



Financial Results Briefing Material for Fiscal Year Ended March 31, 2026 and Progress of Medium-Term Management Plan

May 14, 2026

Securities code: 4977

INDEX

- 1** Summary of Financial Results for FY 2026 ...P. 3
- 2** Forecast of Financial Results for FY 2027 ...P. 10
- 3** Progress of the 2024-2026 Medium-Term Management Plan ...P. 14

Financial Results Highlights

FY 2026 financial results

- 1** Net sales declined due to weaker gelatin sales in Japan and North America.
- 2** Profitability remained strong, as operating income reached a record high for the second consecutive fiscal year.
- 3** Higher operating income resulted in record-highs in ordinary income and net income attributable to owners of the parent.

FY 2027 full-year forecast

- 1** Aiming to grow net sales by expanding sales in Japan and leveraging alliances in North America and to achieve operating income that exceeds the Medium-Term Management Plan targets announced in November 2025.

Consolidated Statements of Income

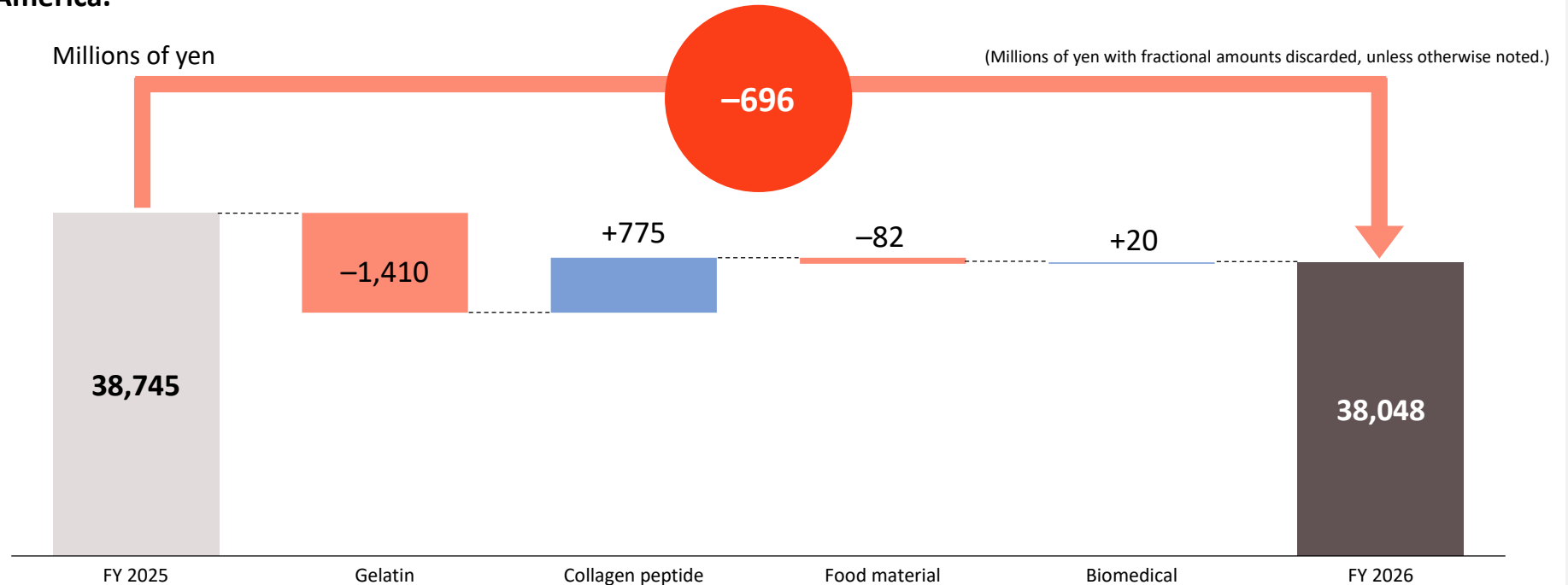
- Sales fell due to weaker sales in Japan and North America, but profits increased following progress in improving profitability.
- The bottom line increased following the recording of income taxes - deferred in both FY 2025 and FY 2026, associated with the liquidation of a subsidiary in each fiscal year.

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





Millions of yen	FY 2025	FY 2026	YoY		FY 2026	
	Results	Results	Change	Vs.	Nov. 12, 2025 forecast	Vs.
Net sales	38,745	38,048	-696	-1.8%	40,000	-4.9%
Gross profit on sales	9,960	10,980	+1,020	+10.2%	10,600	+3.6%
Operating income	3,930	4,664	+733	+18.7%	4,000	+16.6%
Operating margin	10.1%	12.3%	+2.1 pts	—	10.0%	—
Ordinary income	4,145	4,783	+638	+15.4%	4,100	+16.7%
Net income attributable to owners of the parent	3,159	3,282	+123	+3.9%	3,100	+5.9%

Factors Driving Changes in Consolidated Net Sales

- Gelatin sales declined due to a decrease in inventory sales in North America and weaker sales for photography in Japan.
- Sales of collagen peptides were strong, amid our ability to steadily capture demand for protein products in North America.



