

Translation

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Consolidated Financial Results for the Three Months of the Fiscal Year Ending December 31, 2026 (Under Japanese GAAP)

April 30, 2026

Company name: CERES INC.
Stock exchange listings: Tokyo Stock Exchange
Stock code: 3696
URL: <https://ceres-inc.jp/>
Representative: Satoshi Takagi, President and Representative Director
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Scheduled date for dividend payment: None
Supplementary materials for financial summaries: Yes
Financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to March 31, 2026)

(1) Consolidated operating results (Cumulative)

(Percentage indicate YoY changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended										
March 31, 2026	9,521	23.9	1,762	265.3	1,731	101.2	1,561	342.8	993	-
March 31, 2025	7,686	14.4	482	(61.6)	860	20.7	352	(69.1)	(57)	-

(Note) Comprehensive income For the three months ended March 31, 2026: 800 million yen (-%)

For the three months ended March 31, 2025: (4) million yen (-%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	86.07	-
March 31, 2025	(4.97)	-

(Note) 1. Diluted earnings per share is not presented as there are no potential shares outstanding.

2. EBITDA = Profit before income taxes + Interest expenses + Depreciation + Goodwill amortization (including the amount equivalent to goodwill amortization included in equity in earnings of affiliates) + Impairment loss

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
March 31, 2026	39,773	13,852	33.2
December 31, 2025	37,504	13,964	35.5

(Reference) Owner's equity As of the first quarter of the fiscal year ending December 2026: 13,209 million yen As of the fiscal year ended December 2025: 13,299 million yen

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	80.00	80.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		0.00	-	60.00	60.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

Details of dividend per share for the fiscal year ending December 2025 Ordinary dividend 60.00 yen Extra dividend 20.00 yen

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to December 31, 2026)

(Percentages indicate YoY changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending December 31, 2026	35,700	20.4	3,450	(36.0)	2,800	20.0	2,800	33.0	1,600	(35.9)	138.66

(Note) 1. Revision to the most recently announced earnings forecast: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of specific accounting for the consolidated quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, restatement of prior period financial statements
 - (i) Changes in accounting policies due to revisions of accounting standards : None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatement of prior period financial statements : None
- (4) Number of shares issued (common stock)

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

As of March 31, 2026	12,116,500 shares
As of December 31, 2025	12,116,500 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	579,104 shares
As of December 31, 2025	577,504 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	11,538,445 shares
Three months ended March 31, 2025	11,510,409 shares

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: No

* Notes regarding the appropriate use of forecasts and other special items

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For the conditions underlying the forecasts and notes on the use of forecasts, please refer to the attached materials on P.3, "1. Overview of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Forecasts."

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the quarter

During the three months ended March 31, 2026, the Japanese economy continued to show a moderate recovery trend, supported by improvements in income and employment conditions and a recovery in capital investment. On the other hand, the outlook remains uncertain due to prolonged geopolitical risks, fluctuations in resource and energy prices, and the impact of U.S. policy trends on the global economy.

In this environment, for the three months ended March 31, 2026, in terms of sales, the mobile services business continued to perform well, with our group-operated point site, Moppy, maintaining strong momentum due to an increase in membership and other factors. In addition, Point Income, which was acquired in the previous fiscal year, recorded increased revenue through the horizontal deployment of Moppy's operational know-how. On the other hand, the D2C business, which handles cosmetics, healthcare products, and other products, saw a decrease in sales due to sluggish performance of its core products. In the financial services business, although our consolidated subsidiary Mercury, which operates blockchain-related businesses, recorded a valuation loss on crypto assets held by the Company due to a decline in crypto asset prices, consolidated subsidiary Labol, which provides online factoring services, achieved increased revenue thanks to steady growth.

In terms of profit, although there was a decrease in profit in the D2C business, the mobile services business recorded a significant increase in profit due to the expansion of gross profit in Moppy and improved profit margins resulting from the promotion of collaboration between Point Income and AD.TRACK. In the financial services business, although the consolidated subsidiary Mercury recorded a valuation loss on crypto assets held by the Company due to a decline in crypto asset prices, consolidated subsidiary labol, which provides online factoring services, achieved increased revenue on the back of steady growth.

As a result, for the three months ended March 31, 2026, net sales were 9,521 million yen (up 23.9% YoY), operating profit was 1,731 million yen (up 101.2% YoY), ordinary profit was 1,561 million yen (up 342.8% YoY), and profit attributable to owners of parent was 993 million yen (compared to a loss of 57 million yen attributable to owners of parent in the same period of the previous year).

