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

November 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 commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes

(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 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	%
Nine months ended September 30, 2024	20,218	16.9	1,831	60.4	1,429	94.2	1,524	107.5	845	660.4
Nine months ended September 30, 2023	17,293	15.2	1,141	24.9	736	(23.9)	734	26.6	111	495.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2024	73.71		-	
Nine months ended September 30, 2023	9.76		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2024	29,925		11,163		32.7	
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)				40.00	40.00

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 nine months ended September 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 September 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 September 30, 2024	574,181 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)

Nine months ended September 30, 2024	11,474,296 shares	Nine months ended September 30, 2023	11,399,128 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31,2023	As of September 30,2024
Assets		
Current assets		
Cash and deposits	8,112,206	10,768,540
Notes and accounts receivable - trade, and contract	3,643,349	3,397,471
Operational investment securities	2,976,200	2,606,686
Merchandise and finished goods	384,326	1,353,163
Work in process	76,619	151,211
Raw materials and supplies	93,741	50,543
Other	2,339,178	2,816,869
Allowance for doubtful accounts	(38,658)	(113,178)
Total current assets	17,586,962	21,031,308
Non-current assets		
Property, plant and equipment	361,668	805,281
Intangible assets		
Goodwill	1,537,615	1,383,397
Other	192,068	331,220
Total intangible assets	1,729,683	1,714,618
Investments and other assets		
Shares of subsidiaries and associates	3,194,221	3,216,884
Other	3,046,278	3,193,337
Allowance for doubtful accounts	(3,728)	(35,965)
Total investments and other assets	6,236,771	6,374,256
Total non-current assets	8,328,123	8,894,156
Total assets	25,915,085	29,925,465
Liabilities		
Current liabilities		
Accounts payable - trade	783,868	955,512
Short-term borrowings	3,413,000	4,329,000
Current portion of long-term borrowings	1,635,478	2,073,867
Income taxes payable	246,857	330,416
Provision for point card certificates	3,921,484	4,125,232
Provision for bonuses	-	44,998
Provision for bonuses for directors (and other officers)	30,000	-
Allowance for head office relocation expenses	40,781	-
Asset retirement obligations	88,100	-
Other	3,291,877	3,309,350
Total current liabilities	13,451,447	15,168,376
Non-current liabilities		
Long-term borrowings	2,314,085	3,279,715
Asset retirement obligations	-	278,393
Other	103,724	35,724
Total non-current liabilities	2,417,809	3,593,833
Total liabilities	15,869,257	18,762,210

(Thousands of yen)

	As of December 31,2023	As of September 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	5,337,066
Treasury shares	(307,818)	(307,896)
Total shareholders' equity	9,025,991	9,800,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,312	(24,983)
Total accumulated other comprehensive income	158,312	(24,983)
Share acquisition rights	1,266	-
Non-controlling interests	860,258	1,387,486
Total net assets	10,045,828	11,163,254
Total liabilities and net assets	25,915,085	29,925,465

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30,2023	Nine months ended September 30,2024
Net sales	17,293,600	20,218,266
Cost of sales	9,873,778	10,491,686
Gross profit	7,419,822	9,726,579
Selling, general and administrative expenses	6,683,592	8,296,586
Operating profit	736,230	1,429,993
Non-operating income		
Interest income	524	1,078
Share of profit of entities accounted for using equity method	—	95,409
Gain on investments in partnership	—	34,688
Consumption taxes refund	53,147	—
Other	9,884	12,272
Total non-operating income	63,556	143,450
Non-operating expenses		
Interest expenses	17,582	33,123
Share of loss of entities accounted for using equity method	26,124	—
Loss on investments in investment partnerships	10,024	—
Other	11,457	16,304
Total non-operating expenses	65,189	49,428
Ordinary profit	734,597	1,524,015
Extraordinary income		
Gain on reversal of stock acquisition rights	—	755
Total extraordinary income	—	755
Extraordinary losses		
Impairment loss	368,502	—
Loss on change in equity	—	72,248
Head office relocation expenses	—	14,221
Other	3,558	—
Total extraordinary losses	372,060	86,469
Profit before income taxes	362,536	1,438,300
Income taxes - current	450,783	637,809
Income taxes - deferred	(220,147)	(63,865)
Total income taxes	230,636	573,943
Profit	131,899	864,357
Profit attributable to non-controlling interests	20,680	18,597
Profit attributable to owners of parent	111,219	845,759

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30,2023	Nine months ended September 30,2024
Profit	131,899	864,357
Other comprehensive income		
Valuation difference on available-for-sale securities	32,617	(182,798)
Share of other comprehensive income of entities accounted for using equity method	2,885	(498)
Total other comprehensive income	35,502	(183,296)
Comprehensive income	167,402	681,061
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146,722	662,463
Comprehensive income attributable to non-controlling interests	20,680	18,597