



February 9, 2024

For Immediate Release

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### Progress of the Plan for Compliance with Listing Maintenance Criteria

CERES INC. (the Company) submitted and disclosed its plan to comply with the criteria for maintaining its listing on the Prime Market on February 10, 2023. The Company hereby announces that it has developed the following information on the progress of the plan as of December 31, 2023.

#### 1. Status of compliance with listing maintenance criteria and period of compliance plan

The status of the Company's compliance with the listing maintenance criteria for the Prime Market, including its development as of December 31, 2023, is shown below. The Company has not met the criterion for market capitalization of tradable shares. Therefore, the Company will take various measures to ensure it complies with the listing maintenance criteria by the end of December 2026.

		Number of shareholders	Number of tradable shares (units)	Market capitalization of tradable shares	Ratio of tradable shares
Company's compliance status	As of December 31,2022	6,415	79,686	¥7.30 billion	66.6%
	As of December 31,2022	6,329	79,696	¥7.83 billion	66.4%
Listing maintenance criteria		800	20,000	¥10.0 billion	35%
Compliance status		○	○	×	○
Period of compliance plan		—	—	End-December 2026	—

(Note) The status of the Company's compliance is calculated based on information such as the distribution of its share certificates and other securities available to the Tokyo Stock Exchange as of the record date.

#### 2. Basic policy for measures to achieve compliance with listing maintenance criteria, issues, and specific measures

As its basic policy, the Company will strive to meet the criterion for market capitalization of tradable shares by working to improve its market capitalization. To this end, it will pursue earnings growth by steadily implementing its "Medium-Term Management Plan 2026" (announced on December 23, 2021) that spans five years, and reduce its cost of capital through expanded IR activities.

Further details are described in the "Progress of the Plan for Compliance with Listing Maintenance Criteria for Prime Market."

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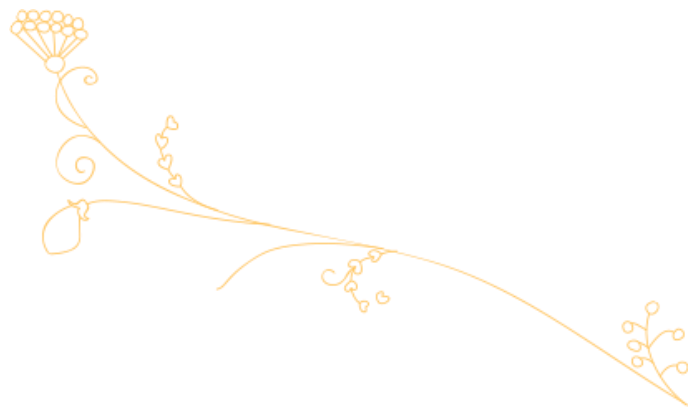


# Progress of the Plan for Compliance with Listing Maintenance Criteria for Prime Market

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February 2024

CERES INC. (Prime Market of the Tokyo Stock Exchange: #3696)





# INDEX

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## Progress of the Plan for Compliance with Listing Maintenance Criteria for Prime Market

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## Medium-Term Management Plan 2026

Progress

Mobile Service Business Growth Strategy

Financial Service Business Growth Strategy

# 1. Basic Policy for Measures to Achieve Compliance with Listing Maintenance Criteria and progress

## Compliance status

		Number of shareholders	Number of tradable shares (units)	Market capitalization of tradable shares	Ratio of tradable shares
Company's compliance status	As of December 31, 2022	6,415	79,686	¥7.30 billion	66.6%
	<b>As of December 31, 2023</b>	<b>6,329</b>	<b>79,696</b>	<b>¥7.83 billion</b>	<b>66.4%</b>
Listing maintenance criteria		800	20,000	¥10.0 billion	35%
Compliance status		○	○	×	○

## Planned period for measures to achieve compliance, and basic policy underlying such measures

Period of compliance plan ▶ By end-**December 2026**

**Meet criteria for market capitalization of tradable shares by improving market capitalization**

- 01 Increase earnings per share (EPS) by driving a recovery in earnings
- 02 Reduce cost of capital by expanding IR activities, and increase valuation (P/E basis)
- 03 Expand earnings by steadily implementing the five-year Medium-Term Management Plan 2026

## 2. Rationale for Determining Period of Compliance Plan, and Calculation Method and Conditions for Theoretical Market Capitalization

### Rationale for determining period of compliance plan

- Our medium-term management plan (announced on December 23, 2021) calls for **net sales of ¥40.0 billion and ordinary profit of ¥10.0 billion** in FY2026.
- We look to achieve our compliance plan by **end-December 2026**, which is when we expect our share price to adequately reflect heightened prospects of our medium-term targets being achieved.

### Calculation method and conditions for theoretical market capitalization

- Our theoretical market capitalization is calculated based on a P/E multiple.
- We have simulated the following two P/E scenarios.

A. Low-end prospective P/E on business day following earnings forecast announcement date in the last five years\* ► **15.2x**

B. Median prospective P/E on business day following earnings forecast announcement date in the last five years\* ► **22.6x**

\* Closing share price on business day following the results announcement date (current-year earnings forecast announcement date) in the last five years ÷ current-year EPS forecast  
[Reference] **2023: 15.2x**, 2022: 15.3x, **2021: 22.6x**, 2020: 34.2x, 2019: 25.2x

- Earnings figures and other numerical assumptions are shown below.

	FY2024 forecast (announced on February 9, 2024)	FY2026 targets (announced on December 23, 2021)	Notes
Net sales	¥27,000 million	¥40,000 million	
Ordinary profit	¥1,600 million	¥10,000 million	
Effective tax rate	-	30.62%	Statutory effective tax rate in FY2022
Profit	¥800 million	¥6,938 million	Calculation for FY2026 (Ordinary profit x [1- effective tax rate])
Number of shares outstanding (excluding treasury shares)	11,413,268 shares	11,423,268 shares	As of end-FY2023
EPS	¥70.09	¥609.19	
Number of tradable shares	7,969,687 shares	7,969,687 shares	As of end-FY2023

\* Assumptions below ordinary income are calculated from ordinary income.

### 3. Calculation of Theoretical Share Price and Market Capitalization of Tradable Shares, and Identification of Issues ①

Theoretical share price and market capitalization of tradable shares after announcement of FY2023 results (February 9, 2024)

	EPS		P/E	=	Share price		Number of tradable shares	=	Market capitalization of tradable shares
<b>A</b>	¥70.09	×	15.2x	=	¥1,065	×	7,969,687 shares	=	¥8.5 billion
<b>B</b>	¥70.09	×	22.6x	=	¥1,770	×	7,969,687 shares	=	¥12.6 billion



**Reduce cost of capital through expanded IR activities,  
and raise market confidence in the achievement of our earnings forecasts**

### 3. Calculation of Theoretical Share Price and Market Capitalization of Tradable Shares, and Identification of Issues ②

Theoretical share price and market capitalization of tradable shares assuming FY2026 forecast coincides with medium-term targets

	EPS		P/E		Share price		Number of tradable shares		Market capitalization of tradable shares
<b>A</b>	¥609.19*	×	15.2x	=	¥9,260	×	7,969,687 shares	=	¥73.8 billion
<b>B</b>	¥609.19*	×	22.6x	=	¥13,768	×	7,969,687 shares	=	¥109.7 billion