In addition, EBITDA, which is an important management indicator for our group, was 1,762 million yen (an increase of 265.3% YoY). Our group's EBITDA is calculated as Profit before income taxes + Interest expenses + Depreciation + Amortization of goodwill (including the amount equivalent to amortization of goodwill included in equity in earnings of affiliates) + Impairment loss.

The performance of each segment is as follows.

Mobile Services Business

The Mobile Service Business consists of "Points," which includes Moppy, one of Japan's largest point sites, and the company's own affiliate program AD.TRACK, as well as "D2C," which plans, manufactures, and sells cosmetics, health foods, and other products.

With regard to "Points," we continued to make ongoing improvements to our website and app, and implemented various campaigns and other initiatives. In addition, by strengthening collaboration with AD.TRACK, we improved our profit margin, resulting in both increased revenue and profit. Furthermore, we carried out large-scale awareness initiatives for Moppy, which accelerated the pace of membership growth. As of the end of the first quarter of the consolidated fiscal period, the number of members reached 6.75 million (up 14.4% year on year), and the cumulative number of app downloads reached 7.19 million (up 21.6% year on year). In addition, by acquiring the "Point Income" point site business in the previous consolidated fiscal year, we are further expanding our market share in the domestic point media market.

In the D2C segment, both revenue and profit decreased due to sluggish sales of our main merchandise, the functional insole 'Pitsole'. As a result, net sales of the Mobile Service Business for the three months ended March 31, 2026 were 8,882 million yen (up 18.1% YoY), and segment profit was 2,320 million yen (up 50.7% YoY).

Financial Services Business

The Financial Services segment engages in blockchain-related businesses, online factoring services, and investment development businesses aimed at generating investment returns.

In the blockchain-related business, although a valuation loss on crypto assets held by the Company was recorded due to the decline in crypto asset prices, the amount of loss has decreased. In addition, in the online factoring service, there was a significant increase in revenue as the AI factoring service for freelancers, "labol," and the card payment service, "labol Card Payment," expanded their new user base against the backdrop of strong funding demand from freelancers.

As a result, net sales of the Financial Services segment for the three months ended March 31, 2026 were 647 million yen (up 297.3% YoY), and segment loss was 209 million yen (compared to a segment loss of 357 million yen in the same period of the previous year).

(2) Overview of financial positions for the quarter

(Assets)

At the end of the first quarter of the consolidated fiscal period, total assets increased by 2,269 million yen compared to the end of the previous consolidated fiscal year, reaching 39,773 million yen. This was mainly due to an increase of 874 million yen in cash and deposits, and an increase of 1,869 million yen in notes and accounts receivable - trade, and contract assets.

(Liabilities)

At the end of the first quarter of the consolidated fiscal period, total liabilities increased by 2,381 million yen compared to the end of the previous consolidated fiscal year, reaching 25,921 million yen. This was mainly due to an increase in short-term borrowings by 2,327 million yen, among other factors.

(Net assets)

At the end of the first quarter of the consolidated fiscal period, net assets decreased by 111 million yen compared to the end of the previous consolidated fiscal year, amounting to 13,852 million yen. This was mainly due to a decrease of 159 million yen in valuation difference on available-for-sale securities, an increase of 993 million yen in retained earnings as a result of recording profit attributable to owners of parent, and a decrease of 923 million yen due to dividend payments.

(3) Explanation regarding consolidated forecasts and other forward-looking information

There are no changes to the consolidated forecasts for the fiscal year ending December 2026 from those announced in the "Summary of Financial Results for the Fiscal Year Ended December 2025 [Japanese GAAP] (Consolidated)" released on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Main Notes
(1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2025)	For the three months ended (March 31, 2026)
Assets		
Current assets		
Cash and deposits	13,077,866	13,952,564
Notes and accounts receivable - trade, and contract assets	3,829,853	5,699,521
Operational investment securities	2,610,436	2,426,963
Merchandise and finished goods	1,627,335	1,565,785
Raw materials and supplies	59,012	50,212
Other	4,905,279	4,749,716
Allowance for doubtful accounts	(332,174)	(431,949)
Total current assets	25,777,609	28,012,813
Non-current assets		
Property, plant and equipment	764,767	784,732
Intangible assets		
Goodwill	2,198,239	2,127,300
Other	813,471	819,958
Total intangible assets	3,011,711	2,947,259
Investments and other assets		
Shares of subsidiaries and associates	3,919,478	3,773,514
Other	4,158,363	4,480,507
Allowance for doubtful accounts	(127,815)	(225,214)
Total investments and other assets	7,950,026	8,028,808
Total non-current assets	11,726,505	11,760,799
Total assets	37,504,114	39,773,613
Liabilities		
Current liabilities		
Accounts payable - trade	1,042,755	1,453,368
Short-term borrowings	4,738,000	7,065,000
Current portion of long-term borrowings	1,929,747	2,057,815
Income taxes payable	1,932,408	828,014
Provision for point liabilities	6,996,341	7,733,407
Provision for bonuses	-	21,032
Provision for bonuses for directors (and other officers)	100,000	-
Provision for shareholder benefit program	53,238	53,238
Other	3,625,704	3,385,498
Total current liabilities	20,418,195	22,597,374
Non-current liabilities		
Long-term borrowings	2,748,335	2,928,887
Asset retirement obligations	308,939	309,625
Other	64,584	85,423
Total non-current liabilities	3,121,859	3,323,936
Total liabilities	23,540,054	25,921,311

