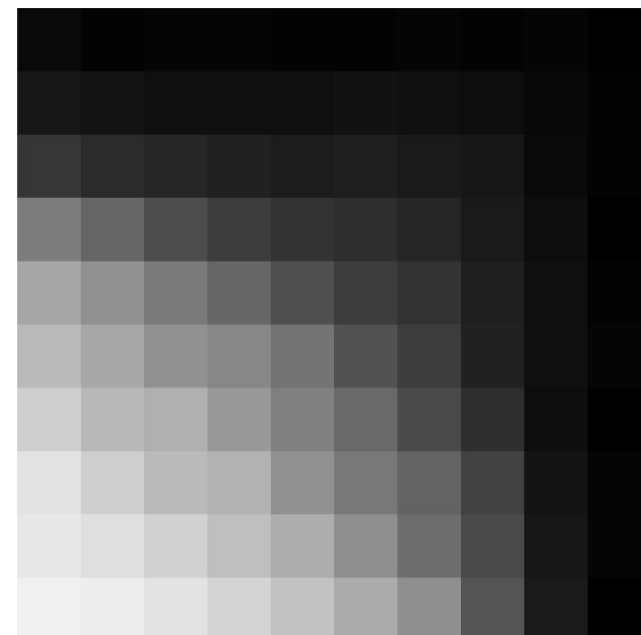


3836 TSE Prime

Avant Group Corporation

Financial Results Briefing
for the third quarter of Fiscal Year June 2024

April 26, 2024



This is an unofficial translation. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail.

Financial Highlights for the Q3/24

Net Sales

¥17,806 million

(YoY + 10.0%)

Increase due to strong growth in the Digital Transformation Promotion Business (hereafter, DX Promotion Business) and continued high growth rate in the outsourcing business

Operating Income

¥ 3,075 million

(YoY + 5.3%)

Increase due to decrease in one-time expenses incurred in the previous fiscal year as a result of group reorganization and the effect of higher sales in the DX Promotion Business, despite increase in fixed personnel expenses resulting from increase in headcount, outsourced processing expenses to respond to increase in orders, and investment-related expenses to realize future growth.

- No changes are made to the forecast for the current financial year, which is expected to achieve sales of **¥ 24,000 million** and operating profit of **¥ 3,850 million**.
- The year-end dividend per share for FY2024 is expected to be **19 yen** per share, with the aim of achieving the 8% ratio of dividends to net assets, which is the target for the period of the new medium-term management plan.

▼BE GLOBAL 2028' Actions to realise

- Avant Releases New Generation of AVANT Cruise
- Avant Group forms capital and business alliance with Figurout Inc.
- Avant and Nomura Securities Co., Ltd. jointly develop corporate value enhancement support software.
- Integrated Report "CREATIVE DIALOG 2023" published.
- Avant Group establishes a joint venture (consolidated subsidiary) in India.

Acquisition of own shares

- At a meeting of the Board of Directors held on April 26, 2024, the Company resolved on the following matters pertaining to the acquisition of own shares in accordance with Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the said Act.

