

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2023 (Based on Japanese GAAP)

February 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  
 Senior Managing Director, General Manager  
 of Corporate Administration Division and  
 Inquiries: General Manager of Human Resources Takeshi Kushibiki TEL 06-6204-1193  
 Division  
 Scheduled date to file Quarterly Securities Report: February 9, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended December 31, 2023 (from October 1, 2023 to December 31, 2023)

(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, 2023	2,424	(11.3)	32	–	35	–	41	–
Three months ended December 31, 2022	2,733	0.8	(391)	–	(421)	–	(355)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2023	1.87		–	
Three months ended December 31, 2022	(16.23)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	10,835	4,333	40.0
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
Year ended September 30, 2023	–	17.50	–	17.50	35.00
Year ending September 30, 2024	–	–	–	–	–
Year ending September 30, 2024 (Forecast)	–	17.50	–	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	12,000	18.0	1,700	–	1,500	–	900	–	41.04

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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 December 31, 2023	22,557,200 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 December 31, 2023	624,407 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)

Three months ended December 31, 2023	21,919,572 shares	Three months ended December 31, 2022	21,871,872 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,238,267	1,071,025
Accounts receivable - trade	1,723,495	2,784,755
Accounts receivable - other	764,869	441,838
Income taxes refund receivable	419,547	87,924
Other	889,192	1,014,287
Total current assets	5,035,371	5,399,830
Non-current assets		
Property, plant and equipment	996,163	968,174
Intangible assets		
Software	1,174,031	1,252,149
Other	140,600	157,640
Total intangible assets	1,314,632	1,409,790
Investments and other assets		
Investment securities	138,014	117,935
Guarantee deposits	855,251	803,076
Insurance funds	443,222	443,222
Deferred tax assets	1,057,756	1,112,133
Other	665,869	575,712
Total investments and other assets	3,160,113	3,052,079
Total non-current assets	5,470,908	5,430,044
Deferred assets	6,226	5,292
Total assets	10,512,507	10,835,167
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	900,000	2,212,000
Current portion of bonds payable	200,000	200,000
Income taxes payable	105,606	63,798
Accounts payable - other	1,331,073	1,245,115
Deposits received	642,638	297,009
Lease liabilities	135,011	128,394
Provision for bonuses	145,132	71,049
Other	441,381	472,065
Total current liabilities	3,900,843	4,689,431
Non-current liabilities		
Long-term borrowings	205,760	205,760
Bonds payable	200,000	100,000
Lease liabilities	679,234	655,953
Retirement benefit liability	419,079	402,170
Asset retirement obligations	343,101	343,164
Other	120,796	105,506
Total non-current liabilities	1,967,971	1,812,555
Total liabilities	5,868,815	6,501,987

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	3,158,703	3,158,703
Capital surplus	585,325	321,138
Retained earnings	1,349,529	1,260,194
Treasury shares	(505,856)	(453,394)
Total shareholders' equity	4,587,701	4,286,641
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,990	46,538
Total accumulated other comprehensive income	55,990	46,538
Total net assets	4,643,691	4,333,180
Total liabilities and net assets	10,512,507	10,835,167

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	2,733,687	2,424,672
Cost of sales	842,254	534,687
Gross profit	1,891,433	1,889,985
Selling, general and administrative expenses	2,282,626	1,857,165
Operating profit (loss)	(391,193)	32,820
Non-operating income		
Interest and dividend income	2	1,955
Guarantee commission income	2,323	2,323
Gain on sale of securities	–	33,629
Gain on sales of gold bullion	–	7,430
Foreign exchange gains	13,702	7,692
Other	1,381	2,467
Total non-operating income	17,409	55,499
Non-operating expenses		
Interest expenses	3,533	6,116
Commission expenses	42,294	45,837
Other	1,939	982
Total non-operating expenses	47,767	52,935
Ordinary profit (loss)	(421,551)	35,383
Profit (loss) before income taxes	(421,551)	35,383
Income taxes	(66,403)	(5,801)
Profit (loss)	(355,147)	41,184
Profit (loss) attributable to owners of parent	(355,147)	41,184

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

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit (loss)	(355,147)	41,184
Other comprehensive income		
Valuation difference on available-for-sale securities	7,295	(9,451)
Total other comprehensive income	7,295	(9,451)
Comprehensive income	(347,852)	31,733
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(347,852)	31,733
Comprehensive income attributable to non-controlling interests	—	—