

Euglena Group

# Company Overview and Mid-term Business Outlook

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

FY2025 Q1

[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.

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# 1. Company Profile

# Company overview



## 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



- Venture company evolved from R&D activities at the University of Tokyo
- Succeeded in the outdoor mass cultivation of *Euglena* in 2005 for the first time in the world
- Listed on the Tokyo Stock Exchange Prime Market
- Number of shareholders exceeded 110,000

A photograph of a group of people, including a woman in a white bucket hat and a man in a grey shirt, standing with several children in a lush green outdoor setting. The image is overlaid with a dark teal and maroon geometric design in the top right and bottom left corners.

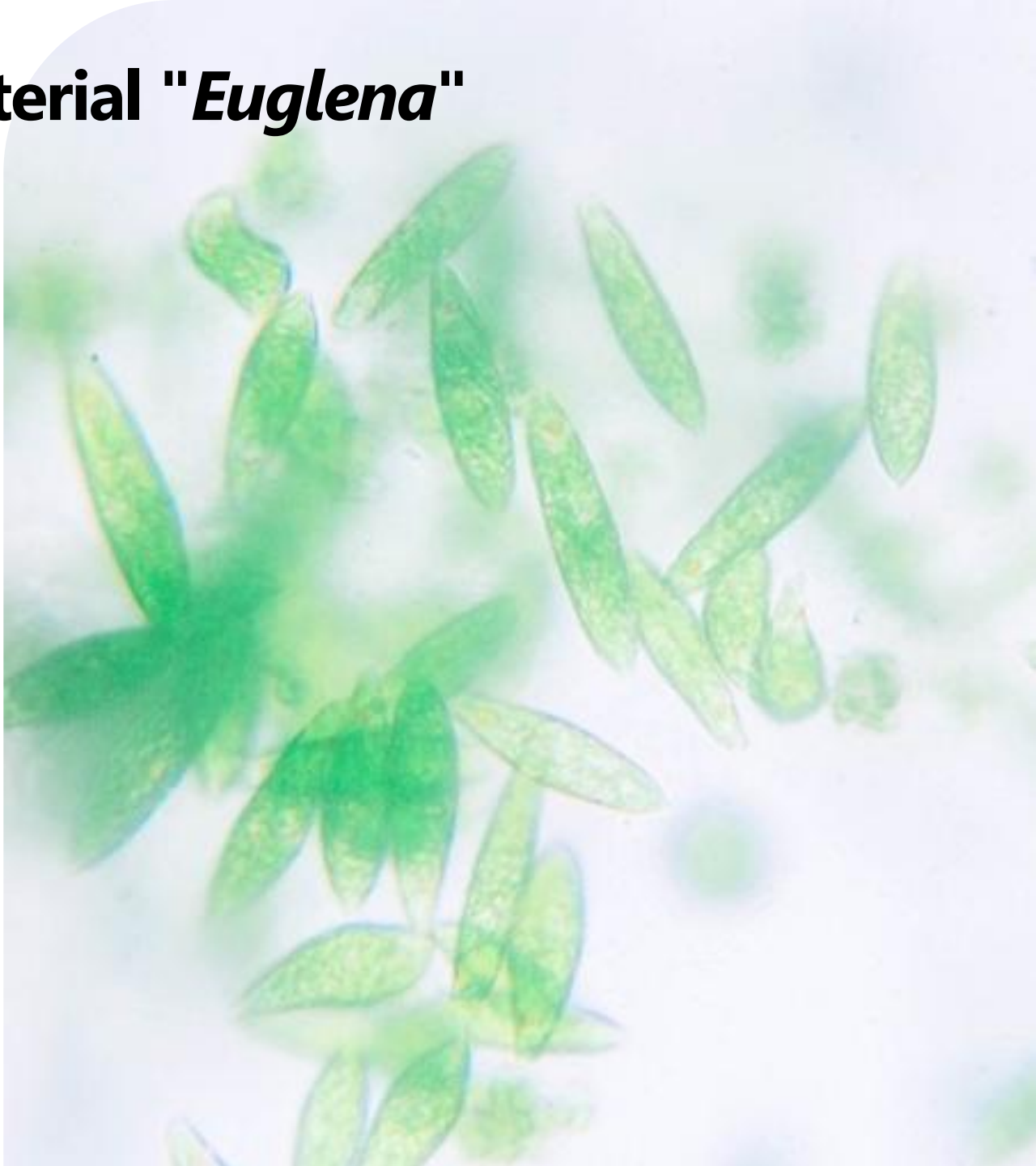
# Roots of the Company

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

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

# The discovery of a unique material "*Euglena*"

- Rich in nutrients and unique ingredient *paramylon*
- Biofuel can be produced from *Euglena*

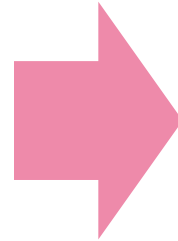


# Establishment of outdoor large-scale cultivation of *Euglena*

In 2005, we succeeded in the world's first large-scale outdoor culture, and the cultivation facilities have evolved from an outdoor culture pools to outdoor culture tanks



**Facilities at the time of 2005 @ Ishigaki Island  
(Still used for chlorella culture)**



**Lighting from  
the topside of  
the tanks**

**Current large-scale outdoor cultivation facilities (food grade) @Ishigaki Island**

# History of the Euglena Group

Founded as a university-originated R&D venture, succeeded in large-scale cultivation of *Euglena* for the first time in the world, and subsequently developed business based on a number of "first" achievements



Founder Izumo  
Bangladesh  
Visit

1998

2005

Founded the company and  
succeeded in outdoor mass  
cultivation of *Euglena* for  
the first time in the world



Listed on  
TSE Mothers

2012



Listed on  
TSE 1st Section

2014

Launched the  
GENKI program  
in Bangladesh



2018



Completed Japan's first  
SAF and RD manufacturing  
demonstration plant

2020

Renewable of *Euglena* food  
products as "Euglena for  
the body" brand



Achieved the first  
flight using our SAF  
(Sustainable  
Aviation Fuel)  
named "SUSTEO"

2021

Q-Sai Inc.  
Participate in  
the Euglena Group



Launched  
Sustainable  
Agritech Business



Announced a plan to  
construct commercial  
plant with two  
partners

2022

Launched new brand of next-  
generation anti-aging beauty "CONC"



Commercial plant  
5% equity  
investment  
completed

2024

Shifted a new  
management  
structure

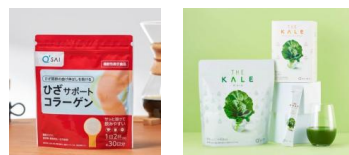
# Euglena Group's business

## Developing a variety of businesses centered on sustainability

Achieving sustainable business growth through organic growth, M&A, and partnerships

### Healthcare Business

#### Health foods



#### Cosmetics



euglena

Q'SAI

yaeyama

épauler

mej



The Strategic FAB Company  
SATICINE MEDICAL

### Biofuel Business



euglena PETRONAS enilive



### Other Businesses

Sustainable  
Agritech  
(Primary Industry)



Bioinformatics  
Business



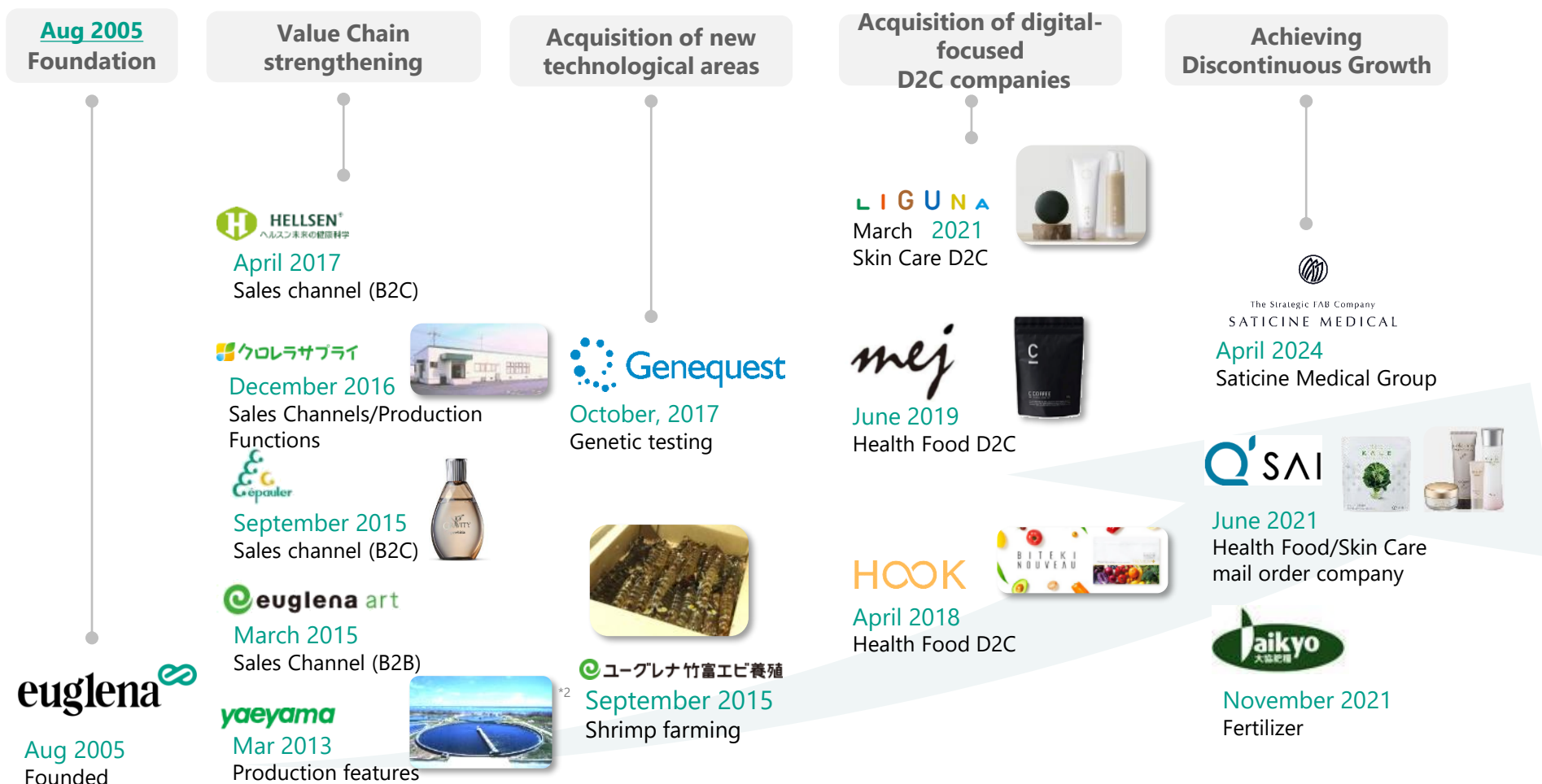
Social  
Business



Grameen euglena

# Strategic M&A

## M&A is positioned as an important strategy



Contribution ratio to sales <sup>\*1</sup>



<sup>\*1</sup>: Percentage of consolidated sales accounted for by Euglena Healthcare, Epauler, MEJ, Qsai group and others as of December 2023

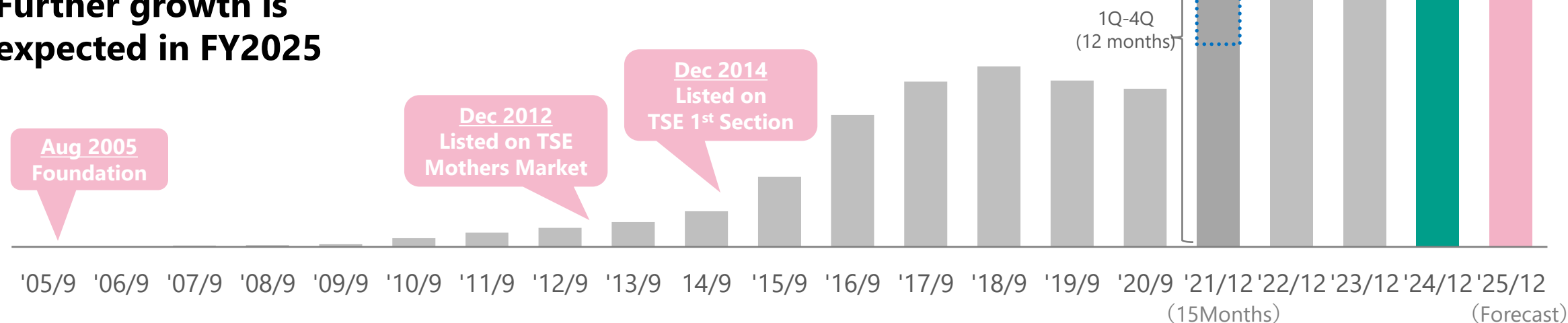
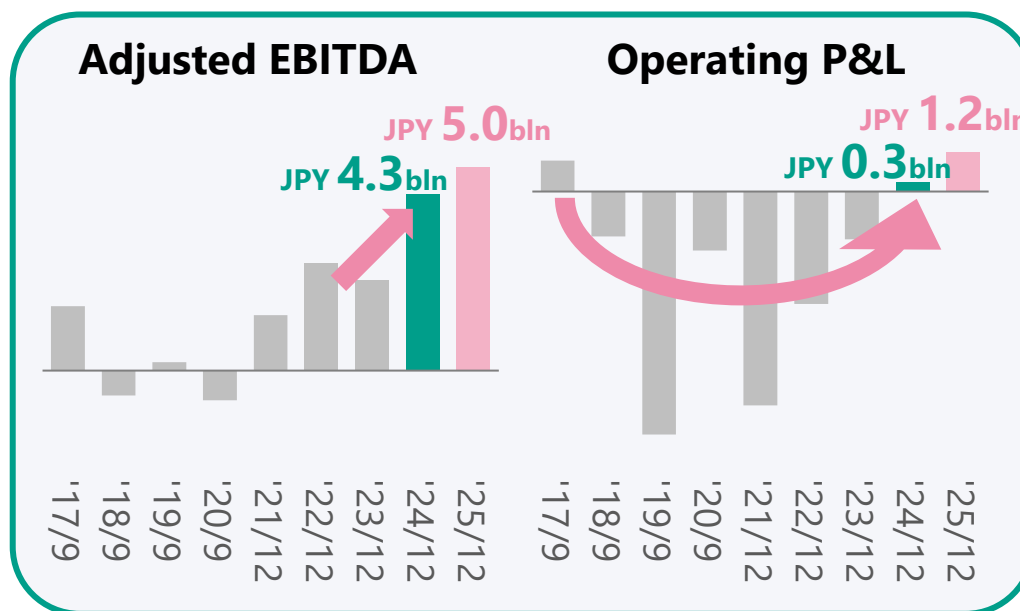
<sup>\*2</sup>: Facilities at the time of invention of mass cultivation in 2005

# History of Euglena - Profit transition from the founding period to the present

**Achieved operating profit in FY2024 for the first time in 7 fiscal years**

**Both sales and Adjusted EBITDA reached record highs**

**Further growth is expected in FY2025**

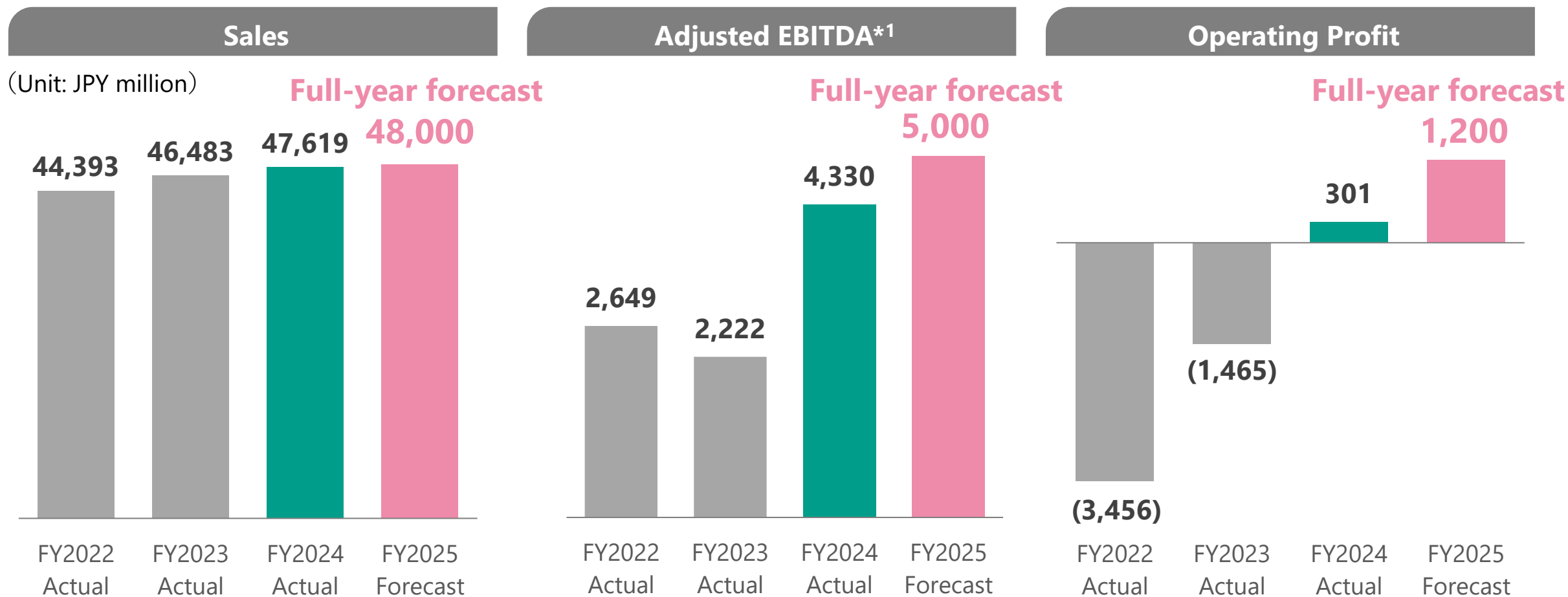


Note: The FY12/2021 was 15 months from October 2020 to December 2021, following a change in the fiscal year-end (from the end of September to the end of December)

# FY2025 Earnings Forecast

**Expand Adjusted EBITDA to JPY5 bln and operating profit to JPY1.2 bln**

**Sales forecast of JPY48 bln, prioritizing business restructuring**



# Sales

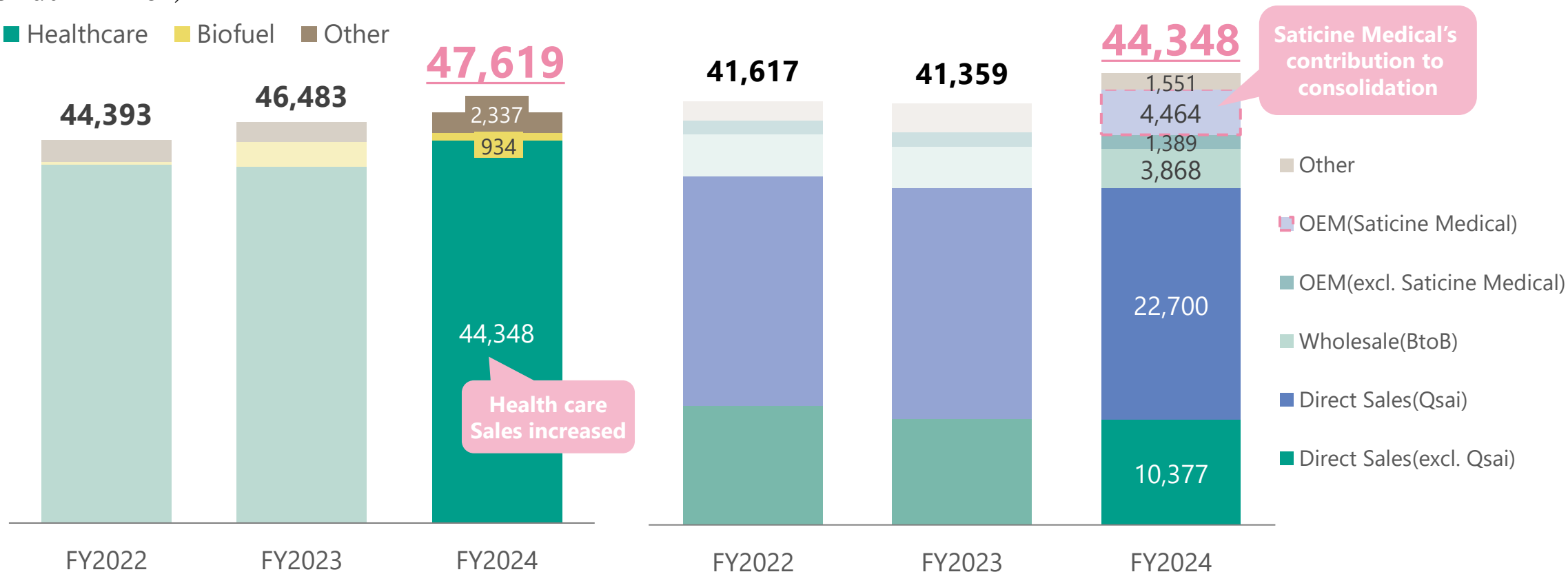
## Healthcare sales increased due to Saticine Medical's contribution to consolidation

Sales\*<sup>1</sup>

Healthcare sales\*<sup>2</sup>

(Unit: JPY million)

