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Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 14, 2025

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
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Scheduled date of ordinary general meeting of shareholders: March 25, 2025
 Scheduled date to file Securities Report: March 26, 2025
 Scheduled date to commence dividend payments: March 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 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	%
Year ended December 31, 2024	27,706	15.1	3,146	84.2	2,228	99.2	2,677	119.8	1,480	228.2
Year ended December 31, 2023	24,070	17.2	1,707	48.8	1,118	(10.3)	1,217	79.1	451	868.0

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	128.96	-	14.6	9.1	8.0
Year ended December 31, 2023	39.57	-	5.0	5.0	4.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	32,976	12,721	33.8	968.54
As of December 31, 2023	25,915	10,045	35.4	804.70

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	722	(518)	3,266	11,520
Year ended December 31, 2023	1,061	(738)	1,233	8,051

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	-	0.00	-	20.00	20.00	228	50.5	2.5
Year ended December 31, 2024*	-	0.00	-	60.00	60.00	690	46.5	6.8
Year ending December 31, 2025 (Forecast)	-	0.00	-	60.00	60.00		32.9	

3.Forecast of consolidated financial results for the year ending December 31,2025(from January 1,2025 to December 31,2025)

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	30,700	10.8	3,950	22.5	3,000	34.6	3,400	27.0	2,100	41.8	182.44

* 2024 Year-end dividend : ordinary dividend ￥40.00 commemorative dividend ￥20.00

4.Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31,2024	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 December 31,2024	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)

Year ended December 31, 2024	11,483,376 shares	Year ended December 31, 2023	11,402,701 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	8,112,206	11,574,595
Accounts receivable - trade	3,643,349	3,901,187
Operational investment securities	2,976,200	2,527,342
Merchandise and finished goods	384,326	1,855,396
Work in process	76,619	129,932
Raw materials and supplies	93,741	66,136
Self-custody crypto assets	183,000	428,515
Customer crypto assets	877,927	1,647,486
Other	1,278,249	1,901,342
Allowance for doubtful accounts	(38,658)	(181,751)
Total current assets	17,586,962	23,850,185
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	268,530	698,164
Accumulated depreciation	(220,674)	(76,896)
Facilities attached to buildings, net	47,856	621,267
Tools, furniture and fixtures	573,566	638,253
Accumulated depreciation	(436,554)	(479,761)
Tools, furniture and fixtures, net	137,012	158,492
Construction in progress	176,800	-
Total property, plant and equipment	361,668	779,760
Intangible assets		
Goodwill	1,537,615	1,331,991
Other	192,068	155,822
Total intangible assets	1,729,683	1,487,814
Investments and other assets		
Investment securities	1,139,796	1,143,278
Shares of subsidiaries and associates	3,194,221	3,600,870
Deferred tax assets	1,435,625	1,638,606
Other	470,855	492,283
Allowance for doubtful accounts	(3,728)	(16,788)
Total investments and other assets	6,236,771	6,858,250
Total non-current assets	8,328,123	9,125,824
Total assets	25,915,085	32,976,010

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31,2023	As of December 31,2024
Liabilities		
Current liabilities		
Accounts payable - trade	783,868	865,983
Short-term borrowings	3,413,000	4,428,700
Current portion of long-term borrowings	1,635,478	1,995,590
Accounts payable - other	1,188,068	1,149,493
crypto assets under custody	877,927	1,647,486
Borrowed crypto assets	1,722	23,676
Income taxes payable	246,857	737,745
Contract liabilities	96,571	168,079
Provision for point card certificates	3,921,484	4,339,317
Provision for bonuses for directors (and other officers)	30,000	65,000
Allowance for head office relocation expenses	40,781	-
Asset retirement obligations	88,100	-
Other	1,127,587	1,430,951
Total current liabilities	13,451,447	16,852,024
Non-current liabilities		
Long-term borrowings	2,314,085	3,090,915
Asset retirement obligations	-	278,938
Other	103,724	33,024
Total non-current liabilities	2,417,809	3,402,878
Total liabilities	15,869,257	20,254,903
Net assets		
Shareholders' equity		
Share capital	2,046,390	2,125,062
Capital surplus	2,567,845	3,266,570
Retained earnings	4,719,572	5,972,175
Treasury shares	(307,818)	(307,896)
Total shareholders' equity	9,025,991	11,055,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,312	92,364
Total accumulated other comprehensive income	158,312	92,364
Share acquisition rights	1,266	-
Non-controlling interests	860,258	1,572,828
Total net assets	10,045,828	12,721,106
Total liabilities and net assets	25,915,085	32,976,010

