## Translation

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# Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 11, 2024

Company name: Euglena Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 2931 URL http://www.euglena.jp/

Representative: Representative Director, President Mitsuru Izumo

Inquiries: Director, Co-CEO and CFiO Tomohiro Wakahara TEL 03(3454)4907

Scheduled date to commence dividend payments:

Preparation of supplementary material on financial results: Yes Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sal	les	Adjusted EF	BITDA*	Operating	profit	Ordinary	profit	Profit attrib to owners of	_
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2024	35,273	3.5	3,247	64.0	160	-	(31)	_	(1,048)	_
Nine months ended September 30, 2023	34,080	5.4	1,979	(20.4)	(959)	_	(797)	_	(1,263)	_

<sup>\*</sup> 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: Comprehensive income

Nine months ended September 30, 2024

¥(908) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	(7.85)	=
Nine months ended September 30, 2023	(10.86)	_

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	71,587	30,753	42.6
As of December 31, 2023	59,619	20,214	33.9

Reference: Equity

As of September 30, 2024

¥30,490 million

As of December 31, 2023

¥20,213 million

## 2. Cash dividends

		Annual dividends per share							
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total							
	Yen	Yen	Yen	Yen	Yen				
Year ended December 31, 2023	-	0.00	_	0.00	0.00				
Year ending December 31, 2024	-	0.00	_						
Year ending December 31, 2024 (Forecast)				0.00	0.00				

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

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attribute owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	48,000	3.3	3,800	71.0	_	_	_	-	_	-	_

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) Significant changes in the scope of consolidation during the nine months ended September 30, 2024: Yes

(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:

No
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)

Total number of issued shares at the c	na or and	period (including treas	sury snarcs)	
As of September 30, 2024	i	136,311,451 shares	As of December 31, 2023	117,150,662 shares
Number of treasury shares at the end	of the pe	riod		
As of September 30, 2024	i	20,682 shares	As of December 31, 2023	20,605 shares
Average number of shares during the	period (c	cumulative from the beg	ginning of the fiscal year)	
Nine months ended September 30, 2	2024	133,640,034 shares	Nine months ended September 30, 2023	116,383,268 shares

<sup>\*</sup> Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

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.

<sup>\*</sup> Proper use of financial results forecast, and other special matters

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

(Millions of yen)

		(Willions of yell)
	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	15,791	19,806
Notes and accounts receivable - trade	3,817	3,854
Merchandise and finished goods	2,129	2,224
Work in process	430	364
Raw materials and supplies	1,124	1,443
Other	1,217	1,805
Allowance for doubtful accounts	(81)	(90)
Total current assets	24,431	29,408
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,319	7,144
Machinery, equipment and vehicles	3,446	3,982
Tools, furniture and fixtures	836	1,093
Land	2,062	1,912
Leased assets	101	44
Construction in progress	6	457
Accumulated depreciation	(7,266)	(8,448)
Total property, plant and equipment	5,506	6,184
Intangible assets		
Goodwill	11,639	12,475
Customer-related intangible assets	14,796	20,396
Other	1,328	1,371
Total intangible assets	27,764	34,242
Investments and other assets		
Investment securities	836	722
Guarantee deposits	350	481
Deferred tax assets	750	151
Other	127	479
Allowance for doubtful accounts	(148)	(81)
Total investments and other assets	1,917	1,751
Total non-current assets	35,187	42,179
Total assets	59,619	71,587
1 Own abboto	57,017	/1,50/

