

August 8, 2025

Consolidated Financial Results for the Six Months Ended June 30, 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
 Inquiries: Tomohiro Wakahara, Director, Co-CEO and CFiO
 Telephone: +81-3-3454-4907
 Scheduled date to file semi-annual securities report: August 8, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(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	%
Six months ended June 30, 2025	24,553	3.8	3,507	65.3	1,636	716.3	1,172	625.7	(559)	-
June 30, 2024	23,649	3.7	2,122	66.8	200	-	161	-	(326)	-

* 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. Consolidated Financial Forecast for the fiscal year ending December 31, 2025 (January 1, 2025 ~ December 31, 2025)"

Note: Comprehensive income For the six months ended June 30, 2025: ¥(507) million [-%]
 For the six months ended June 30, 2024: ¥(385) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	(4.10)	-
June 30, 2024	(2.47)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	69,090	31,700	44.3
December 31, 2024	73,256	32,113	43.3

Reference: Equity
 As of June 30, 2025: ¥30,579 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	-	0.00			
Fiscal year ending December 31, 2025 (Forecast)				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	50,000	5.0	2,400	697.7	-	-	-	-	-
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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 semi-annual 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.11 "2. Interim Consolidated Financial Statements and Main Notes (4) Notes on Interim 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 June 30, 2025	136,599,260 shares
As of December 31, 2024	136,411,986 shares

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

As of June 30, 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)

Six months ended June 30, 2025	136,421,223 shares
Six months ended June 30, 2024	132,269,043 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	20,631	18,538
Notes and accounts receivable - trade	4,262	4,422
Merchandise and finished goods	1,845	2,629
Work in process	337	233
Raw materials and supplies	1,478	1,436
Other	2,413	2,236
Allowance for doubtful accounts	(104)	(100)
Total current assets	30,865	29,397
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,553	7,574
Machinery, equipment and vehicles	3,963	3,977
Tools, furniture and fixtures	1,057	1,067
Land	1,912	1,912
Leased assets	43	43
Construction in progress	36	37
Accumulated depreciation	(8,518)	(8,683)
Total property, plant and equipment	6,048	5,929
Intangible assets		
Goodwill	12,231	11,754
Customer-related intangible assets	19,975	19,135
Other	1,357	1,367
Total intangible assets	33,564	32,257
Investments and other assets		
Investment securities	748	737
Guarantee deposits	482	443
Long-term loans receivable	1,054	10
Deferred tax assets	144	107
Other	407	268
Allowance for doubtful accounts	(59)	(63)
Total investments and other assets	2,777	1,504
Total non-current assets	42,390	39,692
Total assets	73,256	69,090

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,467	1,732
Short-term borrowings	4,144	3,695
Accounts payable - other	3,384	3,069
Contract liabilities	1,408	1,396
Lease liabilities	3	3
Income taxes payable	846	994
Provision for bonuses	512	357
Asset retirement obligations	7	-
Other	1,034	720
Total current liabilities	12,811	11,969
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	13,154
Lease liabilities	6	4
Provision for retirement benefits for directors (and other officers)	5	5
Retirement benefit liability	420	443
Asset retirement obligations	182	182
Deferred tax liabilities	5,943	5,825
Other	9	3
Total non-current liabilities	28,331	25,420
Total liabilities	41,142	37,390
Net assets		
Shareholders' equity		
Share capital	16,331	16,373
Capital surplus	16,882	16,924
Retained earnings	(2,260)	(2,819)
Treasury shares	(34)	(34)
Total shareholders' equity	30,918	30,443
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	128
Remeasurements of defined benefit plans	(0)	(1)
Total accumulated other comprehensive income	784	136
Share acquisition rights	1	10
Non-controlling interests	409	1,109
Total net assets	32,113	31,700
Total liabilities and net assets	73,256	69,090

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	23,649	24,553
Cost of sales	7,215	7,404
Gross profit	16,434	17,148
Selling, general and administrative expenses	16,233	15,512
Operating profit	200	1,636
Non-operating income		
Interest income	2	34
Foreign exchange gains	110	-
Subsidy income	48	26
Commission income	1	28
Surrender value of insurance policies	18	-
Share of profit of entities accounted for using equity method	28	1
Other	48	55
Total non-operating income	258	146
Non-operating expenses		
Interest expenses on bonds	2	7
Interest expenses	230	231
Commission expenses	-	193
Share issuance costs	2	-
Foreign exchange losses	-	121
Other	61	57
Total non-operating expenses	297	610
Ordinary profit	161	1,172
Extraordinary income		
Gain on reversal of share acquisition rights	0	0
Gain on sale of non-current assets	52	2
Gain on sale of investment securities	329	-
Gain on valuation of investment securities	15	-
Total extraordinary income	398	2
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	88	-
Business restructuring expenses	-	265
Impairment losses	1,094	-
Total extraordinary losses	1,183	265
Profit (loss) before income taxes	(624)	909
Income taxes - current	475	860
Income taxes - deferred	(804)	(84)
Total income taxes	(329)	775
Profit (loss)	(294)	133
Profit attributable to non-controlling interests	32	692
Loss attributable to owners of parent	(326)	(559)

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit (loss)	(294)	133
Other comprehensive income		
Valuation difference on available-for-sale securities	(85)	3
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(6)	(642)
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	5	-
Total other comprehensive income	(90)	(641)
Comprehensive income	(385)	(507)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(411)	(1,207)
Comprehensive income attributable to non-controlling interests	26	699

