



Financial Results Briefing Material for Fiscal Year Ended March 31, 2025 and Progress of Medium-Term Management Plan

May 14, 2025

Securities code: 4977

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Financial Results Highlights

Fiscal 2025 financial results

- 1** While sales declined due to the suspension of production at NGU*, profitability improved significantly.
* Nitta Gelatin USA, Inc.
- 2** Performance in Japan was also strong, as record highs were recorded for each level of profit.
- 3** To enhance shareholder returns, the Company hiked its dividend by ¥4 from fiscal 2024 and paid out a special dividend of ¥5.

Fiscal 2026 full-year forecast

- 1** Seeking to achieve a record high in operating income for the second consecutive fiscal year, while taking into account the impacts of US tariffs.

Consolidated Statements of Income

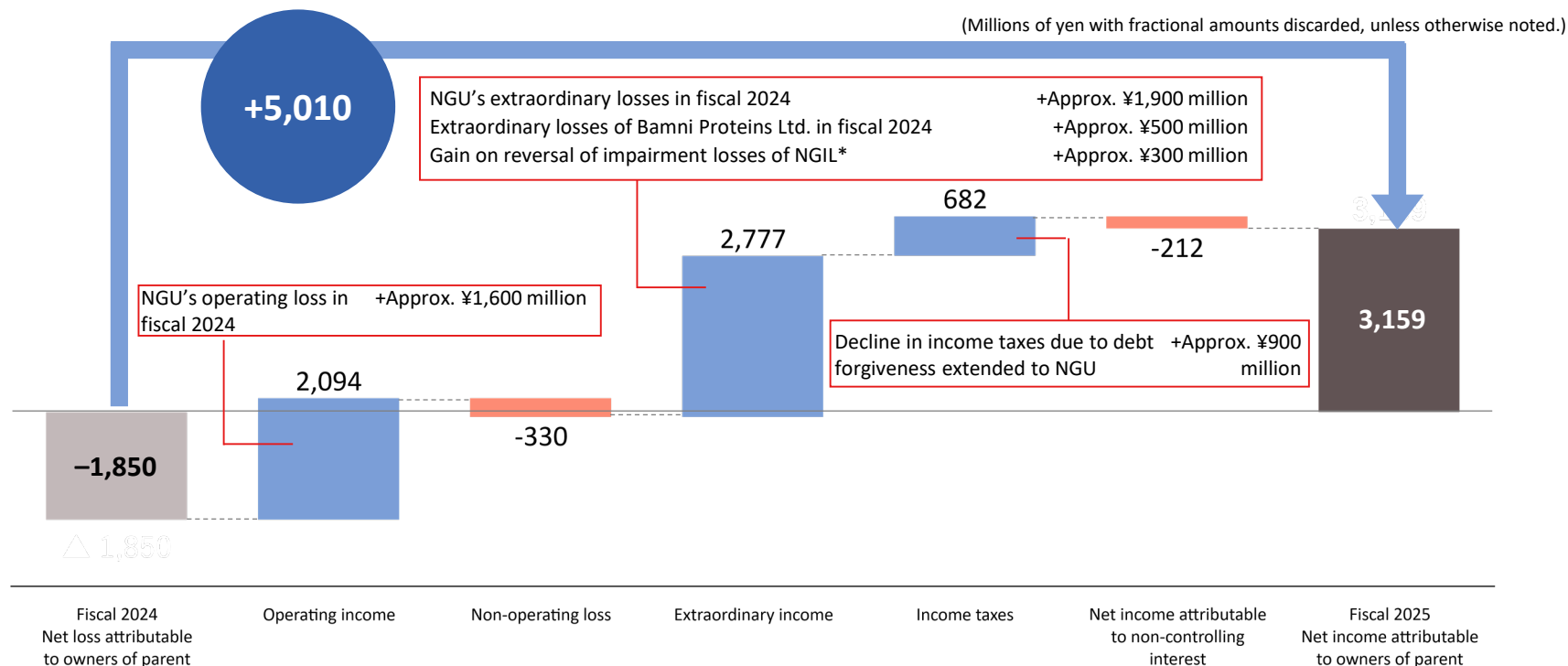
Significant profit growth fueled by improved earnings in North America and strong performance in Japan.

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

Millions of yen	Fiscal 2024	Fiscal 2025	YoY	
	Results	Results	Change	Vs.
Net sales	40,420	38,745	-1,675	-4.1%
Gross profit on sales	8,289	9,960	+1,670	+20.2%
Operating income	1,836	3,930	+2,094	+114.0%
Operating margin	4.5%	10.1%	+5.6 pts	—
Ordinary income	2,382	4,145	+1,763	+74.0%
Net income (loss) attributable to owners of the parent	(1,850)	3,159	+5,010	—

Main Factors Driving Changes in Net Income Attributable to Owners of the Parent in Fiscal 2025

The bottom line increased significantly amid the recovery from NGU-related losses in fiscal 2024 and a decline in income taxes in fiscal 2025.

