Euglena Group

Financial Highlight of FY2024 Q3

Euglena Co., Ltd.
Prime Market of the Tokyo Stock Exchange
(Code: 2931)

2024.11.11

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Executive Summary

Consolidated Results

- **Progress against the FY forecast*1 is 73% for sales and 85% for Adjusted EBITDA**
  - Sales progress as expected and Adjusted EBITDA goes over estimate
- **YTD operating income remains in the black as of Q3**
  - **Possibility of turning profitable throughout the year**, depending on the progress in advertising investments and OEM transactions

Biofuel Business

- **<Commercial plant> Final investment decision made by three companies in July; shareholders agreement signed in September**
  - Merger filing in progress, aiming to establish JV company in Q4
  - Planning a 5% share at closing, to be arranged through FX forwards and bank guarantee
  - Preparing to arrange debt(-like) financing to raise share to 15%. **No equity financing is currently expected**
- **<Trading> Steady expansion of feedstock trading and domestic product marketing**
  - Sales declined YoY due to no large deal in response to deteriorating market conditions
- **<R&D> Comprehensive joint research agreement signed with PETRONAS Research**

Healthcare Business

- **Sales increased YoY because of the contribution of Saticine Medical consolidation**
- **The number of subscribers slightly decreased, while CONC and epo performed well**

Financial Summary

(Unit: JPY million)	FY2023 3Q Actual ①	FY2024 Q3 Actual ②	YoY ②-①	Rate of increase/ decrease ②/①-1
Sales	**34,080**	**35,274**	**+1,193**	**+3.5%**
Healthcare Business	30,503	32,924	+2,422	+7.9%
Biofuel Business	1,770	612	△1,158	△65.4%
Adjusted EBITDA	**1,980**	**3,247**	**+1,267**	**+64.0%**
Healthcare Business	3,629	4,984	+1,355	+37.3%
Biofuel Business	△374	△335	+39	na
Operating income/loss	**△959**	**160**	**+1,119**	**na**

*1: Expected sales and adjusted EBITDA are JPY48 bln and JPY3.8 bln, respectively (as disclosed on Aug 8, 2024)

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FY2024 Q3 Results Summary

Progress in FY2024 - Sales

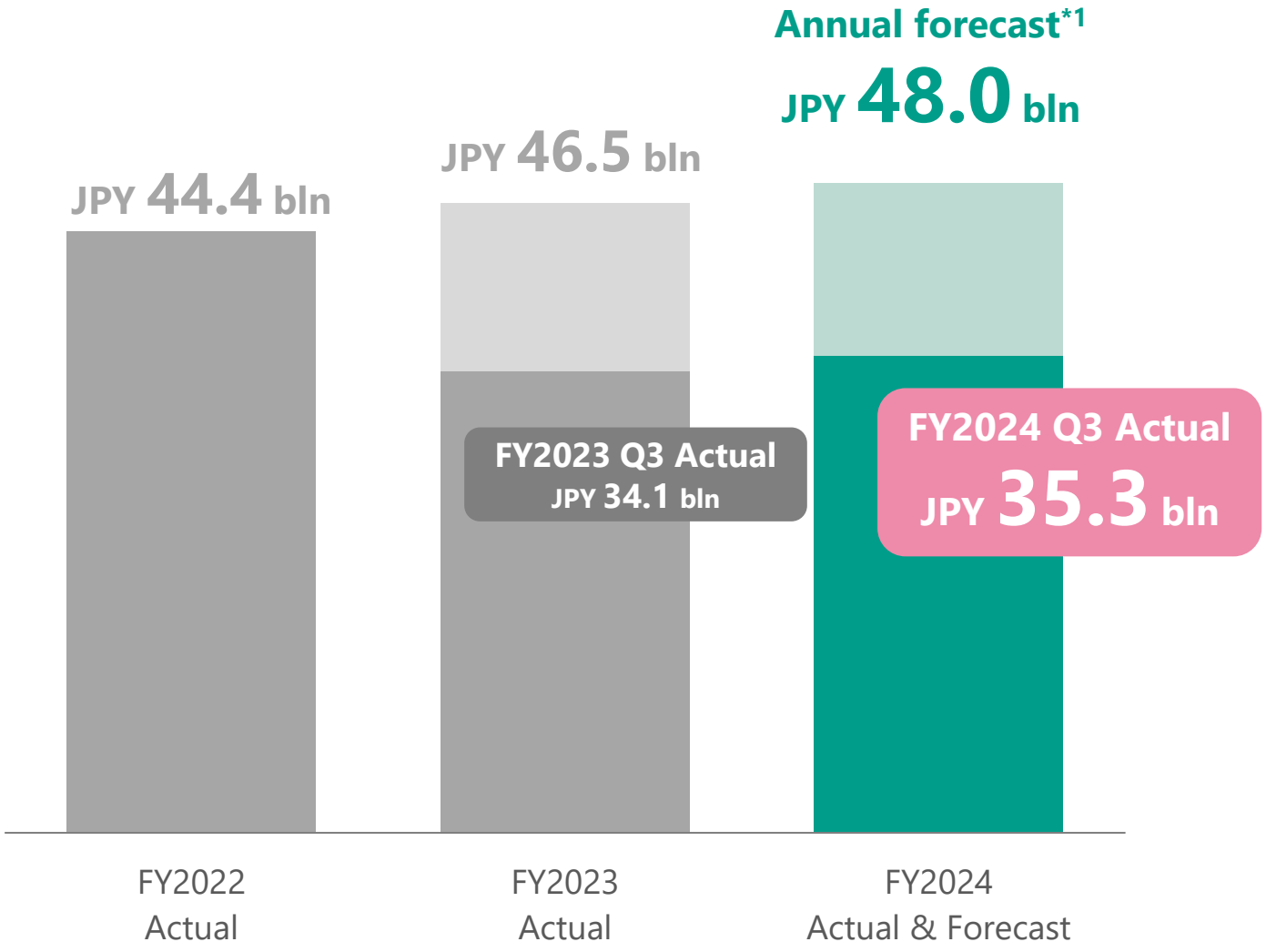
Sales in FY2024 Q3 (accumulated)

JPY35.3 bln

(73% progress vs annual forecast*1)

Broadly in line with the FY forecast

+3.5% YoY due to the contribution of Saticine Medical consolidation, offsetting the impact of unexecuted large biofuel transactions and the divestment of a subsidiary



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*1: Expected sales and adjusted EBITDA are JPY48 bln and JPY3.8 bln, respectively (as disclosed on Aug 8, 2024)

Progress in FY2024 - Adjusted EBITDA

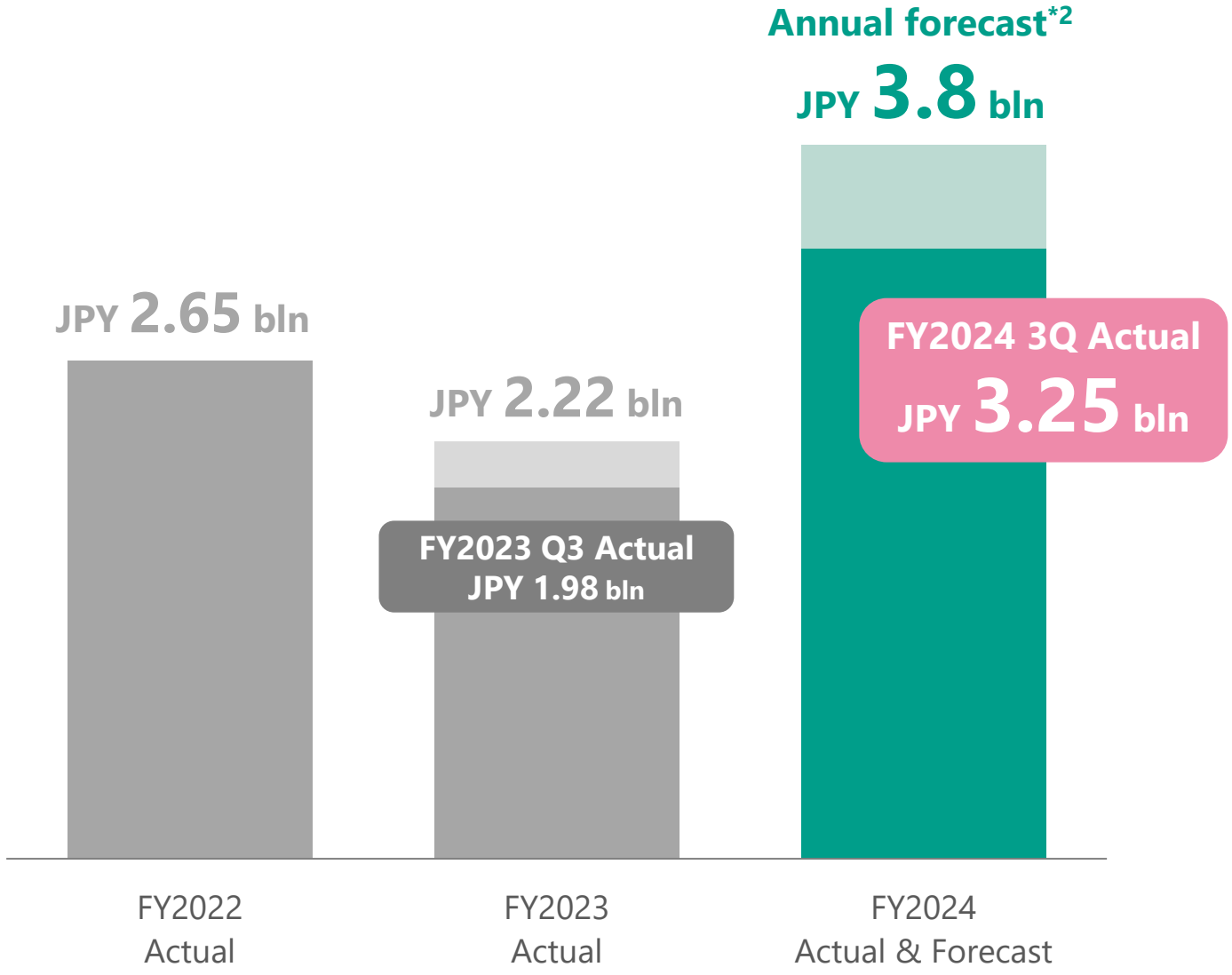
Adjusted EBITDA*1 in FY2024 Q3 (accumulated)

JPY3.25 bln

(85% progress vs annual forecast*2)

Faster progress than the FY forecast, which is unchanged due to the ad investment expansion plan in Q4

Significant increase of 64% YoY due to the contribution of Saticine Medical consolidation, ad investment control, and profitability improvement efforts