■ Healthcare ■ Biofuel ■ Other



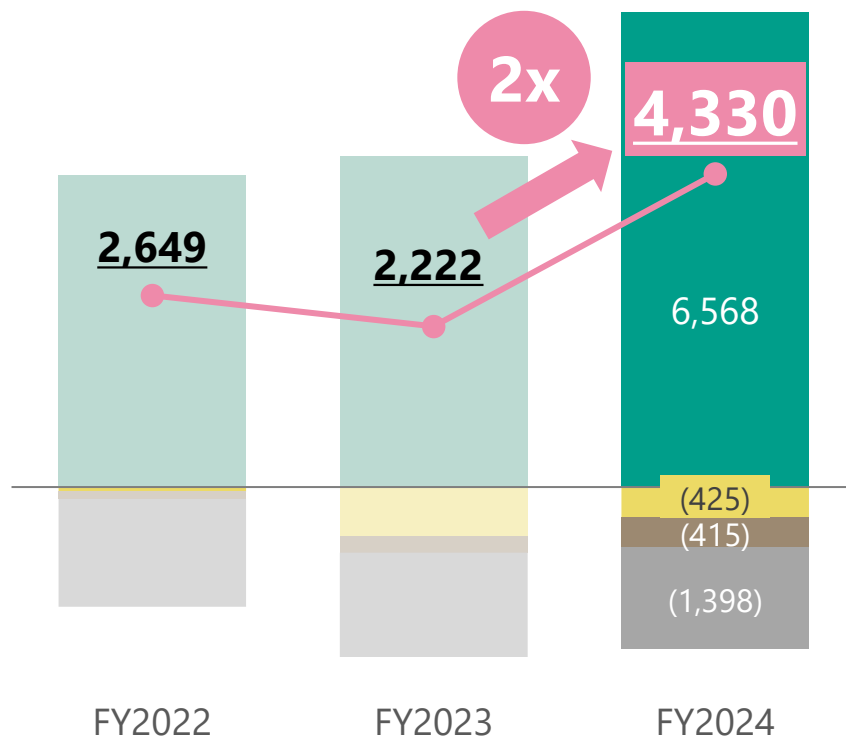
# Adjusted EBITDA

Achieved organic EBITDA through profit structure reform in addition to the contribution of Saticine Medical consolidation

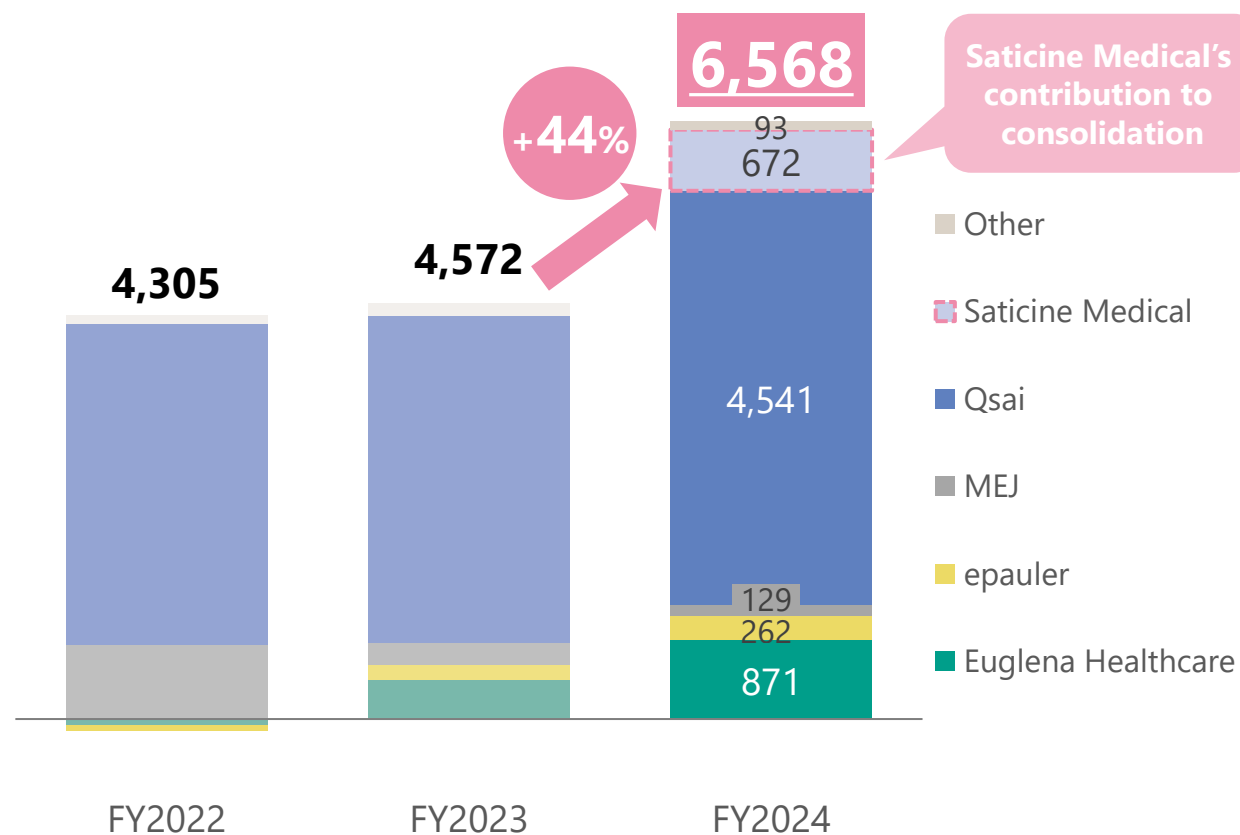
## Adjusted EBITDA

(Unit: JPY million)

Healthcare Biofuel Other Corporate Total



## Healthcare-Adjusted EBITDA



## 2. Microalgae *Euglena* and our technologies

# Microalgae *euglena* - Characteristics and potential as a living organism

## < Paramylon >



Photo: Professor Shinichi Fukuoka, Aoyama Gakuin University

- A type of dietary fiber called  $\beta$ -1, 3-glucan, a **rare ingredient produced by *euglena***
- As a healthcare material, it is **expected to have various functions**

- **Have both animal and plant features**
  - **Rich nutrients**
  - **No cell wall**
- **Rare ingredient paramylon**
- **Producing fats and oils in the body**

**Food  
Ingredients**

**Cosmetic  
raw materials**

**Feed**

**Fertilizer**

**Biofuel  
Feedstock**



**Euglena  
extract EX**



**Euglena  
fermentation**



**Livestock**



**Culture**



**Organic  
fertilizers**



**Culture soil**

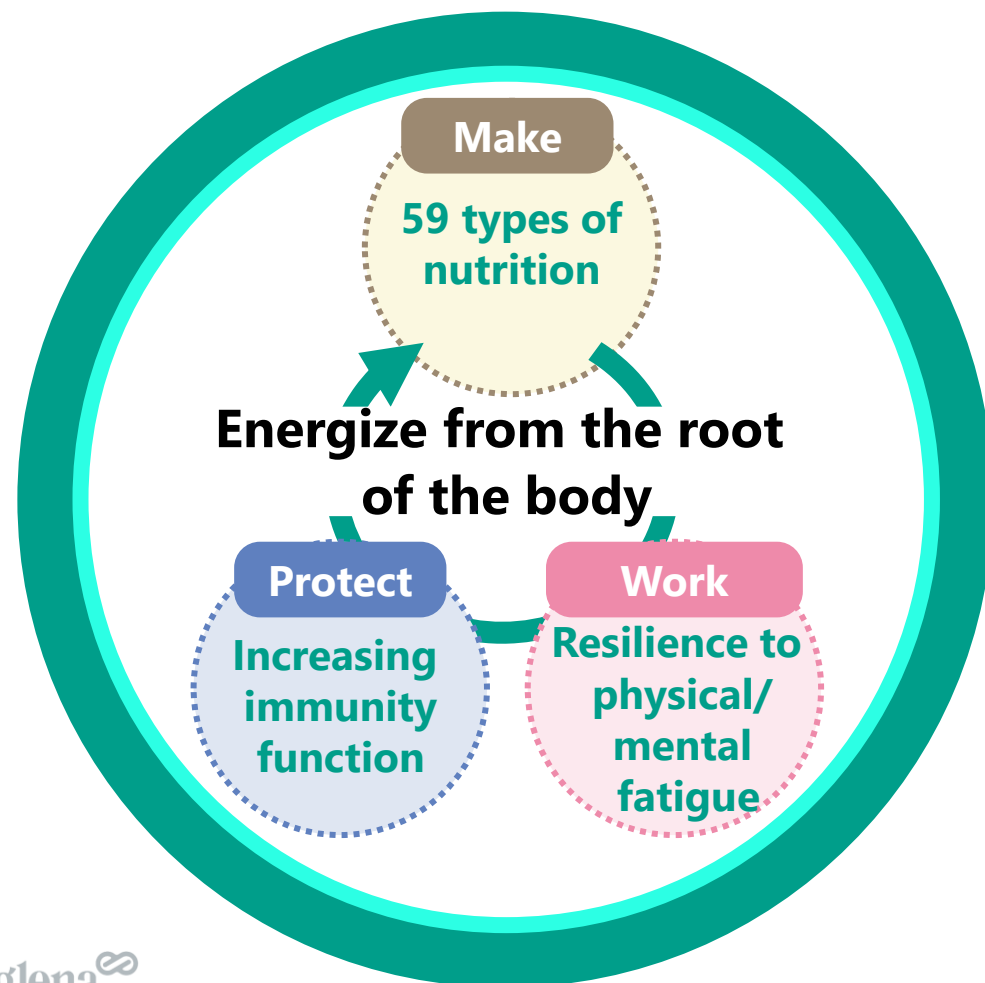


**Bio-Jet Fuel  
Biodiesel fuel**

# Features of microalgae *euglena* - make people healthy



Energizes from the root of the body by supporting the body's original cycle of "creating, working, and protecting"



## Make

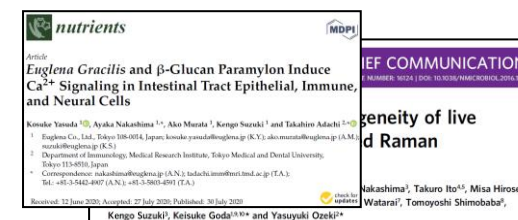
With 59 diverse nutrients raise the level of nutrition

## Work

Improving sleep quality, mitigating stress symptoms

## Protect

Improving immunity, Balancing immune system



# Development as a health food ingredient

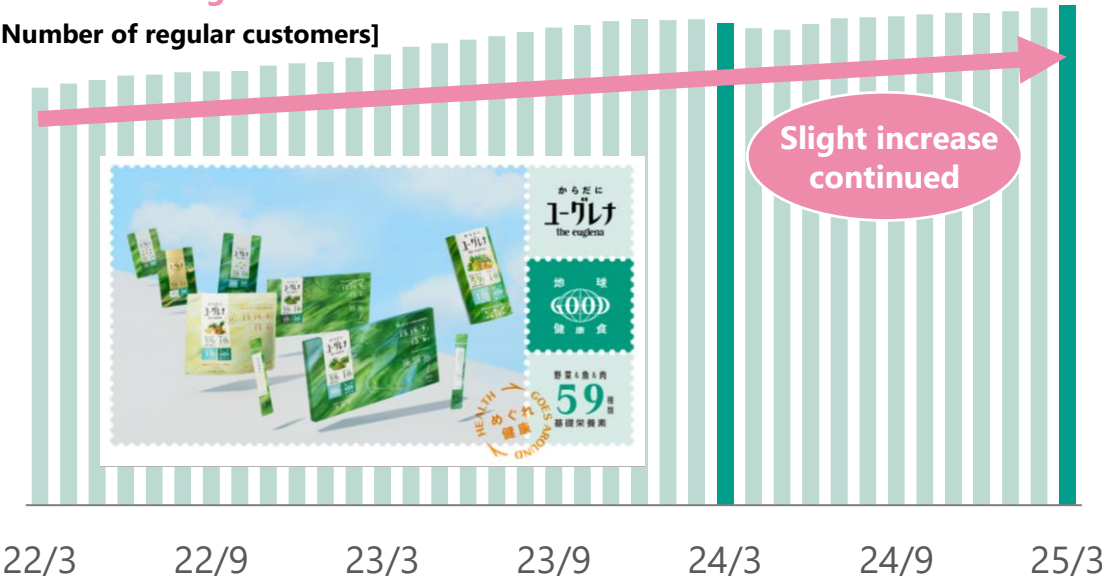
In addition to approaching the senior generation and the child-rearing generation, expanding recognition through the development of collaborative products

## Euglena for Healthcare

- Continuing appeal to the growing generation of seniors
- Strengthening our approach to the child-rearing generation
  - Expanding SNS promotion and measures
  - Strong sales at e-commerce malls**



[Number of regular customers]



Approach for Seniors



Children's Nutrition Support Series (Drinks, Furikake, Soup Stock)



Guilt-free ramen



LOTTE



Peyoung yakisoba (Maruka Foods)



# Our Technology - Microalgae Cultivation Methods

"Autotrophic culture" × "Heterotrophic culture" = "Photoheterotrophic culture"

**Autotrophic  
culture**

High cultivation  
difficulty

**Photo-  
heterotrophic  
culture**

Balancing productivity and  
nutritional balance

**Heterotrophic  
culture**

High cultivation  
efficiency

## Outdoor Culture Pool



## Outdoor Culture Tank



Ishigaki Island *Euglena*  
(food grade)



## Indoor Culture Tank



Aurantiochytrium

# Enhancement of tank cultivation technology

Established a new microalgae production system and started a scale-up demonstration  
Aiming to create new demand through mass production and cost reduction



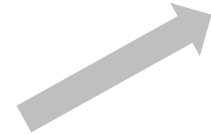
Indoor Culture Tank

Rich in paramylon  
High cultivation  
efficiency

Established  
a commercial  
production  
system



Aurantiochytrium



Paramylon powder

Started  
a scale-up  
demonstration



Euglena with high  
paramylon content

## Utilization in food ingredients



Artificial sea urchins



Ramen soup

- Deep umami and moderately salty seafood flavor
- Used for supplements, seasonings, alternative seafood ingredients, etc.

## Progress of scale-up demonstration

- Achieved **high-lipid, high-density tank cultivation** of *Euglena* (reaching approx. **10 times higher density** compared to **photoheterotrophic cultivation** for healthcare products)

Aiming to establish commercial production capability of Paramylon powder and *Euglena* for feed/fertilizer use as precursor to biofuel feedstock production

Microalgae *Euglena* produced through high-density cultivation trials



# Genome editing technology

Successful improved of *Euglena* strains using the Japanese genome editing technology, with a view to industrial development

## Difference between genome editing and genetic modification

### Genome editing



Cut the targeted gene



Possibly existing organisms in nature

### Genetic modification



Introducing genes from other species

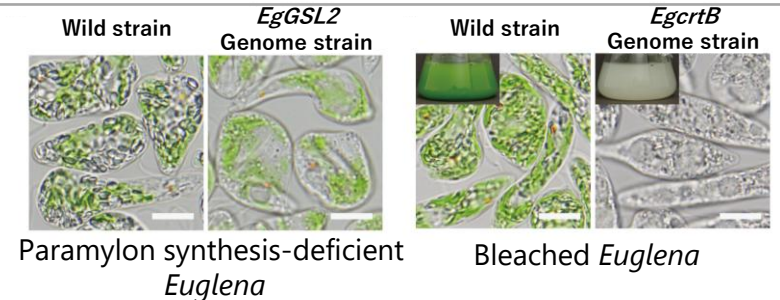


New plants not exist in nature

More accurate and safer than genetic modification, thus easier to put to practical use

Progress by FY2024

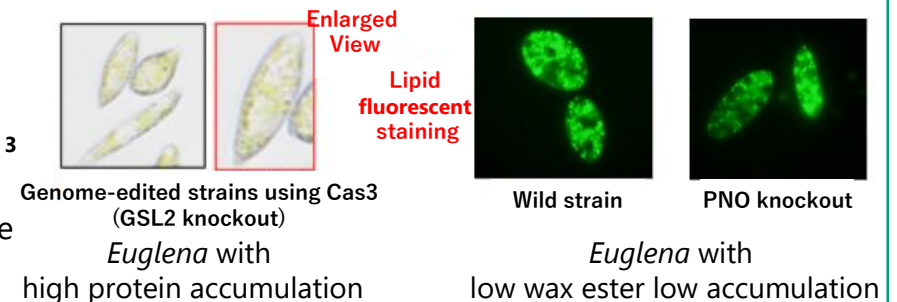
- Established **high efficient genome editing technology** using Cas12a, following earlier success with Cas9\*<sup>1</sup>
- Developed strains primarily intended for biofuel applications



➡ Despite the well-established technology, uncertainties around patent fees and licensing conditions remain a challenge for commercial use

Progress in FY2025

- Successfully edited *Euglena* genome editing using the **Japanese genome editing technology CRISPR-Cas3**\*<sup>2, 3</sup>
- Developed improved strains with potential for food-grade applications



➡ The use of domestic technology with clearly defined IP rights facilitates more speedy industrial deployment

\*1: Joint research with RIKEN, "Enhanced genome editing technology for microalgae *Euglena* (2024/2/1)" (<https://www.euglena.jp/news/20240201-2-2/>)

\*2: Technology with similar technical features to CRISPR-Cas9, licensed exclusively with sublicensing rights by C4U (a biotech venture from Osaka University)

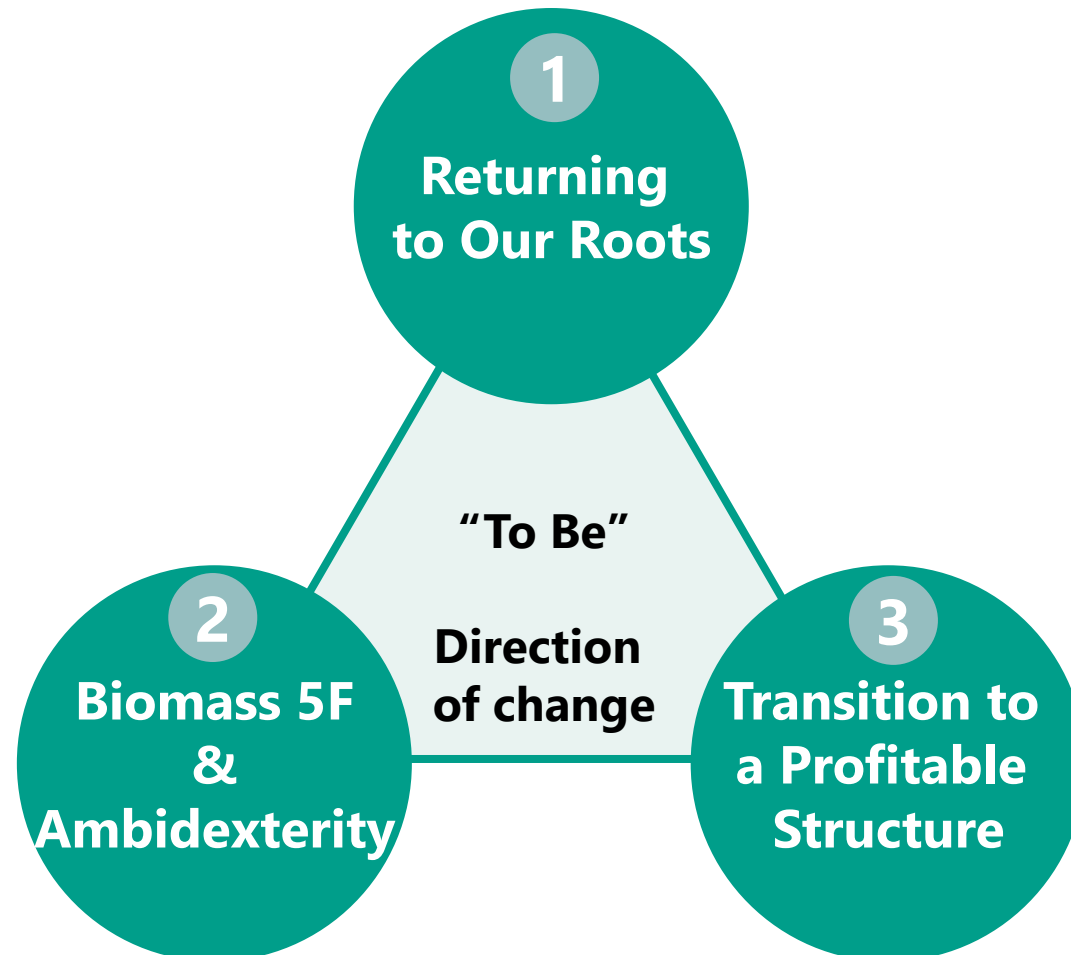
\*3: Joint research with C4U, "Successfully improved *Euglena* strains using the Japanese genome editing technology CRISPR-Cas3" (<https://www.euglena.jp/news/20250417-1/>)

# 3. Medium-Term Management Policy

# Medium-Term Management Policy (2024~)

Promoting management and business based on the three policies set forth at the beginning of the 2024 fiscal year

Almost completed "Transition to a Profitable Structure." Currently, focusing on growth through "Returning to Our Roots" and "Biomass 5F."



# 1 Returning to Our Roots

Rebuilding our competitiveness and uniqueness based on the "R&D capabilities" and "Venture spirit" that have supported our growth and challenges to date

Origin of Euglena Co, Ltd.

