September 18, 2026

Consolidated Financial Results for the Nine Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Advance Create Co., Ltd.
Listing: Tokyo Stock Exchange / Sapporo Stock Exchange / Fukuoka Stock Exchange
Securities code: 8798
URL: https://www.advancecreate.co.jp/
Representative: Yoshiharu Hamada, President
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended June 30, 2026 (from October 1, 2025 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	4,855	0.4	(271)	-	(340)	-	(768)	-
June 30, 2025	4,836	(20.2)	(699)	-	(859)	-	(1,405)	-

Note: Comprehensive income For the nine months ended June 30, 2026: ¥(768) million [-%]
For the nine months ended June 30, 2025: ¥(1,404) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2026	(10.30)	-
June 30, 2025	(62.70)	-

Note: Quarterly net income per share adjusted for potential stock in the third quarter of the fiscal year ending September 30, 2025 is not included because it is a quarterly net loss per share, although there are potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	8,183	(276)	(3.4)
September 30, 2025	10,213	449	4.4

Reference: Equity
As of June 30, 2026: ¥(276) million
As of September 30, 2025: ¥449 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2025	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2026	-	0.00	-		
Fiscal year ending September 30, 2026 (Forecast)					

Note: Revisions to the forecast of cash dividends most recently announced: None

2. The amount of year-end dividends for the fiscal year ending September 30, 2026 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending September 30, 2026 (from October 1, 2025 to September 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2026	7,154	3.4	423	-	319	-	(391)	-	(5.23)

Note: Revisions to the earnings forecasts most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, see "2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Quarterly Consolidated Financial Statements)" are available.

(3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	37,468,200 shares
As of September 30, 2025	32,468,200 shares

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

As of June 30, 2026	498,872 shares
As of September 30, 2025	544,772 shares

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

Nine months ended June 30, 2026	74,627,006 shares
Nine months ended June 30, 2025	22,407,959 shares

Note: The number of treasury shares at the end of the fiscal year and the number of treasury shares deducted for the calculation of the average number of shares during the period include shares of the Company owned by the Company owned by the Custody Bank of Japan, Ltd. (trust account) as trust assets related to the Employee Stock Ownership Association Support Trust ESOP system, and shares of the Company owned by the Custody Bank of Japan (Trust E Account) as trust assets related to the Equity Benefit Trust (J-ESOP) system.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:Yes (mandatory)

* Proper use of earnings forecasts, and other special matters
The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Reference: Dividends on Class Shares
The breakdown of dividends per share for common shares and different class shares with rights is as follows.

	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	end of term	sum
Class A Shares	Yen	Yen	Yen	Yen	Yen
The fiscal year ending September 30, 2025	-	0.00	-	0.00	0.00
The fiscal year ending September 30, 2026	-	0.00	-		
The fiscal year ending September 30, 2026 (Forecast)				-	-

Note: The above unredeemed Class A shares are 32,186,700 shares. Class A shares were issued on September 5, 2025, with 37,186,700 shares. The amount of the year-end dividend for the fiscal year ending September 30, 2026 has not yet been determined.

Quarterly consolidated balance sheet

(Thousands of yen)

	As of September 30, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	5,339,373	2,468,774
Accounts receivable - trade	2,667,258	3,046,778
Accounts receivable - other	187,847	281,457
Consumption taxes refund receivable	8,909	60
Income taxes refund receivable	370,834	85,330
Adjustment account of liquidation,assets	-	761,643
Other	530,684	574,638
Total current assets	9,104,908	7,218,683
Non-current assets		
Property, plant and equipment	1,060	779
Intangible assets		
Software	79,216	61,695
Other	-	3,084
Total intangible assets	79,216	64,780
Investments and other assets		
Investment securities	17,170	15,304
Long-term prepaid expenses	374	37
Guarantee deposits	739,098	595,655
Deferred tax assets	126,095	142,290
Other	47,917	76,507
Total investments and other assets	930,656	829,795
Total non-current assets	1,010,933	895,355
Deferred assets	97,371	69,186
Total assets	10,213,213	8,183,224

(Thousands of yen)

