

May 12, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: Euglena Co., Ltd.	Listing: Tokyo Stock Exchange
Securities code: 2931	URL: http://www.euglena.jp/
Representative: Mitsuru Izumo, Representative Director, President	
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Scheduled date to commence dividend payments:	-
Preparation of supplementary material on financial results:	Yes
Holding of financial results meeting:	None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended										
March 31, 2025	11,935	7.0	1,545	44.3	618	104.5	436	63.8	(507)	-
March 31, 2024	11,154	2.9	1,071	37.9	302	-	266	-	191	-

* From the perspective of shifting to cash flow-oriented management, we disclose Adjusted EBITDA as an indicator of the Company's ability to generate cash flow. For a definition of Adjusted EBITDA and how it is calculated, see 3. "Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)"

Note: Comprehensive income For the three months ended March 31, 2025: ¥(570) million [-%]
For the three months ended March 31, 2024: ¥109 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	(3.72)	-
March 31, 2024	1.49	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	71,561	31,589	43.1
December 31, 2024	73,256	32,113	43.3

Reference: Equity As of March 31, 2025: ¥30,824 million
As of December 31, 2024: ¥31,702 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00		0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen	%	Yen	%	Yen
Fiscal year ending December 31, 2025	48,000	0.8	1,200	298.8	-	-	-	-	-

Note: Revisions to the earnings forecasts most recently announced: None

Reference: Adjusted EBITDA is calculated as EBITDA (operating income + amortization and amortization of goodwill) + subsidy income + stock-related compensation.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to Appendix P.8 "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policy)".

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	136,411,986 shares
As of December 31, 2024	136,411,986 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	20,782 shares
As of December 31, 2024	20,682 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	136,391,232 shares
Three months ended March 31, 2024	128,680,469 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	20,631	19,051
Notes and accounts receivable - trade	4,262	4,530
Merchandise and finished goods	1,845	2,216
Work in process	337	357
Raw materials and supplies	1,478	1,575
Other	2,413	2,464
Allowance for doubtful accounts	(104)	(102)
Total current assets	30,865	30,093
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,553	7,554
Machinery, equipment and vehicles	3,963	3,950
Tools, furniture and fixtures	1,057	1,058
Land	1,912	1,912
Leased assets	43	43
Construction in progress	36	37
Accumulated depreciation	(8,518)	(8,585)
Total property, plant and equipment	6,048	5,971
Intangible assets		
Goodwill	12,231	11,987
Customer-related intangible assets	19,975	19,555
Other	1,357	1,367
Total intangible assets	33,564	32,910
Investments and other assets		
Investment securities	748	758
Guarantee deposits	482	417
Long-term loans receivable	1,054	997
Deferred tax assets	144	123
Other	407	352
Allowance for doubtful accounts	(59)	(63)
Total investments and other assets	2,777	2,585
Total non-current assets	42,390	41,467
Total assets	73,256	71,561

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,467	1,897
Short-term borrowings	4,144	3,874
Accounts payable - other	3,384	3,337
Contract liabilities	1,408	1,458
Lease liabilities	3	3
Income taxes payable	846	372
Provision for bonuses	512	204
Asset retirement obligations	7	-
Other	1,034	792
Total current liabilities	12,811	11,940
Non-current liabilities		
Bonds payable	1,000	1,000
Convertible-bond-type bonds with share acquisition rights	4,800	4,800
Long-term borrowings	15,964	15,694
Lease liabilities	6	5
Provision for retirement benefits for directors (and other officers)	5	5
Retirement benefit liability	420	424
Asset retirement obligations	182	182
Deferred tax liabilities	5,943	5,915
Other	9	3
Total non-current liabilities	28,331	28,031
Total liabilities	41,142	39,972
Net assets		
Shareholders' equity		
Share capital	16,331	16,331
Capital surplus	16,882	16,882
Retained earnings	(2,260)	(2,721)
Treasury shares	(34)	(34)
Total shareholders' equity	30,918	30,457
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5	9
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	779	358
Remeasurements of defined benefit plans	(0)	(1)
Total accumulated other comprehensive income	784	367
Share acquisition rights	1	1
Non-controlling interests	409	763
Total net assets	32,113	31,589
Total liabilities and net assets	73,256	71,561

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	11,154	11,935
Cost of sales	3,130	3,599
Gross profit	8,024	8,335
Selling, general and administrative expenses	7,721	7,717
Operating profit	302	618
Non-operating income		
Interest income	2	21
Foreign exchange gains	52	-
Subsidy income	23	4
Commission income	0	0
Share of profit of entities accounted for using equity method	9	8
Other	21	3
Total non-operating income	110	38
Non-operating expenses		
Interest expenses on bonds	0	3
Interest expenses	109	116
Share issuance costs	2	-
Foreign exchange losses	-	76
Other	33	24
Total non-operating expenses	146	220
Ordinary profit	266	436
Extraordinary income		
Gain on reversal of share acquisition rights	0	0
Gain on sale of non-current assets	-	1
Gain on sale of investment securities	326	-
Total extraordinary income	326	1
Extraordinary losses		
Business restructuring expenses	-	262
Impairment losses	809	-
Total extraordinary losses	809	262
Profit (loss) before income taxes	(216)	175
Income taxes - current	198	295
Income taxes - deferred	(606)	34
Total income taxes	(407)	329
Profit (loss)	191	(154)
Profit attributable to non-controlling interests	0	352
Profit (loss) attributable to owners of parent	191	(507)