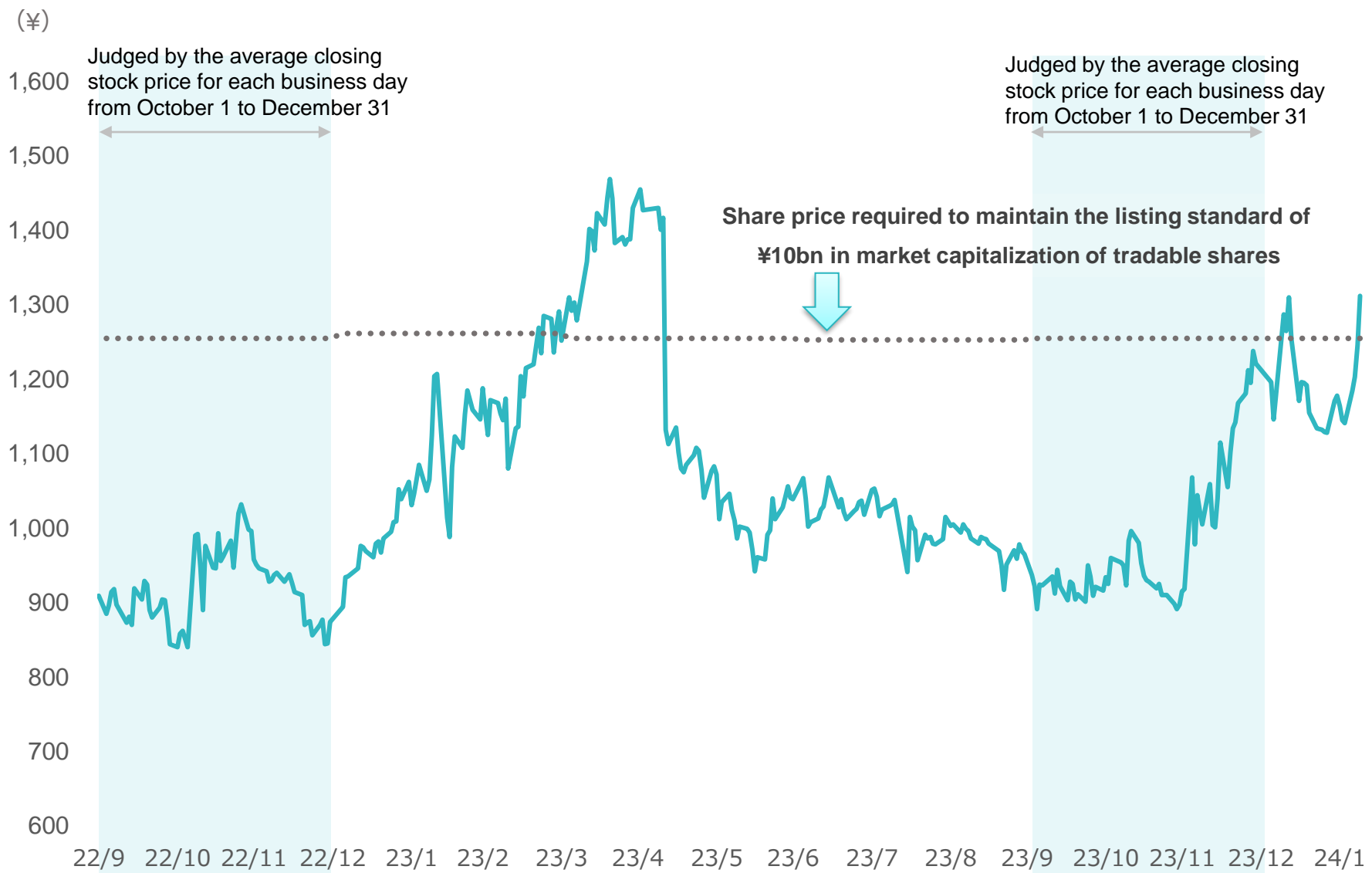
\* Figure announced in medium-term management plan and calculated as: (Ordinary profit of ¥10.0 billion x [1 - effective tax rate of 30.62%]) ÷ 11,388,804 outstanding shares (excluding treasury shares).

If the medium-term target for ordinary profit of ¥10.0 billion is achieved, conservative valuation scenario A (P/E of 15.2x) still produces the desired outcome

Compliant with criteria

Work to steadily achieve medium-term targets, and raise market confidence in such achievement by maintaining close communication with investors

### 3. Calculation of Theoretical Share Price and Market Capitalization of Tradable Shares, and Identification of Issues ③ (Historical Share Prices)





## 4. Progress and Future Measures Toward Compliance with the Criteria①

**Raise market confidence in achievement of earnings forecasts and medium-term targets and reduce cost of capital through initiatives such as promoting and strengthening IR activities, and increasing dissemination of information to investors**

取組	Progress
Expand disclosure of information through various materials	Simultaneous disclosure of financial results materials in English and Japanese, expansion of contents of financial results presentation materials, and disclosure of financial results presentation transcripts Posting of videos of financial results briefings on the website
Strengthen interaction with analysts and institutional investors	Proactively arrange meetings with institutional investors and analysts by adopting an investor database →Number of meetings in 2023: up 6.3% from the previous year; number of people participating in interim financial results briefings: up 25% from the FY2022 results briefing.
Expand channels that disseminate information to retail investors	Hold company information sessions for retail investors : 2 online meetings (Nov.Dec), 1 off-line (Dec) Started to deliver information for retail investors: X, IR note Magazine

**Evaluation of initiatives: All initiatives are progressing as initially planned.**

### Future measures

To increase confidence in the achievement of business forecasts and the medium-term management plan, and to make them more widely understood, we have strengthened the following

- Prepare more understandable financial results presentation materials reflecting feedback from shareholders and investors
- Continuous contact with investors is important, and we plan to do so on a regular basis, including sending summaries after the announcement of financial results
- It is also important to continuously disseminate information to retail investors. In addition to current efforts, incorporate new measures as needed, referring to case studies of other companies

## 4. Progress and Future Efforts Toward Compliance with the Criteria②



### Steadily work toward achievement of medium-term targets

取組	Progress
Make aggressive investments to support achievement of medium-term targets	Advertising investment in D2C, system investment for additional crypto assets at Mercury, advertising investment and functional investment in labol, and investment in CVC business
Regularly disclose progress toward medium-term targets	Progress disclosed in the financial results presentation taterial (disclosed on February 9, 2024) (Attached after page 10 of this document)

### Evaluation of initiatives:

Although the company announced a downward revision to its full-year results on November 8, 2023 due to the impact of cost accounting being postponed to this fiscal year at Moppy and there were one-time cost increasing factors, it is on track to achieve its medium-term management plan as the above initiatives are progressing according to plan.

### Future measures

- Efforts to achieve the Medium-Term Management Plan are described on page 10 and beyond.
- Continuously communicate messages on the progress of the medium-term management plan at financial results briefings, retail investor briefings, and other events.



# Medium-Term Management Plan 2026

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Progress






Mobile Service Business Growth Strategy

Financial Service Business Growth Strategy





We generate cash steadily in our mainstay Moppy business, and invest actively in growth areas.

We achieve a sustainable business portfolio by combining businesses of varying growth models.

