



May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(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: Hidenori Takemiya, Representative Director and President
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Scheduled date of General Shareholders' Meeting: June 29, 2026
 Scheduled date to file Securities Report: June 23, 2026
 Scheduled date to commence dividend payments: June 30, 2026
 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, 2026

(April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	38,048	(1.8)	4,664	18.7	4,783	15.4	3,282	3.9
March 31, 2025	38,745	(4.1)	3,930	114.0	4,145	74.0	3,159	—

Note: Comprehensive income

For the fiscal year ended March 31, 2026: ¥4,820 million (34.7%)

For the fiscal year ended March 31, 2025: ¥3,579 million (848.6%)

Fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity (ROE)	Ordinary income / Total assets	Operating income / Net sales
	Yen	Yen	%	%	%
March 31, 2026	180.54	—	14.6	11.5	12.3
March 31, 2025	173.94	—	16.3	10.3	10.1

Reference: Equity in earnings of affiliates

For the fiscal year ended March 31, 2026: -¥94 million

For the fiscal year ended March 31, 2025: -¥144 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, 2026	42,870	29,630	56.6	1,331.42
March 31, 2025	40,413	25,374	51.2	1,138.94

Reference: Equity

As of March 31, 2026: ¥24,249 million

As of March 31, 2025: ¥20,692 million

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	6,482	(5,095)	(2,393)	3,687
March 31, 2025	5,183	(1,176)	(2,554)	4,636

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, 2025	—	9.00	—	16.00	25.00	454	14.4	2.3
Fiscal year ended March 31, 2026	—	12.00	—	18.00	30.00	546	16.6	2.4
Fiscal year ending March 31, 2027 (Forecasts)	—	20.00	—	20.00	40.00		30.4	

Note: Breakdown of fiscal 2025 year-end dividends:

Ordinary dividend: ¥11.00

Special dividend: ¥5.00

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(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, 2026	21,000	13.5	2,400	3.3	2,500	4.7	1,200	(45.8)	65.89
Fiscal year ending March 31, 2027	43,000	13.0	4,700	0.8	4,800	0.3	2,400	(26.9)	131.77

Notes:

- (1) Changes to scope of consolidation during the period under review: None
New: None
Excluded: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
a. Changes in accounting policies due to revisions to accounting standards and other guidelines: None
b. Changes in accounting policies due to reasons other than a. above: None
c. Changes in accounting estimates: None
d. 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, 2026: 18,373,974 shares
As of March 31, 2025: 18,373,974 shares

b. Number of shares of treasury stock at the end of the period
As of March 31, 2026: 160,888 shares
As of March 31, 2025: 206,188 shares

c. Average number of shares
For the fiscal year ended March 31, 2026: 18,181,986 shares
For the fiscal year ended March 31, 2025: 18,164,786 shares

(Reference) Summary of non-consolidated operating results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026
(April 1, 2025 to March 31, 2026)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	23,110	(7.6)	1,473	(22.4)	1,890	(15.2)	2,318	(9.6)
March 31, 2025	25,012	0.7	1,898	109.3	2,229	13.3	2,563	—

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	127.49	—
March 31, 2025	141.14	—

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, 2026	27,328	15,589	57.0	855.95
March 31, 2025	26,441	13,544	51.2	745.55

Reference: Equity

As of March 31, 2026: ¥15,589 million

As of March 31, 2025: ¥13,544 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 4 of the Attachment to this report.

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1. 1. Overview of Business Results

(1) Operating Results for the fiscal year ended March 31, 2026

During the fiscal year ended March 31, 2026, Japan's economy continued to recover gradually, amid robust inbound tourism demand and improvements in the employment and income environment, despite the impacts on consumption caused by prolonged inflation. Meanwhile, the global environment surrounding the Group continues to face uncertainty due to U.S. trade policies, rising resource and energy prices associated with geopolitical risks such as Ukraine and the Middle East, as well as volatility in financial markets.

In this context, the Group formulated a long-term management concept in November 2025 to achieve unprecedented dramatic growth through innovation and business expansion. With the vision of "Lead in Asia. Challenge the World." (where we want to be), we aim to become number one in Asia in sales of gelatin and collagen and are moving ahead with efforts to further accelerate our growth and enhance our corporate value.