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit (loss)	191	(154)
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	3
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	(10)	(418)
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Share of other comprehensive income of entities accounted for using equity method	2	-
Total other comprehensive income	(82)	(415)
Comprehensive income	109	(570)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	109	(924)
Comprehensive income attributable to non-controlling interests	-	354

(Notes on segment information, etc.)

Segment Information

I. The three months of the previous fiscal year (January 1, 2024 to March 31, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(in millions of yen)

	Reportable segments			Total	Adjustment amount (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Healthcare Business	Biofuel Business	Others Business			
Sales						
Direct sales (Note 3)	8,286	-	-	8,286	-	8,286
Wholesale (Note 4)	853	-	-	853	-	853
OEM, Ingredients Supply, Overseas (Note 5, 6, 7)	326	-	-	326	-	326
Others (Note 8)	836	118	732	1,686	-	1,686
Revenues from contracts with customers	10,303	118	732	11,154	-	11,154
Revenues from external customers	10,303	118	732	11,154	-	11,154
Transactions with other segments	-	-	-	-	-	-
Total	10,303	118	732	11,154	-	11,154
Segment profit (loss)	922	(126)	(101)	694	(392)	302

Note: 1. Adjusted for segment profit or loss (loss) of (392) million yen is mainly general and administrative expenses and other company-wide expenses that are not allocated to each reporting segment.

2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

3. Direct sales are a form of selling the Group's functional foods and cosmetics directly to consumers via the Internet, telephone, etc.

4. Wholesale is a form of wholesaling the Group's functional foods and cosmetics directly to various retail stores or through food trading companies, beauty trading companies, etc.

5. OEM is a business model in which product specifications are determined jointly with business partners, products are manufactured by the Group based on orders from business partners, and products are sold to business partners.

6. Ingredients Supply is a business model that provides euglena powder to food manufacturers.

7. Overseas, we are developing our business mainly in East Asia to create the Euglena market outside of Japan.

8. Income from sales and advertising operations mainly from off-the-shelf products, contract analysis services, marketing support services, genetic analysis services, biofuels, fertilizers, etc.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant fluctuations in the amount of goodwill)

In the Healthcare Business segment, the amount of goodwill was provisionally calculated because the allocation of acquisition costs had not been completed for the business combination with Saticine Medical Co., Ltd. and Japan Beautech Co., Ltd. carried out in the first quarter of the previous fiscal year, but since the allocation of acquisition costs was finalized in the third quarter of the previous fiscal year and the provisional treatment was finalized, the amount of goodwill has been revised to 1,899 million yen.

II. The three months of the current fiscal year (January 1, 2025 to March 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(in millions of yen)

	Reportable segments			Total	Adjustment amount (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Healthcare Business	Biofuel Business	Others Business			
Sales						
Direct sales (Note 3)	8,277	-	-	8,277	-	8,277
Wholesale (Note 4)	976	-	-	976	-	976
OEM, Ingredients Supply, Overseas (Note 5, 6, 7)	1,646	-	-	1,646	-	1,646
Others (Note 8)	24	252	758	1,035	-	1,035
Revenues from contracts with customers	10,924	252	758	11,935	-	11,935
Revenues from external customers	10,924	252	758	11,935	-	11,935
Transactions with other segments	-	-	4	4	(4)	-
Total	10,924	252	763	11,940	(4)	11,935
Segment profit (loss)	1,203	(50)	(97)	1,055	(437)	618

Note: 1. Adjusted for segment profit or loss (loss) of (437) million yen is mainly general and administrative expenses and other company-wide expenses that are not allocated to each reporting segment.

2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

3. Direct sales are a form of selling the Group's functional foods and cosmetics directly to consumers via the Internet, telephone, etc.

4. Wholesale is a form of wholesaling the Group's functional foods and cosmetics directly to various retail stores or through food trading companies, beauty trading companies, etc.

5. OEM is a business model in which product specifications are determined jointly with business partners, products are manufactured by the Group based on orders from business partners, and products are sold to business partners.

6. Ingredients Supply is a business model that provides euglena powder to food manufacturers.

7. Overseas, we are developing our business mainly in East Asia to create the Euglena market outside of Japan.

8. Others are mainly income from the sale of off-the-shelf products, contract analysis services, marketing support services, genetic analysis services, biofuels and fertilizers, etc.