+10.4%
Gross profit on sales	2,077	2,596	+518	+25.0%
Operating income	489	1,033	+543	+111.0%
Operating margin	5.2%	10.0%	+4.7 pts	—
Ordinary income	741	1,380	+638	+86.0%
Net income attributable to owners of the parent	248	616	+368	+148.1%

Fiscal 2025 full-year forecast	Progress
39,000	26.6%
9,600	27.0%
3,000	34.4%
7.7%	—
3,000	46.0%
1,600	38.5%

(Reference: Foreign exchange rates)

(Yen)	1Q fiscal 2024	1Q fiscal 2025	Difference
US dollars	138.11	156.51	+18.40
Canadian dollars	102.35	114.64	+12.29
Indian rupee	1.68	1.88	+0.20

1Q Fiscal 2025 Sales Summary

- In addition to the increased demand in Japan for gelatin used in gummy candies, soft capsules, and photography, there is also strong demand for gelatin for capsules in North America. Sales of collagen peptides are also expanding in Japan and North America, along with exports from India. As for biomedical, sales of medical-use collagen and gelatin to major customers have increased.

Net sales by product category

(Millions of yen)	1Q fiscal 2024	1Q fiscal 2025	Change	Vs.
Total	9,403	10,377	+973	+10.4%
Gelatin	7,054	7,731	+676	+9.6%
Collagen peptides	1,395	1,710	+315	+22.6%
Food ingredients	892	854	(38)	(4.3)%
Biomedical	60	80	+20	+33.7%

1Q Fiscal 2025 Consolidated Balance Sheets

- Assets: Cash and deposits increased, while inventories decreased. Property, plant and equipment increased due to capital investments at Nitta Gelatin and others. Both current assets and noncurrent assets increased, leading to an increase in total assets.
- Liabilities and Net Assets: Interest-bearing liabilities such as short-term and long-term loans payable decreased. In addition to the increase in retained earnings and non-controlling interests, the foreign currency translation adjustment and other factors contributed to an increase in total net assets.

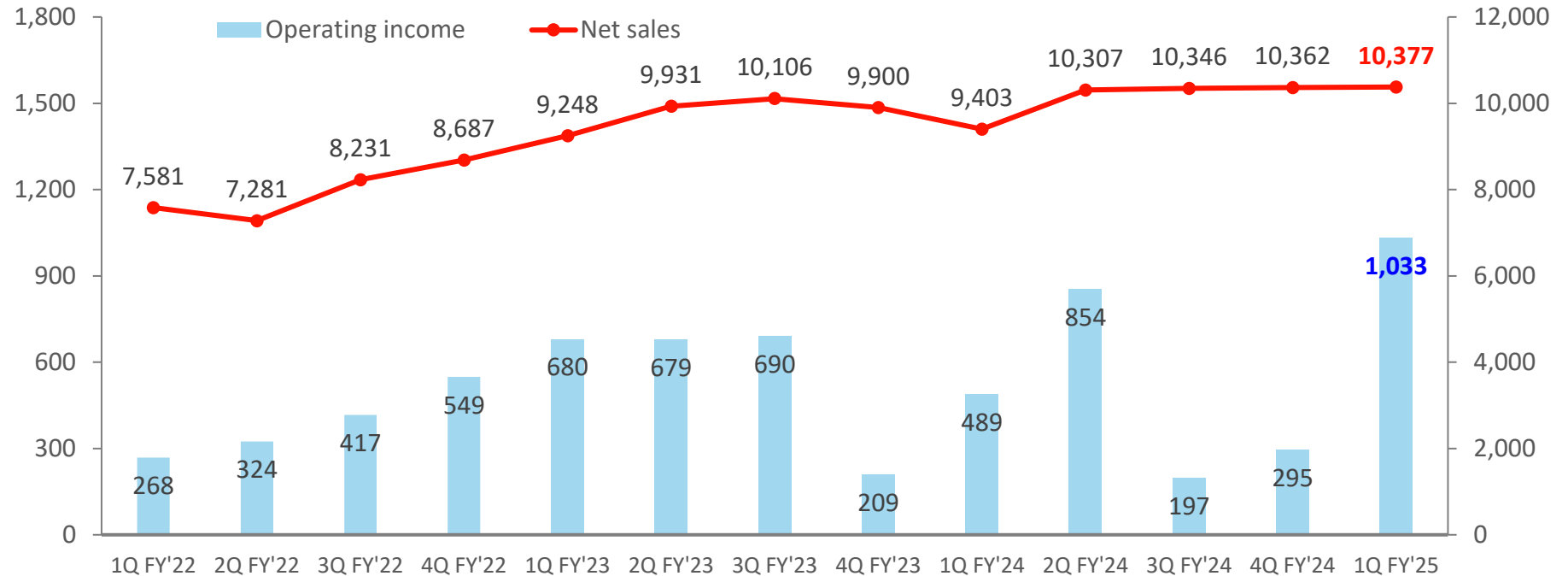
(Millions of yen)	March 31, 2024	June 30, 2024	Change
Current assets	25,196	25,838	+642
Cash and deposits	4,080	4,857	+776
Notes and accounts receivable–trade	8,374	8,435	+61
Inventories	12,304	11,933	(371)
Other current assets	437	612	+175
Noncurrent assets	14,766	15,378	+612
Property, plant and equipment	9,029	9,381	+351
Intangible assets	463	462	(1)
Investment securities	5,272	5,534	+262
Total assets	39,962	41,216	+1,254

