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Consolidated Financial Results for the Nine Months Ended June 30, 2025 (Under Japanese GAAP)

August 13, 2025

Stock exchange listings: Tokyo

Prime, Sapporo, Fukuoka

Company name Advance Create Co., Ltd.

Securities code 8798 URL <https://www.advancecreate.co.jp/>

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Dividend payable date (as planned) —

Supplemental material of results : Yes

Convening briefing of results : None

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

1. Consolidated financial results for the nine months ended June 30, 2025 (from October 1, 2024 to June 30, 2025)

(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	%
Nine months ended June 30, 2025	4,427	(29.3)	(1,148)	—	(1,335)	—	(1,880)	—
June 30, 2024	6,260	(26.8)	(318)	—	(359)	—	(902)	—

Note: Comprehensive income For the nine months ended June 30, 2025 (1,880) Millions of yen (—%) For the nine months ended June 30, 2024 (957) Millions of yen (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2025	(83.93)	—
June 30, 2024	(41.13)	—

Note: Potential shares exist for the third quarter of the fiscal year ending September 2024 and the third quarter of the fiscal year ending September 2025, but since there is a net loss per share, this information is not disclosed.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	6,383	(6,783)	(106.5)
September 30, 2024	7,174	(4,973)	(69.5)

Reference: Owner's equity As of June 30, 2025 (6,796) Millions of yen As of September 30, 2024 (4,986) Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	17.50	—	0.00	17.50
Fiscal year ending September 30, 2025	—	0.00	—		
Fiscal year ending September 30, 2025 (Forecast)				—	—

Note: 1. Revisions to the forecast of cash dividends most recently announced : None

2. The amount of the year-end dividend is undecided.

3. Consolidated financial forecast 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
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
September 30, 2025	6,750	(14.1)	(560)	—	(840)	—	(1,430)	—	(63.80)

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 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)

① Number of issued and outstanding shares at the period end (including treasury stock)

As of June 30, 2025	22,988,200shares	As of September 30, 2024	22,937,400shares
As of June 30, 2025	560,472shares	As of September 30, 2024	595,929shares
Nine months ended June 30, 2025	22,407,959shares	Nine months ended June 30, 2024	21,933,436shares

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

* 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

Quarterly consolidated balance sheet

(Thousands of yen)

	As of September 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	994,480	369,066
Accounts receivable - trade	2,472,312	2,394,690
Accounts receivable - other	279,615	275,735
Consumption taxes refund receivable	390,121	507,634
Income taxes refund receivable	1,222,384	1,216,788
Other	551,724	508,010
Total current assets	5,910,640	5,271,926
Non-current assets		
Property, plant and equipment	1,854	1,257
Intangible assets		
Software	115,518	87,534
Total intangible assets	115,518	87,534
Investments and other assets		
Investment securities	30,390	31,596
Long-term prepaid expenses	930	477
Guarantee deposits	800,480	779,715
Insurance funds	124,253	—
Deferred tax assets	141,694	136,451
Other	33,758	39,112
Total investments and other assets	1,131,508	987,353
Total non-current assets	1,248,880	1,076,144
Deferred assets	14,590	35,313
Total assets	7,174,111	6,383,383
Liabilities		
Current liabilities		
Accounts payable - trade	70,563	69,769
Short-term borrowings	2,717,500	4,283,329
Current portion of bonds payable	300,000	100,000
Income taxes payable	210	42,264
Accounts payable - other	1,190,588	1,186,428
Deposits received	246,047	170,254
Adjustment account for securitization of receivables (liabilities)	441,940	428,016
Lease liabilities	128,072	121,570
Provision for bonuses	121,711	68,956
Other	553,691	756,925
Total current liabilities	5,770,324	7,227,514
Non-current liabilities		
Long-term borrowings	164,570	155,900
Bonds payable	350,000	300,000
Adjustment account for securitization of receivables (liabilities)	4,348,150	3,992,918
Lease liabilities	576,899	486,254
Provision for loss on guarantees	—	76,604
Retirement benefit liability	379,447	381,947
Asset retirement obligations	466,897	461,956
Other	91,461	84,175
Total non-current liabilities	6,377,426	5,939,756
Total liabilities	12,147,751	13,167,270

(Thousands of yen)