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(624)	909
Depreciation	1,274	1,185
Amortization of goodwill	490	477
Impairment losses	1,094	-
Business restructuring expenses	-	265
Share-based payment expenses	112	184
Loss (gain) on valuation of investment securities	(15)	-
Loss (gain) on sale of property, plant and equipment	(52)	(2)
Loss (gain) on sale of shares of subsidiaries and associates	88	-
Loss (gain) on sale of investment securities	(329)	-
Surrender value of insurance policies	(18)	-
Increase (decrease) in allowance for doubtful accounts	20	0
Increase (decrease) in provision for bonuses	(239)	(161)
Increase (decrease) in provision for retirement benefits and retirement benefits for directors (and other officers)	(5)	21
Interest and dividend income	(2)	(34)
Subsidy income	(48)	(26)
Gain on reversal of share acquisition rights	(0)	(0)
Interest expenses	230	231
Interest expenses on bonds	2	7
Foreign exchange losses (gains)	0	(19)
Share of loss (profit) of entities accounted for using equity method	(28)	(1)
Decrease (increase) in trade receivables	(91)	(146)
Decrease (increase) in inventories	(128)	(639)
Increase (decrease) in trade payables	(175)	264
Increase (decrease) in accounts payable - other	(354)	(341)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	121	(139)
Other, net	(450)	112
Subtotal	871	2,147
Interest and dividends received	2	34
Interest paid	(232)	(239)
Subsidies received	48	26
Payments for business restructuring expenses	-	(247)
Expenses associated with the termination of operation of the demonstration plant	(581)	-
Income taxes refund	461	246
Income taxes paid	(586)	(745)
Net cash provided by (used in) operating activities	(16)	1,221

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from investing activities		
Decrease (increase) in time deposits	(1)	(2)
Purchase of property, plant and equipment	(172)	(107)
Proceeds from sale of property, plant and equipment	52	4
Purchase of intangible assets	(181)	(134)
Proceeds from sale and redemption of investment securities	364	-
Proceeds from distributions from investment partnerships	56	-
Short-term loan advances	(13)	(255)
Proceeds from collection of long-term loans receivable	-	973
Proceeds from refund of guarantee deposits	5	65
Payments of guarantee deposits	(2)	(27)
Proceeds from cancellation of insurance funds	18	-
Payments for asset retirement obligations	(29)	(2)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(505)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	47	-
Net cash provided by (used in) investing activities	(361)	514
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,059	(69)
Proceeds from long-term borrowings	383	-
Repayments of long-term borrowings	(1,929)	(3,164)
Proceeds from issuance of bonds	1,000	-
Purchase of treasury shares	-	(0)
Repayments of lease liabilities	(5)	(1)
Net cash provided by (used in) financing activities	507	(3,235)
Effect of exchange rate change on cash and cash equivalents	5	(26)
Net increase (decrease) in cash and cash equivalents	134	(1,526)
Cash and cash equivalents at beginning of period	15,651	13,731
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	3,129	-
Cash and cash equivalents at end of period	18,915	12,204

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 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 interim Consolidated Statements of Income (Note 2)
	Health care Business	Biofuel Business	Others Business			
Sales						
Direct sales (Note 3)	16,495	-	-	16,495	-	16,495
Wholesale (Note 4)	1,768	-	-	1,768	-	1,768
OEM, Ingredients Supply, Overseas (Note 5, 6, 7)	2,256	-	-	2,256	-	2,256
Others (Note 8)	1,509	306	1,312	3,128	-	3,128
Revenue from contracts with customers	22,030	306	1,312	23,649	-	23,649
Revenues from external customers	22,030	306	1,312	23,649	-	23,649
Transactions with other segments	0	-	-	0	(0)	-
Total	22,030	306	1,312	23,649	(0)	23,649
Segment profit (loss)	1,505	(251)	(242)	1,012	(811)	200

Note: 1. Adjusted for segment profit or loss (loss) of (811) 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 interim 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, and the Group manufactures products such as functional foods and cosmetics based on orders from business partners, and sells them 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.

9. Segment information for the previous interim consolidated accounting period is disclosed after the significant revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment described in the "Notes (Business Combinations, etc.)" is reflected.

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 Beatech 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 was reduced to 1. It has been revised to 899 million yen.

II. Interim Consolidated Accounting Period (January 1, 2025 to June 30, 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 interim Consolidated Statements of Income (Note 2)
	Health care Business	Biofuel Business	Others Business			
Sales						
Direct sales (Note 3)	16,703	-	-	16,703	-	16,703
Wholesale (Note 4)	1,939	-	-	1,939	-	1,939
OEM, Ingredients Supply, Overseas (Note 5, 6, 7)	3,993	-	-	3,993	-	3,993
Others (Note 8)	33	457	1,425	1,916	-	1,916
Revenue from contracts with customers	22,670	457	1,425	24,553	-	24,553
Revenues from external customers	22,670	457	1,425	24,553	-	24,553
Transactions with other segments	0	-	7	8	(8)	-
Total	22,671	457	1,432	24,562	(8)	24,553
Segment profit (loss)	2,760	(114)	(218)	2,427	(790)	1,636

Note: 1. Adjusted for segment profit or loss (loss) of (790) 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 interim 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, and the Group manufactures products such as functional foods and cosmetics based on orders from business partners, and sells them 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.