Sales Overview by Product Category

Millions of yen	FY 2025	Net sales	FY 2026	(Millions of yen with fractional amounts discarded, unless otherwise noted.)
Gelatin	28,821	-4.9% 	27,410	<ul style="list-style-type: none"> In Japan, sales of gelatin for food and capsules increased, while sales for photography declined. In North America, inventory sales declined following the suspension of production at NGU* in Q1 of the previous fiscal year. In India, sales of gelatin for soft capsules and hard capsules remained strong.
Collagen peptide	6,489	+12.0% 	7,265	<ul style="list-style-type: none"> In Japan, sales declined due to lower customer product sales that use the Company's products. In North America, demand for protein products remains robust and sales were strong. Sales in India and other Asian markets also remained strong.
Food material	3,085	-2.7% 	3,002	<ul style="list-style-type: none"> Sales declined due to progress in reviewing the product mix to improve profitability.
Biomedical	349	+5.8% 	369	<ul style="list-style-type: none"> Sales in Japan declined due to a drop in sales volume to a major customer. Overseas sales continued to grow.

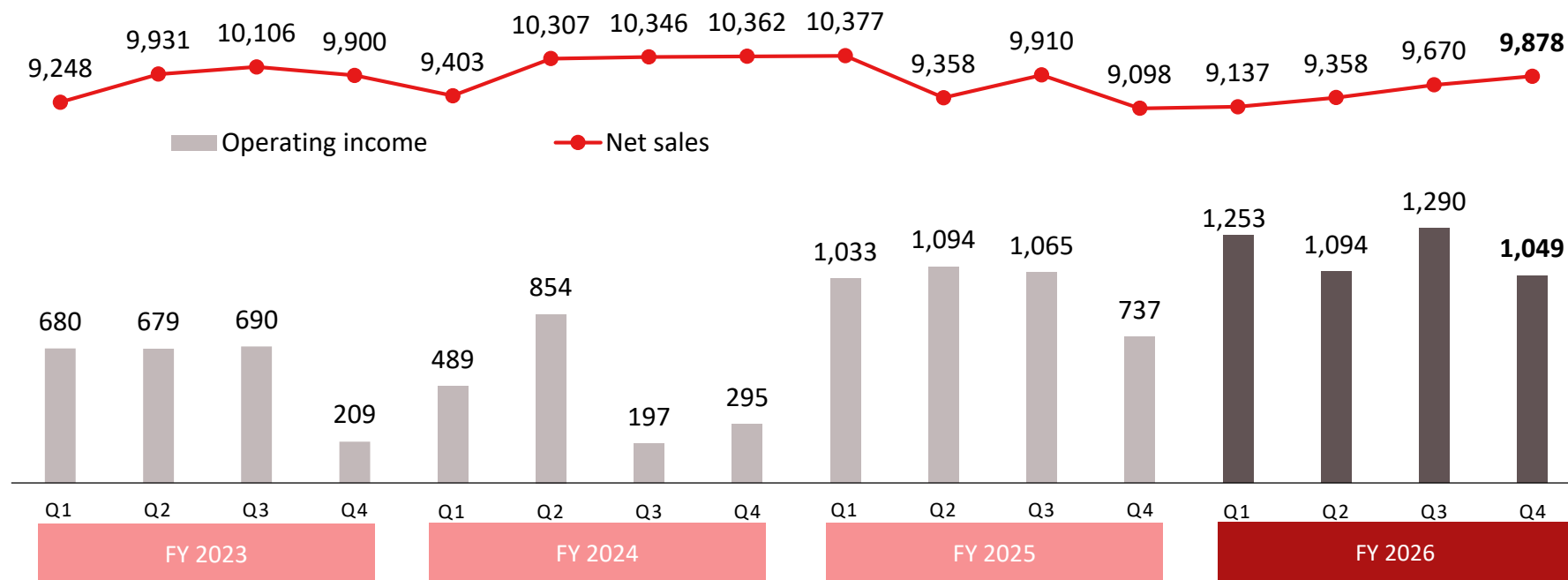
* Nitta Gelatin USA, Inc.

Trend in Quarterly Consolidated Performance

Profits in Q4 were lower than Q3 due to a temporary increase in SG&A expenses, but Q4 profits remained up YoY.

Millions of yen

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



Consolidated Balance Sheets

- Non-current assets increased amid the introduction of enterprise risk planning (ERP) and progress in the expansion of production at Nitta Gelatin India Ltd.
- Reduction of interest-bearing liabilities is progressing smoothly.