## <Progress in FY2024>

- Built a production system using heterotrophic culture and started a scale-up demonstration
  - Established a commercial production system for Aurantiochytrium
  - Successful high-lipid, high-density tank cultivation of *Euglena*
  - Established a new highly efficient technology by **gene mutagenesis** and **genome editing** for improving *Euglena* strains



R&D capabilities  
(especially  
microalgae)



Venture spirit

Returning to our roots that have supported growth and challenges, aims at rebuilding competitiveness and uniqueness

## <Progress in FY2024>

- The commercial plant of the biofuel business completed its **5% investment in the JV in December 2024**
  - The company will further **increase its stake to 15%** and aim to handle approx. 100,000 KL per year



**PENGERANG  
BIOREFINERY**  
A Joint Venture of PETRONAS, Euglena and Enlivex

## 2 Biomass 5F and Ambidextrous Management

Starting from the “Biomass 5F,” expanding business through ambidextrous management of exploitation and exploration

Exploitation

Stable expansion of existing businesses

Organic growth

M&A

R&D



Biomass 5F

Unit price per weight

high

Food

Fiber

Feed

Fertilizer

Fuel

low

Exploration

Cultivating new sales seeds

R&D

partnership

いきものたちに  
**ユ-グレナ**  
euglena for the earth



# Potential as a material to make the earth healthy

## Euglena's superiority as a biofuel, fertilizer, and feed ingredient

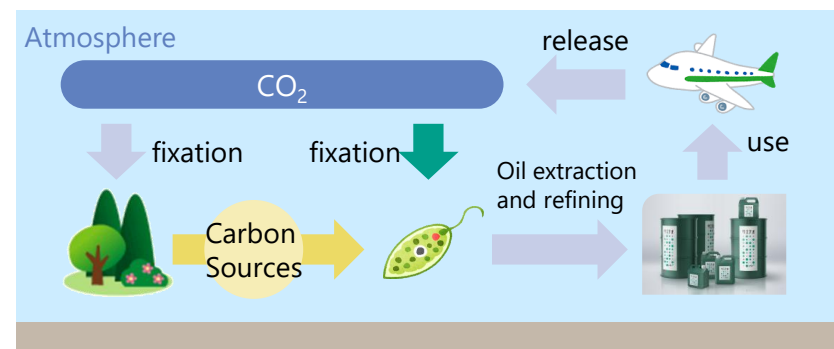
Has high potential for commercial use. Continuing the challenge of realizing it with a venture spirit

*Euglena powder*



### Produces wax esters<sup>\*1</sup> suitable for SAF production

- SAF can be produced with **low energy and low hydrogen consumption**



### Diverse applications of defatted algae

- Selling skimmed algae as feed and fertilizer enables **reducing manufacturing costs**



# Progress beyond 2024 - Sustainable Agritech

Based on the results of research so far, products grown with feed and fertilizer containing *Euglena* are branded as "*Euglena* for living things"

## Major Research Achievements to Date

### Making livestock healthy with feed

Feeding feed with microalgae confirmed improved growth and immune function



#### Chicken

**1.2 times** more antibody production (immune function)

**1.2 times** body weight (growth)



#### Amberjack

Increased weight-increase rate\*<sup>1</sup> by **7%** (growth)

Blood lysozyme activity\*<sup>2</sup> increased by **1.3 times**

\*The photo is an image.

### Making soil and plants healthy with fertilizer

Adding microalgae to the soil confirmed that it grows better



Mizuna

petunia

#### Mizuna:

Confirmed increase in fresh weight

#### Petunias:

Confirmed a longer flowering period

## *Euglena* for living things

- Euglena brand products and Euglena-containing OEM products are used for living things, and products carefully grown are certified as "**Raised by Euglena**"
- Provides branding and sales support



# Progress beyond 2024 - Biofuel feedstock

Continue R&D on large-scale and low-cost cultivation of *Euglena*, through partnership and multi-approaches, to establish a sustainable source of biofuel feedstock

## 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<sup>∞</sup>



@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

# Progress beyond 2024 - Healthcare Business

Focus on horizontal expansion of our successful knock-injection microneedle products

## CONC

- **"Wrinkle Injection"**, the first non-medical knock-injection microneedle product, continued to perform well
- **Enhanced online advertising** to pioneer new acquisition channels



3x

22/3 22/7 22/11 23/3 23/7 23/11 24/3 24/7 24/11 25/3

## Expanding Channels

- Launched **"CONC LABO"**, a sister brand for wholesale channels
- Introduced to **almost all** LOFT and PLAZA stores nationwide, along with some AEON stores



## Broadening Application

**épauler**

- Launched new scalp essence **"FUSARI Scalp Injection"**
- **Cross-selling performed well**

**euglena**

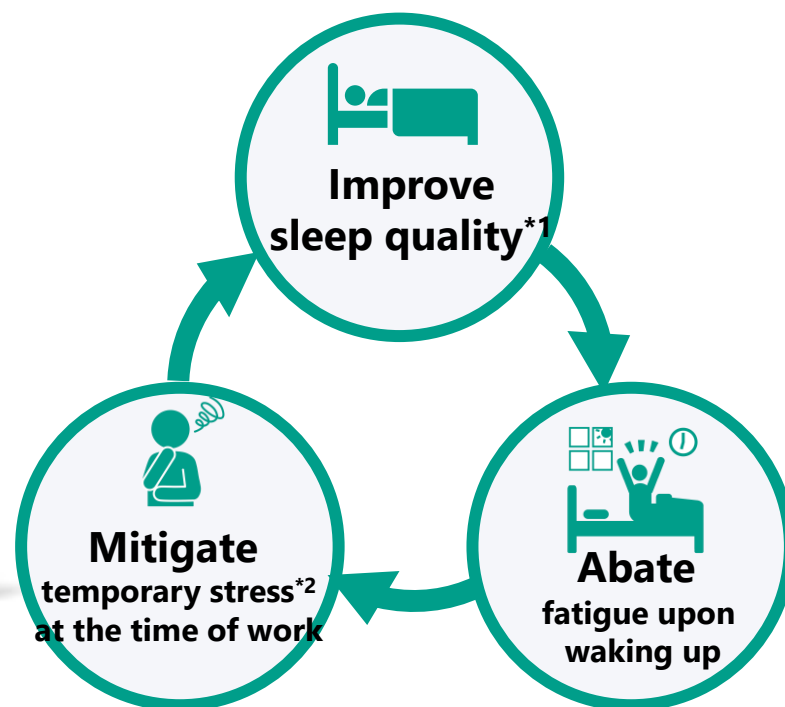
- Preparing new products with new ingredients meeting summer skincare needs



# Progress beyond 2024 - Development as a functional food ingredient

Launched functional food containing Euglena's original ingredient "*Paramylon*"  
Supported by seniors as a product that solves their concerns.

## Functional food (in-house products)



## Partner Products

Launched functional food containing our "euglena gracilis derived paramylon"



Products of Alinamin Pharmaceutical Co., Ltd.

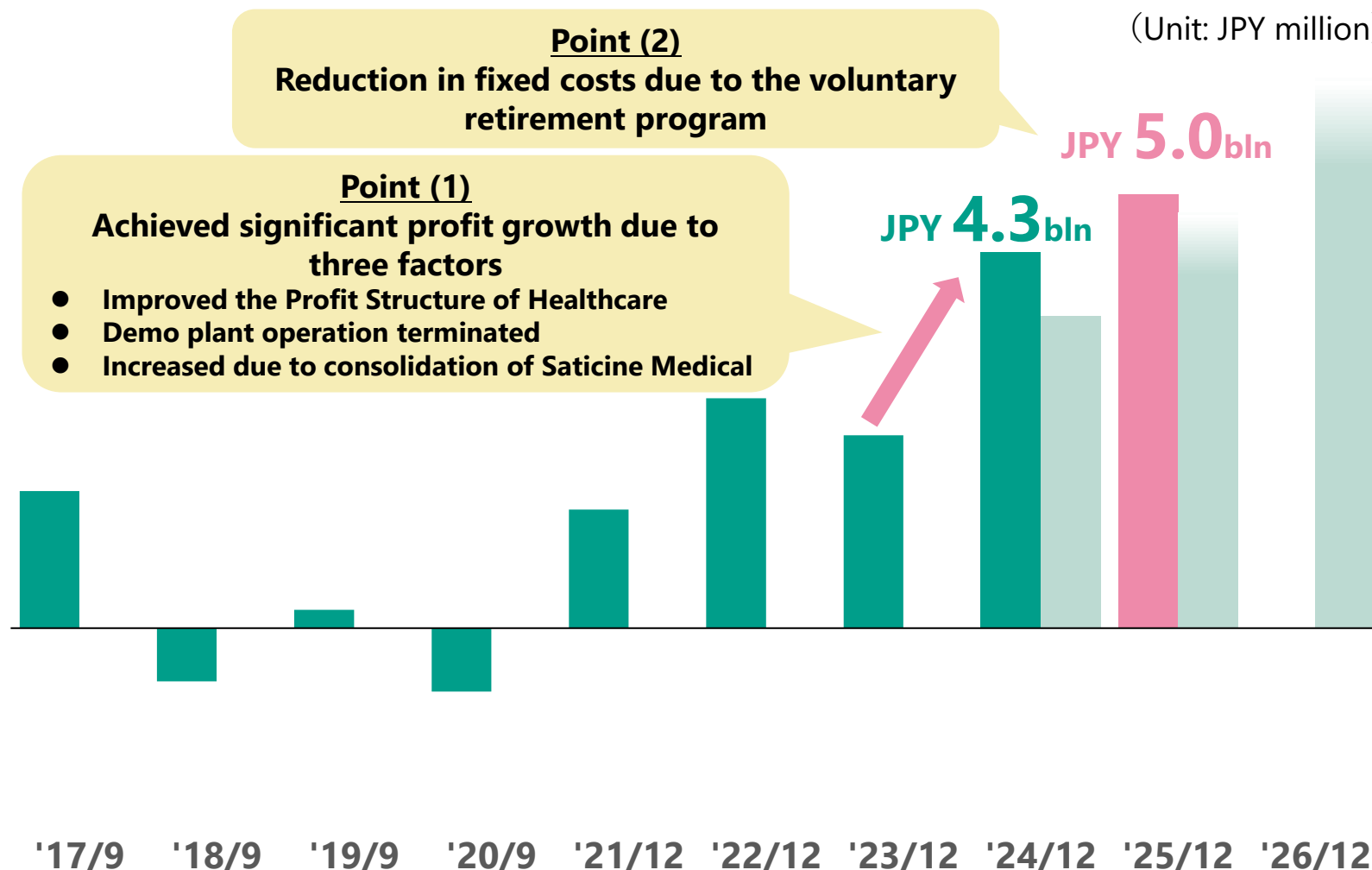
Contributed to *Euglena* awareness through continuous TV commercials and distribution to drugstores and convenience stores

### 3 Transition to a Profitable Structure - Progress beyond 2024 Adjusted EBITDA

■ Actual Results ■ FY2025 Earnings Forecast ■ Initial growth image\*<sup>1</sup>

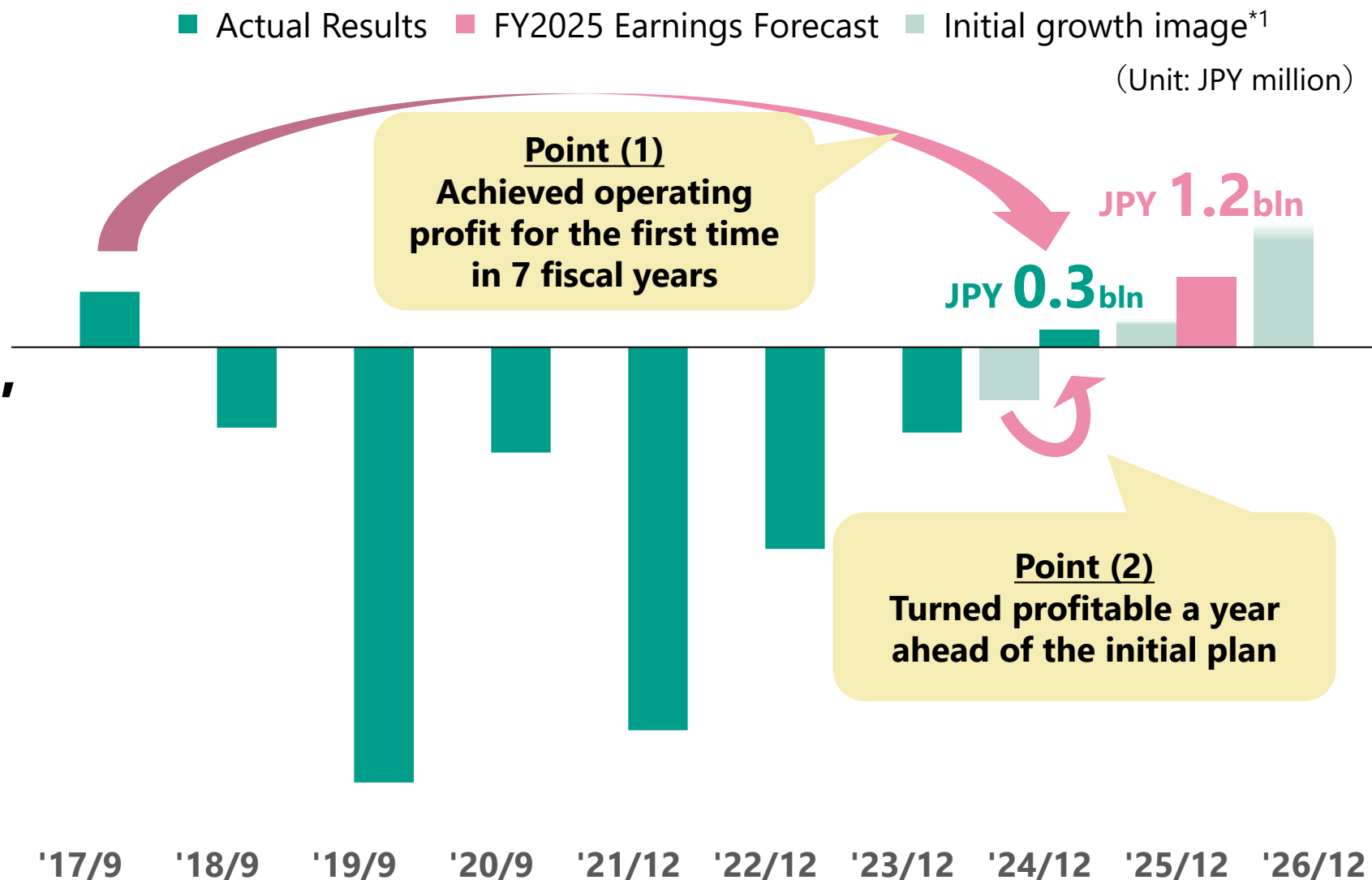
(Unit: JPY million)

Adjusted EBITDA achieved a significant increase, due to profit structure reforms, including improvement in sales expenses, termination of demo plant operations, and voluntary retirement program



### 3 Transition to a Profitable Structure - Progress beyond 2024 Operating Profit

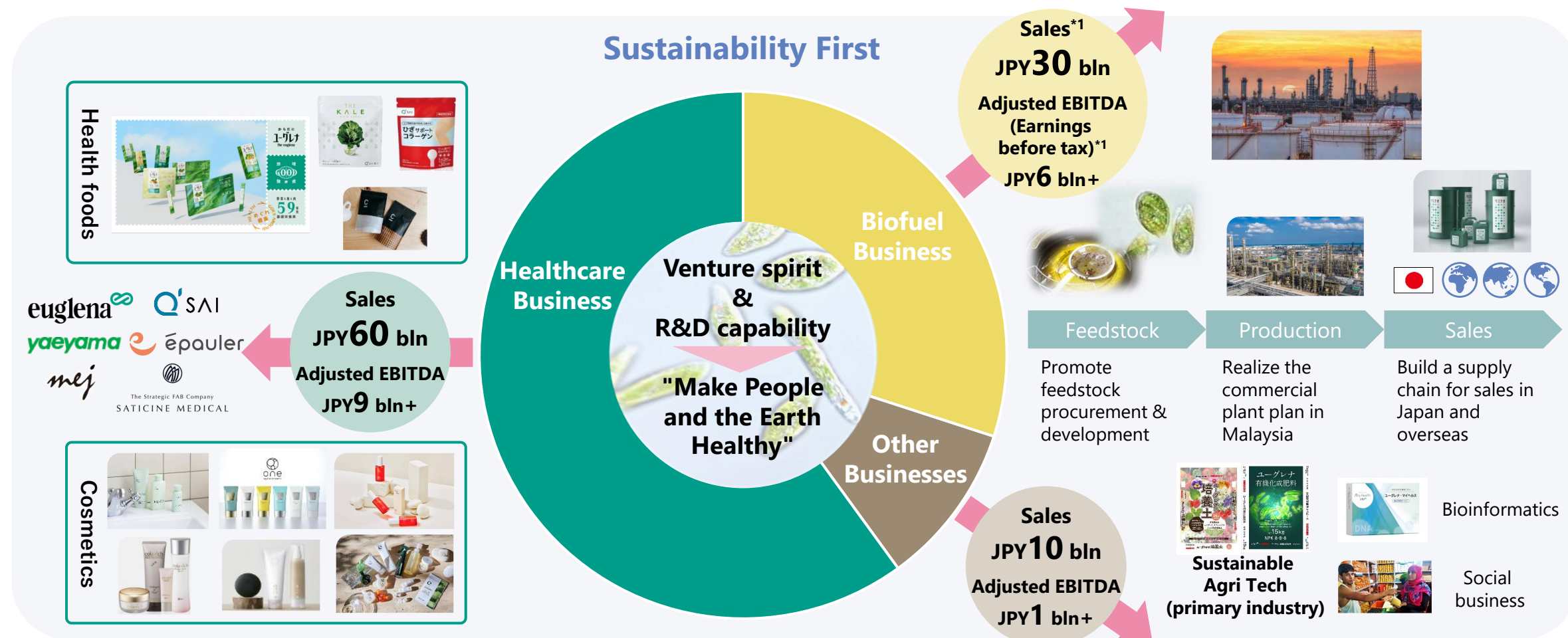
**Achieved operating profit for the first time in 7 fiscal years, one year ahead of the initial plan**



# Growth Roadmap toward 2030 - Business Portfolio

**Aim for sustainable growth of existing businesses and the creation of new sales pillars**

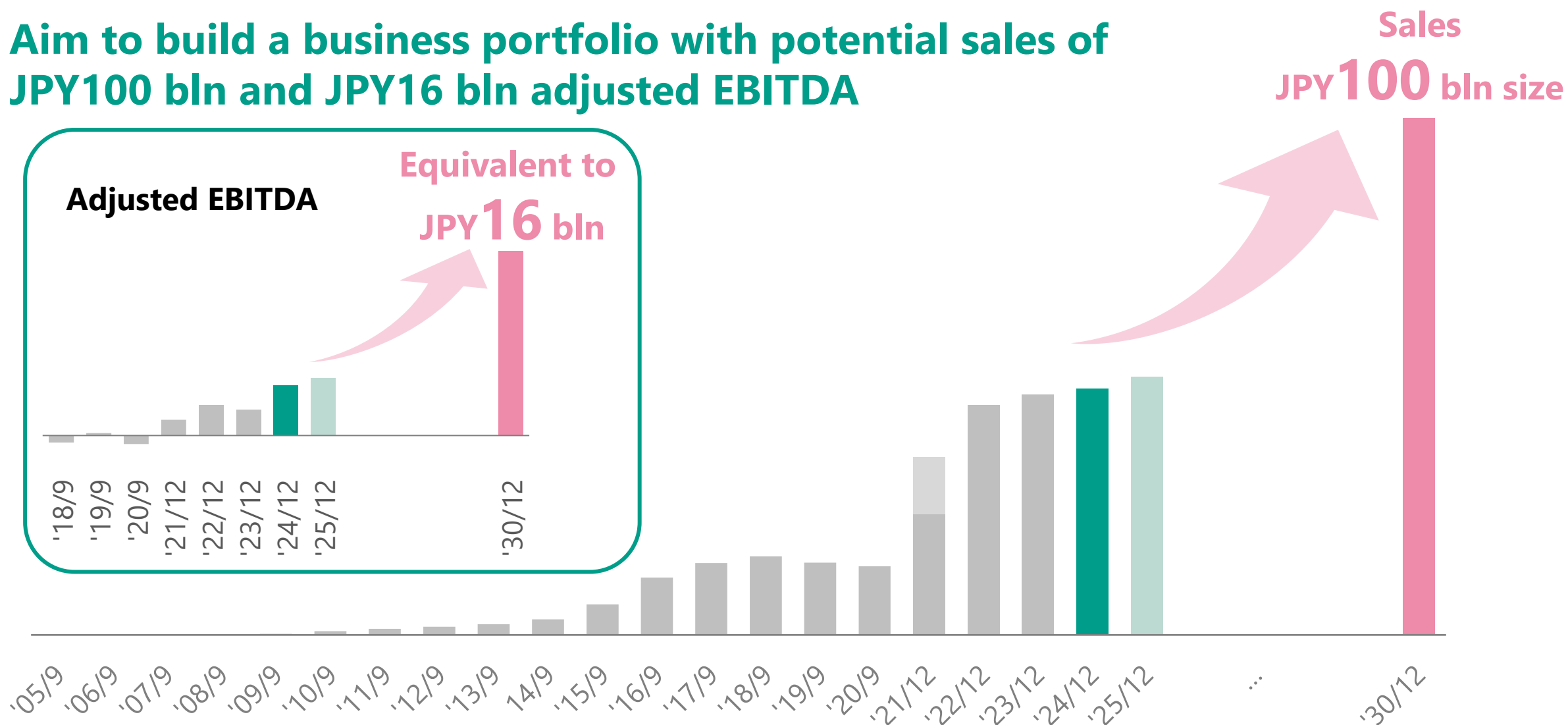
**Build a business portfolio with the potentials of JPY100 bln sales and JPY16 bln equivalent Adjusted EBITDA**



