

Euglena Group

Company Overview and Mid-term Business Outlook

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

FY2024 Q3

[Note] The company changed the fiscal year-end (the last day of a fiscal year) from the end of September to the end of December as approved at the extraordinary general shareholders' meeting (hereinafter EGM) on Aug 26, 2021.
The 17th fiscal year FY12/2021 (the transitional period) was 15 months from October 2020 to December 2021.

[Disclaimer Policy]

Forecasts, outlooks, strategies and other non-historical facts contained in this document are based on information available to the Group at the time this document was prepared, and the Group does not guarantee the accuracy of such information. These factors may differ significantly from forecasts due to changes in the economic and business environment.

Company Overview

Company Profile



Philosophy

Sustainability First

Purpose

Make People and the Earth Healthy

Awards

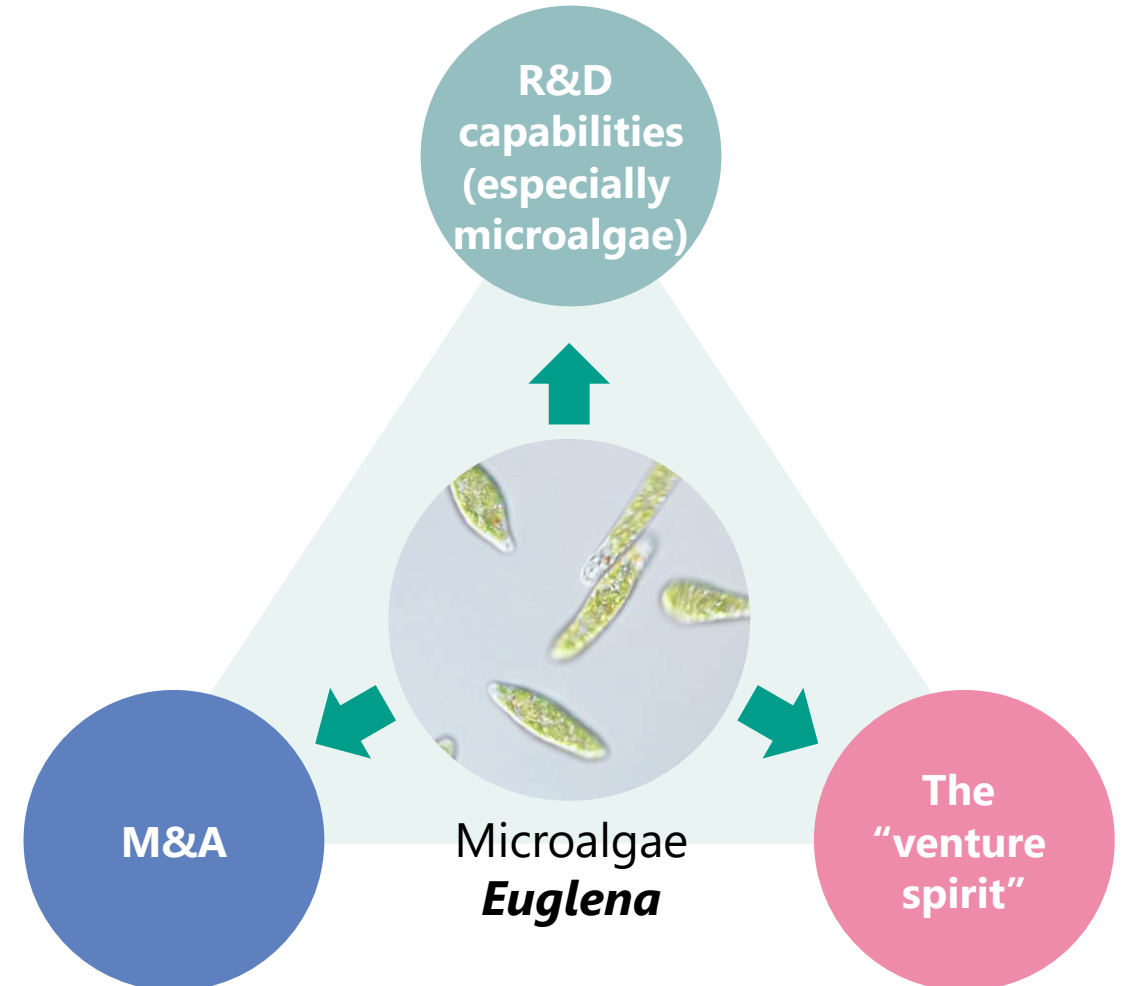
2021 **"Prime Minister Prize"**
5th Japan SDGs Award



2015 **"Prime Minister Prize"**
1st Japan Venture Grand Prize



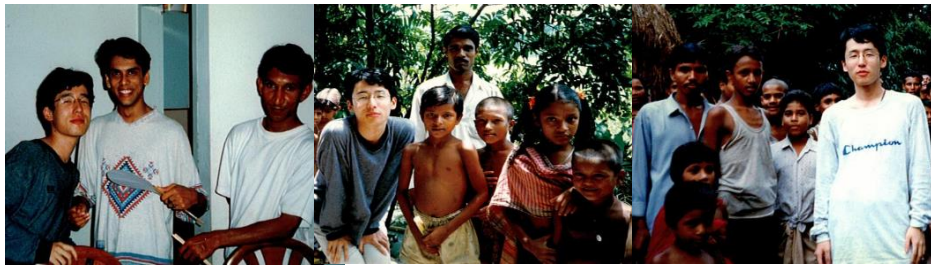
Growth Drivers



Company History

Rebuild our competitiveness & uniqueness based on our roots: "R&D capabilities" & "venture spirit" demonstrated as a university-originated R&D start-up and by several "first" achievements

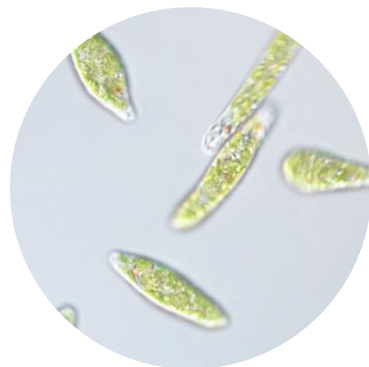
Roots of the company



Izumo, the founder of our company, was **determined to solve malnutrition problems** when he visited Bangladesh (1998)

Thereafter, he had searched for nutrient-rich food and finally encountered **microalgae *Euglena***.

The problem was that no one had succeeded in its mass cultivation.



Growth and challenges after the company foundation



Founded as an **R&D start-up** from the University of Tokyo (2005)



Succeeded in outdoor mass cultivation of food-grade microalgae *Euglena* **for the first time in the world** (2005)



Listed on the 1st Section of the Tokyo Stock Exchange **for the first time** as a start-up from the Univ. of Tokyo (2014)

Completed **Japan's first** SAF and RDF manufacturing demo plant (2018)

Our Growth Strategy - "5F of Biomass" and "Ambidexterity (Lead and Disrupt)"

With the purpose of "Make People and the Earth Healthy", we develop our businesses in line with 5F of biomass, as well as both exploiting the existing businesses and exploring new opportunities.

Exploiting "Make People Healthy"

Healthcare Business



yaeyama

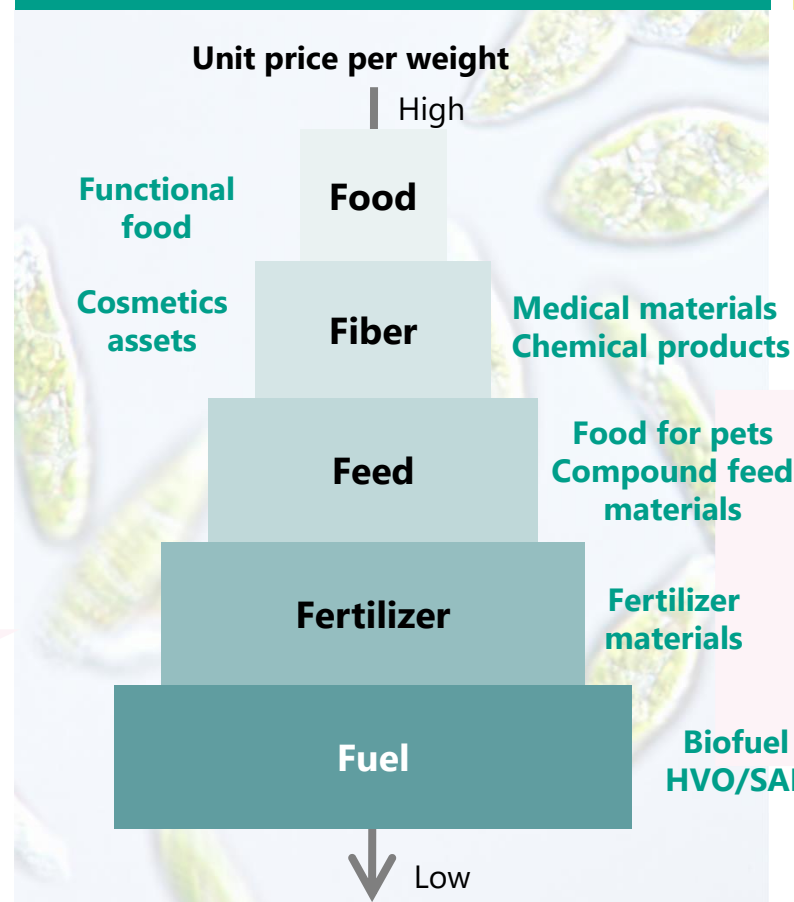
épauler Genequest

mej LIGUNA

Q'SAI SATICINE MEDICAL
株式会社サティス製薬

Exploit Healthcare Business through organic growth, R&D, and M&A

Basic Strategy: 5F of Biomass



Exploring "Make the Earth Healthy"

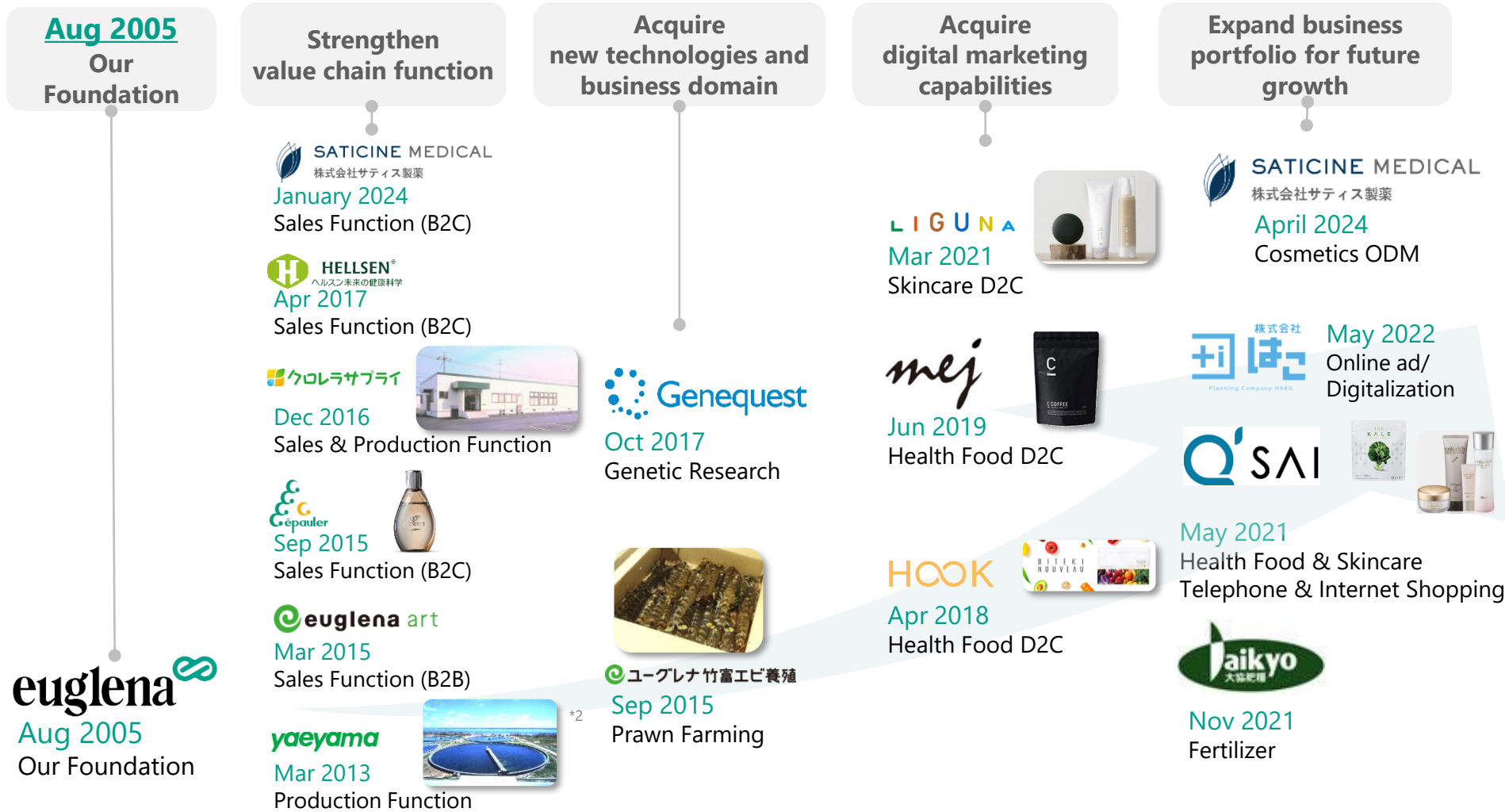
Biofuel Business/ Other Business



Explore new business opportunities through R&D and Partnerships

Our Growth Strategy - Strategic M&As

Our growth has been accelerated by strategic M&As, particularly Q'sai



Sales Contribution by group*1



FY2023

*1: "Others" include advertising management business in Healthcare Business and such new businesses as Sustainable Agri-Tech, Bioinformatics, Social Business, etc. As of the end of Dec. FY2023

*2: The cultivation facilities used in 2005 is different from the current facilities

Euglena Group Today - Business Development Focusing on Sustainability

Evolve various businesses around sustainability under our philosophy "Sustainability First"

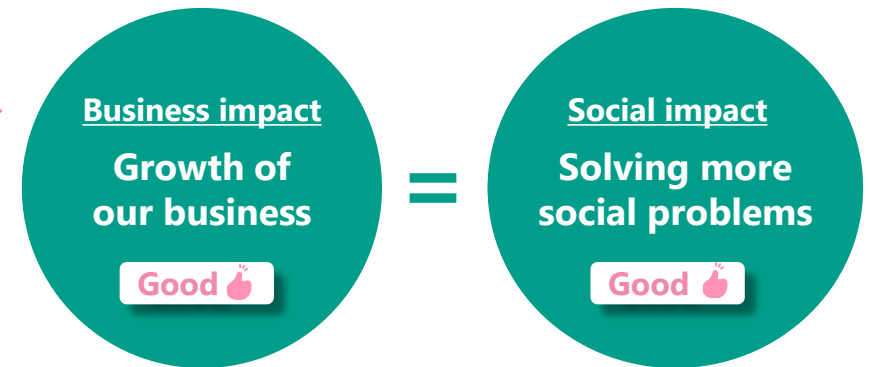
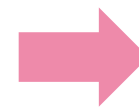
Aim to solve social issues through business growth, leveraged by growth investments, partnerships, and M&A



Euglena Philosophy

Sustainability First

All members of the Euglena Group are constantly considering and acting on the following:
 "How can our happiness continue to coexist with someone else's happiness?"



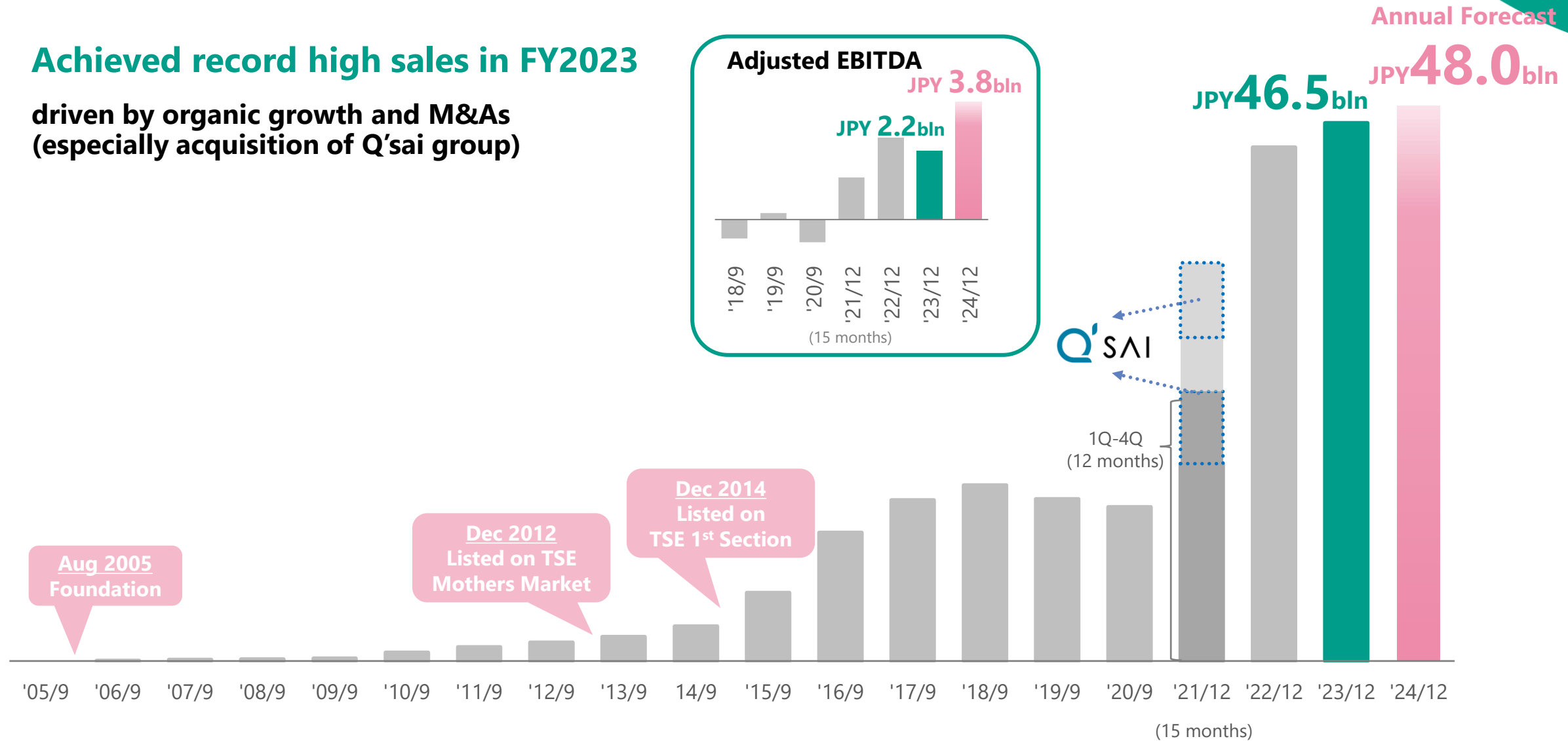
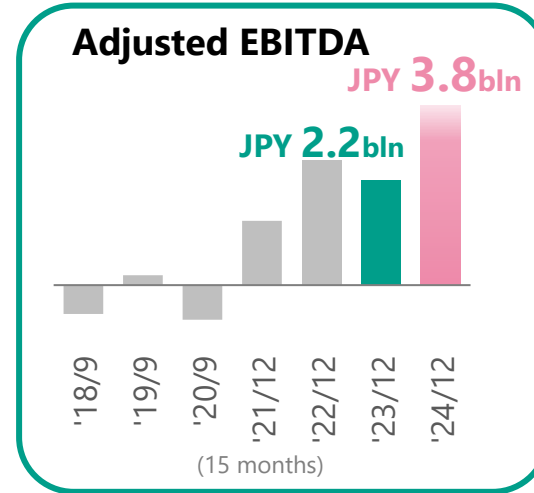
Purpose