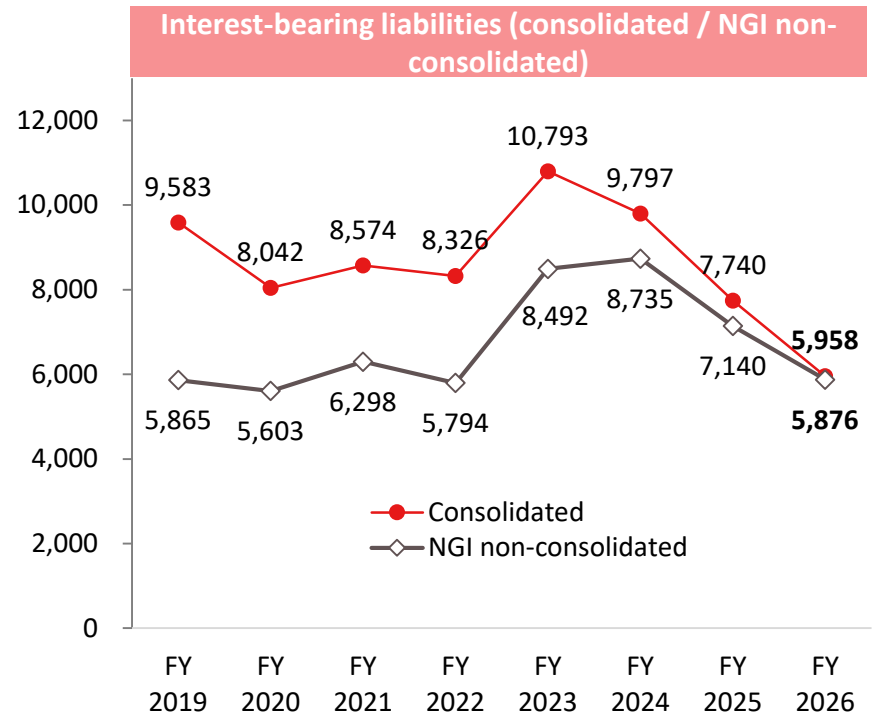
Millions of yen

Compared to March 31, 2025

Current assets		Liabilities	
+739		-1,798	
Cash and deposits	+1,371	Notes and accounts payable-trade	+214
Notes and accounts receivable-trade	-1,167	Short-term loans payable	-862
Inventories	+273	Long-term loans payable*	-868
Noncurrent assets		Net assets	
+1,718		+4,255	
Property, plant and equipment	+527	Shareholders' equity total	+2,823
Intangible assets	-105	Total other comprehensive income	+733
Investments and other assets	+1,296	Non-controlling interests	+698
Total net assets 42,870 (+2,457)			

* Including current portion

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

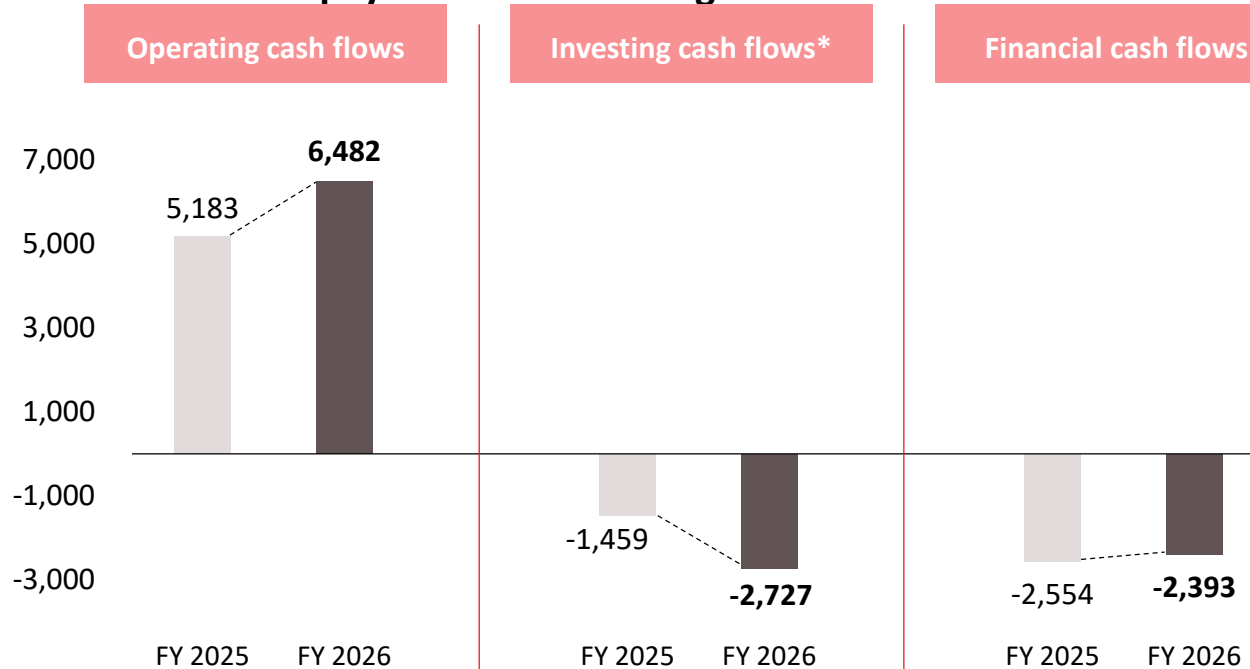


Consolidated Statements of Cash Flows

Strong performance has led to improved operating cash flows. Cash used in investing activities increased due to ERP and increased production investment in India, while cash used in financing activities declined from the repayment of borrowings.

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

Millions of yen



* Excluding deposits and withdrawals of fixed term deposits

Forecast of Financial Results for FY 2027

- Intending to grow net sales by expanding sales in Japan and leveraging alliances in North America.
- Aiming to increase profits while taking into account rising raw materials prices*, personnel expenses, and depreciation, among other items.
- Expecting the bottom line to decline YoY due to the elimination of the impact of income taxes - deferred associated with the liquidation of subsidiaries.