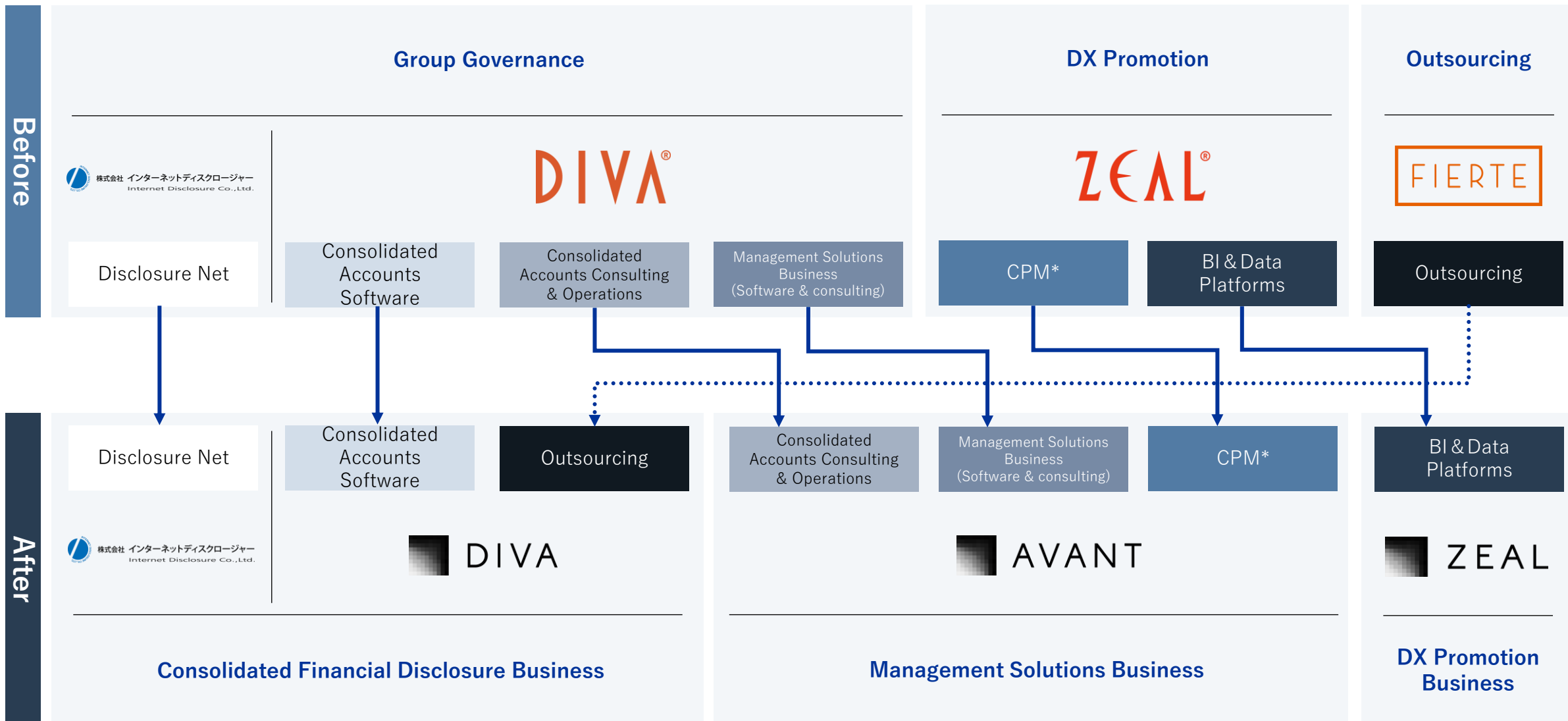
Reason for acquisition of own shares

As part of its shareholder return policy, we are acquiring own shares to increase the value per share.

Details of matters relating to the acquisition

(1) Class of stocks to be purchased	Common stock
(2) Total number of shares that may be acquired	1.2 million stocks (maximum)
(3) Total amount for shares to be acquired	1 billion yen (maximum)
(4) Acquisition Period	May 1, 2024 to November 30, 2024

【Reference】 Segment Reorganization



※CPM : Corporate Performance Management

【Reference】 New business segments

Consolidated Financial Disclosure Business (M1)

In addition to the development and maintenance of our own packaged software "DivaSystem" for consolidated management support and consolidated accounting, we also provide outsourcing of consolidated and non-consolidated financial statements using this software, supporting value creation through corporate information disclosure. As for our position within our group, we aim to establish a business model that combines the software business and outsourcing business.

The consolidated financial statement disclosure service also includes an information search service for disclosure documents provided by Internet Disclosure Co., Ltd. primarily for auditing firms.

Digital Transformation Promotion Business (M2)

Through consulting and system development, we provide AI and BI solutions that analyze, predict, and visualize data from a data platform that utilizes all kinds of data surrounding companies, and support companies in promoting digital transformation and data-driven management. From major cloud vendors to multi-cloud compatible software, you will learn about the latest information utilization methods and generation AI specializing in data utilization, as well as train engineers and develop your own data utilization platform products. We also aim to expand our group's products.

