



May 15, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(Japanese Accounting Standards)

Name of the Listed Company: **Nitta Gelatin Inc.**
 Listing: Standard Market of Tokyo Stock Exchange
 Stock code: 4977
 URL: <http://www.nitta-gelatin.co.jp>
 Representative: Koichi Ogata, Representative Director and President
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Scheduled date of General Shareholders' Meeting: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Supplementary explanatory materials prepared: Yes
 Explanatory meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income (loss) attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	40,420	3.1	1,836	(18.7)	2,382	5.9	(1,850)	—
March 31, 2023	39,186	23.3	2,259	44.8	2,248	29.7	1,558	114.4

Note: Comprehensive income

For the fiscal year ended March 31, 2024 ¥377 million (−80.9%)

For the fiscal year ended March 31, 2023 ¥1,979 million (1.9%)

	Earnings (loss) per share	Diluted earnings per share	Return on equity (ROE)	Ordinary income / Total assets	Operating income / Net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	(101.98)	—	(9.9)	5.8	4.5
March 31, 2023	85.98	—	8.4	5.7	5.8

Reference: Equity in earnings of affiliates

For the fiscal year ended March 31, 2024 −¥51 million

For the fiscal year ended March 31, 2023 −¥83 million

Note: Diluted earnings per share is not disclosed due to the absence of latent shares with dilution effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	39,962	22,269	45.5	1,001.56
March 31, 2023	41,614	22,256	45.9	1,053.16

Reference: Equity

As of March 31, 2024: ¥18,188 million

As of March 31, 2023: ¥19,097 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	4,911	(3,022)	(1,610)	3,297
March 31, 2023	(540)	(1,498)	1,824	2,846

2. Cash dividends

	Cash dividends per share					Total amount of dividends	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	7.00	—	9.00	16.00	290	18.6	1.6
Fiscal year ended March 31, 2024	—	8.00	—	8.00	16.00	290	—	1.6
Fiscal year ending March 31, 2025 (Forecasts)	—	9.00	—	9.00	18.00		20.4	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	19,500	(1.1)	1,500	11.6	1,500	(13.8)	800	15.8	44.05
Fiscal year ending March 31, 2025	39,000	(3.5)	3,000	63.3	3,000	25.9	1,600	—	88.11

Notes:

- Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
New: None
Excluded: None
- Changes in accounting policies, changes in accounting estimates, and restatement of revisions
 - Changes in accounting policies due to revisions to accounting standards and other guidelines: None
 - Changes in accounting policies due to reasons other than a. above: None
 - Changes in accounting estimates: None
 - Restatement of revisions: None

(3) Number of common shares issued

a. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2024: 18,373,974 shares

As of March 31, 2023: 18,373,974 shares

b. Number of shares of treasury stock at the end of the period

As of March 31, 2024: 213,988 shares

As of March 31, 2023: 240,939 shares

c. Average number of shares

For the fiscal year ended March 31, 2024: 18,150,278 shares

For the fiscal year ended March 31, 2023: 18,122,343 shares

(Reference) Summary of non-consolidated operating results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income (loss)	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	24,846	9.6	907	201.8	1,968	133.2	(2,408)	—
March 31, 2023	22,676	12.8	300	83.3	843	15.6	761	67.9

	Earnings (loss) per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	(132.69)	—
March 31, 2023	42.02	—

Note: Diluted earnings per share is not disclosed due to the absence of latent shares with dilution effect.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	25,432	11,316	44.5	623.16
March 31, 2023	28,608	13,758	48.1	758.73

Reference: Equity

As of March 31, 2024: ¥11,316 million

As of March 31, 2023: ¥13,758 million

* This financial report is not subject to audits by Certified Public Accountants or the independent auditor.

* Proper use of earnings forecasts, and other special matters

(Note concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors. For details on the conditions assumed and the cautionary notes and items in the financial forecasts, please refer to “(4) Outlook” under “1. Overview of Business Results” on page 5 of the Attachment to this report.

(Method for obtaining supplementary financial results explanatory materials)

Supplementary financial results explanatory materials are disclosed on TDnet on the same day and posted to the Company’s website.