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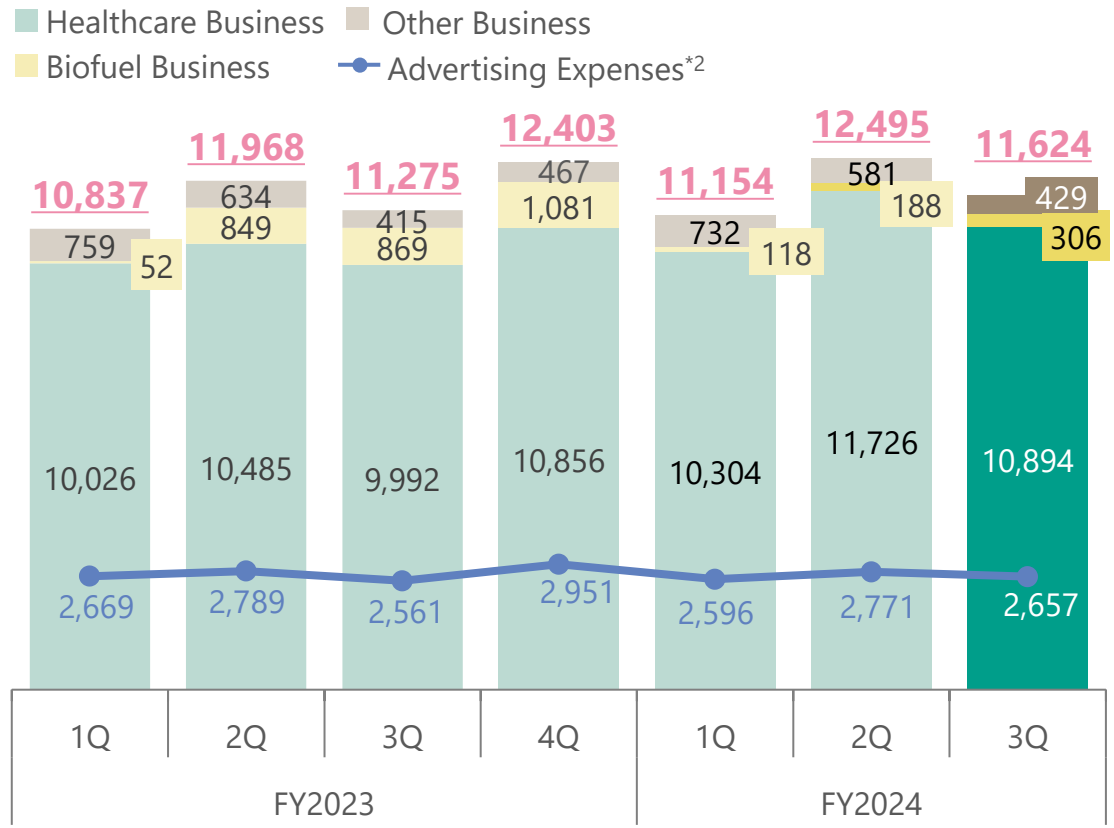
*1: Adjusted EBITDA is our own financial indicator. The formula is EBITDA (Operating income + Goodwill Amortization and Depreciation) + Subsidy income + Stock related compensation + Cost of Sales related to inventory step up for acquisition accounting

*2: Expected sales and adjusted EBITDA are JPY48 bln and JPY3.8 bln, respectively (as disclosed on Aug 8, 2024)

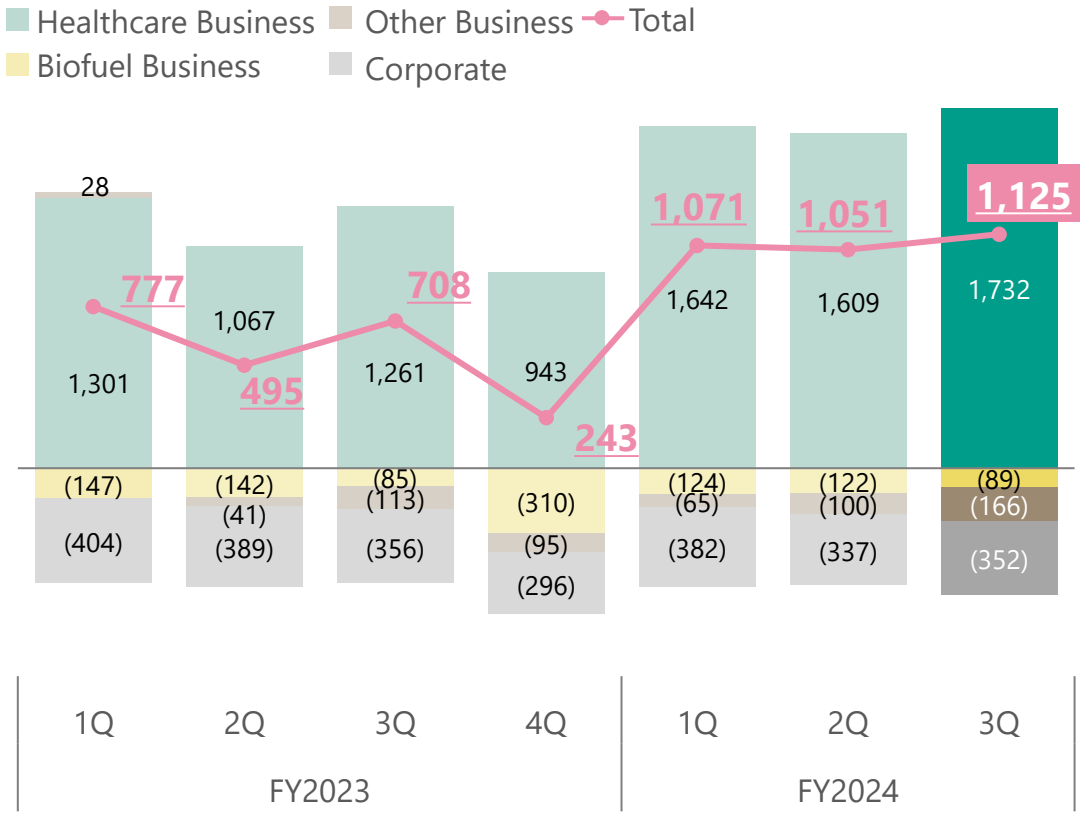
Progress in FY2024 - Details of Quarterly Sales/Adjusted EBITDA

Healthcare sales decreased QoQ due to the divestment of a subsidiary and Adjusted EBITA maintained an upward trend due to SG&A cost control of Healthcare Business

Sales*1



Adjusted EBITDA



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*1: The sales trend graph does not include company-wide sales (which arise when inter-segment transactions are eliminated), so the "sum of each segment" may not match the "total value."
*2: The advertising and promotion expenses in the sales trend graph do not include sales promotion expenses
Note: Unit: JPY million

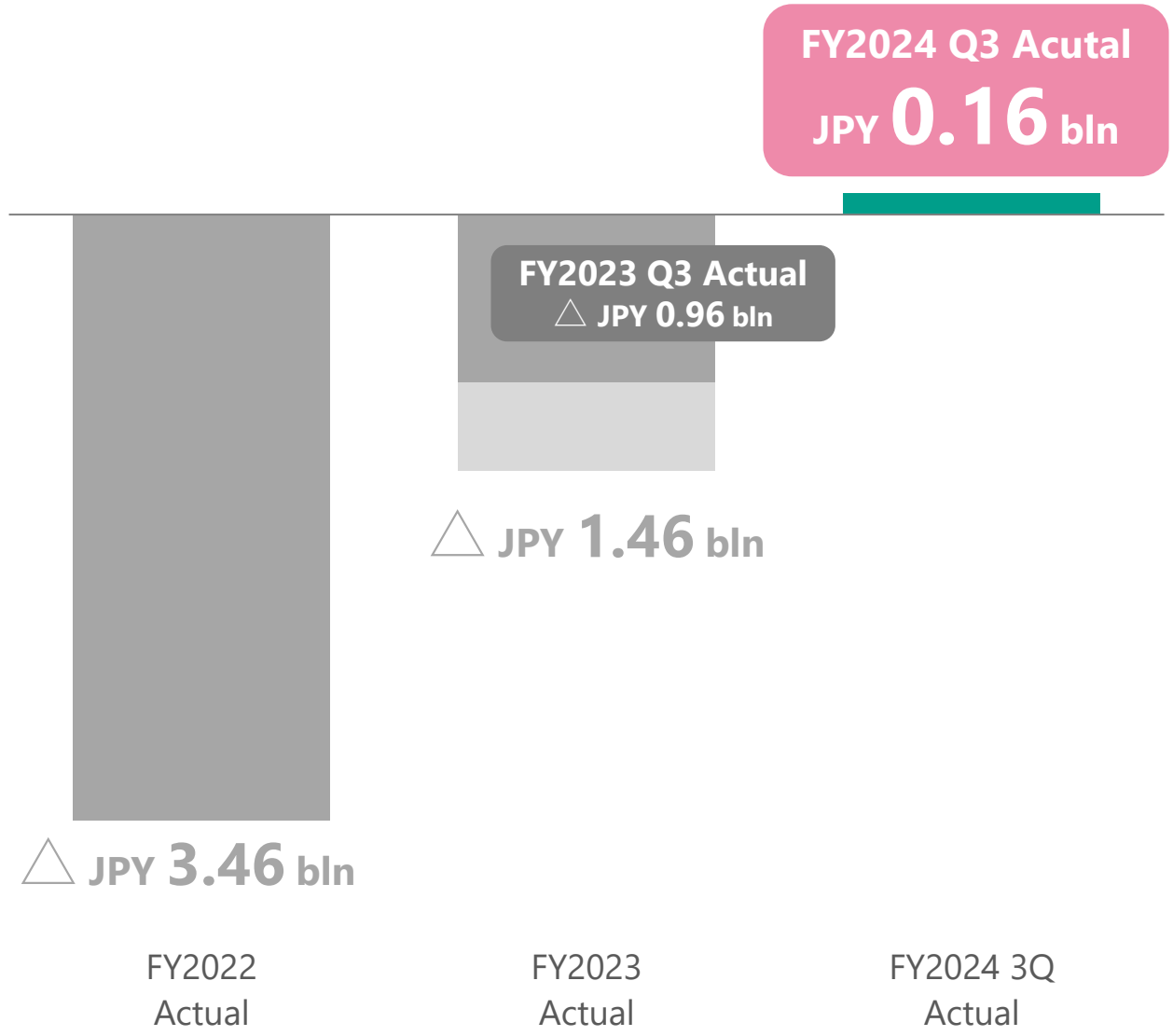
Progress in FY2024 - Operating Profit & Loss

Operating Profit & Loss in FY2024 Q3 (accumulated)

JPY 0.16 bln

Operating income maintained profitable YTD as of Q3, following 1H

Significantly improved YoY due to Saticine Medical consolidation, improved profitability in Healthcare Business, and decrease of the demo-plant operation costs in Biofuel Business