Make People and the Earth Healthy

Business Development - Sales and EBITDA Trends

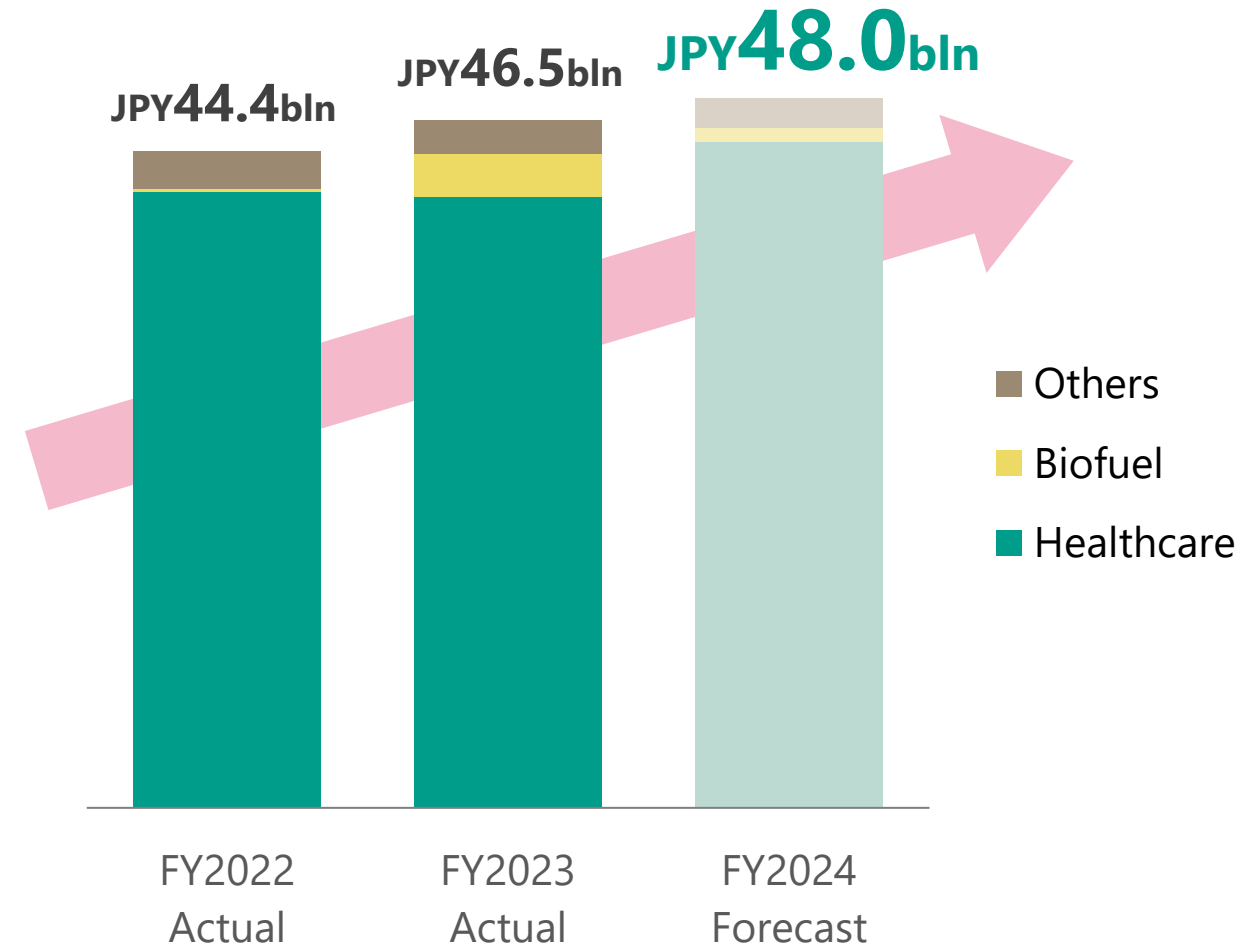
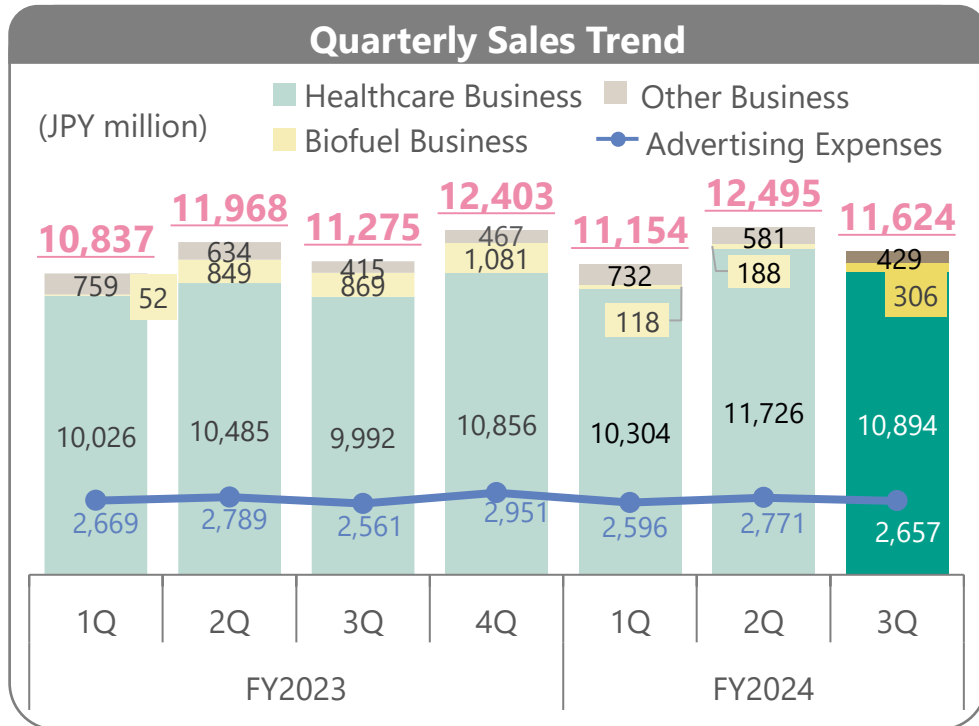
Achieved record high sales in FY2023

driven by organic growth and M&As
(especially acquisition of Q'sai group)



Financial Performance - Sales

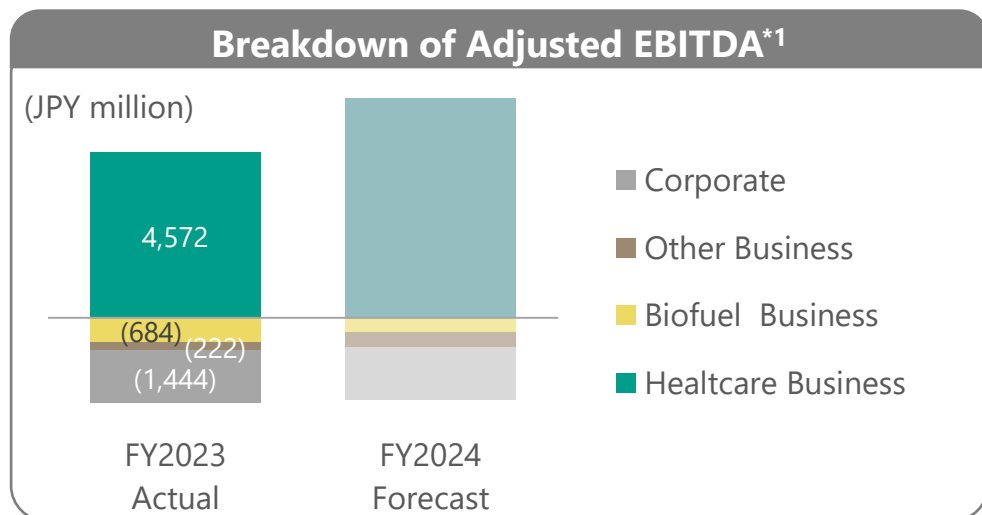
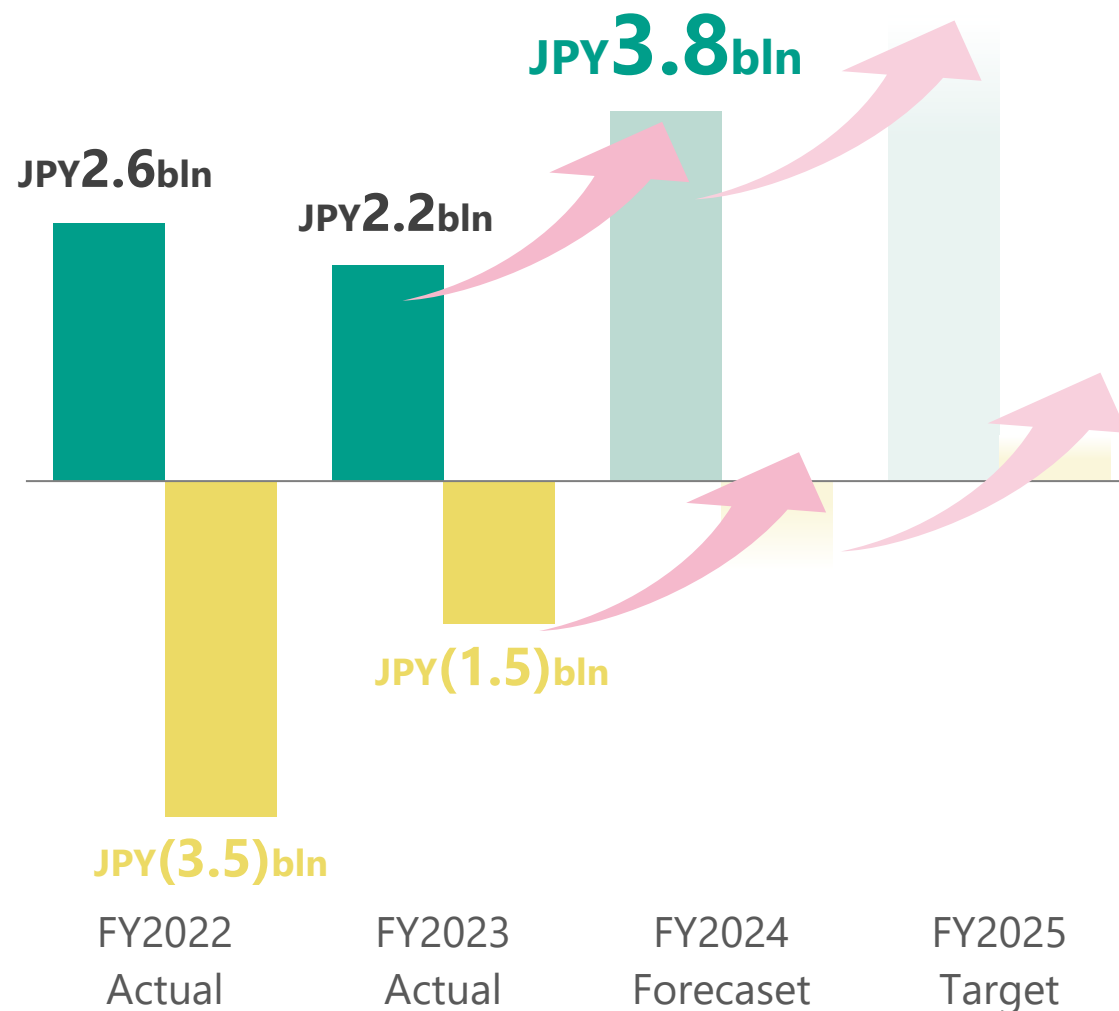
Sales forecasted to be JPY48.0 bln, the record high, in 2024, contributed by the acquisition of Cosmetics OEM companies



Financial Performance - Adjusted EBITDA*1 and Operating Profit/Loss

Adjusted EBITDA forecasted to increase to JPY3.8 bln in 2024 and grow further in 2025

Have recorded operating losses due to large M&A-related amortization expenses, but aim to turn positive in 2025 through profitability improvement efforts

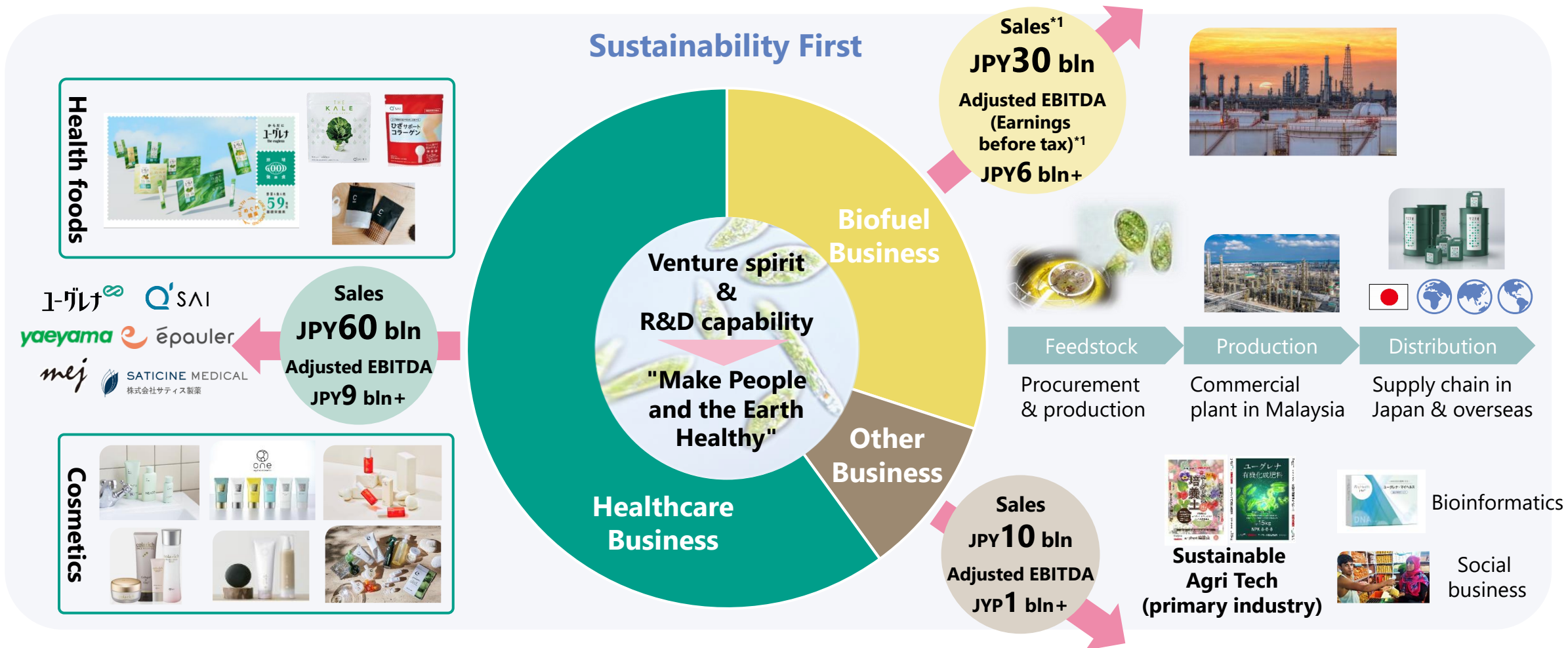


■ Adjusted EBITDA ■ Operating Profit/Loss

*1: Adjusted EBITDA is our own financial indicator. The formula is EBITDA (Operating income + Goodwill Amortization and Depreciation) + Subsidy income + Stock related compensation

Growth Roadmap toward 2030 - Business Portfolio and Growth Targets

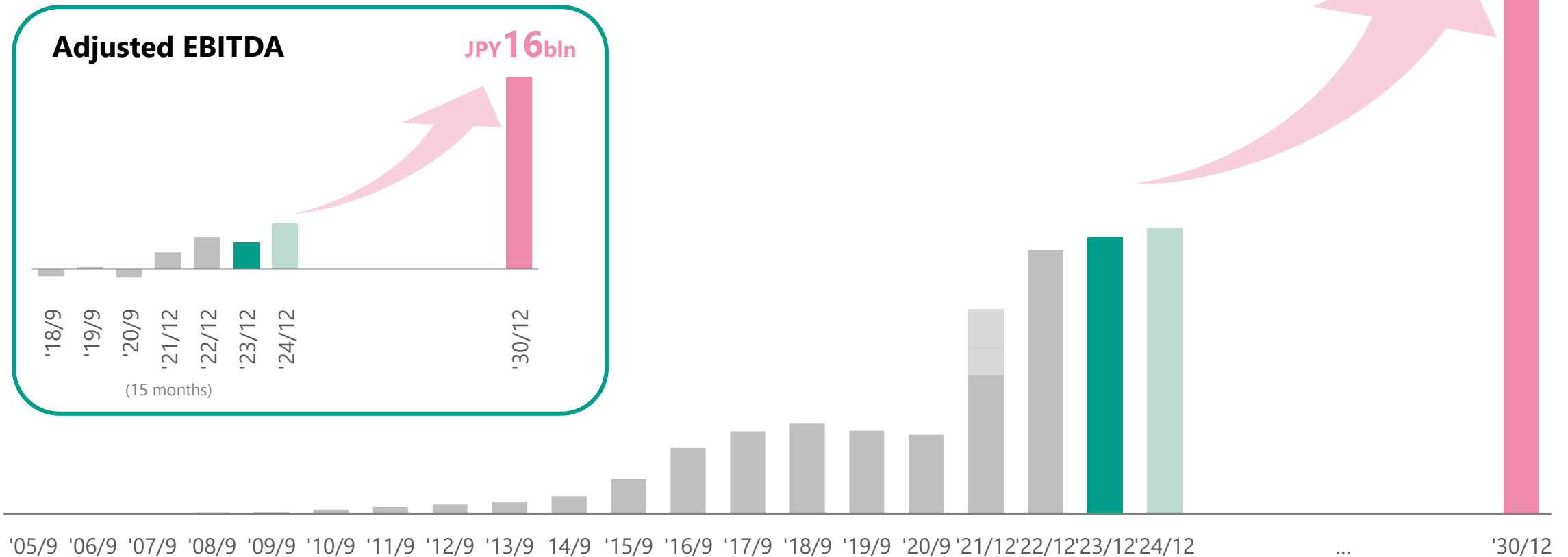
Aim for sustainable growth stemming from the growth of existing businesses and the creation of new revenue pillars; our venture spirit and R&D capabilities are the key to success



Growth Roadmap toward 2030 - Sales and EBITDA Potentials

Aim to build a business portfolio with the potentials of JPY100 bln sales and JPY16 bln-equivalent Adjusted EBITDA

Sales
JPY **100** bln



Microalgae *Euglena* and Our Technologies

Microalgae *Euglena* - Uniqueness and Potentials

Uniqueness

- Has characteristics of **both plant** that can photosynthesize and **animal** that can move around with its flagellum, offering a **variety of nutrients**
- Its own unique component "**paramylon**", a kind of dietary fiber, has varieties of functionality.
- Has **no cell wall**, unlike other plants and algae
- **Accumulates lipid** in its body which is available as biofuel feedstock and suited to SAF production

Potentials as ingredients/feedstock

Food



Cosmetics



**Euglena
Extract EX**



**Euglena
Fermented Oil**

Feed



Livestock



Aquaculture

Fertilizer



Organic fertilizer



Culture soil

Biofuel feedstock



**SAF (Jet fuel)
HVO (Fiesel fuel)**

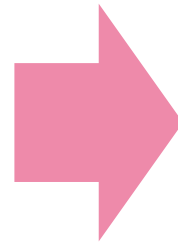
Our Technologies - Euglena (Food Grade) Cultivation facilities in Ishigaki Island

The cultivation facilities have evolved from outdoor culture pools to outdoor culture tanks

Since 2005, we have continued to improve and upgrade our cultivation technologies to achieve further cost reduction, scale-up, and more stable production and quality.