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1. Overview of Business Results

(1) Operating Results for the fiscal year ended March 31, 2024

During the fiscal year under review (April 1, 2023 to March 31, 2024), Japan's economy continued a moderate recovery, as the situation steadily normalized following the lifting of various COVID-19 pandemic related restrictions and in-bound tourism demand also grew. On the other hand, the environment surrounding the Group remains uncertain because the recovery in personal consumption has come to a standstill due to inflation caused by surging energy and raw material prices, along with the slowdown in the global economy caused by monetary tightening of countries and the impacts of exchange rate volatility and logistics delays.

Under this situation, the Group worked to expand sales in the Food Solutions, Health Support, and Specialties domains, and continued to take steps to revise product prices as appropriate in response to rising raw material prices, all in an effort to achieve its long-term vision of "Helping to improve people's quality of life with collagen." Additionally, as noted in the Company's news release dated January 25, 2024, "Notice Regarding Discontinuation of Production at a Consolidated Subsidiary," a decision was made to close the plant of Nitta Gelatin USA, Inc. 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. Furthermore, as noted in the Company's news release announced today, "Temporary Suspension of Production Facility Operations at Consolidated Subsidiary in India (Progress of Previously Disclosed Matter)," Bamni Proteins Ltd., a consolidated subsidiary of the Company, was ordered by the Maharashtra State Pollution Control Board to temporarily suspend operation of its production facilities.

As a result of the above, net sales increased 3.1% year on year to ¥40,420 million. Operating income decreased 18.7% to ¥1,836 million mainly due to deterioration in productivity at Nitta Gelatin USA, while ordinary income increased 5.9% to ¥2,382 million. In addition, due to the recording of impairment losses by Nitta Gelatin USA and Bamni Proteins Ltd., net loss attributable to owners of the parent was ¥1,850 million, compared to net income attributable to owners of parent of ¥1,558 million in the previous fiscal year.

The Nitta Gelatin Group's collagen business is the Company's only reporting segment. An overview of the performance of each sales category is as follows:

Food Solutions

In the food solutions category, sales in Japan remained robust, and progress was made with revising product prices as appropriate, leading to an increase in net sales overall.

In Japan, customers' sales of gummy candies remained positive, leading to increased net sales. Additionally, sales for ready-to-eat meals for convenience stores and for yogurt, etc., were strong, and efforts to expand the sales of new small-portion products for professional use proved successful, which resulted in higher net sales.

Overseas, net sales declined due to lower sales for food applications resulting from inflation and tougher price competition, despite firm demand for gummy candies in North America.

As a result, overall sales in the food solutions category increased 5.7% year on year to ¥16,253 million.

Health Support

In the health support category, overall net sales rose amid the increase in sales of gelatin for capsules and price revisions.

In Japan, net sales of collagen peptide for beauty applications were down due to sluggish sales of collagen products by customers, but net sales of gelatin for capsules increased.

Overseas, sales of gelatin for capsules grew in North America, but demand for collagen peptides weakened, resulting in decreased net sales. Asian markets were weak due to inflation and tougher price competition, so sales of collagen peptide for beauty applications declined. However, sales of gelatin for capsules and collagen peptides remained strong in India, resulting in an increase in net sales.

As a result, overall sales in the health support category increased 4.5% year on year to ¥19,652 million.

Specialties

In the specialties category, net sales decreased by 10.0% year on year to ¥4,514 million amid decreased sales of calcium phosphate for feed and fertilizer applications resulting from lower market prices, despite a continuation of strong sales of gelatin for photography applications in Japan and overseas.

(2) Financial Position

(Assets)

Total assets amounted to ¥39,962 million at March 31, 2024, ¥1,652 million lower than at March 31, 2023. This was mainly attributable to decreases in inventories of ¥678 million and in property, plant and equipment of ¥2,089 million, despite an increase in cash and deposits of ¥1,223 million.

(Liabilities)

Total liabilities amounted to ¥17,692 million at March 31, 2024, ¥1,665 million lower than at March 31, 2023. This was mainly attributable to decreases in short-term loans payable of ¥917 million, in accounts payable-other of ¥866 million, and in net defined benefit liability of ¥175 million, despite an increase in deferred tax liabilities of ¥277 million.

(Net assets)

Net assets amounted to ¥22,269 million at March 31, 2024, ¥12 million higher than at March 31, 2023. This was mainly attributable to a decrease of ¥2,159 million in retained earnings, compared to increases in valuation difference on other available-for-sale securities of ¥272 million, in foreign currency translation adjustment of ¥608 million, in remeasurements of defined benefit plans of ¥365 million, and in non-controlling interests of ¥921 million.