## Mobile Service Business

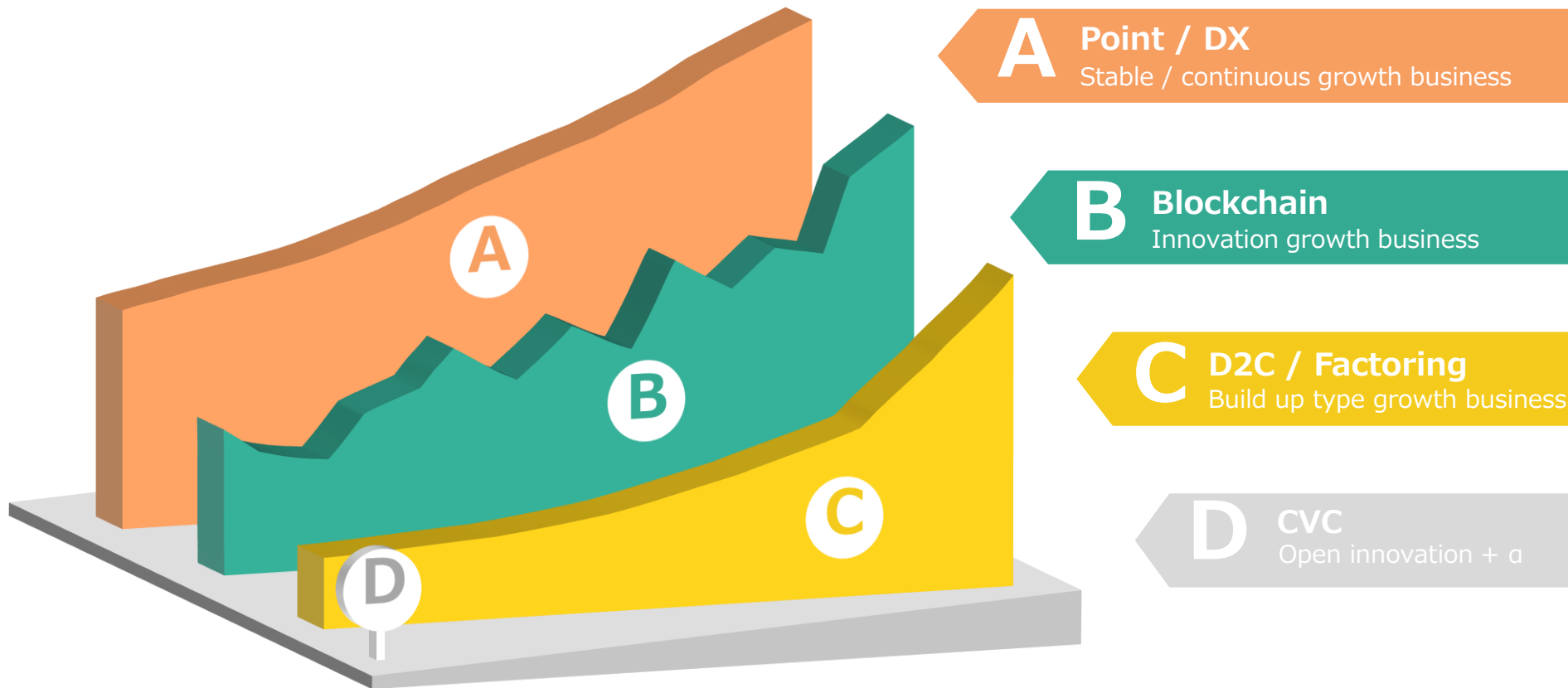
Point		
D2C		
DX		

## Financial Service Business

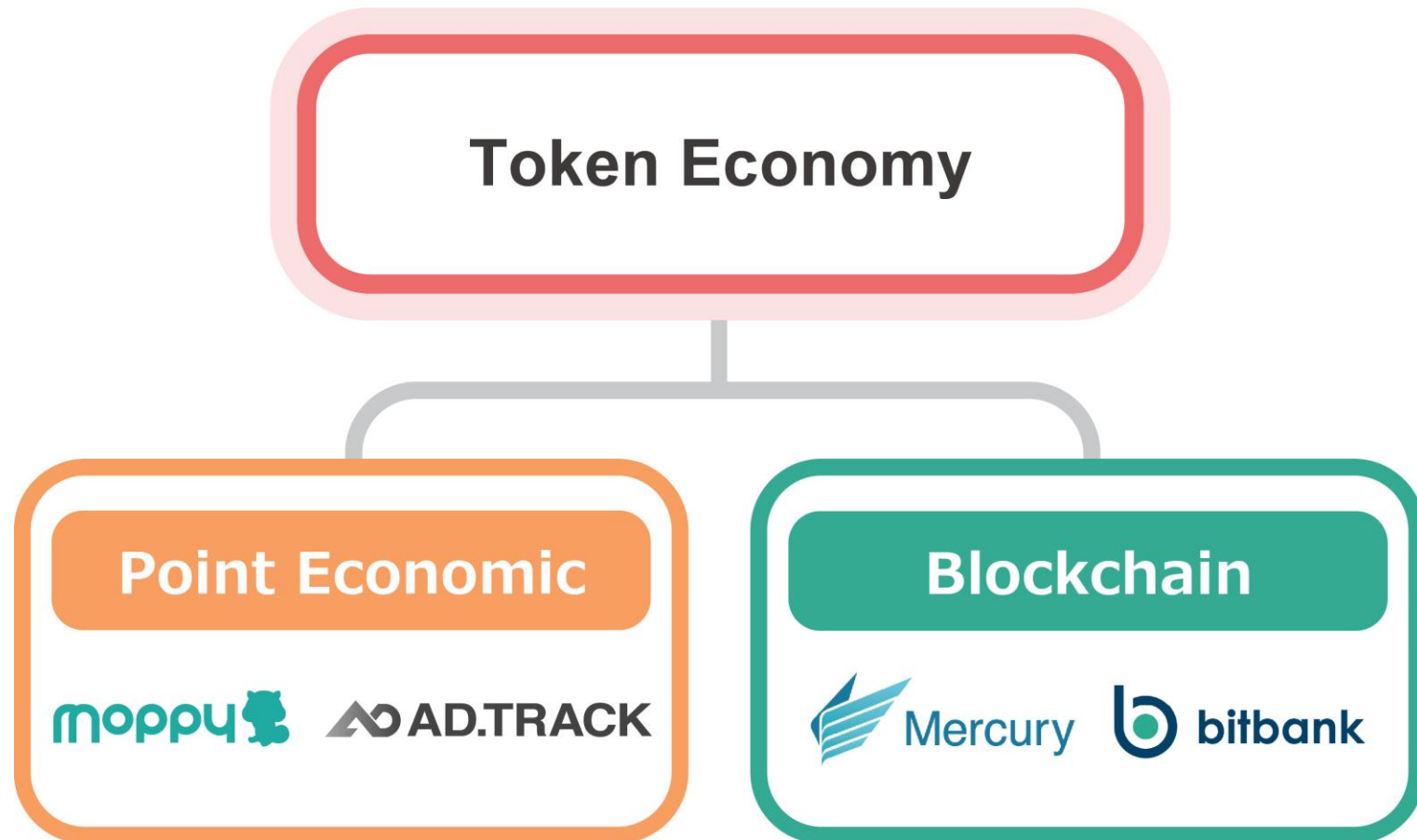
Blockchain		
Online Factoring		
CVC (corporate venture capital)	Investment development business	

We will pursue medium-term growth leveraging three business portfolios that feature varying growth models.

We plan to achieve stable growth with Point and DX while aiming for dynamic and rapid growth with Blockchain and D2C.

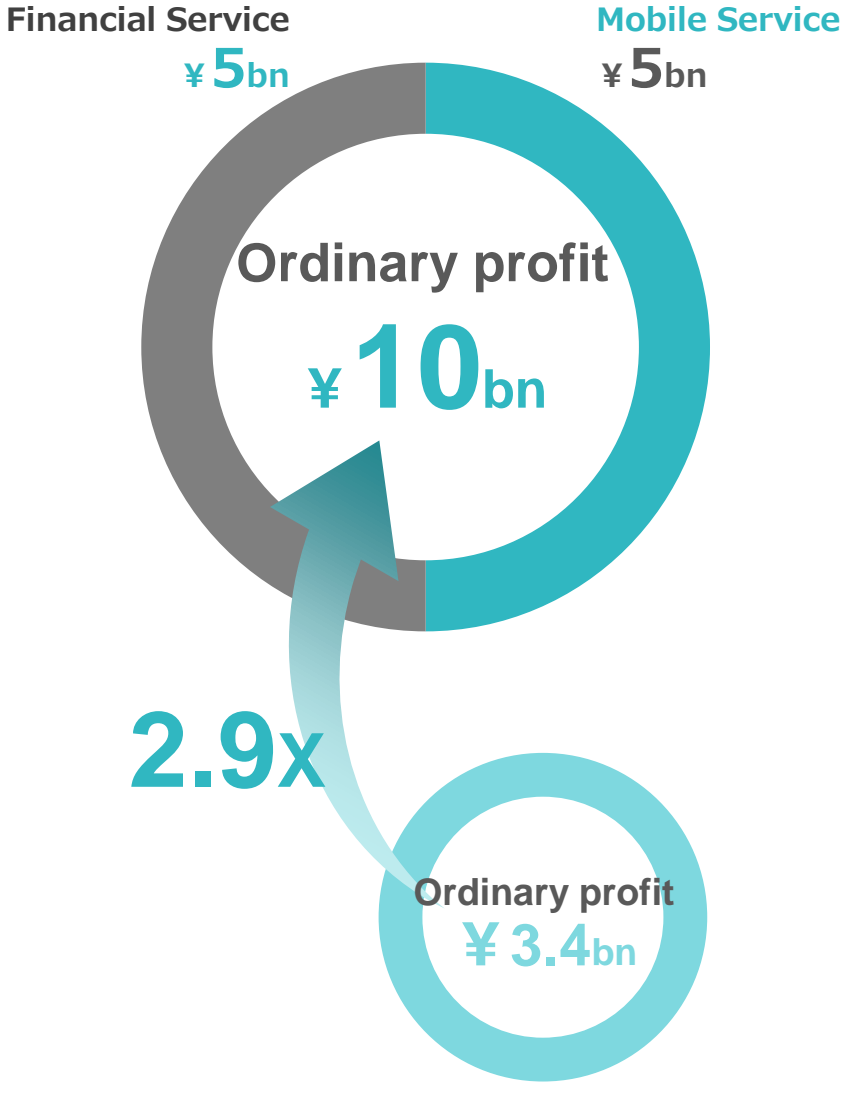
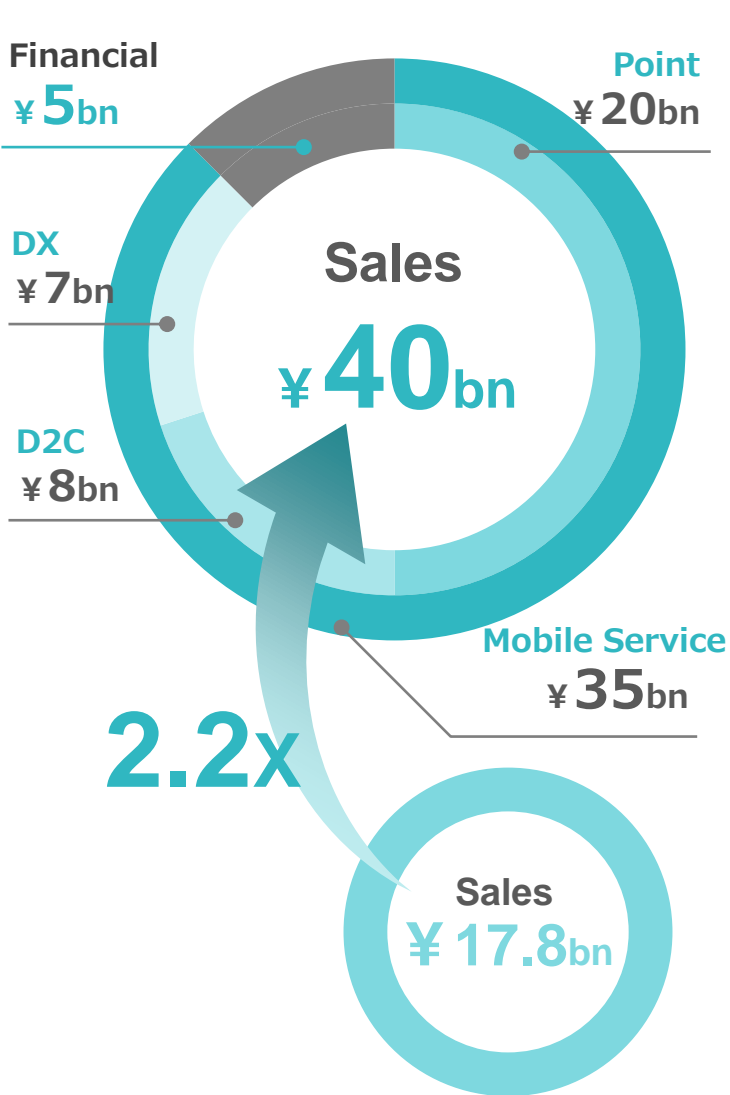


We aim to build a token economy platform consisting of a points economy and a blockchain to stimulate social and economic activities.