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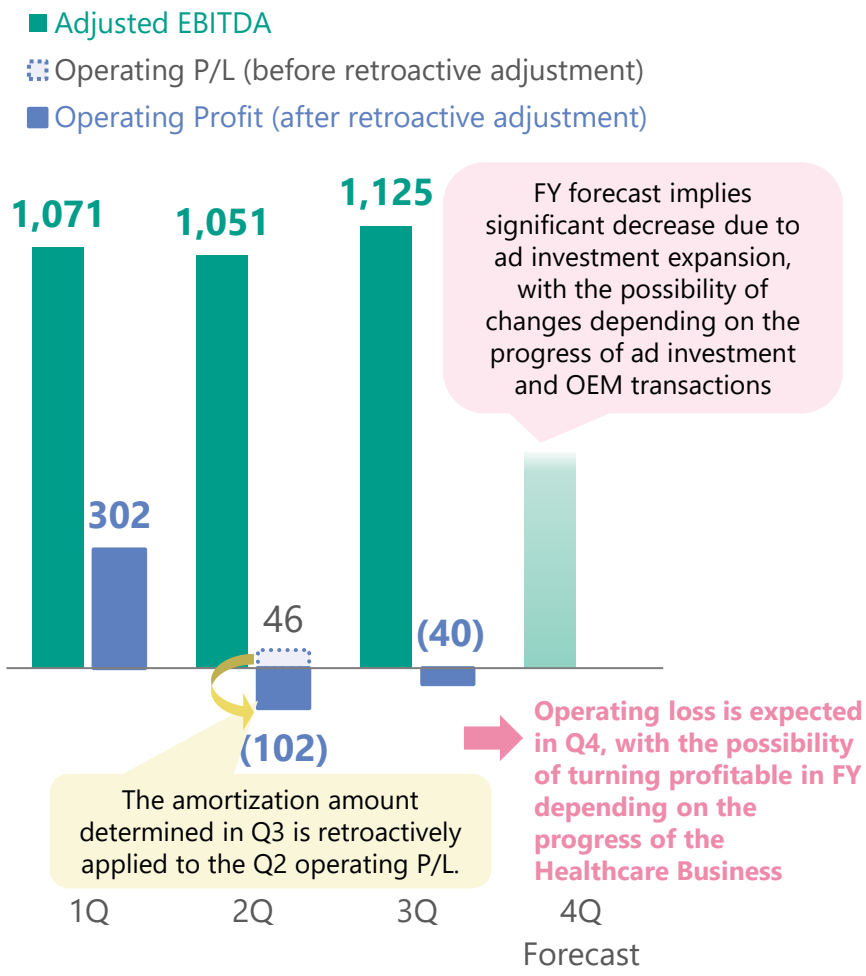
FY2024 Annual Forecast - Progress in FY2024 - Operating Profit & Loss, M&A accounting

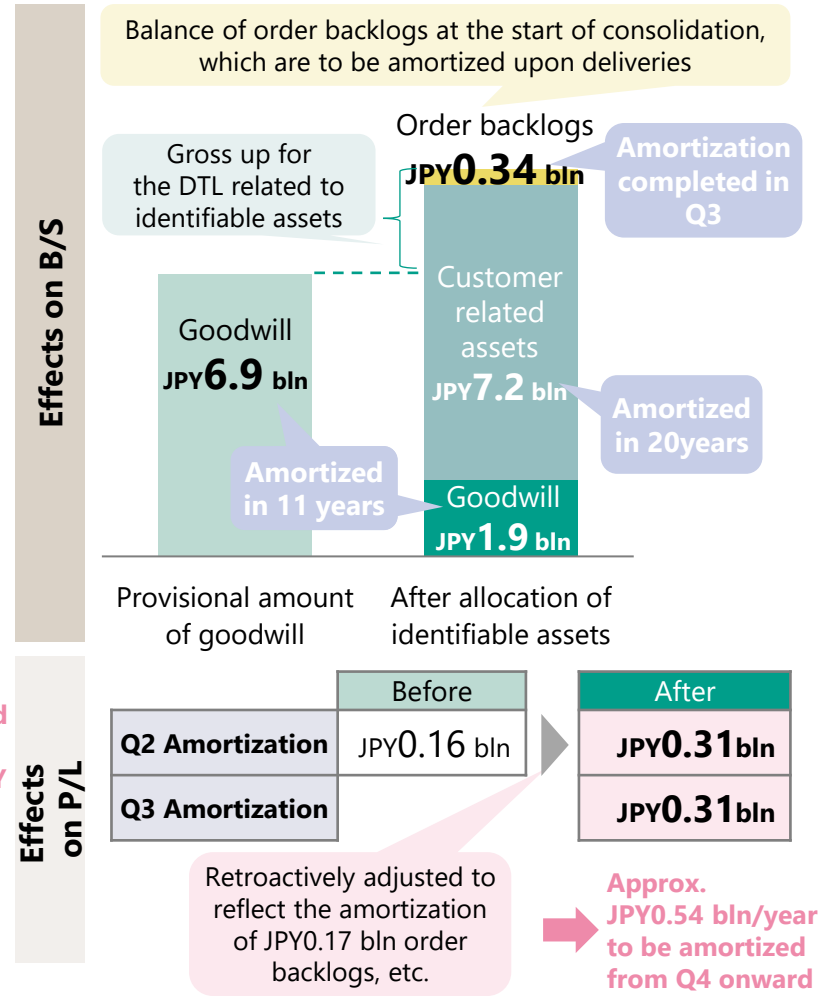
Accounting treatment (PPA*1) associated with the consolidation of Saticine Medical completed, with the cumulative amortization of approx. JPY0.6 bln (incl. JPY0.34 bln order backlogs) in Q3

Possibility of turning profitable throughout the year depending on the progress in advertising investments and OEM transactions

Adjusted EBITDA/Operating P/L (FY2024)



M&A accounting (Saticine Medical) *2



*1: PPA (Purchase Price Allocation) is an accounting procedure in which the tangible and intangible assets of an acquired company are evaluated at fair value at the time of consolidation, and the difference between the acquisition cost and the fair value is recorded as goodwill

*2: The provisional amount of goodwill associated with the consolidation of Saticine Medical and JAPAN BeauTech as of the end of March 2024 is approx. JPY6.9 bln, and the amortization period is set at 11 years. As of the end of Sep 2024, the allocation of acquisition costs to the identifiable assets (customer-related assets and order backlogs) was completed. Goodwill (approx. JPY35 mln) associated with the consolidation of NAYUTA has been amortized in a lump sum as of the end of March 2024

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Progress in FY2024 - Results Summary

While operating income was positive, ordinary/net income was negative due to decreased biofuel-related subsidies and extraordinary losses resulting from the divestment of a subsidiary and properties

(Unit: JPY million)	FY2023 Q3 Actual ①	FY2024 Q3 Actual ②	YoY ②-①
Sales	34,080	**35,274**	**+1,193**
Cost of sales	10,582	**10,616**	**+34**
Gross profit	23,498	**24,657**	**+1,159**
Gross margin rate	69.0%	69.9%	+1.0%
Operating income/loss	△959	**160**	**+1,119**
Non-operating income/loss	162	△192	△354
Subsidy income	441	99	△342
Ordinary income/loss	△798	**△32**	**+766**
Extraordinary income/loss	17	△737	△754
Income taxes	485	20	△464
Net income/loss attributable to owners of parent	△1,264	**△1,049**	**+215**
Adjusted EBITDA*1	1,980	**3,247**	**+1,267**

*1: Adjusted EBITDA is our own financial indicator. The formula is EBITDA (Operating income + Goodwill Amortization and Depreciation) + Subsidy income + Stock related compensation + Cost of Sales related to inventory step up for acquisition accounting

Note: The above figures are rounded down to the nearest million and may not coincide with the figures shown in financial statements (rounded off to the nearest million). The same is applied to the figures in all following tables and charts

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Growth Roadmap toward 2030

Aim for sustainable growth stemming from the growth of existing businesses and the creation of new sales pillars; build a business portfolio with the potentials of JPY100 bln sales and JPY16 bln equivalent Adjusted EBITDA

Sustainability First

Healthcare Business

Biofuel Business

Other Businesses

Venture spirit & R&D capability

"Make People and the Earth Healthy"

Health foods



ユーグレナ Q'SAI yaeyama épauler mej SATICINE MEDICAL 株式会社サティス製薬

Sales JPY60 bln
Adjusted EBITDA JPY9 bln+

Cosmetics



Sales*1 JPY30 bln
Adjusted EBITDA (Earnings before tax)*1 JPY6 bln+











Feedstock	Production	Sales
Promote feedstock procurement & development	Realize the commercial plant plan in Malaysia	Build a supply chain for sales in Japan and overseas

Sales JPY10 bln
Adjusted EBITDA JPY1 bln+



Sustainable Agri Tech (primary industry)



Bioinformatics



Social business

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*1: Assuming our share in the JVCo to be 15%. Illustrative earnings before tax (excl. financing costs), primarily of dividends received from the JVCo, are deemed as Adjusted EBITDA