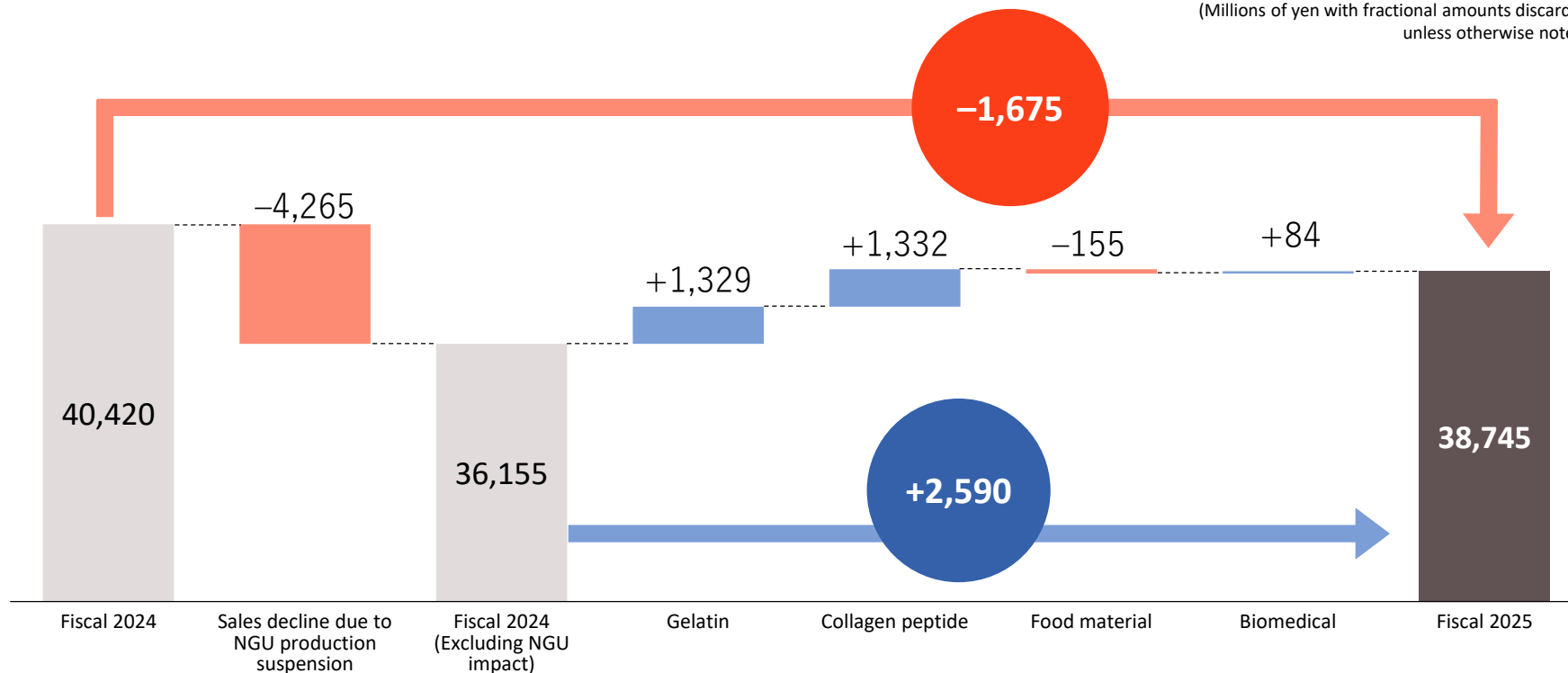


* Nitta Gelatin India Ltd.

Factors Driving Changes in Consolidated Net Sales

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

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



Sales Overview by Product Category

Fiscal 2024

Net sales

Fiscal 2025

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

Gelatin

30,686

-6.1%

(Net sales excluding
NGU impact)

27,492

+4.8%

28,821

- Sales declined overall 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 general food uses and soft capsules increased.

Collagen peptide

6,228

+4.2%

(Net sales excluding
NGU impact)

5,157

+25.8%

6,489

- 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 material

3,239

-4.8%

3,085

- Sales of gelling agents for confectionery and desserts increased.
- Sales of stabilizers for meat processing declined.

Biomedical

264

+31.8%

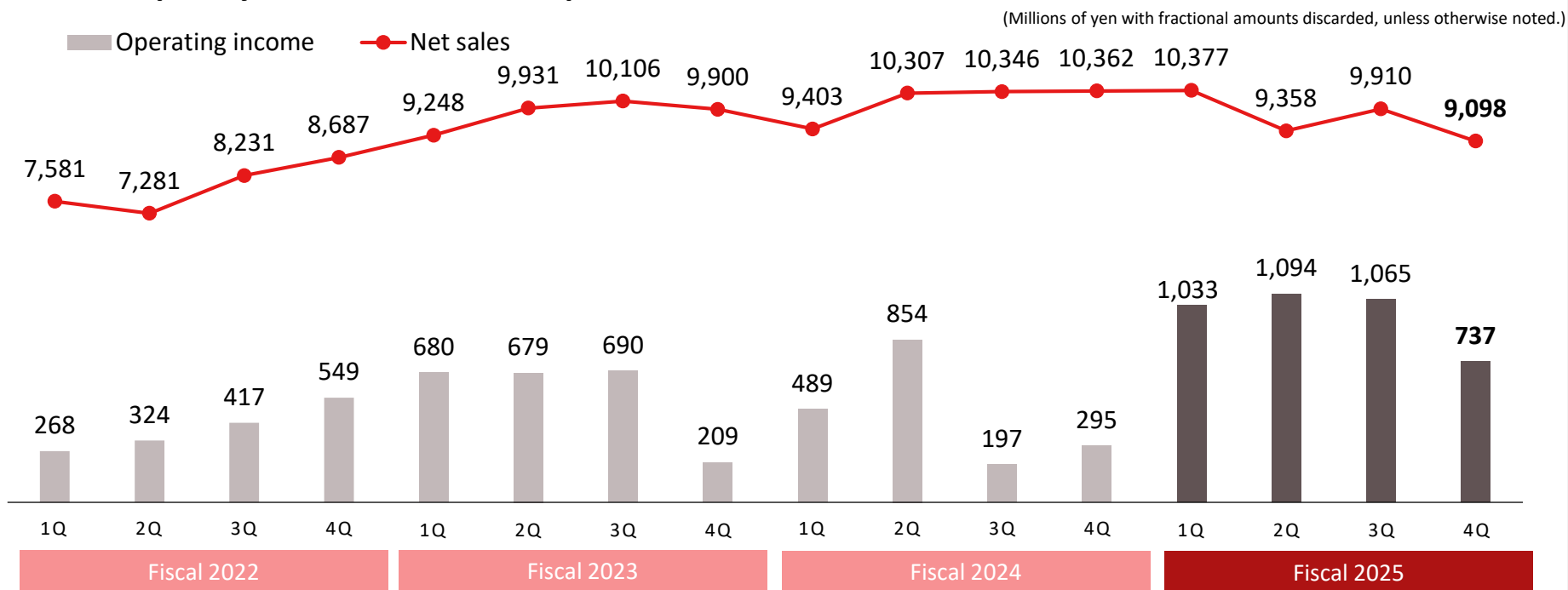
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- Sales to major domestic customers increased.
- Sales of medical gelatin to manufacturers of medical materials overseas were strong.

