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**Summary of Consolidated Financial Results
for the Six Months Ended June 30, 2024
(Based on Japanese GAAP)**

August 8,2024

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: August 13,2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

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

(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	%
Six months ended June 30, 2024	13,151	17.2	1,240	55.8	811	74.1	1,069	101.2	673	90.1
Six months ended June 30, 2023	11,220	16.9	795	73.3	466	(22.0)	531	117.4	354	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	58.77		-	
Six months ended June 30, 2023	31.09		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30,2024	30,063	11,027	32.2
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				
Year ended December 31,2023	-	0.00	-	20.00	20.00
Year ending December 31,2024	-	0.00	-	-	-
Year ending December 31,2024(Forecast)	-	-	-	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 six months ended June 30, 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 June 30, 2024	12,084,600 shares	As of December 31, 2023	11,984,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	572,581 shares	As of December 31, 2023	571,232 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	11,456,035 shares	Six months ended June 30, 2023	11,391,923 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31,2023	As of June 30,2024
Assets		
Current assets		
Cash and deposits	8,112,206	10,767,951
Notes and accounts receivable - trade, and contract	3,643,349	3,258,726
Operational investment securities	2,976,200	2,850,529
Merchandise and finished goods	384,326	951,372
Work in process	76,619	122,796
Raw materials and supplies	93,741	51,538
Other	2,339,178	3,020,027
Allowance for doubtful accounts	(38,658)	(79,116)
Total current assets	17,586,962	20,943,825
Non-current assets		
Property, plant and equipment	361,668	819,263
Intangible assets		
Goodwill	1,537,615	1,434,803
Other	192,068	299,890
Total intangible assets	1,729,683	1,734,694
Investments and other assets		
Shares of subsidiaries and associates	3,194,221	3,366,993
Other	3,046,278	3,222,271
Allowance for doubtful accounts	(3,728)	(23,187)
Total investments and other assets	6,236,771	6,566,077
Total non-current assets	8,328,123	9,120,035
Total assets	25,915,085	30,063,860
Liabilities		
Current liabilities		
Accounts payable - trade	783,868	724,535
Short-term borrowings	3,413,000	3,940,000
Current portion of long-term borrowings	1,635,478	2,116,964
Income taxes payable	246,857	446,158
Provision for point card certificates	3,921,484	4,115,389
Provision for bonuses	-	29,738
Provision for bonuses for directors (and other officers)	30,000	-
Allowance for head office relocation expenses	40,781	4,060
Asset retirement obligations	88,100	88,100
Other	3,291,877	3,779,484
Total current liabilities	13,451,447	15,244,431
Non-current liabilities		
Long-term borrowings	2,314,085	3,477,255
Asset retirement obligations	-	273,817
Other	103,724	40,724
Total non-current liabilities	2,417,809	3,791,797
Total liabilities	15,869,257	19,036,229

(Thousands of yen)

	As of December 31,2023	As of June 30,2024
Net assets		
Shareholders' equity		
Share capital	2,046,390	2,125,062
Capital surplus	2,567,845	2,646,517
Retained earnings	4,719,572	5,164,546
Treasury shares	(307,818)	(307,896)
Total shareholders' equity	9,025,991	9,628,230
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,312	52,687
Total accumulated other comprehensive income	158,312	52,687
Share acquisition rights	1,266	-
Non-controlling interests	860,258	1,346,712
Total net assets	10,045,828	11,027,631
Total liabilities and net assets	25,915,085	30,063,860