	As of September 30, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	74,483	185,501
Short-term borrowings	4,638,830	4,688,830
Current portion of bonds payable	100,000	100,000
Income taxes payable	19,889	51,211
Accounts payable - other	987,509	1,150,425
Deposits received	129,095	99,746
Adjustment account for securitization of receivables (liabilities)	1,152,177	-
Lease liabilities	120,241	109,514
Provision for bonuses	131,333	64,086
Provision for loss on guarantees	-	117,502
Other	536,726	353,169
Total current liabilities	7,890,287	6,919,989
Non-current liabilities		
Long-term borrowings	150,220	145,700
Bonds payable	250,000	200,000
Lease liabilities	456,658	322,308
Provision for loss on guarantees	94,484	-
Retirement benefit liability	388,274	388,561
Asset retirement obligations	451,323	401,842
Other	82,402	81,411
Total non-current liabilities	1,873,363	1,539,824
Total liabilities	9,763,650	8,459,814
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	1,995,348	1,995,348
Retained earnings	(1,267,599)	(2,036,343)
Treasury shares	(378,425)	(335,862)
Total shareholders' equity	449,323	(276,857)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	239	267
Total accumulated other comprehensive income	239	267
Total net assets	449,562	(276,589)
Total liabilities and net assets	10,213,213	8,183,224

Quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended June 30, 2025	Nine months ended June 30, 2026
Net sales	4,836,332	4,855,898
Cost of sales	1,097,226	1,243,755
Gross profit	3,739,106	3,612,142
Selling, general and administrative expenses	4,438,494	3,884,042
Operating loss	(699,388)	(271,899)
Non-operating income		
Interest and dividend income	28,481	27,866
Guarantee commission income	6,971	6,971
Foreign exchange gains	-	22,348
Other	4,273	5,199
Total non-operating income	39,726	62,386
Non-operating expenses		
Interest expenses	63,966	83,247
Commission expenses	98,844	15,855
Foreign exchange losses	27,021	-
Amortization of new share issuance costs	1,994	27,334
Other	8,311	4,949
Total non-operating expenses	200,139	131,387
Ordinary loss	(859,801)	(340,901)
Extraordinary income		
Gain on sale of investment securities	-	450
Gain on reversal of asset retirement obligations	-	41,463
Compensation income	-	70,000
Total extraordinary income	-	111,914
Extraordinary losses		
Loss on store closings	10,972	-
Impairment losses	185,820	205,978
Provision for loss on guarantees	76,604	23,018
Loss on cancellation of insurance policies	35,290	-
Loss on cancellation of leases	-	4,032
Special investigation costs	35,344	274,537
Costs related to prior year adjustments	164,545	3,526
Loss on cancellation of rental contracts	-	22,167
Total extraordinary losses	508,578	533,260
Loss before income taxes	(1,368,380)	(762,247)
Income taxes	36,819	6,497
Loss	(1,405,199)	(768,744)
Loss attributable to owners of parent	(1,405,199)	(768,744)

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended June 30, 2025	Nine months ended June 30, 2026
Loss	(1,405,199)	(768,744)
Other comprehensive income		
Valuation difference on available-for-sale securities	239	28
Total other comprehensive income	239	28
Comprehensive income	(1,404,960)	(768,715)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,404,960)	(768,715)
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

Segment Information

I. The nine months of the previous fiscal year (October 1, 2024 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Reportable segments						Adjustment amount (Note)1	Quarterly Consolidated Statements of Income (Note)2
	Insurance agency business (Note)3	ASP segments	Media agency	Mediarepp	reinsurance	Total		
Sales								
Revenue generated from customer contracts	2,995,979	224,206	693,125	157,165	765,854	4,836,332	-	4,836,332
Other Earnings	-	-	-	-	-	-	-	-
Revenues from external customers	2,995,979	224,206	693,125	157,165	765,854	4,836,332	-	4,836,332
Transactions with other segments	519,671	-	-	208,826	-	728,498	(728,498)	-
Total	3,515,651	224,206	693,125	365,991	765,854	5,564,831	(728,498)	4,836,332
Segment profit (loss)	(974,058)	87,258	134,940	(26,791)	47,980	(730,670)	31,282	(699,388)

Note: 1. The adjustment amount of 31,282 thousand yen for segment profit or loss (loss) is due to the elimination of inter-segment transactions.