\* The word "token" is used to refer to crypto assets in the crypto asset industry.

# Sales and Profit Composition of the Medium-Term Management Plan 2026





# Medium-Term Management Plan 2026

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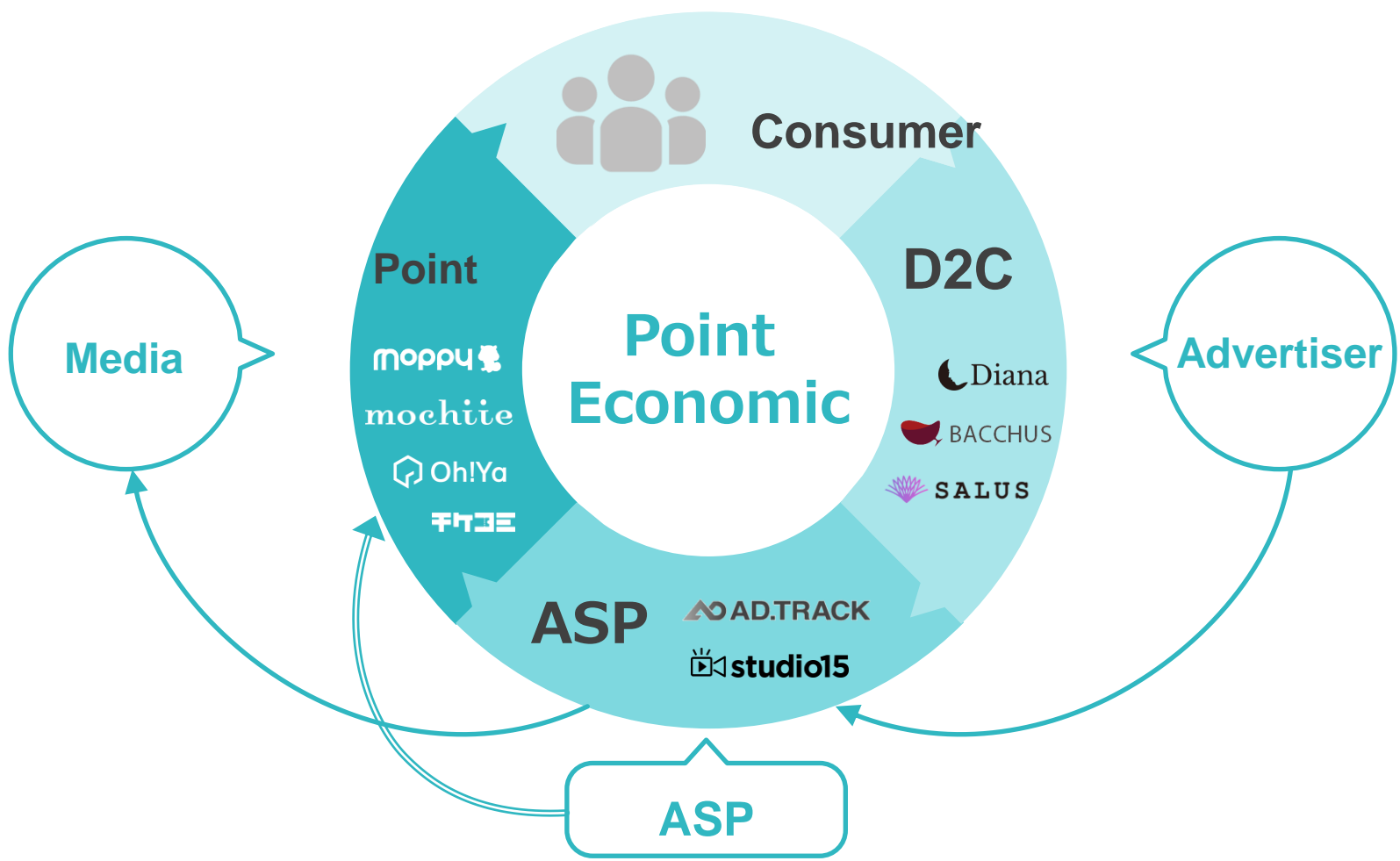
Progress

Mobile Service Business Growth Strategy

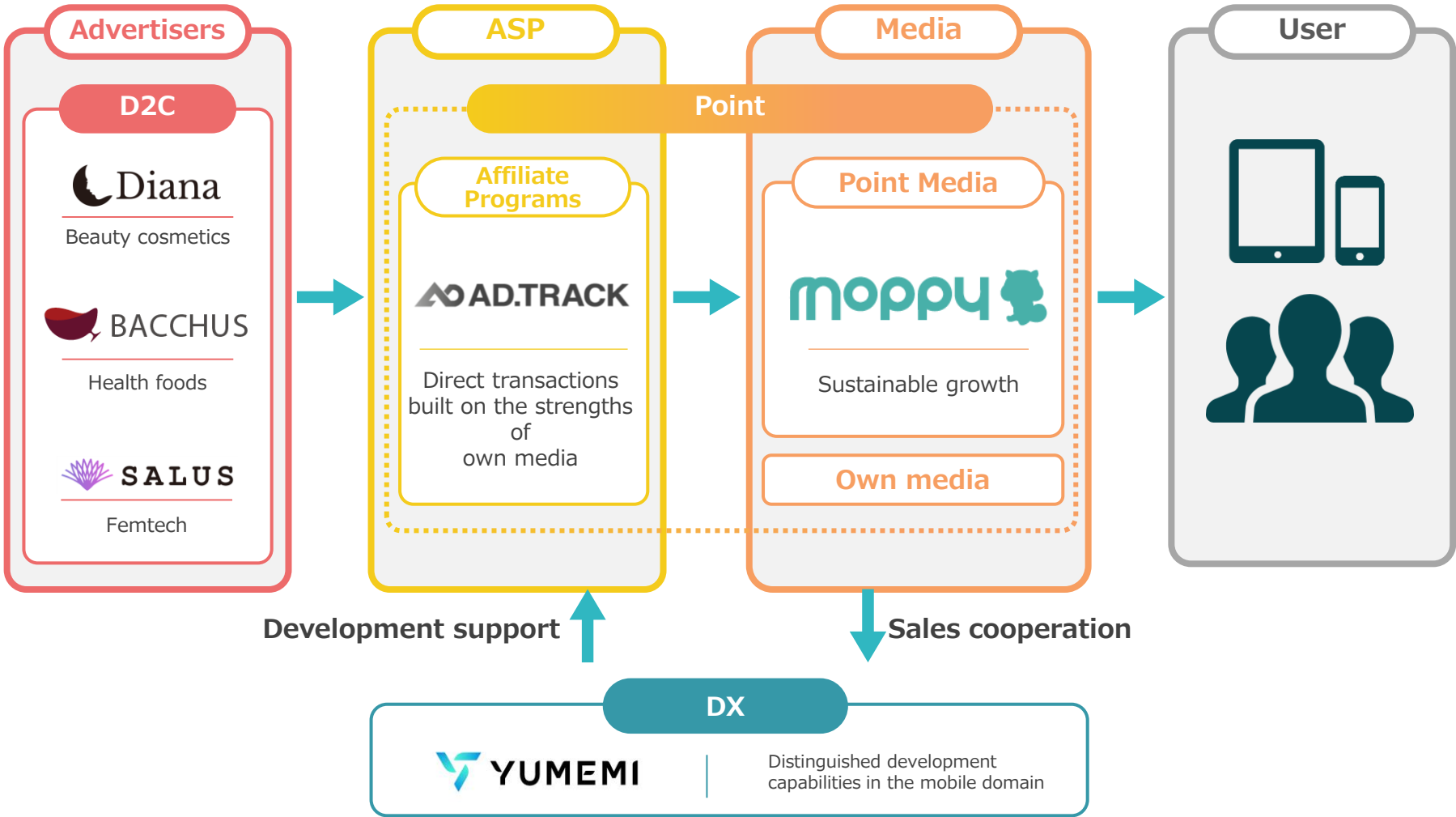
Financial Service Business Growth Strategy



Establishing a points economy consisting of Moppy, an ASP and D2C. Open platform involving advertisers, an ASP and media.



Create synergies through mutual collaboration between Moppy, AD.TRACK and D2C.



# Progress of Medium-Term Management Plan 2026 (Point)

Progress to 2023

Point Sales



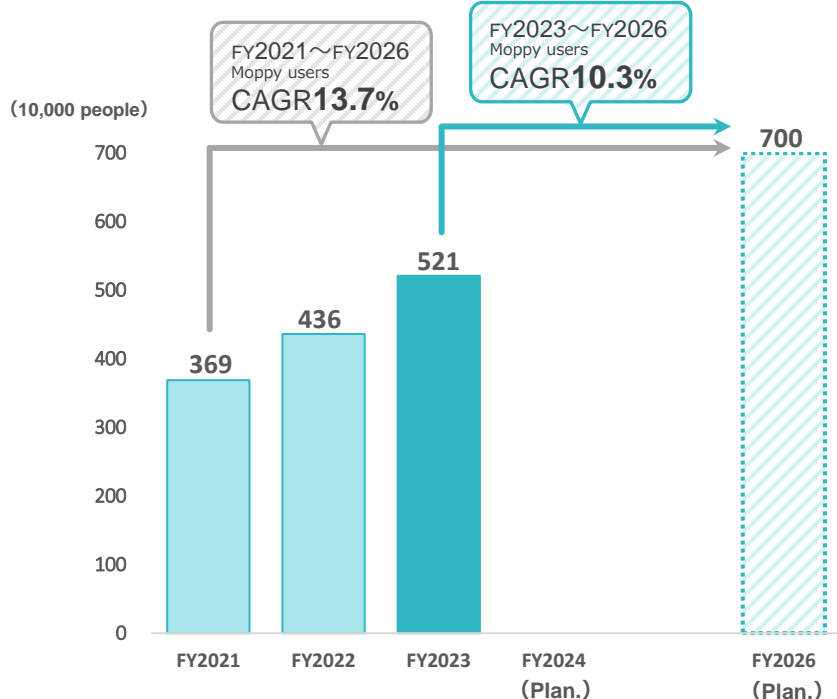
Moppy ⇒ Both sales and membership exceeded the plan.