Disabilities		As of December 31, 2023	As of September 30, 2024
Notes and accounts payable - trade         1,396         1,316           Short-term borrowings         3,293         4,500           Accounts payable - other         4,000         2,936           Contract liabilities         1,406         1,524           Lease liabilities         6         3           Income taxes payable         724         609           Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         1,000         4,800         4,800           Convertible-bond-type bonds with share acquisition rights         4,800         4,800         4,800           Convertible-bond-type bonds with share acquisition rights         4,800         4,800         5         6           Lease liabilities         1         7         8         5	Liabilities	·	· · · · · · · · · · · · · · · · · · ·
Short-term borrowings         3,293         4,360           Accounts payable - other         4,009         2,994           Contract liabilities         1,406         1,524           Lease liabilities         6         3           Income taxes payable         724         609           Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,932           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefits liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         39,404         40,834           Total labilities         39,404         40,834           Total labilities         15,867         16,305           Share capi	Current liabilities		
Accounts payable - other         4,009         2,994           Contract liabilities         1,406         1,524           Lease liabilities         6         3           Income taxes payable         724         609           Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Bonds payable         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Net assets         39,4	Notes and accounts payable - trade	1,396	1,316
Contract liabilities         1,524           Lease liabilities         6         3           Income taxes payable         724         609           Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         27,133         28,683           Total non-current liabilities         27,133         28,683           Total silusilities         39,404         40,834           Net assets           Share capital         15,867         16,305           Capital surplus         15,198         16,856 <t< td=""><td>Short-term borrowings</td><td>3,293</td><td>4,360</td></t<>	Short-term borrowings	3,293	4,360
Lease liabilities         6         3           Income taxes payable         724         609           Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Lease liabilities         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Lease liabilities         -         1,000           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         1         7           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         39,404         40,834           Net assets           Share capital         15,867         16,30		4,009	2,994
Income taxes payable         724         609           Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total supplies         1,5867         16,305           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained carnings         (10,901)         (2,658)           Teasury shares	Contract liabilities	1,406	1,524
Provision for bonuses         386         254           Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Bonds payable         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Log-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement benefit liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,688)           Treasury shares         (34)         (34) <th< td=""><td>Lease liabilities</td><td>6</td><td>3</td></th<>	Lease liabilities	6	3
Asset retirement obligations         195         104           Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Bonds payable         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Loag-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         27,133         28,683           Other         10         9           Total ibabilities         39,404         40,834           Net assets         8         15,867         16,305           Capital surplus         15,867         16,305           Capital surplus         15,98         16,886           Retained carnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity <td>Income taxes payable</td> <td>724</td> <td>609</td>	Income taxes payable	724	609
Other         852         983           Total current liabilities         12,271         12,151           Non-current liabilities         -         1,000           Bonds payable         -         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469	Provision for bonuses	386	254
Total current liabilities         12,271         12,151           Non-current liabilities         —         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Loag-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total itabilities         39,404         40,834           Net assets         39,404         40,834           Net assets         15,867         16,305           Capital surplus         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated	Asset retirement obligations	195	104
Non-current liabilities         —         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         Shareholders' equity         5           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Valuation difference on available-for-sale securities         138         86	Other	852	983
Bonds payable         –         1,000           Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         39,404         40,834           Net assets         Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Teasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Poreign currency translation adjustment         1         15           Remeasurements of defined benefit plans <th< td=""><td>Total current liabilities</td><td>12,271</td><td>12,151</td></th<>	Total current liabilities	12,271	12,151
Convertible-bond-type bonds with share acquisition rights         4,800         4,800           Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         8         39,404         40,834           Net assets         8         16,305           Capital surplus         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         1         (81)           Valuation difference on available-for-sale securities         138         86	Non-current liabilities		
Long-term borrowings         16,971         16,032           Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         Share capital         15,867         16,305           Capital surplus         15,198         16,855           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         1         (81)           Valuation difference on available-for-sale securities         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         0           Remeasurements of defined benefit plans <t< td=""><td>Bonds payable</td><td>_</td><td>1,000</td></t<>	Bonds payable	_	1,000
Lease liabilities         1         7           Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         1         (81)           Foreign currency translation adjustment         1         (81)           Foreign currency translation adjustment         1         0           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1	Convertible-bond-type bonds with share acquisition rights	4,800	4,800
Provision for retirement benefits for directors (and other officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         8         40,834           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1         1 <td>Long-term borrowings</td> <td>16,971</td> <td>16,032</td>	Long-term borrowings	16,971	16,032
officers)         4         5           Retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets         8         40,834           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -	Lease liabilities	1	7
officers)         412         416           Asset retirement benefit liability         412         416           Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         1           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -	Provision for retirement benefits for directors (and other	4	~
Asset retirement obligations         74         181           Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         1         1           Remeasurements of defined benefit plans         1         0         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	officers)	4	5
Deferred tax liabilities         4,857         6,230           Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Retirement benefit liability	412	416
Other         10         9           Total non-current liabilities         27,133         28,683           Total liabilities         39,404         40,834           Net assets           Shareholders' equity           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Asset retirement obligations	74	181
Total non-current liabilities         27,133         28,688           Total liabilities         39,404         40,834           Net assets           Shareholders' equity           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Deferred tax liabilities	4,857	6,230
Total liabilities         39,404         40,834           Net assets         Shareholders' equity           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Other	10	9
Net assets           Share holders' equity           Share capital         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Total non-current liabilities	27,133	28,683
Shareholders' equity         15,867         16,305           Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Total liabilities	39,404	40,834
Share capital       15,867       16,305         Capital surplus       15,198       16,856         Retained earnings       (10,961)       (2,658)         Treasury shares       (34)       (34)         Total shareholders' equity       20,070       30,469         Accumulated other comprehensive income         Valuation difference on available-for-sale securities       138       86         Deferred gains or losses on hedges       1       (81)         Foreign currency translation adjustment       1       15         Remeasurements of defined benefit plans       1       0         Total accumulated other comprehensive income       142       21         Share acquisition rights       1       1         Non-controlling interests       -       261         Total net assets       20,214       30,753	Net assets		
Capital surplus         15,198         16,856           Retained earnings         (10,961)         (2,658)           Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         Total unit of difference on available-for-sale securities         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Shareholders' equity		
Retained earnings       (10,961)       (2,658)         Treasury shares       (34)       (34)         Total shareholders' equity       20,070       30,469         Accumulated other comprehensive income         Valuation difference on available-for-sale securities       138       86         Deferred gains or losses on hedges       1       (81)         Foreign currency translation adjustment       1       15         Remeasurements of defined benefit plans       1       0         Total accumulated other comprehensive income       142       21         Share acquisition rights       1       1         Non-controlling interests       -       261         Total net assets       20,214       30,753	Share capital	15,867	16,305
Treasury shares         (34)         (34)           Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         -         30,469           Valuation difference on available-for-sale securities         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Capital surplus	15,198	16,856
Total shareholders' equity         20,070         30,469           Accumulated other comprehensive income         -         30,469           Valuation difference on available-for-sale securities         138         86           Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Retained earnings	(10,961)	(2,658)
Accumulated other comprehensive income  Valuation difference on available-for-sale securities  Deferred gains or losses on hedges  Foreign currency translation adjustment  Remeasurements of defined benefit plans  Total accumulated other comprehensive income  Share acquisition rights  Non-controlling interests  Total net assets  138  86  (81)  (81)  10  11  15  15  15  15  15  16  17  18  19  19  10  10  10  10  10  10  10  10	Treasury shares	(34)	(34)
Valuation difference on available-for-sale securities13886Deferred gains or losses on hedges1(81)Foreign currency translation adjustment115Remeasurements of defined benefit plans10Total accumulated other comprehensive income14221Share acquisition rights11Non-controlling interests-261Total net assets20,21430,753	Total shareholders' equity	20,070	30,469
Deferred gains or losses on hedges         1         (81)           Foreign currency translation adjustment         1         15           Remeasurements of defined benefit plans         1         0           Total accumulated other comprehensive income         142         21           Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Accumulated other comprehensive income		
Foreign currency translation adjustment 1 15 Remeasurements of defined benefit plans 1 0 Total accumulated other comprehensive income 142 21 Share acquisition rights 1 1 1 Non-controlling interests - 261 Total net assets 20,214 30,753	Valuation difference on available-for-sale securities	138	86
Remeasurements of defined benefit plans10Total accumulated other comprehensive income14221Share acquisition rights11Non-controlling interests-261Total net assets20,21430,753	Deferred gains or losses on hedges	1	(81)
Total accumulated other comprehensive income14221Share acquisition rights11Non-controlling interests-261Total net assets20,21430,753	Foreign currency translation adjustment	1	15
Share acquisition rights         1         1           Non-controlling interests         -         261           Total net assets         20,214         30,753	Remeasurements of defined benefit plans	1	0
Non-controlling interests         -         261           Total net assets         20,214         30,753	Total accumulated other comprehensive income	142	21
Non-controlling interests         -         261           Total net assets         20,214         30,753		1	1
Total net assets 20,214 30,753		_	261
	·	20,214	
	Total liabilities and net assets	59,619	71,587