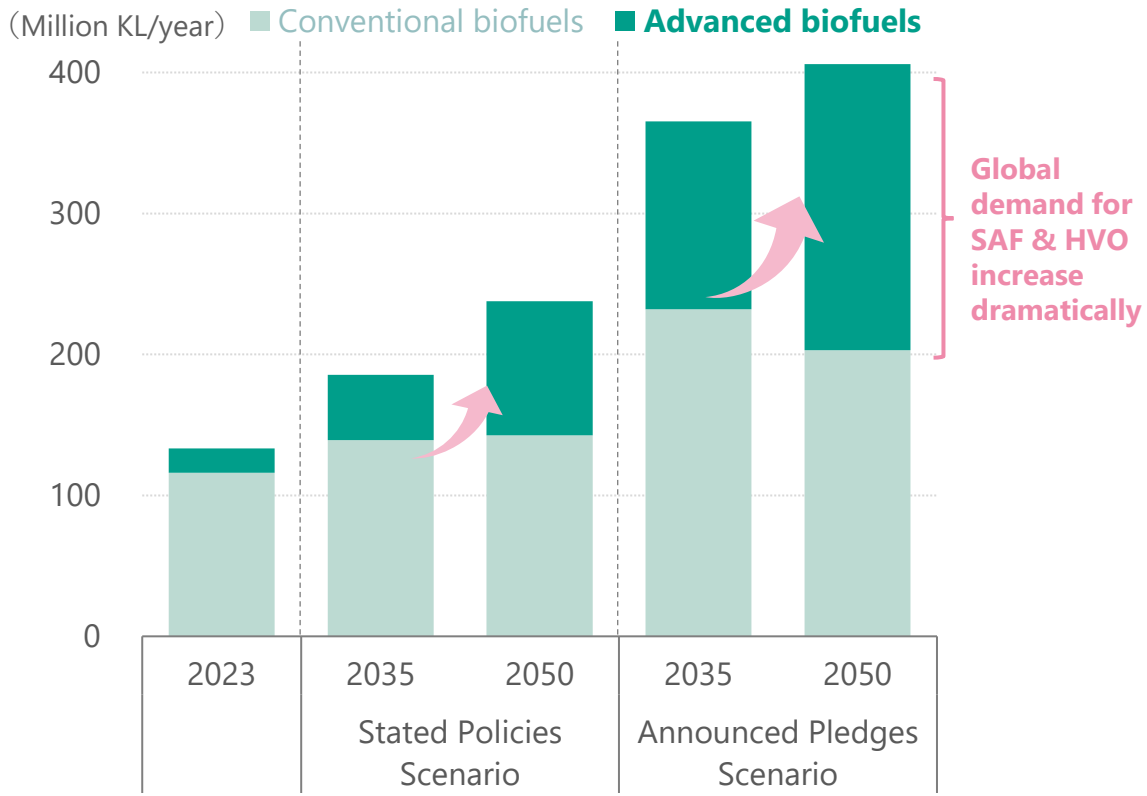
Biofuel Business

Industry Trends - Global Biofuel Markets

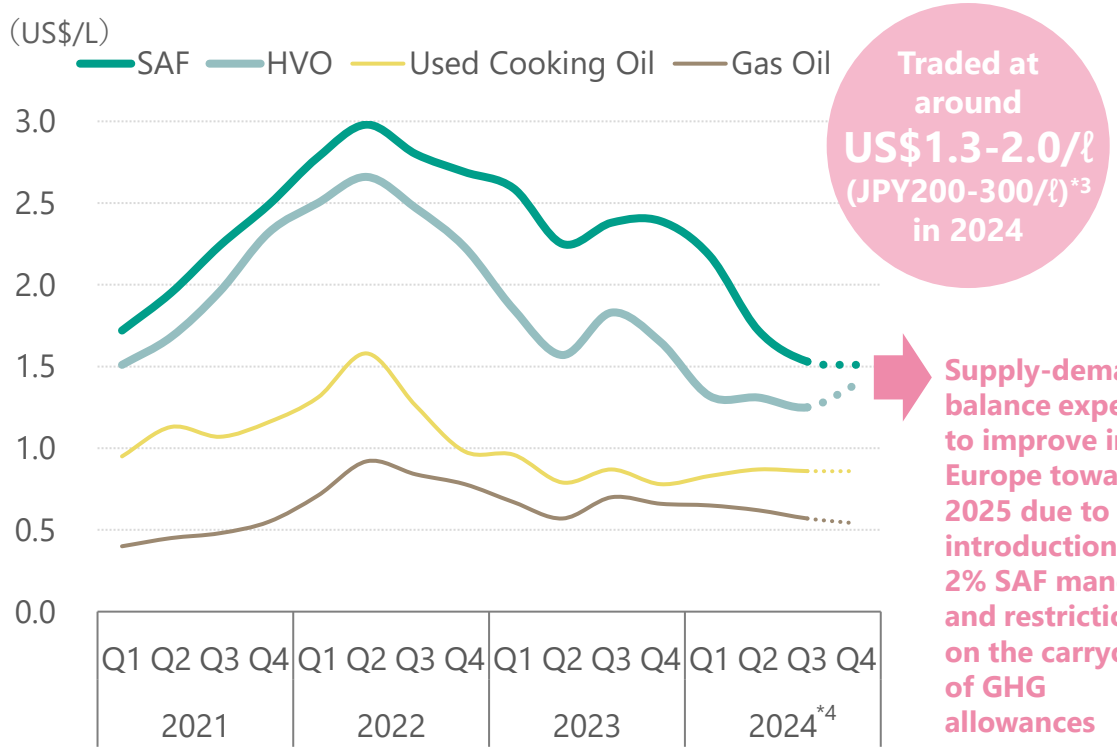
Introduction of mandates and incentives globally is expected to accelerate biofuel demand

Biofuel prices are currently stagnant due to increased supply, but are expected to turn around after 2025 due to the improvement in supply-demand balance

Global Biofuel Demand*1, 2



Biofuel price (Europe)*3



*1: Prepared based on the data from IEA "World Energy Outlook 2024"(2024)
*2: "Conventional biofuel" = 1G biofuel derived from agricultural crops, "Advanced biofuel" = Biofuel produced from sustainable feedstock that do not compete with food production, such as waste and non-edible plants
*3: The illustrated trends based on Argus Co. data, assuming a specific gravity of 0.8 g/cm³ fuel and 0.9 g/cm³ UCO and FX rate of 1USD = JPY150; actual prices vary depending on regions and trading conditions.
*4: 2024 Q4 price is the average value up to 1st week of Nov. HVO prices spiked from end of Oct., after Germany and the Netherlands unveiled plans to tighten the carryover of GHG allowances to the next FY

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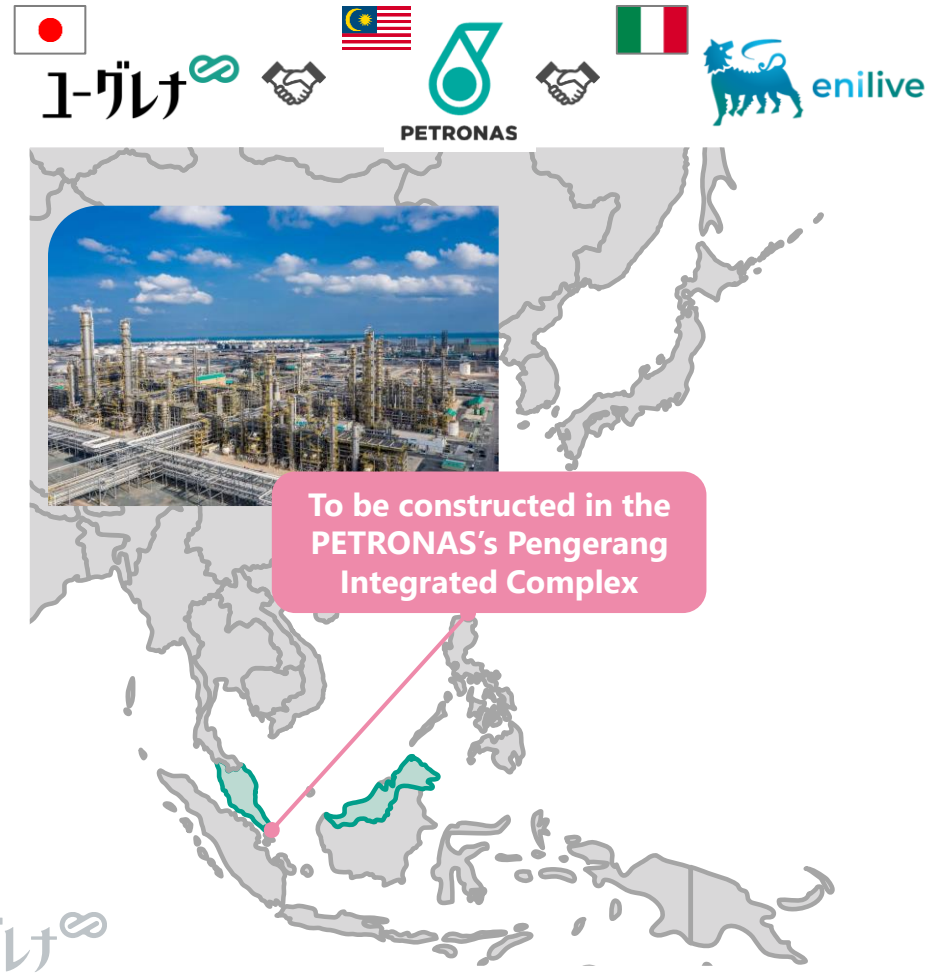
Biorefinery Project in Malaysia - Project Overview

Final Investment Decision taken on a biorefinery project in Malaysia with PETRONAS and Eni

The shareholders' agreement was concluded in Sep 2024. The JV company is expected to be established in 2024 Q4 and aims to start operations by 2H 2028.



Project Plan overview	
Location	Pengerang Integrated Complex (PIC) in Johor, Malaysia
Production	Flexible configuration to maximize the production of Sustainable Aviation Fuel (SAF) and Hydrogenated Vegetable Oil (HVO)
Feedstock	Used vegetable oils, animal fats, waste from the processing of vegetable oils, and other biomass including microalgae oils to be explored in the mid-term
Processing capability	About 650,000 tons per year of feedstock
Production capability	Up to 12,500 barrels per day (about 725,000KL per year) of biofuels (SAF, HVO and bio-naphtha)
Project size	Approximately US$1.3 billion

Expected schedule

- Jul 26, 2024 **Execution of FID**
- Sep 21, 2024 **Execution of SHA**
- 4Q 2024 **Establishment of JVCo**
- **Closing**
- **Deadline of Our call option**
- 2H 2028 **Operation to commence**

Competition clearance

9 months grace period for Euglena's financing

Nominal contribution **for 5% share**

Closing contribution expected **for 5% share**

Additional contribution aimed for **up to 15% share**

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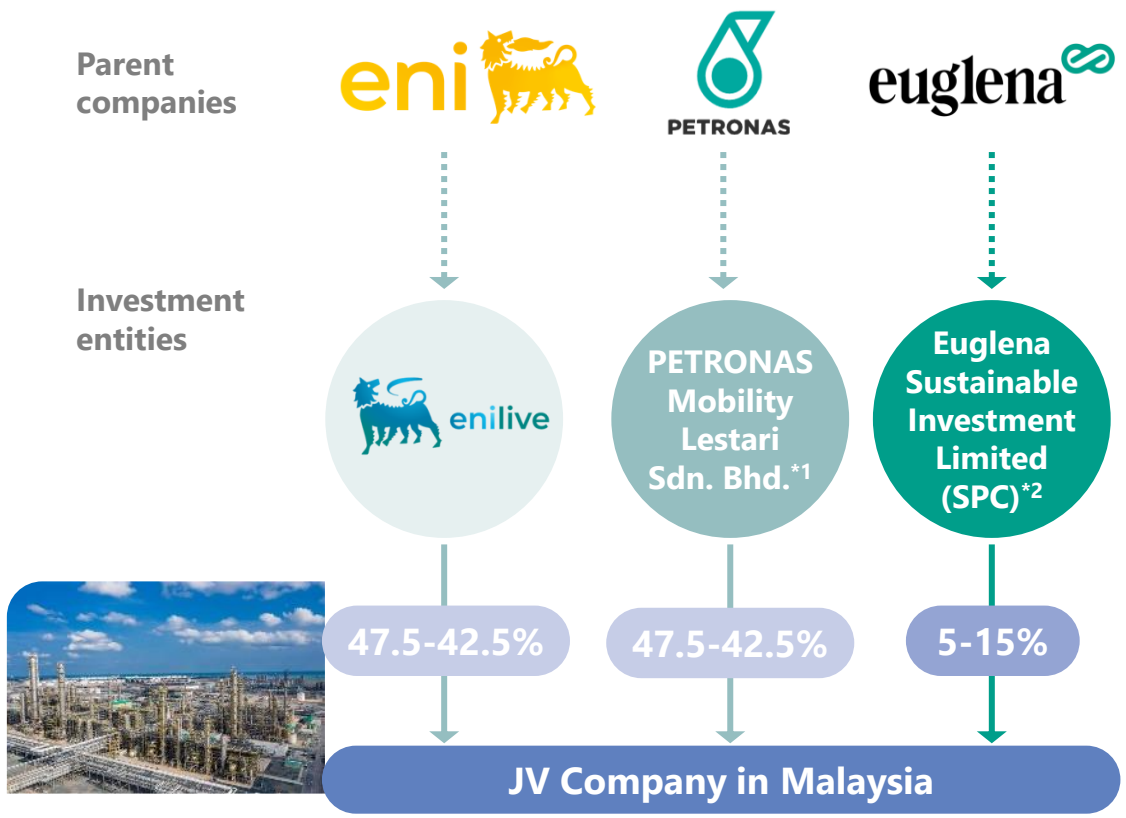
Biorefinery Project in Malaysia - JVCo structure and our Revenue Potential/Financing Plan