Cultivation facilities in Ishigaki Island as of 2005, when we succeeded in outdoor mass cultivation of *Euglena* for the first time in the world (Still used for *Chlorella* cultivation)



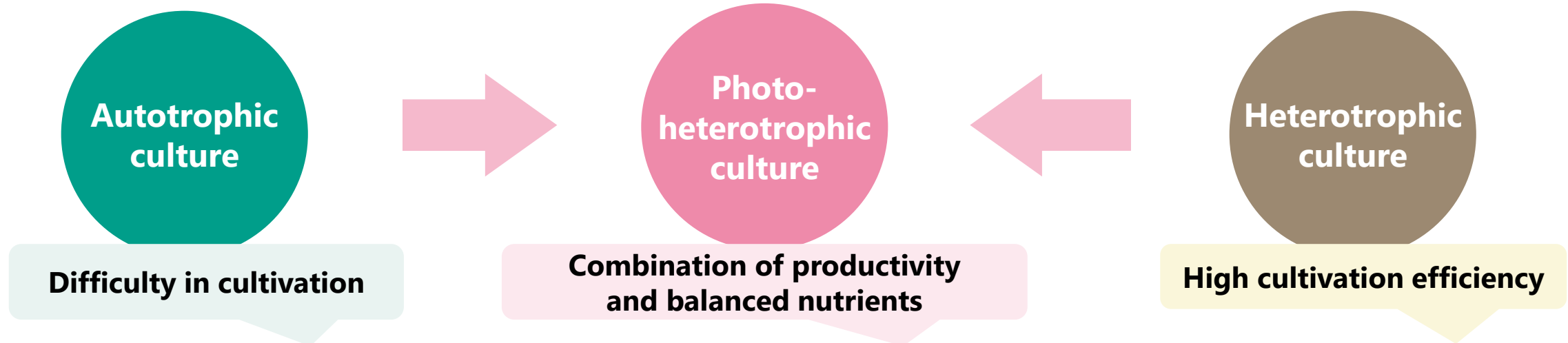
Lighting from the topside of the tanks

Current large-scale outdoor cultivation facilities of *Euglena* (food grade) in Ishigaki Island

Our Technologies - Culture Methods for Microalgae Euglena

We established the "photo-heterotrophic culture" method by outdoor culture tanks

Possessing all the technologies of various culture methods with respective features is our key strength



Ishigaki Island Euglena (food grade)



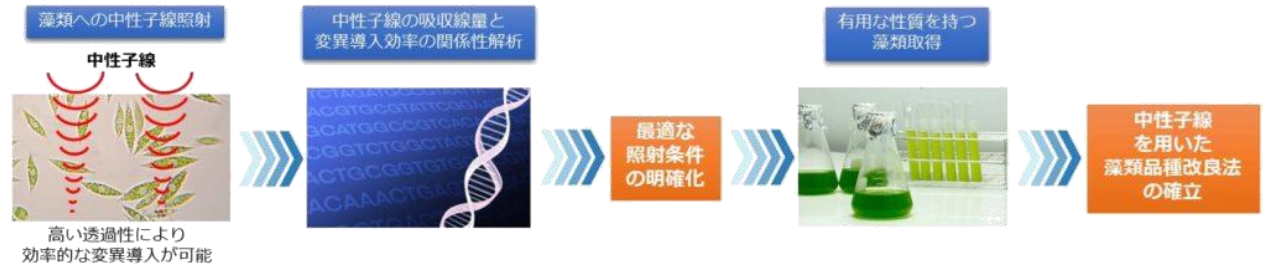
Aurantiochytrium

Our Tehnologies - Breeding Technologies for Microalgae *Euglena*

Established the technologies of high-efficiency breeding by gene mutation insertion and genome editing, and high-speed selection, with an aim to be utilized for large-scale commercial production

High-efficiency gene mutation insertion technology*1

While randomness exists, the produced strains are ready for industrial applications unlike genome editing and genetic modification



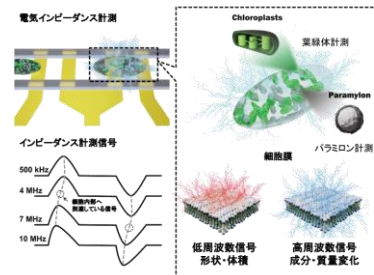
Pinpoint genome editing Technology*2,3,4

Enable the flexible and precise creation of useful strains, while various regulations should be met for industrial applications



High-speed microalgae selection Technology*5

Accelerate breeding through high-speed selection of useful strains



*1: "Established algae breeding technology based on neutron irradiation (2024/7/4)" (<https://www.euglena.jp/news/20240704-2/>)
 *2: "Enhanced genome editing technology for microalgae *Euglena* (2024/2/1)" (<https://www.euglena.jp/news/20240201-2-2/>)
 *3: "Succeeded in highly efficient genome editing in *Euglena* (2019/6/17)" (<https://www.euglena.jp/news/20190617-2/>)
 *4: "Succeeded in creating swimming-deficient *Euglena* by genome editing (2022/9/9)" (https://www.riken.jp/press/2022/20220909_1/)
 *5: "Developed a device that can simultaneously measure changes in the size and composition of algal cells at high speed (2022/6/24)" (<https://www.euglena.jp/news/20220624-3/>)

Euglena as Healthcare Ingredients - A Variety of Nutrients (both plant's and animal's)

Realized 59 varieties of nutrients through "photo-heterotrophic culture", which embodies our founding goal; focusing on nutrient balance and micronutrients, as well as paramylon content

59 varieties of nutrients

| <Vitamins> | | < Minerals > | <Amino acids> | <Others> | <Unsaturated fatty acids> |
|-------------------------------|-------------------|-------------------|----------------------|--------------------|---------------------------------|
| Vitamin A | Vitamin D | Zinc | Valine | β -Glucan | DHA |
| Vitamin B₁ | Vitamin E | Phosphorus | Leucine | (Paramylon) | EPA |
| Vitamin B₂ | Vitamin K | Calcium | Isoleucine | Chlorophyll | Palmitoleic acid |
| Vitamin B₆ | Folic acid | Magnesium | Alanine | Lutein | Oleic acid |
| Vitamin B₁₂ | Niacin | Sodium | Arginine | Zeaxanthin | Linoleic acid |
| Vitamin C | Pantothenic acid | Potassium | Lysine | GABA | Linolenic acid |
| | Biotin | Iron | Aspartic acid | Spermidine | Eicosatetraenoic acid |
| | | Manganese | Glutamic acid | Putrescine | Eicosadienoic acid |
| | | Copper | Proline | | Dihomo γ -Linolenic acid |
| | | | | | Arachidonic acid |
| | | | | | Docosatetraenoic acid |
| | | | | | Docosapentaenoic acid |

Photo-heterotrophic culture brings a relatively lower paramylon content, but an increase in the variety and quantity of a wide range of nutrients, including chlorophyll and carotenoids.

Euglena as Healthcare Ingredients - Unique Health Benefits

Paramylon (a rare constituent contained in *Euglena*) is expected to have various health benefits

The "no-cell-wall feature" allows euglenoid movement. It's also beneficial for digestion and absorption.

Paramylon

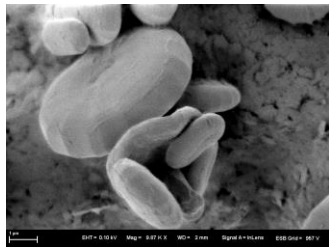
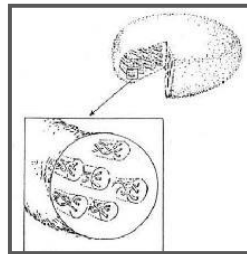
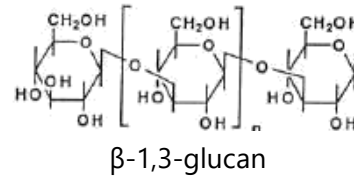


Photo by Shinichi Fukuoka, a professor of Aoyama Gakuin University



Particle structure of paramylon (Marchessault&Deslandes, 1979)



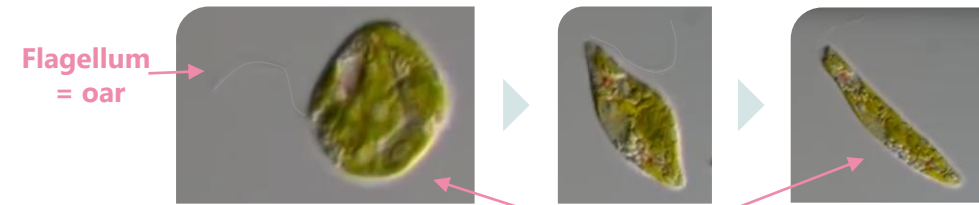
Structure of paramylon

- A dietary fiber called β -1,3-glucan, a rare constituent produced by *Euglena*
- Indigestible; not absorbed in the gastrointestinal tract and excreted from the body as it is

[Expected functionalities and current research themes]

- Alleviation of symptoms of atopic dermatitis
- Adjusted immune balance
- Relief of influenza symptoms
- Alleviation of symptoms of rheumatoid arthritis
- Protection against liver damage & suppression of kidney damage
- Excretion of fats and cholesterol
- Alleviation of symptoms of gastric ulcers
- Suppression of colon cancer
- Improvement of reduced learning ability
- Maintenance of motor function with aging

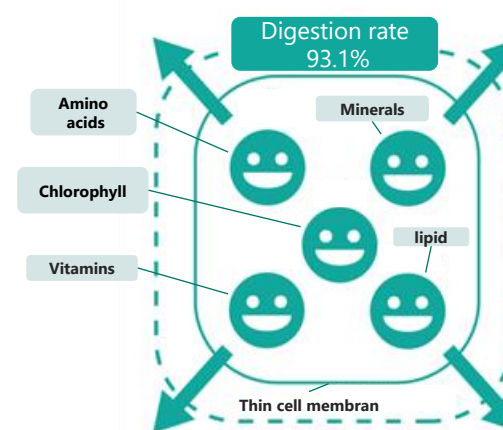
"Euglenoid movement" → "No cell wall"



Move by bending and twisting their flexible body

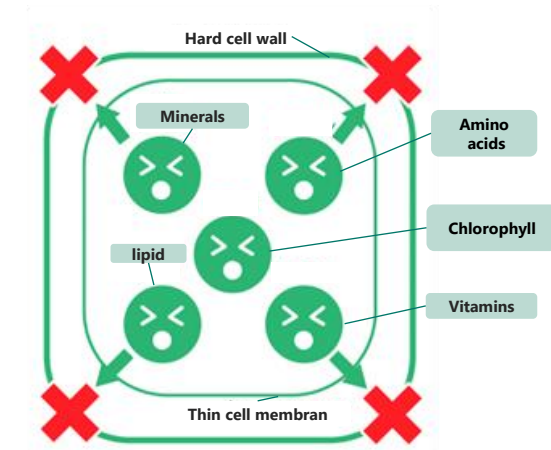
Euglena

No cell wall facilitates digestion and absorption of nutrients



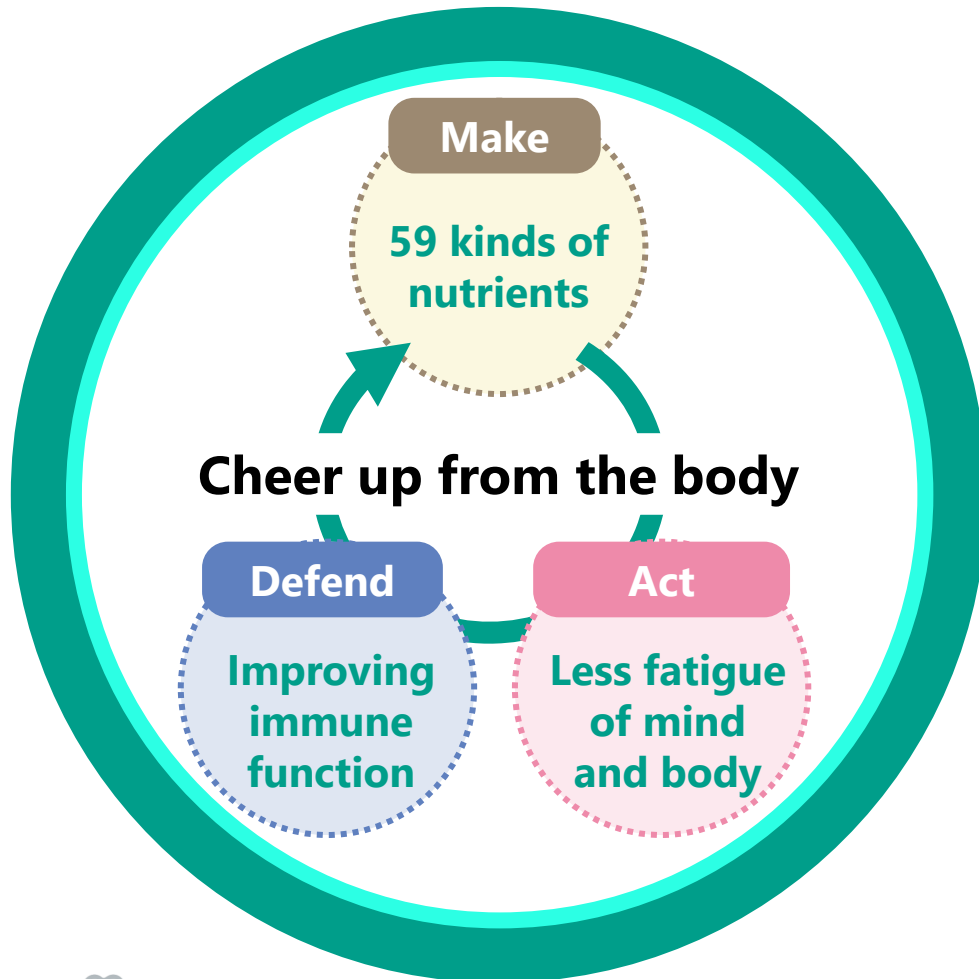
Vegetables

Hard cell walls interfere with digestion of nutrients



Euglena as Healthcare Ingredients - Holistic Benefits to Sustainable Health

Cheer up from the body through the body's natural cycle of "Make, Act, Defend"



Make

59 kinds of nutrients to boost nutritional bottom line

- 13 Vitamins
- 19 Amino Acids
- 9 Minerals
- 12 Unsaturated Fatty Acids
- 6 Other cheer up components

Act

Improvement of sleep quality, alleviation of stress symptoms

Defend

Improves immunity and balances the immune system



nutrients

Article
Euglena Gracilis and β -Glucan Paramylon Induce Ca^{2+} Signaling in Intestinal Tract Epithelial, Immune, and Neural Cells

Konuke Yamada¹*, Ayaka Nakashima^{1,2}, Akira Murata¹, Kengo Suzuki¹ and Takahito Adachi¹⁻³

¹ Euglena Co., Ltd., Tokyo 138-0014, Japan; konuke.yamada@euglena.co.jp (K.Y.); akira.murata@euglena.co.jp (A.M.); takahito.adachi@euglena.co.jp (T.A.)

² Department of Immunology, Medical Research Institute, Tokyo Medical and Dental University, Tokyo 113-8510, Japan

³ Correspondence: nakashima@euglena.co.jp (A.N.); takahito.adachi@mri.tmd.ac.jp (T.A.); Tel.: +81-5446-4007 (A.N.); +81-3-5803-4901 (T.A.)

Received: 22 June 2020; Accepted: 27 July 2020; Published: 30 July 2020

* Kengo Suzuki¹, Keisuke Goda^{1,2,3} and Yasuyuki Ozeki^{1,2}

SCIENTIFIC COMMUNICATION
NUMBER 16224 | DOI: 10.3389/FMICB.2020.016224

Diversity of live Raman

Nakashima¹, Takuro Ito^{1,2}, Misa Hirose¹, Watarai¹, Tomoyoshi Shimobaba¹,

Euglena as Biofuel Feedstock - Advantages and High Potentials

Euglena has various advantages and high potential for biofuel feedstock production

We aim to realize commercial production with our “venture spirit,” even though it’s challenging.

1 Multiple culture methods are available

- Autotrophic culture
- Heterotrophic culture

2 No cell wall, easy to extract oils and fats

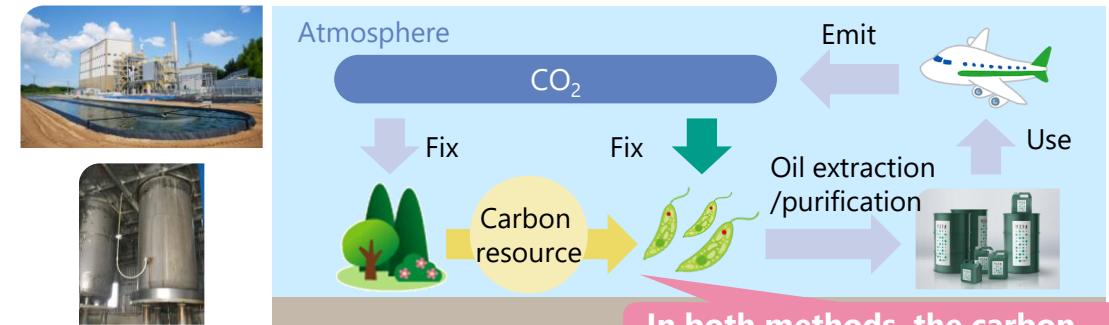
- When compared with other algae, oils and fats can be extracted at a lower cost and energy

3 Generates wax esters*1 suitable for SAF production

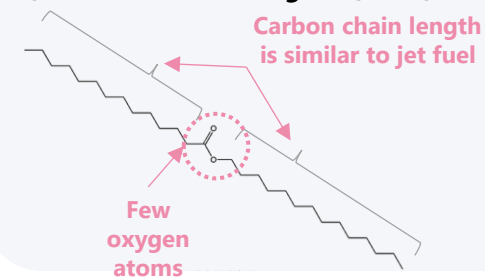
- SAF can be produced with lower energy and hydrogen consumption.

4 Diverse applications of dewaxed algae

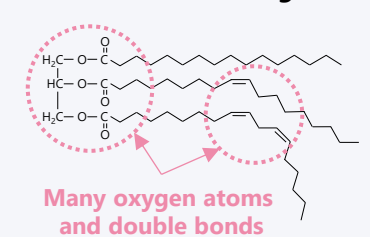
- Sales of dewaxed algae as feed and fertilizer can reduce production costs allocated to biofuel feedstock



Wax ester*1 (Fats contained in *Euglena*)



An example of triglycerides (Fats contained in common vegetable oils)*2



*1: Lipid constituents produced by microalgae *Euglena* in the body

*2: Reference: "Fats and Oils" on the website of Food Safety Science Office, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries (https://www.maff.go.jp/j/syouan/seisaku/trans_fat/t_kihon/fat_oil.html)

Other Microalgae - Our Product Lineup and their potentials

Chlorella

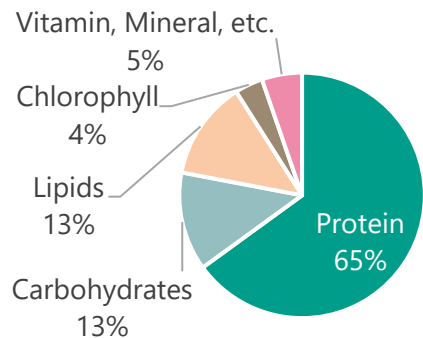
Cultured in Ishigaki Island for half a century; currently marketed in 39 countries



- Contains a variety of nutrients such as protein, vitamin D, folic acid, lutein, and chlorophyll, **with the highest amino acid score*1 of 100**
- Contains unique constituents such as **chlorella extract** (CGF, a unique growth-promoting factor), and **spermidine** (Autophagy active factor).
- Reported **detoxification effect (adsorbing toxins)**. Our research also demonstrated the effect of promoting mycotoxin elimination.
- Obtained **ASC-MSC seaweed (algae) certification*2** for the first time in the world



ASC-MSC seaweed (algae) certification



Breakdown of nutrients



Healthcare supplement



Hair grower

Aurantiochytrium

Establish a commercial production system for Aurantiochytrium, microalgae rich in DHA



Utilization as food ingredients



Alternative sea urchin



Ramen soup

- A rich, delicious, and moderately salty **seafood flavor**
- Not "the 28 common allergens"
- Potentially available for supplements, seasonings, alternative seafood ingredients, etc.