\*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

# Growth Roadmap towards 2030 - Sales and Adjusted EBITDA

Aim to build a business portfolio with potential sales of JPY100 bln and JPY16 bln adjusted EBITDA



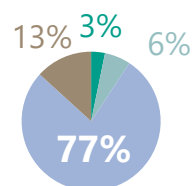
# 4. Healthcare Business

# Business Model - Three Distribution channels

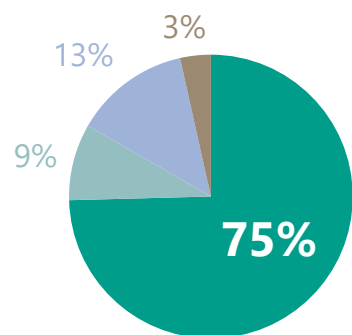
Business model has shifted from OEM-driven to Direct Sales-driven distribution

Sales Breakdown\*1

FY2012 : JYP1.6 bln



FY2024 : JYP44.3 bln

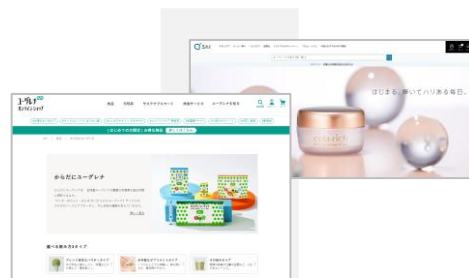


■ BtoC ■ BtoB  
■ OEM etc. ■ Other

## 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

# Euglena Group Brand Portfolio

Developing multiple brands of food and cosmetics that “make people healthy” from inside and outside the body

euglena<sup>∞</sup>

Q' SAI

mej

Food

*Euglena for Healthcare*



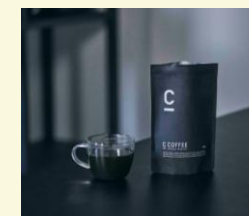
Knee Support Collagen



The Kale



C COFFEE



Skincare

one



CONC



akyrise

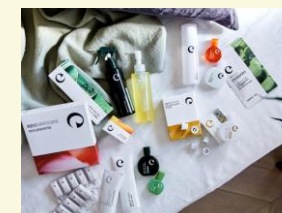


Cola-rich



épauler

epo



# Number of Group D2C Subscribers

Total number of subscribers slightly declined, but advertising investment efficiency improving QoQ across several brands

Number of Subscribers

0.7mIn

Q'SAI

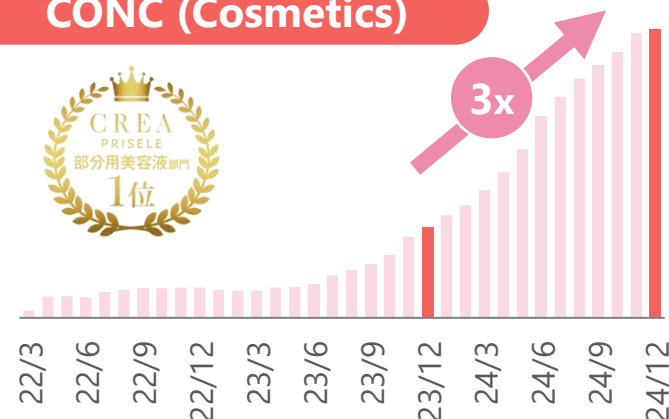
euglena

épauler mej

'22/12 '23/3 '23/6 '23/9 '23/12 '24/3 '24/6 '24/9 '24/12

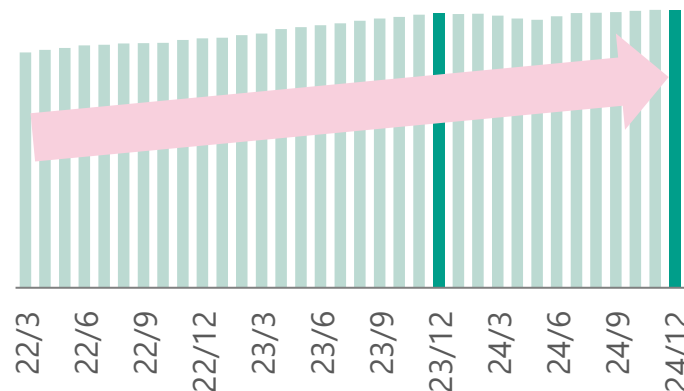
euglena

## CONC (Cosmetics)



"Wrinkle Injection"  
Continued to perform well.  
Tripled the number of subscribers in the last one year

## Euglena for Healthcare (Food)

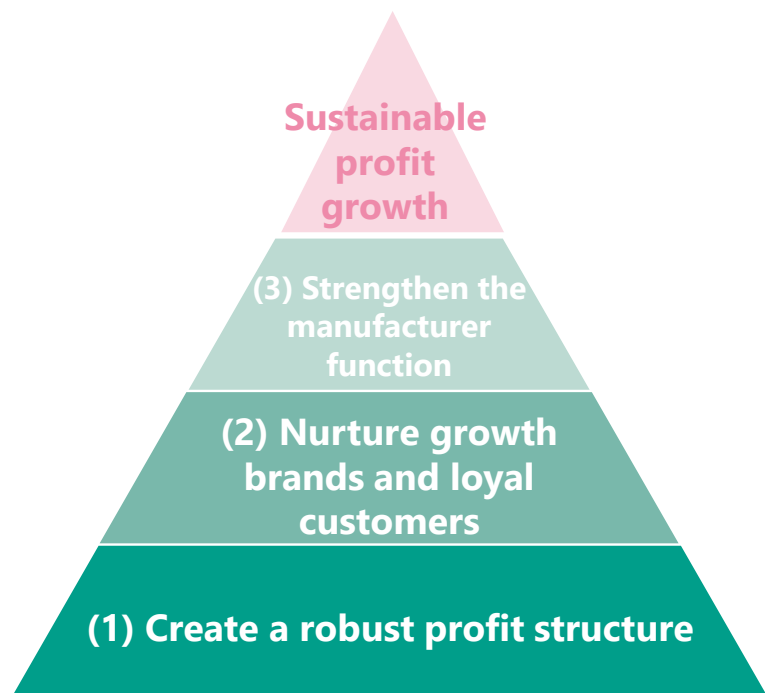


Growth trend from last year,  
brand renewal to accelerate it

# Mid-term Direction of Healthcare Business

Three initiatives progressed well in FY2024, improving profitability ahead of schedule  
Continuing focus on profitability improvement in FY2025, while promoting initiatives for new sales growth

## Mid-term Direction for Healthcare Business



	Sales	Adj. EBITDA margin
2023	JPY41.4 bln	11.1%
2024	JPY44.3 bln	14.8%
~2026	JPY50.0 bln	15%
~2030	JPY60.0 bln	15%+

To be reviewed based on FY2025 progress

# FY2025 Direction - (1) Creating a robust profit structure

(3) Strengthen the manufacturer function  
(2) Nurture grown brands and loyal customers

(1) Create a robust profit structure

## Strengthen profit structure reforms, including the voluntary retirement program, in order to confirm and stabilize profitability

### Voluntary Retirement Program

- Downsizing/withdrawal from wholesale/drug store channels
- Downsizing product development team and consolidating cosmetics development functions into Saticine Medical

euglena



The Strategic FAB Company  
SATICINE MEDICAL

### Cost reduction

- Optimized advertising investment
- Promotion of in-house call center and review of outsourcing costs
- Full-year contribution of FY2024 activities, including logistics integration and joint purchasing

### Increased customer spend

- Price increase for "Euglena for Healthcare" and "Cola-rich"



Price increase from Nov. 2024  
(existing commuter pass)



Price increase from  
Jan. 2025

- Development and strengthening of cross-selling focused on "Food"



Euglena for Healthcare  
(Furikake, Soup stock)



akyrise  
(Biyouzen series)

# FY2025 Direction - (2) Nurture growth brands and loyal customers

(3) Strengthen the manufacturer function  
(2) Nurture growth brands and loyal customers  
(1) Create a robust profit structure

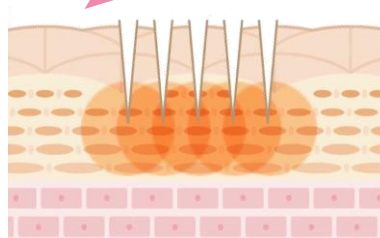
Accelerate growth by horizontally offering "Knock Injection Microneedle" products; pursue further growth of existing brands through multi channels and lineup enhancement

## Development of the Microneedle Market

- The first non-medical "**Knock Injection-type**" microneedle ever; recognized as our unique strength



"Knock Injection-type" is our pioneering technology



- Broaden the application of microneedle products horizontally



## Expansion of Existing Brands

euglena<sup>∞</sup> NEcCO / one



- High-end product expansion in beauty channels

épauler epo / FUSARI



- Focus on hair products
- Lineup enhancement

Q' SAI Knee Support Collagen / Cola-rich / BIONIA



- Product renewal
- Lineup enhancement

# FY2025 Direction - (3) Strengthening the manufacturer function

- (3) Strengthen the manufacturer function  
(2) Nurture growth brands and loyal customers  
(1) Create a robust profit structure

Strengthen the capabilities as a manufacturer of *Euglena* as a functional ingredient and cosmetics (with Saticine Medical), as well as aiming for overseas expansion

## Product Development Centered on Functionalities

- Positioning as a functional ingredient for **"sleep improvement, stress relief, and fatigue reduction"**



Our new product



Alinamin Pharmaceutical products

## Strengthening Collaboration with Saticine Medical

- Strengthening cosmetics OEM sales efforts through group collaboration
- Development of new *Euglena*-derived cosmetic ingredients through research team collaboration
- Considering transfer of manufacturing of existing products

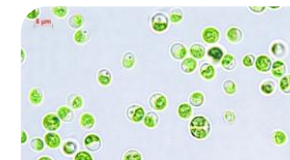
## Overseas Expansion

### Chlorella

- Distribution in about 40 countries worldwide (Europe, US, China, etc.)
- Launching the exports to Malaysia aiming for further expansion**



Powder



Microscope Image

### Our Products

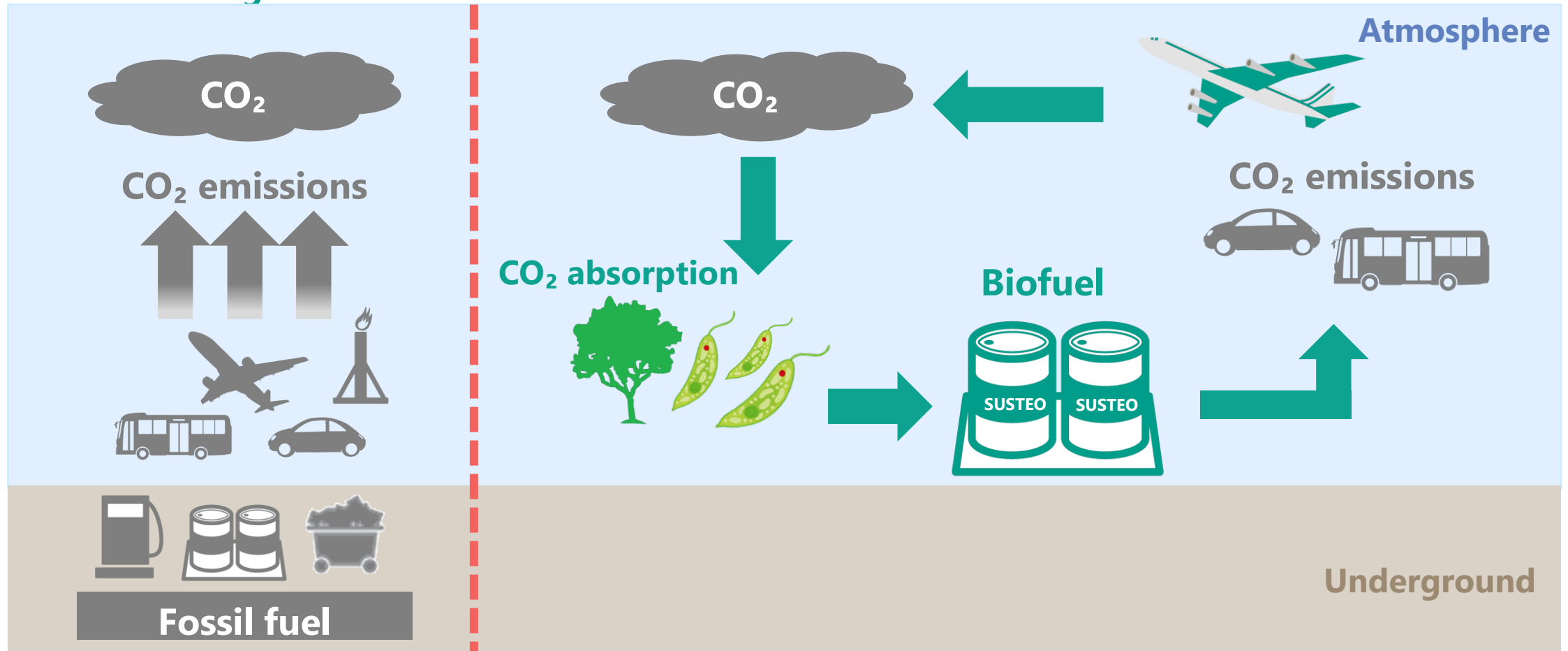
- Distribution of our subsidiaries' products in Asia (China, Taiwan, Singapore, Vietnam, etc.)
- Planning to start sales in **Malaysia, Philippines, Mongolia**



# 5. Biofuel Business

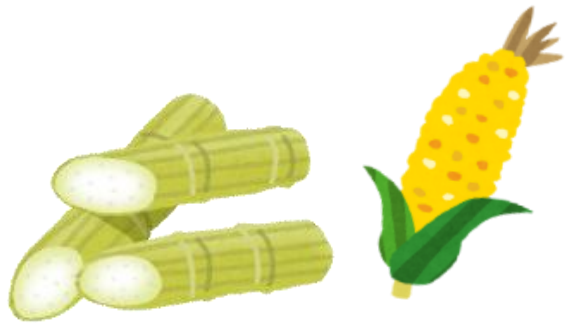
# What is biofuel ?

Biofuel is a fuel produced using raw materials of biological origin. Since biomass raw materials absorb CO<sub>2</sub> from the atmosphere through photosynthesis during the growth process, CO<sub>2</sub> 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



# Global SAF Introduction Policies and Demand Outlook

EU and UK introduce 2% SAF mandates in 2025. The global SAF demand will further expand toward 2030 due to the introduction of CORSIA\*<sup>1</sup> and regulations in the other countries

## National policies for biofuel introduction

### CORSIA

- Reduce CO<sub>2</sub> emissions by up to 85% of 2019 levels
- Voluntary implementation from 2024 (126 participating countries), to be applied in principle to all ICAO (International Civil Aviation Organization) member countries from 2027

### Europe



- EU RED III
- ReFuel EU

### Asia and other



- Japan
- ⇒10%@2030~

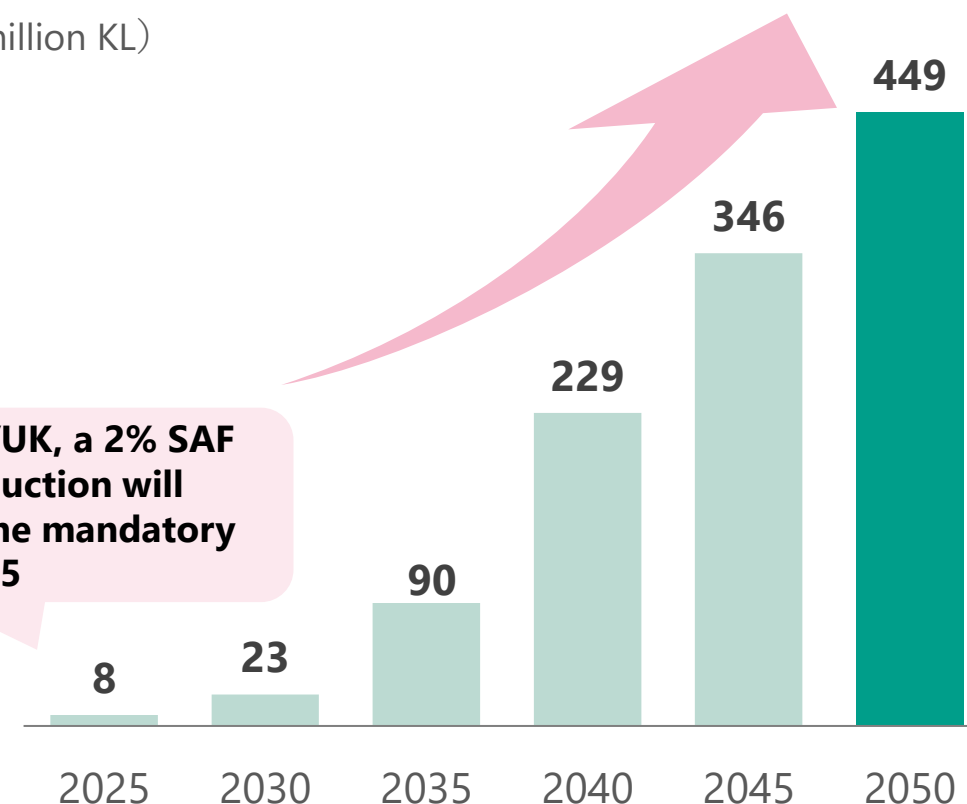
### North America



- Grand Challenge
- RFS/LCFS, etc.

## Global SAF demand forecast\*<sup>2</sup>

(million KL)



# Track Record toward Commercialization

Front-runner promoting the development of feedstock and the production & supply of biofuels

Demonstration phase successfully completed, 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

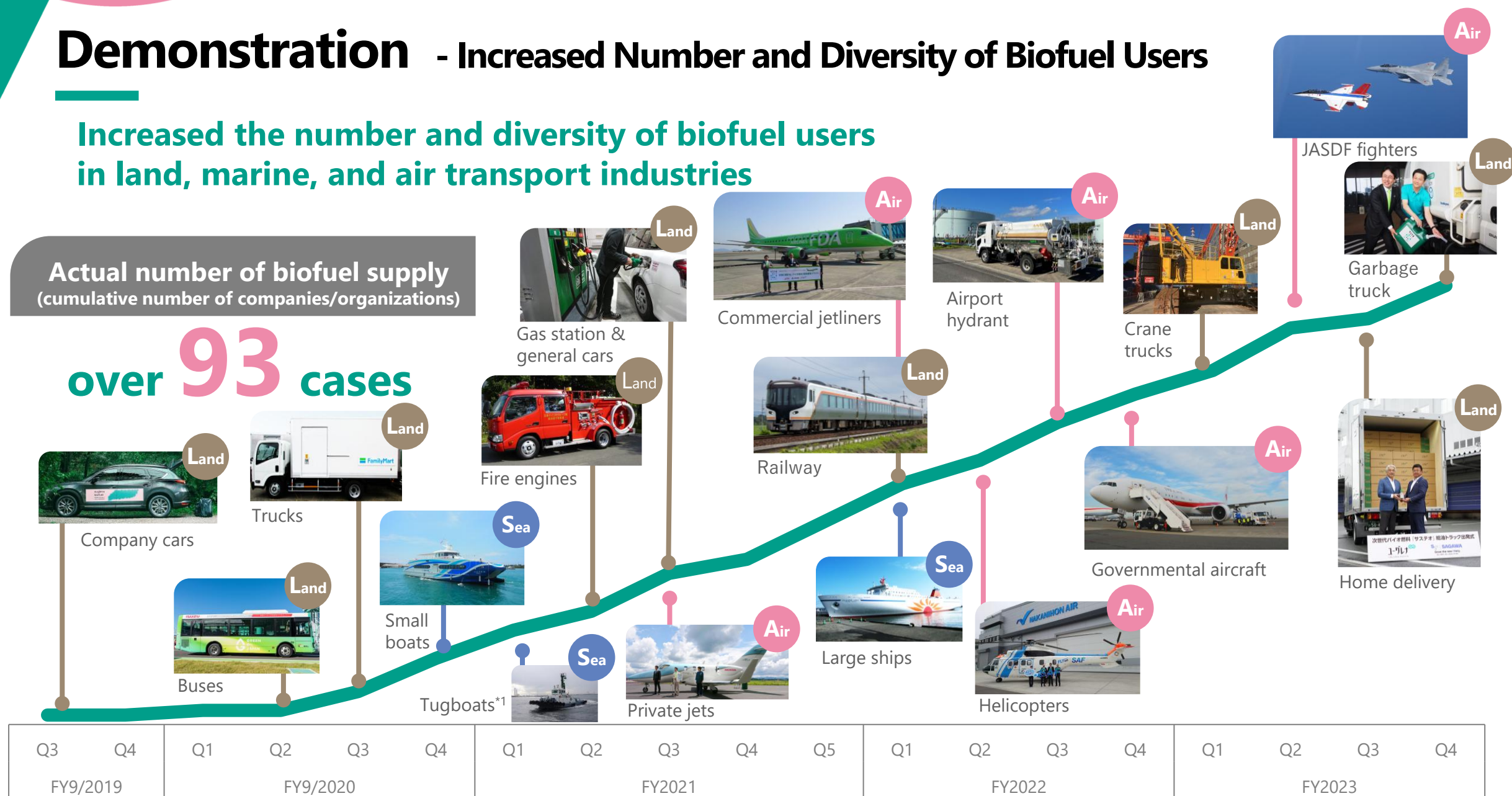


# Demonstration - Increased Number and Diversity of Biofuel Users

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

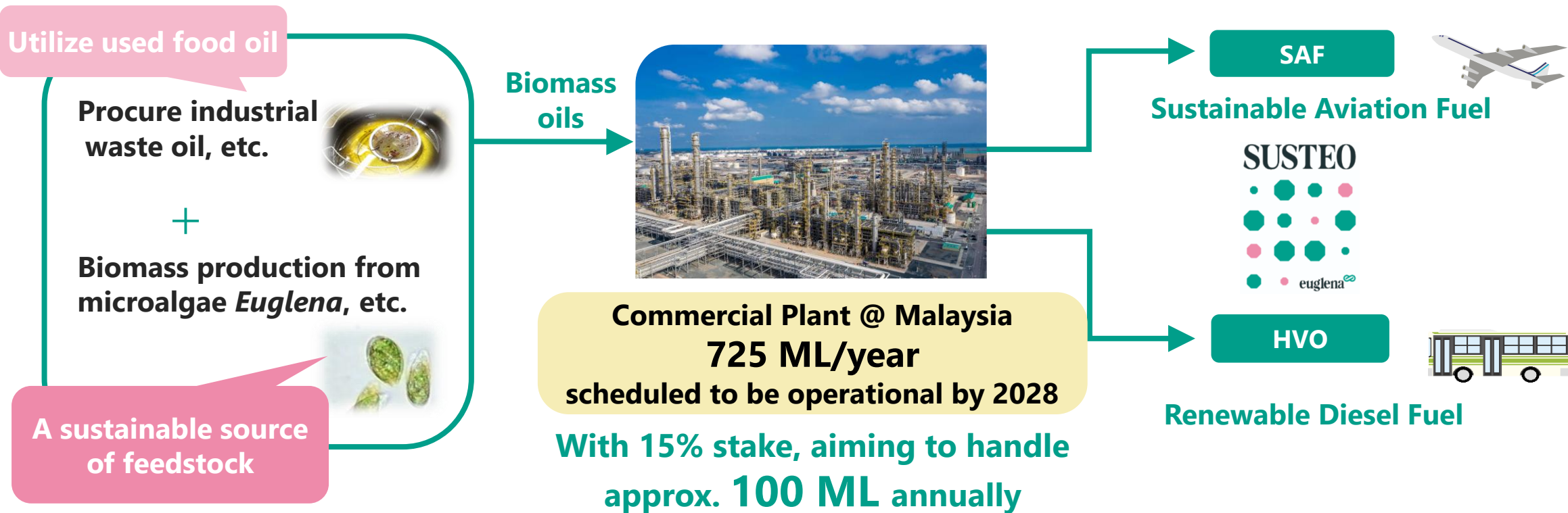
Actual number of biofuel supply  
(cumulative number of companies/organizations)

over **93** cases



# Toward handling 100ML biofuels - Business Model

Our earnings potential at 15% stake is JPY30 bln sales and over JPY6 bln profit before tax\*1