Revenue potential of JPY30 bln sales and over JPY6 bln PBT, with our maximum share of 15%

Our shares at closing expected to be 5%, with financing arrangements almost completed. Preparing debt(-like) financing by SPC and JVCo to secure 15% share, with no equity financing currently expected



Aim at 100ML/year trading with a 15% share

Prepare financing arrangement to secure a 15% share

Our Earnings Potential*3

- Sales (feedstock/product trading):
  approx. JPY30 bln/year
- Profit before tax (excl. impact of financing):
  over JPY0.6 bln/year
  + Profit from trading

Our Financing Plan

- **5% share (approx. USD65 mln*4 at closing)**
  - Most of the necessary USD funds have been secured through forward exchange contracts executed in Q3, with the residual to be arranged through bank guarantee
- **Additional investment for 15% share (the exact amount is TBC*4)**
  - Assuming debt(-like) financing by our SPC and JVCo, with no equity financing currently expected

*1: 100% held by PETRONAS Marketing International Sdn. Bhd., a wholly-owned subsidiary of Petroliam Nasional Berhad (PETRONAS)
*2: A special purpose company established in Cayman Islands in April 2024
*3: Assuming our company's share is 15%(equivalent to approx. 100,000KL/year), biofuel price @JPY300/L, the JVCo's net profit margin of 20% or more, dividend payout ratio of 100%, and no fundraising such as bank loans.
*4: Total amount of capital commitment (cash contribution and guarantee provision) in proportion to investment ratio. The amount required for 15% share may change depending on the JVCo's own third-party financing.

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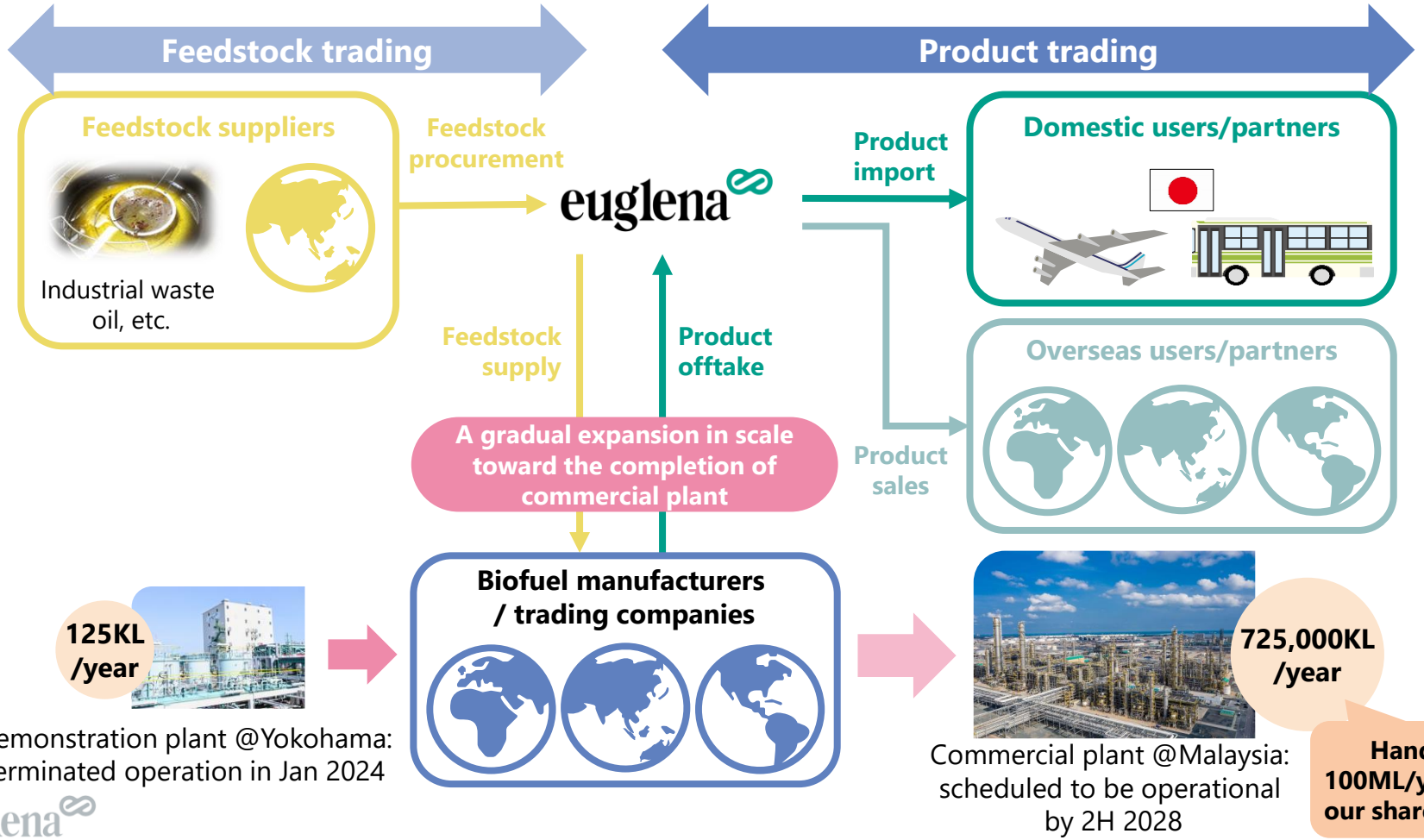
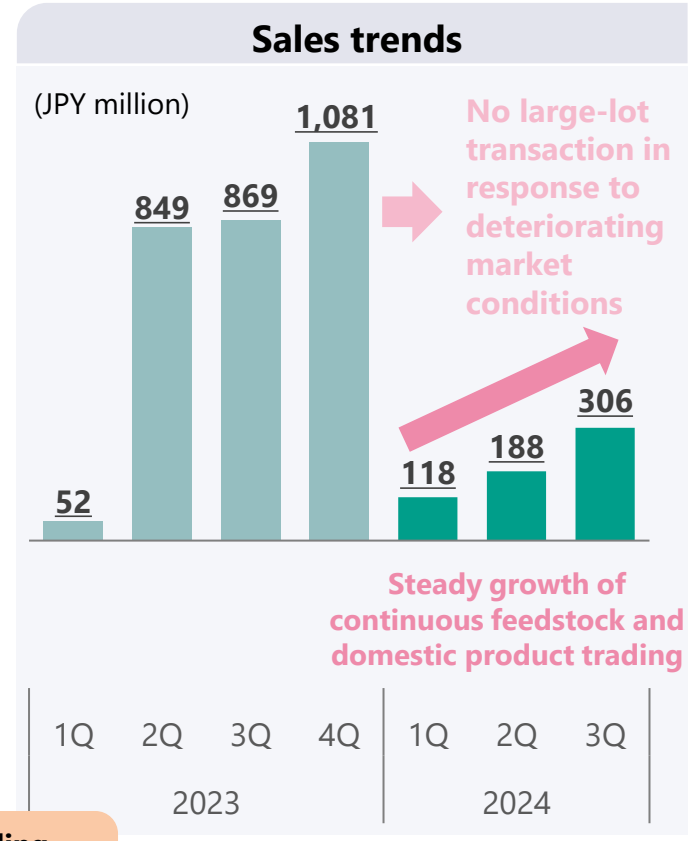
Prep for Commercialization - Reinforcement of Feedstock & Product Trading Capabilities

Embarking on the establishment of trading capabilities; for the time being, we focus on developing feedstock suppliers and expanding product imports, while large-lot overseas transactions will be conservatively operated depending on market conditions





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Prep for Commercialization - Partnership for HVO/SAF Distribution

Expand HVO/SAF supply network and continuous use of HVO/SAF through partnership

Launched continuous HVO supply projects with subsidies from Tokyo Metropolitan Government

HVO (Advanced biodiesel fuel)

Continuous supply through subsidies *1 (~Mar 2026)





SHIMIZU CORPORATION 清水建設 / 三菱地所 / 三菱地所設計 Mitsubishi Jisho Design

- Continuous supply of SUSTEO (HVO100%) to large construction machines for the Torch Tower construction project

Hinomaru

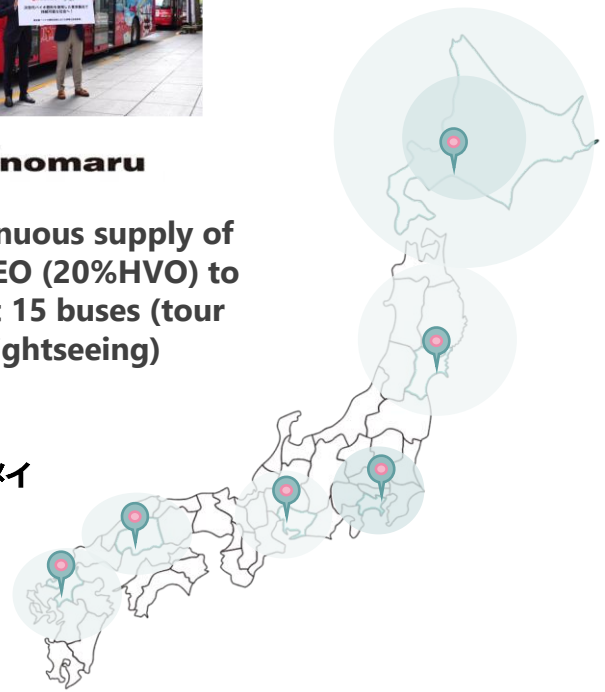
- Continuous supply of SUSTEO (20%HVO) to about 15 buses (tour and sightseeing)

Our supply partners

SINANEN / 平野石油株式会社 / SANWA ENERGY 三和エナジー / カメイ / MASUDA / THE NEW SOGO ENERGY 綜合エナジー株式会社 / 中川物産株式会社

Supply of imported HVO steadily expanding





SAF (Biojet fuel)

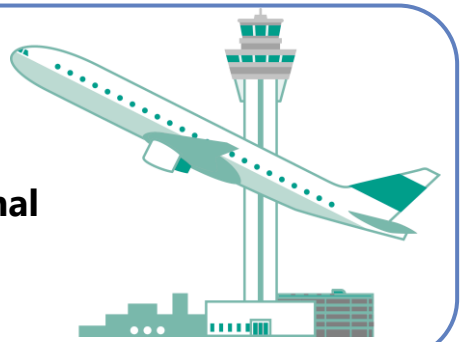
Partnership at Haneda Airport

- Joint study on building a supply chain for commercialization of SAF supply and sales
- Issuance of green bond (JPY1 bln)