Management Solutions Business (M3)

Focusing on group management, consolidated accounting, and business management, we aim to visualize and maximize a company's "invisible value," and provide one-stop support from consulting to system planning, construction, implementation, operation, and maintenance. In addition to in-house development, it is also possible to develop in combination with software developed by other companies. In this segment, we will continue to create solutions that make the most of the group's assets and provide solutions that provide management information that will improve corporate value.

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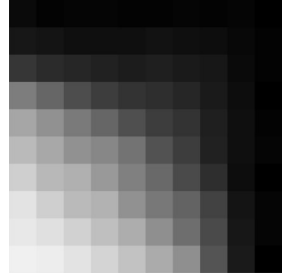
I . Summary of financial results for the third quarter of FY June 2024

II . Earnings and Dividend Forecast

III . 'BE GLOBAL 2028' Actions to realise

* Figures in this presentation are rounded down to the unit of display.

The information contained in this material regarding the business outlook and other forecasts and strategies etc. are forward-looking statements and are determined within the range that could normally be predicted based on the information reasonably available to the Company at the time of preparation of this material. Investors should be aware of the risks, however, that actual results may differ from the business prospects described in the material due to the occurrence of extraordinary circumstances that cannot usually be predicted or the occurrence of results that cannot usually be predicted. The Company will proactively disclose information that is considered material to investors, but investors should be advised not to make judgment based entirely on only the business prospects described in this material. This material should not be copied or transferred for any purpose without permission of the Company.