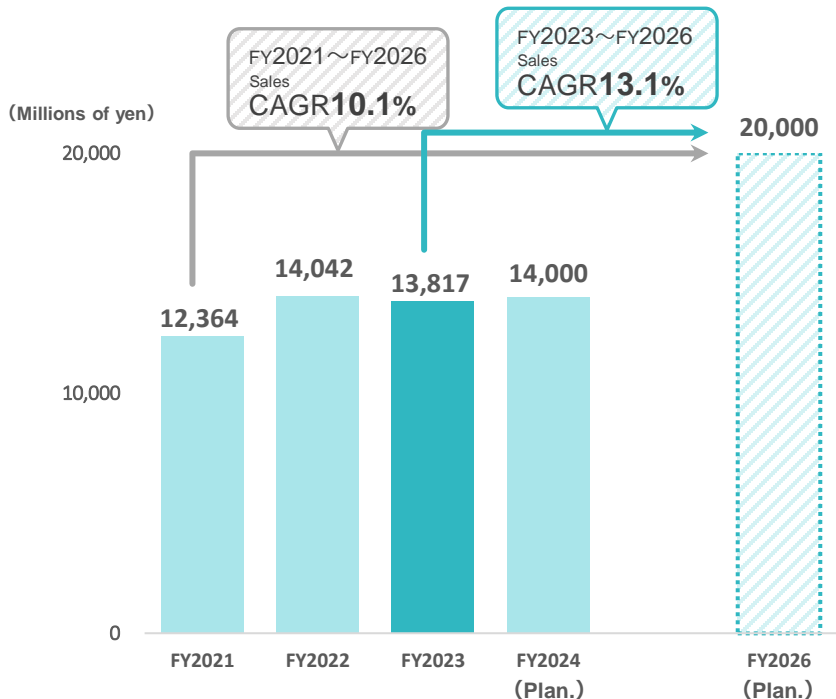
ASP & advertorial media ⇒ Weak advertising impacted.

Change in sales and marketing structure for Moppy, ASP and advertorial media  
 Aggressive acquisition of new customers, targeting sales of ¥20 billion

Moppy users



Point Sales



The Moopy App now includes a fintech feature called "Moopy Pay".  
 Creating touch points with the Moopy App both in real life and online.



# Progress of Medium-Term Management Plan 2026 (D2C)



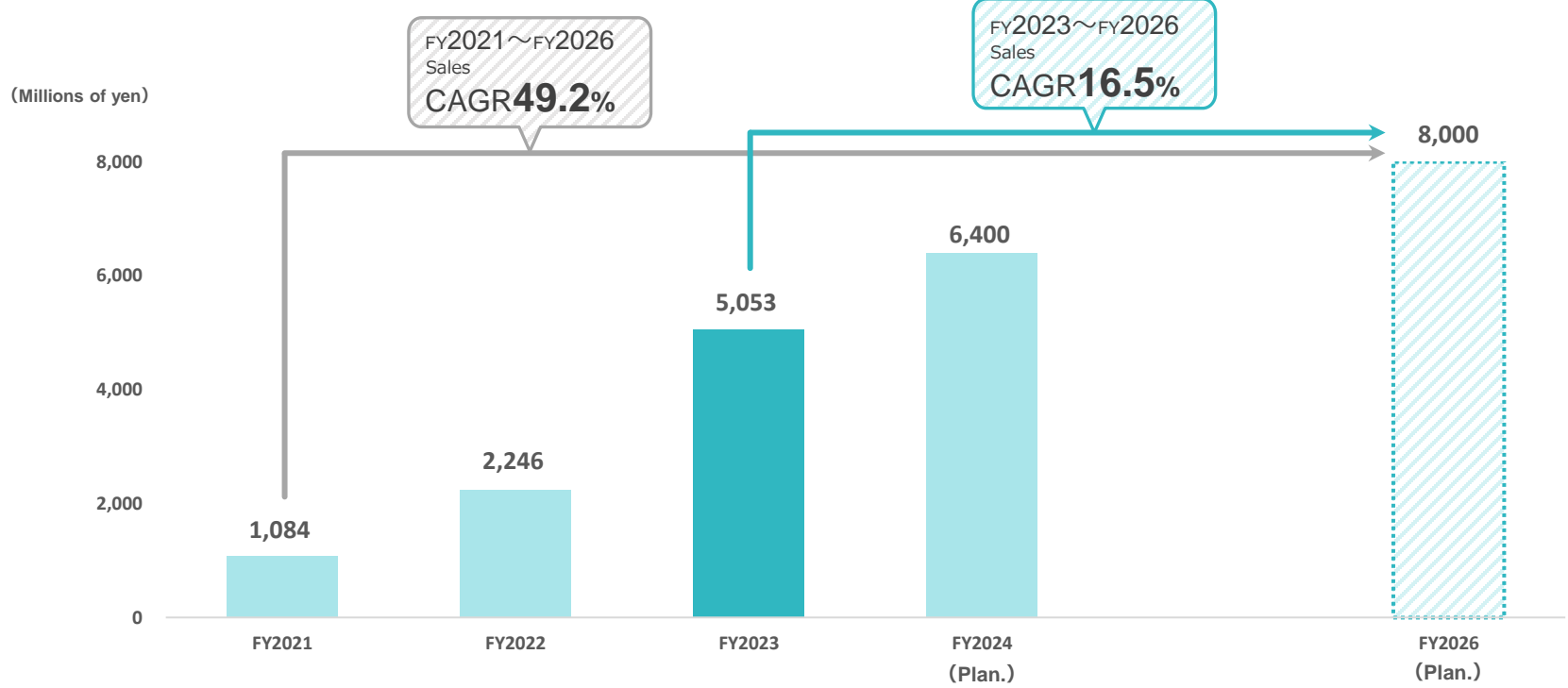
Progress to 2023  
D2C Sales



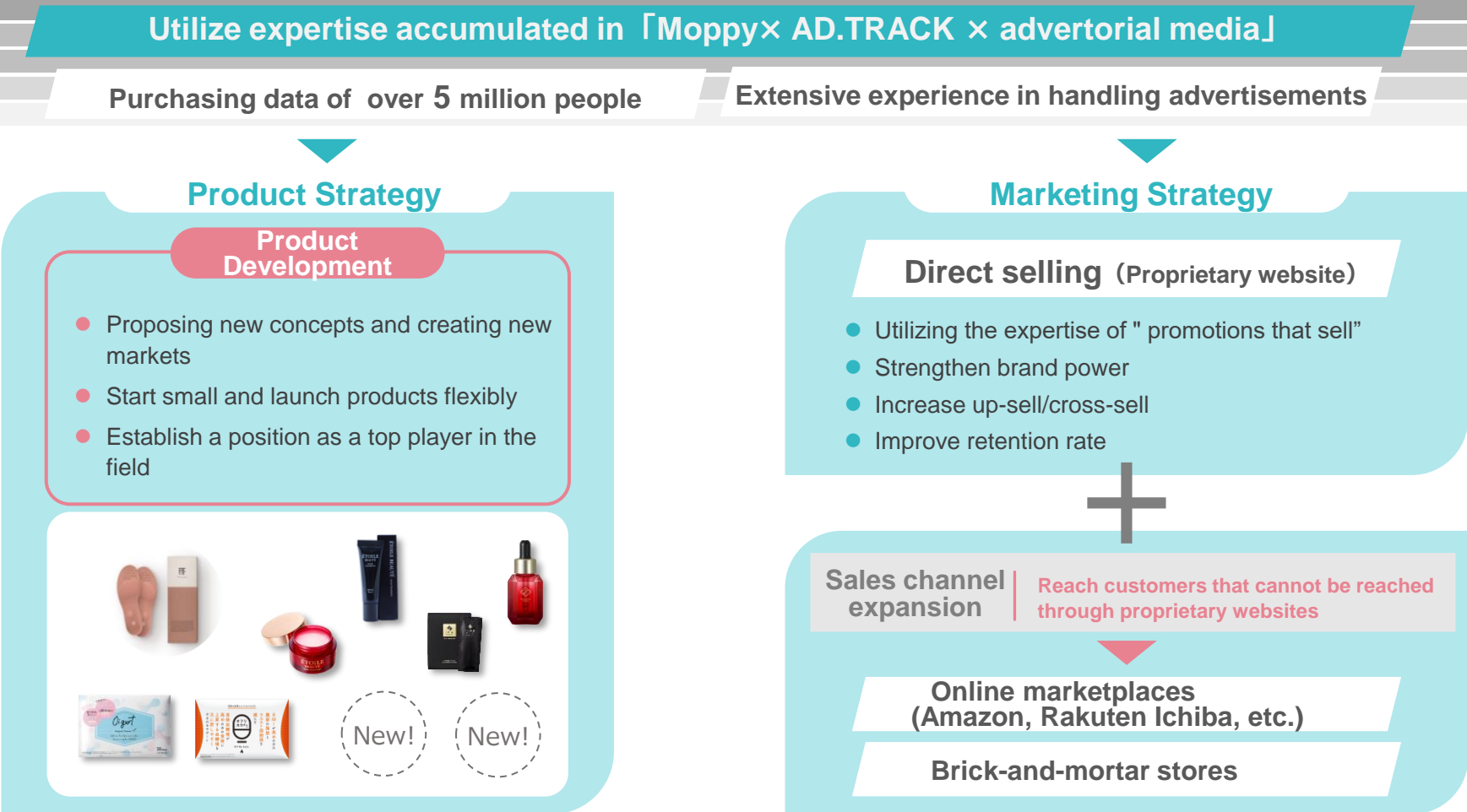
Cleared high hurdle sales targets.  
Business is on a growth path and is  
on track to exceed the plan.