Aim to establish SAF supply system for up to 50,000 KL/year

HANEDA Japan Airport Terminal — Japan Airport Terminal Co., Ltd

Domestic & foreign airlines @ Tokyo International Airport (Haneda Airport)



*1: "Promotion of Biofuel Businesses" by Tokyo Metropolitan Government

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R&D - Large-scale/low-cost Microalgae Production for Biofuel Feedstock

Aim to establish large-scale, low-cost culture technology by 2030 via a two-way approach

In Aug 2024, we inked a comprehensive joint research agreement with PETRONAS Research to accelerate the development of large-scale microalgae production technology

Collaborative Research



Collaborative research with PETRONAS Research

Comprehensive joint research agreement concluded regarding large-scale microalgae production technology for biofuel feedstock

Our Own Research


@Indonesia


@Mie


Tropical Biomass Technology Research Institute

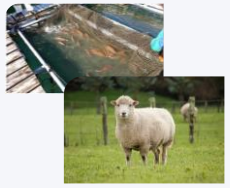
Continue R&D on autotrophic culture


Photoheterotrophic culture


Heterotrophic culture


Production Technology Research Institute

Promote R&D on heterotrophic culture


feed


fertilizer


Resource Circular Technology Research Institute

Research on dewaxed algae to use as feed and fertilizer

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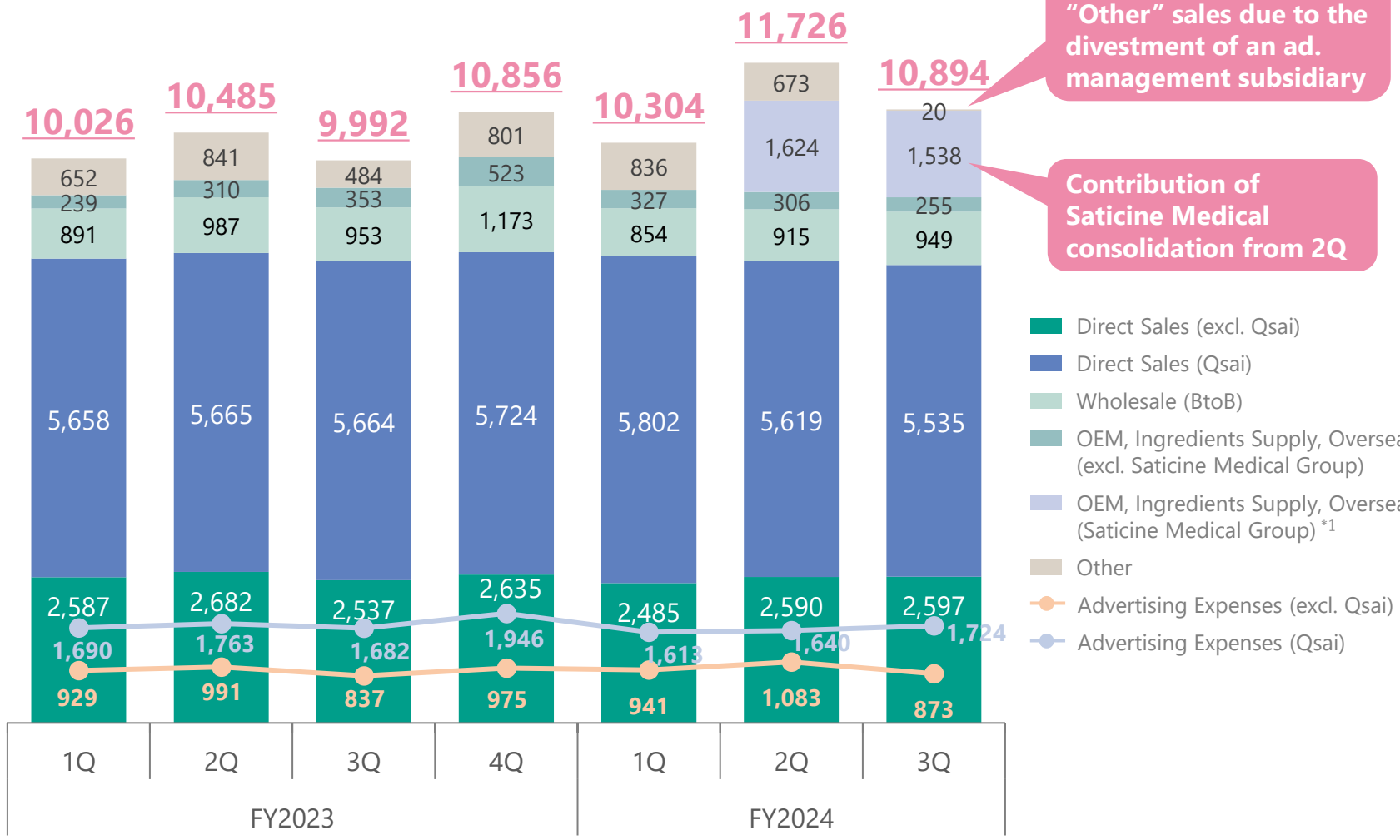
Healthcare Business

Quarterly Trends - Sales by Channel

Direct sales remained flat in general

OEM sales expanded significantly YoY due to the contribution of Saticine Medical consolidation

Significant decline in other sales due to the divestment of a subsidiary



Significant decline in "Other" sales due to the divestment of an ad. management subsidiary

Contribution of Saticine Medical consolidation from 2Q

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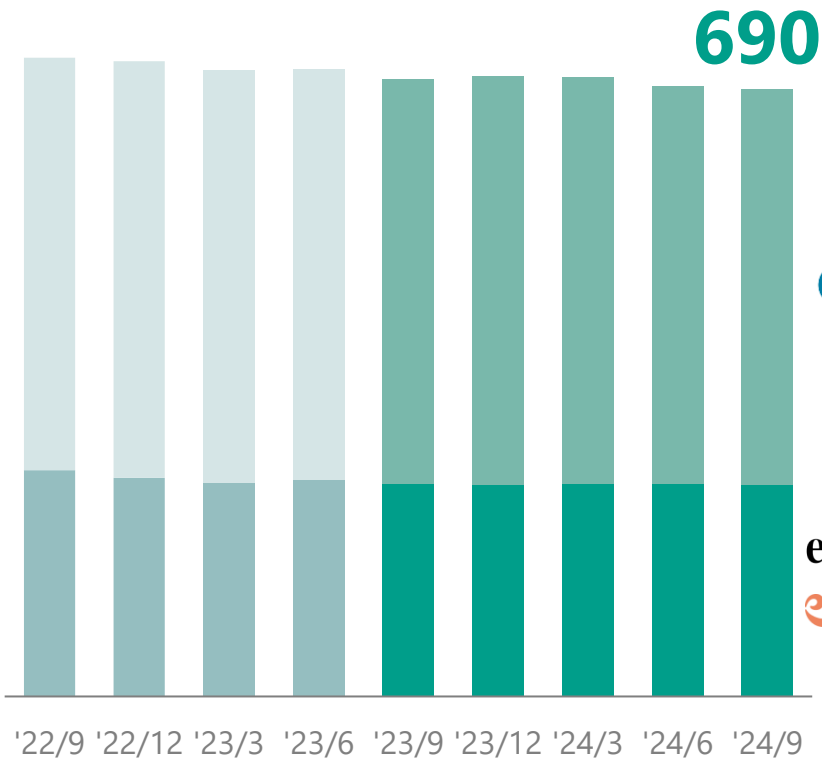
*1: Contribution of Saticine Medical Group is shown separately
Note: Figures in JPY million

Quarterly Trends - Number of Group Direct Sales Subscribers

Ad investment efficiency improving QoQ in several brands, with total subscribers slightly declined.
CONC and epo hair serum perform well, increasing the subscribers with investment expansion.

Trends in the Number of Subscribers (Group direct sales)



Q'SAI

euglena

épauler

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Trends by major brands (3Q 2024)



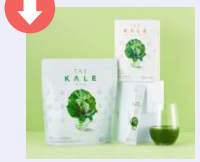
Knee Support Collagen

Slightly declined QoQ due to deteriorating investment efficiency since Q2



Cola-rich

Improved LTV due to introduction of big-size products and slightly increased QoQ for the improvement of investment efficiency



The Kale

Slightly declined QoQ, aiming for early turnaround through new measures



***Euglena* for Healthcare**

Continued steady performance, with expanded investment due to improved investment efficiency



CONC

Strong sales continued in Q3 with investment expansion for stable advertising efficiency and retention rate



one

Flat due to ad investment controls



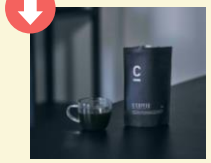
akyrise

Resumed investment with new ad materials improving investment efficiency



epo

Strengthened investment allocation centered on well-performing hair serum



C COFFEE

Continued trial investment in new products aiming at early turnaround

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Nurturing growth brands - CONC and epo（Premium Hematin）

Rapid growth in the number of subscribers for CONC (especially microneedle serum) and epo (Premium Hematin, a hair serum)

CONC

- The microneedle serum of CONC **"Wrinkle Injection"** performed well
- The number of subscribers growing nearly **5-fold** in one year
- **Continued aggressive investment** due to strong new acquisitions and retention rates
- **Received awards from beauty magazines**

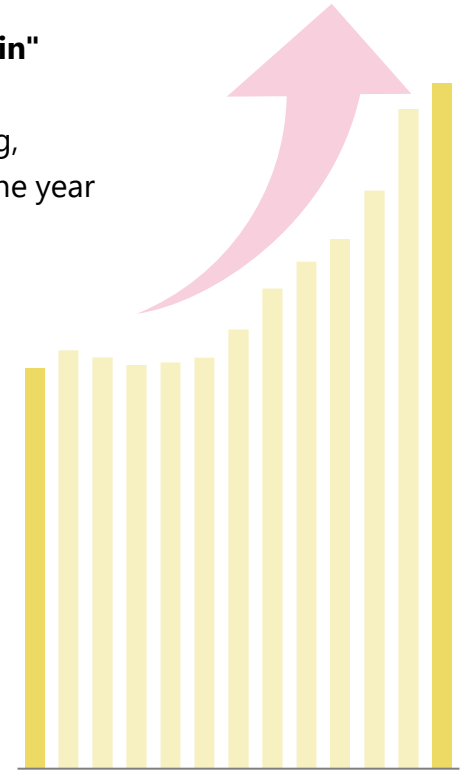




epo（Premiun Hematin）

- The hair serum of epo **"Premium Hematin"** performed well
- Online acquisition were particularly strong, **doubling** the number of subscribers in one year





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Increase the awareness of ingredients - *Euglena*

Expanded product lineup containing *Euglena* and actively developed collaborations to increase the awareness of the ingredients

Euglena for Healthcare

Expanding from seniors to families with small children



- Re-launched **"Furikake compelled to sprinkle - Sesame Nori Fragrance *Euglena* Mix"** from "*Euglena* for Healthcare" brand
  - Launched an easy-to-eat, sprinkle-type product for families with small children, following drink products
  - Aiming cross-selling to increase unit purchase price

one

Expanding to high-priced lineup



- Launched **"ONE Precious"**, quasi-drug skincare series
  - First high-priced lineup for ONE
  - To be sold as a set for two-step skincare
- A pop-up event at Shinjuku Takashimaya to celebrate the launch

Euglena materials (food grade)

Promotion in 400+ canteens in companies/schools



- Collaborated with SCF[*1] to offer **"*Euglena*-rich Fried Chicken"** at **more than 400 canteens** (about 20K meals) of companies and schools throughout Japan, including Marui Group and Rohto Pharmaceutical

Pop-up stores



- Organized pop-up stores at several Marui Group stores (Kinshicho, Kitasenju, Soka , Nakano, and Kashiwa).