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2025)	For the three months ended (March 31, 2026)
Net assets		
Shareholders' equity		
Share capital	2,158,892	2,158,892
Capital surplus	3,441,791	3,441,791
Retained earnings	7,778,801	7,848,783
Treasury shares	(307,958)	(307,958)
Total shareholders' equity	13,071,527	13,141,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	227,907	68,299
Total accumulated other comprehensive income	227,907	68,299
Non-controlling interests	664,625	642,493
Total net assets	13,964,060	13,852,302
Total liabilities and net assets	37,504,114	39,773,613

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

(Unit: Thousands of yen)

	For the three months ended [previous period] From January 1, 2025 Until March 31, 2025	For the three months ended From January 1, 2026 until March 31, 2026
Net sales	7,686,124	9,521,665
Cost of sales	4,390,605	5,091,862
Gross profit	3,295,519	4,429,802
Selling, general and administrative expenses	2,434,990	2,698,639
Operating profit	860,529	1,731,162
Non-operating income		
Interest income	5,209	12,796
Government grant income	-	11,290
Discount income	5,260	4,042
Other	1,622	989
Total non-operating income	12,092	29,118
Non-operating expenses		
Interest expenses	15,841	19,451
Share of loss of entities accounted for using equity method	474,923	147,914
Loss on investments in investment partnerships	15,793	23,364
Other	13,397	8,112
Total non-operating expenses	519,956	198,842
Ordinary profit	352,665	1,561,439
Extraordinary income		
Gain on change in equity	-	208
Total extraordinary income	-	208
Net income before income taxes	352,665	1,561,647
Income taxes - current	437,132	784,299
Income taxes - deferred	(109,431)	(182,831)
Total income taxes	327,700	601,467
Net income	24,964	960,180
Net income (loss) attributable to non-controlling interests	82,181	(32,921)
Quarterly net income (loss) attributable to owners of parent	(57,216)	993,101

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Thousands of yen)

	For the three months ended [previous period] From January 1, 2025 Until March 31, 2025	For the three months ended From January 1, 2026 Until March 31, 2026
Net income	24,964	960,180
Other comprehensive income		
Valuation difference on available-for-sale securities	(26,209)	(161,349)
Share of other comprehensive income of entities accounted for using equity method	(3,693)	1,741
Total other comprehensive income	(29,903)	(159,607)
Comprehensive income	(4,938)	800,572
Profit attributable to		
Quarterly comprehensive income attributable to owners of the parent	(87,120)	833,494
Quarterly comprehensive income attributable to non- controlling interests	82,181	(32,921)

(3) Notes to the quarterly consolidated financial statements

(Notes on Segment Information, etc.)

[Segment Information]

I. For the three months ended March 31, 2025

1. Information on net sales and profit or loss by reportable segment

(Unit: Thousands of yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income Amount recorded in the statement (Note) 2
	Mobile Service Business	Financial Service Business	Total		
Net sales					
Net sales to external customers	7,523,198	162,925	7,686,124	-	7,686,124
Internal net sales or transfers between segments	132	-	132	(132)	-
Total	7,523,330	162,925	7,686,256	(132)	7,686,124
Segment profit or loss (-)	1,539,793	(357,782)	1,182,011	(321,482)	860,529

(Note) 1. The adjustment amount of segment profit or loss (-) of -321,482 thousand yen represents company-wide expenses not allocated to each reportable segment. Company-wide expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

2. Segment profit or loss (-) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

There are no applicable items.

II For the three months ended March 31, 2026

1. Information on net sales and profit or loss by reportable segment

(Unit: Thousands of yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income Amount recorded in the statement (Note) 2
	Mobile Service Business	Financial Service Business	Total		
Net sales					
Net sales to external customers	8,874,364	647,300	9,521,665	-	9,521,665
Internal net sales or transfers between segments	8,608	-	8,608	(8,608)	-
Total	8,882,973	647,300	9,530,273	(8,608)	9,521,665
Segment profit or loss (-)	2,320,757	(209,761)	2,110,996	(379,833)	1,731,162

(Note) 1. The adjustment amount of segment profit or loss (-) of -379,833 thousand yen consists of elimination of intersegment transactions of 22 thousand yen and unallocated company-wide expenses of -379,856 thousand yen. Company-wide expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

2. Segment profit or loss (-) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

There are no applicable items.