I. Summary of financial results for the third quarter of FY June 2024

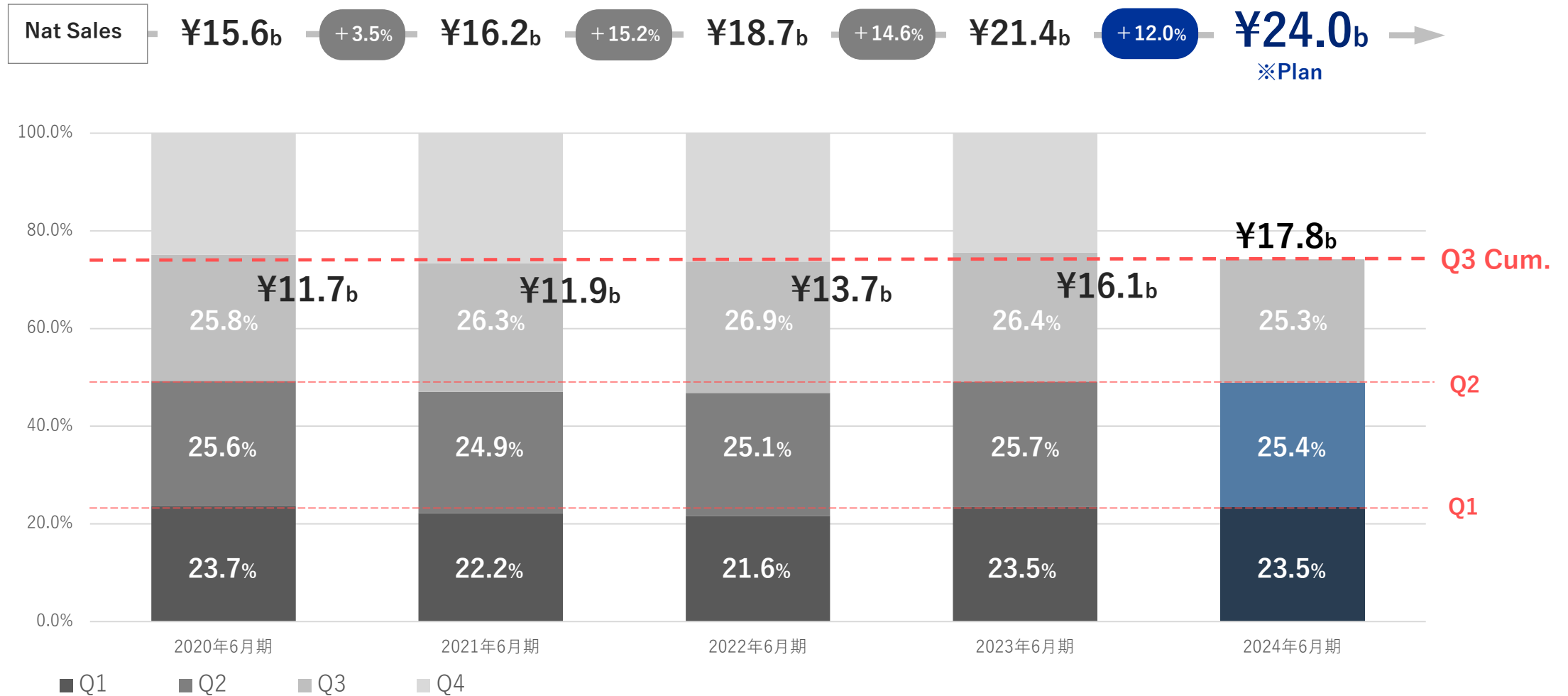
Results Highlights

- Net sales increased by 10.0% year-on-year to 17,806 million yen due to significant growth in the DX promotion business and continued to maintain a high growth rate in the outsourcing business.
- Operating income increased by 5.3% year-on-year to 3,075 million yen due to a decrease in one-time expenses incurred in the previous fiscal year due to the restructuring of the Group and the effect of an increase in sales in the DX promotion business, despite an increase in fixed personnel costs due to an increase in personnel and outsourcing processing expenses to meet an increase in orders, as well as expenses for investment to achieve future growth.

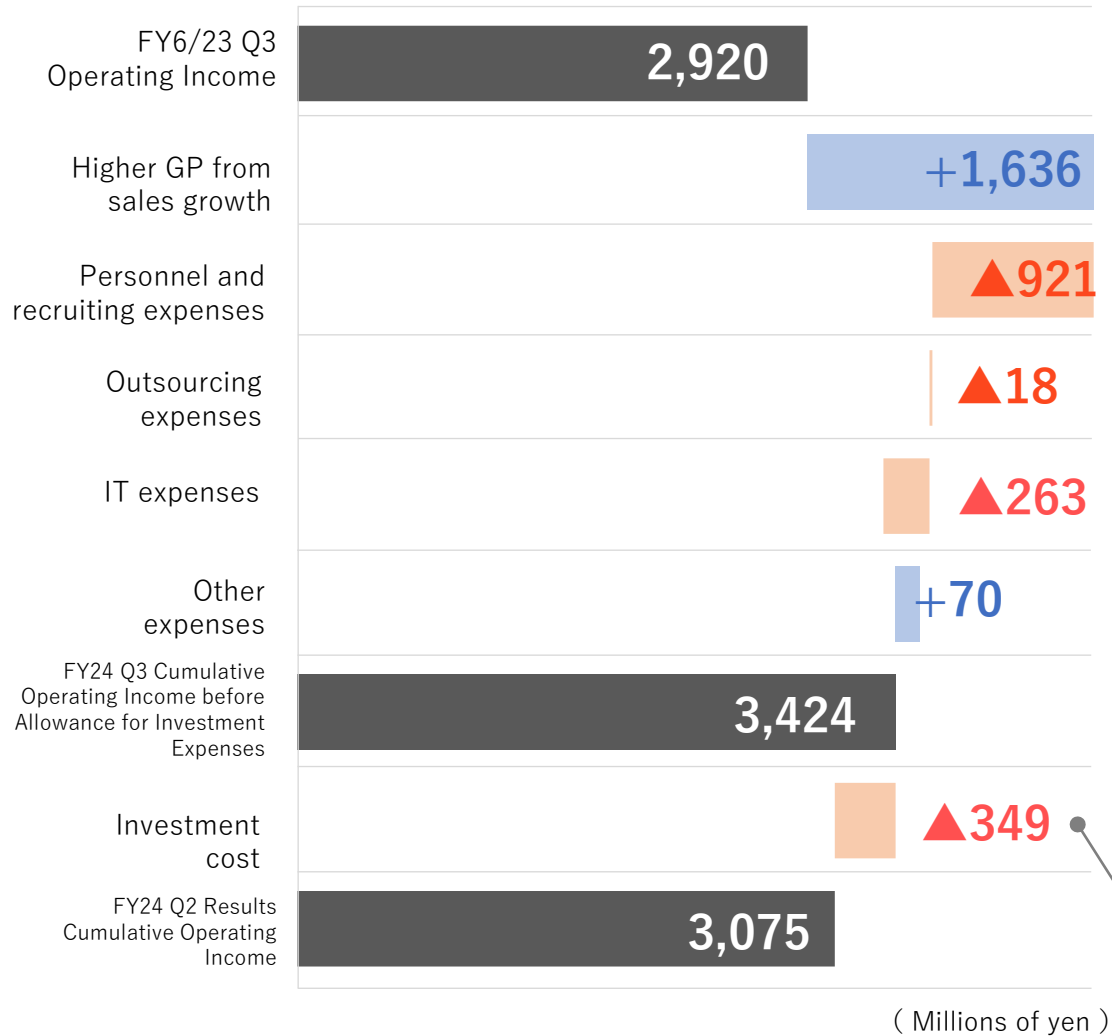
(million of yen)	FY6/24	YoY Variance		FY6/24	YoY Variance	
	Q3	Yr earlier	% chg	Q3 Total	Yr earlier	% chg
Net Sales	6,063	5,664	7.0%	17,806	16,188	10.0%
Cost of Sales	3,407	3,174	7.3%	9,976	8,855	12.7%
Gross Profit	2,656	2,489	6.7%	7,829	7,332	6.8%
GPM	43.8%	44.0%	-0.2pt	44.0%	45.3%	-1.3pt
SG&A	1,471	1,362	8.0%	4,753	4,412	7.8%
Operating Income	1,185	1,127	5.1%	3,075	2,921	5.3%
OPM	19.5%	19.9%	-0.4pt	17.3%	18.0%	-0.8pt
Net Income	757	729	3.9%	1,974	1,871	5.5%
NPM	12.5%	12.9%	-0.4pt	11.1%	11.6%	-0.5pt
EBITDA	1,344	1,255	7.1%	3,470	3,245	7.0%
EBITDA margin	22.2%	22.2%	0.0pt	19.5%	20.0%	-0.6pt

