August 14, 2026

Consolidated Financial Results for the Six Months Ended March 31, 2026 (Under Japanese GAAP)

Company name: Advance Create Co., Ltd.
Listing: Tokyo Stock Exchange / Sapporo Stock Exchange / Fukuoka Stock Exchange
Securities code: 8798
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Representative: Yoshiharu Hamada, President
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Scheduled date to file semi-annual securities report: August 14, 2026
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 six months ended March 31, 2026 (from October 1, 2025 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	3,406	9.2	18	-	(16)	-	(31)	-
March 31, 2025	3,118	(24.4)	(611)	-	(693)	-	(1,177)	-

Note: Comprehensive income For the six months ended March 31, 2026: ¥(31) million [-%]
For the six months ended March 31, 2025: ¥(1,622) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2026	(0.46)	-
March 31, 2025	(52.58)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	8,865	447	5.1
September 30, 2025	10,213	449	4.4

Reference: Equity
As of March 31, 2026: ¥447 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	7,950	14.9	650	-	550	-	450	-	6.51

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

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

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

Note: For details, see "2. Interim Consolidated Financial Statements and Key Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Interim Consolidated Financial Statements)" in this article.

(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 March 31, 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 March 31, 2026	512,072 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)

Six months ended March 31, 2026	69,125,909 shares
Six months ended March 31, 2025	22,401,119 shares

Note: The number of treasury shares to be deducted from the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period is included in the "Employee Stock Ownership Association Support Trust ESOP" system.
As such trust assets, the Company's shares owned by Japan Custody Bank, Ltd. (trust account) and the "Stock Benefit Trust (J-ESOP)" system, including shares of the Company owned by Japan Custody Bank, Ltd. (Trust E Account)
Yes, we do.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

* Explanation of the appropriate use of earnings forecasts and other special notes

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 37,186,700 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.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of September 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	5,339,373	3,139,893
Accounts receivable - trade	2,667,258	2,895,383
Accounts receivable - other	187,847	289,234
Consumption taxes refund receivable	8,909	2,838
Income taxes refund receivable	370,834	92,470
Adjustment account of liquidation,assets	-	759,620
Other	530,684	620,593
Total current assets	9,104,908	7,800,034
Non-current assets		
Property, plant and equipment	1,060	873
Intangible assets		
Software	79,216	64,487
Other	-	413
Total intangible assets	79,216	64,901
Investments and other assets		
Investment securities	17,170	15,225
Long-term prepaid expenses	374	59
Guarantee deposits	739,098	695,494
Deferred tax assets	126,095	140,325
Other	47,917	68,485
Total investments and other assets	930,656	919,590
Total non-current assets	1,010,933	985,364
Deferred assets	97,371	80,206
Total assets	10,213,213	8,865,605

(Thousands of yen)

	As of September 30, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	74,483	193,256
Short-term borrowings	4,638,830	4,688,830
Current portion of bonds payable	100,000	100,000
Income taxes payable	19,889	39,440
Accounts payable - other	987,509	1,003,681
Deposits received	129,095	111,087
Adjustment account of liquidation, liabilities	1,152,177	-
Lease liabilities	120,241	109,126
Provision for bonuses	131,333	113,035
Provision for loss on guarantees	-	110,991
Other	536,726	379,589
Total current liabilities	7,890,287	6,849,040
Non-current liabilities		
Long-term borrowings	150,220	145,700
Bonds payable	250,000	200,000
Lease liabilities	456,658	349,851
Provision for loss on guarantees	94,484	-
Retirement benefit liability	388,274	390,020
Asset retirement obligations	451,323	401,793
Other	82,402	81,384
Total non-current liabilities	1,873,363	1,568,751
Total liabilities	9,763,650	8,417,791
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	1,995,348	1,995,348
Retained earnings	(1,267,599)	(1,299,556)
Treasury shares	(378,425)	(348,192)
Total shareholders' equity	449,323	447,599
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	239	215
Total accumulated other comprehensive income	239	215
Total net assets	449,562	447,814
Total liabilities and net assets	10,213,213	8,865,605

