August 13, 2026

To our Stakeholders

Company name:	Advance Create Co., Ltd.
Representative:	Yoshiharu Hamada, President (Securities code: 8798; Tokyo, Sapporo, Fukuoka Market)
Inquiries:	Keisuke Soga, Executive Officer, General Manager of Corporate Planning Department (TEL: 06-6204-1193)

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Notice Concerning the Formulation of Recurrence Prevention Measures (Outline)

As stated in the "Notice Regarding Receipt of the Third-Party Committee Investigation Report" dated July 31, 2026 and the "Notice Regarding the Publication of the Third-Party Committee Investigation Report" dated August 4, 2026, following the investigation by the Third-Party Committee, it was found that inappropriate accounting treatment had been carried out in connection with certain advertising transactions in prior fiscal years and the capitalization of software assets, among other matters, at Advance Create Co., Ltd. (hereinafter referred to as the "Company") and at our wholly owned subsidiary, Hoken Ichiba Co., Ltd., which operates an advertising agency business. In addition, the involvement of certain members of management in this matter was also confirmed.

The Company takes seriously the analysis of the causes and the recommendations for recurrence prevention measures set forth in the investigation report, has formulated the recurrence prevention measures (outline), which were resolved at the meeting of the Board of Directors held today, and hereby announces the same as follows.

Recognizing that rebuilding our governance structure and restoring our business performance at an early stage thereafter are our most important management priorities, the Company will promote the recurrence prevention measures to achieve this and will devote our utmost efforts to restoring public trust. The Company deeply apologizes to its shareholders, investors, and other stakeholders for the considerable inconvenience and concern this matter is causing.

1. Overview of the Matter and Analysis of the Causes

Please refer to the Japanese version of the third-party committee's investigation report for details.

2. Recurrence Prevention Measures (Outline)

The Company recognizes that rebuilding our governance framework and restoring our performance at an early stage are our most important management priorities, based on the findings of the third-party committee and its recommendations for recurrence prevention. With this in mind, the Company will formulate our recurrence prevention measures in line with the following basic policies:

・To exclude, or place institutional limits on, the influence of the current Representative Director and President over business execution, personnel matters, accounting judgments, and audit responses.
・To promote reform of our corporate culture under the leadership of outside officers and others.
・To make the supervisory functions of the Board of Directors and outside officers substantively effective.
・To establish a framework that enables the accounting department, internal audit department, audit & supervisory board members, and others to properly fulfill their duties without undue deference to the current Representative Director and President.
・To introduce substantive accounting and legal reviews for high-risk transactions.
・To redesign the whistleblowing and escalation mechanisms.

For details of each recurrence prevention measure, please refer to the Japanese version of "Notice Concerning the Formulation of Recurrence Prevention Measures (Outline)".