2. Segment profit or loss (loss) is consistent with operating loss in the quarterly consolidated statements of income.

3. The sales of the reporting segment Insurance Agency business by life insurance and non-life insurance segments are as follows.

(Thousands of yen)

	Insurance Agency Business Segment		
Sales	life insurance	Non-life insurance	Total
Sales to external customers	2,781,741	214,238	2,995,979
Internal sales or transfers between segments	480,179	39,492	519,671
Total	3,261,921	253,730	3,515,651

2. Information on Impairment Losses on Fixed Assets by Reporting Segment

(Significant impairment loss on fixed assets)

In the Insurance Agency segment, due to a decline in profitability, the book value was reduced to an recoverable amount, and the decrease was recorded as an extraordinary loss as an impairment loss.

The amount of the impairment loss recorded was 185,820 thousand yen in the nine months of the current fiscal year.

II. The nine months of the current fiscal year (October 1, 2025 to June 30, 2026)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Reportable segments						Adjustment amount (Note)1	Quarterly Consolidated Statements of Income (Note)2
	Insurance agency business (Note)3	ASP segments	Media agency	Mediarepp	reinsurance	Total		
Sales								
Revenue generated from customer contracts	3,276,802	221,076	198,198	370,120	789,701	4,855,898	-	4,855,898
Other Earnings	-	-	-	-	-	-	-	-
Revenues from external customers	3,276,802	221,076	198,198	370,120	789,701	4,855,898	-	4,855,898
Transactions with other segments	148,603	-	-	497,943	-	646,547	(646,547)	-
Total	3,425,405	221,076	198,198	868,064	789,701	5,502,445	(646,547)	4,855,898
Segment profit (loss)	(336,954)	75,631	21,952	(85,315)	35,684	(289,002)	17,103	(271,899)

Note: 1. The adjustment amount of 17,103 thousand yen for segment profit or loss (loss) is due to the elimination of inter-segment transactions.

2. Segment profit or loss (loss) is consistent with operating loss in the quarterly consolidated statements of income.

3. The sales of the reporting segment Insurance Agency business by life insurance and non-life insurance segments are as follows.

(Thousands of yen)

	Insurance Agency Business Segment		
Sales	life insurance	Non-life insurance	Total
Sales to external customers	2,954,489	322,312	3,276,802
Internal sales or transfers between segments	116,205	32,398	148,603
Total	3,070,695	354,710	3,425,405

2. Information on Impairment Losses on Fixed Assets by Reporting Segment

(Significant impairment loss on fixed assets)

In the Insurance Agency segment, due to a decline in profitability, the book value was reduced to an recoverable amount, and the decrease was recorded as an extraordinary loss as an impairment loss.

The amount of the impairment loss recorded was 205,978 thousand yen in the nine months of the current fiscal year.

Note: Going concern note The Company recorded an operating loss of ¥286,727 thousand, an ordinary loss of ¥568,820 thousand, and a net loss attributable to owners of the parent of ¥1,183,707 thousand in the previous consolidated fiscal year. As a result, the Company has recorded operating losses, ordinary losses, and net losses attributable to owners of the parent for four consecutive fiscal years, and its cash flows from operating activities have been negative for three consecutive fiscal years.

During the nine-month period of the fiscal year under review, the Company also recorded an operating loss of ¥271,899 thousand, an ordinary loss of ¥340,901 thousand, and a net loss attributable to owners of the parent of ¥768,744 thousand. Consequently, the Company had a negative net worth of ¥276,589 thousand as of the end of the third quarter of the consolidated fiscal year under review.

In addition, the Company has breached financial covenants under certain agreements relating to the securitization of receivables entered into with some of its lending financial institutions.

Accordingly, circumstances exist that raise substantial doubt about the Company’s ability to continue as a going concern. The Company is taking various measures to resolve this situation. Please refer to the Japanese original text for details of these measures.