By utilizing accumulated expertise in promotions, flexibly launching products  
and strengthening brand power, targeting sales of over ¥8 billion

## D2C Sales



Developing products that uncover latent needs and open up new markets. Establish brand value through agile new product introductions and longer product life cycles.





## Progress to 2023

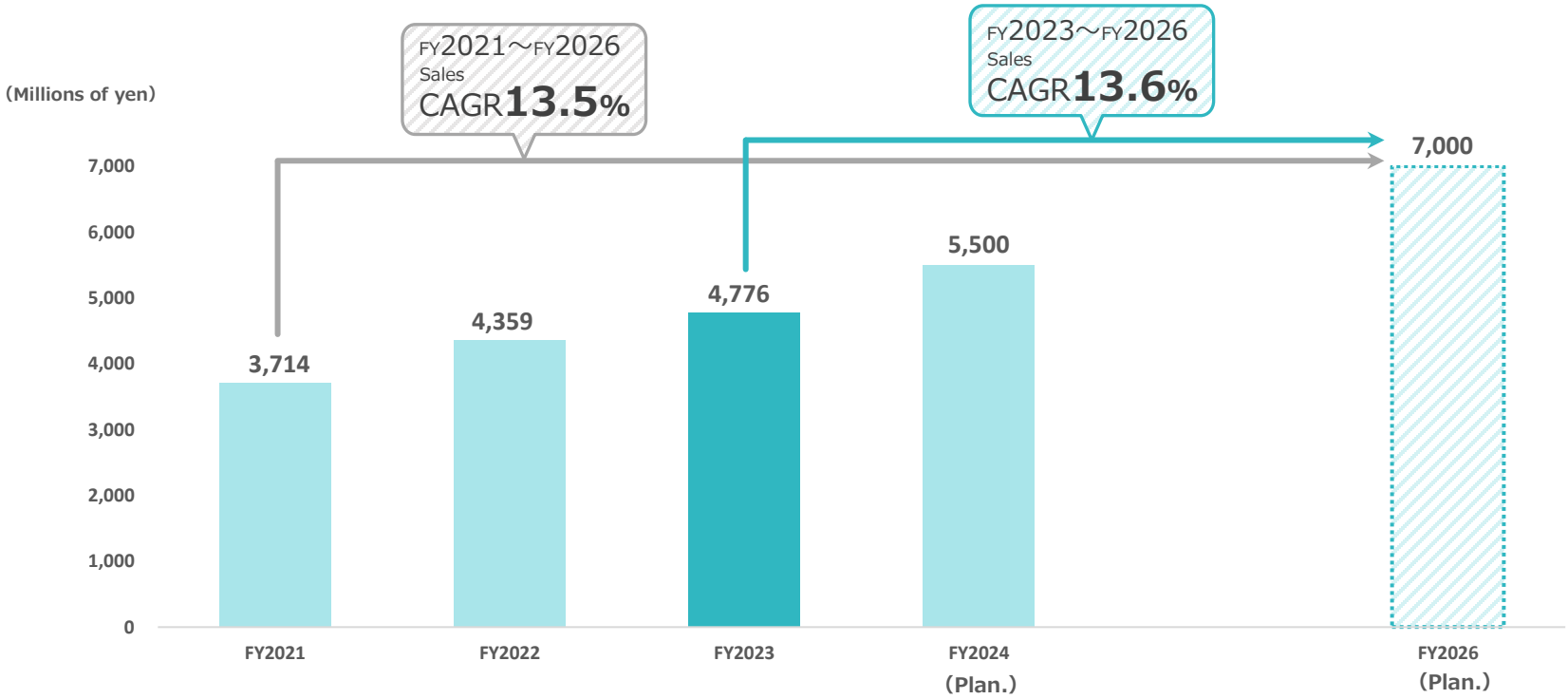
### DX Sales



Overall sales progressed as planned.  
Progress in building a framework through proactive recruitment of engineers was in line with expectations.

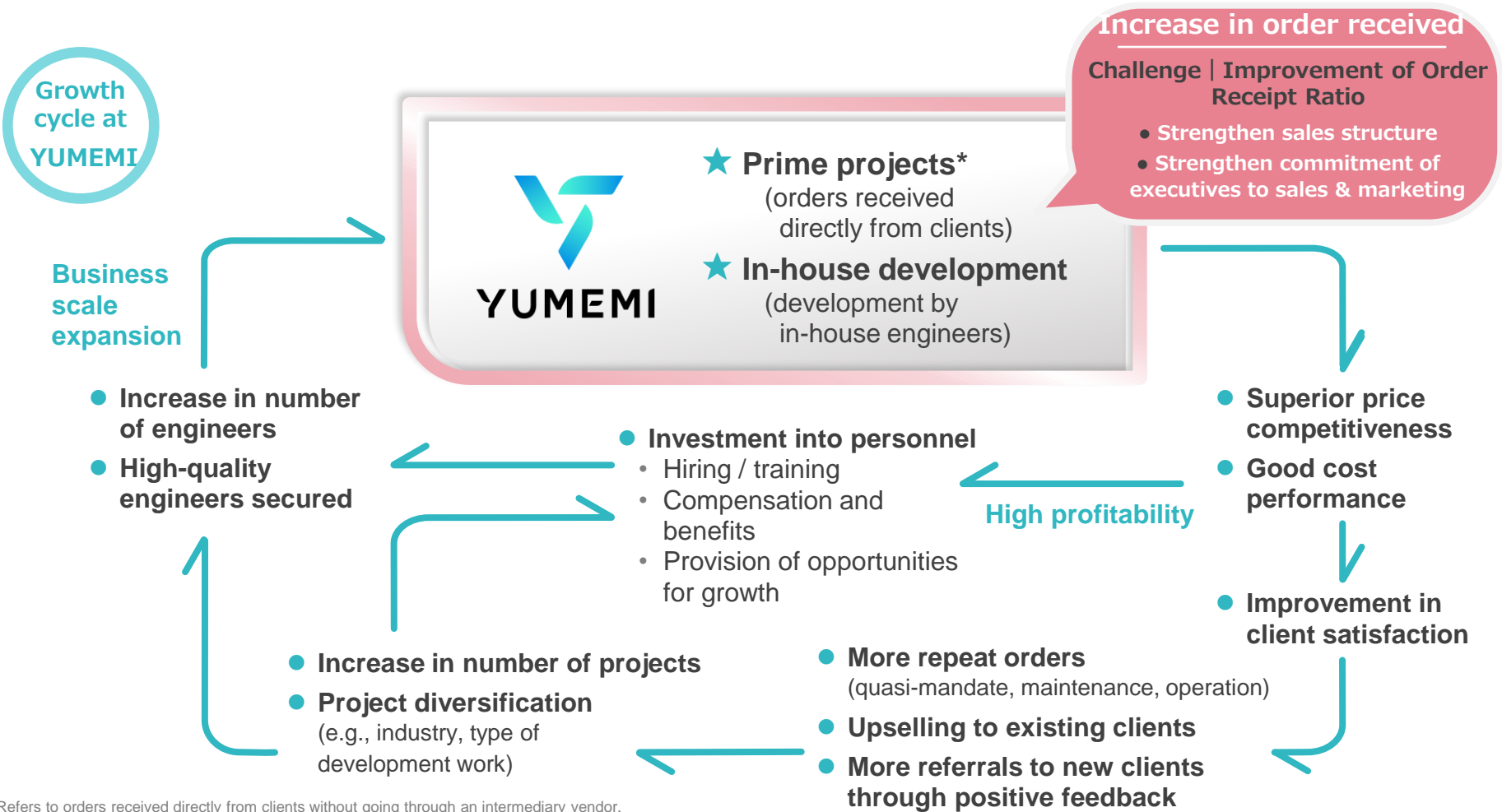
Continue to strengthen the engineering structure and increase orders, as well as strengthen the sales structure, targeting sales of **¥7 billion**

### DX Sales



Strengthen the sales structure and take an aggressive approach to further increase orders.