Potentials as feedstock for biofuel/feed



- Researching the use as a biofuel feedstock for its high efficiency of oil/fats production and accumulation
- Researching the use as aquaculture feed for its high content of DHA

*1: A score that indicates the nutritional value of protein contained in food, based on the content of essential amino acids. In general, the efficiency of amino acid utilization is determined by the amino acid with the lowest content. Thus, the closer the score is to 100, the higher the protein quality.

*2: ASC certification is an international certification system for marine products produced using environmentally friendly and socially responsible aquaculture methods, while MSC certification is an international certification system for marine products caught in sustainable and environmentally friendly fisheries.

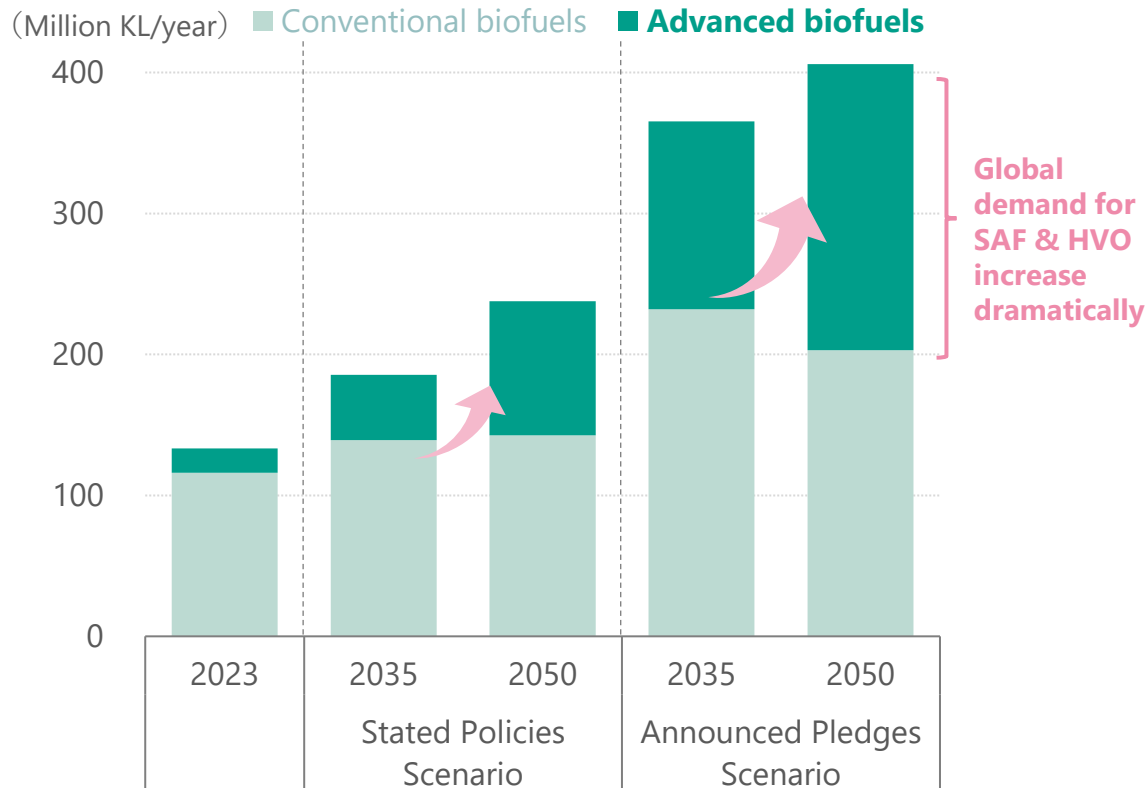
Biofuel Business

Industry Trends - Global Biofuel Markets

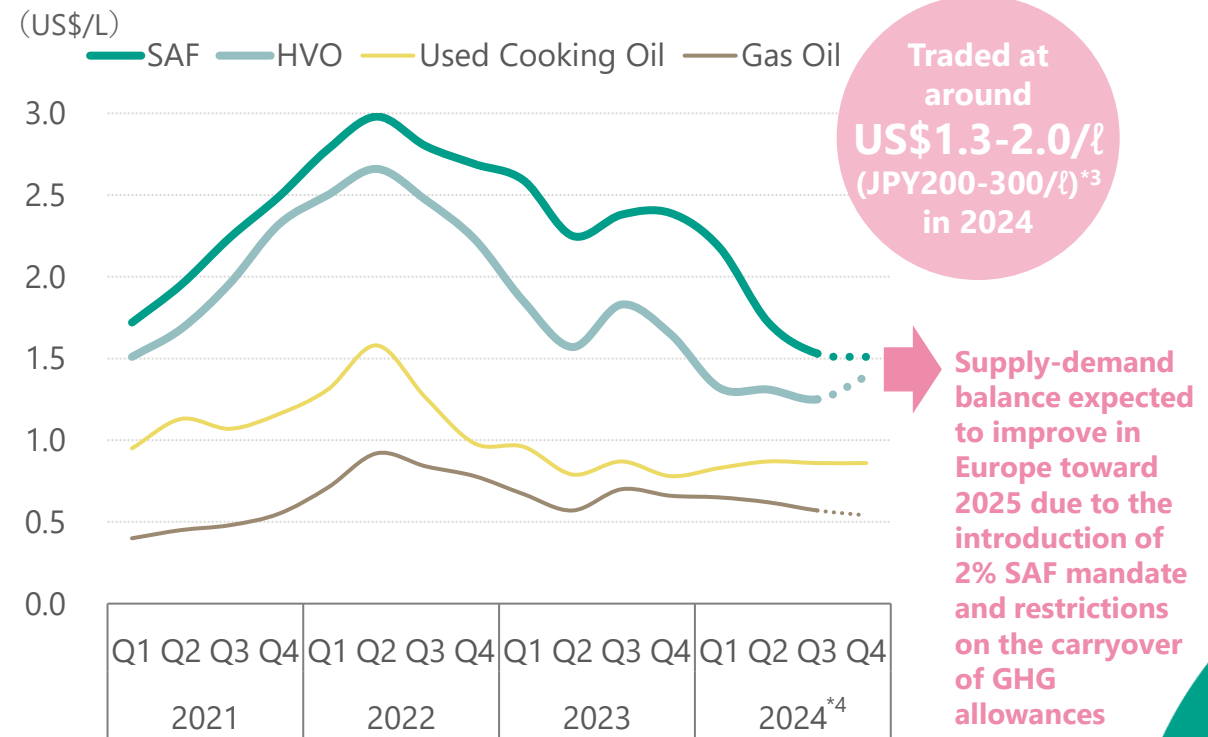
Introduction of mandates and incentives globally is expected to accelerate biofuel demand

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

Expected Biofuel Consumption in the World ^{*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.

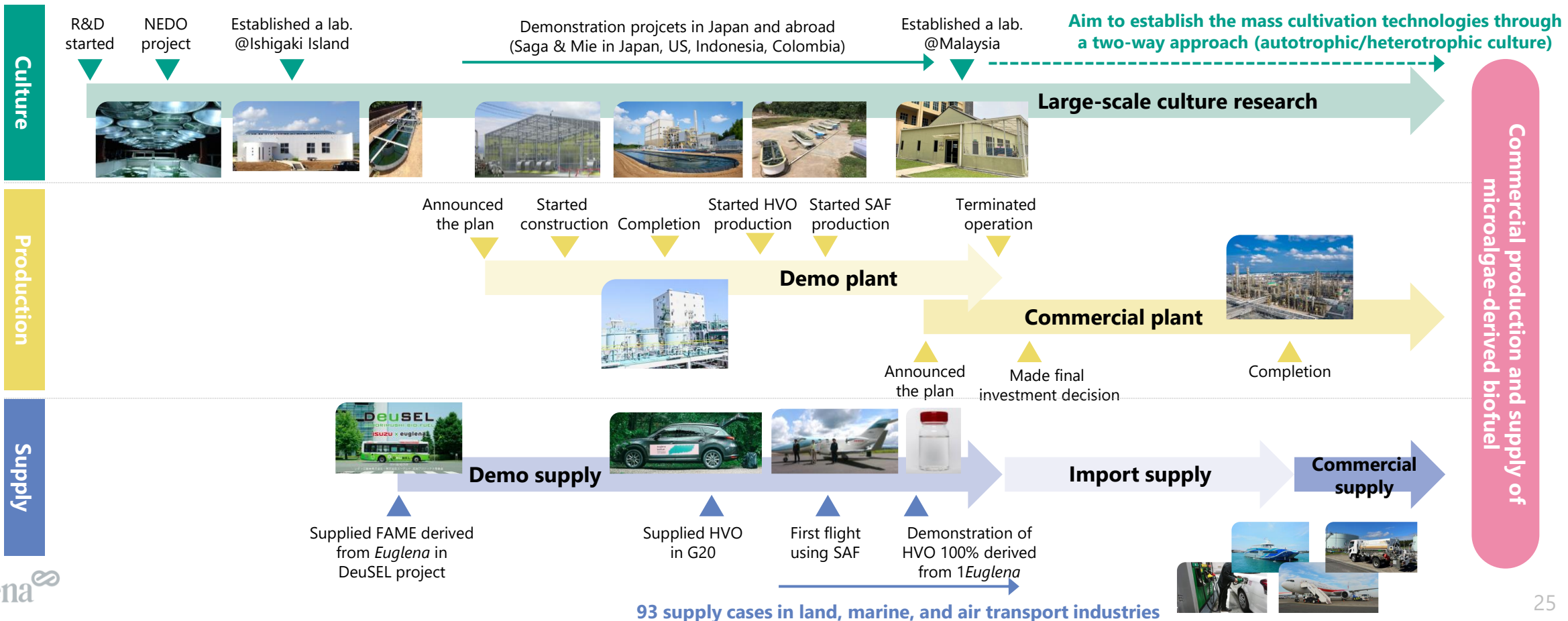
*4: 2024 Q4 price is the average value up to 1st week of Nov. HVO prices spiked from end of Oct., after Germany and the Netherlands unveiled plans to tighten the carryover of GHG allowances to the next FY

Biofuel Business - Track Record toward Commercialization

Front-runner in the production and supply of biofuels in Japan

Successfully achieved the first flight using made-in-Japan SAF, etc. and aiming to construct a commercial plant and establish large-scale, low-cost microalgae cultivation in 2030's

2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

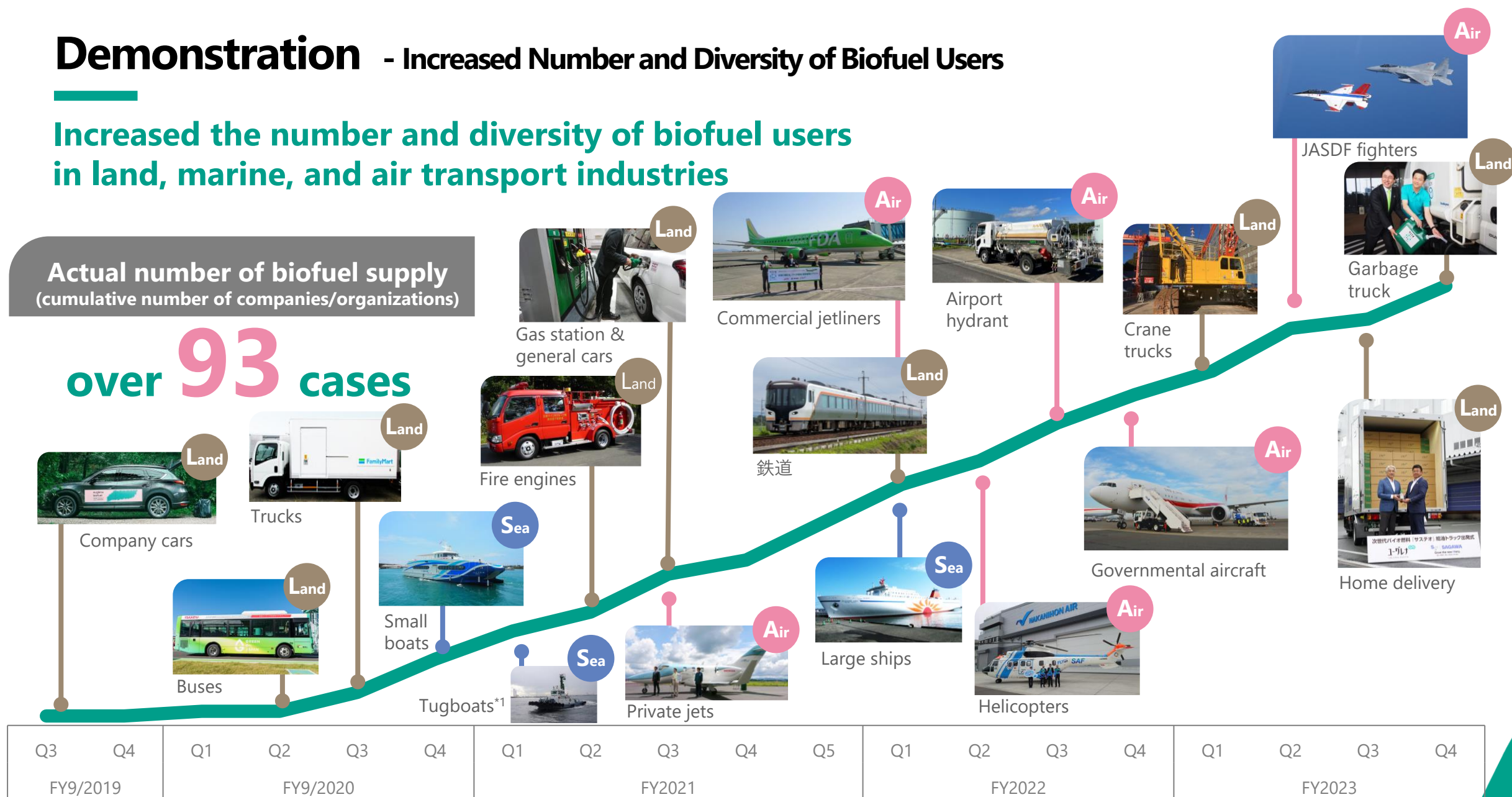


Demonstration - Increased Number and Diversity of Biofuel Users

Increased the number and diversity of biofuel users in land, marine, and air transport industries

Actual number of biofuel supply (cumulative number of companies/organizations)

over **93** cases



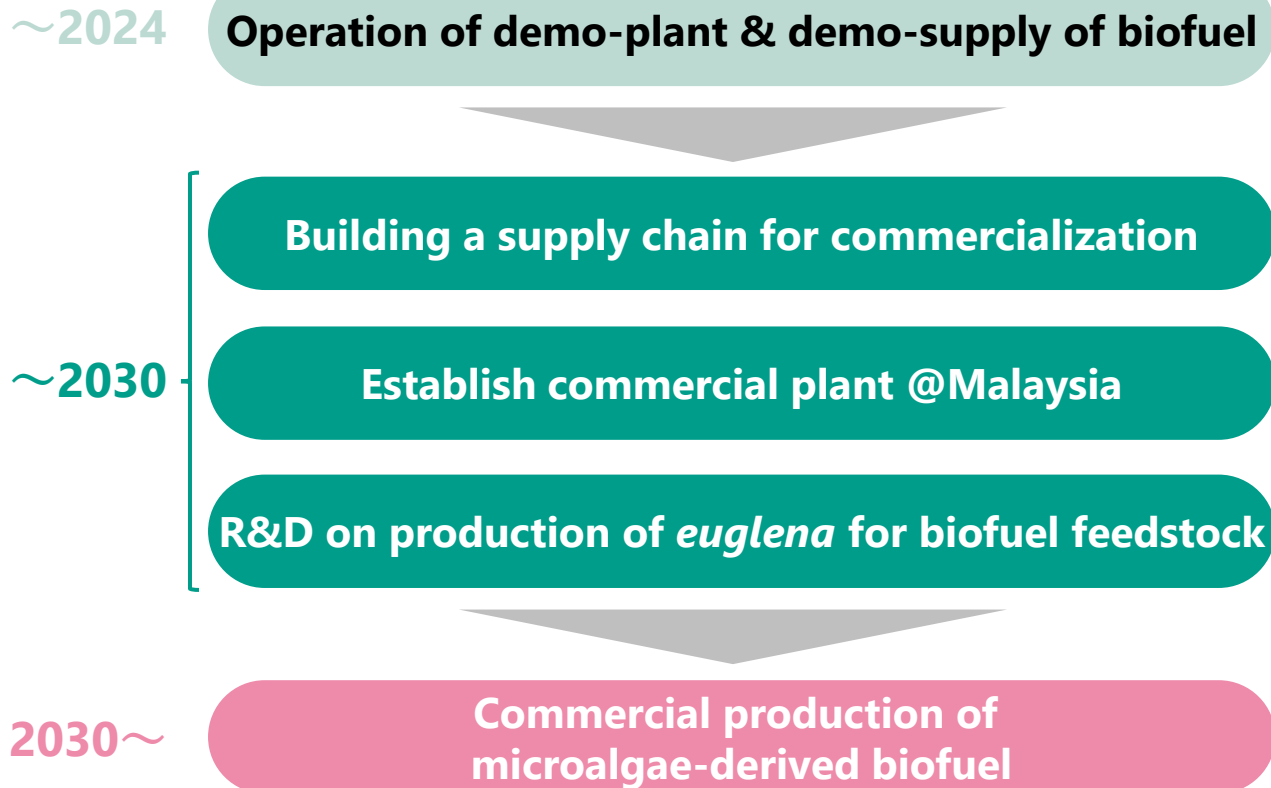
Copyright Euglena Co., Ltd. All rights reserved.

*1: Boats that support the berthing of the arriving and departing ships at/from ports and the work on floating structure.