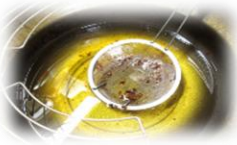


# 1 Feedstock procurement/production

Focusing on development and procurement of feedstock toward handling 100ML biofuels

## Feedstock procurement for biofuel @ Bangladesh

### Industrial waste oil



- Research on used cooking oil collection and oilseed crops cultivation\*1
- Aim to develop social business contributing to poverty alleviation, job creation, and zero CO<sub>2</sub> emission



Signed a MoU with Gazipur Agricultural Univ. to initiate a joint research

\*1: Our project "Feasibility Study for Establishing a Sustainable Aviation Fuel (SAF) Feedstock Supply Chain in the People's Republic of Bangladesh" (Period: Feb. to Dec. 2025; Main activities: research on used cooking oil (UCO) collection and oilseed crop cultivation) has been selected for funding under the Ministry of Economy, Trade and Industry's FY2023 Supplementary Budget Subsidy Program for Future-Oriented Co-Creation Projects in the Global South.

\*2: Our project "Feasibility Study on the Utilization of Palm Agricultural Residue Biomass as a Sugar Feedstock for Microalgae Cultivation in Malaysia" (Period: Apr. 2025 to Feb. 2026; Main activities: assessment on biomass availability, resource conversion processes, business model, and applicability of conversion technologies) has been selected for the same scheme above

## Microalgae cultivation

### Microalgae cultivation



### Collaborative research with PETRONAS Research

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

### Sugar feedstock for microalgae cultivation @ Malaysia

- Research on using palm agricultural residue biomass\*2
- Aim to secure biomass-derived sugar feedstock for algae-based oil production



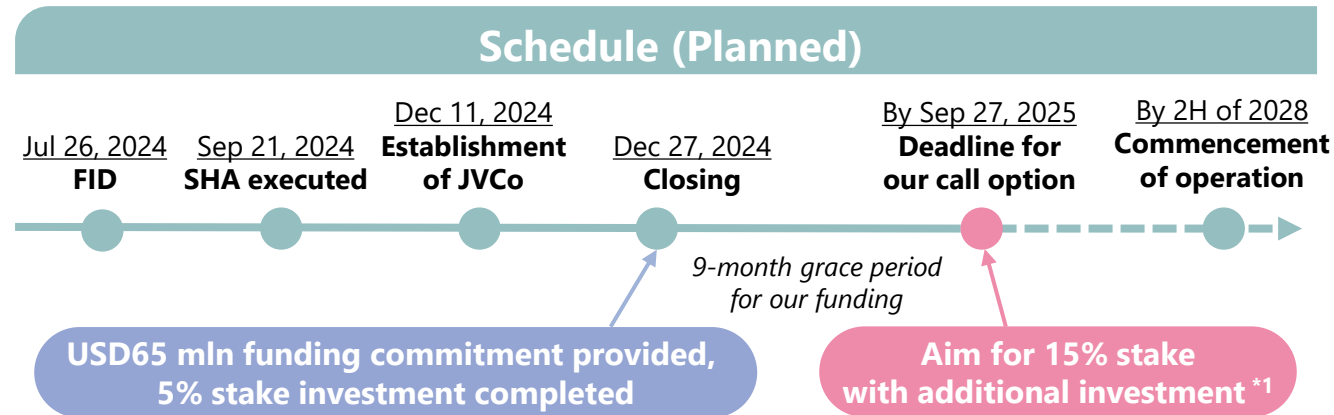
## 2 Commercial Plant - Project Overview and Progress

Construction initiated in 2025, operations expected to start by 2H of FY2028

5% investment in JVCo completed in Dec 2024; aiming to increase to 15% stake for handling approx. 100ML annually



- Constructed in PETRONAS's Pengerang Integrated Complex (PIC)
- Production capacity: approx. 725 MLp.a. Flexible production of SAF and HVO
- Project amount: approx. USD1.3 bln



With 15% stake,  
aiming to handle  
approx. 100 ML annually

**Our Earnings Potential<sup>\*2</sup>**

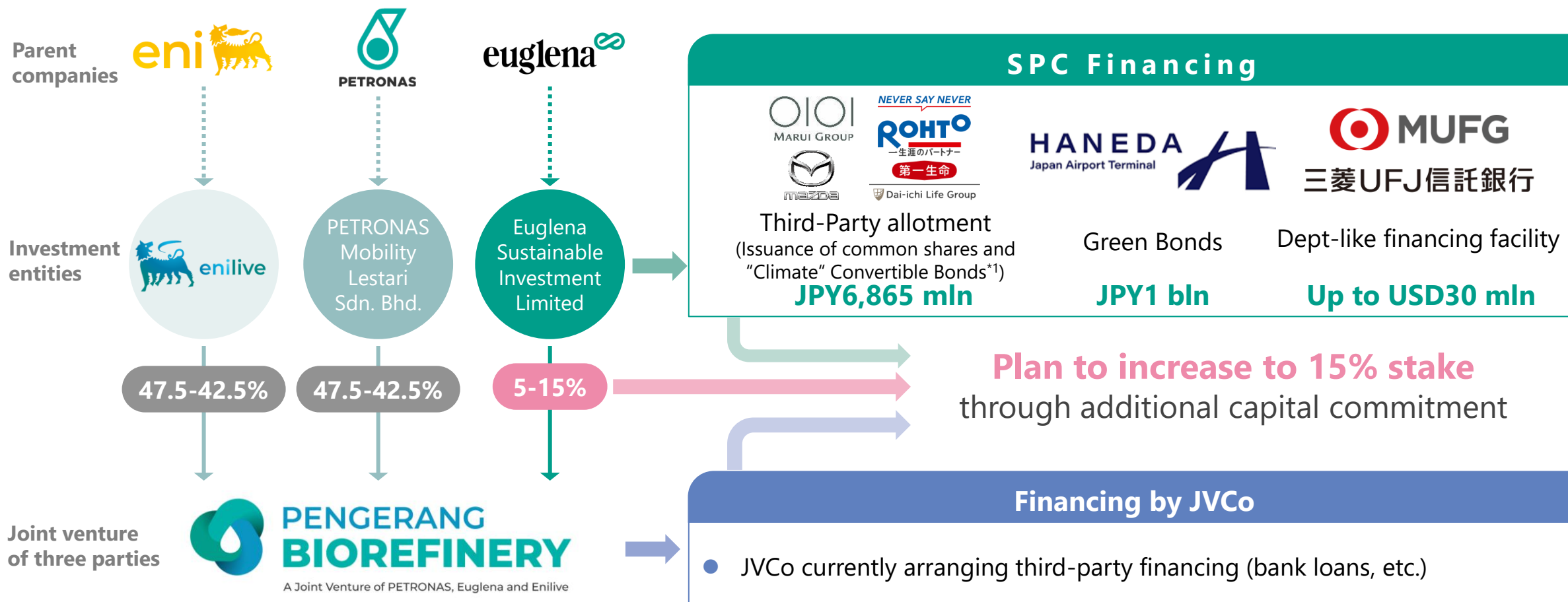
- Sales (feedstock/product trading):  
**approx. JPY30 bln/year**
- Profit before tax (excl. impact of financing):  
**over JPY6 bln/year + Trading profits**

\*1: Total capital commitment based on equity shareholding (including equity contributions and bank guarantee provisions)

\*2: Assuming our share of 15% (equivalent to approx. 100ML/year), biofuel price @JPY300/L, the JVCo's net profit margin of 20%+, dividend payout ratio of 100%, and no financing such as bank loans.

## 2 Commercial Plant - Financing toward increasing to 15% stake

Financing arrangements totaling over USD80 mln completed, close to increasing to 15% stake



# 3 Expansion of HVO/SAF supply network - Progress 2024

## Expand HVO/SAF supply network and continuous use cases through partnership

Developing continuous HVO customers while securing imported HVO through partnership with EcoCeres

### HVO (Advanced biodiesel fuel)

#### Expansion of continuous supply



- Torch Tower construction (100% HVO)
- Route/touring/sightseeing buses (20% HVO)

#### Our domestic supply partners



➡ Supply of imported HVO steadily expanding



#### Overseas Procurement Partners



- Signed a MoU with EcoCeres (HK) to promote SAF/HVO supply in Japan
- Securing HVO imports to expand supply in Japan

### SAF (Biojet fuel)

#### Partnership at Haneda Airport

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

➡ Aim to establish SAF supply system for up to 50ML/year

HANEDA  
Japan Airport Terminal



Japan Airport Terminal Co., Ltd

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



### 3 Creating HVO Demand in Japan - Progress 2025

Developed **SUSTEO 51 compatible with the regulation\*<sup>1</sup>** to accelerate HVO use in Japan\*<sup>2</sup>

Selected as the leading company for the Tokyo Metropolitan Gov't "New Energy Promotion Technology Development Support Program\*<sup>3</sup>" to advance demonstration and social implementation

#### SUSTEO 51's Comparative Advantage

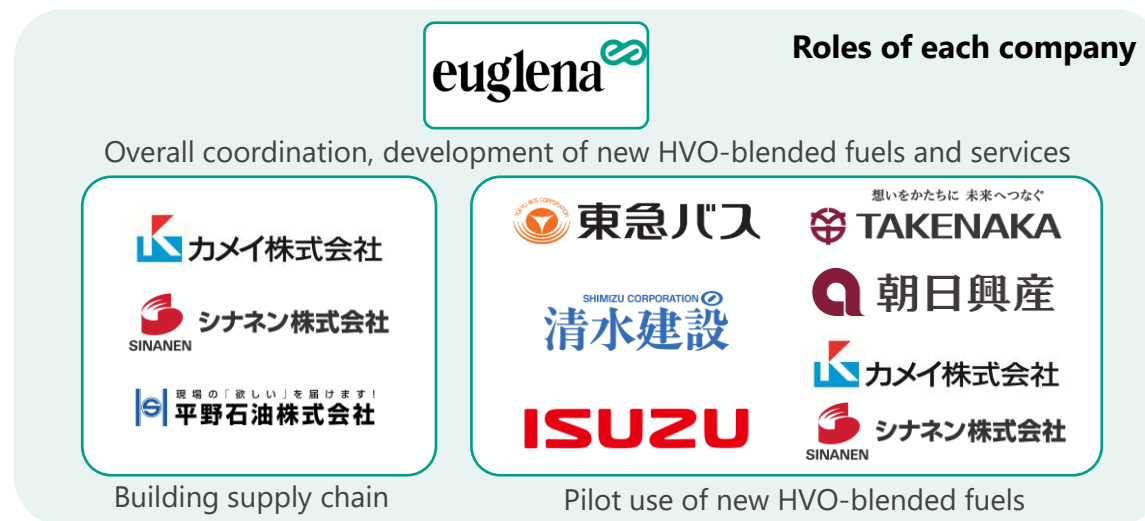
- Vehicles using **SUSTEO 51 are classified as non-fossil energy vehicles**, alongside EVs, PHEVs, and hydrogen fuel cell vehicles (FCVs), under the revised Energy Conservation Act
  - By introducing SUSTEO 51, companies can meet the obligations to submit medium- to long-term plans and periodic reports on the transition to non-fossil energy sources
- SUSTEO 51 manufacturing method under patent application



Sumitomo Mitsui Banking Corporation introduced a Mazda diesel vehicle using SUSTEO 51 as a company car, with the view of decarbonization and BCP

#### Secured a new subsidy from Tokyo Metropolitan Gov't

- Following subsidized projects\*<sup>4</sup> last year, continue to promote HVO use in Japan
- By leveraging the subsidies, **reduce user's financial burden introducing HVO**



#### Leading a consortium of 9 member companies

\*1: Act on the Rational Use of Energy and Conversion to Non-Fossil Energy (enforced in April 2023) promotes the rational use of all energy sources, including non-fossil energy, and encourages the optimization of electricity demand. It mandates the submission of medium- to long-term plans and periodic reports by designated entities, including specified business operators, freight/passenger transport operators, and major cargo owners.

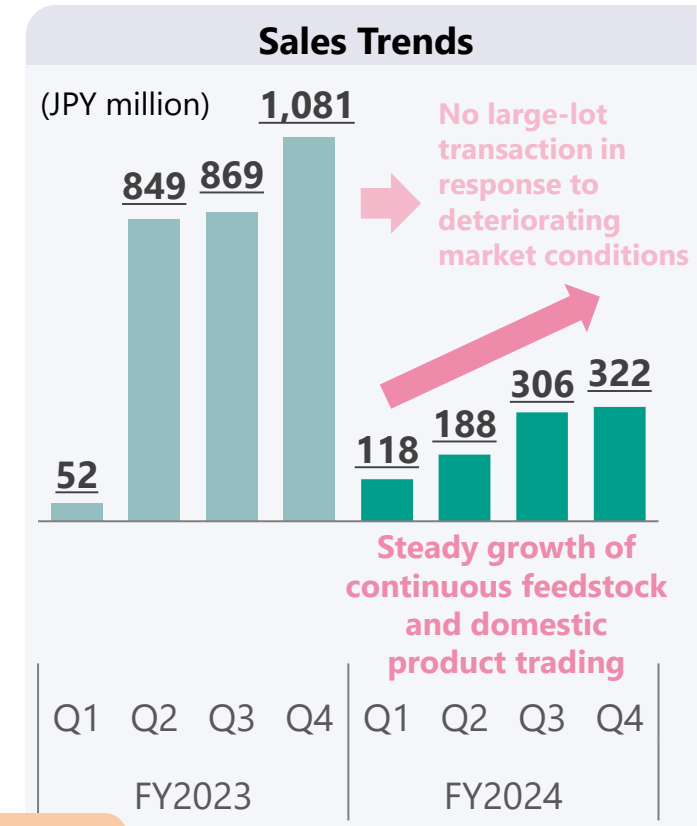
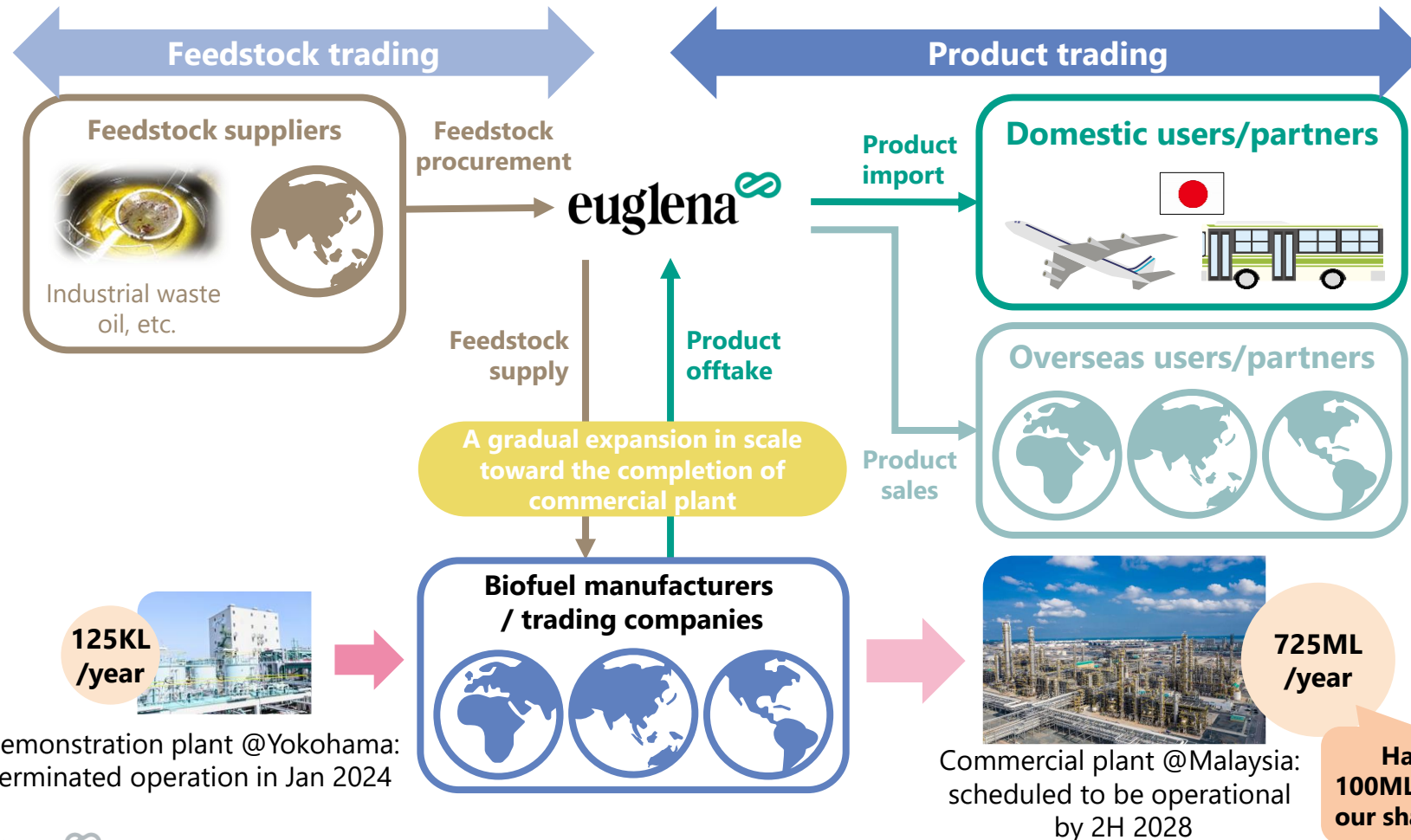
\*2: Diesel fuel blended with 51% HVO

\*3: Eligible initiatives include research, technology development, demonstration, and implementation of products and services that contribute to the utilization and dissemination of new energy sources. The implementation period up to three years from the date of grant approval. The maximum subsidy is JPY3 bln per group, covering up to two-thirds of eligible expenses.

\*4: Selected for the Tokyo Metropolitan Gov't "Business Promotion Support Program for Biofuel Utilization" (<https://www.euglena.jp/news/20240830-2/>)

## 4 Feedstock/product trading - Development of business partners

Building feedstock/product trading capabilities toward the start of commercial plant operation.  
In FY2024, focused on developing network of feedstock suppliers and domestic continuous users.