Progress to Full-Year Sales Targets

- FY24 3Q cumulative sales are progressing at 74.2% of full-year sales, on par with the past 4 years



FY6/24 Q3 Operating Income Bridge (YoY)



Personnel and recruiting expenses

Aggressive recruiting activities for sustainable growth are underway, and personnel and recruiting expenses increased at a level higher than the rate of revenue growth, but less than the amount of revenue growth.

Outsourcing expenses

Although subcontracting expenses in the consolidated financial disclosure, which were temporarily incurred as restructuring costs, decreased, subcontracting expenses increased in DX in order to meet strong demand.

IT expenses

IT expenses increased due to an increase in headcount and cloud computing (for customers and internal environment).

Other Expenses

Office expenses decreased due to the office review. Despite a decrease in restructuring expenses, other expenses increased slightly due to expenses for the introduction of the RS Trust and an increase in fees paid related to the Materiality Realization Office.

Investment cost: 349 million yen

M3 (Business Management Solution)	210M
M1 (Consolidated financial disclosure)	55M
M2 (DX propulsion)	52M
AVANT GROUP CORPORATION	31M

Software development and procurement, and most occur in M3, which is undergoing a business model transformation. The Materiality Realization (MI) Office, which is responsible for the group-wide R&D function, is located at Avant Group Corporation and thus incurs investment cost.