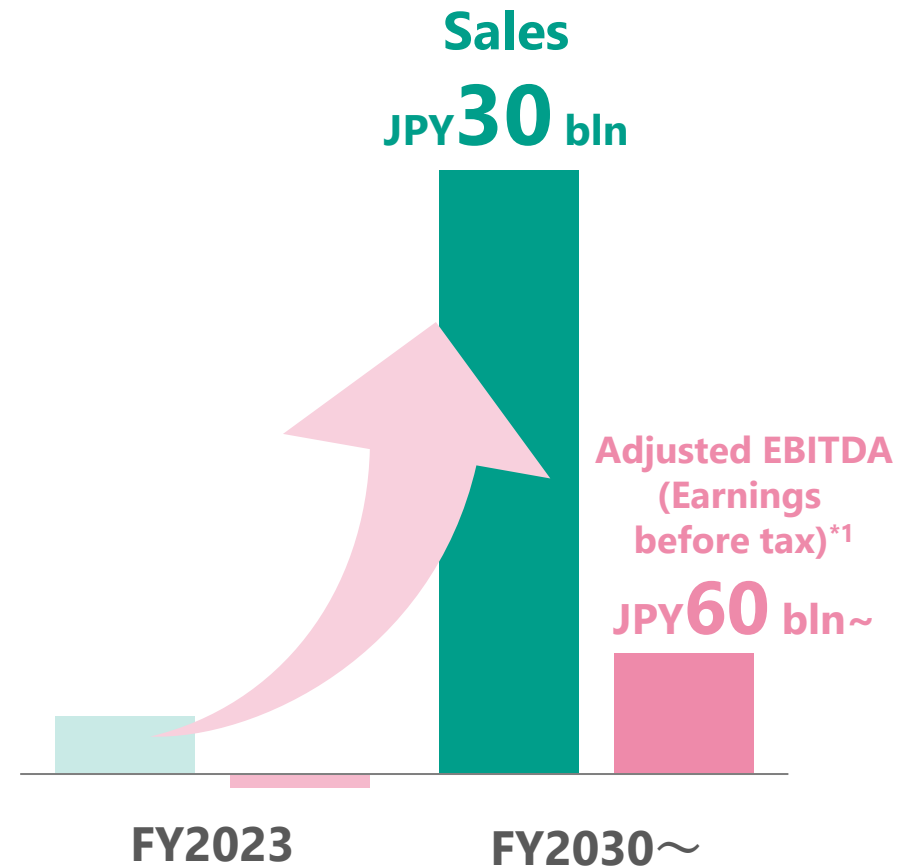
Growth Roadmap toward 2030

The demo-stage will be successfully completed, and shift to the commercial stage in 2024. Aim to achieve sales of JPY30 bln and adjusted EBITDA of JPY6 bln by 2030.

Mid-term direction



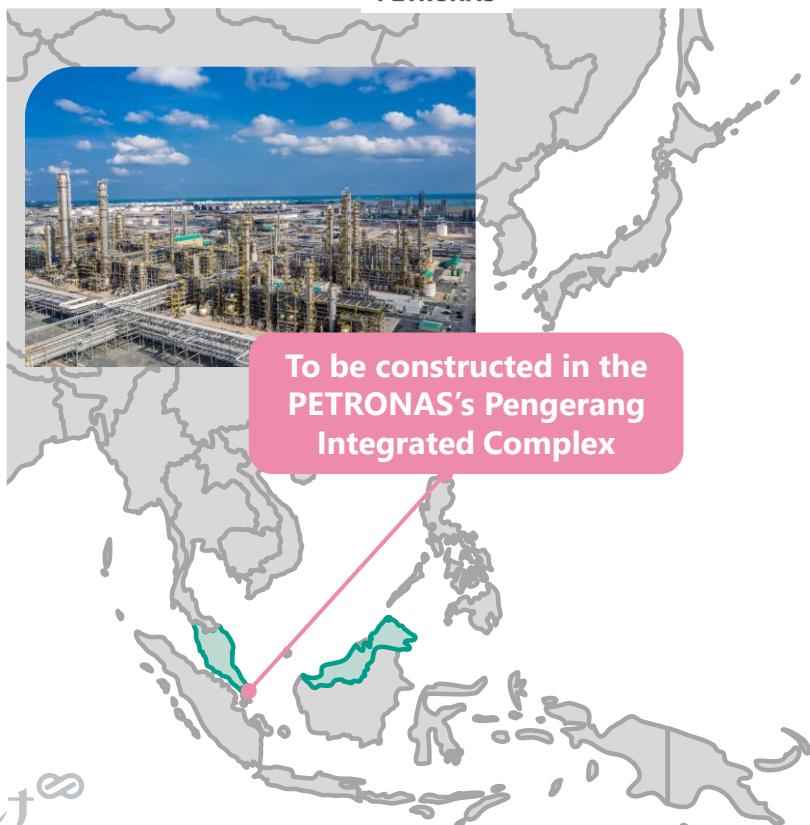
Mid-term growth image



Biorefinery Project in Malaysia - Project Overview

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

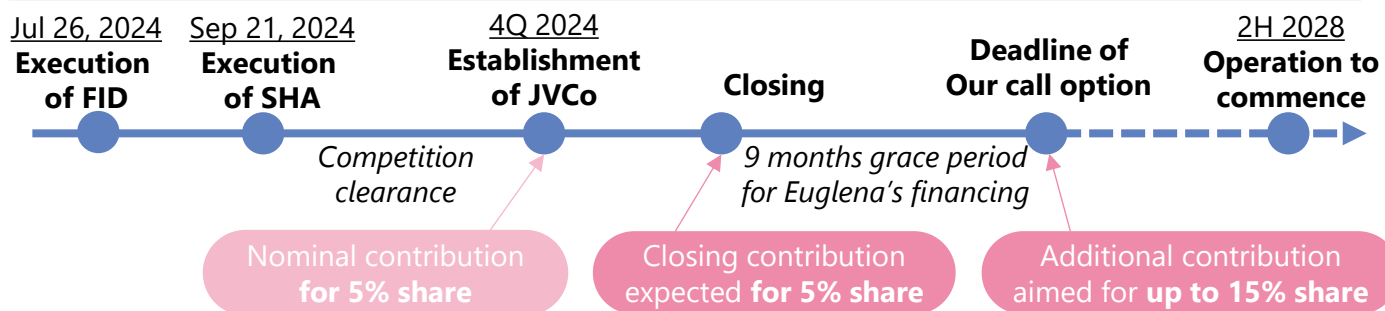
The shareholders' agreement was concluded in Sep 2024. The JV company is expected to be established in 2024 Q4 and aims to start operations by 2H 2028



To be constructed in the PETRONAS's Pengerang Integrated Complex

| 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 |

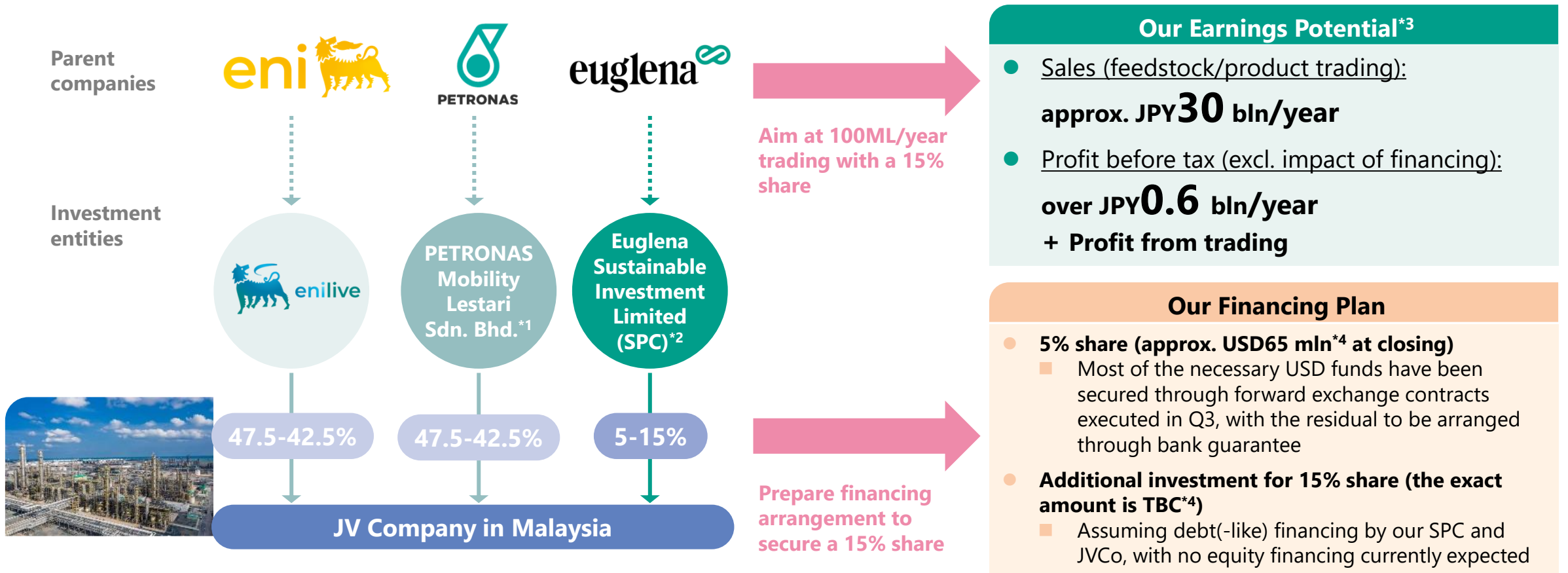
Expected schedule



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



*1: 100% held by PETRONAS Marketing International Sdn. Bhd., a wholly-owned subsidiary of Petrolim Nasional Berhad (PETRONAS)

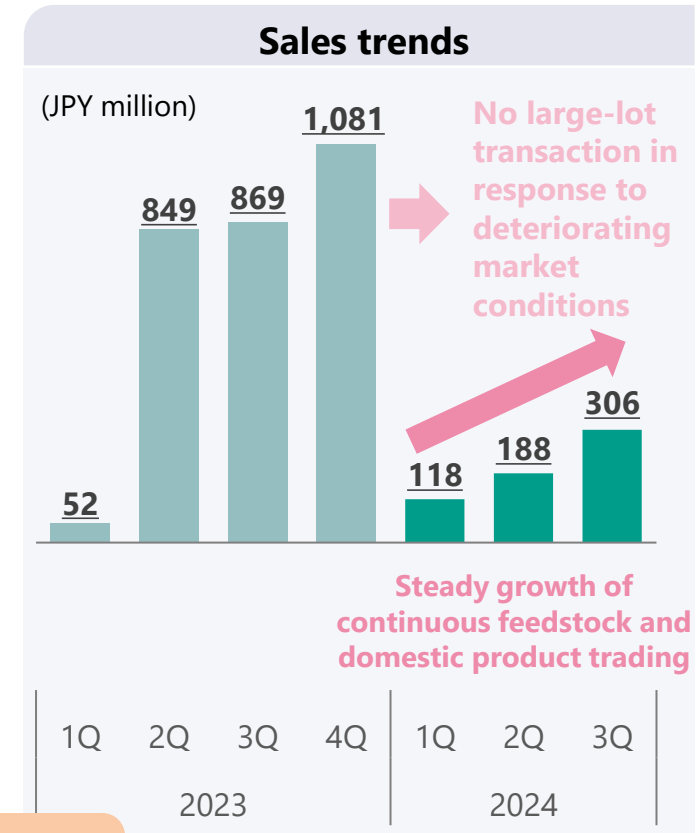
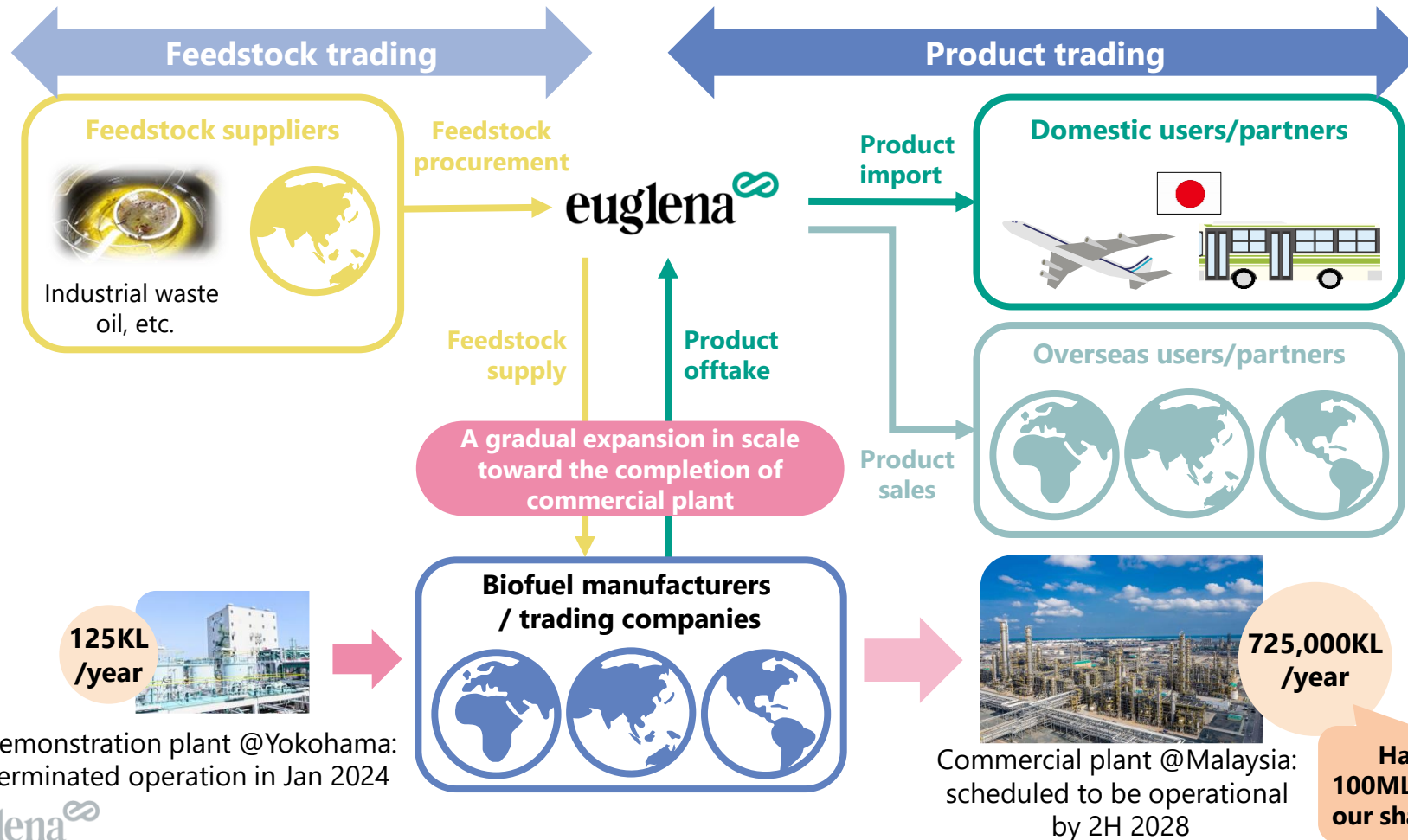
*2: A special purpose company established in Cayman Islands in April 2024

*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.

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



Prep for Commercialization - Partnership for the penetration of HVO/SAF

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



Supply of imported HVO steadily expanding



SAF (Biojet fuel)

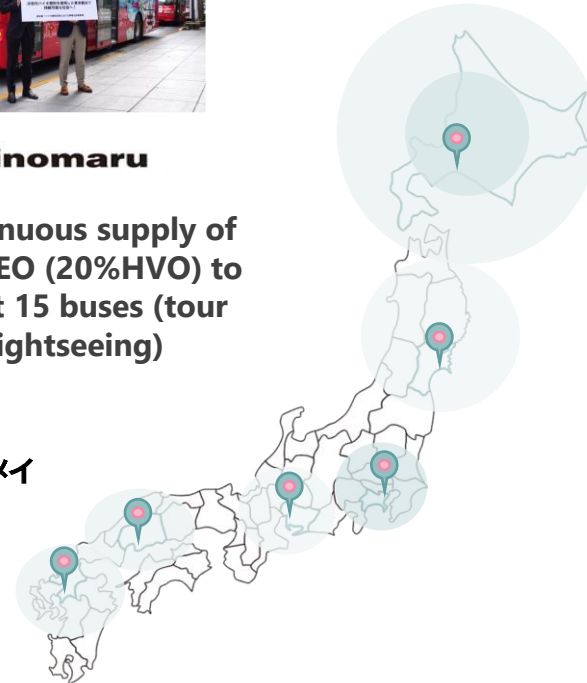
Partnership at Haneda Airport

- 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

R&D - Practical application of Euglena 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

euglena[∞]



@Indonesia



@Mie



Tropical Biomass Technology Research Institute

Continue R&D on autotrophic culture



Photoheterotrophic culture

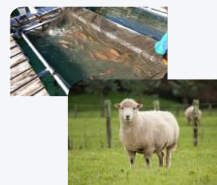


Heterotrophic culture



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

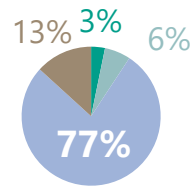
Healthcare Business

Business Model - Three Distribution channels

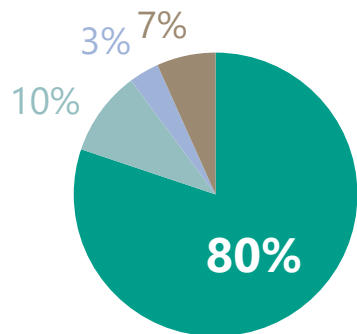
Business model has shifted from OEM-driven to Direct Sales-driven distribution

Sales Breakdown*1

FY2012 : JYP1.6 bln



FY2023 : JYP41.4 bln

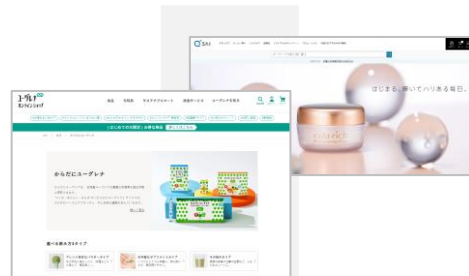


■ BtoC ■ BtoB
■ OEM etc. ■ Other

Direct Sales (BtoC)



Supplement & Cosmetics



Our group EC sites,
Mail-order/telephone shopping

Wholesale (BtoB)



Supplement, Beverages &
Cosmetics



Salons and small
retail stores across
the country GMS,
drugstores,
variety shops

OEM/Ingredient Supply



Supplement & Cosmetics

Microalgae
Ingredient

Responsible for all or part of
the manufacturing process



Powder manufacturing
service

OEM · ODM
Client companies

Major retailers /
food
manufacturers

Collaboration
product

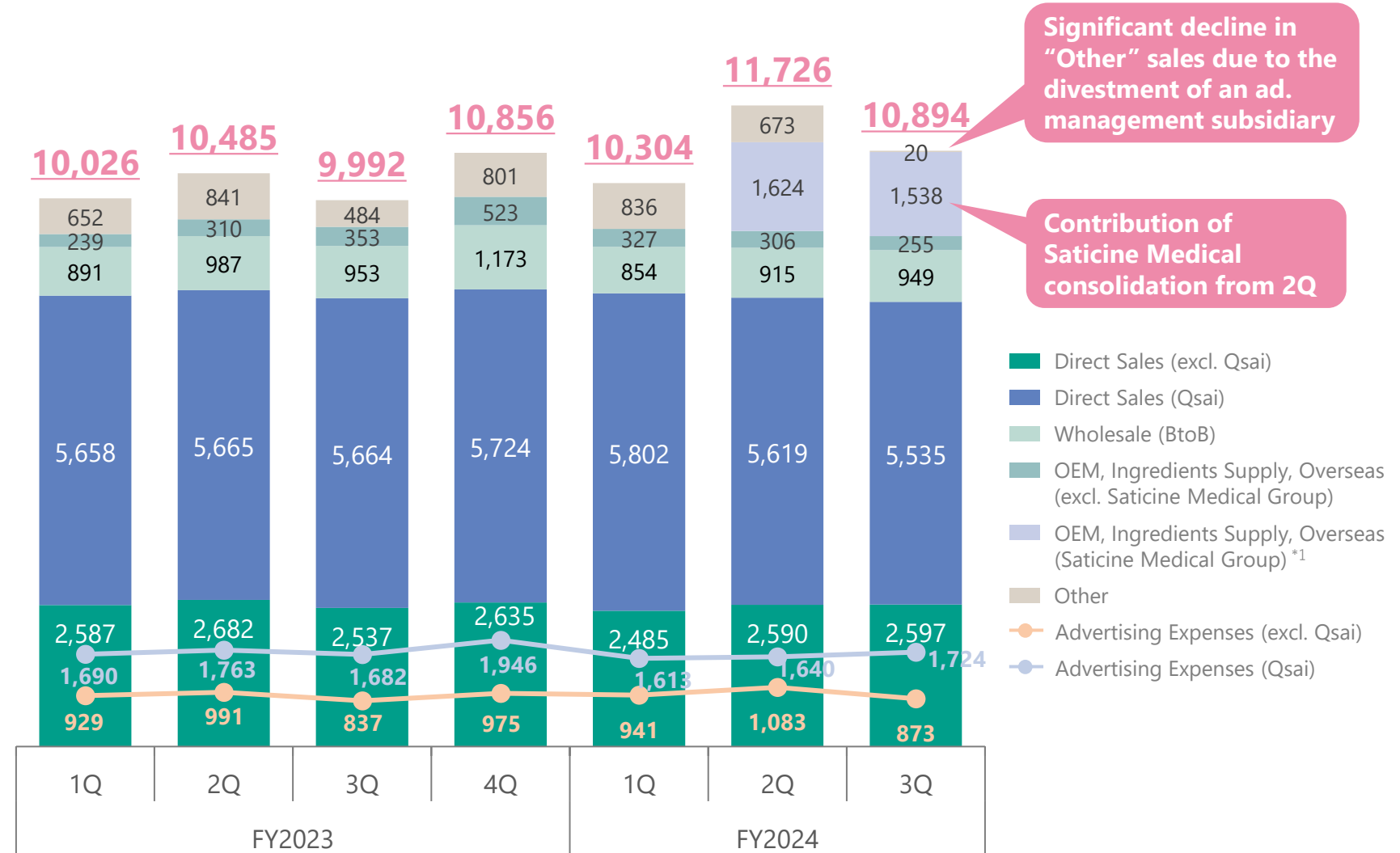
Consumers

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 an advertisement managing subsidiary



Euglena Group Brand Portfolio

Producing and distributing food and skincare products in three target areas;
Sustainability, Well-aging, and Advanced market creation

Copyright Euglena Co., Ltd. All rights reserved.