	As of September 30, 2024	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	3,337,212	3,357,076
Capital surplus	460,893	480,756
Retained earnings	(8,360,788)	(10,241,594)
Treasury shares	(423,815)	(392,816)
Total shareholders' equity	(4,986,498)	(6,796,578)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(99)	139
Total accumulated other comprehensive income	(99)	139
Share acquisition rights	12,958	12,552
Total net assets	(4,973,639)	(6,783,886)
Total liabilities and net assets	7,174,111	6,383,383

Quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended June 30, 2024	Nine months ended June 30, 2025
Net sales	6,260,327	4,427,638
Cost of sales	1,621,381	1,097,606
Gross profit	4,638,945	3,330,032
Selling, general and administrative expenses	4,957,009	4,478,033
Operating loss	(318,063)	(1,148,000)
Non-operating income		
Interest and dividend income	3,435	1,487
Guarantee commission income	6,971	6,971
Gain on sale of investment securities	92,770	—
Gain on sales of gold bullion	7,430	—
Foreign exchange gains	10,999	—
Other	8,891	4,273
Total non-operating income	130,499	12,732
Non-operating expenses		
Interest expenses	23,843	63,966
Commission expenses	144,364	98,844
Foreign exchange losses	—	27,021
Other	3,616	10,306
Total non-operating expenses	171,824	200,139
Ordinary loss	(359,388)	(1,335,408)
Extraordinary losses		
Loss on store closings	—	10,972
Impairment losses	523,901	185,820
Provision for loss on guarantees	—	76,604
Loss on cancellation of insurance policies	—	35,290
Special investigation costs	—	35,344
Costs related to prior year adjustments	—	164,545
Total extraordinary losses	523,901	508,578
Loss before income taxes	(883,289)	(1,843,986)
Income taxes	18,915	36,819
Loss	(902,204)	(1,880,805)
Loss attributable to owners of parent	(902,204)	(1,880,805)

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended June 30, 2024	Nine months ended June 30, 2025
Loss	(902,204)	(1,880,805)
Other comprehensive income		
Valuation difference on available-for-sale securities	(55,173)	239
Total other comprehensive income	(55,173)	239
Comprehensive income	(957,377)	(1,880,566)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(957,377)	(1,880,566)
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, 2023 to June 30, 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

(Thousands of yen)

	Reportable segments							Per quarterly consolidated financial statements
	Insurance agent	ASP segments	Media agency	Mediarepp	reinsurance	Reportable segments		
Sales								
Revenue generated from customer contracts, etc.	3,425,813	221,852	1,354,089	376,306	882,266	6,260,327	—	6,260,327
Other Earnings	—	—	—	—	—	—	—	—
Revenues from external customers	3,425,813	221,852	1,354,089	376,306	882,266	6,260,327	—	6,260,327
Transactions with other segments	973,307	—	—	169,200	—	1,142,507	(1,142,507)	—
Net sales	4,399,120	221,852	1,354,089	545,506	882,266	7,402,834	(1,142,507)	6,260,327
Operating profit (loss)	(841,420)	85,621	281,530	17,374	103,354	(353,539)	35,475	(318,063)

(Thousands of yen)

	Insurance Agency Business Segment		
Sales	life insurance	Non-life insurance	Total
Sales to external customers	3,095,898	329,915	3,425,813
Internal sales or transfers between segments	890,523	82,784	973,307
Total	3,986,421	412,699	4,399,120

II. The nine months of the current 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							Per quarterly consolidated financial statements
	Insurance agent	ASP segments	Media agency	Mediarepp	reinsurance	Reportable segments		
Sales								
Revenue generated from customer contracts, etc.	3,022,973	223,041	301,430	114,338	765,854	4,427,638	—	4,427,638
Other Earnings	—	—	—	—	—	—	—	—
Revenues from external customers	3,022,973	223,041	301,430	114,338	765,854	4,427,638	—	4,427,638
Transactions with other segments	225,900	—	—	208,826	—	434,726	(434,726)	—
Total	3,248,874	223,041	301,430	323,164	765,854	4,862,365	(434,726)	4,427,638
Segment profit (loss)	(1,280,375)	86,093	37,017	(69,618)	47,980	(1,178,903)	30,902	(1,148,000)

(Thousands of yen)

	Insurance Agency Business Segment		
Sales	life insurance	Non-life insurance	Total
Sales to external customers	2,807,001	215,972	3,022,973
Internal sales or transfers between segments	211,750	14,150	225,900
Total	3,018,751	230,122	3,248,874