Accelerate the business growth cycle of increased customer satisfaction, more projects, and more engineers.



\* Refers to orders received directly from clients without going through an intermediary vendor.



# Medium-Term Management Plan 2026

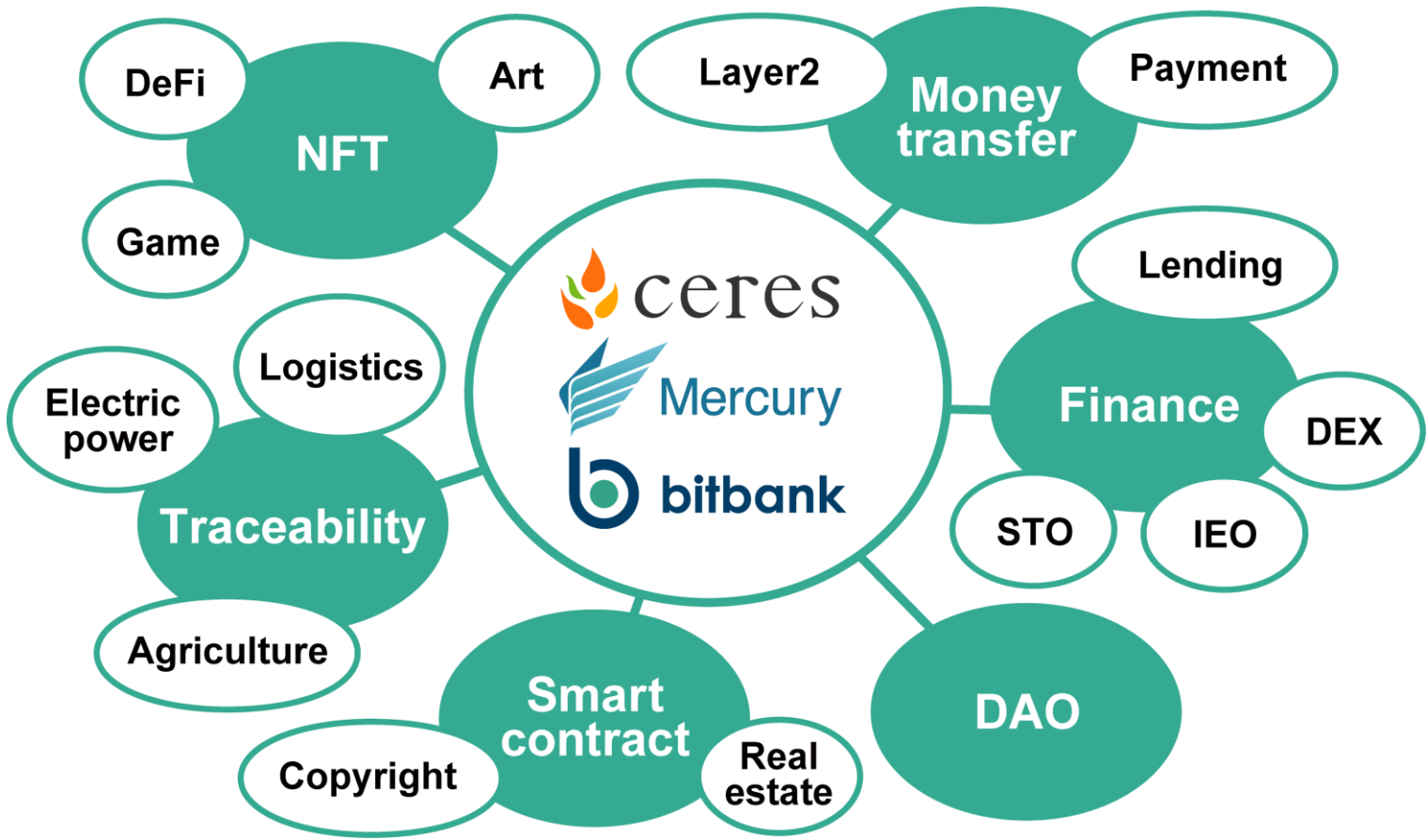
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Progress

Mobile Service Business Growth Strategy

Financial Service Business Growth Strategy

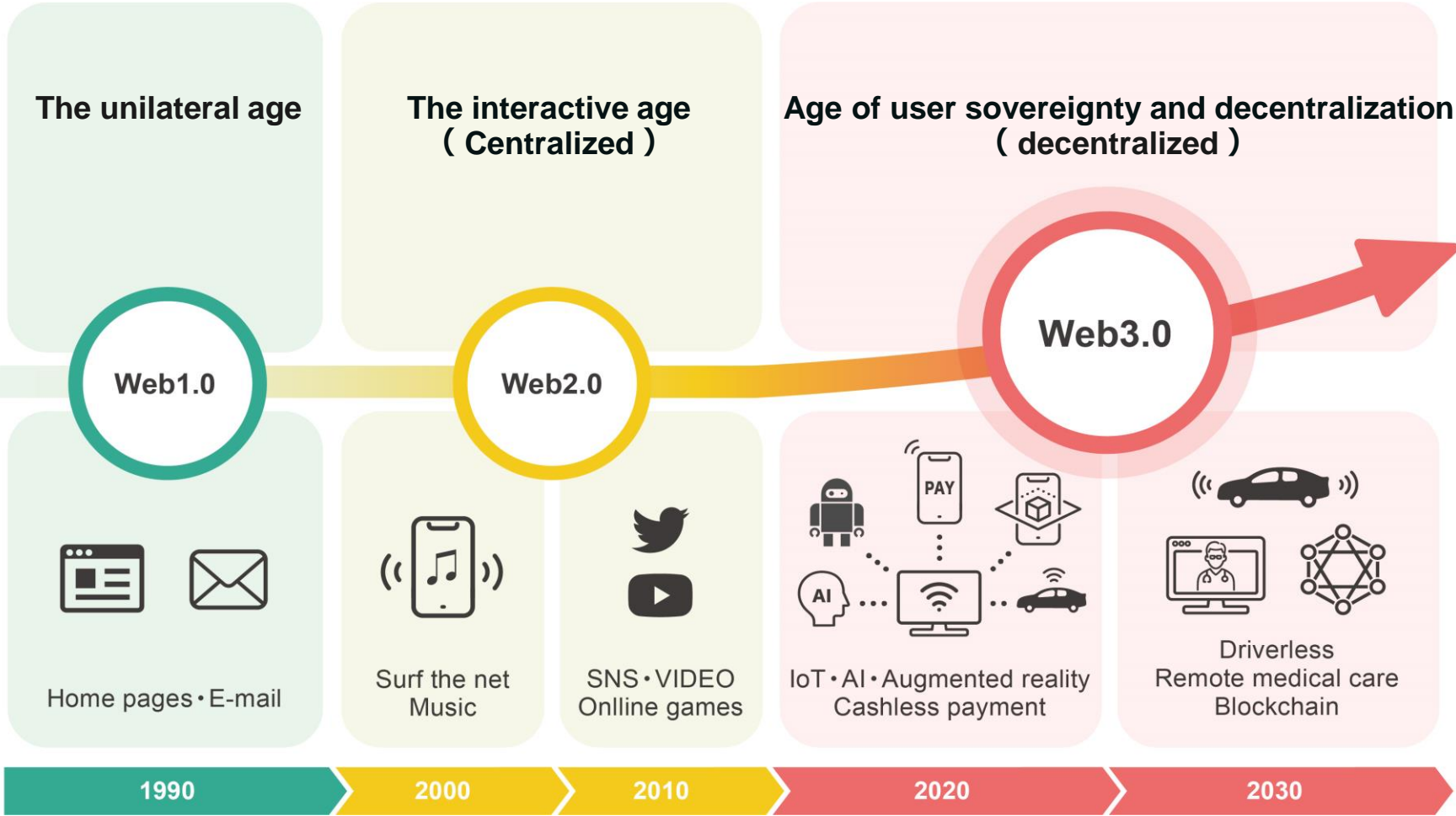
Anticipating a deeper penetration of blockchain technology with the arrival of Web 3.0, we aim to become No. 1 in the blockchain field, leveraging the Group's strengths.