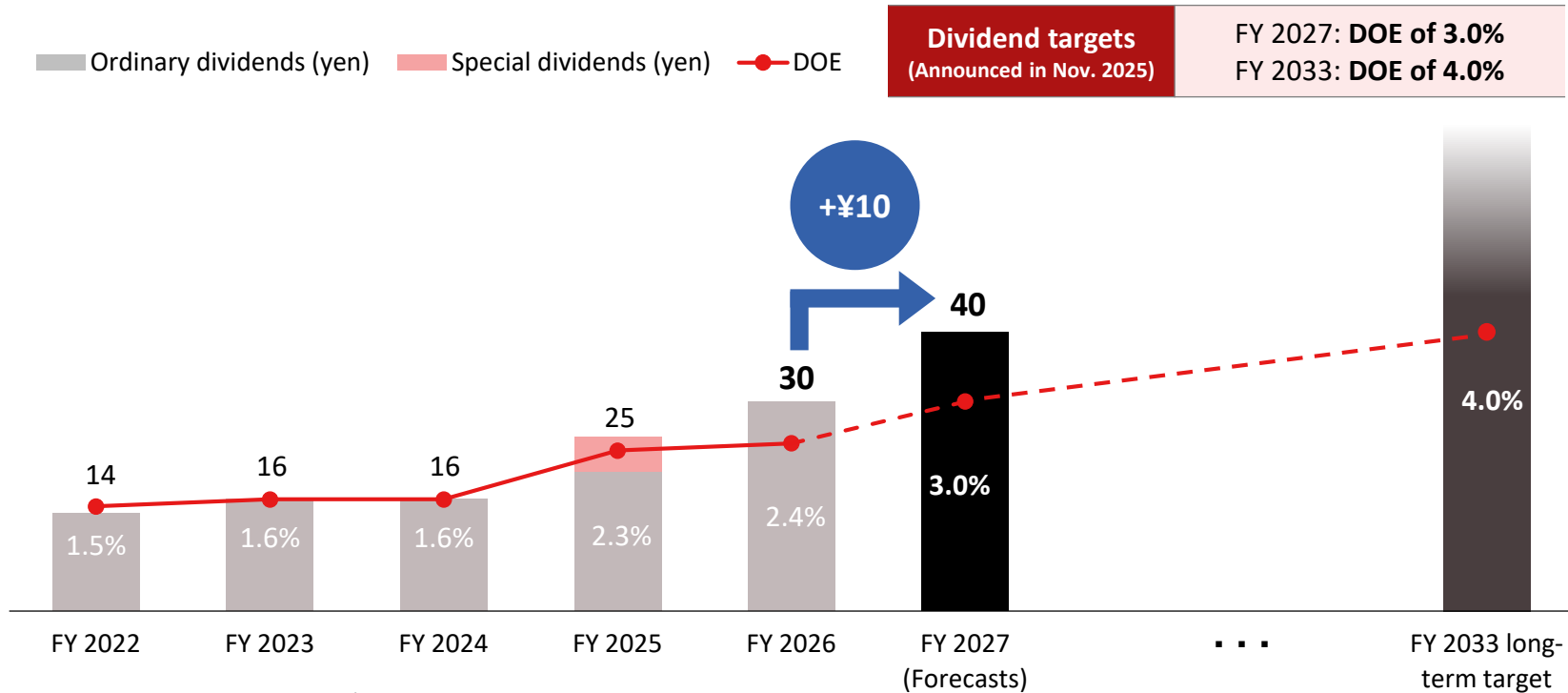
* Does not include the impacts of the situation in the Middle East. (See page 13)

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

Millions of yen	FY 2026	FY 2027	YoY		FY 2027 MTMP targets	
	Results	Forecasts	Change	Vs.	Figures announced in Nov. 2025	Change
Net sales	38,048	43,000	+4,951	+13.0%	43,000	—
Gross profit on sales	10,980	12,000	+1,019	+9.3%	—	—
Operating income	4,664	4,700	+35	+0.8%	4,500	+200
Operating margin	12.3%	10.9%	-1.3pts	—	10.5%	+0.5pts
Ordinary income	4,783	4,800	+16	+0.3%	—	—
Net income attributable to owners of the parent	3,282	2,400	-882	-26.9%	—	—

Cash Dividends

- Annual dividend for FY 2027 is set to be ¥40, based on the dividend target for dividend on equity (DOE) of 3.0%.
- This is expected to result in a dividend payout ratio of around 30%.