Operating Income / YoY Growth

Before inclusion of investment expenses

+ ¥500m / 17.3%UP

After inclusion of investment expenses

+ ¥150m / 5.3%UP

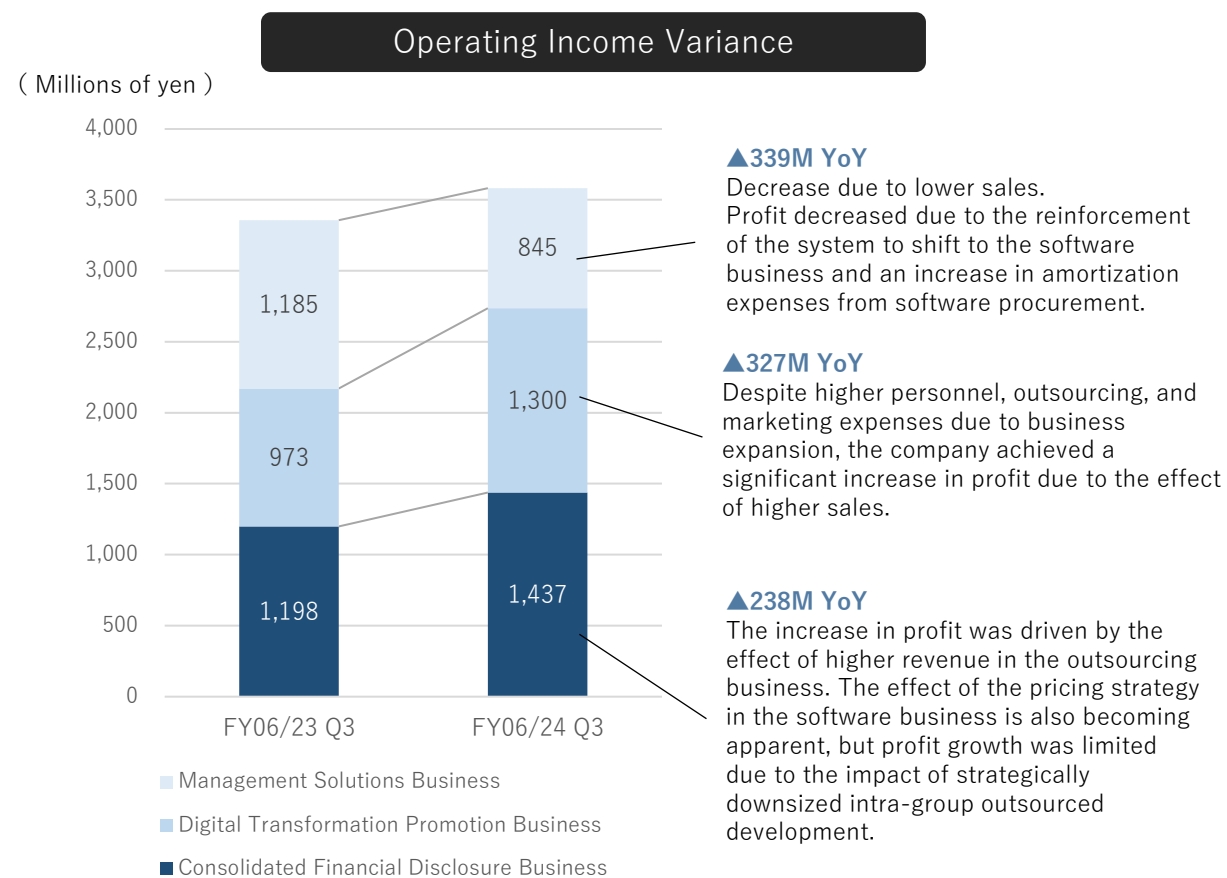
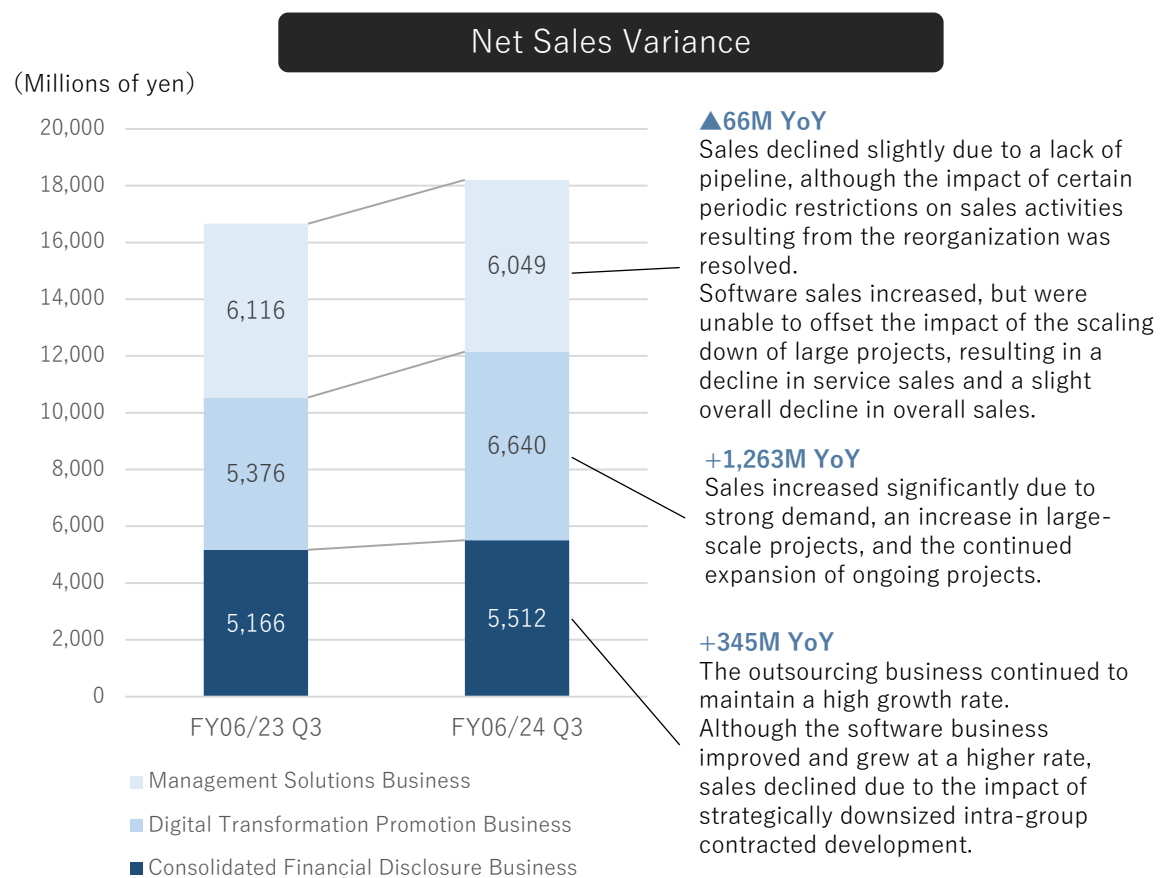
Results by Business Segment