Net sales for the fiscal year ended March 31, 2026 declined 1.8% year on year to ¥38,048 million due to weaker sales in Japan and North America. In contrast, on the profit side, operating income increased 18.7% year on year to ¥4,664 million and ordinary income rose 15.4% year on year to ¥4,783 million, fueled by improved profitability in North America and other regions. In addition, net income attributable to owners of the parent increased 3.9% year on year to ¥3,282 million.

Although the Group operates the collagen business as a single segment, sales by product category are summarized below.

(Gelatin)

In Japan, sales of gelatin for foods, such as confectioneries and cooking, gummy candies, and fermented milk, remained robust. In addition, although sales for soft capsules and hard capsules were robust, net sales declined due to weaker sales for photography.

In North America, net sales declined because of the absence of inventory sales after the suspension of production at Nitta Gelatin USA, Inc. in the first quarter of the previous fiscal year and weaker sales of bovine bone gelatin for soft capsules exported by Nitta Gelatin India Ltd. due to the impact of tariffs. In India, net sales increased amid continued strong sales for both soft and hard capsules.

As a result, overall net sales in the gelatin category decreased 4.9% year on year to ¥27,410 million.

(Collagen Peptide)

In Japan, net sales declined due to weaker sales of collagen products by our customers.

In North America, demand for use in protein products remained robust and net sales increased significantly.

Demand also remained robust in India and other Asian markets.

As a result, overall net sales in the collagen peptide category increased 12.0% year on year to ¥7,265 million.

(Food Material)

Net sales of the food material category were down 2.7% year on year to ¥3,002 million as a result of reviewing the product mix to improve profitability.

(Biomedical)

Although domestic sales declined due to lower sales volumes to major Japanese customers, overall net sales of the biomedical category increased 5.8% year on year to ¥369 million buoyed by continued growth in overseas sales.

(2) Financial Position

(Assets)

Net assets amounted to ¥42,870 million at March 31, 2026, ¥2,457 million higher than at March 31, 2025. This was mainly due to increases in cash and deposits of ¥1,371 million, in long-term prepaid expenses of ¥882 million, in property, plant and equipment of ¥527 million, in retirement benefit assets of ¥369 million, and in inventories of ¥273 million, which offset a decrease in notes and accounts receivable - trade of ¥1,167 million.

(Liabilities)

Total liabilities amounted to ¥13,239 million at March 31, 2026, ¥1,798 million lower than at March 31, 2025. This was mainly due to decreases in long-term borrowings (including the current portion of long-term borrowings) of ¥868 million and in short-term borrowings of ¥862 million.

(Net assets)

Net assets amounted to ¥29,630 million at March 31, 2026, ¥4,255 million higher than at March 31, 2025. This was mainly attributable to increases in retained earnings of ¥2,773 million, in non-controlling interests of ¥698 million, in foreign currency translation adjustments of ¥288 million, in remeasurements of defined benefit plans of ¥259 million, and in valuation difference on available-for-sale securities of ¥186 million.

As a result, the equity ratio stood at 56.6% at March 31, 2026 compared with 51.2% at March 31, 2025.

(3) Cash Flows

Cash and cash equivalents (“cash”) as of March 31, 2026 totaled ¥3,687 million, down ¥948 million from March 31, 2025.

Cash flows for each activity and reasons are as follows.

(Cash flows from operating activities)

Operating activities provided net cash of ¥6,482 million. The main factors were income before provision for income taxes of ¥4,817 million, depreciation of ¥1,341 million, and a decrease in trade receivables of ¥1,136 million.

(Cash flows from investing activities)

Investing activities used net cash of ¥5,095 million. The main components were payments into time deposits of 2,838 million, purchase of property, plant and equipment of ¥1,949 million, purchase of long-term prepaid expenses of ¥896 million, and proceeds from withdrawal of time deposits of ¥470 million.

(Cash flows from financing activities)

Financing activities used net cash of ¥2,393 million. The main components were repayments of long-term loans payable of ¥2,368 million, proceeds from long-term loans payable of ¥1,500 million, net decrease in short-term loans payable of ¥852 million, and cash dividends paid of ¥508 million.

