

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 of Compliance with Listing Maintenance Criteria (Net Asset Criteria)

As stated in the Annual Securities Report for the fiscal year ended September 30, 2024 submitted on February 28, 2025, Advance Create Co., Ltd. (hereinafter referred to as the “Company”) has become in a state of net liabilities as of the end of the consolidated fiscal year ended September 30, 2024, and the Company is no longer in compliance with the listing maintenance criteria (net assets must be positive) of the Tokyo Stock Exchange Prime Market, Fukuoka Stock Exchange and Sapporo Securities Exchange where the Company is listed. As a result, the Company disclosed its “Plan for Compliance with the Listing Maintenance Criteria (Net Asset Criteria) (Entering the Improvement Period)” on the same date.

As announced in the “Notice of Expected Compliance with Listing Maintenance Criteria” dated November 14, 2025, the Company expected that its consolidated net assets as of the end of the fiscal year ended September 30, 2025 would amount to 559 million yen and thereby meet the listing maintenance criteria.

Today, the Company submitted its Securities Report for the fiscal year ended September 30, 2025 to the Director of the Kinki Local Finance Bureau, and has now formally attained compliance with the listing maintenance criteria (net asset criteria).

As of September 30, 2025, the Company did not meet the Tokyo Stock Exchange Prime Market's listing maintenance criterion (Market Capitalization of Freely Tradable Shares Criterion and Freely Tradable Shares Ratio Criterion). For further details, please refer to the document disclosed on November 14, 2025, "Plan for Achieving Compliance with the Listing Maintenance Standards (Market Capitalization of Freely Tradable Shares Criterion and Freely Tradable Shares Ratio Criterion)".

1. Status of compliance with the Company's listing maintenance criteria and planned period (improvement period)

As announced in the “Notice Concerning Investigation Report of the Investigation Committee and Efforts to Prevent Recurrence” dated October 8, 2024 and the “Notice Concerning Postponement of Announcement of Financial Results for the Fiscal Year Ended September 30, 2024 and Correction of Prior Period Financial Results” dated October 30, 2024, the Company's previous accounting auditor indicated that some of the results of PV calculation results deviated from actual conditions. And the Company has formed an investigation committee consisting of independent third-party attorneys and outside auditors to calculate the amount of deviation from the actual PV calculation that should be corrected, and has concluded that it is appropriate to correct this deviation by amending the financial statements for prior periods. Subsequently, as announced in the “Notice of Additional Investigation Report by the Investigation Committee” dated January 10, 2025, the Company received an additional investigation report from the Investigation Committee regarding problems with PV calculations in prior periods and recalculated PV sales retroactively for prior periods. As a result, it was found that the Company had an excess liability of 4,973 million yen as of the end of the fiscal year ended September 30, 2024. The improvement period is until the end of September 2025, and the criteria for maintaining listing must be met as of the end of September 2025. In order to fulfill the criteria for maintaining listing on the Tokyo Stock Exchange Prime Market, Fukuoka Stock Exchange, and Sapporo Securities Exchange, which was non-compliant this time, by the end of the planning period (end of September 2025, the improvement period), the Company proceeded with various efforts to comply with the criteria for maintaining listing.

2. Financial result for the fiscal year ended September 30, 2025

Please refer to the financial results disclosed on November 14, 2025.

3. Basic policy on efforts to conform to listing maintenance criteria

As announced in the “Plan for Compliance with the Listing Maintenance Criteria (Net Asset Criteria) (Entering the Improvement Period)” dated February 28, 2025, the Company strived to resolve this situation by strengthening internal controls, promoting measures to increase capital, stabilizing business and financial aspects, and continuously improving income and expenditures.

4. Progress of efforts to conform to listing maintenance criteria

Details of the Company's initiatives to meet the Tokyo Stock Exchange Prime Market, Fukuoka Stock Exchange, and Sapporo Securities Exchange listing maintenance criteria, please refer to the "Progress Report on the Plan to Meet Listing Maintenance Criteria" of the Japanese original (in Japanese only).