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31,2023	Fiscal year ended December 31,2024
Net sales	24,070,608	27,706,531
Cost of sales	13,483,574	14,370,621
Gross profit	10,587,033	13,335,909
Selling, general and administrative expenses	9,468,602	11,107,826
Operating profit	1,118,431	2,228,082
Non-operating income		
Interest income	605	1,133
Share of profit of entities accounted for using equity method	78,396	472,443
Discount income	9,882	7,503
Return on investment in partnership	-	19,373
Consumption taxes refund	53,147	-
Other	5,555	7,247
Total non-operating income	147,587	507,701
Non-operating expenses		
Interest expenses	25,111	40,604
Loss on investments in investment partnerships	8,254	-
Other	14,682	17,898
Total non-operating expenses	48,048	58,503
Ordinary profit	1,217,970	2,677,280
Extraordinary income		
Gain on liquidation of affiliates	-	16,928
Other	-	755
Total extraordinary income	-	17,683
Extraordinary losses		
Impairment loss	343,530	223,628
Loss on change in equity	-	72,248
Provision for head office relocation expenses	40,781	-
Other	3,558	14,221
Total extraordinary losses	387,869	310,097
Profit before income taxes	830,101	2,384,865
Income taxes - current	660,771	1,026,084
Income taxes - deferred	(328,701)	(171,077)
Total income taxes	332,069	855,006
Profit	498,031	1,529,858
Profit attributable to non-controlling interests	46,883	48,990
Profit attributable to owners of parent	451,148	1,480,868

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Fiscal year ended December 31,2023	Fiscal year ended December 31,2024
Profit	498,031	1,529,858
Other comprehensive income		
Valuation difference on available-for-sale securities	38,496	(72,401)
Share of other comprehensive income of entities accounted for using equity method	(388)	6,453
Total other comprehensive income	38,108	(65,947)
Comprehensive income	536,140	1,463,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	489,256	1,414,920
Comprehensive income attributable to non-controlling interests	46,883	48,990

Consolidated statements of changes in equity

Fiscal year ended December 31,2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,025,683	2,547,138	4,496,200	(307,778)	8,761,244
Changes during period					
Issuance of new shares	20,707	20,707			41,414
Dividends of surplus			(227,776)		(227,776)
Profit attributable to owners of parent			451,148		451,148
Treasury shares				(39)	(39)
Capital Increase of a Consolidated Subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	20,707	20,707	223,372	(39)	264,746
Balance at end of period	2,046,390	2,567,845	4,719,572	(307,818)	9,025,991

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	120,204	120,204	1,266	813,375	9,696,089
Changes during period					
Issuance of new shares					41,414
Dividends of surplus					(227,776)
Profit attributable to owners of parent					451,148
Treasury shares					(39)
Capital Increase of a Consolidated Subsidiaries					-
Net changes in items other than shareholders' equity	38,108	38,108	-	46,883	84,991
Total changes during period	38,108	38,108	-	46,883	349,738
Balance at end of period	158,312	158,312	1,266	860,258	10,045,828

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,046,390	2,567,845	4,719,572	(307,818)	9,025,991
Changes during period					
Issuance of new shares	78,672	78,672			157,344
Dividends of surplus			(228,265)		(228,265)
Profit attributable to owners of parent			1,480,868		1,480,868
Treasury shares				(77)	(77)
Capital Increase of a Consolidated Subsidiaries		620,052			620,052
Net changes in items other than shareholders' equity					
Total changes during period	78,672	698,724	1,252,603	(77)	2,029,921
Balance at end of period	2,125,062	3,266,570	5,972,175	(307,896)	11,055,912