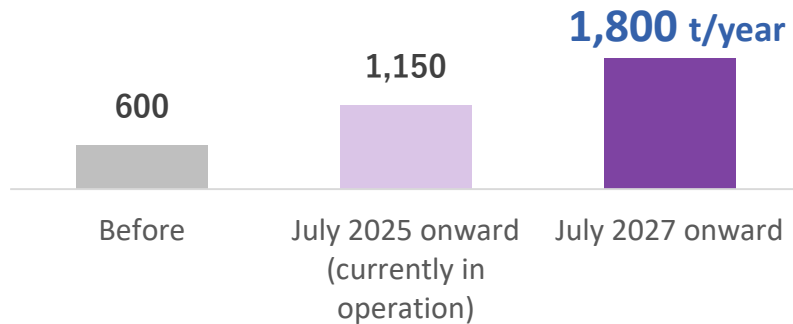
* DOE (Dividend on Equity) = Total dividends / (net assets - non-controlling interests)

Topics

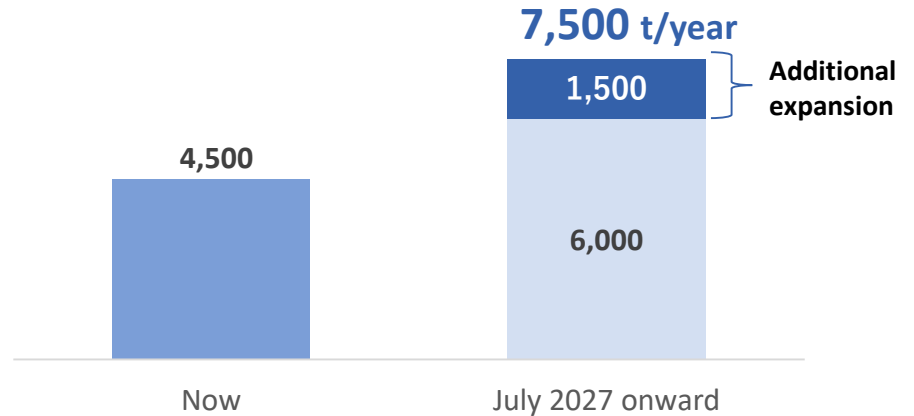
1. Production Capacity Increase at Nitta Gelatin India, Ltd.

- After increasing our collagen peptide production capacity in July 2025, we have decided to further increase production (1,150 t/year → 1,800 t/year) to meet robust customer demand.
- Looking at gelatin, the expansion plan has been updated to capture future demand growth in North America, Asia, and Europe, in addition to supplying capsule manufacturers within India (original plan: 6,000 t/year → updated plan: 7,500 t/year).

Collagen peptide



Gelatin



Topics

2. Impacts of the Middle East Situation

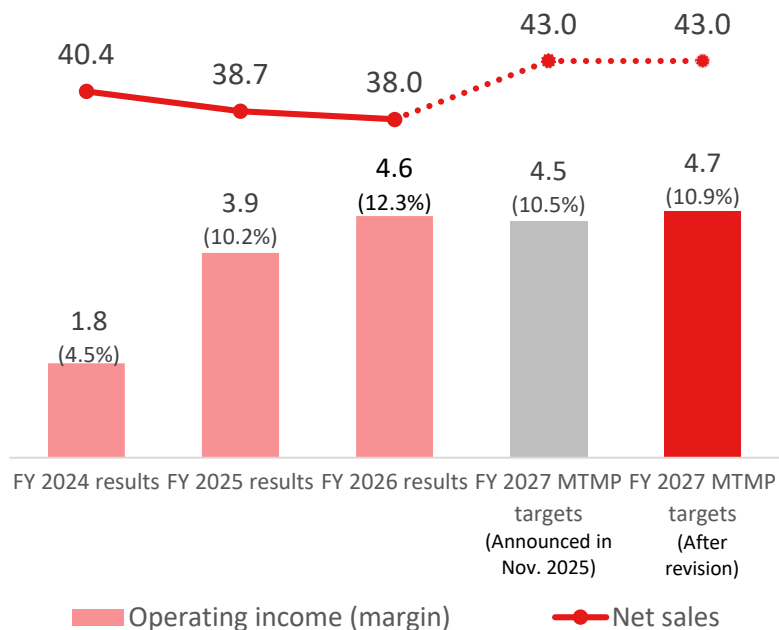
<p>Anticipated impacts</p>	<ul style="list-style-type: none"> • The situation could lead to ripple effects on utility prices, such as electricity and gas, transportation costs, and potentially increase the price of product packaging materials.
<p>Response policy</p>	<ul style="list-style-type: none"> • As it is currently being examined, we have not yet incorporated the impact into our forecast of financial results for FY 2027. • We plan to minimize the impact on performance by absorbing the increased costs through measures for improving production efficiency and reining in SG&A expenses, as well as appropriately reflecting impacts in product prices as needed.

Progress of the 2024-2026 Medium-Term Management Plan

Progress Toward Achieving KPIs

- Each indicator is progressing smoothly towards achievement of the targets for the final fiscal year of the current Medium-Term Management Plan.
- We have revised our operating income target upward and aim for record-high profits for the third consecutive fiscal year.