Trend in Quarterly Consolidated Performance

Significant profit growth in fiscal 2025 fueled by improved earnings.

Profits in 4Q decreased from the 3Q due to weaker sales resulting from a decline in market prices and a temporary increase in SG&A expenses.



Consolidated Balance Sheets

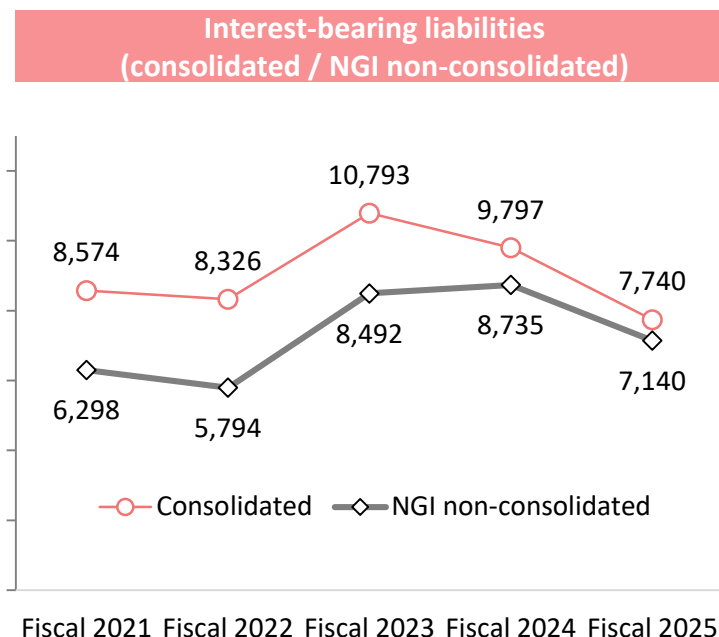
Short-term loans payable declined significantly and interest-bearing liabilities continued to decrease.

Compared to fiscal 2025 year-end and fiscal 2024 year-end

Current assets		Liabilities	
-350		-2,654	
Cash and deposits	+926	Notes and accounts payable-trade	+142
Notes and accounts receivable-trade	-359	Short-term loans payable	-2,055
Inventories	-1,025	Long-term loans payable	+26
Noncurrent assets		Net assets	
+801		+3,105	
Property, plant and equipment	+332	Shareholders' equity total	+2,850
Intangible assets	-72	Total other comprehensive income	-346
Investments and other assets	+541	Non-controlling interests	+601

Total net assets 40,413 (+451)

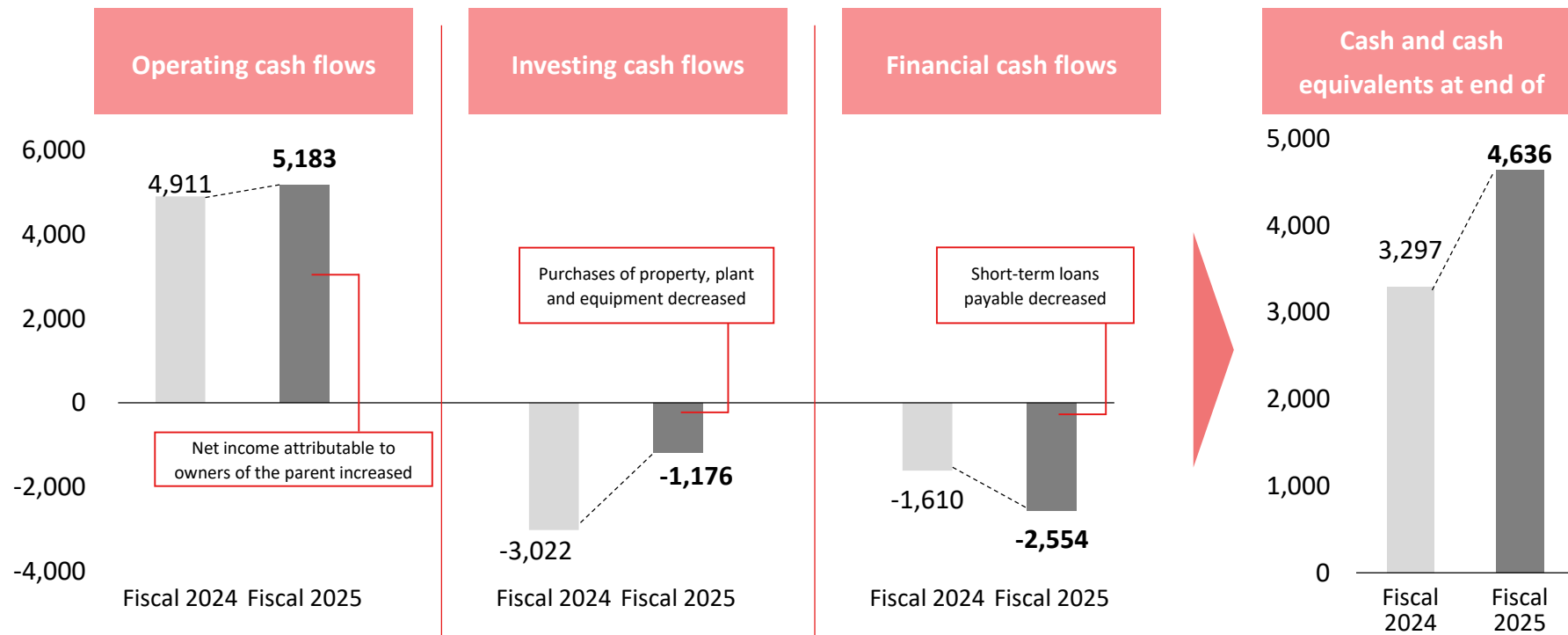
(Millions of yen with fractional amounts discarded, unless otherwise noted.)