Promotion in school lunches



- Introduction to school lunches at elementary and junior high schools in Iriomote Island, following the success in Ishigaki Island

*1: SHIDAX CONTRACT FOOD SERVICE CORPORATION

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Increase the awareness of ingredients - Kale

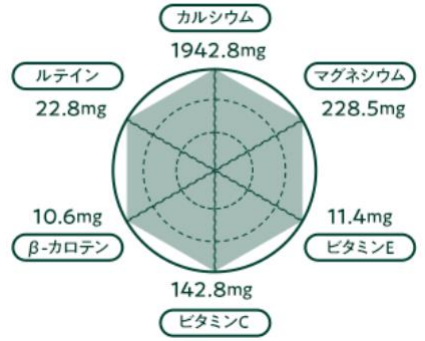
With Qsai's 60th anniversary*1, we once again stimulate the awareness of kale by featuring a celebrity and reprinted products, as well as leveraging the overwhelming recognition of Qsai Kale Aojiru



Launched a reprinted edition of Kale Aojiru featuring *Nakayamakinnikun*

- Launched **Qsai Kale Aojiru** with the reprinted package of the 1990s. Delivering the key message **"The authentic tastes bad"** to address the public concern about health food products nowadays by appealing the fact that 100% kale is safe and secure
- Launched TV commercials featuring Nakayamakinnikun, one of the long-time loyal customers, with the famous and nostalgic phrase, **"Tastes bad, give me more!"** for more exposure in various major media





Nutrition facts per 100g of kale

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*1: As of Dec 2024

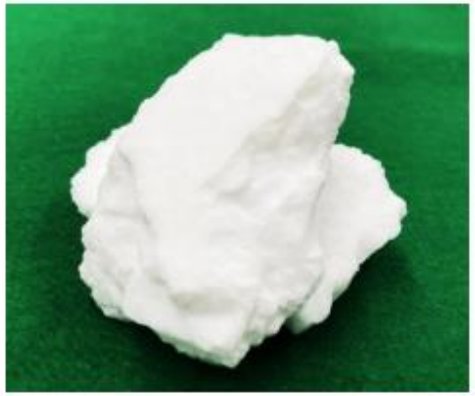
Other Business/ESG

Other Business/ESG - Sustainable Agri-tech/Bangladesh

Succeeded in recycling unused resources as fertilizer feedstock with AGC Group, patent pending. Distributed *Euglena* cookies in Bangladesh to support political stability

Utilization of unused resources

- Succeeded for the first time in Japan*1 in recycling waste salt generated in the chemical strengthening of cover glass for automotive displays as fertilizer feedstock (a collaborative project, patent pending).
- Aiming to recycle all waste salt generated by the AGC Group in the future

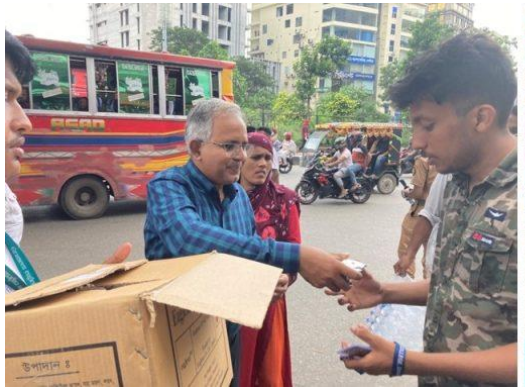


Solidified waste salt produced in chemical strengthening processes



A comparison of Japanese mustard spinach cultivated with our fertilizer derived from waste salt (top) and conventional fertilizer (bottom) shows that the effect is equally great

Support activities in Bangladesh





- A provisional government was formed after the conflicts between demonstrators and police.
- Approx. 110,000 *Euglena* cookies were distributed to local Bangladeshi student volunteers and four public hospitals to support political stability (a joint activity with Grameen Danone); planning continuous support in response to further local needs going forward

*1: Based on our research (as of Oct 17, 2024)

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Appendices :
Financial Summary

Company Overview



Foundation	August 09, 2005
Headquarters	5-29-11 Shiba, Minato ku, Tokyo, Japan
Capital stock	JPY 16,306 million — As of the end of Sept. 2024
Headcount*1	1,050 (Consolidated) — As of the end of Dec. 2023
Subsidiaries	15 consolidated subsidiaries, including 4 Qsai group companies 1 overseas joint venture — As of the end of Sept. 2024
Philosophy	Sustainability First
Purpose	Make People and the Earth Healthy
Listings	Prime Market of the Tokyo Stock Exchange
Ticker	2931
Number of Shareholders	116,817 — As of the end of Jun. 2024

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*1：Number of employees: excluding directors and temporary staff

Financial Summary - Consolidated Income Statement

(JPY million)	FY12/2023 total Q1	Q2	Q3	Q4	total	FY12/2024 total Q1	Q2*4	Q3	total	o/w Euglena*1 Q1	Q2*4	Q3	total	o/w Q'sai Q1	Q2	Q3	total
Sales (Based on new segmentation)	**10,837**	**11,968**	**11,275**	**12,403**	**46,483**	**11,154**	**12,495**	**11,624**	**35,274**	**4,770**	**6,225**	**5,406**	**16,401**	**6,384**	**6,269**	**6,218**	**18,872**
Direct Sales (BtoC)	8,244	8,347	8,201	8,360	**33,152**	8,287	8,208	8,132	**24,627**	2,485	2,590	2,597	**7,672**	5,802	5,619	5,535	**16,955**
Wholesale (BtoB)	891	987	953	1,173	**4,004**	854	915	949	**2,718**	271	264	301	**836**	583	651	649	**1,882**
OEM, Ingredients Supply, Overseas	239	310	353	523	**1,425**	327	1,930	1,793	**4,050**	327	1,930	1,762	**4,019**	0	0	31	**31**
Other	1,463	2,324	1,767	2,347	**7,902**	1,687	1,441	750	**3,878**	1,687	1,441	746	**3,874**	0	0	3	**4**
Cost of sales	2,996	4,028	3,558	4,126	**14,708**	3,130	4,085	3,401	**10,616**	2,002	2,945	2,270	**7,217**	1,128	1,140	1,131	**3,399**
Gross profit	**7,841**	**7,940**	**7,717**	**8,276**	**31,775**	**8,024**	**8,410**	**8,223**	**24,657**	**2,768**	**3,280**	**3,136**	**9,184**	**5,256**	**5,130**	**5,087**	**15,473**
Gross profit rate	72%	66%	68%	67%	**68%**	72%	67%	71%	**70%**	58%	53%	58%	**56%**	82%	82%	82%	**82%**
(Healthcare Business)	76%	74%	76%	74%	**75%**	76%	70%	74%	**73%**	65%	56%	64%	**62%**	82%	82%	82%	**82%**
SG&A expenses	**8,017**	**8,524**	**7,916**	**8,782**	**33,239**	**7,722**	**8,512**	**8,264**	**24,497**	**3,198**	**4,050**	**3,691**	**10,940**	**4,523**	**4,461**	**4,573**	**13,558**
Selling Expenses	5,157	5,362	4,966	5,485	**20,970**	4,967	5,161	4,927	**15,055**	1,761	2,013	1,771	**5,545**	3,206	3,148	3,156	**9,510**
(o/w advertising expenses)	2,669	2,789	2,561	2,951	**10,970**	2,596	2,771	2,657	**8,024**	983	1,130	933	**3,046**	1,613	1,640	1,724	**4,978**
Personnel expenses	1,176	1,249	1,341	1,505	**5,271**	1,141	1,445	1,500	**4,085**	651	951	888	**2,490**	491	494	611	**1,596**
Administrative expenses	1,397	1,610	1,321	1,429	**5,756**	1,433	1,682	1,624	**4,739**	621	880	846	**2,347**	812	802	777	**2,392**
R&D expenses	288	303	288	363	**1,242**	181	224	213	**619**	166	207	185	**558**	15	17	28	**60**
Operating income/loss	**-176**	**-584**	**-199**	**-505**	**-1,465**	**302**	**-102**	**-40**	**160**	**-431**	**-770**	**-555**	**-1,756**	**733**	**668**	**514**	**1,916**
Adjusted EBITDA*2	**777**	**495**	**708**	**243**	**2,222**	**1,071**	**1,051**	**1,125**	**3,247**	**-191**	**-147**	**82**	**-256**	**1,262**	**1,198**	**1,043**	**3,504**
Non-operating income/loss	65	56	41	-117	**45**	-36	-3	-153	**-192**	67	99	-71	**95**	-103	-102	-82	**-287**
(o/w subsidy income)	189	115	137	33	**474**	23	25	50	**99**	22	22	50	**94**	2	3	0	**5**
Ordinary income/loss	**-111**	**-529**	**-158**	**-622**	**-1,420**	**266**	**-105**	**-193**	**-32**	**-363**	**-671**	**-626**	**-1,661**	**630**	**567**	**432**	**1,629**
Extraordinary income/loss	30	-9	-3	-709	**-691**	-482	-303	49	**-737**	-482	-319	49	**-752**	0	16	0	**16**
Net income/loss attributable to owners of parent	-168	-746	-350	-1,389	**-2,653**	192	-519	-722	**-1,049**	na	na	na	**na**	na	na	na	**na**
<Reference Indicators>																	
Depreciation and amortization*3	524	723	504	358	**2,109**	490	777	770	**2,037**	105	393	385	**884**	384	384	385	**1,153**
(o/w M&A-related)	365	360	360	360	**1,444**	360	611	610	**1,581**	48	299	298	**646**	312	312	312	**935**
Amortization of goodwill	212	212	212	212	**847**	246	244	244	**734**	103	100	100	**304**	143	143	143	**430**

*1: The amount excluding Qsai Group PL (after reflecting elimination of intra-company transactions between Qsai Group and other groups) from consolidated PL, including subsidiaries' PL.
*2: Adjusted EBITDA is our own financial measure. The formula is EBITDA (Operating income + Goodwill Amortization and Depreciation) + Subsidy income + Stock related compensation + Inventory step-up impact
*3: The amount used to calculate adjusted EBITDA, which differs from the figures in the consolidated cash flow statement
*4: Allocation of goodwill recorded in conjunction with the consolidation of Saticine Medical and Japan BeauTech to identifiable assets (customer-related assets, backlog of orders) was completed in Q3 2024. FY2024/12 Q2 figures revised retroactively

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Financial Summary - Income Statement by segment