As a result, the equity ratio stood at 45.5% at March 31, 2024 compared with 45.9% at March 31, 2023.

(3) Cash Flows

Cash and cash equivalents (“cash”) as of March 31, 2024 was ¥3,297 million, up ¥450 million from March 31, 2023.

Cash flows for each activity and reasons are as follows.

(Cash flows from operating activities)

Operating activities provided net cash of ¥4,911 million. The main components were impairment losses of ¥2,210 million, depreciation and amortization of ¥1,663 million, and a net decrease in inventories of ¥1,253 million.

(Cash flows from investing activities)

Investing activities used net cash of ¥3,022 million. The main components were ¥2,170 million in purchase of property, plant and equipment and payments into time deposits of ¥756 million.

(Cash flows from financing activities)

Financing activities used net cash of ¥1,610 million. The main components were proceeds from long-term loans payable of ¥2,500 million, repayment of long-term loans payable of ¥2,480 million, net decrease in short-term loans payable of ¥1,108 million, and cash dividends paid of ¥308 million.

Trends in the Group’s cash flow indicators are presented below.

(Reference)

Trends in cash flow indicators:

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	46.7	48.1	48.3	45.9	45.5
Market value equity ratio (%)	32.4	34.7	32.3	37.6	32.6
Interest-bearing debt to cash flow ratio (Years)	4.1	2.4	8.0	—	2.0
Interest coverage ratio (Times)	10.4	31.7	10.7	—	24.1

Equity ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / paid interest

Notes: 1. All indicators are calculated using consolidated financial figures.

2. Market capitalization is calculated based on the number of issued shares, excluding treasury stock, as of the end of the fiscal year.

3. The figure used for cash flow is “net cash provided by operating activities” on the consolidated statements of cash flows.

4. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which interest was paid. In addition, for interest payments, the interest payment amount in the consolidated statements of cash flows is used.
5. The interest-bearing debt to cash flow ratio and interest coverage ratio for the fiscal year ended March 31, 2023 are not presented because operating cash flows were negative.

(4) Outlook

(Outlook for Business Performance in the Fiscal Year Ending March 31, 2025)

Although the COVID-19 pandemic has ended, the business environment surrounding the Group is expected to remain uncertain and severe, due to rising raw material prices and various other costs, heightened geopolitical risks, worldwide inflation, and the impacts of exchange rate volatility.

Under these circumstances, the Group will launch a new Medium-Term Management Plan (fiscal 2025 to fiscal 2027) from fiscal 2025. Based on our long-term vision of “Helping to improve people's quality of life with collagen,” the Company will drastically strengthen its profitability and cash generation capabilities in order to transform into a highly profitable company and achieve sustainable growth.

In addition, the Company has provided an overview of its business by sales category (Food Solutions, Health Support, and Specialties), but in order to achieve faster paced performance management, the Company will change its policy to disclose information by product category (gelatin business, collagen peptides business, food ingredients business, and biomedical business) from fiscal 2025.

In the gelatin business, the Company aims to expand sales mainly for gummy candies, soups and seasonings, and convenience store's ready-to-eat meals, which are seeing strong sales in Japan. In North America, the Company will focus on capturing strong demand for gummy candies and for capsules, sales of which are trending strongly. In India, the Company will continue to expand sales of gelatin for capsules. Additionally, the Company aims to improve profitability by endeavoring to revise selling prices as appropriate in accordance with raw material prices and market trends.

In the collagen peptides business, the Company will strengthen cooperation with local distributors, mainly in the growing market of Asia, to further penetrate the Group's "Wellnex" brand of functional collagen peptide. Also, the Company will increase production capacity of collagen peptides in India, where cost competitiveness is high. In Japan, the Company aims to expand sales in the growing market for protein supplements and work on the development of next-generation high-performance products.

In the food ingredients business, the Company will promote product development and sales strategies that meet the needs of customers in the confectionery, dessert, professional-use, and delicatessen markets.

In the biomedical business, the Company will utilize the new R&D and manufacturing building called Mirai-can for the sales expansion of medical-use collagen and gelatin in Japan and China, build a stable production system for the future, and develop technologies and products that will be growth drivers for the entire company.