Consolidated Statements of Cash Flows

Strong performance led to improved cash flows, while loans payable also declined

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



Forecast of Financial Results for Fiscal 2026

Aiming for record operating income after baking in the risks* posed by the impacts of US tariffs

*See page 14

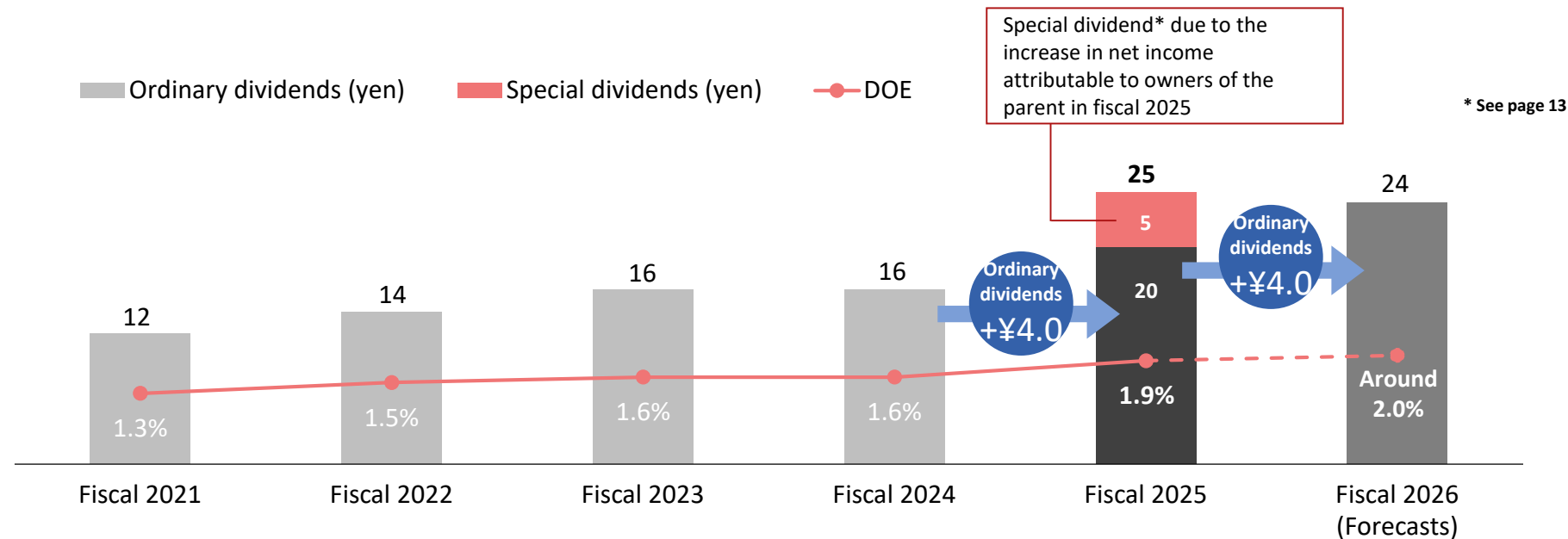
(Millions of yen with fractional amounts discarded, unless otherwise noted.)

Millions of yen	Fiscal 2025	Fiscal 2026	YoY	
	Results	Forecast of financial results	Change	Vs.
Net sales	38,745	40,000	+1,255	+3.2%
Gross profit on sales	9,960	10,600	+639	+6.4%
Operating income	3,930	4,000	+69	+1.8%
Operating margin	10.1%	10.0%	−0.1pts	—
Ordinary income	4,145	4,100	−45	−1.1%
Net income attributable to owners of the parent	3,159	2,100	−1,059	−33.5%

Cash Dividends

To enhance shareholder returns, we hiked our dividend by ¥4 from fiscal 2024 and paid out a special dividend of ¥5.

In fiscal 2026, we intend to achieve the medium-term management plan target of dividend of equity (DOE) 2.0% or higher.



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

Topics

1. Liquidation of NGU

Background to NGU's Liquidation

Timing	Details
4Q Fiscal 2024	Suspension of production at plant after worsening productivity <ul style="list-style-type: none"> ▪ Impairment losses on non-current assets (approx. ¥1,800 million) ▪ Recorded loss on liquidation of business, including extra retirement payments and costs for removal of manufacturing facilities, etc. (approx. ¥120 million)
3Q Fiscal 2025	Transfer of plant-related non-current assets <ul style="list-style-type: none"> ▪ Gain on sale of non-current assets (approx. ¥250 million) ▪ Recorded losses related to plant closures (approx. ¥250 million for full-year)
4Q Fiscal 2025	Resolution on NGU's dissolution and debt forgiveness
1Q Fiscal 2026 (June)	Completion of liquidation

Increase in net income attributable to owners of the parent following debt forgiveness

- In connection with NGU's debt forgiveness in February 2025, the provision of allowance for doubtful accounts was included as an expense for tax purposes, lowering income taxes by approximately ¥900 million* and increasing in net income attributable to owners of the parent for fiscal 2025. Of the resulting increase in cash of approximately ¥600 million, ¥100 million will be returned to shareholders in the form of a special dividend and ¥500 million will be used to repay interest-bearing liabilities.