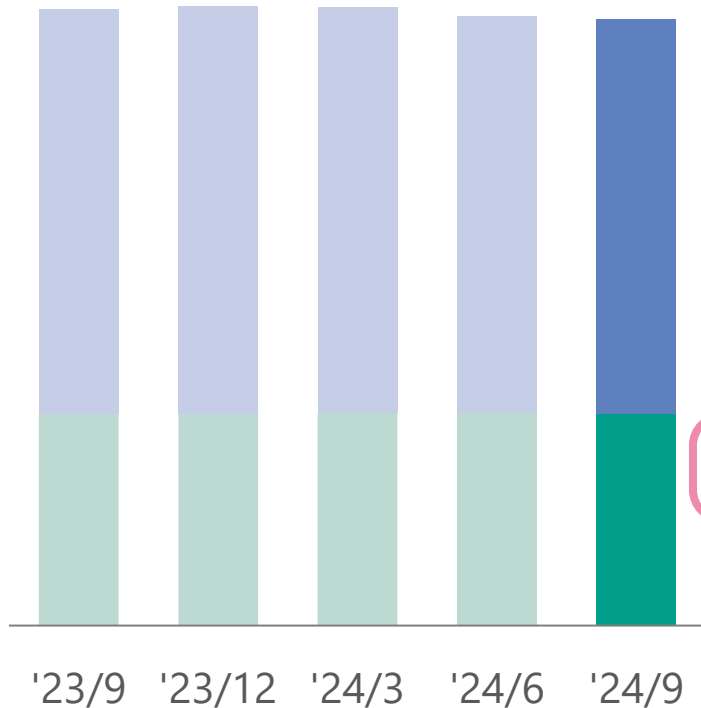
| | Sustainability | Well Aging | Advanced Market Creation |
|----------|---|--|--|
| Food | <p>Euglena for Healthcare</p>  <p>euglena</p> | <p>Knee Support Collagen</p>  <p>Q'SAI</p> <p>The Kale</p>  <p>Q'SAI</p> | <p>C COFFEE</p>  <p>meij</p> |
| Skincare | <p>one</p>  <p>euglena</p> <p>akyrise</p>  <p>euglena</p> | <p>Cola-rich</p>  <p>Q'SAI</p> <p>epo</p>  <p>épauler</p> | <p>CONC</p>  <p>euglena</p> |

Number of Group D2C Subscribers

Euglena Co's two brands are on a growth trend; the number of group subscribers remained slightly decreased with controlled investment, aiming to bottom out in 2H.

Number of Subscribers

690K
customers



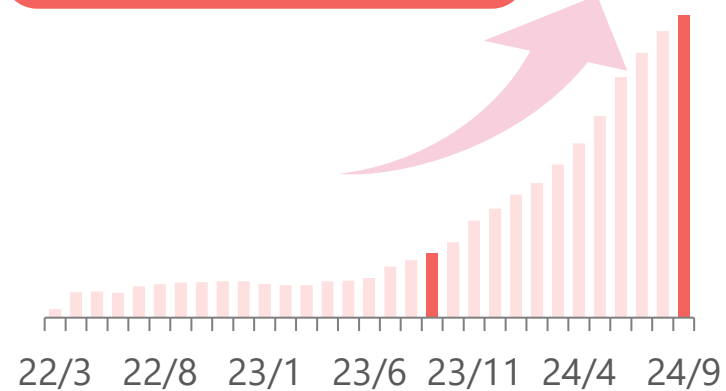
Q'SAI

euglena

ēpauler mej

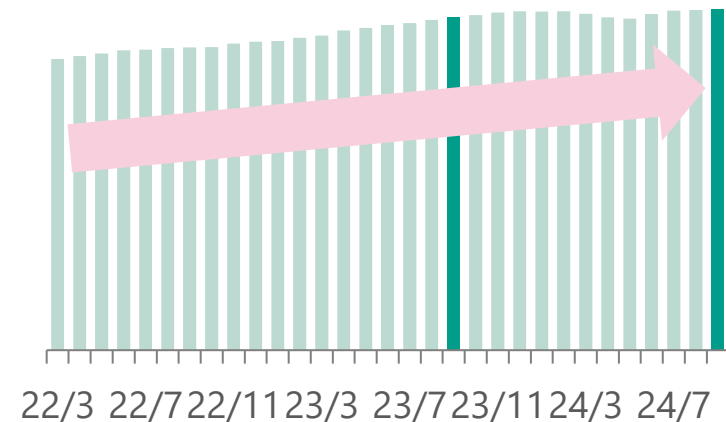
euglena

CONC (Cosmetics)



Microneedle Serum achieved 6 times growth over the last year

Euglena for Healthcare (Food)

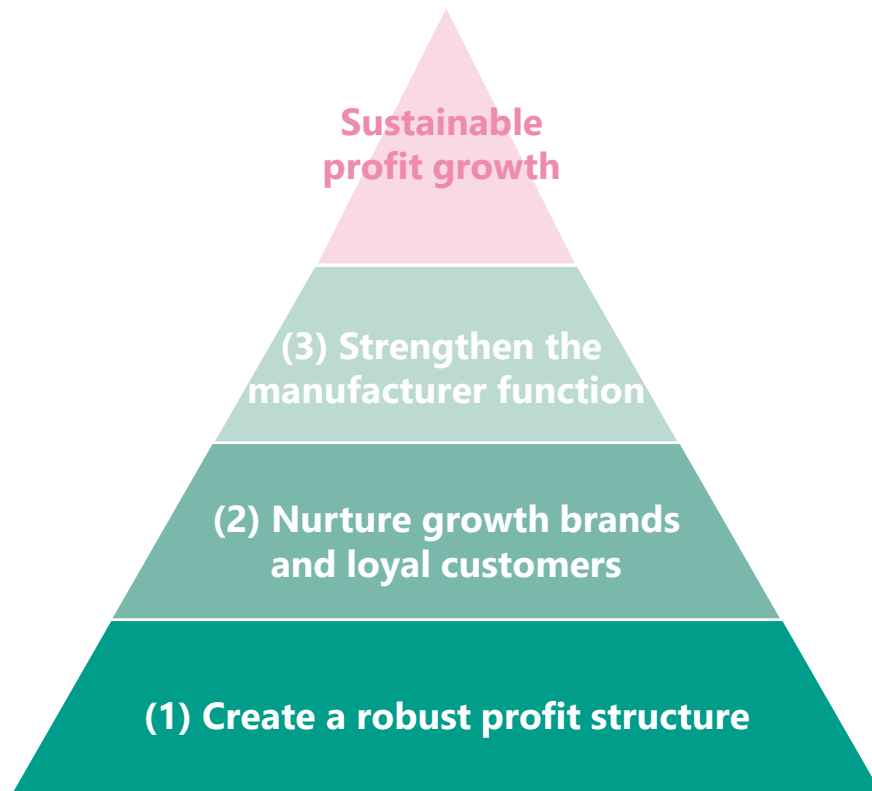


Maintained the growth trend since 2022; brand renewal to accelerate it

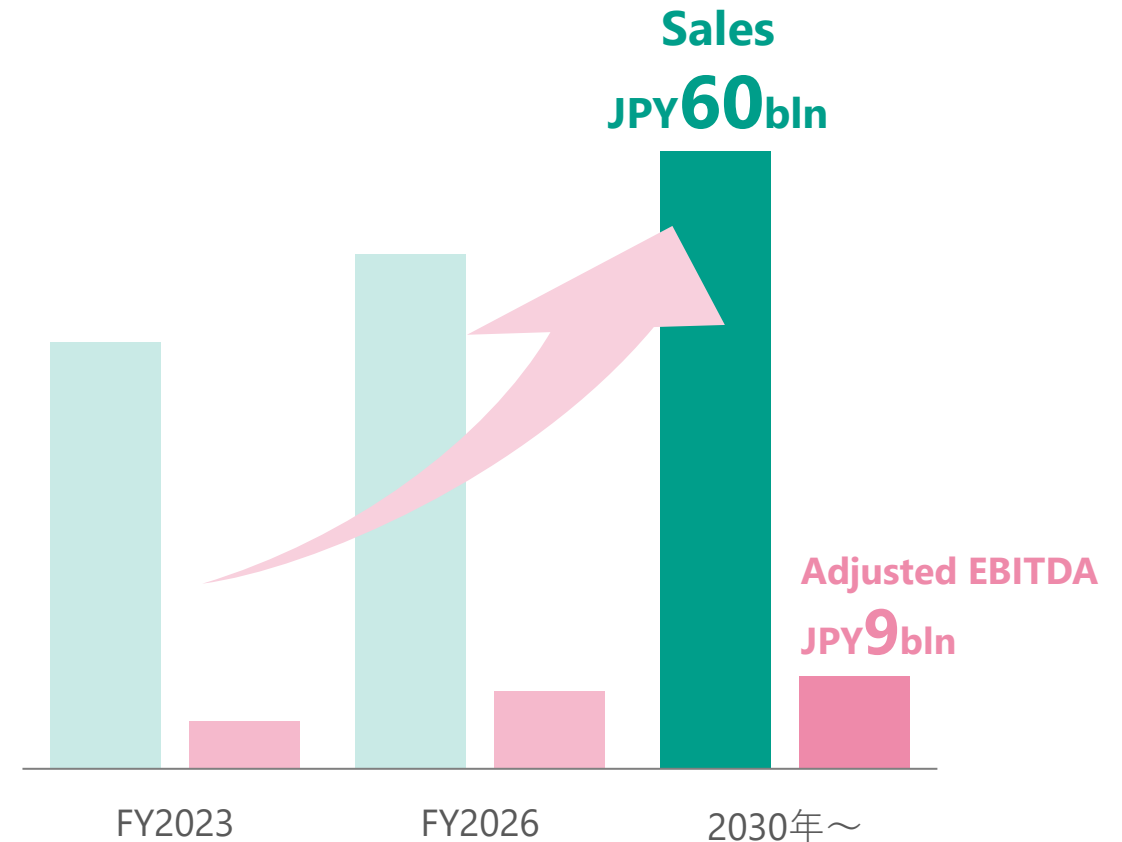
Mid-term Direction of Healthcare Business

Build a solid business base for sustainable profit growth through the three focused areas; aim at a JPY60 bln sales and JPY9bln adjusted EBITDA (15% margin) in FY2030

Mid-term direction of Healthcare Business



Illustrative mid-term growth

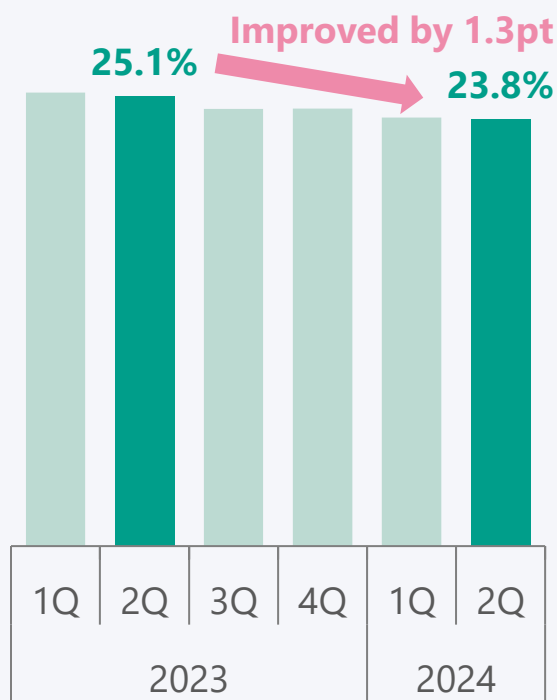


Progress of Mid-term Direction - (1) Creating a robust profit structure

Improved profit margin through all-round efforts, including logistics integration, price increases and cost reductions; optimize ad investment performance through diversified portfolio

Improving profit margin

Selling expense ratio*1
(Healthcare Business excl. ad expenses)

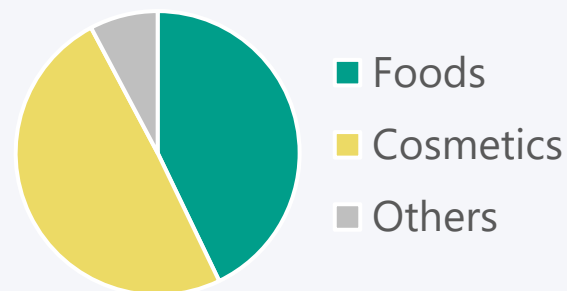


Group-wide efforts on profit margin improvement

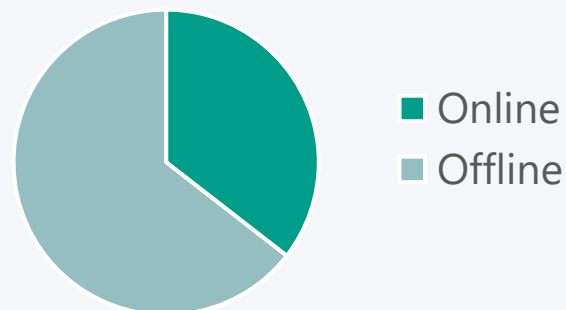
- Reduced logistics costs by integrating warehouses and introducing bi-monthly subscriptions
- Reduced procurement costs & sales commissions
- Raised product prices
- Restrained new hires

Selection and concentration in advertising investment

Breakdown of Healthcare sales*2



Breakdown of Direct Sales advertising*2 (excluding Qsai)



Optimized advertising investments through diversified portfolio

- Controlled ad investment allocation flexibly according to market trends
- Minimized the impact of Kobayashi Pharmaceutical's "Red Yeast Rice issue" by shifting investment to cosmetics

Progress of Mid-term Direction - (2) Nurturing growth brands and loyal customers

Euglena for Healthcare appealing to senior and parenting generations with an emphasis on rich nutrients; **CONC** performing strongly, with continuous advertising and brand equity investments.

Euglena for Healthcare

Approach to the growing senior customer base



- Product features match with generational interests such as extending healthy life span and poor appetite
- Strengthen offline advertisement and package inserts with our strengths

Approach to nutrition-conscious parenting generation



- Launched our 1st product for children, targeting families with small children
- Expanded customer contact points through 4 pop-up stores at Marui

CONC



Accumulation of brand equity

- The microneedle serum of CONC "Wrinkle Injection" performed well
- Received awards from beauty magazines

one



Expanding to high-priced lineup

- Launched "**ONE Precious**", quasi-drug skincare series
- First high-priced lineup for ONE

Progress of Mid-term Direction - (3) Strengthening the manufacturer function

Promote recognition of Euglena as a food ingredient through collaborations with various ingredients and approaches to parenting generation

Collaboration with various food products



"Ramen without guilt"



Coolish (LOTTE)



Peyoung Yakisoba (Maruka Foods)



Approach to schools



Adopted for school lunches at 17 elementary and junior high schools in Ishigaki City (Okinawa)

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).



Science experiment classes at elementary schools

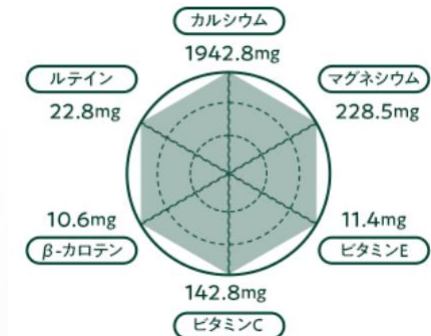
Increase the awareness of ingredients - (3) Strengthening the manufacturer function

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

Other Business

Sustainable Agri Tech Business

We have conducted various R&D activities utilizing microalgae and unused resources in the fertilizer and feed domains; we aim at sales of JPY10 bln and EBITDA of JPY1 bln around 2030.

Business portfolio

Utilizing dewaxed algae and unused resources as fertilizer and feed.

Feed domain

R&D on *Euglena* feed and dewaxed algae



Fertilizer domain

Various unused biomass resources into feedstock for fertilizer



Start to develop products in the fisheries and livestock domain

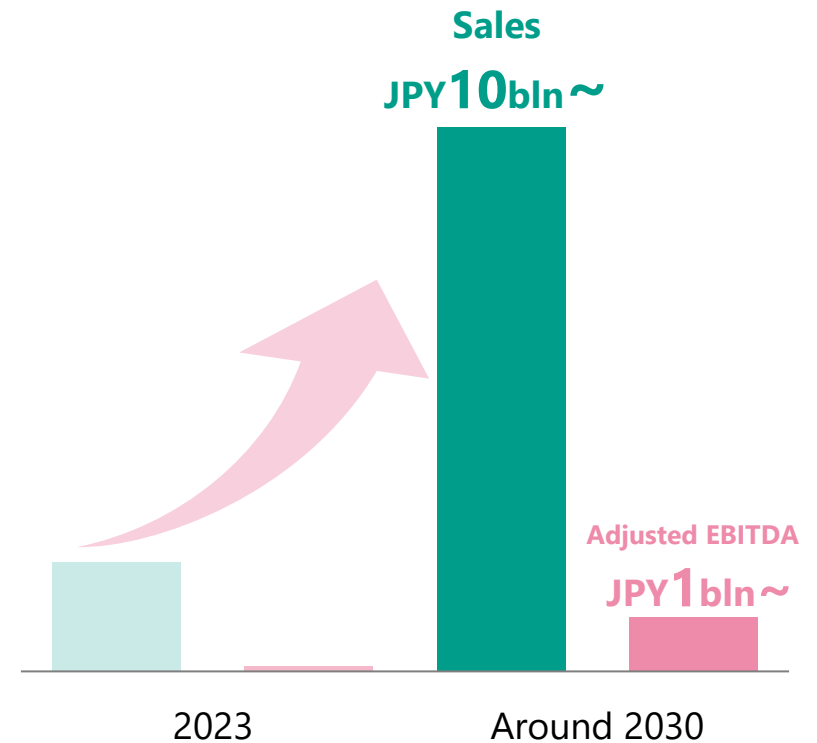


Daikyo Fertilizer Co. manufactures and sells organic fertilizers.