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Net sales	3,118,195	3,406,306
Cost of sales	715,396	773,084
Gross profit	2,402,799	2,633,221
Selling, general and administrative expenses	3,013,954	2,615,080
Operating profit (loss)	(611,155)	18,141
Non-operating income		
Interest and dividend income	19,489	18,069
Guarantee commission income	4,647	4,647
Foreign exchange gains	-	18,688
Other	2,516	3,710
Total non-operating income	26,653	45,115
Non-operating expenses		
Interest expenses	35,707	53,748
Commission expenses	58,164	5,564
Foreign exchange losses	7,188	-
Other	7,812	20,323
Total non-operating expenses	108,873	79,635
Ordinary loss	(693,374)	(16,377)
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	11,792	-
Impairment losses	144,474	99,802
Provision for loss on guarantees	95,955	16,506
Loss on cancellation of insurance policies	35,290	-
Loss on cancellation of leases	-	4,032
Special investigation costs	34,195	-
Costs related to prior year adjustments	130,945	-
Total extraordinary losses	452,653	120,342
Loss before income taxes	(1,146,028)	(24,806)
Income taxes	31,886	7,151
Loss	(1,177,915)	(31,957)
Loss attributable to owners of parent	(1,177,915)	(31,957)

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Loss	(1,177,915)	(31,957)
Other comprehensive income		
Valuation difference on available-for-sale securities	589	(24)
Total other comprehensive income	589	(24)
Comprehensive income	(1,177,325)	(31,981)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,177,325)	(31,981)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Cash flows from operating activities		
Loss before income taxes	(1,146,028)	(24,806)
Depreciation	34,535	29,735
Impairment losses	144,474	99,802
Increase (decrease) in provision for loss on guarantees	95,955	16,506
Increase (decrease) in provision for bonuses	19,632	(18,298)
Increase (decrease) in retirement benefit liability	(7,558)	2,792
Interest and dividend income	(19,489)	(18,069)
Interest expenses on borrowings and bonds	35,707	53,748
Amortization of deferred assets	3,764	17,164
Loss on store closings	11,792	-
Foreign exchange losses (gains)	7,188	(21,233)
Gain on sales of gold bullion	325	-
Loss (gain) on cancellation of insurance policies	35,290	-
Decrease (increase) in trade receivables	(155,456)	(228,124)
Decrease (increase) in accounts receivable - other	(13,102)	(101,387)
Gain on reversal of asset retirement obligations	-	(41,463)
Increase (decrease) in Adjustment account of liquidation	(182,517)	(1,911,798)
Increase (decrease) in accrued consumption taxes	-	37,012
Decrease (increase) in deposits paid	621	(4,404)
Decrease (increase) in consumption taxes refund receivable	(88,648)	6,070
Decrease (increase) in long-term prepaid expenses	390	315
Increase (decrease) in accounts payable - other	89,548	(47,197)
Other, net	(206,747)	(159,248)
Subtotal	(1,340,320)	(2,312,881)
Interest and dividends received	19,473	18,630
Interest paid	(34,963)	(55,232)
Income taxes paid	(11,282)	(31,850)
Income taxes refund	4,883	293,765
Net cash provided by (used in) operating activities	(1,362,209)	(2,087,567)

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,609)	(4,171)
Purchase of investment securities	(646)	(583)
Proceeds from sale of investment securities	-	2,971
Purchase of intangible assets	(162,215)	(107,733)
Proceeds from cancellation of insurance funds	88,963	-
Payments of guarantee deposits	(10,721)	(14,339)
Proceeds from refund of guarantee deposits	33,133	57,942
Payments for asset retirement obligations	-	(4,248)
Other, net	4,331	(4,131)
Net cash provided by (used in) investing activities	(48,765)	(74,293)
Cash flows from financing activities		
Changes in short-term borrowings (indicates a decrease)	958,156	49,735
Repayments of long-term borrowings	(8,670)	(4,520)
Proceeds from disposal of treasury shares	25,848	5,834
Redemption of bonds	(150,000)	(50,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	39,320	-
Dividends paid	(337)	(87)
Other, net	(65,010)	(61,120)
Net cash provided by (used in) financing activities	799,306	(60,158)
Effect of exchange rate change on cash and cash equivalents	(7,188)	18,688
Net increase (decrease) in cash and cash equivalents	(618,856)	(2,203,330)
Cash and cash equivalents at beginning of period	941,173	5,288,924
Cash and cash equivalents at end of period	322,316	3,085,594

(Notes on segment information, etc.)