* Income taxes - current: approx. ¥600 million and income taxes - deferred: approx. ¥300 million

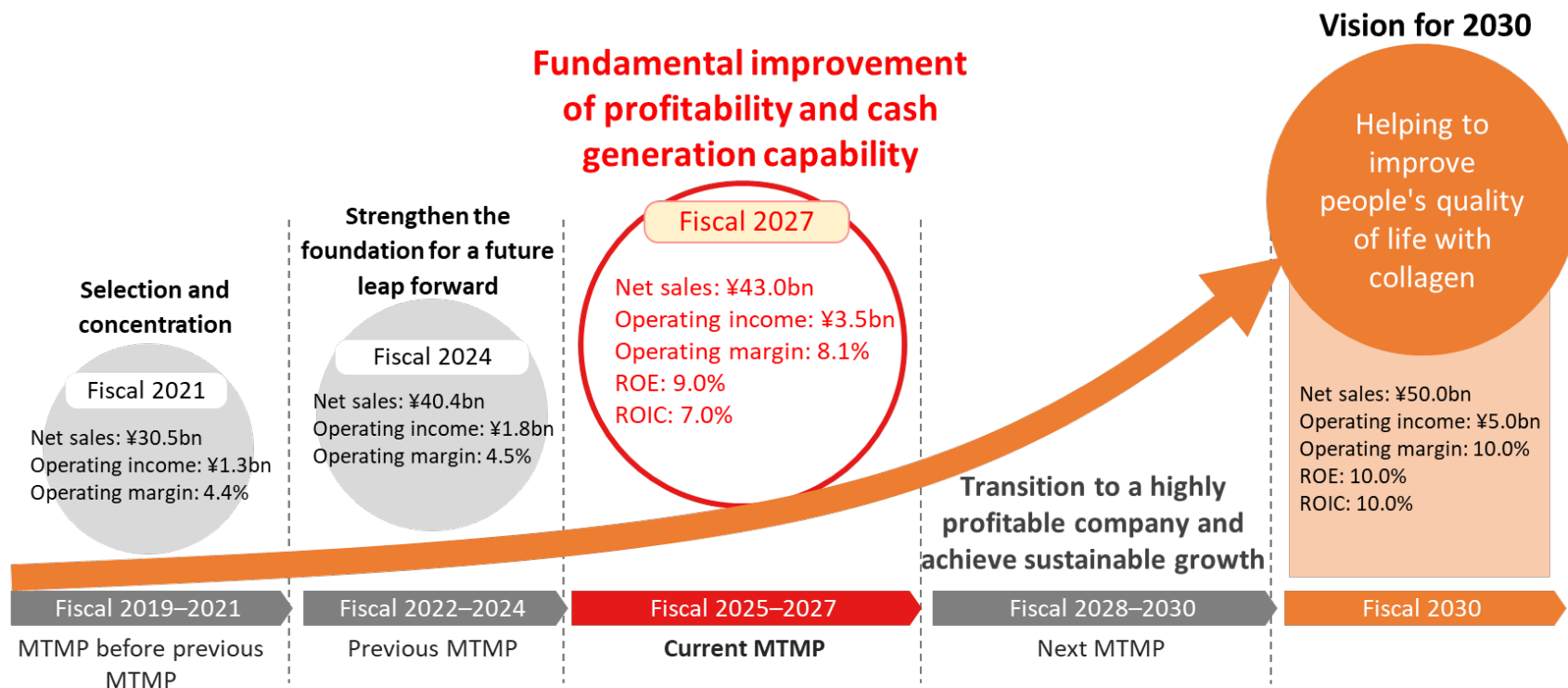
Topics

2. Impacts of US Tariffs

Anticipated impacts	<ul style="list-style-type: none"> Additional tariffs will be levied on gelatin, collagen peptides, and other products that are manufactured at the Group's bases in Japan, India, among other locations, and then exported to the United States.
Response policy	<ul style="list-style-type: none"> We will minimize the impact on business performance by essentially passing on the additional tariffs to customers in the United States in product prices. However, there is a possibility that we may not be able to pass on price increases to customers in a timely manner, or that intensified price competition may result in changes in sales volume. The forecast of financial results has already baked in the impact of the 10% additional tariffs assuming they continue until the end of March 2026.



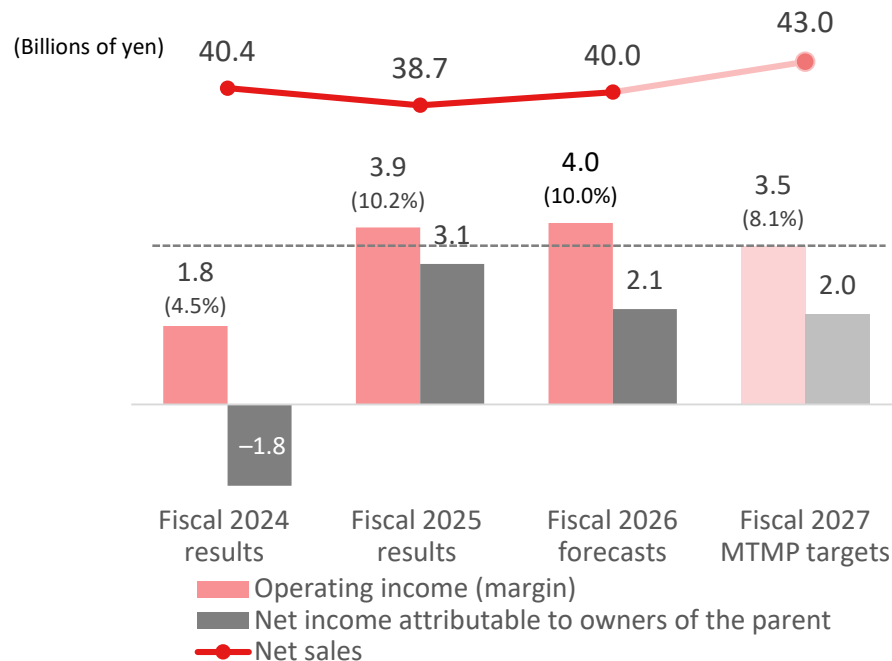
Progress of the 2024-2026 Medium-Term Management Plan



Progress Toward Achieving KPIs

Each indicator is progressing smoothly towards the targets for the final fiscal year of the current Medium-Term Management Plan.

As profit levels have exceeded targets, we are now considering revising our targets.



