

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended June 30, 2024  
(Based on Japanese GAAP)**

August 9, 2024

Company name: Advance Create Co., Ltd.  
 Stock exchange listing: Tokyo, Sapporo, Fukuoka  
 Stock code: 8798 URL <https://www.advancecreate.co.jp/>  
 Representative: President Yoshiharu Hamada  
 Inquiries: Director, General Manager of Corporate Division Toshiya Okada TEL 06-6204-1193  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 30, 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	%
Nine months ended June 30, 2024	6,386	(26.0)	(610)	–	(651)	–	(614)	–
Nine months ended June 30, 2023	8,635	(2.1)	(584)	–	(724)	–	(669)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2024	(28.01)	–
Nine months ended June 30, 2023	(30.57)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	10,593	3,273	30.8
As of September 30, 2023	10,512	4,643	44.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2023	–	17.50	–	17.50	35.00
Year ending September 30, 2024	–	17.50	–		
Year ending September 30, 2024 (Forecast)				17.50	35.00

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,450	(7.0)	200	–	100	–	70	–	3.19

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - Changes in accounting policies due to other reasons: No
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2024	22,560,700 shares	As of September 30, 2023	22,557,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	609,207 shares	As of September 30, 2023	641,207 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2024	21,933,436 shares	Nine months ended June 30, 2023	21,884,696 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,238,267	501,423
Accounts receivable - trade	1,723,495	3,325,877
Accounts receivable - other	764,869	341,602
Income taxes refund receivable	419,547	25,396
Other	889,192	962,107
Total current assets	5,035,371	5,156,408
Non-current assets		
Property, plant and equipment	996,163	897,567
Intangible assets		
Software	1,174,031	1,359,370
Other	140,600	94,889
Total intangible assets	1,314,632	1,454,260
Investments and other assets		
Investment securities	138,014	36,255
Long-term prepaid expenses	568,259	583,836
Guarantee deposits	855,251	800,990
Insurance funds	443,222	458,411
Deferred tax assets	1,057,756	1,128,191
Other	97,609	61,006
Total investments and other assets	3,160,113	3,068,691
Total non-current assets	5,470,908	5,420,519
Deferred assets	6,226	16,472
Total assets	10,512,507	10,593,400
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	900,000	2,600,000
Current portion of bonds payable	200,000	300,000
Income taxes payable	105,606	62,107
Accounts payable - other	1,331,073	1,324,309
Deposits received	642,638	282,623
Lease liabilities	135,011	129,814
Provision for bonuses	145,132	68,875
Other	441,381	508,685
Total current liabilities	3,900,843	5,276,415
Non-current liabilities		
Long-term borrowings	205,760	205,760
Bonds payable	200,000	400,000
Lease liabilities	679,234	607,824
Retirement benefit liability	419,079	392,477
Asset retirement obligations	343,101	343,282
Other	120,796	93,733
Total non-current liabilities	1,967,971	2,043,077
Total liabilities	5,868,815	7,319,492

(Thousands of yen)

	As of September 30, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,158,703	3,160,393
Capital surplus	585,325	284,074
Retained earnings	1,349,529	248,628
Treasury shares	(505,856)	(435,977)
Total shareholders' equity	4,587,701	3,257,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,990	816
Total accumulated other comprehensive income	55,990	816
Share acquisition rights	–	15,972
Total net assets	4,643,691	3,273,908
Total liabilities and net assets	10,512,507	10,593,400

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	8,635,895	6,386,798
Cost of sales	2,870,368	1,564,781
Gross profit	5,765,526	4,822,017
Selling, general and administrative expenses	6,350,314	5,432,515
Operating loss	(584,787)	(610,498)
Non-operating income		
Interest and dividend income	2,325	3,435
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	–	11,002
Other	4,624	8,891
Total non-operating income	13,921	130,501
Non-operating expenses		
Interest expenses	12,929	23,843
Commission expenses	130,696	144,364
Other	10,175	3,618
Total non-operating expenses	153,801	171,826
Ordinary loss	(724,667)	(651,822)
Extraordinary income		
Gain on insurance cancellation	9,972	–
Total extraordinary income	9,972	–
Extraordinary losses		
Loss on cancellation of insurance policies	35,783	–
Total extraordinary losses	35,783	–
Loss before income taxes	(750,479)	(651,822)
Income taxes	(81,323)	(37,395)
Loss	(669,156)	(614,427)
Loss attributable to owners of parent	(669,156)	(614,427)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Loss	(669,156)	(614,427)
Other comprehensive income		
Valuation difference on available-for-sale securities	18,294	(55,173)
Total other comprehensive income	18,294	(55,173)
Comprehensive income	(650,862)	(669,601)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(650,862)	(669,601)
Comprehensive income attributable to non-controlling interests	—	—