I. Previous interim consolidated accounting period (October 1, 2024 to March 31, 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	Interim Consolidated Statements of Income (Note)2
	Insurance agency business (Note)3	ASP	Media agency	Mediarepp	reinsurance	Total		
Sales								
Revenue generated from customer contracts	1,928,180	151,022	426,918	103,509	508,564	3,118,195	-	3,118,195
Other Earnings	-	-	-	-	-	-	-	-
Revenues from external customers	1,928,180	151,022	426,918	103,509	508,564	3,118,195	-	3,118,195
Transactions with other segments	320,073	-	-	149,878	-	469,951	(469,951)	-
Total	2,248,253	151,022	426,918	253,388	508,564	3,588,147	(469,951)	3,118,195
Segment profit (loss)	(773,887)	58,215	80,828	(29,375)	32,018	(632,200)	21,045	(611,155)

Note: 1. The adjustment amount of 21,045 thousand yen for segment profit or loss (loss) is due to the elimination of inter-segment transactions.

2. The total amount of segment profit or loss (loss) is consistent with the operating loss in the interim consolidated statements of income.
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3. Reported Segment: Revenue of the Insurance Agency Business by Life Insurance and Non-Life Insurance segments
The highs are as follows:

(Thousands of yen)

	Insurance Agency Business Segment		
Sales	life insurance	Non-life insurance	Total
Sales to external customers	1,819,481	108,699	1,928,180
Internal sales or transfers between segments	289,993	30,080	320,073
Total	2,109,474	138,779	2,248,253

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 144,474 thousand yen in the interim consolidated accounting period.

II. Interim Consolidated Accounting Period (October 1, 2025 to March 31, 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	Interim Consolidated Statements of Income (Note)2
	Insurance agency business (Note)3	ASP	Media agency	Mediarepp	reinsurance	Total		
Sales								
Revenue generated from customer contracts	2,336,123	145,565	178,410	221,075	525,131	3,406,306	-	3,406,306
Other Earnings	-	-	-	-	-	-	-	-
Revenues from external customers	2,336,123	145,565	178,410	221,075	525,131	3,406,306	-	3,406,306
Transactions with other segments	133,777	-	-	286,351	-	420,128	(420,128)	-
Total	2,469,900	145,565	178,410	507,426	525,131	3,826,434	(420,128)	3,406,306
Segment profit (loss)	(33,826)	50,601	24,745	(59,145)	23,058	5,433	12,707	18,141

Note: 1. The adjustment amount of 12,707 thousand yen for segment profit or loss (loss) is due to the elimination of inter-segment transactions.

2. The total amount of segment profit or loss (loss) is in line with operating income in the interim consolidated statement of income.
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3. Reported Segment: Revenue of the Insurance Agency Business by Life Insurance and Non-Life Insurance segments
The highs are as follows:

(Thousands of yen)

	Insurance Agency Business Segment		
Sales	life insurance	Non-life insurance	Total
Sales to external customers	2,095,153	240,969	2,336,123
Internal sales or transfers between segments	109,867	23,910	133,777
Total	2,205,021	264,879	2,469,900

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 99,802 thousand yen for the interim consolidated accounting period.

Note: Going concern note The Company was in a deficit of ¥4,973 million in the previous consolidated fiscal year. To eliminate this deficit as promptly as possible, we procured approximately ¥7,000 million in funding and resolved the deficit during the current consolidated fiscal year. However, the Group has recorded operating losses and ordinary losses for three consecutive fiscal years, and net losses attributable to owners of the parent for four consecutive fiscal years, and operating cash flows have been negative for three consecutive fiscal years. In addition, certain receivables securitization agreements with some of our transaction banks are in breach of financial covenants. Accordingly, circumstances exist that raise substantial doubt about the Company’s ability to continue as a going concern. The Company are taking measures to resolve this situation. Please refer to the Japanese original text for details of the countermeasures