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30,2023	Six months ended June 30,2024
Net sales	11,220,841	13,151,462
Cost of sales	6,643,562	6,912,303
Gross profit	4,577,279	6,239,158
Selling, general and administrative expenses	4,111,124	5,427,713
Operating profit	466,154	811,445
Non-operating income		
Interest income	404	180
Share of profit of entities accounted for using equity method	73,524	238,063
Gain on investments in partnership	—	43,679
Other	13,492	8,024
Total non-operating income	87,421	289,947
Non-operating expenses		
Interest expenses	10,882	17,290
Loss on investments in investment partnerships	3,972	—
Other	7,127	14,450
Total non-operating expenses	21,982	31,740
Ordinary profit	531,594	1,069,653
Extraordinary income		
Gain on reversal of stock acquisition rights	—	755
Total extraordinary income	—	755
Extraordinary losses		
Loss on change in equity	—	72,248
Head office relocation expenses	—	12,483
Loss on extinguishment of tie-in shares	3,558	—
Other	—	1,738
Total extraordinary losses	3,558	86,469
Profit before income taxes	528,035	983,938
Income taxes - current	324,530	419,896
Income taxes - deferred	(145,023)	(86,679)
Total income taxes	179,507	333,217
Profit	348,528	650,721
Losses attributable to non-controlling interests	(5,641)	(22,517)
Profit attributable to owners of parent	354,169	673,238

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30,2023	Six months ended June 30,2024
Profit	348,528	650,721
Other comprehensive income		
Valuation difference on available-for-sale securities	86,403	(112,582)
Share of other comprehensive income of entities accounted for using equity method	2,010	6,957
Total other comprehensive income	88,413	(105,625)
Comprehensive income	436,941	545,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	442,582	567,613
Comprehensive income attributable to non-controlling interests	(5,641)	(22,517)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30,2023	Six months ended June 30,2024
Cash flows from operating activities		
Profit before income taxes	528,035	983,938
Depreciation	138,258	120,298
Amortization of goodwill	102,812	102,812
Increase (decrease) in provision for point card certificates	482,333	193,905
Increase (decrease) in allowance for doubtful accounts	17,393	59,916
Increase (decrease) in provision for head office relocation expense	—	(36,720)
Interest income	(404)	(180)
Interest expenses	10,882	17,290
Share of loss (profit) of entities accounted for using equity method	(73,524)	(238,063)
Loss (gain) on investments in investment partnerships	3,972	(43,679)
Loss (gain) on change in equity	—	72,248
Loss (gain) on extinguishment of tie-in shares	3,558	—
Decrease (increase) in trade receivables and contract assets	297,282	295,131
Decrease (increase) in operational investment securities	(98,249)	9,963
Decrease (increase) products - assets (liabilities)	(133,222)	(567,045)
Decrease (increase) in work in process	3,518	(46,177)
Decrease (increase) in raw materials and supplies	33,452	42,202
Increase (decrease) in trade payables	(187,706)	(59,332)
Increase (decrease) in accrued consumption taxes	(256,098)	(118,824)
Other, net	(120,869)	(5,811)
Subtotal	751,424	781,871
Interest received	403	180
Interest paid	(10,262)	(19,540)
Income taxes paid	(342,574)	(199,200)
Cash flows from operating activities	398,991	563,311
Cash flows from investing activities		
Purchase of property, plant and equipment	(57,258)	(277,010)
Purchase of intangible assets	(102,601)	(147,911)
Purchase of investment securities	(67,150)	(114,425)
Income from distributions from investment partnerships	11,909	104,419
Other, net	2,769	(9,481)
Cash flows from investing activities	(212,331)	(444,409)

(Thousands of yen)

	Six months ended June 30,2023	Six months ended June 30,2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	176,000	527,000
Proceeds from long-term borrowings	850,000	2,500,000
Repayments of long-term borrowings	(701,381)	(855,344)
Redemption of bonds	(35,000)	(35,000)
Proceeds from issuance of shares resulting from exercise of share	—	112,931
Dividends paid	(227,339)	(227,403)
Capital infusion from noncontrolling	—	598,000
Distributions to noncontrolling shareholders	—	(88,367)
Other, net	(372)	(77)
Cash flows from financing activities	61,906	2,531,737
Net increase (decrease) in cash and cash equivalents	248,567	2,650,639
Cash and cash equivalents at beginning of period	6,491,630	8,051,638
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	4,026	—
Cash and cash equivalents at end of period	6,744,223	10,702,277