	Fiscal 2024	Fiscal 2025	Fiscal 2027
	Results	Results	Targets
ROE* ¹	-9.9%	16.3%	9.0%
ROIC* ²	4.4%	9.0%	7.0%
CCC* ³	5.9 months	5.3 months	5.0 months

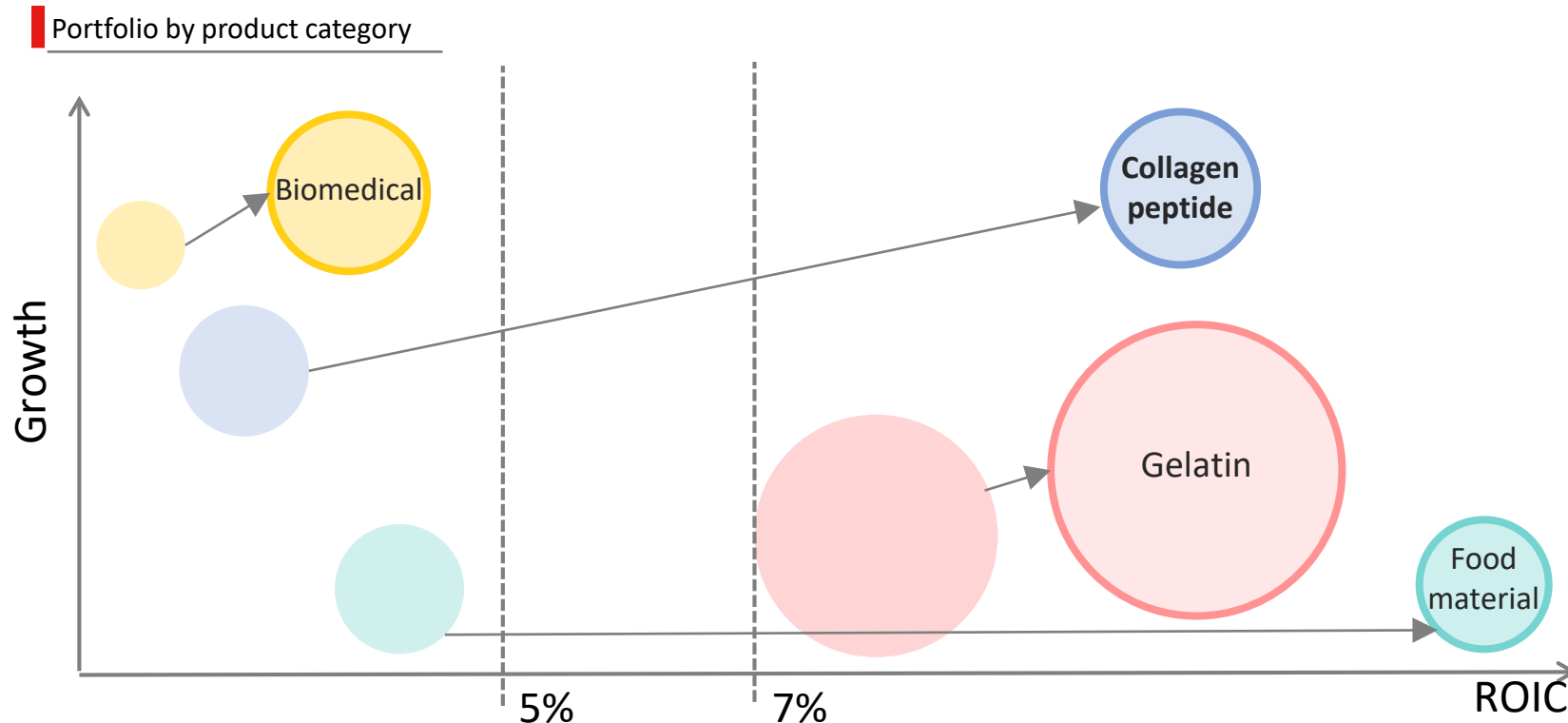
*1 Return on equity

*2 Return on invested capital

*3 Cash conversion cycle

ROIC Improvement

As a result of improved profitability, weighted average cost of capital (WACC; estimated to be around 5%) and the target of 7% were exceeded for businesses other than biomedical.



Progress of Each Theme

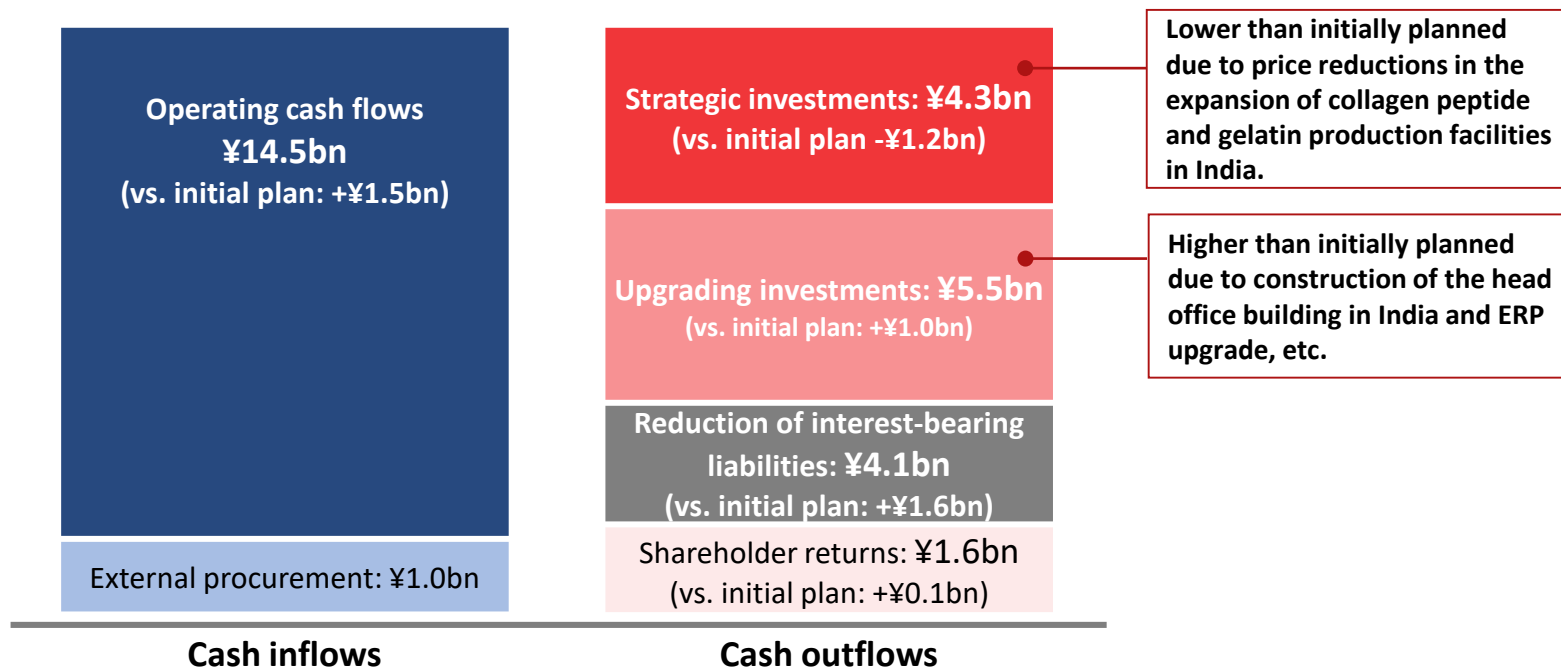
Steady progress except for sales expansion of biomedical, improvement in price-to-book (P/B) ratio, and inventory reduction.