In addition to these initiatives, the Company will rebuild its business foundation to stabilize earnings and achieve sustainable growth, such as by strengthening cash generation capabilities by optimizing inventory levels and promoting business process reforms centered on the introduction of ERP.

Furthermore, we expect a significant improvement in profitability in fiscal 2025 due to the suspension of production operations at Nitta Gelatin USA Inc. in North America, where productivity has deteriorated significantly, as of January 2024, and extensive cost controls to be implemented throughout the Group. On the other hand, the timing of the resumption of production at Bamni Proteins Ltd. is not known at this time, and it is assumed that costs associated with sourcing alternative production will increase during the period until production resumes. The impact on the Company's financial results has been incorporated into the consolidated financial results forecast for the fiscal year ending March 31, 2025.

Based on the above, the forecast for consolidated financial results for the next fiscal year calls for net sales of ¥39,000 million, operating income of ¥3,000 million, ordinary income of ¥3,000 million, and net income attributable to owners of parent of ¥1,600 million.

2. Basic Approach to Selection of Accounting Standard

The Nitta Gelatin Group plans to prepare its consolidated financial statements based on Japanese accounting standards in the near future. This is in consideration of the need to ensure that the consolidated financial statements can be readily compared between different periods and different companies.

Looking ahead, considering its management policies and various conditions in Japan and abroad, Nitta Gelatin plans to examine the adoption of International Financial Reporting Standards (IFRS). In doing so, the Group will take into account trends such as the adoption of IFRS by its peer companies.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	2,856	4,080
Notes and accounts receivable–trade	8,741	8,374
Merchandise and finished goods	6,910	7,155
Work in process	1,487	1,784
Raw materials and supplies	4,584	3,364
Other	801	444
Allowance for doubtful accounts	(6)	(7)
Total current assets	25,376	25,196
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,654	12,412
Accumulated depreciation	(6,842)	(8,549)
Buildings and structures, net	4,812	3,862
Machinery, equipment and vehicles	16,467	18,139
Accumulated depreciation	(13,726)	(16,259)
Machinery, equipment and vehicles, net	2,740	1,879
Land	2,155	1,889
Lease assets	1,188	1,002
Accumulated depreciation	(559)	(470)
Lease assets, net	629	532
Construction in process	361	528
Other	1,780	1,880
Accumulated depreciation	(1,360)	(1,543)
Other, net	419	337
Total property, plant and equipment	11,119	9,029
Intangible assets		
Goodwill	196	157
Other	308	306
Total intangible assets	504	463
Investments and other assets		
Investment securities	2,730	3,131
Long-term loans receivable	2	2
Deferred tax assets	532	133
Net defined benefit asset	904	1,362
Other	571	786
Allowance for doubtful accounts	(127)	(143)
Total investments and other assets	4,614	5,272
Total noncurrent assets	16,238	14,766
Total assets	41,614	39,962

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	2,818	2,695
Short-term loans payable	3,905	2,988
Current portion of long-term loans payable	2,084	2,148
Lease obligations	246	232
Accounts payable-other	2,536	1,670
Income taxes payable	241	292
Provision for bonuses	256	211
Other	621	833
Total current liabilities	12,711	11,072
Noncurrent liabilities		
Long-term loans payable	4,118	4,078
Lease obligations	439	350
Deferred tax liabilities	486	763
Net defined benefit liability	1,586	1,410
Other	17	17
Total noncurrent liabilities	6,646	6,619
Total liabilities	19,358	17,692
Net Assets		
Shareholders' equity		
Capital stock	3,144	3,144
Capital surplus	2,964	2,966
Retained earnings	11,486	9,326
Treasury stock	(160)	(143)
Total shareholders' equity	17,434	15,295
Accumulated other comprehensive income		
Valuation difference on other available-for-sale	842	1,114
Deferred gains on hedges	(3)	(19)
Foreign currency translation adjustments	841	1,450
Remeasurements of defined benefit plans	(17)	347
Total accumulated other comprehensive income	1,662	2,893
Non-controlling interests	3,159	4,081
Total net assets	22,256	22,269
Total liabilities and net assets	41,614	39,962