(Notes in case of significant changes in the amount of shareholders' equity)

There are no applicable matters.

(Notes regarding the assumption of a going concern)

There are no applicable matters.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the three months ended is not prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended are as follows.

	For the three months ended [previous period] From January 1, 2025 Until March 31, 2025	For the three months ended From January 1, 2026 Until March 31, 2026
Depreciation	50,707 thousand yen	83,803 thousand yen
Amortization of goodwill	51,406 thousand yen	70,939 thousand yen

(Significant Subsequent Events)

(Acquisition of shares of SQUIZ Co., Ltd. and conversion into a subsidiary)

At the Board of Directors meeting held on April 1, 2026, the Company resolved to acquire 90.0% of the issued shares of SQUIZ Co., Ltd. (hereinafter referred to as the "Share Acquisition") and make it a subsidiary, and entered into a share transfer agreement on the same date. The details are as follows.

(1) Overview of Business Combination

(i) Name of the acquired company and its business activities

Name of the acquired company: SQUIZ Co., Ltd.

Business Description: Planning and operation of an online medical consultation platform, etc.

(ii) Main reasons for the business combination

SQUIZ Co., Ltd. is an online medical service company whose main business is the "Oops" series of online medical services ("Oops HAIR," "Oops LOVE," "Oops WOMB," "Oops HEART") that cover various fields such as AGA (male pattern baldness), ED, gynecology, and mental health, in the rapidly expanding online medical consultation market that has grown significantly since the COVID-19 pandemic and is expected to continue growing. The company's competitive advantages lie in its strong brand appeal, supported by highly original creative expression, and a solid customer base centered on younger generations.

Since entering the online medical consultation business in May 2022 through the launch of the online pill consultation service 'AnyPill,' we have accumulated expertise and a customer base in this field. By integrating the knowledge and customer base cultivated through the operation of our D2C business and M&A/business development activities aimed at creating synergies with our vertically integrated model, with the large-scale membership base and affiliate advertising network of services such as Moppy, we are confident that we can further deepen our vertically integrated model and further expand our D2C business centered on online medical consultations. Based on this conviction, we have resolved to acquire these shares.

(iii) Date of share acquisition

April 1, 2026

(iv) Legal form of business combination

Acquisition of shares in exchange for cash and treasury shares

(v) Acquired voting rights ratio

Voting rights ratio after acquisition 90.00%

(Note) Apollo Capital No.1 Investment Limited Partnership, for which our consolidated subsidiary Apollo Capital Co., Ltd. serves as the unlimited liability partner, held 6.1% of the voting rights. However, prior to this share acquisition, all shares previously held were transferred to Mr. Tomoaki Hirano, the representative director of SQUIZ Co., Ltd.

(2) Breakdown of the acquisition cost of the acquired company and the types of consideration

Cash paid as consideration for acquisition 3,300 million yen

Disposal of treasury shares 299 million yen

Acquisition cost 3,600 million yen

(3) Breakdown and amounts of major acquisition-related expenses

Advisory fees, etc. (estimated amount) 12 million yen

(4) Amount of goodwill recognized, reason for recognition, method of amortization, and amortization period

It has not been determined at this time.

(5) Amounts and main components of assets acquired and liabilities assumed as of the business combination date

It has not been determined at this time.

(Treasury shares)

At the Board of Directors meeting held on April 30, 2026, the Company resolved, pursuant to Article 156 of the Companies Act as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act, to acquire treasury shares. The details are as follows.

1. Reasons for conducting treasury share transactions

Taking into comprehensive consideration factors such as the status of cash on hand and the level of the stock price, the purpose of conducting treasury share acquisition is to further enhance capital efficiency and shareholder returns.

2. Details of the matters related to the acquisition

- | | | |
|-----|--|---|
| (1) | Type of shares to be acquired | Common stock of the Company |
| (2) | Total number of shares that may be acquired | 350,000 shares (maximum) |
| | (Percentage of total shares issued (excluding treasury shares): 2.98%) | |
| (3) | Total acquisition cost of shares | Up to 500 million yen |
| (4) | Acquisition period | From May 1, 2026 to December 30, 2026 |
| (5) | Acquisition method | Market purchases based on discretionary trading contracts on the Tokyo Stock Exchange |

(Note) Depending on market trends and other factors, some or all orders may not be executed.