- Steady progress
- Currently unachieved but expected to be achieved
- A possibility that the target will not be reached

	Three-year targets	Results for fiscal 2025	Progress
Fundamental improvement of profitability	Restructuring production system	<ul style="list-style-type: none"> • Making progress with plan to increase production at bases in India (operations slated to begin for collagen peptide in June 2025 and for gelatin in July 2027) • Liquidation of NGU in North America 	●
	Return the biomedical business to profitability	<ul style="list-style-type: none"> • Net sales have yet to reach the target despite progress with expanding sales overseas 	●
Financial strategy	Capital investment (strategic investments: ¥5,500 million, and upgrading investments: ¥4,500 million)	<ul style="list-style-type: none"> • Steady progress is being made with main strategic investments 	●
	Dividend policy (DOE of 2.0% or higher)	<ul style="list-style-type: none"> • Increased dividend by ¥4 from fiscal 2024 for an annual dividend of ¥20, plus a special dividend of ¥5 (DOE: equivalent to 2.3%) 	●
	Improve P/B ratio (1.0 times or higher and target share price of ¥1,100 or higher)	<ul style="list-style-type: none"> • P/B ratio was 0.72 times and share price ¥824 as of March 31, 2025 	●
	Enhance cash generation capability (CCC of 5.0 months)	<ul style="list-style-type: none"> • Inventory reduction is still in progress despite review of terms of trade with suppliers and retailers 	●
Strengthen management foundation	Restructuring business foundation	<ul style="list-style-type: none"> • Raw materials procurement: In progress in terms of diversifying suppliers and strengthening relationships with major suppliers • Enterprise resource planning (ERP): Scheduled to go live during fiscal 2026 	●
	Global governance	<ul style="list-style-type: none"> • Strengthening the supervision system for overseas subsidiaries 	●
	Enhance value of human capital	<ul style="list-style-type: none"> • Reviewing the evaluation system for the purpose of individual employee growth and sustainable development of the organization 	●

Reviewing capital allocation (three years of MTMP)

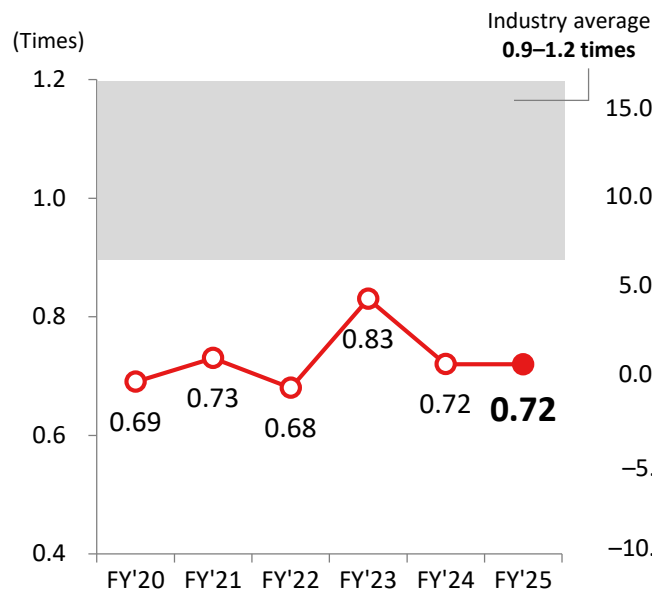
Strong performance has led to improving operating cash flows Reduction of interest-bearing liabilities is progressing smoothly



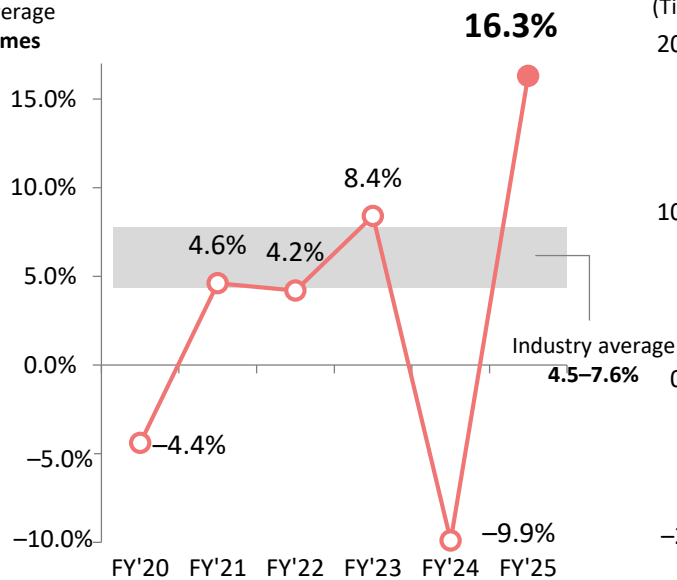
Improvement in P/B Ratio

We continue working to improve profitability, while also reducing business risks and increasing expected growth rates.

