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**Summary of Consolidated Financial Results
for the Nine Months Ended September 30, 2023
(Based on Japanese GAAP)**

November 8, 2023

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 Yasuhiro Kobayashi TEL +81 3-5797-3347
 the Administrative Division
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

(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, 2023	17,293	15.2	1,141	24.9	736	(23.9)	734	26.6	111	495.3
Nine months ended September 30, 2022	15,012	-	914	(79.6)	967	(56.9)	580	(82.8)	18	(99.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	9.76		-	
Nine months ended September 30, 2022	1.66		1.65	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	25,027	9,677	35.3
As of December 31, 2022	22,597	9,696	39.3

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, 2022	-	0.00	-	20.00	20.00
Year ending December 31, 2023	-	0.00	-		
Year ending December 31, 2023 (Forecast)				20.00	20.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	24,000	16.9	1,500	30.8	1,000	(19.7)	1,000	47.3	250	443.5	21.92

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: Yes
 - 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, 2023	11,984,500 shares	As of December 31, 2022	11,955,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	571,196 shares	As of December 31, 2022	566,996 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, 2023	11,399,128 shares	Nine months ended September 30, 2022	11,276,381 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31,2022	As of September 30,2023
Assets		
Current assets		
Cash and deposits	6,547,200	8,428,281
Notes and accounts receivable - trade, and contract assets	3,545,294	3,487,675
Operational investment securities	2,744,225	2,967,932
Merchandise and finished goods	208,119	299,728
Work in process	125,284	125,384
Raw materials and supplies	127,374	82,407
Other	1,132,049	1,708,224
Allowance for doubtful accounts	(16,103)	(32,930)
Total current assets	14,413,443	17,066,704
Non-current assets		
Property, plant and equipment	263,818	204,592
Intangible assets		
Goodwill	1,743,240	1,589,021
Other	386,326	106,582
Total intangible assets	2,129,566	1,695,604
Investments and other assets		
Shares of subsidiaries and associates	3,116,212	3,092,973
Other	2,677,548	2,983,625
Allowance for doubtful accounts	(3,512)	(16,342)
Total investments and other assets	5,790,249	6,060,257
Total non-current assets	8,183,633	7,960,454
Total assets	22,597,077	25,027,159
Liabilities		
Current liabilities		
Accounts payable - trade	832,483	988,802
Short-term borrowings	2,450,000	3,331,000
Current portion of long-term borrowings	1,263,269	1,710,336
Income taxes payable	372,397	129,136
Provision for point card certificates	3,182,962	3,644,450
Provision for bonuses	-	32,700
Provision for bonuses for directors (and other officers)	30,000	-
Other	2,426,986	2,623,271
Total current liabilities	10,558,099	12,459,697
Non-current liabilities		
Bonds payable	55,000	-
Long-term borrowings	2,117,828	2,716,497
Asset retirement obligations	82,705	82,778
Other	87,354	91,054
Total non-current liabilities	2,342,888	2,890,330
Total liabilities	12,900,987	15,350,028

(Thousands of yen)

	As of December 31,2022	As of September 30,2023
Net assets		
Shareholders' equity		
Share capital	2,025,683	2,046,390
Capital surplus	2,547,138	2,567,845
Retained earnings	4,496,200	4,379,643
Treasury shares	(307,778)	(307,778)
Total shareholders' equity	8,761,244	8,686,101
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120,204	155,707
Total accumulated other comprehensive income	120,204	155,707
Share acquisition rights	1,266	1,266
Non-controlling interests	813,375	834,055
Total net assets	9,696,089	9,677,130
Total liabilities and net assets	22,597,077	25,027,159

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30,2022	Nine months ended September 30,2023
Net sales	15,012,967	17,293,600
Cost of sales	9,013,413	9,873,778
Gross profit	5,999,553	7,419,822
Selling, general and administrative expenses	5,032,241	6,683,592
Operating profit	967,312	736,230
Non-operating income		
Interest income	585	524
Subsidy income	4,179	-
Rebates received	2,294	7,870
Refund of consumption tax, etc.	-	53,147
Other	701	2,014
Total non-operating income	7,760	63,556
Non-operating expenses		
Interest expenses	15,467	17,582
Share of loss of entities accounted for using equity method	321,557	26,124
Other	57,838	21,482
Total non-operating expenses	394,864	65,189
Non-operating expenses	580,208	734,597
Interest expenses		
Gain on sale of businesses	42,098	-
Other	783	-
Total extraordinary income	42,881	-
Extraordinary losses		
Impairment loss	-	368,502
Loss on change in equity	1,807	-
Other	-	3,558
Total extraordinary losses	1,807	372,060
Profit before income taxes	621,282	362,536
Income taxes - current	716,145	450,783
Income taxes - deferred	(166,170)	(220,147)
Total income taxes	549,974	230,636
Profit	71,308	131,899
Profit attributable to non-controlling interests	52,626	20,680
Profit attributable to owners of parent	18,681	111,219

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30,2022	Nine months ended September 30,2023
Profit	71,308	131,899
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,001)	32,617
Share of other comprehensive income of entities accounted	5,944	2,885
Total other comprehensive income	(7,056)	35,502
Comprehensive income	64,251	167,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,624	146,722
Comprehensive income attributable to non-controlling interests	52,626	20,680