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

(Reference)

Trends in cash flow indicators:

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	48.3	45.9	45.5	51.2	56.6
Market value equity ratio (%)	32.3	37.6	32.6	37.0	51.4
Interest-bearing debt to cash flow ratio (Years)	8.0	—	2.0	1.5	0.9
Interest coverage ratio (Times)	10.7	—	24.1	48.5	86.2

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, 2027)

The business environment surrounding the Group is expected to be solid in Japan, underpinned by an improving employment and income environment. Yet, worldwide, the outlook is expected to remain uncertain due to factors including prolonged geopolitical risks, i.e., the situation in the Middle East,

unstable resource and energy prices, and the impact of foreign exchange rate volatility caused by the monetary policies of major countries.

The following presents the outlook for markets related to our businesses. In gelatin, we aim to expand sales by responding to diversifying customer needs in Japan's gummy candies market, which is expected to remain strong. We will also continue to focus on capturing demand for gelatin for capsules, which is showing firm growth globally. In India, we will bolster our gelatin production capacity (from 4,500 to 7,500 tons per year) with the aim of starting operations in July 2027.

For collagen peptides, we will continue to focus on capturing demand for protein products, which is strong in North America, while further bolstering our operations in India, where production capacity was increased in July 2025, to expand sales in growth markets such as Asia.

Regarding food material, we will continue to review the product mix in Japan with the aim of improving profitability, and also work to strengthen manufacturing and sales in Vietnam, where Japanese food manufacturers continue to make inroads.

In the biomedical category, we aim to achieve early profitability by cultivating our relationships in China, where the market for medical-use collagen and gelatin is growing. Furthermore, we will focus on the early commercialization of collagen microfibers, which represent a medium- to long-term growth driver.

Based on the above, the forecast for consolidated financial results for the fiscal year ending March 31, 2027 calls for net sales of ¥43,000 million, operating income of ¥4,700 million, ordinary income of ¥4,800 million, and net income attributable to owners of parent of ¥2,400 million. The foreign exchange rate assumptions are ¥150.00 per US dollar, ¥109.66 per Canadian dollar, and ¥1.71 per Indian rupee.

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 2025 (As of March 31, 2025)	Fiscal 2026 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	5,007	6,378
Notes and accounts receivable–trade	8,012	6,844
Electronically recorded monetary claims–operating	2	164
Merchandise and finished goods	6,684	6,971
Work in process	1,530	1,244
Raw materials and supplies	3,063	3,336
Securities	110	114
Other	452	535
Allowance for doubtful accounts	(18)	(5)
Total current assets	24,845	25,584
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,684	10,138
Accumulated depreciation	(5,447)	(5,816)
Buildings and structures, net	4,236	4,321
Machinery, equipment and vehicles	13,047	14,214
Accumulated depreciation	(10,769)	(11,460)
Machinery, equipment and vehicles, net	2,277	2,754
Land	1,554	1,522
Lease assets	874	984
Accumulated depreciation	(366)	(526)
Lease assets, net	507	457
Construction in process	458	503
Other	1,800	1,909
Accumulated depreciation	(1,474)	(1,580)
Other, net	326	328
Total property, plant and equipment	9,361	9,889
Intangible assets		
Goodwill	91	28
Other	300	257
Total intangible assets	391	286
Investments and other assets		
Investment securities	3,073	3,229
Long-term loans receivable	2	2
Deferred tax assets	137	183
Net defined benefit asset	1,360	1,730
Long-term prepaid expenses	577	1,459
Other	804	659
Allowance for doubtful accounts	(142)	(155)
Total investments and other assets	5,813	7,109
Total noncurrent assets	15,567	17,285
Total assets	40,413	42,870

	(Millions of yen)	
	Fiscal 2025 (As of March 31, 2025)	Fiscal 2026 (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	2,837	3,052
Short-term loans payable	862	—
Current portion of long-term loans payable	2,218	2,073
Lease obligations	218	178
Accounts payable-other	1,663	1,521
Income taxes payable	192	47
Provision for bonuses	284	317
Other	559	731
Total current liabilities	8,837	7,922
Noncurrent liabilities		
Long-term loans payable	4,104	3,380
Lease obligations	336	326
Deferred tax liabilities	484	467
Net defined benefit liability	1,257	1,104
Other	17	38
Total noncurrent liabilities	6,200	5,317
Total liabilities	15,038	13,239
Net Assets		
Shareholders' equity		
Capital stock	3,144	3,144
Capital surplus	2,960	2,980
Retained earnings	12,177	14,951
Treasury stock	(137)	(107)
Total shareholders' equity	18,145	20,969
Accumulated other comprehensive income		
Valuation difference on other available-for-sale securities	1,082	1,269
Deferred gains on hedges	(21)	(22)
Foreign currency translation adjustments	1,119	1,407
Remeasurements of defined benefit plans	366	625
Total accumulated other comprehensive income	2,546	3,280
Non-controlling interests	4,682	5,381
Total net assets	25,374	29,630
Total liabilities and net assets	40,413	42,870