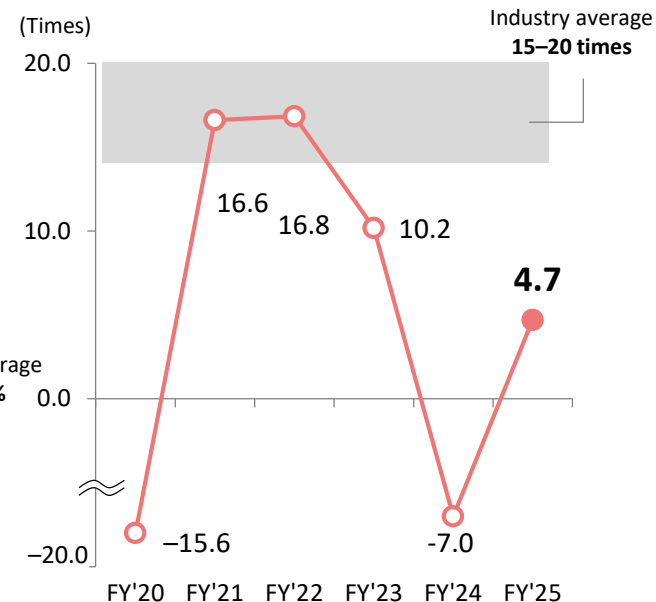
P/B ratio



ROE



Price-to-earnings (P/E) ratio



Note: Industry average indicates food and chemical sector average

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.

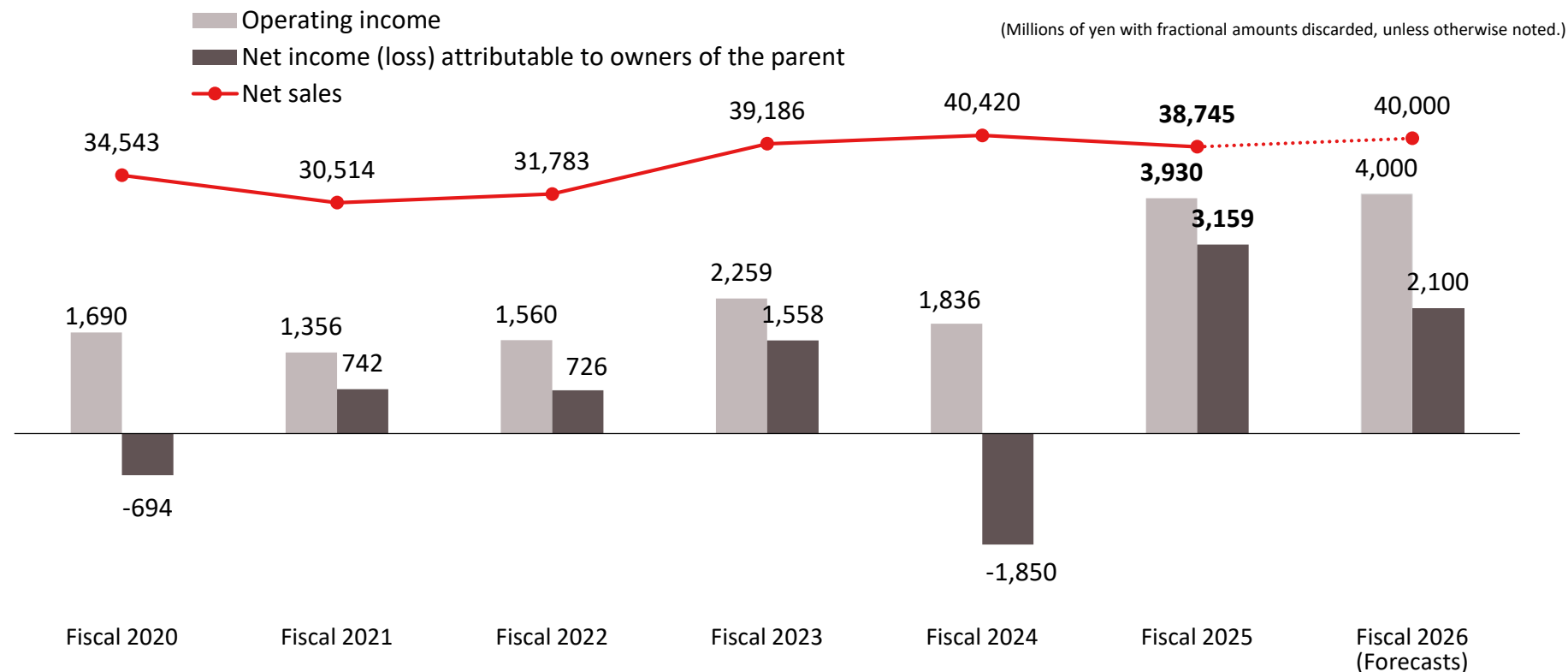
Thank you for your understanding.

Nitta Gelatin Inc.

IR/Public Relations Team, Corporate Planning Department

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

(Reference materials) Trend in consolidated performance



(Reference) Foreign exchange rates

Results for fiscal 2025 and forecast for fiscal 2026

Yen	Fiscal 2024	Fiscal 2025	YoY difference	Fiscal 2026	YoY difference
	Results	Results		(Forecasts)	
US dollars	144.40	152.47	+8.07	150.00	−2.47
Canadian dollars	106.99	109.52	+2.53	109.00	−0.52
Indian rupee	1.75	1.80	+0.05	1.75	−0.05