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal 2023 (From April 1, 2022 to March 31, 2023)	Fiscal 2024 (From April 1, 2023 to March 31, 2024)
Net sales	39,186	40,420
Cost of sales	30,286	32,131
Gross profit on sales	8,900	8,289
Selling, general and administrative expenses	6,640	6,452
Operating income	2,259	1,836
Non-operating income		
Interest income	7	48
Dividend income	59	49
Rental income	58	60
Outsourcing service income	25	25
Foreign exchange gains	96	537
Other	33	79
Total non-operating income	281	802
Non-operating expenses		
Interest expenses	171	190
Equity in losses of affiliates	83	51
Commission paid	29	9
Other	6	5
Total non-operating expenses	292	257
Ordinary income	2,248	2,382
Extraordinary gains		
Gain on sales of noncurrent assets	0	0
Gain on sale of investment securities	616	—
Gain on donation of noncurrent assets	—	2
Subsidy income	6	—
Compensation for expropriation	49	—
Total extraordinary gains	673	3
Extraordinary losses		
Loss on sale of noncurrent assets	14	10
Loss on retirement of noncurrent assets	7	33
Loss on tax purpose reduction entry of non-current assets	6	2
Expenses related to relocation	61	—
Loss on business liquidation	—	118
Losses associated with suspension of production	—	59
Impairment loss	31	2,210
Total extraordinary losses	121	2,435
Income (loss) before provision for income taxes	2,801	(50)
Income taxes	730	686
Income taxes-deferred	(187)	426
Total income taxes	542	1,112
Net income (loss)	2,259	(1,163)
Net income attributable to non-controlling interests	701	687
Net income (loss) attributable to owners of the parent	1,558	(1,850)

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Fiscal 2023 (From April 1, 2022 to March 31, 2023)	Fiscal 2024 (From April 1, 2023 to March 31, 2024)
Net income (loss)	2,259	(1,163)
Other comprehensive income		
Valuation difference on other available-for-sale securities	(388)	273
Deferred gains on hedges	(51)	(15)
Foreign currency translation adjustments	277	868
Pension liability adjustment	(168)	361
Share of other comprehensive losses of associates accounted for using equity method	50	52
Total other comprehensive income	(280)	1,540
Comprehensive income	1,979	377
Comprehensive income (loss) attributable to:		
Owners of the parent	1,250	(620)
Non-controlling interests	728	997

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of fiscal year	3,144	2,965	10,181	(179)	16,112
Changes during the fiscal year					
Dividends from surplus			(253)		(253)
Net income attributable to owners of the parent			1,558		1,558
Disposal of treasury stock		(1)		18	17
Net changes of items other than shareholders' equity					—
Total changes during fiscal year	—	(1)	1,304	18	1,321
Balance at the end of fiscal year	3,144	2,964	11,486	(160)	17,434

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on other available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of fiscal year	1,231	46	540	151	1,969	2,479	20,562
Changes during the fiscal year							
Dividends from surplus					—		(253)
Net income attributable to owners of the parent					—		1,558
Disposal of treasury stock					—		17
Net changes of items other than shareholders' equity	(388)	(50)	301	(169)	(307)	680	372
Total changes during fiscal year	(388)	(50)	301	(169)	(307)	680	1,694
Balance at the end of fiscal year	842	(3)	841	(17)	1,662	3,159	22,256

Fiscal 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of fiscal year	3,144	2,964	11,486	(160)	17,434
Changes during the fiscal year					
Dividends from surplus			(308)		(308)
Net loss attributable to owners of the parent			(1,850)		(1,850)
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		2		20	23
Net changes of items other than shareholders' equity					—
Total changes during fiscal year	—	2	(2,159)	17	(2,139)
Balance at the end of fiscal year	3,144	2,966	9,326	(143)	15,295

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on other available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of fiscal year	842	(3)	841	(17)	1,662	3,159	22,256
Changes during the fiscal year							
Dividends from surplus					—		(308)
Net loss attributable to owners of the parent					—		(1,850)
Purchase of treasury stock					—		(3)
Disposal of treasury stock					—		23
Net changes of items other than shareholders' equity	272	(15)	608	365	1,230	921	2,152
Total changes during fiscal year	272	(15)	608	365	1,230	921	12
Balance at the end of fiscal year	1,114	(19)	1,450	347	2,893	4,081	22,269