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

(Consolidated Statements of Income)

	(Millions of yen)	
	Fiscal 2025 (From April 1, 2024 to March 31, 2025)	Fiscal 2026 (From April 1, 2025 to March 31, 2026)
Net sales	38,745	38,048
Cost of sales	28,785	27,068
Gross profit on sales	9,960	10,980
Selling, general and administrative expenses	6,029	6,316
Operating income	3,930	4,664
Non-operating income		
Interest income	132	153
Dividend income	59	68
Rental income	62	63
Outsourcing service income	26	24
Foreign exchange gains	144	—
Other	55	28
Total non-operating income	481	339
Non-operating expenses		
Interest expenses	104	74
Foreign exchange losses	—	15
Equity in losses of affiliates	144	94
Commission paid	11	31
Other	6	3
Total non-operating expenses	267	219
Ordinary income	4,145	4,783
Extraordinary gains		
Gain on sales of noncurrent assets	254	14
Gain on sale of investment securities	—	67
Gain on reversal of impairment losses	302	—
Other	86	—
Total extraordinary gains	643	81
Extraordinary losses		
Loss on sale of noncurrent assets	29	7
Loss on retirement of noncurrent assets	14	36
Losses related to plant closures	253	—
Loss on liquidation of subsidiaries	—	4
Total extraordinary losses	297	47
Income before provision for income taxes	4,490	4,817
Income taxes	685	805
Income taxes-deferred	(255)	(236)
Total income taxes	430	568
Net income	4,060	4,248
Net income attributable to non-controlling interests	900	966
Net income attributable to owners of the parent	3,159	3,282

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal 2025 (From April 1, 2024 to March 31, 2025)	Fiscal 2026 (From April 1, 2025 to March 31, 2026)
Net income	4,060	4,248
Other comprehensive income		
Valuation difference on other available-for-sale securities	(32)	187
Deferred gains on hedges	(4)	(0)
Foreign currency translation adjustments	(570)	90
Pension liability adjustment	22	252
Share of other comprehensive losses of associates	104	41
Total other comprehensive income	(480)	571
Comprehensive income	3,579	4,820
Comprehensive income attributable to:		
Owners of the parent	2,812	4,016
Non-controlling interests	766	804

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2025 (From April 1, 2024 to March 31, 2025)

(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	2,966	9,326	(143)	15,295
Changes during the fiscal year					
Dividends from surplus			(308)		(308)
Net income attributable to owners of the parent			3,159		3,159
Disposal of treasury stock		0		5	6
Purchase of shares of consolidated subsidiaries		(6)			(6)
Net changes of items other than shareholders' equity					—
Total changes during fiscal year	—	(5)	2,850	5	2,850
Balance at the end of fiscal year	3,144	2,960	12,177	(137)	18,145

	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	1,114	(19)	1,450	347	2,893	4,081	22,269
Changes during the fiscal year							
Dividends from surplus					—		(308)
Net income attributable to owners of the parent					—		3,159
Disposal of treasury stock					—		6
Purchase of shares of consolidated subsidiaries					—		(6)
Net changes of items other than shareholders' equity	(32)	(2)	(330)	18	(346)	601	254
Total changes during fiscal year	(32)	(2)	(330)	18	(346)	601	3,105
Balance at the end of fiscal year	1,082	(21)	1,119	366	2,546	4,682	25,374

Fiscal 2026 (From April 1, 2025 to March 31, 2026)

(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	2,960	12,177	(137)	18,145
Changes during the fiscal year					
Dividends from surplus			(508)		(508)
Net income attributable to owners of the parent			3,282		3,282
Disposal of treasury stock		19		30	49
Net changes of items other than shareholders' equity					—
Total changes during fiscal year	—	19	2,773	30	2,823
Balance at the end of fiscal year	3,144	2,980	14,951	(107)	20,969