## 6. Other Businesses

# 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

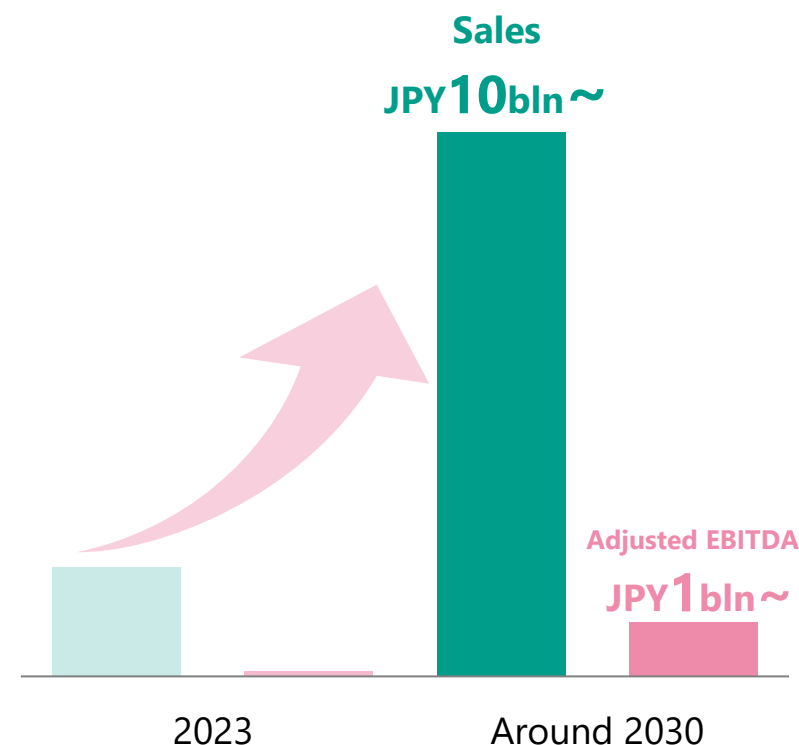


Daikyo Fertilizer Co. manufactures and sells organic fertilizers.



## Illustrative mid-term growth

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



R&D

Business  
development

# Sustainable Agri-tech - Target Market

Next target among “5Fs of Biomass” will be the Fertilizer and Feed areas, addressing functionalities and environmental issues by leveraging our R&D and mass cultivation capabilities of microalgae

	Offering Functionalities	Reducing Environmental Burden
<b>Needs</b>	<ul style="list-style-type: none"> <li>● <b>Growth promotion</b></li> <li>● <b>Disease resistance (Yield improvement)</b></li> <li>● <b>Flavor improvement</b></li> </ul> <p>Prioritized themes with potential for microalgae usage; also contribute to reducing environmental burden</p>	<ul style="list-style-type: none"> <li>● Reduction of GHG emissions</li> <li>● <b>Securing sustainable alternative feedstocks</b> <ul style="list-style-type: none"> <li>● Fertilizer: nitrogen, phosphorus, potassium</li> <li>● Feed: DHA, protein</li> </ul> </li> </ul> <p>Approach with large-scale cultivation of microalgae and unused resource development</p>
<b>Fertilizer</b>	<ul style="list-style-type: none"> <li>● <b>Biostimulants</b> <ul style="list-style-type: none"> <li>● Market size: approx. JPY10 bln in Japan and US\$4 bln overseas, with further expansion expected</li> </ul> </li> <li>● Fertilizer additives</li> </ul> <p>Possible to enter the market with small volume, high unit price</p>	<ul style="list-style-type: none"> <li>● <b>Organic fertilizer</b> <ul style="list-style-type: none"> <li>● The shift away from chemical fertilizers (market size: approx. JPY420 bln in Japan and approx. US\$145 bln overseas) is expected to progress</li> </ul> </li> <li>● Soil amendment</li> </ul>
<b>Feed</b>	<ul style="list-style-type: none"> <li>● <b>Compound feed</b> <ul style="list-style-type: none"> <li>● Market size: approx. US\$2.29 trillion in Japan and approx. US\$400 bln overseas, with further expansion expected</li> </ul> </li> <li>● Feed additives</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Fish meal alternative feed</b> <ul style="list-style-type: none"> <li>● Great concern over depletion of aquaculture feed resources (market of approx. JPY470 bln, overseas market of approx. US\$200 bln)</li> </ul> </li> <li>● Crop alternative feed</li> <li>● Feed additives</li> </ul>

# Bangladesh - Business Portfolio Restructuring

**Restructuring the business portfolio to return to profitability as soon as possible**  
**Aiming to be a social business that contributes to zero poverty, unemployment, and CO<sub>2</sub> emissions**

## Social procurement of agricultural products

- Substitute Bangladeshi products with Japan companies' agricultural product import needs



- Leverage our local farmers' network

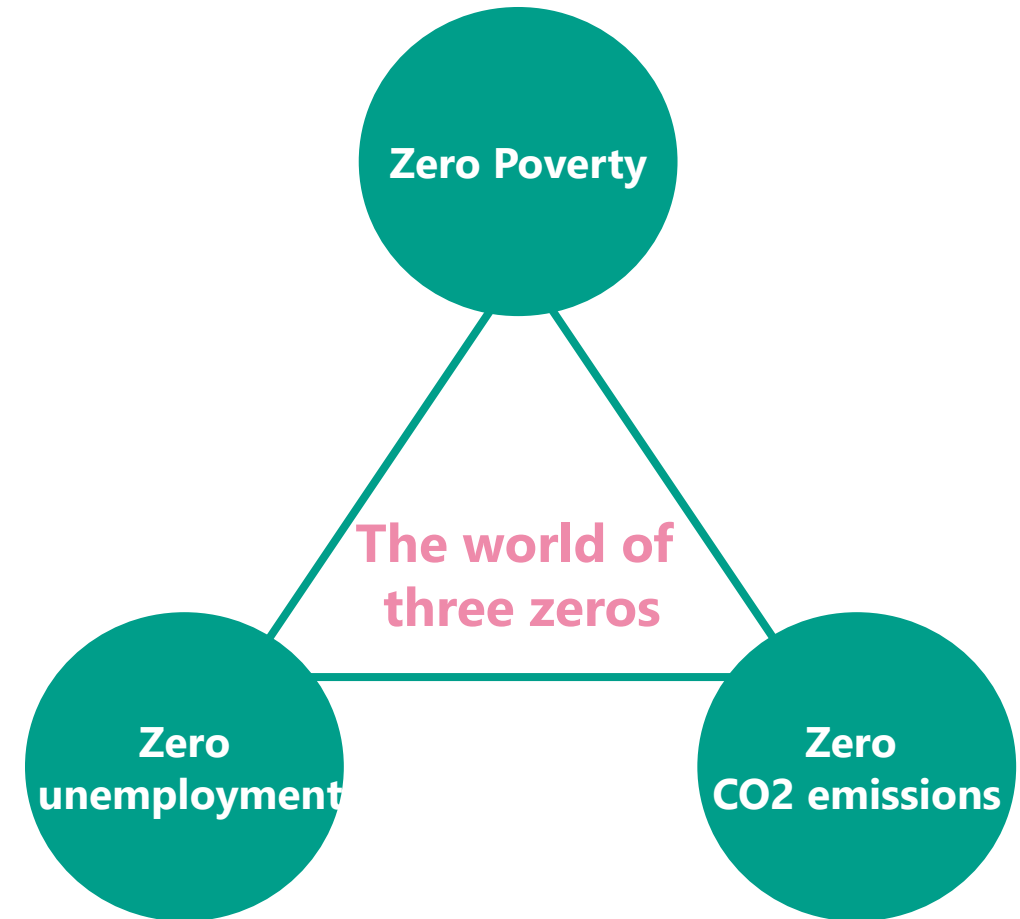
## Social Procurement of Biofuel Feedstocks

- Conducts a feasibility study toward the construction of a raw material supply chain for SAF by using gov't subsidy\*
  - **Possibility of use of waste cooking oil and oilseed crop cultivation**



## Improved Wellness

- Sales of healthcare products for the wealthy and middle class expanding with economic development

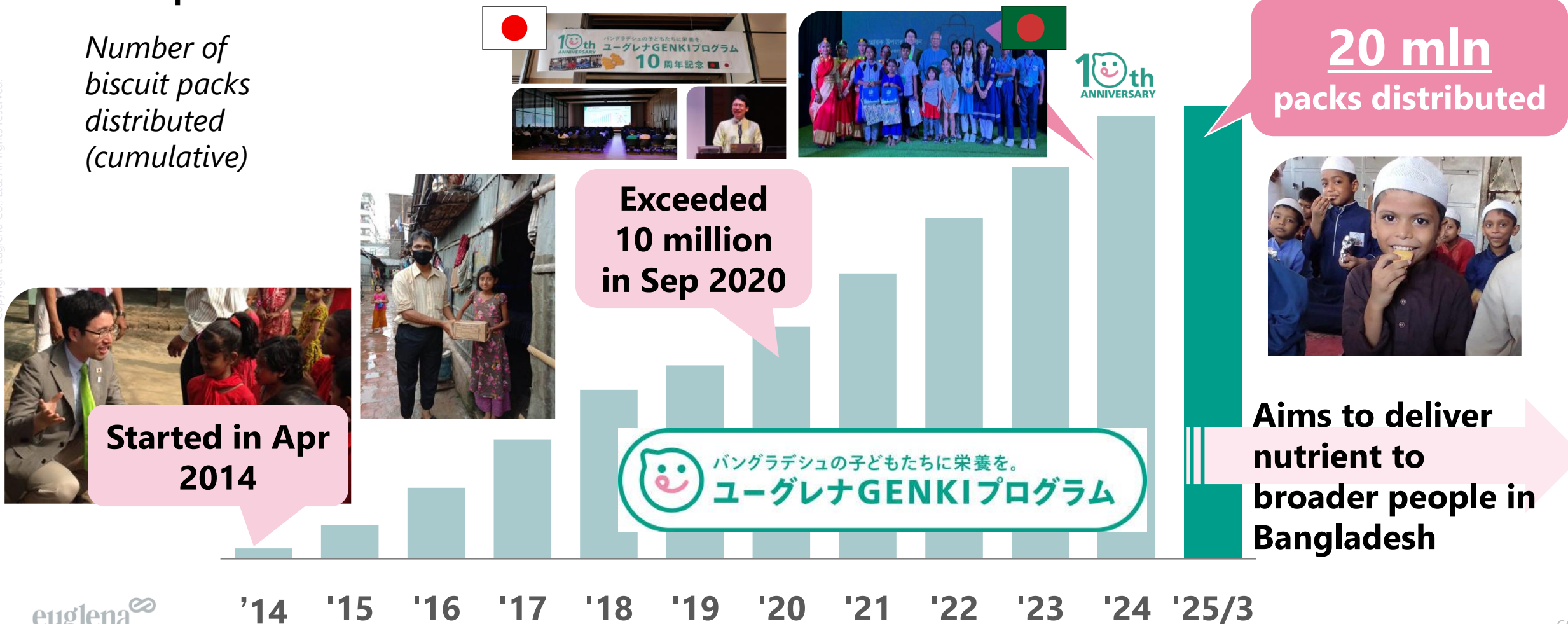


\*1: Our "Survey Project for the Establishment of a Raw Material Supply Chain for SAF in the People's Republic of Bangladesh / Bangladesh" (implementation period: early February 2025 ~ December 2025, main implementation contents: UCO recovery project / survey of oil crop cultivation business) was selected as the Ministry of Economy, Trade and Industry's "Reiwa 5 Revised Global South Future-Oriented Co-Creation Project Subsidy"

# Bangladesh - Social contribution

The **GENKI** program, which aims to improve the nutrition of local children, is in its 11th year. Contributing to the establishment of a presence as a Japan company in Bangladesh, where economic development is remarkable.

Number of  
biscuit packs  
distributed  
(cumulative)



# 7. References

# Governance - Introduction of the Board of Directors



Founder and President  
**Mitsuru Izumo**



Director, Representative Executive Officer, Co-CEO & CFiO  
**Tomohiro Wakahara**



Director, Representative Executive Officer, Co-CEO & COO  
**Hiroko Uemura**



Director and Chairman of the Nomination and Remuneration Committee  
**Etsuko Okajima**



Director (Outside Director)  
**Masahiro Kotosaka**



Directors, Audit and Supervisory Committee Members (Outside Director)  
**Makoto Shimizu**



Directors, Audit and Supervisory Committee Members (Outside Director)  
**Aiko Mochizuki**

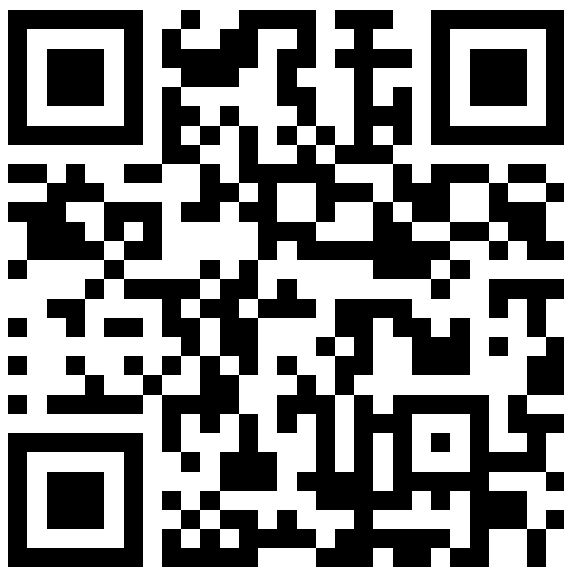


Directors, Audit and Supervisory Committee Members (Outside Director)  
**Mirai Murakami**

# IR e-mail Magazine

In the IR e-mail magazine, we deliver Euglena's IR information in a timely manner.  
Please sign up!

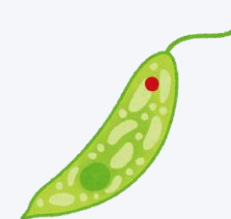
Register here ↓



**[Please refer to the following website for IR information]**

・ IR website

<https://www.euglena.jp/en/ir/>



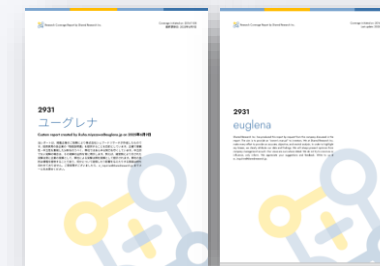
**[Our report by Shared Research]**

(日) <https://sharedresearch.jp/ja/companies/2931>

(英) <https://sharedresearch.jp/en/companies/2931>

**[Inquiries about stocks and IR]**

<https://www.euglena.jp/en/contact/b06/>



# Appendices: Financial Results Summary

# Company Overview



## Foundation

**August 09, 2005**

## Headquarters

**5-29-11 Shiba, Minato ku, Tokyo, Japan**

## Capital stock

**JPY 16,331 million**

As of the end of Dec. 2024

## Headcount\*1

**1,168 (Consolidated)**

As of the end of Dec. 2024

## Subsidiaries

**16 consolidated subsidiaries, including 4 Q'sai group companies,  
1 overseas joint venture**

As of the end of Dec. 2024

## Philosophy

**Sustainability First**

## Purpose

**Make People and the Earth Healthy**

## Listings

**Prime Market of the Tokyo Stock Exchange**

## Ticker

**2931**

## Number of Shareholders

**118,596**

As of the end of Dec. 2024

# Financial Summary - Consolidated Income Statement (FY2024)

	FY12/2024														
	total					o/w Euglena <sup>*1</sup>					o/w Q'sai				
(JPY million)	Q1	Q2 <sup>*4</sup>	Q3	Q4	total	Q1	Q2 <sup>*4</sup>	Q3	Q4	total	Q1	Q2	Q3	Q4	total
<b>Sales (Based on new segmentation)</b>	<b>11,154</b>	<b>12,495</b>	<b>11,624</b>	<b>12,345</b>	<b>47,619</b>	<b>4,770</b>	<b>6,225</b>	<b>5,406</b>	<b>5,800</b>	<b>22,201</b>	<b>6,384</b>	<b>6,269</b>	<b>6,218</b>	<b>6,546</b>	<b>25,418</b>
Direct Sales (BtoC)	8,287	8,208	8,132	8,449	33,076	2,485	2,590	2,597	2,705	10,377	5,802	5,619	5,535	5,744	22,700
Wholesale (BtoB)	854	915	949	1,150	3,868	271	264	301	370	1,206	583	651	649	780	2,662
OEM, Ingredients Supply, Overseas	327	1,930	1,793	1,802	5,852	327	1,930	1,762	1,785	5,804	0	0	31	17	48
Other	1,687	1,441	750	944	4,822	1,687	1,441	746	939	4,814	0	0	3	4	8
Cost of sales	3,130	4,085	3,401	3,735	14,351	2,002	2,945	2,270	2,477	9,694	1,128	1,140	1,131	1,258	4,657
<b>Gross profit</b>	<b>8,024</b>	<b>8,410</b>	<b>8,223</b>	<b>8,610</b>	<b>33,268</b>	<b>2,768</b>	<b>3,280</b>	<b>3,136</b>	<b>3,323</b>	<b>12,507</b>	<b>5,256</b>	<b>5,130</b>	<b>5,087</b>	<b>5,288</b>	<b>20,761</b>
Gross profit rate	72%	67%	71%	70%	70%	58%	53%	58%	57%	56%	82%	82%	82%	81%	82%
(Healthcare Business)	76%	70%	74%	73%	73%	65%	56%	64%	64%	62%	82%	82%	82%	81%	82%
<b>SG&amp;A expenses</b>	<b>7,722</b>	<b>8,512</b>	<b>8,264</b>	<b>8,470</b>	<b>32,967</b>	<b>3,198</b>	<b>4,050</b>	<b>3,691</b>	<b>3,520</b>	<b>14,459</b>	<b>4,523</b>	<b>4,461</b>	<b>4,573</b>	<b>4,950</b>	<b>18,508</b>
Selling Expenses	4,967	5,161	4,927	5,211	20,266	1,761	2,013	1,771	1,803	7,348	3,206	3,148	3,156	3,408	12,918
(o/w advertising expenses)	2,596	2,771	2,657	2,802	10,825	983	1,130	933	916	3,962	1,613	1,640	1,724	1,885	6,863
Personnel expenses	1,141	1,445	1,500	1,561	5,646	651	951	888	899	3,389	491	494	611	661	2,257
Administrative expenses	1,433	1,682	1,624	1,472	6,211	621	880	846	640	2,987	812	802	777	832	3,224
R&D expenses	181	224	213	225	844	166	207	185	177	735	15	17	28	48	109
<b>Operating income/loss</b>	<b>302</b>	<b>-102</b>	<b>-40</b>	<b>141</b>	<b>301</b>	<b>-431</b>	<b>-770</b>	<b>-555</b>	<b>-197</b>	<b>-1,953</b>	<b>733</b>	<b>668</b>	<b>514</b>	<b>338</b>	<b>2,253</b>
<b>Adjusted EBITDA<sup>*2</sup></b>	<b>1,071</b>	<b>1,051</b>	<b>1,125</b>	<b>1,083</b>	<b>4,330</b>	<b>-191</b>	<b>-147</b>	<b>82</b>	<b>214</b>	<b>-42</b>	<b>1,262</b>	<b>1,198</b>	<b>1,043</b>	<b>869</b>	<b>4,372</b>
Non-operating income/loss	-36	-3	-153	323	131	67	99	-71	399	494	-103	-102	-82	-76	-363
(o/w subsidy income)	23	25	50	4	102	22	22	50	3	97	2	3	0	1	6
<b>Ordinary income/loss</b>	<b>266</b>	<b>-105</b>	<b>-193</b>	<b>464</b>	<b>432</b>	<b>-363</b>	<b>-671</b>	<b>-626</b>	<b>202</b>	<b>-1,459</b>	<b>630</b>	<b>567</b>	<b>432</b>	<b>262</b>	<b>1,891</b>
Extraordinary income/loss	-482	-303	49	-1	-737	-482	-319	49	15	-737	0	16	0	-16	-0
Net income/loss attributable to owners of parent	192	-519	-722	398	-651	na	na	na	na	na	na	na	na	na	na
<Reference Indicators>															
Depreciation and amortization <sup>*3</sup>	490	777	770	574	2,610	105	393	385	187	1,071	384	384	385	386	1,539
(o/w M&A-related)	360	611	610	439	2,019	48	299	298	127	773	312	312	312	312	1,246
Amortization of goodwill	246	244	244	244	978	103	100	100	100	404	143	143	143	143	573

