

**Translation**

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**Summary of Consolidated Financial Results  
for the Three Months Ended December 31, 2020  
(Based on Japanese GAAP)**

February 12, 2021

Company name: Advance Create Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8798 URL <https://www.advancecreate.co.jp/>  
 Representative: President&Chief Executive Officer Yoshiharu Hamada  
 Inquiries: General Manager Kinji Yokoyama TEL 06-6204-1193  
 Scheduled date to file Quarterly Securities Report: February 12, 2021  
 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, 2020 (from October 1, 2020 to December 31, 2020)

(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, 2020	2,573	(2.5)	215	(27.0)	186	(32.9)	92	(47.6)
Three months ended December 31, 2019	2,638	4.6	295	8.0	278	7.3	177	5.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2020	8.63		8.61	
Three months ended December 31, 2019	17.13		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	9,715	5,486	56.4
As of September 30, 2020	10,312	5,610	54.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2020	-	25.00	-	25.00	50.00
Year ending September 30, 2021	-				
Year ending September 30, 2021 (Forecast)		25.00	-	25.00	50.00

3. Forecast of consolidated financial results for the year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

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	11,500	9.4	1,570	32.6	1,500	36.9	1,000	42.8	92.92

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2020  
(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: No
- (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, 2020	11,058,000 shares	As of September 30, 2020	11,037,600 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	292,939 shares	As of September 30, 2020	300,239 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, 2020	10,751,427 shares	Three months ended December 31, 2019	10,333,072 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	2,632,288	1,953,998
Notes and accounts receivable - trade	1,099,522	1,153,959
Accounts receivable - other	2,120,899	2,028,978
Income taxes receivable	15,225	15,225
Other	695,462	823,504
Total current assets	6,563,398	5,975,665
Non-current assets		
Property, plant and equipment	617,172	598,157
Intangible assets		
Software	518,631	601,294
Other	167,744	109,011
Total intangible assets	686,376	710,305
Investments and other assets		
Investment securities	351,506	366,899
Guarantee deposits	678,655	691,057
Insurance funds	716,258	716,258
Deferred tax assets	271,683	233,118
Other	403,056	401,333
Total investments and other assets	2,421,161	2,408,666
Total non-current assets	3,724,710	3,717,130
Deferred assets	24,688	23,003
Total assets	10,312,797	9,715,799
<b>Liabilities</b>		
Current liabilities		
Current portion of bonds payable	200,000	200,000
Income taxes payable	106,616	40,416
Accounts payable - other	1,087,762	992,345
Deposits received	410,212	433,090
Lease obligations	80,116	78,358
Provision for bonuses	183,305	92,159
Asset retirement obligations	6,777	20,758
Other	623,855	476,671
Total current liabilities	2,698,647	2,333,798
Non-current liabilities		
Long-term borrowings	127,630	127,630
Bonds payable	800,000	700,000
Lease obligations	369,609	355,265
Retirement benefit liability	356,206	365,004
Asset retirement obligations	214,016	205,125
Other	136,594	142,855
Total non-current liabilities	2,004,057	1,895,879
Total liabilities	4,702,704	4,229,678

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	2,954,496	2,973,184
Capital surplus	381,117	399,805
Retained earnings	2,586,305	2,401,903
Treasury shares	(443,976)	(430,634)
Total shareholders' equity	5,477,943	5,344,258
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	128,534	138,552
Total accumulated other comprehensive income	128,534	138,552
Share acquisition rights	3,615	3,309
Total net assets	5,610,092	5,486,120
Total liabilities and net assets	10,312,797	9,715,799

**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, 2019	Three months ended December 31, 2020
Net sales	2,638,828	2,573,540
Cost of sales	781,430	736,908
Gross profit	1,857,398	1,836,632
Selling, general and administrative expenses	1,562,293	1,621,218
Operating profit	295,104	215,413
Non-operating income		
Interest and dividend income	826	778
Gain on forfeiture of unclaimed dividends	498	414
Guarantee commission received	2,045	2,045
Other	696	402
Total non-operating income	4,066	3,641
Non-operating expenses		
Interest expenses	3,015	2,189
Guarantee commission	–	375
Commission expenses	17,855	27,952
Other	–	1,844
Total non-operating expenses	20,870	32,362
Ordinary profit	278,299	186,692
Extraordinary income		
Gain on reversal of share acquisition rights	400	–
Total extraordinary income	400	–
Extraordinary losses		
Loss on retirement of non-current assets	–	3,224
Loss on store closings	–	19,459
Total extraordinary losses	–	22,684
Profit before income taxes	278,699	164,008
Income taxes - current	63,776	34,345
Income taxes - deferred	37,831	36,780
Total income taxes	101,607	71,126
Profit	177,091	92,881
Profit attributable to owners of parent	177,091	92,881

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

(Thousands of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Profit	177,091	92,881
Other comprehensive income		
Valuation difference on available-for-sale securities	14,584	10,018
Total other comprehensive income	14,584	10,018
Comprehensive income	191,676	102,899
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	191,676	102,899
Comprehensive income attributable to non-controlling interests	—	—