

May 15, 2025

To our Stakeholders

Company name:	Advance Create Co., Ltd.
Representative:	Yoshiharu Hamada, President (Securities code: 8798; Tokyo, Sapporo, Fukuoka Market)
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Note: This document has been translated from 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 of Record of Extraordinary Losses

Advance Create Co., Ltd. (hereinafter referred to as the “Company”) announces that it has record of extraordinary losses in its consolidated financial results for the first quarter (October 1, 2024 to December 31, 2024) and second quarter (October 1, 2024 to March 31, 2025) of the fiscal year ending September 30, 2025.

1. Record of Extraordinary Losses

The following extraordinary losses were recorded due to the decline in profitability of fixed assets.

(Thousands of yen)

	Loss on store closures	Impairment loss	Provision for loss on guarantees	Insurance cancellation loss	Special Investigation Fee	Expenses related to prior period corrections	Total
Three Months Ended December 31, 2024	—	88,516	68,441	35,290	32,705	25,859	250,813
Six Months Ended March 31, 2025	11,792	144,474	95,955	35,290	34,195	130,945	452,653

2. Impact on Financial Results

The impact of the extraordinary loss on business results is reflected in the “Summary of Consolidated Financial Results for the Three Months Ended December 31, 2024 (Based on Japanese GAAP)” and the “Summary of Consolidated Financial Results for the Six Months Ended March 31, 2025 (Based on Japanese GAAP)”.

The Company deeply apologizes to our shareholders, investors, and other stakeholders for any inconvenience and concern.