

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: Euglena Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2931 URL <http://www.euglena.jp/>  
 Representative: Representative Director, President Mitsuru Izumo  
 Inquiries: Executive Officer, CFiO Tomohiro Wakahara TEL 03(3454)4907  
 Scheduled date to file Quarterly Securities Report: November 11, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the nine months ended September 30, 2022 (from January 1, 2022 to September 30, 2022)

## (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	%
Nine months ended September 30, 2022	32,336	166.9	2,488	–	(2,297)	–	(1,141)	–	(873)	–
Nine months ended June 30, 2021	12,113	27.0	129	–	(844)	–	(440)	–	(296)	–

\* Because management has shifted its focus to cash flow management, the Company now presents adjusted EBITDA as a key performance indicator to show its capacity for generating free cash flows.

Note 1: Comprehensive income Nine months ended September 30, 2022 ¥(885) million [–%]

Nine months ended June 30, 2021 ¥(300) million [–%]

Note 2: Commencing the previous fiscal year, the Company has changed the last day of the accounting period from September 30 to December 31. Accordingly, the first nine months of the fiscal year ended December 31, 2021 was the period from October 1, 2020 to June 30, 2021, and the percentage of year-on-year change indicates a comparison against that period.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2022	(7.81)	–
Nine months ended June 30, 2021	(3.04)	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	60,124	21,119	34.4
As of December 31, 2021	61,007	20,588	33.0

Reference: Equity As of September 30, 2022 ¥20,689 million  
 As of December 31, 2021 ¥20,155 million

## 2. Cash dividends

	Annual dividends per share					
	1st quarter-end	2nd quarter-end	3rd quarter-end	4th quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2021	–	0.00	–	–	0.00	0.00
Year ending December 31, 2022	–	0.00	–			
Year ending December 31, 2022 (Forecast)				–	0.00	0.00

Note 1: Revision to cash dividend forecasts most recently announced: No

Note 2: As the fiscal year ended December 31, 2021 was a transitional period for the change in fiscal year that consisted of 15 months (from October 1, 2020 to December 31, 2021), the fourth quarter-end is indicated.

## 3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	44,000	–	2,100	–	–	–	–	–	–	–	–

Note: Revision to financial results forecast most recently announced: No

Reference: Adjusted EBITDA = EBITDA (Operating profit + Amortization of goodwill and Depreciation) + Subsidy income + Stock-related remuneration + Inventory step-up effect.

## 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

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

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

As of September 30, 2022	113,072,305 shares	As of December 31, 2021	111,161,886 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	20,473 shares	As of December 31, 2021	20,431 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	111,814,462 shares	Nine months ended June 30, 2021	97,718,440 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecast, and other special matters

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	9,900	11,646
Notes and accounts receivable - trade	3,182	2,916
Securities	285	-
Merchandise and finished goods	4,572	3,442
Work in process	744	519
Raw materials and supplies	1,144	1,314
Other	673	1,536
Allowance for doubtful accounts	(64)	(56)
Total current assets	20,438	21,319
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,314	6,564
Machinery, equipment and vehicles	3,375	3,532
Tools, furniture and fixtures	1,396	883
Land	2,499	2,068
Leased assets	109	101
Construction in progress	5	2
Accumulated depreciation	(7,849)	(7,093)
Total property, plant and equipment	6,851	6,058
Intangible assets		
Goodwill	13,034	12,697
Customer-related assets	17,011	16,524
Other	1,858	1,666
Total intangible assets	31,903	30,888
Investments and other assets		
Investment securities	397	726
Guarantee deposits	317	325
Deferred tax assets	740	796
Other	395	106
Allowance for doubtful accounts	(37)	(97)
Total investments and other assets	1,813	1,857
Total non-current assets	40,569	38,804
Total assets	61,007	60,124

(Millions of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,082	1,184
Short-term borrowings	2,287	2,472
Accounts payable - other	3,715	3,526
Contract liabilities	–	1,690
Lease obligations	8	7
Income taxes payable	486	897
Provision for bonuses	267	184
Provision for point card certificates	1,202	–
Provision for business restructuring	31	–
Other	1,552	1,319
<b>Total current liabilities</b>	<b>10,634</b>	<b>11,283</b>
<b>Non-current liabilities</b>		
Long-term borrowings	22,598	21,389
Lease obligations	14	11
Provision for retirement benefits for directors (and other officers)	52	16
Retirement benefit liability	390	383
Asset retirement obligations	427	429
Deferred tax liabilities	6,297	5,483
Other	4	7
<b>Total non-current liabilities</b>	<b>29,784</b>	<b>27,720</b>
<b>Total liabilities</b>	<b>40,418</b>	<b>39,004</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	13,888	13,970
Capital surplus	11,602	13,301
Retained earnings	(5,273)	(6,510)
Treasury shares	(34)	(34)
<b>Total shareholders' equity</b>	<b>20,183</b>	<b>20,726</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2)	2
Foreign currency translation adjustment	(20)	(33)
Remeasurements of defined benefit plans	(5)	(6)
<b>Total accumulated other comprehensive income</b>	<b>(27)</b>	<b>(37)</b>
Share acquisition rights	427	427
Non-controlling interests	5	3
<b>Total net assets</b>	<b>20,588</b>	<b>21,119</b>
<b>Total liabilities and net assets</b>	<b>61,007</b>	<b>60,124</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2021	Nine months ended September 30, 2022
Net sales	12,113	32,336
Cost of sales	3,179	9,459
Gross profit	8,933	22,877
Selling, general and administrative expenses	9,777	25,174
Operating loss	(844)	(2,297)
Non-operating income		
Interest income	1	1
Foreign exchange gains	1	124
Subsidy income	329	771
Commission income	27	27
Gain on sale of investment securities	–	377
Share of profit of entities accounted for using equity method	17	45
Surrender value of insurance policies	143	255
Other	63	70
Total non-operating income	584	1,674
Non-operating expenses		
Interest expenses	20	408
Share issuance costs	159	0
Other	0	108
Total non-operating expenses	180	518
Ordinary loss	(440)	(1,141)
Extraordinary income		
Gain on reversal of share acquisition rights	12	0
Gain on sale of non-current assets	0	150
Gain on sale of shares of subsidiaries and associates	–	336
Gain on step acquisitions	174	–
Other	–	0
Total extraordinary income	186	487
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on extinguishment of tie-in shares	4	–
Total extraordinary losses	4	0
Loss before income taxes	(258)	(654)
Income taxes - current	102	1,293
Income taxes - refund	–	(102)
Income taxes - deferred	(65)	(969)
Total income taxes	36	221
Loss	(294)	(876)
Profit (loss) attributable to non-controlling interests	2	(3)
Loss attributable to owners of parent	(296)	(873)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended June 30, 2021	Nine months ended September 30, 2022
Loss	(294)	(876)
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	4
Foreign currency translation adjustment	(6)	(17)
Remeasurements of defined benefit plans, net of tax	–	(1)
Share of other comprehensive income of entities accounted for using equity method	1	4
Total other comprehensive income	(5)	(9)
Comprehensive income	(300)	(885)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(298)	(882)
Comprehensive income attributable to non-controlling interests	(1)	(2)