\*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

# Financial Summary - Consolidated Income Statement (FY2023)

	FY12/2023														
	total					o/w Euglena*1					o/w Q'sai				
(JPY million)	Q1	Q2	Q3	Q4	total	Q1	Q2	Q3	Q4	total	Q1	Q2	Q3	Q4	total
<b>Sales (Based on new segmentation)</b>	<b>10,837</b>	<b>11,968</b>	<b>11,275</b>	<b>12,403</b>	<b>46,483</b>	<b>4,611</b>	<b>5,603</b>	<b>5,002</b>	<b>5,935</b>	<b>21,152</b>	<b>6,226</b>	<b>6,365</b>	<b>6,273</b>	<b>6,467</b>	<b>25,331</b>
Direct Sales (BtoC)	8,244	8,347	8,201	8,360	33,152	2,587	2,682	2,537	2,635	10,442	5,658	5,665	5,664	5,724	22,710
Wholesale (BtoB)	891	987	953	1,173	4,004	322	287	344	430	1,383	568	700	609	743	2,620
OEM, Ingredients Supply, Overseas	239	310	353	523	1,425	239	310	353	523	1,425	0	0	0	0	0
Other	1,463	2,324	1,767	2,347	7,902	1,463	2,324	1,767	2,347	7,901	0	0	0	0	1
Cost of sales	2,996	4,028	3,558	4,126	14,708	1,827	2,739	2,318	2,905	9,789	1,169	1,289	1,240	1,222	4,919
<b>Gross profit</b>	<b>7,841</b>	<b>7,940</b>	<b>7,717</b>	<b>8,276</b>	<b>31,775</b>	<b>2,784</b>	<b>2,864</b>	<b>2,684</b>	<b>3,031</b>	<b>11,363</b>	<b>5,057</b>	<b>5,076</b>	<b>5,033</b>	<b>5,246</b>	<b>20,412</b>
Gross profit rate	72%	66%	68%	67%	68%	60%	51%	54%	51%	54%	81%	80%	80%	81%	81%
(Healthcare Business)	76%	74%	76%	74%	75%	69%	65%	69%	64%	67%	81%	80%	80%	81%	81%
<b>SG&amp;A expenses</b>	<b>8,017</b>	<b>8,524</b>	<b>7,916</b>	<b>8,782</b>	<b>33,239</b>	<b>3,403</b>	<b>3,614</b>	<b>3,233</b>	<b>3,657</b>	<b>13,907</b>	<b>4,615</b>	<b>4,910</b>	<b>4,683</b>	<b>5,124</b>	<b>19,332</b>
Selling Expenses	5,157	5,362	4,966	5,485	20,970	1,808	1,984	1,679	1,864	7,334	3,349	3,378	3,287	3,621	13,636
(o/w advertising expenses)	2,669	2,789	2,561	2,951	10,970	978	1,026	880	1,005	3,889	1,690	1,763	1,682	1,946	7,082
Personnel expenses	1,176	1,249	1,341	1,505	5,271	710	743	724	844	3,021	466	506	617	661	2,250
Administrative expenses	1,397	1,610	1,321	1,429	5,756	604	590	558	605	2,357	792	1,021	763	824	3,399
R&D expenses	288	303	288	363	1,242	281	297	272	344	1,195	7	6	16	19	47
<b>Operating income/loss</b>	<b>-176</b>	<b>-584</b>	<b>-199</b>	<b>-505</b>	<b>-1,465</b>	<b>-619</b>	<b>-750</b>	<b>-549</b>	<b>-627</b>	<b>-2,544</b>	<b>442</b>	<b>166</b>	<b>350</b>	<b>122</b>	<b>1,080</b>
<b>Adjusted EBITDA*2</b>	<b>777</b>	<b>495</b>	<b>708</b>	<b>243</b>	<b>2,222</b>	<b>-214</b>	<b>-411</b>	<b>-168</b>	<b>-414</b>	<b>-1,207</b>	<b>991</b>	<b>906</b>	<b>876</b>	<b>657</b>	<b>3,429</b>
Non-operating income/loss	65	56	41	-117	45	179	162	184	-14	511	-114	-107	-143	-103	-466
(o/w subsidy income)	189	115	137	33	474	187	111	136	31	465	2	3	2	2	9
<b>Ordinary income/loss</b>	<b>-111</b>	<b>-529</b>	<b>-158</b>	<b>-622</b>	<b>-1,420</b>	<b>-439</b>	<b>-588</b>	<b>-365</b>	<b>-641</b>	<b>-2,033</b>	<b>328</b>	<b>60</b>	<b>207</b>	<b>19</b>	<b>614</b>
Extraordinary income/loss	30	-9	-3	-709	-691	30	-6	-1	-698	-675	0	-3	-3	-11	-16
Net income/loss attributable to owners of parent	-168	-746	-350	-1,389	-2,653	na	na	na	na	na	na	na	na	na	na
<Reference Indicators>															
Depreciation and amortization*3	524	723	504	358	2,109	121	130	123	-32	342	403	593	381	390	1,767
(o/w M&A-related)	365	360	360	360	1,444	54	48	48	48	198	312	312	312	312	1,246
Amortization of goodwill	212	212	212	212	847	68	68	68	68	273	143	143	143	143	573

# Financial Summary - Income Statement by segment

Breakdown of business segments										
(JPY million)	FY12/2023					FY12/2024				
	'23Q1	'23Q2	'23Q3	'23Q4	total	'24Q1	'24Q2	'24Q3	'24Q4	total
<b>Consolidated Total</b>										
Sales	10,837	11,968	11,275	12,403	<b>46,483</b>	11,154	12,495	11,624	12,345	<b>47,619</b>
Q on Q	-10%	10%	-6%	10%	<b>5%</b>	-10%	12%	-7%	6%	<b>2%</b>
Gross profit	7,841	7,940	7,717	8,276	<b>31,775</b>	8,024	8,410	8,223	8,610	<b>33,268</b>
Gross margin	72%	66%	68%	67%	<b>68%</b>	72%	67%	71%	70%	<b>70%</b>
Adjusted EBITDA	777	495	708	243	<b>2,222</b>	1,071	1,051	1,125	1,083	<b>4,330</b>
EBITDA margin	7%	4%	6%	2%	<b>5%</b>	10%	8%	10%	9%	<b>9%</b>
<b>Healthcare business</b>										
Sales	10,026	10,485	9,992	10,856	<b>41,359</b>	10,304	11,726	10,894	11,423	<b>44,348</b>
Q on Q	-11%	5%	-5%	9%	<b>-1%</b>	-5%	14%	-7%	5%	<b>7%</b>
Gross profit	7,663	7,743	7,600	8,066	<b>31,072</b>	7,813	8,203	8,103	8,390	<b>32,508</b>
Gross margin	76%	74%	76%	74%	<b>75%</b>	76%	70%	74%	73%	<b>73%</b>
Adjusted EBITDA	1,301	1,067	1,261	943	<b>4,572</b>	1,642	1,609	1,732	1,584	<b>6,568</b>
EBITDA margin	13%	10%	13%	9%	<b>11%</b>	16%	14%	16%	14%	<b>15%</b>
<b>Biofuel Business</b>										
Sales	52	849	869	1,081	<b>2,852</b>	118	188	306	322	<b>934</b>
Q on Q	-44%	1530%	2%	24%	<b>986%</b>	-89%	59%	63%	5%	<b>-67%</b>
Gross profit	-1	34	22	80	<b>135</b>	19	41	58	50	<b>167</b>
Gross margin	-2%	4%	3%	7%	<b>5%</b>	16%	22%	19%	15%	<b>18%</b>
Adjusted EBITDA	-147	-142	-85	-310	<b>-684</b>	-124	-122	-89	-89	<b>-425</b>
subsidy income	79	57	97	0	<b>233</b>	0	0	0	0	<b>0</b>
<b>Other Business</b>										
Sales	759	634	415	467	<b>2,274</b>	732	581	429	606	<b>2,348</b>
Q on Q	12%	-17%	-35%	13%	<b>-10%</b>	57%	-21%	-26%	41%	<b>3%</b>
Gross profit	180	163	95	132	<b>569</b>	192	165	64	172	<b>592</b>
Gross margin	24%	26%	23%	28%	<b>25%</b>	26%	28%	15%	28%	<b>25%</b>
Adjusted EBITDA	28	-41	-113	-95	<b>-222</b>	-65	-100	-166	-85	<b>-415</b>
EBITDA margin	4%	-6%	-27%	-20%	<b>-10%</b>	-9%	-17%	-39%	-14%	<b>-18%</b>
<b>Corporate</b>										
Sales	0	0	-0	-2	<b>-2</b>	0	-0	-5	-6	<b>-11</b>
Gross profit	0	0	-0	-2	<b>-2</b>	0	1	-1	-1	<b>-0</b>
Adjusted EBITDA	-404	-389	-356	-296	<b>-1,444</b>	-382	-337	-352	-327	<b>-1,398</b>

Breakdown of healthcare business										
(JPY million)	FY12/2023					FY12/2024				
	'23Q1	'23Q2	'23Q3	'23Q4	total	'24Q1	'24Q2	'24Q3	'24Q4	total
<b>Euglena Healthcare<sup>*1</sup></b>										
Sales	1,883	2,014	1,954	2,232	<b>8,083</b>	2,005	2,082	2,067	2,458	<b>8,613</b>
Gross profit	1,425	1,442	1,427	1,505	<b>5,799</b>	1,490	1,479	1,504	1,755	<b>6,228</b>
Gross margin	76%	72%	73%	67%	<b>72%</b>	74%	71%	73%	71%	<b>72%</b>
Adjusted EBITDA	173	66	206	-19	<b>428</b>	251	28	224	368	<b>871</b>
EBITDA margin	9%	3%	11%	-1%	<b>5%</b>	13%	1%	11%	15%	<b>10%</b>
<b>epauler</b>										
Sales	951	901	932	1,023	<b>3,807</b>	869	847	881	943	<b>3,540</b>
Gross profit	738	722	718	785	<b>2,963</b>	673	670	676	712	<b>2,732</b>
Gross margin	78%	80%	77%	77%	<b>78%</b>	77%	79%	77%	75%	<b>77%</b>
Adjusted EBITDA	4	-17	90	91	<b>168</b>	36	42	75	110	<b>262</b>
EBITDA margin	0%	-2%	10%	9%	<b>4%</b>	4%	5%	9%	12%	<b>7%</b>
<b>MEJ</b>										
Sales	393	444	413	445	<b>1,695</b>	302	284	276	253	<b>1,114</b>
Gross profit	325	347	319	362	<b>1,354</b>	216	243	224	208	<b>891</b>
Gross margin	83%	78%	77%	81%	<b>80%</b>	72%	86%	81%	82%	<b>80%</b>
Adjusted EBITDA	71	25	36	117	<b>249</b>	-7	14	72	50	<b>129</b>
EBITDA margin	18%	6%	9%	26%	<b>15%</b>	-2%	5%	26%	20%	<b>12%</b>
<b>Q'sai group<sup>*2</sup></b>										
Sales	6,264	6,408	6,309	6,508	<b>25,489</b>	6,428	6,319	6,257	6,591	<b>25,596</b>
Gross profit	5,095	5,120	5,069	5,286	<b>20,570</b>	5,300	5,180	5,121	5,329	<b>20,930</b>
Gross margin	81%	80%	80%	81%	<b>81%</b>	82%	82%	82%	81%	<b>82%</b>
Adjusted EBITDA	1,028	949	911	697	<b>3,586</b>	1,305	1,248	1,077	910	<b>4,541</b>
EBITDA margin	16%	15%	14%	11%	<b>14%</b>	20%	20%	17%	14%	<b>18%</b>
<b>Saticine Medical group<sup>*3</sup></b>										
Sales	—	—	—	—	<b>—</b>	13	1,659	1,567	1,310	<b>4,548</b>
Adjusted EBITDA	—	—	—	—	<b>—</b>	-5	222	305	149	<b>672</b>
EBITDA margin	—	—	—	—	<b>—</b>	-39%	13%	19%	11%	<b>15%</b>
<b>hako inc, within business/elimination<sup>*4</sup></b>										
Sales	536	717	383	648	<b>2,285</b>	686	535	-153	-132	<b>937</b>
Adjusted EBITDA	25	44	18	57	<b>142</b>	62	55	-20	-3	<b>93</b>

\*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	12/2024
<b>Current assets</b>	<b>19,694</b>	<b>26,225</b>	<b>24,560</b>	<b>24,791</b>	<b>24,431</b>	<b>29,438</b>	<b>29,196</b>	<b>29,408</b>	<b>30,865</b>
Cash and cash equivalents	9,954	16,819	16,299	15,698	15,792	18,855	19,091	19,806	20,631
Inventory	4,623	4,677	4,193	4,148	3,685	4,360	4,364	4,033	3,661
Other	5,117	4,729	4,069	4,944	4,954	6,223	5,741	5,570	6,573
<b>Non-current assets</b>	<b>37,581</b>	<b>37,049</b>	<b>36,257</b>	<b>35,664</b>	<b>35,188</b>	<b>44,279</b>	<b>43,494</b>	<b>42,180</b>	<b>42,391</b>
Property, plant and equipment	5,848	5,795	5,771	5,687	5,507	6,971	6,681	6,185	6,048
Intangible assets	30,023	29,489	28,771	28,284	27,764	35,879	35,085	34,243	33,565
(Goodwill)	12,486	12,274	12,062	11,851	11,639	12,963	12,719	12,475	12,231
(Customer related intangible assets)	16,174	15,825	15,482	15,139	14,796	21,237	20,816	20,396	19,976
Investments and other assets	1,710	1,765	1,715	1,693	1,917	1,429	1,729	1,752	2,778
<b>Total assets</b>	<b>57,276</b>	<b>63,274</b>	<b>60,817</b>	<b>60,455</b>	<b>59,619</b>	<b>73,717</b>	<b>72,690</b>	<b>71,588</b>	<b>73,256</b>
<b>Total liabilities</b>	<b>37,922</b>	<b>40,808</b>	<b>39,082</b>	<b>39,011</b>	<b>39,405</b>	<b>42,819</b>	<b>41,422</b>	<b>40,835</b>	<b>41,143</b>
Total current liabilities	12,277	10,787	10,275	10,338	12,271	13,038	12,278	12,152	12,812
(Short-term borrowings)	2,709	2,732	2,509	2,973	3,294	4,558	4,403	4,360	4,145
Total long-term liabilities	25,645	30,021	28,807	28,672	27,133	29,782	29,143	28,683	28,331
(Long-term borrowings)	19,497	19,247	18,120	18,101	16,972	18,090	16,688	16,033	15,964
(Deferred tax liabilities)	5,330	5,159	5,071	4,955	4,857	6,230	6,037	6,230	5,944
(Bonds)	-	4,800	4,800	4,800	4,800	4,800	5,800	5,800	5,800
<b>Total equity</b>	<b>19,354</b>	<b>22,466</b>	<b>21,736</b>	<b>21,444</b>	<b>20,215</b>	<b>30,898</b>	<b>31,269</b>	<b>30,753</b>	<b>32,113</b>
Shareholders' equity	18,958	22,456	21,736	21,459	20,070	30,826	31,183	30,469	30,918
(Capital stock)	13,985	15,818	15,831	15,868	15,868	15,868	16,306	16,306	16,331
(Capital surplus)	13,316	15,149	15,162	15,199	15,199	16,419	16,857	16,857	16,882
(Accumulated deficit)	(8,309)	(8,477)	(9,223)	(9,573)	(10,962)	(1,426)	(1,945)	(2,659)	(2,261)
Other	396	10	(0)	(15)	144	72	86	284	1,195
<b>Total liabilities and total equity</b>	<b>57,276</b>	<b>63,274</b>	<b>60,817</b>	<b>60,455</b>	<b>59,619</b>	<b>73,717</b>	<b>72,690</b>	<b>71,588</b>	<b>73,256</b>

\*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 Mar 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: The allocation of goodwill to identifiable assets (customer-related assets and order backlog) associated with the consolidation of Saticine Medical and Japan Beautech was completed in FY2024 Q3. The figures for the end of March 2024/ June 2024 have been adjusted retrospectively.

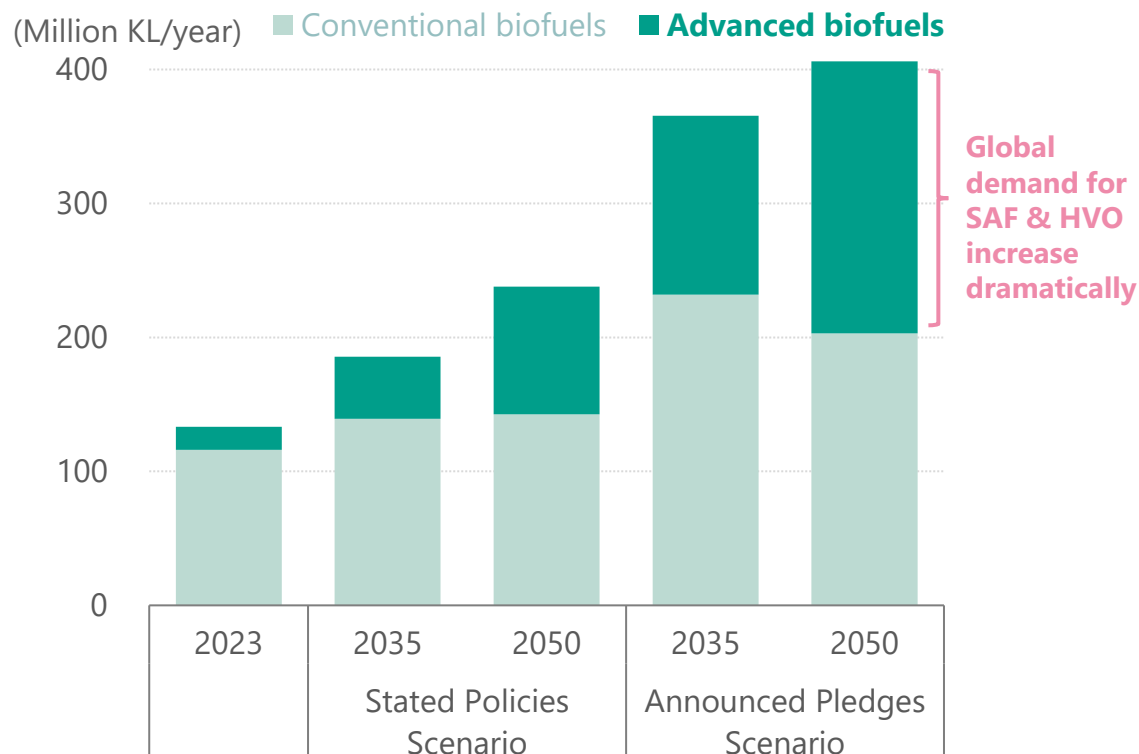
# Appendices: Biofuel Business

# Global Biofuel Market Trend

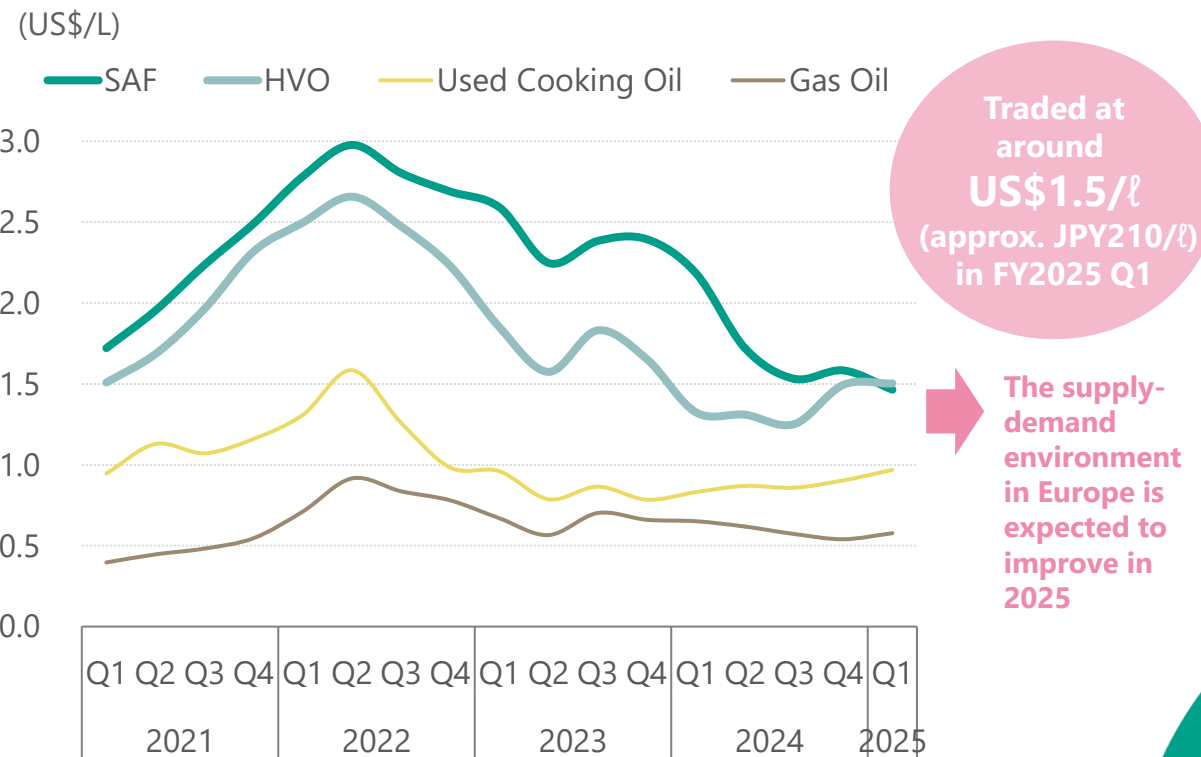
**Introduction of mandates and incentives globally is expected to accelerate biofuel demand**

**Biofuel prices are currently stagnant due to increased supply and US policy change, but are expected to recover in the mid-term due through the improvement in supply-demand balance**

**Expected Biofuel Consumption in the World <sup>\*1, 2</sup>**



**Biofuel price (Europe) <sup>\*3</sup>**



\*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

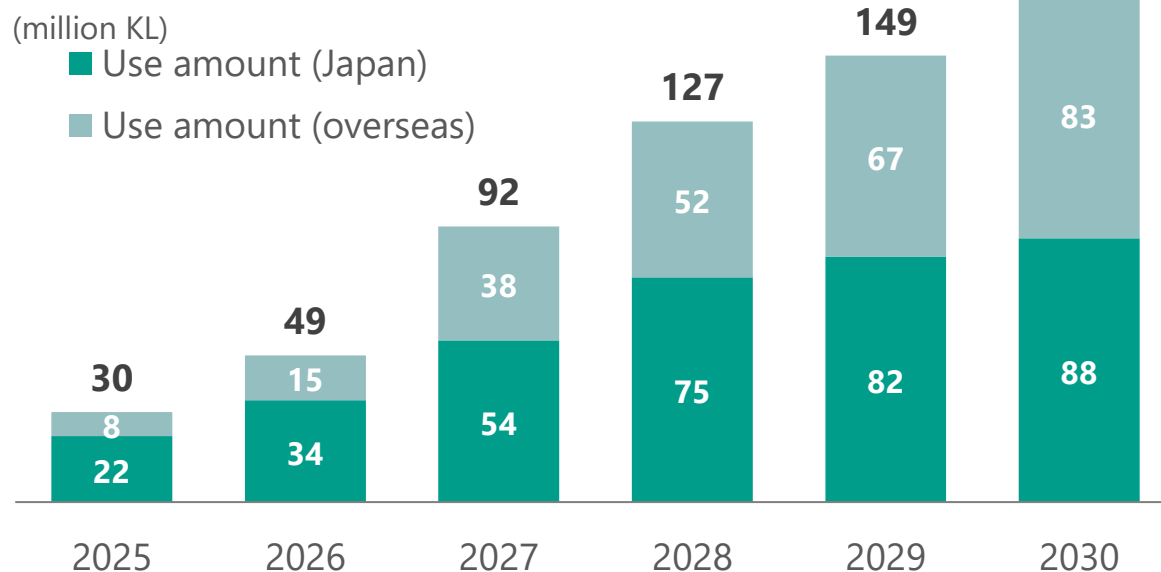
\*3: The illustrative trends based on Argus Co. data, assuming a specific gravity of 0.8 g/cm<sup>3</sup> fuel and 0.9 g/cm<sup>3</sup>; actual prices vary depending on regions and trading conditions.