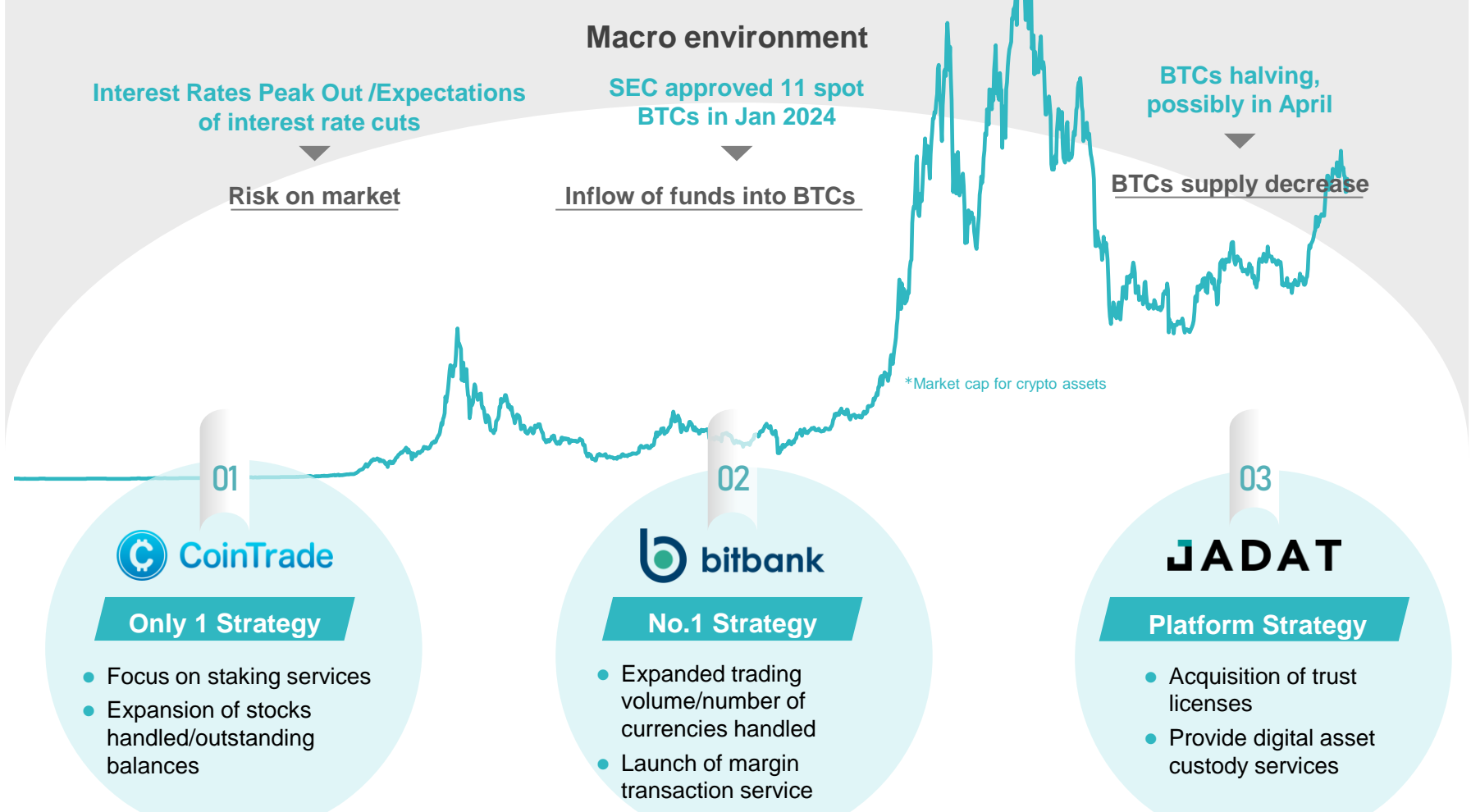
# Changes from Web 1.0 to Web 3.0

With the evolution of the Internet, Web 3.0, which is characterized by decentralization, has arrived.

We expect a deeper penetration and expansion of blockchain technology, which is indispensable to a decentralized society.

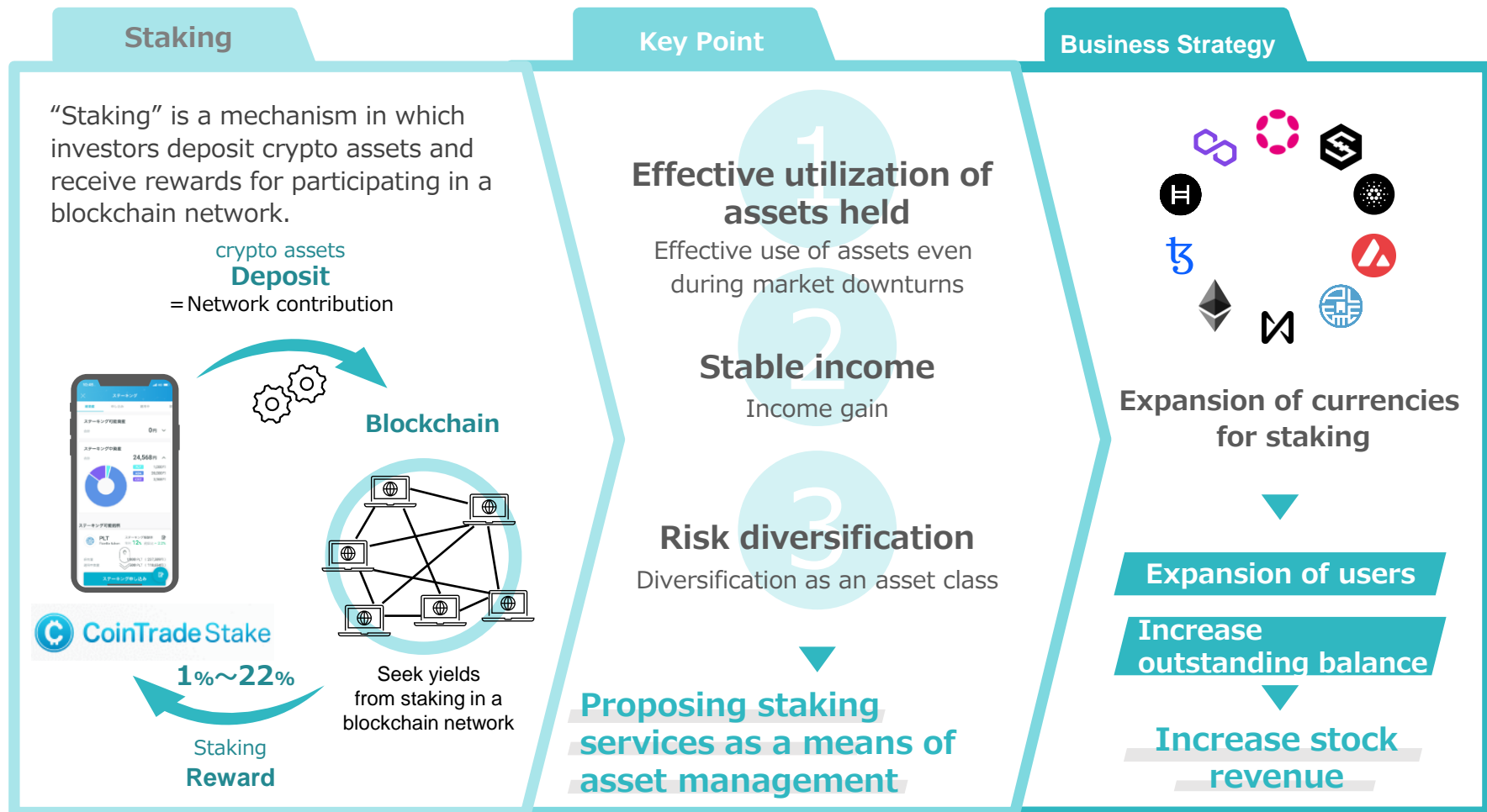


The crypto asset market is expected to be driven by the macro environment. In response to the booming market, Group companies are moving from the preparation phase to the growth phase.



Propose crypto assets as one of the asset management methods through staking services.

Establish a position as a staking firm by expanding the number of currencies stocks handled and the number of users.



## Top-ranking crypto asset trading volume in Japan



No. 1 in domestic trading volume of altcoins  
 High-grade security backed by in-house developed wallet

## Japan Digital Asset Trust Preparatory Company, inc. (JADAT) established



A preparatory company for asset management services for digital assets\* jointly established by the two companies by combining their strengths

\* crypto assets and other public blockchains, security tokens, stable coins, NFTs, etc.

- Plan to launch margin trading service for crypto assets

- Continue to expand asset lineup in stages  
 ⇒ Aim to become No. 1 in Japan by number of crypto assets handled

- Acquire trust business license

- Handle crypto assets, stablecoins, NFTs, etc.

✓ Increase user count

✓ Activate transactions

✓ Expand revenue

✓ Capture institutional investors Demand for trading and custody of crypto assets

✓ Capture business demand NFT custody demand from game companies, etc

✓ Stable recurring revenue Commissions from assets in custody

### Aim to be “No. 1 in the Crypto Asset Exchange”



## Crypto asset exchange with strength in staking

- 14 crypto currencies
- 10 currencies for staking

## No. 1 crypto asset management firm in Japan

- Number of accounts: 0.25mn
- Staking balance: ¥1.0bn

Equity-method affiliate companies (23.6%)



## One of the top crypto asset exchanges in the country

- 37 crypto currencies
- Annual transactions of ¥1.5trillion

## No. 1 crypto asset exchange in Japan

- Total transactions of FY2024-FY2026: ¥45trillion
- Expansion of custody services

FY2026 Ordinary profit

¥5.0bn



## Financial services platform for freelancers

- Annual transaction: ¥240.0bn+
- Plan to go public

## Funding support services for freelancers

- Online factoring service 「Iabol」
- Card Payment Service 「Iabol card payment」

CVC

## Apollo Capital Fund for Web3

- FY2024-FY2026年 amount for EXIT: over ¥5.0bn

## CVC (Corporate Venture Capital)

- Investee: 40 companies
- accumulated EXIT amount: ¥3.5bn



### Notes regarding forward-looking statements

- The materials and information provided in this presentation contain forward-looking statements that are based on current forecasts, estimates, and assumptions that are subject to risk, and also include uncertainties that could cause actual results to differ materially from the statements in this presentation.
- These risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations.
- Please note that the Company is under no obligation to update or revise the forward-looking statements contained in this presentation, even if new information or events emerge in the future.