

Notice: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**Summary of Consolidated Financial Results
for the Three Months Ended March 31, 2024
(Based on Japanese GAAP)**

May 9,2024

Company name: CERES INC.
 Stock exchange listing: Tokyo
 Stock code: 3696 URL <https://ceres-inc.jp/ir/English/>
 Representative: President and Representative Director Satoshi Takagi
 Inquiries: Managing Director and General Manager of the Administrative Division Yasuhiro Kobayashi TEL +81 3-6455-3756
 Scheduled date to file Quarterly Securities Report: May 13,2024
 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 three months ended March 31, 2024(from January 1,2024 to March 31,2024)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		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, 2024	6,718	21.6	1,255	159.7	713	181.2	1,140	224.0	832	313.8
Three months ended March 31, 2023	5,525	17.3	483	(37.6)	253	(57.3)	352	(46.5)	201	(48.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	72.93	-
Three months ended March 31, 2023	17.67	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31,2024	27,911	11,307	35.1
As of December 31,2023	25,915	10,045	35.4

2.Cash dividends

	Annual dividends per share				
	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	-	20.00	20.00
Year ending December 31,2024	-				
Year ending December 31,2024(Forecast)		0.00	-	20.00	20.00

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		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	27,000	12.2	2,500	46.4	1,600	43.1	2,000	64.2	1,200	166.0	104.48

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2024
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
 Newly added: 1 company (Apollo Capital I Investment Limited Partnership), Excluded: - company (company name)
- (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)

As of March 31, 2024	11,984,500 shares	As of December 31, 2023	11,984,500 shares
----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2024	571,281 shares	As of December 31, 2023	571,232 shares
----------------------	----------------	-------------------------	----------------

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

Three months ended March 31, 2024	11,413,251 shares	Three months ended March 31, 2023	11,385,204 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31,2023	As of March 31,2024
Assets		
Current assets		
Cash and deposits	8,112,206	8,795,965
Notes and accounts receivable - trade, and contract	3,643,349	3,318,226
Operational investment securities	2,976,200	2,985,114
Merchandise and finished goods	384,326	545,031
Work in process	76,619	158,496
Raw materials and supplies	93,741	55,092
Other	2,339,178	3,095,808
Allowance for doubtful accounts	(38,658)	(58,490)
Total current assets	<u>17,586,962</u>	<u>18,895,245</u>
Non-current assets		
Property, plant and equipment	361,668	684,292
Intangible assets		
Goodwill	1,537,615	1,486,209
Other	192,068	254,196
Total intangible assets	<u>1,729,683</u>	<u>1,740,405</u>
Investments and other assets		
Shares of subsidiaries and associates	3,194,221	3,568,642
Other	3,046,278	3,027,603
Allowance for doubtful accounts	(3,728)	(5,082)
Total investments and other assets	<u>6,236,771</u>	<u>6,591,163</u>
Total non-current assets	<u>8,328,123</u>	<u>9,015,861</u>
Total assets	<u>25,915,085</u>	<u>27,911,106</u>
Liabilities		
Current liabilities		
Accounts payable - trade	783,868	1,046,191
Short-term borrowings	3,413,000	3,634,000
Current portion of long-term borrowings	1,635,478	1,702,518
Income taxes payable	246,857	239,762
Provision for point card certificates	3,921,484	3,876,183
Provision for bonuses	-	15,260
Provision for bonuses for directors (and other officers)	30,000	-
Allowance for head office relocation expenses	40,781	40,781
Asset retirement obligations	88,100	88,100
Other	3,291,877	3,630,491
Total current liabilities	<u>13,451,447</u>	<u>14,273,288</u>
Non-current liabilities		
Long-term borrowings	2,314,085	2,146,123
Asset retirement obligations	-	115,467
Other	103,724	68,724
Total non-current liabilities	<u>2,417,809</u>	<u>2,330,315</u>
Total liabilities	<u>15,869,257</u>	<u>16,603,603</u>

(Thousands of yen)

	As of December 31,2023	As of March 31,2024
Net assets		
Shareholders' equity		
Share capital	2,046,390	2,046,390
Capital surplus	2,567,845	2,567,845
Retained earnings	4,719,572	5,323,685
Treasury shares	(307,818)	(307,896)
Total shareholders' equity	9,025,991	9,630,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,312	180,183
Total accumulated other comprehensive income	158,312	180,183
Share acquisition rights	1,266	1,266
Non-controlling interests	860,258	1,496,027
Total net assets	10,045,828	11,307,502
Total liabilities and net assets	25,915,085	27,911,106

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31,2023	Three months ended March 31,2024
Net sales	5,525,486	6,718,358
Cost of sales	3,346,356	3,425,892
Gross profit	2,179,130	3,292,466
Selling, general and administrative expenses	1,925,522	2,579,229
Operating profit	253,607	713,237
Non-operating income		
Interest income	300	103
Share of profit of entities accounted for using equity method	109,525	370,844
Gain on investments in partnership	-	56,984
Other	6,350	10,348
Total non-operating income	116,177	438,281
Non-operating expenses		
Interest expenses	5,377	7,555
Loss on investments in investment partnerships	9,603	-
Other	2,724	3,249
Total non-operating expenses	17,706	10,804
Ordinary profit	352,078	1,140,713
Extraordinary losses		
Head office relocation expenses	-	11,703
Total extraordinary losses	-	11,703
Profit before income taxes	352,078	1,129,010
Income taxes - current	121,398	231,047
Income taxes - deferred	(20,536)	19,849
Total income taxes	100,862	250,897
Profit	251,215	878,113
Profit attributable to non-controlling interests	50,057	45,735
Profit attributable to owners of parent	201,158	832,378

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31,2023	Three months ended March 31,2024
Profit	251,215	878,113
Other comprehensive income		
Valuation difference on available-for-sale securities	14,789	18,293
Share of other comprehensive income of entities accounted for using equity method	(175)	3,576
Total other comprehensive income	14,614	21,870
Comprehensive income	265,829	899,983
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	215,772	854,248
Comprehensive income attributable to non-controlling interests	50,057	45,735