



September 2, 2021

For Immediate Release

Company name	CERES INC.
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### **Notice Concerning Capital and Business Alliance Established by the Company's Equity Method Affiliate**

CERES INC. (the "Company") announced today that bitbank, Inc. (head office: Shinagawa-ku Tokyo, President and Representative Director: Noriyuki Hirosue, hereinafter "bitbank"), its equity method affiliate, has established a capital and business alliance with mixi, Inc. (head office: Shibuya-ku, Tokyo, President and Representative Director: Koki Kimura, Securities Code: 2121, hereinafter "mixi"), and decided to raise a total of 7.5 billion yen through a third-party allotment of shares to mixi, coupled with additional investment to be made by the Company. Details are as follows.

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#### 1 . Background of the capital and business alliance

The Company engages primarily in the planning, development and operation of online media services for smartphones. It also offers a reward points service, through which users are able to convert points into cash, e-money, etc. The Company defines such points as a kind of virtual currency (tokens) and believes that they have a high level of compatibility with crypto-assets (tokens) and blockchain technologies that are becoming popular around the world. In response to progress toward a non-cash settlement society (roughly equivalent to the token economy), the Company has been offering crypto assets- and blockchain-related services through Mercury Inc., an operator of the "CoinTrade" crypto-assets exchange, and bitbank, an equity method affiliate that operates as Japan's major crypto-assets exchange. Through these services, it has been continuing to actively expand business.

#### 2 . Overview of the capital and business alliance

With the crypto-assets market expected to expand going forward, the capital and business alliance between bitbank and mixi will make it possible to strengthen the financial soundness of bitbank, and to facilitate investment for the further expansion of existing businesses, while creating new businesses such as IEO, staking, custody, NFT and L2 settlements. The Company also believes that it will be possible to create unprecedented value by leveraging the latest technologies in crypto-assets, an area where bitbank demonstrates its strength, and synergies with the user base and content of the range of services offered by mixi.

mixi will underwrite 7 billion yen from the third-party allotment of shares implemented by bitbank, and its stake in bitbank will become 26.2% after the completion of the financing. The Company will underwrite 0.5 billion yen in the form of additional investment. When the financing is complete, its stake will become 22.4%, and bitbank will continue to be an equity-method affiliate of the Company.

### 3. Summary of the equity-method affiliate companies

(1)	Company name	bitbank, inc.
(2)	Address	141-0031 7th floor, KDX Nishigotanda Building, 7-20-9 Nishigotanda, Shinagawa-ku, Tokyo, Japan
(3)	Name and title of representative	CEO Noriyuki Hirosue
(4)	Description of business	Crypto asset exchange related services
(5)	Stated capital	JPY 1.14 billion
(6)	Established	May 2014

### 4. Summary of the business alliance partner

(1)	Company name	mixi, Inc.		
(2)	Address	Shibuya Scramble Square 36F, 2-24-12 Shibuya, Shibuya-ku, Tokyo, 150-6136, Japan		
(3)	Name and title of representative	President and Representative Director Koki Kimura		
(4)	Description of business	Digital Entertainment, Sports, Lifestyle		
(5)	Stated capital	JPY 9.69 billion		
(6)	Established	June 1999		
(7)	Shareholding percentage of major shareholders*	Kenji Kasahara (43.78%)		
(8)	Relationship between listed company and this company	Capital relationship	No applicable items.	
		Personnel relationship	No applicable items.	
		Transactional relationship	No applicable items.	
		Applicability to related parties	No applicable items.	
(9)	Results of operations and consolidated financial position of the three previous fiscal years			
	Fiscal year-end	March 31, 2019	March 31, 2020	March 31, 2021
	Net assets	178,990 million yen	181,305 million yen	189,590 million yen
	Total assets	192,955 million yen	202,814 million yen	226,356 million yen
	Net assets per share	2,368.05 yen	2,390.52 yen	2,497.55 yen
	Net sales	144,032 million yen	112,171 million yen	119,319 million yen
	Operating profit	41,033 million yen	17,147 million yen	22,928 million yen
	Ordinary profit	41,120 million yen	16,915 million yen	23,019 million yen
	Profit attributable to owners of parent	26,521 million yen	10,760 million yen	15,692 million yen
	Earnings per share	350.26 yen	142.80 yen	208.24 yen
	Dividends per share	120.00 yen	110.00 yen	110.00 yen

\*As of March 31, 2021

5 . Schedule

( 1 )	Date of bitbank extraordinary general meeting	September 2,2021
( 2 )	Date of conclusion of capital & business alliance agreement at bitbank	September 2,2021

6 . Future outlook

Please refer to " Notice of Revisions to Consolidated Financial Results Forecasts for FY2021 " disclosed separately today .

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