Billions of yen



	FY 2024	FY 2025	FY 2026	FY 2027
	Results	Results	Results	Targets
ROE*1	-9.9%	16.3%	14.6%	10.0%
ROIC*2	4.4%	9.0%	10.0%	9.0%
CCC*3	5.9 months	5.3 months	5.3 months	5.0 months

*1 Return on equity

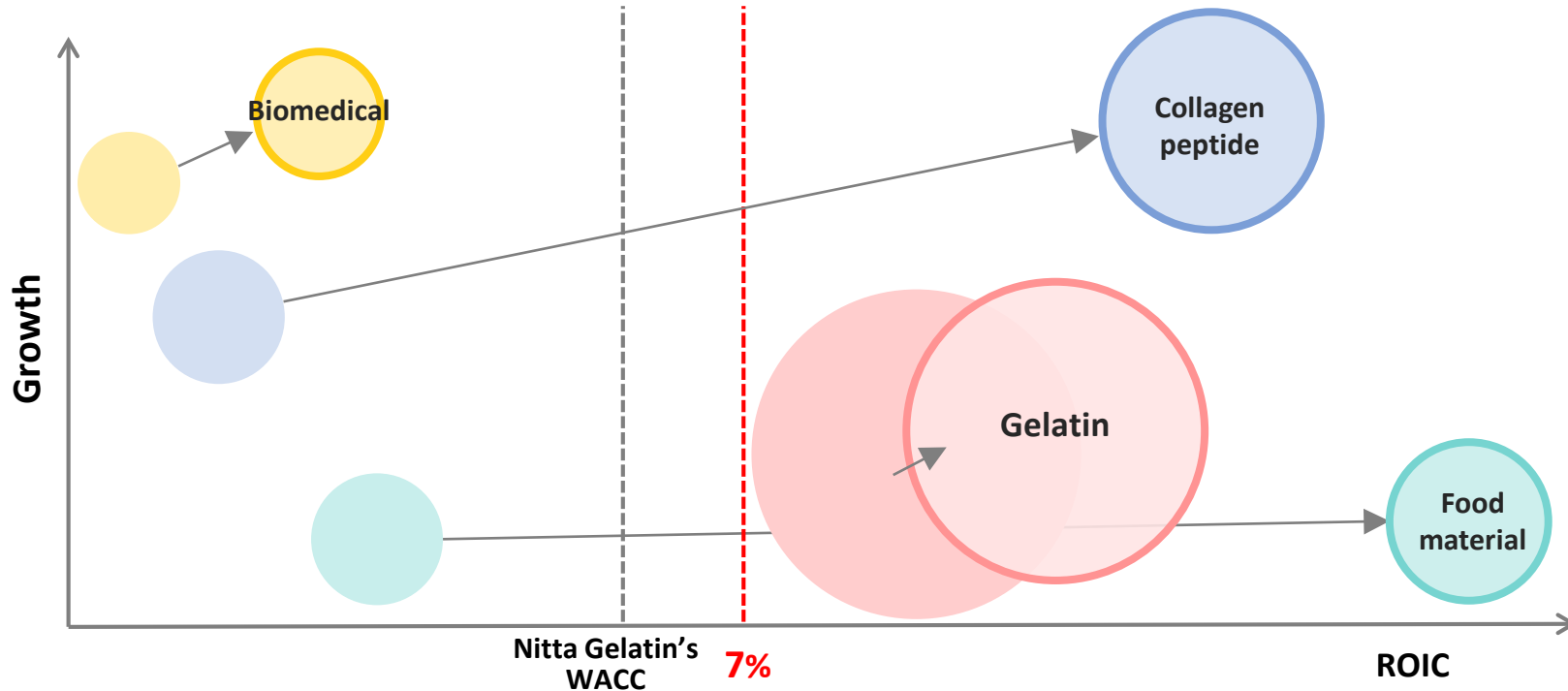
*2 Return on invested capital

*3 Cash conversion cycle

ROIC Improvement

Following improved profitability, our weighted average cost of capital (WACC; estimated to be around 5–6%) and the target of 7% were exceeded for businesses other than biomedical.

Portfolio by product category



Conceptual image of improvements made between the previous MTMP (FY 2022–2024) and fiscal 2026.

Progress of Each Theme

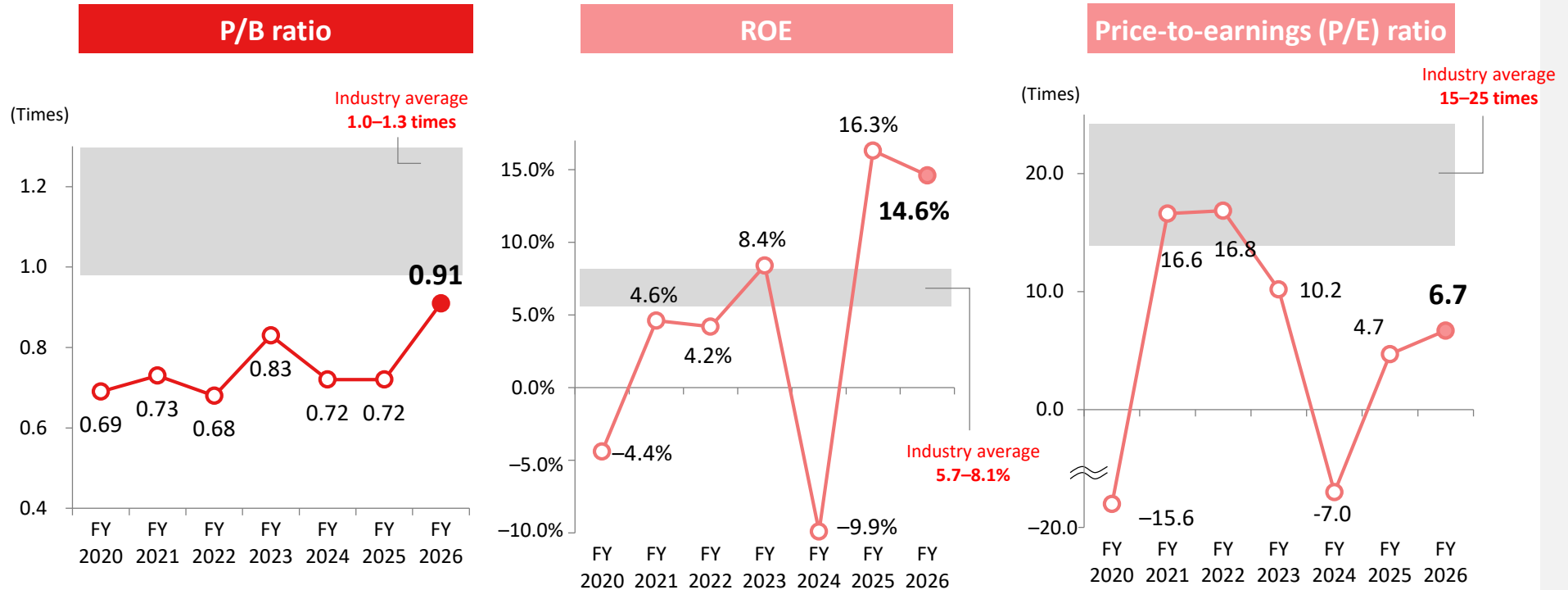
In general, steady progress is being made. The challenges are achieving profitability in the biomedical business, improving the cash conversion cycle (CCC), and implementing ERP.