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2023 (From April 1, 2022 to March 31, 2023)	Fiscal 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Income (loss) before provision for income taxes	2,801	(50)
Depreciation and amortization	1,572	1,663
Amortization of goodwill	58	62
Increase (decrease) in allowance for doubtful accounts	(11)	(0)
Increase (decrease) in provision for bonuses	26	(56)
Increase (decrease) in net defined benefit liability	(96)	(102)
Interest and dividends income	(66)	(98)
Interest expenses	171	190
Foreign exchange losses (gains)	(21)	(295)
Equity in losses of affiliates	83	51
Loss (gain) on sales of property, plant and equipment	13	9
Loss on retirement of noncurrent assets	7	33
Compensation for expropriation	(49)	—
Expenses related to relocation	61	—
Impairment loss	31	2,210
Loss (gain) on sales of investment securities	(616)	(0)
Loss on tax purpose reduction entry of non-current assets	6	2
Subsidy income	(6)	—
Gain on donation of noncurrent assets	—	(2)
Loss on business liquidation	—	118
Losses associated with suspension of production	—	59
Decrease (increase) in notes and accounts receivable-trade	(1,190)	869
Decrease (increase) in inventories	(2,269)	1,253
Increase (decrease) in notes and accounts payable-trade	(206)	(469)
Increase (decrease) in accrued consumption taxes	(283)	401
Other	129	(47)
Subtotal	145	5,802
Interest and dividends income received	66	97
Interest paid	(158)	(203)
Proceeds from compensation for expropriation	50	—
Expenses related to relocation paid	(61)	—
Income taxes paid	(581)	(785)
Net cash provided by (used in) operating activities	(540)	4,911
Cash flows from investing activities		
Payments into time deposits	(10)	(756)
Proceeds from withdrawal of time deposits	15	7
Proceeds from the sale of property, plant and equipment	0	4
Purchase of property, plant and equipment	(2,077)	(2,170)
Purchase of intangible assets	(82)	(99)
Proceeds from the sale of investment securities	663	0
Purchase of investment securities	(8)	(9)
Other	(0)	0
Net cash used in investing activities	(1,498)	(3,022)

(Millions of yen)

	Fiscal 2023 (From April 1, 2022 to March 31, 2023)	Fiscal 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,531	(1,108)
Proceeds from long-term loans payable	2,819	2,500
Repayment of long-term loans payable	(2,118)	(2,480)
Proceeds from sale-and-leaseback transactions	143	125
Repayments of lease obligations	(250)	(259)
Cash dividends paid	(253)	(308)
Purchase of treasury stock	—	(3)
Cash dividends paid to non-controlling interests	(48)	(75)
Net cash provided by (used in) financing activities	1,824	(1,610)
Effect of exchange rate change on cash and cash equivalents	30	172
Net increase (decrease) in cash and cash equivalents	(184)	450
Cash and cash equivalents at beginning of period	3,030	2,846
Cash and cash equivalents at end of period	2,846	3,297

(5) Notes to Consolidated Financial Statements

(Note Concerning Going Concern Assumption)

None

(Note Concerning Significant Changes in Shareholders' Equity)

The Company disposed of 31,200 shares of treasury stock effective August 4, 2023 as restricted share-based remuneration based on a resolution at the Board of Directors meeting held on July 20, 2023. In addition, in the fiscal year ended March 31, 2024, the Company acquired 4,200 restricted shares. As a result, capital surplus increased by ¥2 million and treasury stock decreased by ¥17 million in the fiscal year ended March 31, 2024. Capital surplus totaled ¥2,966 million and treasury stock ¥143 million as of March 31, 2024.

(Additional Information)

Bamni Proteins Ltd., a consolidated subsidiary of Nitta Gelatin, received an order from the Maharashtra State Pollution Control Board on March 13, 2024 to cease production and suspending operations of its production facilities on the same day.

The scope of production ordered to be ceased is all production at Bamni Proteins Ltd., and the production cessation period is from March 13, 2024 until the relevant government authorities confirm the status of improvements in response to the findings and permit production.

Bamni Proteins Ltd. is doing its best to complete improvements to conform to the effluent regulations of the Maharashtra State Pollution Control Board and resume production as quickly as possible. Additionally, as the parent company, the Company will support Bamni Proteins Ltd. during its implementation of these improvements in response to local effluent regulations. The timing of the resumption of production is not known at this time, and it is assumed that costs associated with sourcing alternative production will increase during the period until production resumes.

(Revenue Recognition)

Information that breaks down revenue generated from customer contracts

Net sales broken down by sales category are as follows.

