

May 15, 2025

## Consolidated Financial Results for the Three Months Ended December 31, 2024 (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 three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
December 31, 2024	1,207	(44.8)	(655)	-	(731)	-	(1,010)	-
December 31, 2023	2,187	(15.2)	(53)	-	(51)	-	(313)	-

Note: Comprehensive income For the three months ended December 31, 2024: ¥(1,009) million [-%]  
 For the three months ended December 31, 2023: ¥(322) million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
December 31, 2024	(45.13)		-	
December 31, 2023	(14.29)		-	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		%	
As of						
December 31, 2024	6,311		(5,929)		(94.1)	
September 30, 2024	7,174		(4,973)		(69.5)	

Reference: Equity  
 As of December 31, 2024: ¥(5,942) million  
 As of September 30, 2024: ¥(4,986) 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, 2024	-	17.50	-	0.00	17.50
Fiscal year ending September 30, 2025	-				
Fiscal year ending September 30, 2025 (Forecast)		0.00			

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

### 3. Forecast of consolidated financial results for the fiscal year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

(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, 2025	7,400	(5.8)	50	-	(270)	-	(840)	-	(37.48)	

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
- (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: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: Yes
- (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 December 31, 2024	22,988,200 shares
As of September 30, 2024	22,937,400 shares

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

As of December 31, 2024	580,329 shares
As of September 30, 2024	595,929 shares

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

Three months ended December 31, 2024	22,391,621 shares
Three months ended December 31, 2023	21,919,572 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."

## Quarterly consolidated balance sheet

(Thousands of yen)

	As of September 30, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	994,480	484,743
Accounts receivable - trade	2,472,312	2,218,826
Accounts receivable - other	279,615	242,211
Consumption taxes refund receivable	390,121	489,641
Income taxes refund receivable	1,222,384	1,220,327
Other	551,724	569,138
Total current assets	5,910,640	5,224,888
Non-current assets		
Property, plant and equipment	1,854	1,655
Intangible assets		
Software	115,518	104,885
Total intangible assets	115,518	104,885
Investments and other assets		
Investment securities	30,390	32,997
Long-term prepaid expenses	930	642
Guarantee deposits	800,480	769,662
Insurance funds	124,253	-
Deferred tax assets	141,694	131,436
Other	33,758	33,074
Total investments and other assets	1,131,508	967,814
Total non-current assets	1,248,880	1,074,355
Deferred assets	14,590	12,708
<b>Total assets</b>	<b>7,174,111</b>	<b>6,311,952</b>

	As of September 30, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	70,563	81,984
Short-term borrowings	2,717,500	3,036,643
Current portion of bonds payable	300,000	200,000
Income taxes payable	210	16,266
Accounts payable - other	1,190,588	1,068,702
Deposits received	246,047	251,367
Adjustment account of liquidation, liabilities	441,940	441,043
Lease liabilities	128,072	126,690
Provision for bonuses	121,711	80,378
Other	553,691	558,975
<b>Total current liabilities</b>	<b>5,770,324</b>	<b>5,862,050</b>
Non-current liabilities		
Long-term borrowings	164,570	164,570
Bonds payable	350,000	350,000
Adjustment account of liquidation, liabilities	4,348,150	4,313,728
Lease liabilities	576,899	545,842
Provision for loss on guarantees	-	68,441
Retirement benefit liability	379,447	380,247
Asset retirement obligations	466,897	467,264
Other	91,461	89,500
<b>Total non-current liabilities</b>	<b>6,377,426</b>	<b>6,379,595</b>
<b>Total liabilities</b>	<b>12,147,751</b>	<b>12,241,646</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,337,212	3,357,076
Capital surplus	460,893	480,756
Retained earnings	(8,360,788)	(9,371,511)
Treasury shares	(423,815)	(410,063)
<b>Total shareholders' equity</b>	<b>(4,986,498)</b>	<b>(5,943,742)</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(99)	1,495
<b>Total accumulated other comprehensive income</b>	<b>(99)</b>	<b>1,495</b>
Share acquisition rights	12,958	12,552
<b>Total net assets</b>	<b>(4,973,639)</b>	<b>(5,929,694)</b>
<b>Total liabilities and net assets</b>	<b>7,174,111</b>	<b>6,311,952</b>

## Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Net sales	2,187,196	1,207,717
Cost of sales	534,687	363,044
Gross profit	1,652,509	844,672
Selling, general and administrative expenses	1,706,474	1,500,276
Operating loss	(53,965)	(655,603)
Non-operating income		
Interest and dividend income	1,955	685
Guarantee commission income	2,323	2,323
Gain on sale of investment securities	33,629	-
Gain on sales of gold bullion	7,430	-
Foreign exchange gains	7,692	-
Other	2,467	757
Total non-operating income	55,499	3,766
Non-operating expenses		
Interest expenses	6,116	13,080
Commission expenses	45,837	26,703
Foreign exchange losses	-	36,171
Other	982	3,290
Total non-operating expenses	52,935	79,245
Ordinary loss	(51,402)	(731,082)
Extraordinary losses		
Impairment losses	224,456	88,516
Provision for loss on guarantees	-	68,441
Loss on cancellation of insurance policies	-	35,290
Special investigation costs	-	32,705
Costs related to prior year adjustments	-	25,859
Total extraordinary losses	224,456	250,813
Loss before income taxes	(275,859)	(981,896)
Income taxes	37,442	28,826
Loss	(313,300)	(1,010,722)
Loss attributable to owners of parent	(313,300)	(1,010,722)

## Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Loss	(313,300)	(1,010,722)
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,451)	1,595
Total other comprehensive income	(9,451)	1,595
Comprehensive income	(322,752)	(1,009,127)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(322,752)	(1,009,127)
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)

Segment Information

I. the three months of the previous fiscal year (October 1, 2023 to December 31, 2023)

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

(Unit: 1 thousand yen)

	Reportable segments						Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Insurance agency business (Note)3	ASP	Advertising agency	Mediarepp	reinsurance	Total		
Sales								
Revenue generated from customer contracts, etc.	1,326,179	64,505	376,609	129,853	290,047	2,187,196	-	2,187,196
Other Earnings	-	-	-	-	-	-	-	-
Revenues from external customers	1,326,179	64,505	376,609	129,853	290,047	2,187,196	-	2,187,196
Transactions with other segments	288,734	-	-	83,149	-	371,883	(371,883)	-
Total	1,614,914	64,505	376,609	213,002	290,047	2,559,079	(371,883)	2,187,196
Segment profit (loss)	(219,795)	21,745	81,768	8,062	53,652	(54,565)	600	(53,965)

Note: 1. The adjustment amount of 600 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 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.

(Unit: 1 thousand yen)

	Insurance Agency Business Segment		
	life insurance	Non-life insurance	Total
Sales			
Sales to external customers	1,221,592	104,587	1,326,179
Internal sales or transfers between segments	262,500	26,234	288,734
Total	1,484,092	130,821	1,614,914

II. the three months of the current fiscal year (October 1, 2024 to December 31, 2024)

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

(Unit: 1 thousand yen)

	Reportable segments						Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Insurance agency business (Note)3	ASP	Advertising agency	Mediarepp	reinsurance	Total		
Sales								
Revenue generated from customer contracts, etc.	826,798	69,493	10,950	47,855	252,619	1,207,717	-	1,207,717
Other Earnings	-	-	-	-	-	-	-	-
Revenues from external customers	826,798	69,493	10,950	47,855	252,619	1,207,717	-	1,207,717
Transactions with other segments	8,142	-	-	87,391	-	95,534	(95,534)	-
Total	834,941	69,493	10,950	135,246	252,619	1,303,251	(95,534)	1,207,717
Segment profit (loss)	(678,630)	24,769	(10,536)	(33,087)	31,125	(666,360)	10,756	(655,603)

Note: 1. The adjustment amount of 10,756 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 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.

(Unit: 1 thousand yen)

	Insurance Agency Business Segment		
	life insurance	Non-life insurance	Total
Sales			
Sales to external customers	824,357	2,441	826,798
Internal sales or transfers between segments	7,192	950	8,142
Total	831,549	3,391	834,941