

December 17, 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 a part of 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 Regarding the Remediation of a Material Weakness
in Internal Control over Financial Reporting**

Advance Create Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies that the Company has confirmed the effectiveness of our internal control over financial reporting as of the fiscal year-end of September 30, 2025.

During the fiscal year ended September 30, 2024, the Company’s former accounting auditor indicated that parts of the PV calculations showed discrepancies from the underlying facts. In response, the Company established an investigative committee composed of independent external members, including attorneys and outside audit & supervisory board members, and conducted work to quantify the amounts of discrepancies in the PV calculations that required correction. The committee determined that the appropriate remedy was to correct prior-period financial statements. Accordingly, the Company restated prior-period financial statements and amended securities reports for the fiscal years ended September 30, 2020 through September 30, 2023, and amended quarterly reports for the second quarter of fiscal 2022 through the second quarter of fiscal 2024. The Company concluded that the matter had a material impact on financial reporting and, therefore, disclosed the condition as a material weakness in internal control over financial reporting for the previous consolidated fiscal year. The Company has taken this matter seriously, fully recognizes the importance of internal control over financial reporting, and, based on the findings and recommendations of the investigative committee, implemented the following remedial measures to correct the identified material weakness and to establish and operate appropriate internal controls. In implementing and operating these recurrence-prevention measures, the Company will pursue further sophistication of our operations and consider

digital transformation (DX) and proactive use of AI, aiming to ensure thorough enforcement of the preventive measures and their continuous improvement.

Additionally, during the course of the post-fiscal-year-end audit for our consolidated subsidiary, Hokenichiba Co., Ltd. it was discovered that certain revenue items in the Media business and the Media Rep business had been misstated. The Company determined that the misstatements had a significant and material impact on financial reporting and therefore constituted a material weakness in internal control over financial reporting as of the end of the previous consolidated fiscal year. All necessary adjustments arising from this material weakness have been reflected in the consolidated financial statements for the previous consolidated fiscal year.

The Company has taken this matter seriously, fully recognizes the importance of internal control over financial reporting, and has implemented the following remedial measures to correct the identified material weakness and to establish and operate appropriate internal controls.

For more details, please refer to the "Notice Regarding the Remediation of a Material Weakness in Internal Control over Financial Reporting" of the Japanese original (in Japanese only).