	(Millions of yen)	
	Fiscal 2023	Fiscal 2024
Food Solutions	15,370	16,253
Health Support	18,802	19,652
Specialties	5,013	4,514
Annual	39,186	40,420

(Segment Information)

Segment Information

Fiscal 2023 (From April 1, 2022 to March 31, 2023)

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

Fiscal 2024 (From April 1, 2023 to March 31, 2024)

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

Related information

Fiscal 2023 (From April 1, 2022 to March 31, 2023)

1. Information by products and services

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

2. Information by countries and regions

(1) Net sales

(Millions of yen)

Japan	India	Asia	U.S.	Canada	Other	Annual
17,697	5,221	3,185	9,393	3,031	658	39,186

Note: Sales are classified into countries or regions based on customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	India	Asia	U.S.	Canada	Annual
5,239	3,195	33	1,999	651	11,119

3. Information by main customer

The Company has omitted disclosure because no sales to any external customer exceeded 10% of the total net sales on the consolidated statements of income.

Fiscal 2024 (From April 1, 2023 to March 31, 2024)**1. Information by products and services**

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

2. Information by countries and regions**(1) Net sales**

(Millions of yen)

Japan	India	Asia	U.S.	Canada	Other	Annual
19,498	5,552	3,270	8,701	2,959	438	40,420

Note: Sales are classified into countries or regions based on customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	India	Asia	U.S.	Canada	Annual
4,956	3,023	54	271	724	9,029

3. Information by main customer

The Company has omitted disclosure because no sales to any external customer exceeded 10% of the total net sales on the consolidated statements of income.

Information on impairment loss on noncurrent assets by reporting segments**Fiscal 2023 (From April 1, 2022 to March 31, 2023)**

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

Fiscal 2024 (From April 1, 2023 to March 31, 2024)

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

Information on amortization of goodwill and unamortized amounts by reporting segments**Fiscal 2023 (From April 1, 2022 to March 31, 2023)**

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

Fiscal 2024 (From April 1, 2023 to March 31, 2024)

The Nitta Gelatin Group's collagen business has become the Company's only reporting segment, so information is omitted.

Information on gain on negative goodwill by reporting segments**Fiscal 2023 (From April 1, 2022 to March 31, 2023)**

None

Fiscal 2024 (From April 1, 2023 to March 31, 2024)

None

(Per Share Information)

	Fiscal 2023 (From April 1, 2022 to March 31, 2023)	Fiscal 2024 (From April 1, 2023 to March 31, 2024)
Net assets per share	¥1,053.16	¥1,001.56
Earnings (loss) per share	¥85.98	¥(101.98)

Notes: 1. Diluted earnings per share for the fiscal year ended March 31, 2023 is not disclosed due to the absence of latent shares with dilution effect.

2. Diluted earnings per share for the fiscal year ended March 31, 2024 is not disclosed due to the absence of latent shares with dilution effect because of the net loss per share.

3. The basis for calculating earnings (loss) per share data is shown below.

	Fiscal 2023 (From April 1, 2022 to March 31, 2023)	Fiscal 2024 (From April 1, 2023 to March 31, 2024)
Earnings (loss) per share		
Net income (loss) attributable to owners of the parent (Millions of yen)	1,558	(1,850)
Amounts not attributable to common shareholders (Millions of yen)	—	—
Net income (loss) attributable to ordinary equity holders of the parent (Millions of yen)	1,558	(1,850)
Average number of common shares during the period (shares)	18,122,343	18,150,278

(Subsequent Events)

None

4. Other

(1) Changes in Directors and Audit & Supervisory Board Members

1) Change in Representative Director

- Candidate for Representative Director to be newly elected
Hidenori Takemiya, Executive Officer,
Representative Director and President (currently, Director and Executive Officer)
- Representative Director scheduled to retire
Koichi Ogata, Executive Officer,
Representative Director and President

2) Other Changes in Directors and Audit & Supervisory Board Members

- Candidates for Directors to be newly elected
Akira Ando, Director and Executive Officer (currently, General Manager of Global
Production Management Dept., Manufacturing Div.)
Hisao Takahashi, Outside Director
- Candidate for an Audit & Supervisory Board Member to be newly elected
Takashi Yoshida, Outside Audit & Supervisory Board Member
- Audit & Supervisory Board Member scheduled to retire
Junko Taki, Outside Audit & Supervisory Board Member

3) Scheduled Appointment and Retirement Date

June 26, 2024

(2) Other

None