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February 14, 2025

For Immediate Release

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Notice Regarding the Recording of Extraordinary Losses

CERES INC. (the Company) hereby announces the recording of extraordinary losses for the fiscal year ended December 31, 2024.

1. Recording of extraordinary losses in the Consolidated Financial Statements

Regarding the software and related assets of the cryptocurrency exchange "CoinTrade," operated by the Company's consolidated subsidiary Mercury Inc. (hereinafter referred to as "Mercury"), the Company has carefully assessed their future recoverability, taking into account the outlook for future performance and investment plans.

In light of the ongoing challenges associated with future forecasting in the cryptographic asset industry, a more conservative perspective was adopted. Based on the "Accounting Standard for Impairment of Fixed Assets," an impairment loss of ¥223 million was recorded as an extraordinary loss in the fourth quarter of the fiscal year ending December 31, 2024.

2. Recording of Loss on Valuation of Shares in Affiliates in Non-Consolidated Financial Statements

Mercury is currently in a growth investment phase with upfront investments, resulting in a net loss for the current fiscal year. Consequently, the decline in Mercury's net asset value prompted the Company to evaluate the shares we hold in Mercury and perform an impairment process.

As a result, the Company recorded a loss on the valuation of shares in affiliates amounting to ¥572 million as an extraordinary loss in the non-consolidated financial statements. Please note that this loss on valuation is eliminated in the consolidated financial statements and therefore has no impact on the consolidated financial results for the fiscal year ending December 2024.

3. Impact on Financial Results

The above non-operating income has been reflected in the "Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Japanese GAAP]" announced today.

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