



January 19, 2023

Subscription to Convertible Bonds Issued by Euglena Co., Ltd.

- Support for Euglena's Challenge to Expand Use of next-generation biofuel -

Mazda Motor Corporation ("Mazda") has decided to subscribe to unsecured convertible bonds to be issued by Euglena Co., Ltd. ("Euglena"). Mazda will, through the subscription, support Euglena's biofuels business that aims to expand the use of next-generation biofuels.

In 2005, Euglena successfully established the world's first technology for outdoor mass cultivation of edible microalgae *Euglena*. The company offers foods and cosmetics using microalgae such as *Euglena* and *Chlorella*. It also manufactures and develops next-generation biofuels, and provides genetic analysis services. The company recently announced that it has been studying with two leading overseas energy companies the possibility of developing and operating a biorefinery in Malaysia to commercialize its biofuel business as well as increase adoption of next-generation biofuels. The funds procured through this bond issue, to which Mazda has subscribed, will be allocated to this project.

Mazda has set a target of being carbon neutral across its entire supply chain by 2050. The company has been pursuing a multi-solution strategy that will provide a range of available solutions suitable to the specific circumstances of each region. One of these options is next-generation biofuels. Together with Euglena and other partners, Mazda has been advocating for broader application and greater use of next-generation biofuels through various initiatives, such as a demonstration project utilizing next-generation biofuels conducted by Hirojiren (the Hiroshima Council for the Promotion of Collaboration between Government, Academia and the Automobile Industry), and Mazda's participation in the Super Taikyu Series, a Japanese motor race, with vehicles powered by next-generation biofuels. Mazda has decided to participate in this bond issuance because Mazda believes the project in which Euglena is engaged will promote greater use of next-generation biofuels and significantly contribute to realizing carbon neutrality. Mazda anticipates procuring the next-generation biofuels produced through this project and will give consideration to using the fuel in its internal logistics and other operations.

Mazda is steadily advancing these initiatives in the pursuit of carbon neutrality and aiming to create a sustainable future in which people and cars coexist with a bountiful, beautiful earth.

■ Overview of Euglena's issue of convertible bonds

Name	Euglena Co., Ltd.'s First Series Unsecured Bonds with Stock Acquisition Rights ("Climate" Convertible Bonds)
Issue amount	JPY 4.8 billion (Mazda's investment: JPY 2.8 billion)
Coupon rate	0.04%
Issue date	February 6, 2023
Maturity date	March 31, 2028
Third-party assessment institution*	Rating and Investment Information, Inc. (R&I)

* Euglena received the second opinion from R&I that this bond issuance was qualified as "Green Bond".