	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	1,082	(21)	1,119	366	2,546	4,682	25,374
Changes during the fiscal year							
Dividends from surplus					—		(508)
Net income attributable to owners of the parent					—		3,282
Disposal of treasury stock					—		49
Net changes of items other than shareholders' equity	186	(0)	288	259	733	698	1,432
Total changes during fiscal year	186	(0)	288	259	733	698	4,255
Balance at the end of fiscal year	1,269	(22)	1,407	625	3,280	5,381	29,630

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2025 (From April 1, 2024 to March 31, 2025)	Fiscal 2026 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Income before provision for income taxes	4,490	4,817
Depreciation and amortization	1,202	1,341
Amortization of long-term prepaid expenses	—	10
Amortization of goodwill	65	64
Increase (decrease) in allowance for doubtful accounts	11	(9)
Increase (decrease) in provision for bonuses	76	25
Increase (decrease) in net defined benefit asset or liability	(123)	(144)
Interest and dividends income	(191)	(221)
Interest expenses	104	74
Foreign exchange losses (gains)	(26)	(3)
Equity in losses (gains) of affiliates	144	94
Loss (gain) on sales of property, plant and equipment	(225)	(6)
Loss on retirement of noncurrent assets	14	36
Gain on reversal of impairment losses	(302)	—
Loss (gain) on sales of investment securities	—	(67)
Losses related to plant closures	253	—
Loss (gain) on liquidation of subsidiaries	—	4
Decrease (increase) in notes and accounts receivable-trade	241	1,136
Decrease (increase) in inventories	920	(161)
Increase (decrease) in notes and accounts payable-trade	177	93
Increase (decrease) in accrued consumption taxes	(67)	85
Other	(761)	69
Subtotal	6,004	7,238
Interest and dividends income received	194	150
Interest paid	(106)	(75)
Income taxes paid	(908)	(830)
Net cash provided by operating activities	5,183	6,482
Cash flows from investing activities		
Payments into time deposits	(495)	(2,838)
Proceeds from withdrawal of time deposits	778	470
Proceeds from the sale of property, plant and equipment	498	16
Purchase of property, plant and equipment	(1,408)	(1,949)
Purchase of intangible assets	(54)	(25)
Purchase of long-term prepaid expenses	(485)	(896)
Proceeds from the sale of investment securities	—	130
Purchase of investment securities	(10)	(10)
Proceeds from liquidation of subsidiaries	—	6
Other	(0)	0
Net cash used in investing activities	(1,176)	(5,095)

(Millions of yen)

	Fiscal 2025 (From April 1, 2024 to March 31, 2025)	Fiscal 2026 (From April 1, 2025 to March 31, 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,105)	(852)
Proceeds from long-term loans payable	2,500	1,500
Repayment of long-term loans payable	(2,404)	(2,368)
Proceeds from sale-and-leaseback transactions	133	152
Repayments of lease obligations	(250)	(226)
Cash dividends paid	(308)	(508)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(26)	—
Cash dividends paid to non-controlling interests	(92)	(89)
Net cash used in financing activities	(2,554)	(2,393)
Effect of exchange rate change on cash and cash equivalents	(113)	57
Net increase (decrease) in cash and cash equivalents	1,338	(948)
Cash and cash equivalents at beginning of period	3,297	4,636
Cash and cash equivalents at end of period	4,636	3,687

(5) Notes to Consolidated Financial Statements

(Note Concerning Going Concern Assumption)

None

(Note Concerning Significant Changes in Shareholders' Equity)

(Disposal of treasury stock)

The Company disposed of 19,900 shares of treasury stock effective August 1, 2025 as restricted share-based remuneration based on a resolution at the Board of Directors meeting held on July 17, 2025.

Additionally, the Company disposed of 25,400 shares of treasury stock effective March 30, 2026 as a third-party allotment to the Nitta Gelatin Employee Stock Ownership Association based on a resolution at the Board of Directors meeting held on January 22, 2026.

As a result, treasury stock decreased by ¥30 million, and capital surplus increased by ¥19 million in the fiscal year ended March 31, 2026.

(Additional Information)

(Completion of liquidation of overseas subsidiary)

Nitta Gelatin USA, Inc. resolved to dissolve and liquidate at its Board of Directors meeting held on February 27, 2025 and liquidation was completed on July 2, 2025.

Nitta Gelatin USA, Inc. has been excluded from the scope of consolidation since March 31, 2025.

(Changes in Presentation Method)

(Consolidated Balance Sheets)

“Electronically recorded monetary claims - operating,” which were included in “Notes and accounts receivable - trade” under “Current assets” in the previous fiscal year, is presented as a separate item effective from the fiscal year ended March 31, 2026 because its importance has increased. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation method.