- Sales of Business Management Solutions declined, but DX Promotion Business drove overall sales.
- Operating income increased in the DX Promotion Business and the Consolidated Financial Results Disclosure Business but decreased in the Business Management Solutions Business.
- Orders received and backlog increased YoY in all segments.

	(Millions of yen)	FY6/24			FY6/24		
		Q3	YoY Variance		Q3 Total	YoY Variance	
			Yr earlier	% chg		Yr earlier	% chg
Consolidated Financial Disclosure Business	Net Sales	1,905	1,752	8.8%	5,512	5,166	6.7%
	Operating Income	579	414	39.9%	1,437	1,198	19.9%
	OPM	30.4%	23.6%	6.8pt	26.1%	23.2%	2.9pt
	Orders	1,836	1,689	8.7%	5,398	5,294	2.0%
	Order Backlog	3,835	3,544	8.2%	3,835	3,544	8.2%
Digital Transformation Promotion Business	Net Sales	2,274	1,988	14.4%	6,640	5,376	23.5%
	Operating Income	541	415	30.2%	1,300	973	33.6%
	OPM	23.8%	20.9%	2.9pt	19.6%	18.1%	1.5pt
	Orders	2,360	1,984	19.0%	6,466	5,472	18.1%
	Order Backlog	1,531	1,154	32.6%	1,531	1,154	32.6%
Management Solutions Business	Net Sales	2,030	2,104	▲3.5%	6,049	6,116	▲1.1%
	Operating Income	269	400	▲32.7%	845	1,185	▲28.7%
	OPM	13.3%	19.0%	▲5.8pt	14.0%	19.4%	▲5.4pt
	Orders	1,991	1,753	13.6%	5,609	5,179	8.3%
	Order Backlog	2,674	2,060	29.8%	2,674	2,060	29.8%