(Millions of yen)	March 31, 2024	June 30, 2024	Change
Current liabilities	11,072	11,431	+358
Notes and accounts payable–trade	2,695	2,963	+267
Short-term loans payable	5,369	5,175	(193)
Other current liabilities	3,007	3,292	+284
Noncurrent liabilities	6,619	6,263	(356)
Long-term loans payable	4,428	3,904	(524)
Other noncurrent liabilities	2,191	2,358	+167
Total liabilities	17,692	17,694	+1
Total net assets	22,269	23,522	+1,252
Total liabilities and net assets	39,962	41,216	+1,254

(Reference materials) Trend in quarterly consolidated performance

Operating income
(Millions of yen)

Net sales
(Millions of yen)



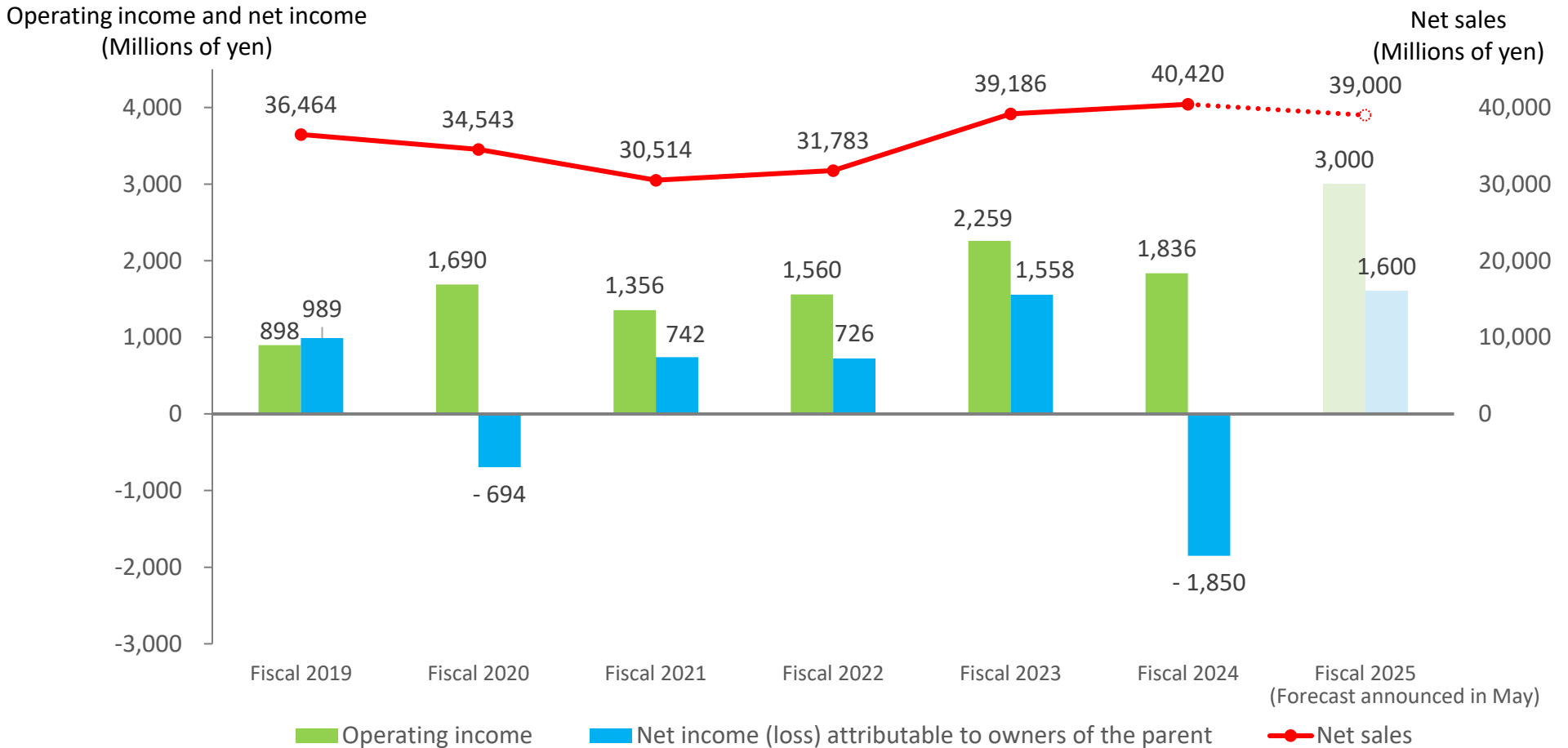
Fiscal Year Ended March 31, 2022

Fiscal Year Ended March 31, 2023

Fiscal Year Ended March 31, 2024

Fiscal Year
Ending March
31, 2025

(Reference materials) Trend in consolidated performance



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. Thank you for your understanding.

Nitta Gelatin Inc.

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