Illustrative mid-term growth

Aim to expand business based on new product development, M&A, and synergies with other businesses



Social Business in Bangladesh - Euglena GENKI Program

We have distributed Euglena-contained cookies to children in Bangladesh for more than 10 years; we have also engaged in developing social business for Bangladeshi people and society

10th Anniversary of Euglena GENKI Program

Organized the 10th anniversary both in Japan and Bangladesh

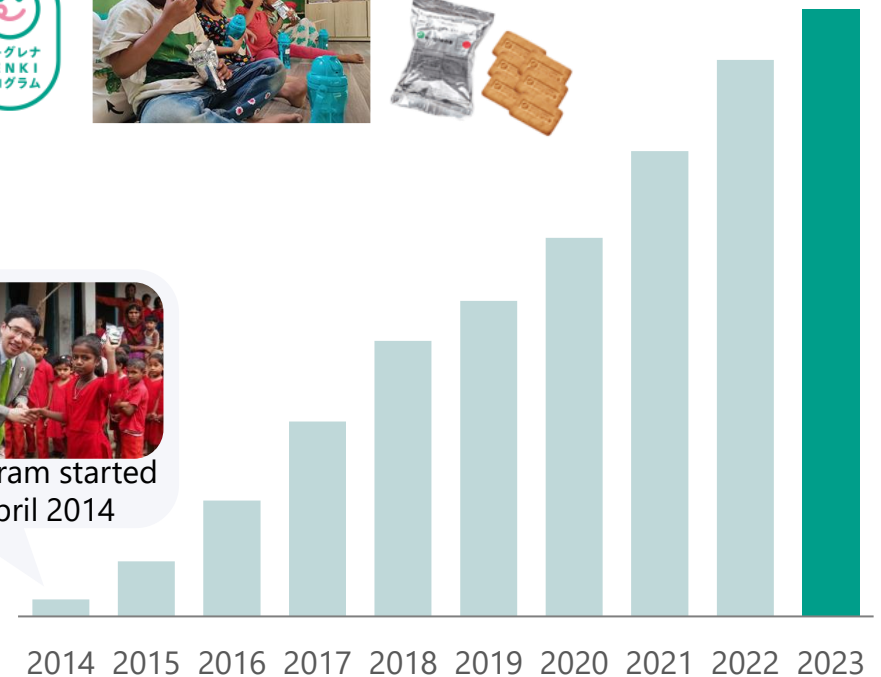


Accumulative number of Euglena cookies distributed

The number of Euglena cookies distributed children in Bangladesh over 18 million.



18.7mIn meals



Appendices: Financial Summary of FY2024 Q3

Company Overview



| | |
|-------------------------------|--|
| Foundation | August 09, 2005 |
| Headquarters | 5-29-11 Shiba, Minato ku, Tokyo, Japan |
| Capital stock | JPY 16,356 million As of the end of Sept. 2024 |
| Headcount | 1,050 (Consolidated)*1 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 |

Financial Summary - Consolidated Income Statement

| | FY12/2023 | | | | | FY12/2024 | | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|------------------|---------------|---------------|---------------------------|------------------|--------------|---------------|--------------|--------------|--------------|---------------|
| | total | | | | | total | | | | o/w Euglena ^{*1} | | | | o/w Q'sai | | | |
| | Q1 | Q2 | Q3 | Q4 | total | Q1 | Q2 ^{*4} | Q3 | total | Q1 | Q2 ^{*4} | Q3 | total | Q1 | Q2 | Q3 | total |
| (JPY million) | | | | | | | | | | | | | | | | | |
| 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 2Q figures revised retroactively

Financial Summary - Income Statement by segment

| Breakdown of business segments | | | | | | | | | |
|--------------------------------|-----------|--------|--------|--------|---------------|-----------|--------|--------|---------------|
| (JPY million) | FY12/2023 | | | | | FY12/2024 | | | |
| | '23Q1 | '23Q2 | '23Q3 | '23Q4 | total | '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 | | | | | FY12/2024 | | | |
| | '23Q1 | '23Q2 | '23Q3 | '23Q4 | total | '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)

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 |

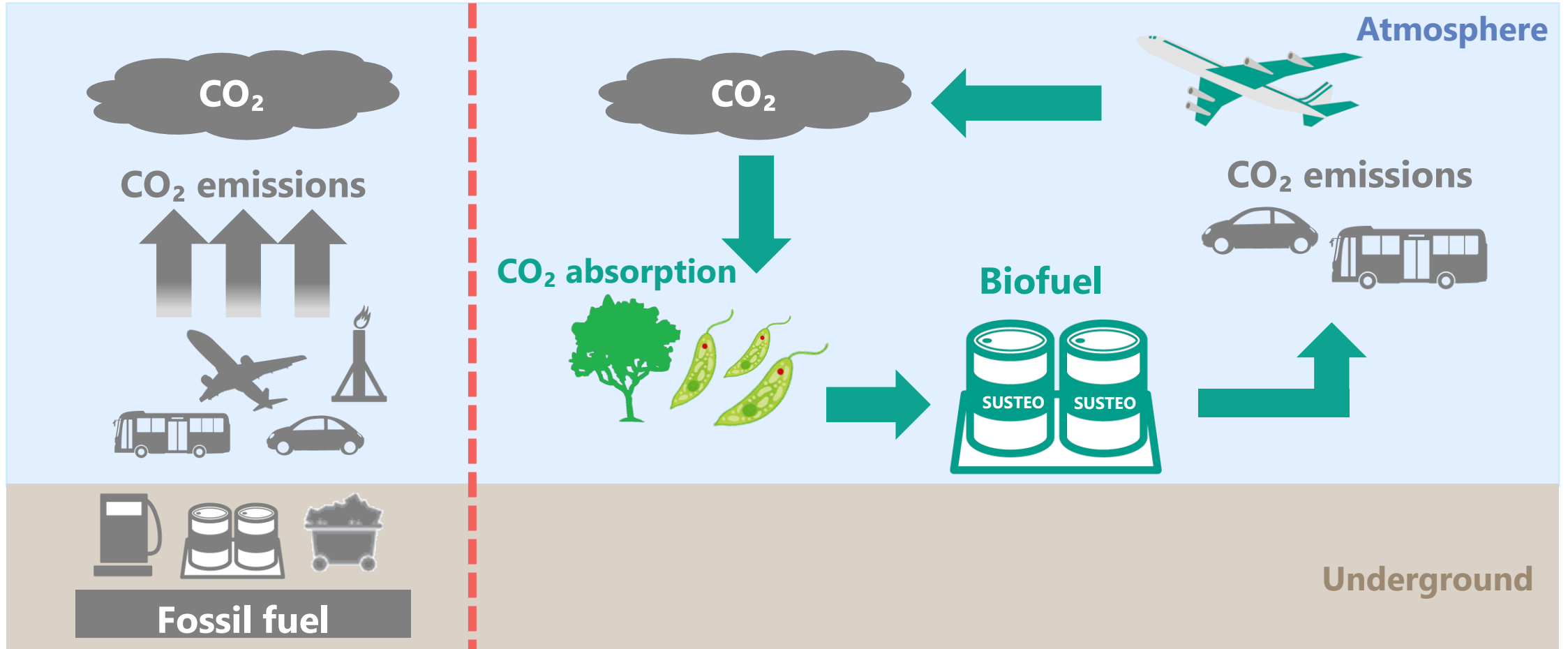
*1: Three companies, i.e., Saticine Medical, JAPAN BeauTech, and NAYUTA. Made Saticine Medical and JAPAN BeauTech consolidated subsidiaries at the end of March, 2024 (deemed acquisition date) and NAYUTA at the end of February 2024 (deemed acquisition date). In the BS prepared at the end of March 2024, 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.

Appendices: Biofuel Business

What is biofuel ?

Biofuel is a fuel produced using raw materials of biological origin. Since biomass raw materials absorb CO₂ from the atmosphere through photosynthesis during the growth process, CO₂ emissions during combustion are zero.



Biofuel feedstock which do not compete with food

Uses sustainable biomass raw materials which do not cause problems such as competition with food or deforestation.



Plant based oil

- Compete with food
- Deforestation

Sustainable biomass raw materials selected by Euglena



Procure industrial waste oil

- Currently mainstream around the world
- Limited, possibility of **shortage in the future**



Algae (*Euglena*, etc.)

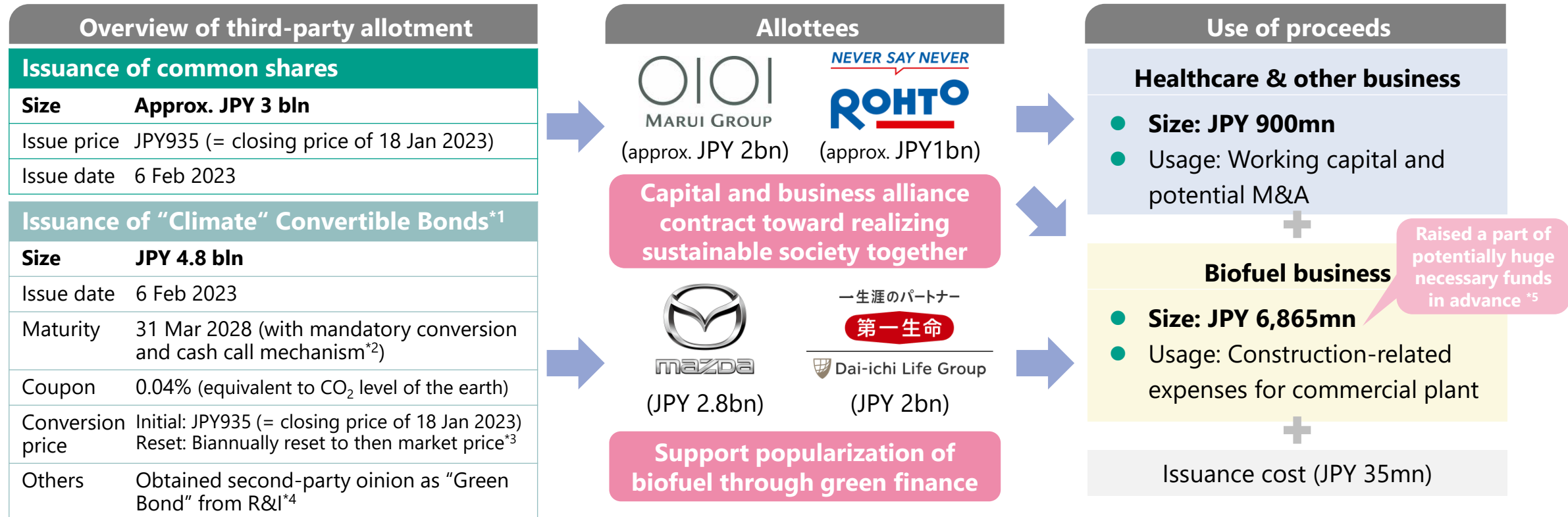
- Issues in **cost and production volume**
- Aiming for **stable mass culture** in the future through technological development



Prep for Commercialization - Private Equity/CB Placement to Business Partners

Raised approx. JPY 7.8bn through private placement of equity/CB to 4 partner companies

Brought forward a part of funding of biorefinery project, as well as secured funding of growth investment



*1: Our own naming as financing structure to embody the commitment to addressing climate changes, with intention to "convert" climate to how it should be

*2: If the funding to commercial biorefinery is confirmed by 31 Mar 2025, the CB is mandatorily converted to shares on 30 Mar 2028, otherwise the CB are called at par on 1 Apr 2025

*3: Conversion price is reset to then market price on 31 Mar and 30 Sep every year (initial reset on 30 Sep 2023), with 120%cap/80% floor to the initial conversion price

*4: Rating and Investment Information, Inc. (R&I) provided the second-party opinion on the CB that the issuance complied with "Green Bond Principles 2021" (ICMA) and "Green Bond Guideline 2022" (MoE)

*5: The funds raised at this time are expected to be insufficient to meet our total funding needs for the biorefinery project, the amount of which are to be determined going forward. By the final investment decision, we will consider and carry out various financing methods such as equity/equity-linked finance and/or debt finance based on cash flow expected from the project, with sufficient attention given to the impact on equity market, so that we secure funds to meet our final funding needs.

Appendices: Healthcare Business

Saticine Medical Group has attained positive reviews from cosmetics direct sales startups and supports many hit brands

Features of Saticine Medical Group

- An ODM company strong in supporting cosmetics direct sales brands, based on the philosophy of "**Deliver beauty to as many women as possible through the right methods**"
- In addition to contract development and manufacturing, it also possesses advanced product planning capabilities and **has supported the launch of more than 800 new brands**
- Proven track record of providing **continuous support for multiple hit brands from their launch**
- It has a high level of **R&D capabilities specializing in cosmetics**, with an R&D department (approx. 45 employees).



Saticine Medical Group - Purpose of Acquisition

Saticine Medical Group, which engages in cosmetics ODM, joined our group in February 2024

Aim for growth and synergy creation through collaboration based on high similarity in philosophy and culture and complementary functions



Mission & Philosophy

- Make People and the Earth Beautiful More & Longer
- **Deliver beauty to as many women as possible through the right methods**

Purpose & Biz theme

- **Make People and the Earth Healthy**
- Sustainable support of health and environment-friendly product development

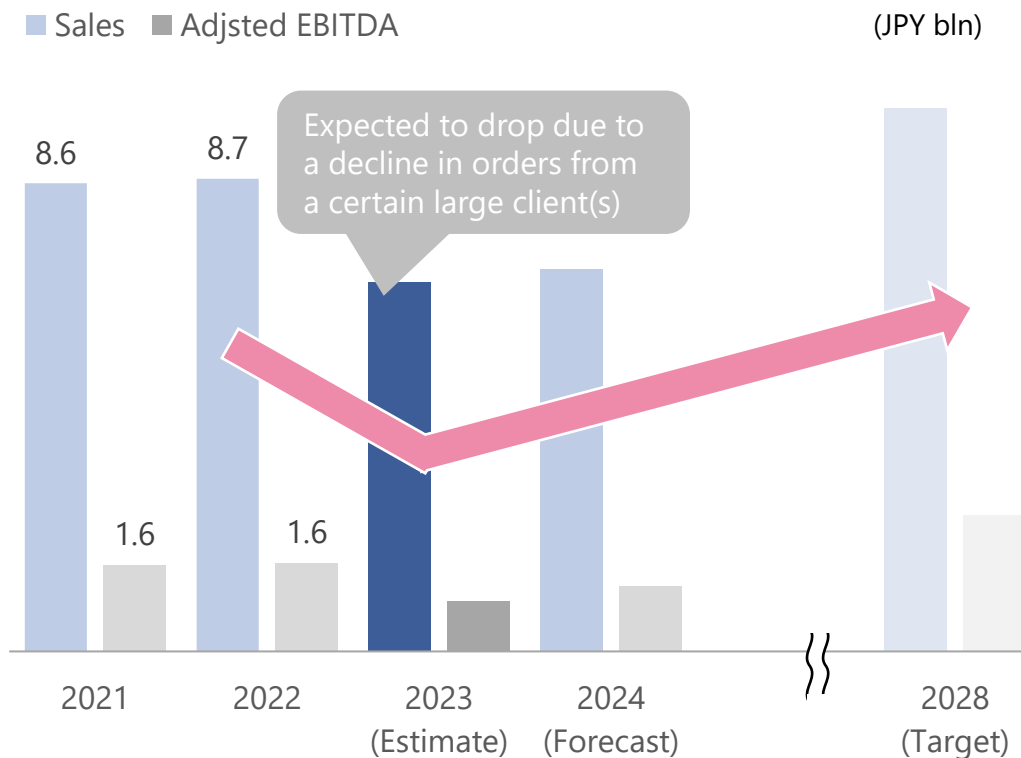
Background

- Aiming to create synergy by leveraging our foundational R&D capabilities and whole sales & marketing strength, along with the specialized R&D and product development abilities of Saticine Medical Group in cosmetics
- High affinity in terms of philosophy & culture with Euglena Co.

Future Strategies

- Cosmetic ODM business as the core business in our healthcare operations
- Further growth of our group and co-create a sustainable future related to the healthcare business

Financial Results and Mid-term Target of Saticine Medical Group



* Sales and Adjusted EBITDA in FY2023 are current estimates and based on a simplified consolidation of the three companies after netting internal transactions (excluding existing transactions with Euglena group).

Saticine Medical Group - Growth Potential

Saticine Medical Group has established a niche position in the cosmetics market by specializing in the "direct sales x startups & small companies" segment with high growth potential

Market positioning of Saticine Medical Group →



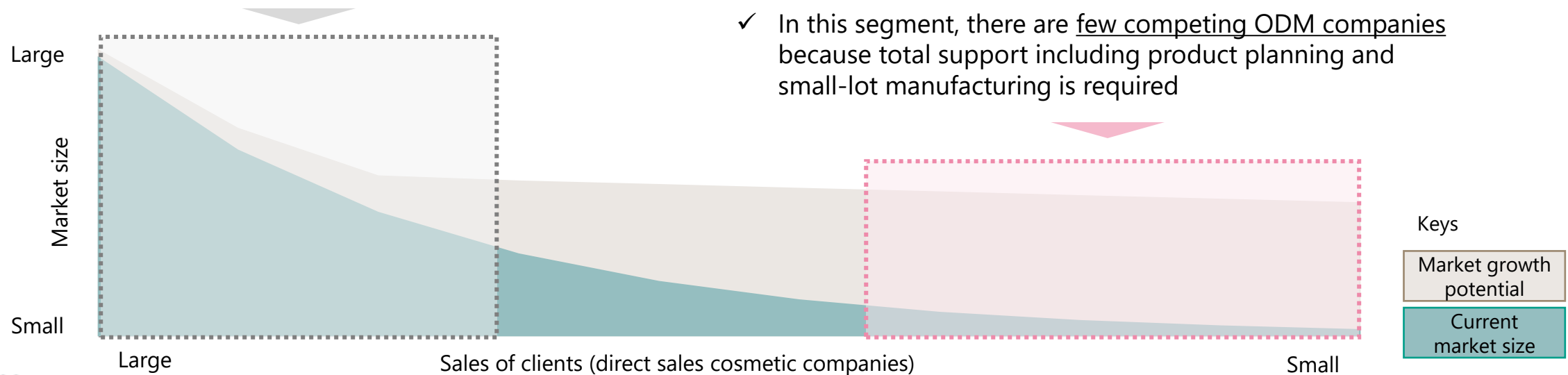
Mature & large companies

- ✓ Large market size but small growth potential
- ✓ Highly competitive segments targeted by major ODM players

Startups & small companies

(Main customers of Saticine Medical (Group))

- ✓ Large growth potential in customers and market size
- ✓ In this segment, there are few competing ODM companies because total support including product planning and small-lot manufacturing is required



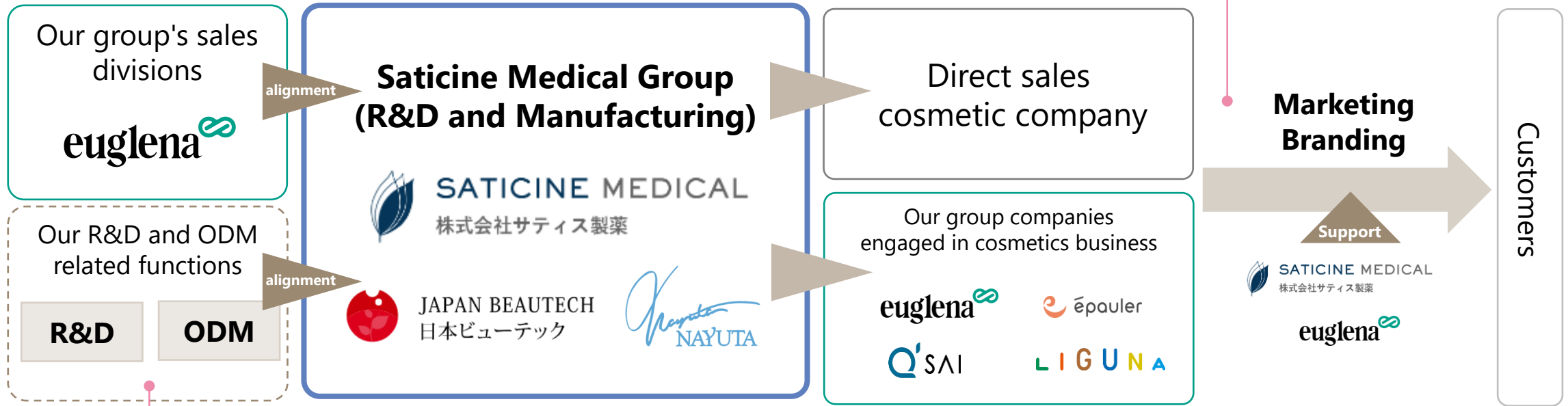
Note: This slide is for illustrative purpose only and does not guarantee the growth of the client companies or Saticine Medical Group.

