October 27, 2026

To our Stakeholders

Company name: Advance Create Co., Ltd.
Representative: Yoshiharu Hamada, President
(Securities code: 8798; Tokyo, Sapporo, Fukuoka Market)
Inquiries: Keisuke Soga, Executive Officer, General Manager of Corporate Planning Department
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Note: This document has been translated from 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 Transition to a Company with an Audit and Supervisory Committee

As announced in the "Notice Concerning the Formulation of Recurrence Prevention Measures (Detailed Version)" dated September 30, 2026, Advance Create Co., Ltd. (hereinafter referred to as the "Company") is proceeding with a restructuring of its corporate governance framework as part of the measures formulated in response to inappropriate accounting practices at the Company and at Hoken Ichiba Co., Ltd., its wholly owned subsidiary engaged in the advertising agency business.

As part of this initiative, at a meeting held today, the Board of Directors resolved to transition from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee, subject to the approval of the necessary amendments to the Articles of Incorporation at the 31st Annual General Meeting of Shareholders. The Company hereby provides notice of this transition as follows.

This transition is intended to prevent the recurrence of inappropriate accounting practices and strengthen its corporate governance. To restore the trust of its shareholders, investors, and other stakeholders, the Company will further enhance the effectiveness of the Board of Directors' oversight and checks-and-balances functions.

Details of the 31st Annual General Meeting of Shareholders will be announced promptly once determined.

1. Purpose of the Transition

The purpose of this transition is to prevent the recurrence of inappropriate accounting practices and strengthen its corporate governance. By making directors who are Audit and Supervisory Committee members voting members of the Board of Directors, the Company will establish a framework in which audit and oversight functions can be exercised from the deliberation and decision-making stage of Board meetings. This will enhance the effectiveness of the Board's oversight of business execution and its checks-and-balances function.

2. Timing of the Transition

The Company plans to transition to a company with an Audit and Supervisory Committee, subject to receiving approval for the necessary amendments to its Articles of Incorporation at the 31st Annual General Meeting of Shareholders.

3. Future Outlook

Details of the 31st Annual General Meeting of Shareholders, including its date and time, related proposals, and director and officer appointments, will be announced promptly once determined.