- Steady progress
- Currently unachieved but expected to be achieved
- Making progress toward addressing challenges

	Three-year targets	Results for FY 2026	Progress
Fundamental improvement of profitability	Restructuring production system	<ul style="list-style-type: none"> • Made steady progress with plan to increase production at bases in India • Began considering the construction of a new production plant and the reorganization of our Osaka Plant to realize our Long-Term Management Vision. 	●
	Return the biomedical business to profitability	<ul style="list-style-type: none"> • Progress lagged, despite the expansion of sales overseas 	●
Financial strategy	Capital investment (strategic investments: ¥4,300 million, and upgrading investments: ¥5,500 million)	<ul style="list-style-type: none"> • Steady progress is being made with main strategic investments 	●
	Dividend policy (DOE of 3.0% or higher in final fiscal year of current MTMP)	<ul style="list-style-type: none"> • Raised the dividend target for the final fiscal year (ending March 31, 2027) to DOE of 3.0% 	●
	Improve price-to-book (P/B) ratio (1.0 times or higher and target share price of ¥1,100 or higher)	<ul style="list-style-type: none"> • Backed by strong performance, the stock price is well above the target (high in 2026: ¥1,487 / fiscal year-end closing price: ¥1,209) • The current P/B ratio is 0.91 times, a temporary correction, but it is expected to stabilize above 1.0 times as the growth strategy is implemented 	●
	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: made steady progress with diversifying procurement sources • ERP: postponed launch scheduled for January 2026 (launch date is under consideration) 	●
	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"> • Reviewed the evaluation system and established talent management policy 	●

Improvement in P/B Ratio

We continue working to improve profitability, while also maximizing market expectations by balancing growth investment with shareholder returns.