Saticine Medical Group - Linkage with Euglena Group

Closely collaborate with R&D division and wholesales division, etc. of Euglena Co

Also collaborate with Euglena group companies, anticipating mutual synergy and growth.

Determine how to effectively market the products to diverse customers, and how to utilize ads to convey the quality of the products without lies or exaggerations

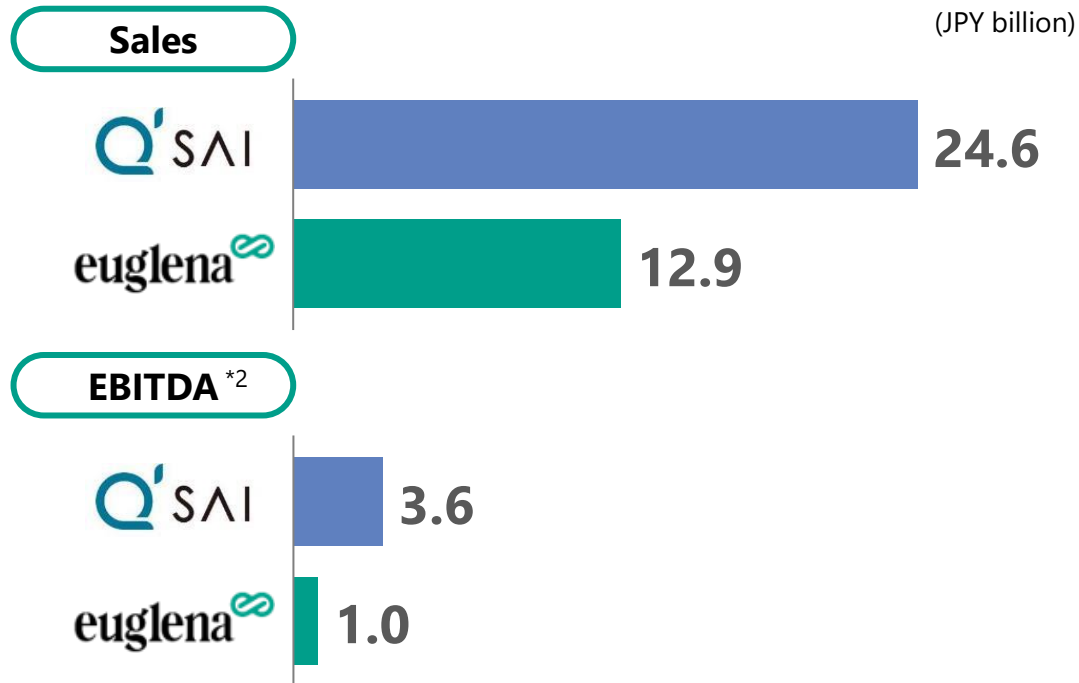


Our R&D and ODM-related functions will work closely with Saticine Medical Group. Saticine Medical group also aims to develop new clients.

Company Profile of Q'sai

Leading health foods/cosmetics company with the strengths of i) established reputation, ii) deep expertise in direct sales, iii) strong product development capabilities.

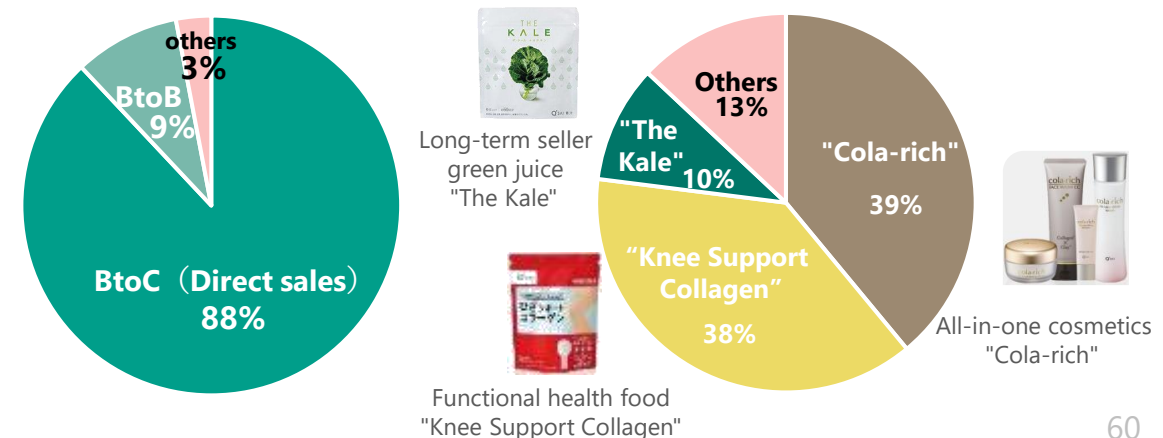
Financial comparison between Q'sai and Euglena Group*1



Key strengths of Q'sai

- Established reputation**
 - With **55-year history**, one of the long-established companies representing health foods/cosmetics market
- Deep expertise in direct sales**
 - Approximately **380K*3 tel/mail order customers**, mainly senior-aged people
 - Accumulated knowledge in TV commercials and call-center operations
- Product Development capabilities**
 - Strong product development capabilities delivering several hit products

Sales breakdown by channel/product (FY2020)



*1: Q'sai: FY12/2020 results ; Euglena Co.: FY9/2020 results for Healthcare domain

*2: The figure of Euglena Co. is the adjusted EBITDA for Healthcare domain.

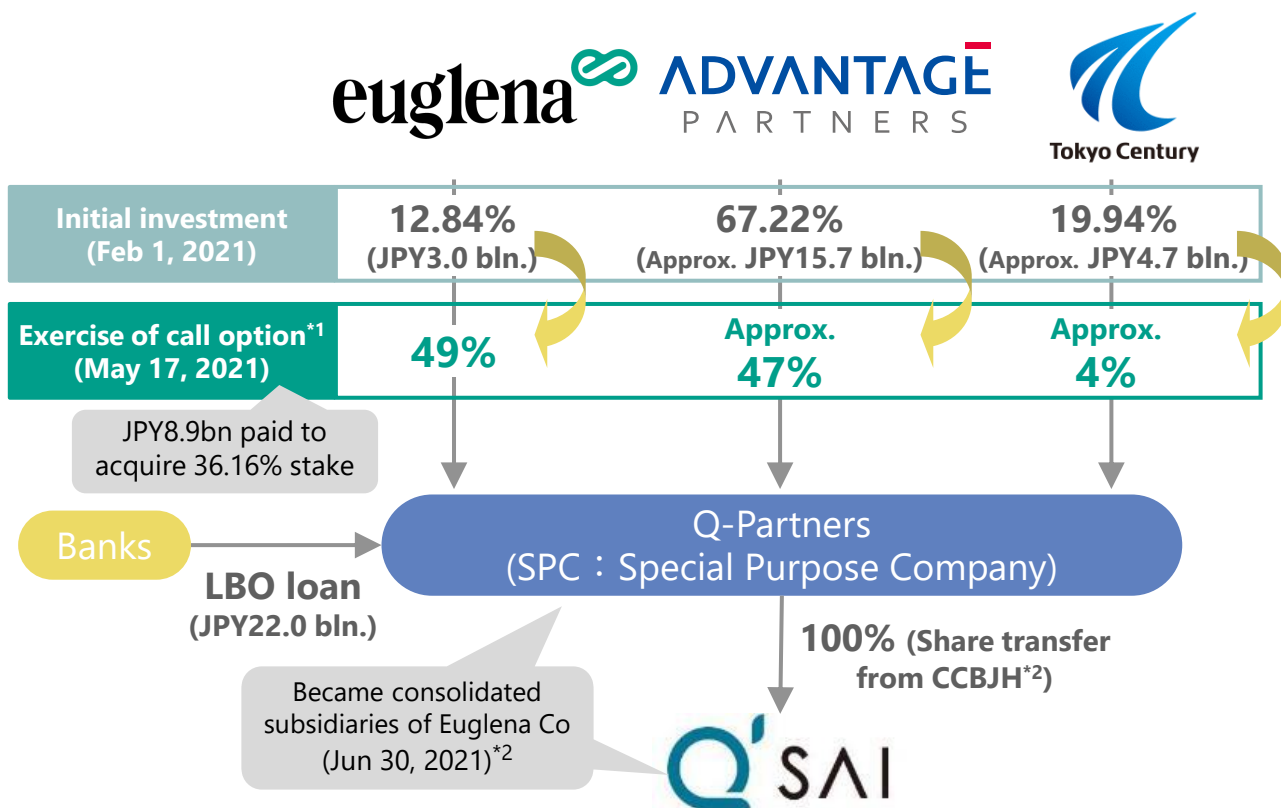
Adjusted EBITDA = EBITDA + Subsidy income + Stock-related remuneration (including stock option)
EBITDA = Operating income (loss) + Depreciation and amortization + Amortization of goodwill

*3: Monthly active customers (Number of new customers + existing customers) as of December 2020

Joint investment in Qsai - Transaction Overview

We acquired 49% stake in Q'sai for JPY11.9bln. in 2021, and after August 2023, have the right to acquire the remaining 51% stake for JPY26.2 bln. or above

Shareholding structure of Q'sai



Exit mechanism for the other partners

Scenario 1: August 2023 and onward

Call option

- We have the right to acquire all the remaining SPC shares from AP and TC at the price of **JPY26.2 bln.** or above (depending on the timing of the exercise)

Scenario 2: August 2024 and onward

Sale to a third party through IPO, etc.

- All or each of the shareholders become able to sell their SPC shares to third parties (various methods are being considered)

Scenario 3: February 2025 and onward

Put option

- AP and TC have the right to sell to us all Q-Partners shares at the price in the range of **JPY14.3-23.9 bln.** (depending on Q-Sai's EBITDA level), subject to Q-Sai's EBITDA achieving a predetermined level.

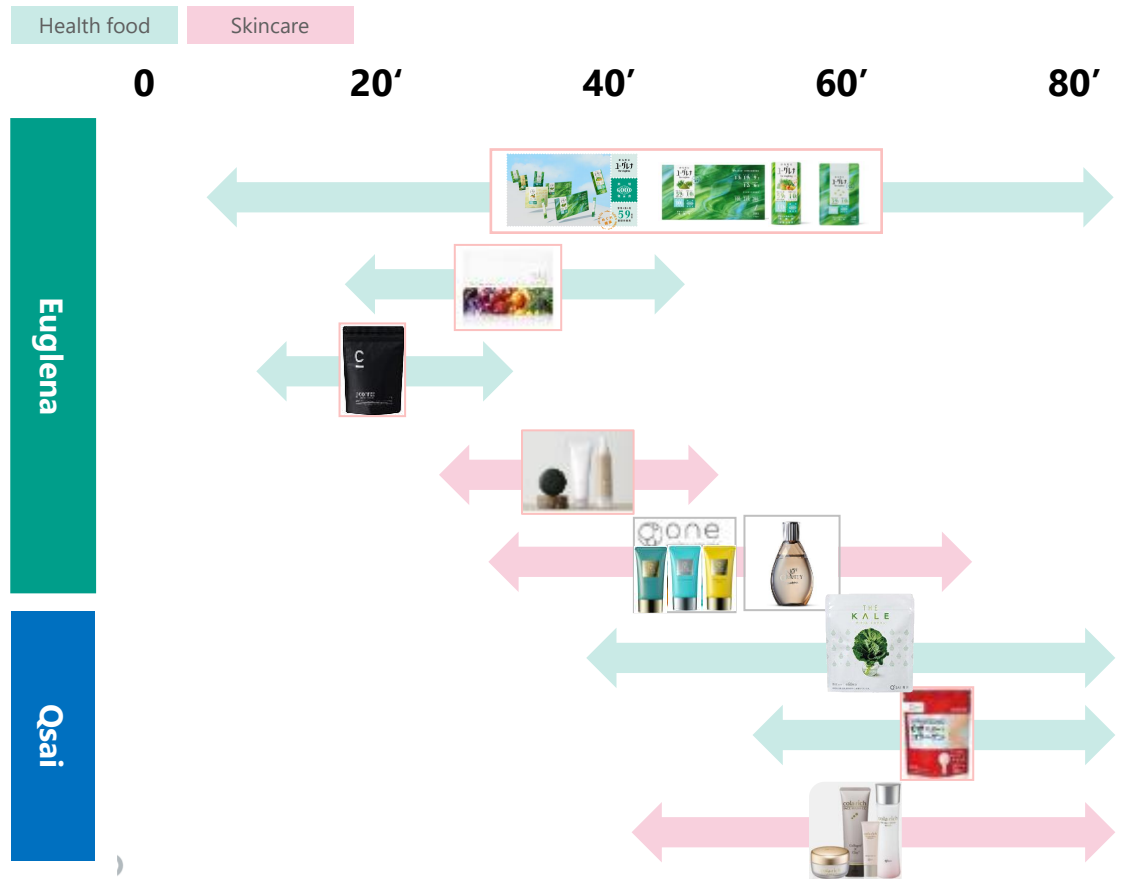
*1: Euglena Co exercised the right to acquire from AP Fund and Tokyo Century the shares necessary to make Q-Sai a consolidated subsidiary for a period of approximately one year after the completion of the share acquisition, which was agreed in the shareholders' agreement.

*2: CCBJH=Coca-Cola Bottlers Japan Holdings Inc.

Significance of merging - Synergy creation

We aim to contribute to lifelong sustainable mental & physical health of customers, offering both health food and skincare products covering all generations

Support Mental/Physical Health of All Generations



Synergies between the two companies

| | Similarity | Complementarity | euglena | Q'SAI |
|-----------------|------------------|-----------------|---|--|
| Similarity | Product Lineup | | Health food, Skincare | Health food, Skincare |
| | Value Chain | | Common functions such as logistics, call centers, and systems are similar | |
| Complementarity | Sales Channels | | Transitioning from tel/mail order to multi-channel | |
| | Target customers | | Accelerating the digital marketing | Tel/mail order through TV infomercial |
| | Brands | | Original branding through initiatives in ESG/SDGs areas | Safe and scure brand backed by 55-year history |
| | | | Acquisition of younger customers is ongoing | Focused on seniors |

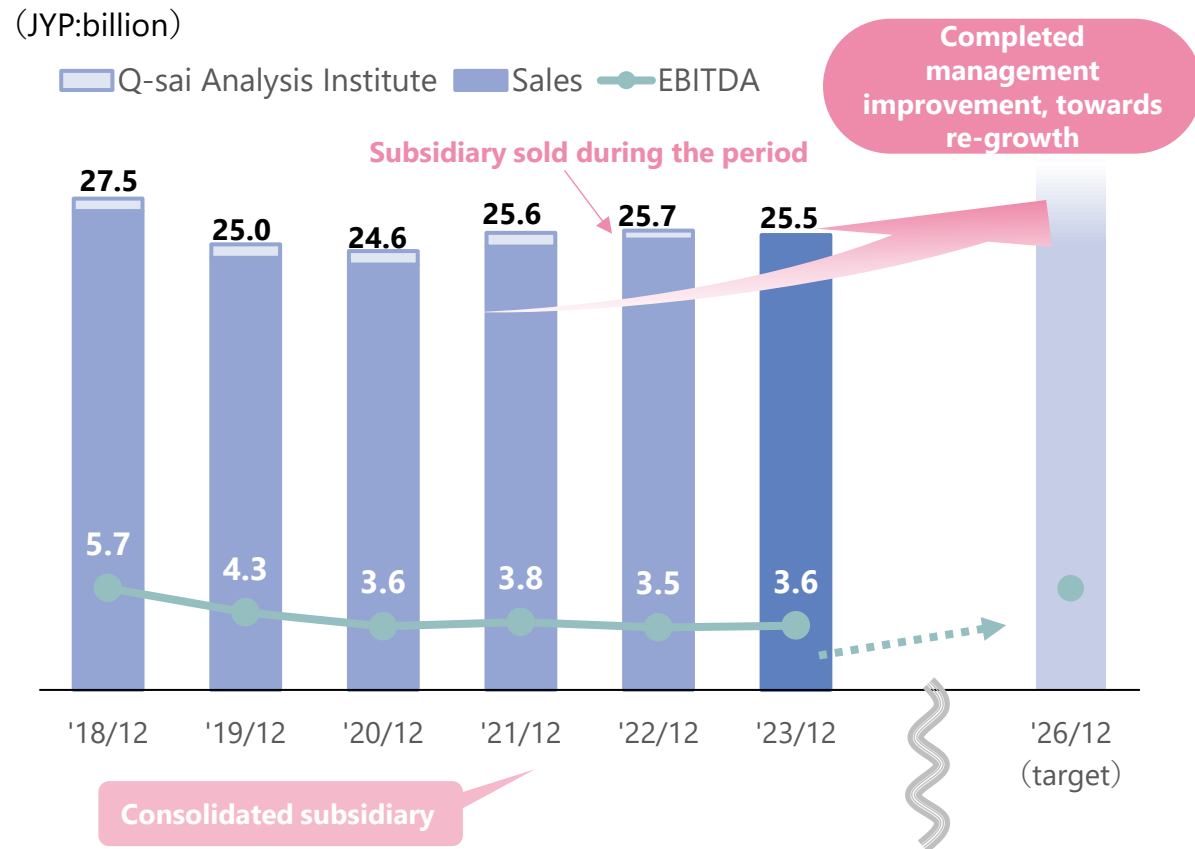
Note: Made by internal date of Euglena and Qsai

Copyright Euglena Co., Ltd. All rights reserved.

2024 is the re-growth year after jointment

Expand growth investments and continue to focus on creating group synergies

Performance trends



Initiatives after jointment

- **Management improvement:** Improve advertising investment efficiency and LTV through various measures and build a business foundation for stable growth. Going forward, we will focus on strengthening EC and digital marketing.
- **Branding:** Implementing various measures to transform into a "well-aging support company"
- **Group synergies:** Realizing cost synergies by transferring production to the Q'sai factory

Product Portfolio

- A group of products based on the concept of "well-aging," which is not "anti-aging," but rather "well-aging" that achieves happiness while acknowledging aging



Knee Support Collagen



The Kale



Cola-rich