# Growing Trends in Biofuel Introduction in Japan

## Momentum toward decarbonization and biofuel introduction is also accelerating in Japan

### Japan's SAF demand forecast\*1

- The Ministry of Economy, Trade and Industry (METI) has proposed a policy requiring oil distributors to reduce CO<sub>2</sub> emissions from domestically produced and supplied jet fuel by at least 5% in 2030 as compared 2019 levels.
- Established a SAF Public-Private Council to promote the introduction of SAF (Sustainable Aviation Fuel) (since 2022)



### Japan's policy for decarbonization

#### GHG emissions reduction target\*2

- Reduce GHG emissions by 46% by 2030
  - Reduce GHG emissions by 60% by 2035
  - Reduce GHG emission by 73% by 2040
- \*above three targets as compared to 2013 levels
- Carbon Neutrality Declaration in 2050

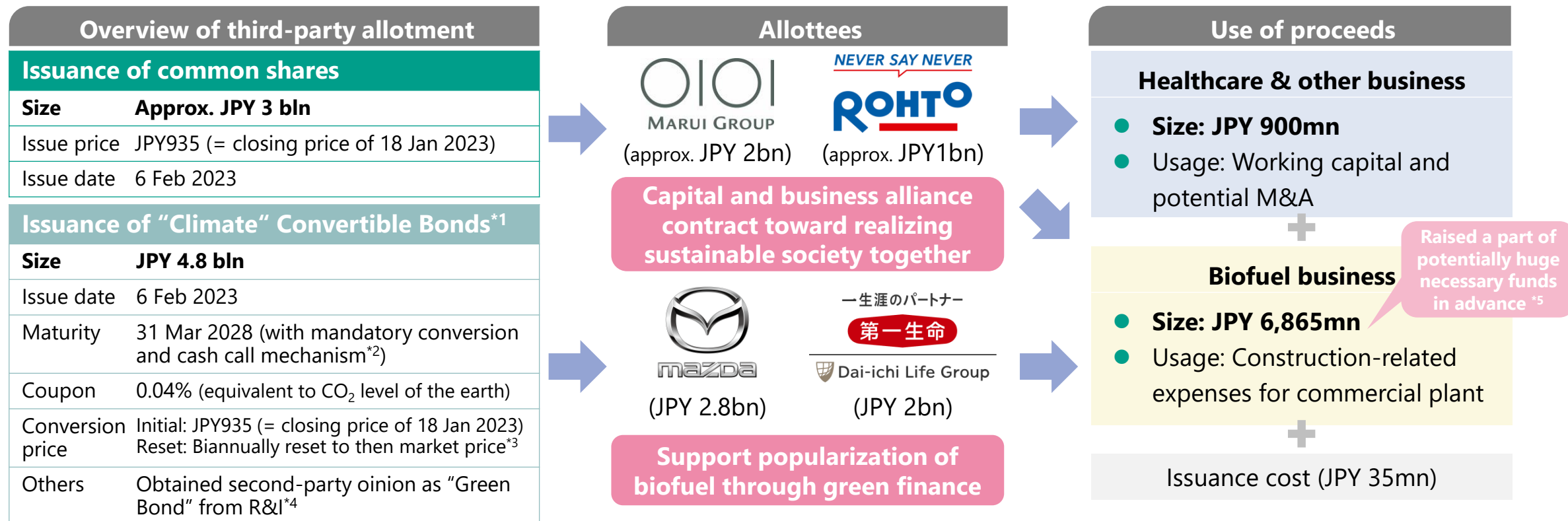
#### Policies and regulations towards achievement

- Launch of GX-ETS (Emissions Trading System) in 2026
- Ongoing discussions toward introducing a carbon tax in 2028

# 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.

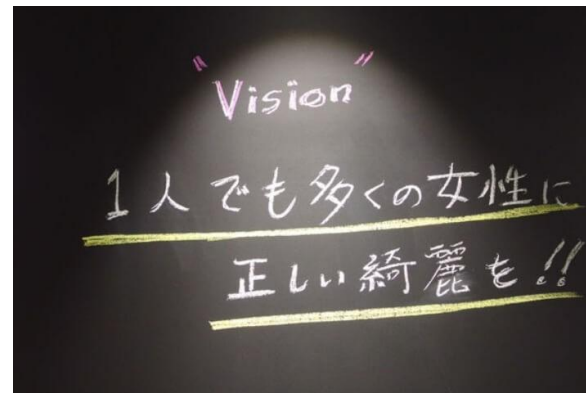
# Appendices: Healthcare Business

# Saticine Medical Group - Company Overview

**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).



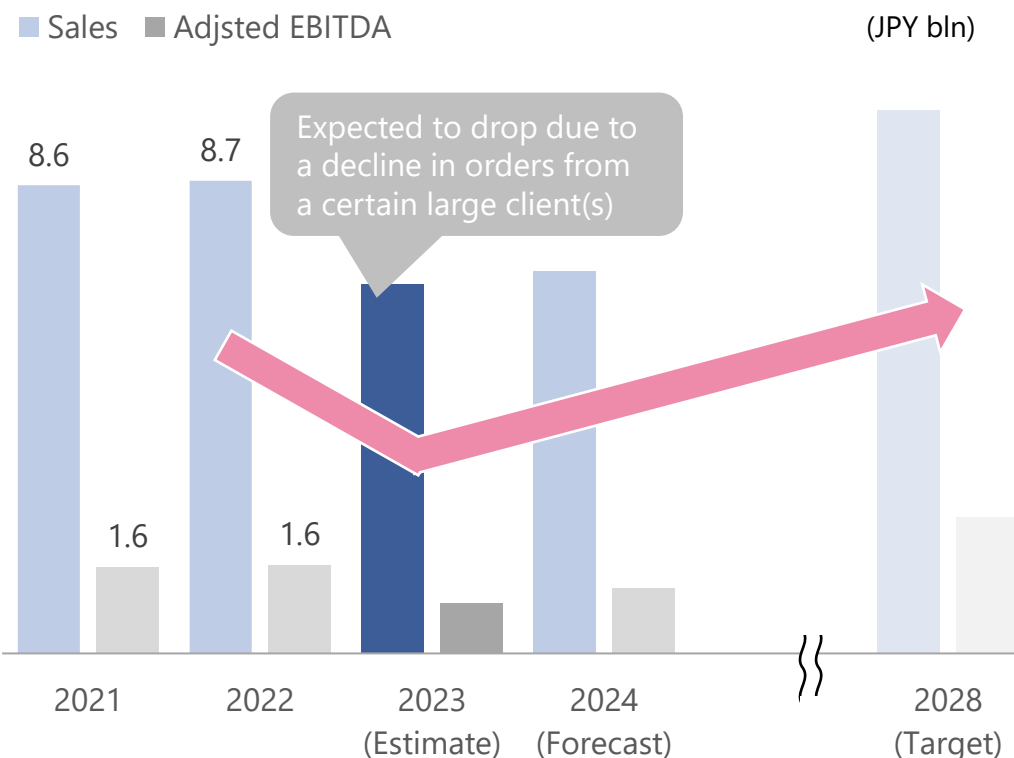
# Saticine Medical Group - Purpose of Acquisition

**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**



## Financial Results and Mid-term Target of Saticine Medical Group



- **Mission**
- **Philosophy**
- **Purpose**
- **Biz theme**
- Make People and the Earth Beautiful More & Longer
- **Deliver beauty to as many women as possible through the right methods**
- **Make People and the Earth Healthy**
- Sustainable support of health and environment-friendly product development
- 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.
- 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

# 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



Cosmetics



Direct sales brand



Startups & small companies

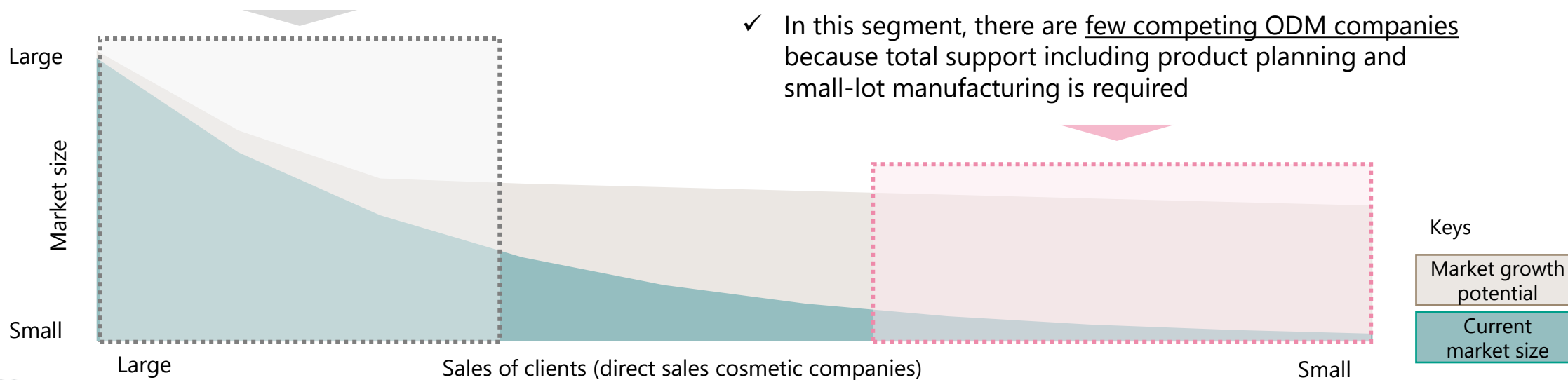
## Mature & large companies

- ✓ 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



# 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

### Sales

(JPY billion)

Q'SAI

24.6

euglena

12.9

### EBITDA\*2

Q'SAI

3.6

euglena

1.0

## Key strengths of Q'sai

### Established reputation

- With **55-year history**, one of the long-established companies representing health foods/cosmetics market

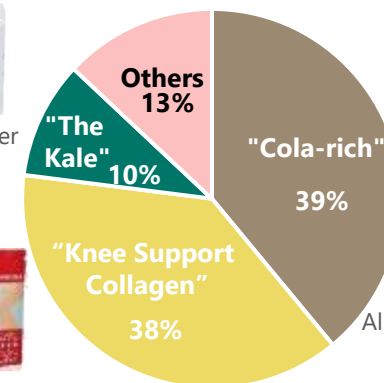
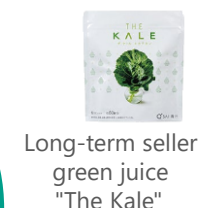
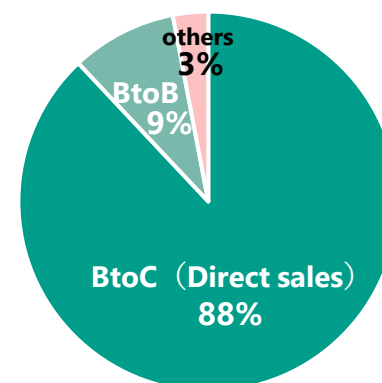
### Deep expertise in direct sales

- 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.

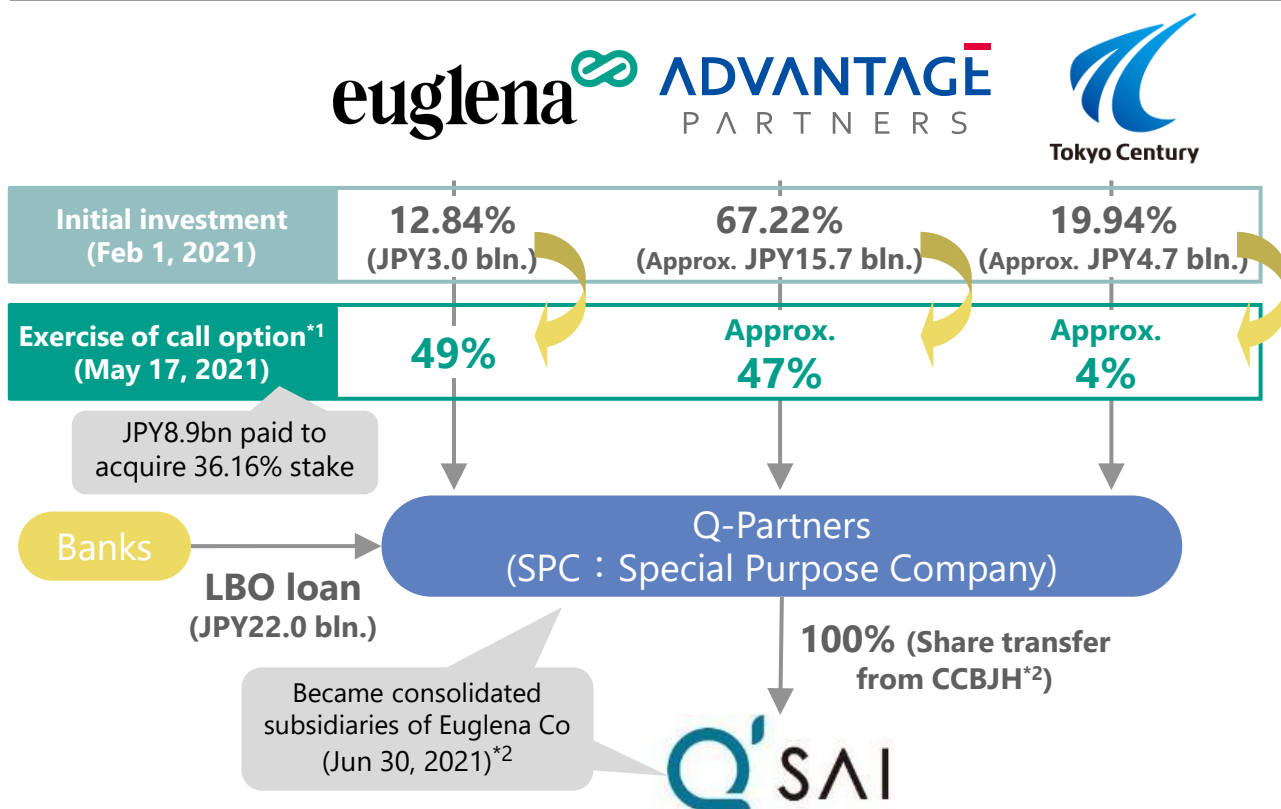
Adjusted EBITDA = EBITDA + Subsidy income + Stock-related remuneration (including stock option)  
EBITDA = Operating income (loss) + Depreciation and amortization + Amortization of goodwill

\*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.

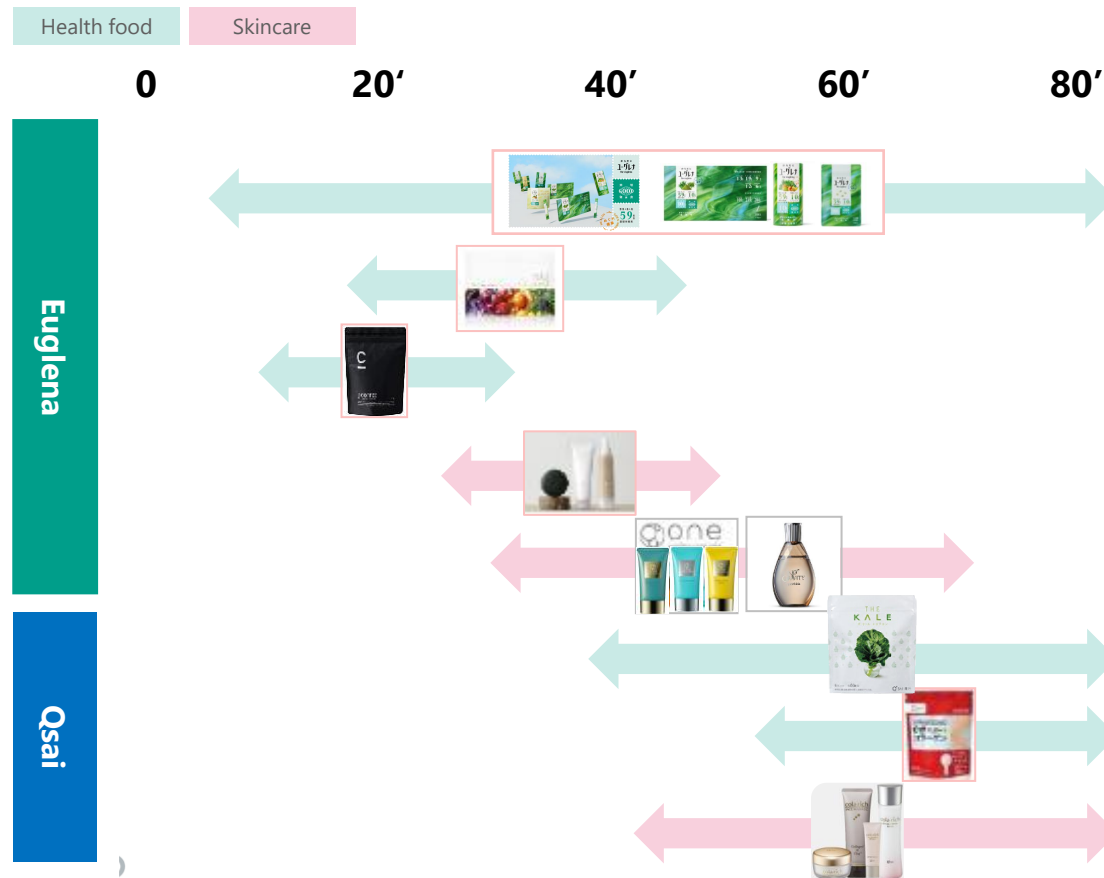
\*1: Euglena Co exercised the right to acquire from AP Fund and Tokyo Century the shares necessary to make Q-Sai a consolidated subsidiary for a period of approximately one year after the completion of the share acquisition, which was agreed in the shareholders' agreement.

\*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



Note: Made by internal date of Euglena and Qsai

## Synergies between the two companies

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

# Q'sai - Re growth Strategy



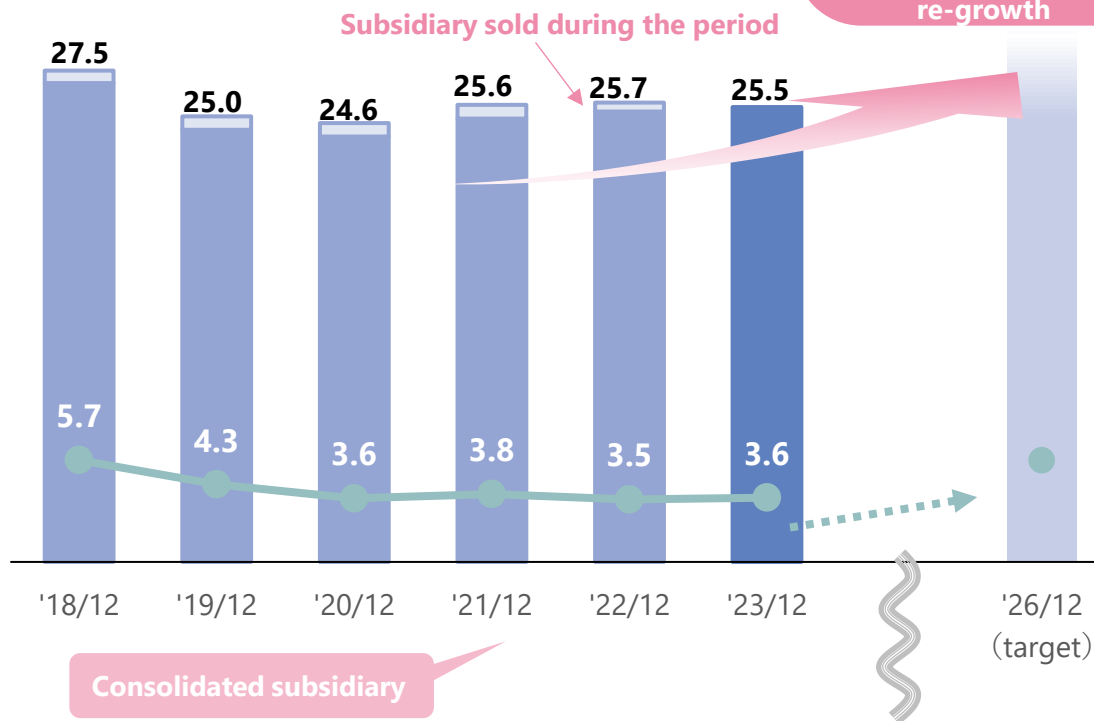
## 2024 is the re-growth year after jointment

### Expand growth investments and continue to focus on creating group synergies

#### Performance trends

(JYP:billion)

Q-sai Analysis Institute Sales EBITDA



#### 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