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

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

	Nine months ended	(Millions of yen) Nine months ended
	September 30, 2023	September 30, 2024
Net sales	34,080	35,273
Cost of sales	10,581	10,616
Gross profit	23,498	24,657
Selling, general and administrative expenses	24,457	24,497
Operating profit (loss)	(959)	160
Non-operating income	(***)	
Interest income	1	4
Foreign exchange gains	88	6
Subsidy income	440	98
Commission income	25	1
Share of profit of entities accounted for using equity method	=	36
Surrender value of insurance policies	_	18
Other	104	88
Total non-operating income	662	253
Non-operating expenses		
Interest expenses on bonds	1	6
Interest expenses	359	341
Share of loss of entities accounted for using equity method	6	_
Share issuance costs	37	2
Other	95	95
Total non-operating expenses	500	445
Ordinary loss	(797)	(31)
Extraordinary income		
Gain on reversal of share acquisition rights	1	0
Gain on sale of non-current assets	30	91
Gain on sale of investment securities	=	339
Gain on valuation of investment securities	_	15
Total extraordinary income	31	447
Extraordinary losses		
Loss on sale of non-current assets	7	0
Loss on valuation of investment securities	6	_
Loss on sale of shares of subsidiaries and associates	_	88
Impairment losses	=	1,094
Total extraordinary losses	14	1,184
Loss before income taxes	(780)	(768)
Income taxes - current	808	626
Income taxes - deferred	(324)	(606)
Total income taxes	484	20
Loss	(1,264)	(788)
Profit (loss) attributable to non-controlling interests	(0)	260
Loss attributable to owners of parent	(1,263)	(1,048)

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

		( )
	Nine months ended	Nine months ended
	September 30, 2023	September 30, 2024
Loss	(1,264)	(788)
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(56)
Deferred gains or losses on hedges	(13)	(83)
Foreign currency translation adjustment	22	19
Remeasurements of defined benefit plans, net of tax	(2)	(2)
Share of other comprehensive income of entities accounted for using equity method	5	1
Total other comprehensive income	15	(120)
Comprehensive income	(1,248)	(908)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,246)	(1,170)
Comprehensive income attributable to non-controlling interests	(2)	261