As a result, the amount of ¥8,014 million presented in “Notes and accounts receivable–trade” under “Current assets” in the consolidated balance sheet for the previous fiscal year has been restated as ¥8,012 million in “Notes and accounts receivable–trade” and ¥2 million in “Electronically recorded monetary claims–operating.”

“Long-term prepaid expenses,” which were included in “Other” under “Investments and other assets” in the previous fiscal year, is presented as a separate item effective from the fiscal year under review because its monetary importance has increased. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation method.

As a result, the amount of ¥1,381 million presented in “Other” under “Investments and other assets” in the consolidated balance sheet for the previous fiscal year has been restated as ¥577 million in “Long-term prepaid expenses” and ¥804 million in “Other.”

(Unapplied Accounting Standards)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan) etc.

(1) Summary

As part of its efforts to make J-GAAP consistent with international standards, the Accounting Standards Board of Japan (ASBJ) has been studying international accounting standards to develop accounting standards for leases that recognize assets and liabilities for all leases of lessees. As a basic policy, the ASBJ has published lease accounting standards that are based on the single lessee accounting treatment model of IFRS 16 without adopting all of the provisions of IFRS 16. Rather these standards adopt only the main provisions, aiming to be simple and convenient, and to essentially eliminate the need for revisions even if the provisions of IFRS 16 are used in individual financial statements.

As for the lessee's accounting treatment, a single lessee accounting treatment model will be applied to all leases as the method of allocating lease expenses, regardless of whether the lease is a finance lease or an operating lease, in which depreciation on right-of-use assets and an amount equivalent to interest on the lease liabilities will be recorded, similar to IFRS 16.

(2) Scheduled Date of Application

This accounting standard will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact from the Application of this Accounting Standard

The impact of the application of the Accounting Standard for Leases, etc. on the consolidated financial statements is currently being evaluated.

(Revenue Recognition)

Information that breaks down revenue generated from customer contracts

Net sales broken down by product category are as follows.

(Millions of yen)

	Fiscal 2025	Fiscal 2026
Gelatin	28,821	27,410
Collagen peptide	6,489	7,265
Food material	3,085	3,002
Biomedical	349	369
Annual	38,745	38,048

(Note on Segment Information)

Segment Information

Fiscal 2025 (From April 1, 2024 to March 31, 2025)

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

Fiscal 2026 (From April 1, 2025 to March 31, 2026)

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

Related information

Fiscal 2025 (From April 1, 2024 to March 31, 2025)

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
20,188	5,261	3,517	6,798	2,504	474	38,745

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
5,222	3,247	57	193	641	9,361

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 2026 (From April 1, 2025 to March 31, 2026)

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
19,413	6,249	3,000	6,972	1,986	426	38,048

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
5,282	3,683	50	128	744	9,889

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 2025 (From April 1, 2024 to March 31, 2025)**

None

Fiscal 2026 (From April 1, 2025 to March 31, 2026)

None

Information on amortization of goodwill and unamortized amounts by reporting segments**Fiscal 2025 (From April 1, 2024 to March 31, 2025)**

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

Fiscal 2026 (From April 1, 2025 to March 31, 2026)

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 2025 (From April 1, 2024 to March 31, 2025)**

None

Fiscal 2026 (From April 1, 2025 to March 31, 2026)

None

(Note on Per Share Information)

	Fiscal 2025 (From April 1, 2024 to March 31, 2025)	Fiscal 2026 (From April 1, 2025 to March 31, 2026)
Net assets per share	¥1,138.94	¥1,331.42
Earnings per share	¥173.94	¥180.54

Notes: 1. Diluted earnings per share is not disclosed due to the absence of latent shares with dilution effect.
2. The basis for calculating earnings per share data is shown below.

	Fiscal 2025 (From April 1, 2024 to March 31, 2025)	Fiscal 2026 (From April 1, 2025 to March 31, 2026)
Earnings per share		
Net income attributable to owners of the parent (Millions of yen)	3,159	3,282
Amounts not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to ordinary equity holders of the parent (Millions of yen)	3,159	3,282
Average number of common shares during the period (shares)	18,164,786	18,181,986

(Note on Subsequent Events)

None

4. **Other**

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

1) Change in Representative Director

None

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

None

(2) Other

None