Breakdown of business segments

(JPY million)	FY12/2023 '23Q1	'23Q2	'23Q3	'23Q4	total	FY12/2024 '24Q1	'24Q2	'24Q3	total
Consolidated Total									
Sales	10,837	11,968	11,275	12,403	**46,483**	11,154	12,495	11,624	**35,274**
Q on Q	*-10%*	*10%*	*-6%*	*10%*	***5%***	*-10%*	*12%*	*-7%*	***na***
Gross profit	7,841	7,940	7,717	8,276	**31,775**	8,024	8,410	8,223	**24,657**
Gross margin	*72%*	*66%*	*68%*	*67%*	***68%***	*72%*	*67%*	*71%*	***70%***
Adjusted EBITDA	777	495	708	243	**2,222**	1,071	1,051	1,125	**3,247**
EBITDA margin	*7%*	*4%*	*6%*	*2%*	***5%***	*10%*	*8%*	*10%*	***9%***
Healthcare business									
Sales	10,026	10,485	9,992	10,856	**41,359**	10,304	11,726	10,894	**32,924**
Q on Q	*-11%*	*5%*	*-5%*	*9%*	***-1%***	*-5%*	*14%*	*-7%*	***na***
Gross profit	7,663	7,743	7,600	8,066	**31,072**	7,813	8,203	8,103	**24,119**
Gross margin	*76%*	*74%*	*76%*	*74%*	***75%***	*76%*	*70%*	*74%*	***73%***
Adjusted EBITDA	1,301	1,067	1,261	943	**4,572**	1,642	1,609	1,732	**4,984**
EBITDA margin	*13%*	*10%*	*13%*	*9%*	***11%***	*16%*	*14%*	*16%*	***15%***
Biofuel Business									
Sales	52	849	869	1,081	**2,852**	118	188	306	**612**
Q on Q	*-44%*	*1530%*	*2%*	*24%*	***986%***	*-89%*	*59%*	*63%*	***na***
Gross profit	-1	34	22	80	**135**	19	41	58	**117**
Gross margin	*-2%*	*4%*	*3%*	*7%*	***5%***	*16%*	*22%*	*19%*	***19%***
Adjusted EBITDA	-147	-142	-85	-310	**-684**	-124	-122	-89	**-335**
subsidy income	79	57	97	0	**233**	0	0	0	**0**
Other Business									
Sales	759	634	415	467	**2,274**	732	581	429	**1,742**
Q on Q	*12%*	*-17%*	*-35%*	*13%*	***-10%***	*57%*	*-21%*	*-26%*	***na***
Gross profit	180	163	95	132	**569**	192	165	64	**420**
Gross margin	*24%*	*26%*	*23%*	*28%*	***25%***	*26%*	*28%*	*15%*	***24%***
Adjusted EBITDA	28	-41	-113	-95	**-222**	-65	-100	-166	**-331**
EBITDA margin	*4%*	*-6%*	*-27%*	*-20%*	***-10%***	*-9%*	*-17%*	*-39%*	***-19%***
Corporate									
Sales	0	0	-0	-2	**-2**	0	-0	-5	**-5**
Gross profit	0	0	-0	-2	**-2**	0	1	-1	**1**
Adjusted EBITDA	-404	-389	-356	-296	**-1,444**	-382	-337	-352	**-1,071**

Breakdown of healthcare business

(JPY million)	FY12/2023 '23Q1	'23Q2	'23Q3	'23Q4	total	FY12/2024 '24Q1	'24Q2	'24Q3	total
Euglena Healthcare[*1]									
Sales	1,883	2,014	1,954	2,232	**8,083**	2,005	2,082	2,067	**6,155**
Gross profit	1,425	1,442	1,427	1,505	**5,799**	1,490	1,479	1,504	**4,473**
Gross margin	*76%*	*72%*	*73%*	*67%*	***72%***	*74%*	*71%*	*73%*	***73%***
Adjusted EBITDA	173	66	206	-19	**428**	251	28	224	**503**
EBITDA margin	*9%*	*3%*	*11%*	*-1%*	***5%***	*13%*	*1%*	*11%*	***8%***
epauler									
Sales	951	901	932	1,023	**3,807**	869	847	881	**2,597**
Gross profit	738	722	718	785	**2,963**	673	670	676	**2,020**
Gross margin	*78%*	*80%*	*77%*	*77%*	***78%***	*77%*	*79%*	*77%*	***78%***
Adjusted EBITDA	4	-17	90	91	**168**	36	42	75	**152**
EBITDA margin	*0%*	*-2%*	*10%*	*9%*	***4%***	*4%*	*5%*	*9%*	***6%***
MEJ									
Sales	393	444	413	445	**1,695**	302	284	276	**861**
Gross profit	325	347	319	362	**1,354**	216	243	224	**683**
Gross margin	*83%*	*78%*	*77%*	*81%*	***80%***	*72%*	*86%*	*81%*	***79%***
Adjusted EBITDA	71	25	36	117	**249**	-7	14	72	**79**
EBITDA margin	*18%*	*6%*	*9%*	*26%*	***15%***	*-2%*	*5%*	*26%*	***9%***
Q'sai group[*2]									
Sales	6,264	6,408	6,309	6,508	**25,489**	6,428	6,319	6,257	**19,004**
Gross profit	5,095	5,120	5,069	5,286	**20,570**	5,300	5,180	5,121	**15,601**
Gross margin	*81%*	*80%*	*80%*	*81%*	***81%***	*82%*	*82%*	*82%*	***82%***
Adjusted EBITDA	1,028	949	911	697	**3,586**	1,305	1,248	1,077	**3,631**
EBITDA margin	*16%*	*15%*	*14%*	*11%*	***14%***	*20%*	*20%*	*17%*	***19%***
Saticine Medical group[*3]									
Sales	—	—	—	—	**—**	13	1,659	1,567	**3,238**
Gross profit	—	—	—	—	**—**	-2	507	581	**1,087**
Gross margin	—	—	—	—	***—***	*-14%*	*31%*	*37%*	***34%***
Adjusted EBITDA	—	—	—	—	**—**	-5	222	305	**522**
EBITDA margin	—	—	—	—	***—***	*-39%*	*13%*	*19%*	***16%***
hako inc, within business/elimination[*4]									
Sales	536	717	383	648	**2,285**	686	535	-153	**1,069**
Gross profit	79	112	67	128	**386**	136	124	-5	**255**
Adjusted EBITDA	25	44	18	57	**142**	62	55	-20	**96**

*1: Total of euglena's Healthcare Business and subsidiaries LIGUNA(merged into Euglena Co. after 2024 Q3), Yaeyama Shokusan, and Shanghai Euglena (liquidated in FY2024Q1).
*2: Total of Q-Partners, Qsai, Qsai Products, Qsai Farm Shimane, and CQ ventures (dissolved in an absorption-type merger in Jan FY2024). Figures differ from those on the previous page due to elimination of intra-company transactions.
*3: Three companies, i.e., Saticine Medical, JAPAN BeauTech, and NAYUTA. Made Saticine Medical and JAPAN BeauTech consolidated subsidiaries at the end of March, 2024 (deemed acquisition date) and NAYUTA at the end of February, 2024 (deemed acquisition date).
*4: Total of common expenses for the entire healthcare business, elimination of intra-company transactions in healthcare business, and Hako (transferred shares at the end of June, 2024)

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Financial Summary - Consolidated Balance Sheet

Saticine Medical Group consolidated *1

Allocation of acquisition cost of Saticine Medical Group completed

(JPY million)	12/2022	3/2023	6/2023	9/2023	12/2023	3/2024*2	6/2024*2	9/2024
Current assets	**19,694**	**26,225**	**24,560**	**24,791**	**24,431**	**29,438**	**29,196**	**29,408**
Cash and cash equivalents	9,954	16,819	16,299	15,698	15,792	18,855	19,091	19,806
Inventory	4,623	4,677	4,193	4,148	3,685	4,360	4,364	4,033
Other	5,117	4,729	4,069	4,944	4,954	6,223	5,741	5,570
Non-current assets	**37,581**	**37,049**	**36,257**	**35,664**	**35,188**	**44,279**	**43,494**	**42,180**
Property, plant and equipment	5,848	5,795	5,771	5,687	5,507	6,971	6,681	6,185
Intangible assets	30,023	29,489	28,771	28,284	27,764	35,879	35,085	34,243
(Goodwill)	12,486	12,274	12,062	11,851	11,639	12,963	12,719	12,475
(Customer related intangible assets)	16,174	15,825	15,482	15,139	14,796	21,237	20,816	20,396
Investments and other assets	1,710	1,765	1,715	1,693	1,917	1,429	1,729	1,752
Total assets	**57,276**	**63,274**	**60,817**	**60,455**	**59,619**	**73,717**	**72,690**	**71,588**
Total liabilities	**37,922**	**40,808**	**39,082**	**39,011**	**39,405**	**42,819**	**41,422**	**40,835**
Total current liabilities	12,277	10,787	10,275	10,338	12,271	13,038	12,278	12,152
(Short-term borrowings)	2,709	2,732	2,509	2,973	3,294	4,558	4,403	4,360
Total long-term liabilities	25,645	30,021	28,807	28,672	27,133	29,782	29,143	28,683
(Long-term borrowings)	19,497	19,247	18,120	18,101	16,972	18,090	16,688	16,033
(Deferred tax liabilities)	5,330	5,159	5,071	4,955	4,857	6,230	6,037	6,230
(Bonds)	-	4,800	4,800	4,800	4,800	4,800	5,800	5,800
Total equity	**19,354**	**22,466**	**21,736**	**21,444**	**20,215**	**30,898**	**31,269**	**30,753**
Shareholders' equity	18,958	22,456	21,736	21,459	20,070	30,826	31,183	30,469
(Capital stock)	13,985	15,818	15,831	15,868	15,868	15,868	16,306	16,306
(Capital surplus)	13,316	15,149	15,162	15,199	15,199	16,419	16,857	16,857
(Accumulated deficit)	(8,309)	(8,477)	(9,223)	(9,573)	(10,962)	(1,426)	(1,945)	(2,659)
Other	396	10	(0)	(15)	144	72	86	284
Total liabilities and total equity	**57,276**	**63,274**	**60,817**	**60,455**	**59,619**	**73,717**	**72,690**	**71,588**

*1: Three companies, i.e., Saticine Medical, JAPAN BeauTech, and NAYUTA. Made Saticine Medical and JAPAN BeauTech consolidated subsidiaries at the end of March, 2024 (deemed acquisition date) and NAYUTA at the end of February 2024 (deemed acquisition date). In the BS prepared at the end of March 2024, a provisional amount (JPY6,914 mln) is shown for goodwill amortization related to the consolidation of Saticine Medical group. Allocation of acquisition cost was completed in Q3, and the amount of goodwill was revised to JPY1,899 mln

*2: Allocation of goodwill recorded in conjunction with the consolidation of Saticine Medical and Japan BeauTech to identifiable assets (customer-related assets, backlog of orders) was completed in Q3 2024. Figures for the end of March 2024 and the end of June 2024 have been revised retroactively.

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