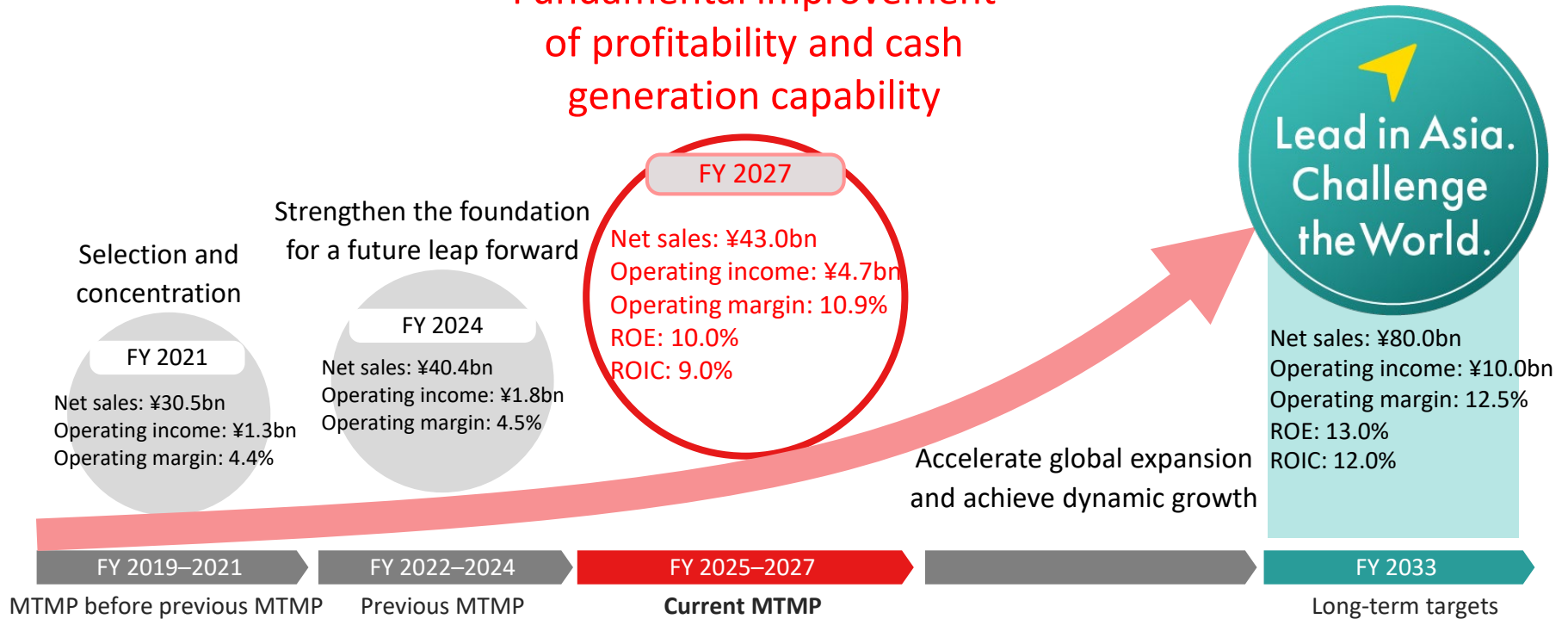


Note: Industry average calculated by Nitta Gelatin based on the actual figures for the food and chemical sector.

Toward Achievement of the Long-Term Management Vision

Fundamental improvement
of profitability and cash
generation capability

Long-Term Management Vision



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.

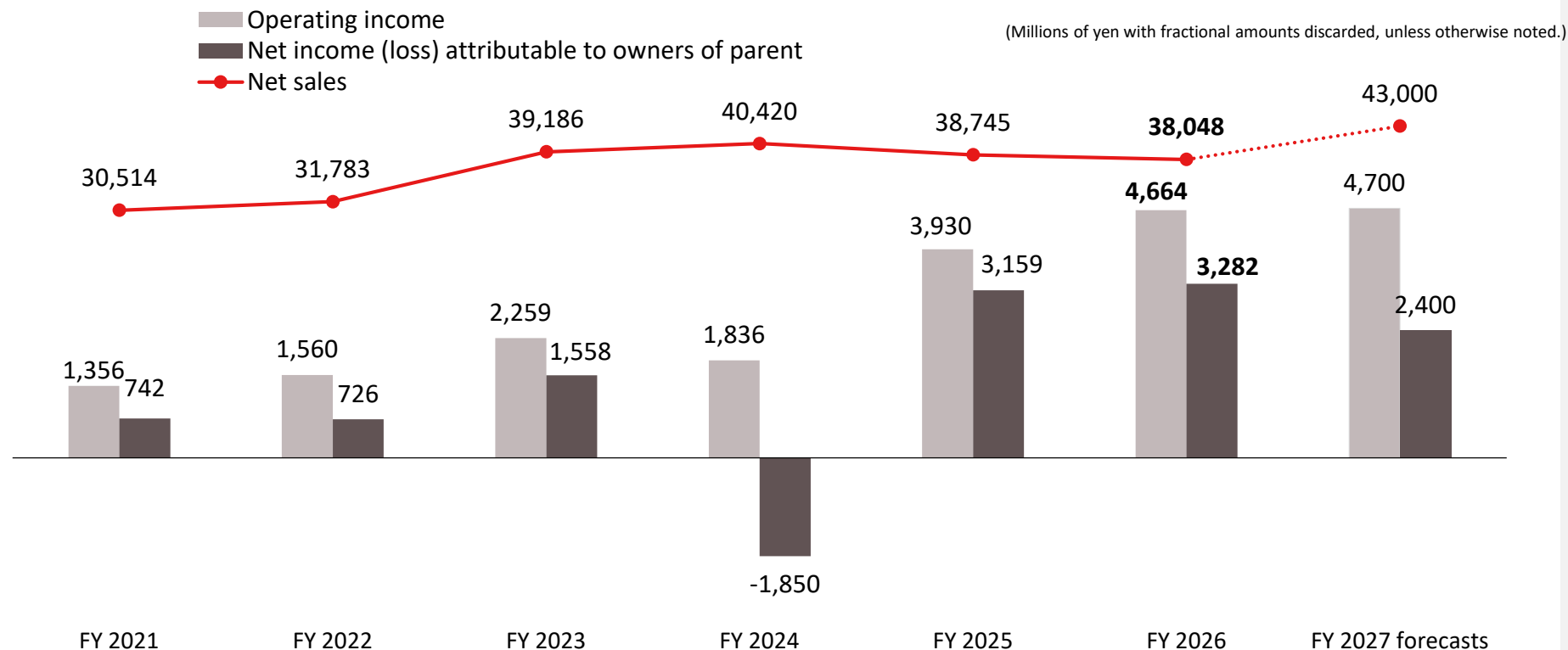
Thank you for your understanding.

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 FY 2026 and forecast for FY 2027

Yen	FY 2025	FY 2026	YoY difference	FY 2027	YoY difference
	Results	Results		Forecasts	
US dollars	152.47	150.94	-1.53	150.00	-0.94
Canadian dollars	109.52	109.02	-0.50	109.66	+0.64
Indian rupee	1.80	1.71	-0.09	1.71	—