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	158,312	158,312	1,266	860,258	10,045,828
Changes during period					
Issuance of new shares					157,344
Dividends of surplus					(228,265)
Profit attributable to owners of parent					1,480,868
Treasury shares					(77)
Capital Increase of a Consolidated Subsidiaries					620,052
Net changes in items other than shareholders' equity	(65,947)	(65,947)	(1,266)	712,570	645,356
Total changes during period	(65,947)	(65,947)	(1,266)	712,570	2,675,277
Balance at end of period	92,364	92,364	-	1,572,828	12,721,106

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31,2023	Fiscal year ended December 31,2024
Cash flows from operating activities		
Profit before income taxes	830,101	2,384,865
Depreciation	272,110	250,060
Impairment losses	343,530	223,628
Amortization of goodwill	205,624	205,624
Increase (decrease) in provision for point card certificates	738,521	417,833
Increase (decrease) in allowance for doubtful accounts	22,771	156,152
Increase (decrease) in provision for head office relocation expense	40,781	(40,781)
Interest income	(605)	(1,133)
Interest expenses	25,111	50,958
Share of loss (profit) of entities accounted for using equity method	(78,396)	(472,443)
Loss (gain) on investments in investment partnerships	8,254	(19,373)
Loss (gain) on change in equity	-	72,248
Gain on liquidation of affiliates	-	(16,928)
Decrease (increase) in trade receivables and contract assets	(148,818)	(322,506)
Decrease (increase) in operational investment securities	(170,832)	342,378
Decrease (increase) products - assets (liabilities)	(176,207)	(1,471,069)
Decrease (increase) in work in process	48,665	(53,313)
Decrease (increase) in raw materials and supplies	33,632	27,604
Decrease (increase) in Self-custody crypto assets	(133,580)	(246,173)
Decrease (increase) in Customer crypto assets	(656,596)	(769,558)
Increase (decrease) in trade payables	(48,615)	82,115
Increase (decrease) in accounts payable - other	197,495	(3,127)
Increase (decrease) in Crypto assets under custody	656,596	769,558
Increase (decrease) in Borrowed crypto assets	(1,507)	21,953
Increase (decrease) in accrued consumption taxes	(128,746)	20,592
Increase (decrease) in contract liabilities	30,969	71,508
Other, net	(11,978)	(389,073)
Subtotal	1,898,279	1,291,599
Interest received	605	1,129
Interest paid	(25,864)	(54,405)
Income taxes paid	(811,551)	(516,318)
Cash flows from operating activities	1,061,468	722,005
Cash flows from investing activities		
Purchase of property, plant and equipment	(269,346)	(324,824)
Payments for asset retirement obligations	-	(88,100)
Purchase of intangible assets	(234,598)	(292,664)
Purchase of investment securities	(106,250)	(128,825)
Proceeds from investment in partnership	33,455	145,337
Proceeds from liquidation of affiliates	-	16,928
Payments of leasehold and guarantee deposits	(179,096)	(17,848)
Proceeds from refund of leasehold and guarantee deposits	-	154,674
Other, net	16,925	(16,411)
Cash flows from investing activities	(738,910)	(518,911)

(Thousands of yen)

	Fiscal year ended December 31,2023	Fiscal year ended December 31,2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	963,000	1,015,700
Proceeds from long-term borrowings	2,050,000	3,100,000
Repayments of long-term borrowings	(1,481,534)	(1,963,058)
Redemption of bonds	(70,000)	(55,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	112,931
Dividends paid	(227,630)	(228,065)
Capital received from non-controlling shareholders	-	1,372,000
Dividends paid to non-controlling shareholders	-	(88,367)
Other, net	(412)	(77)
Cash flows from financing activities	1,233,423	3,266,062
Net increase (decrease) in cash and cash equivalents	1,555,981	3,469,155
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	8,051,638	11,520,793