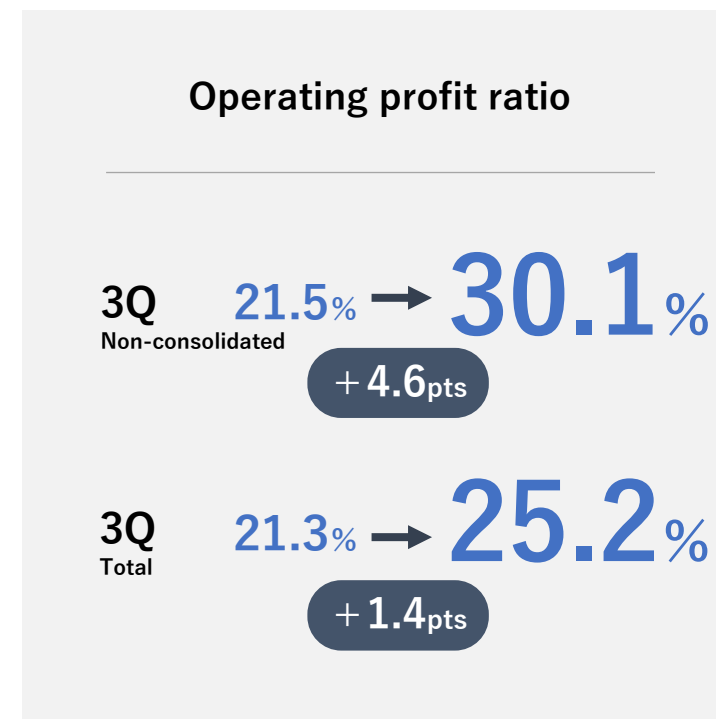
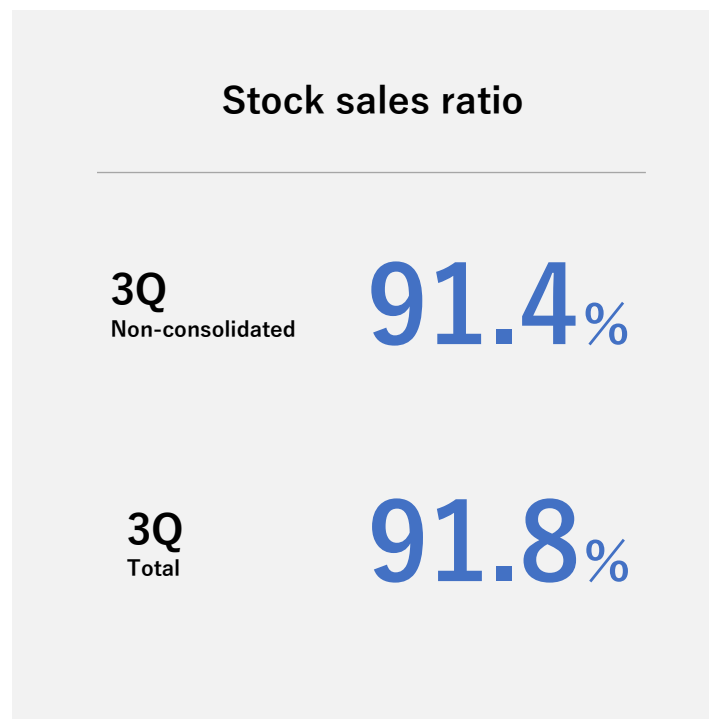
Results by Business Segment (Factors)

- The DX Promotion Business drove the increase in profit due to the effect of increased revenue. In the consolidated financial disclosure business, revenue increased due to strong performance of the outsourcing business, and the growth of the outsourcing business was the driving force in terms of revenue and profit. In the business management solutions business, the impact of a certain period of restrictions on sales activities due to business restructuring was resolved, but sales declined due to a lack of pipeline, and income decreased due to investments for a shift to the software business.



Results by Business Segment (Consolidated financial disclosure business)

- Excluding the impact of Internet Disclosure, which is included in the consolidated financial disclosure segment, and the strategic reduction of intra-group contract development, the company has achieved solid growth and improved profits.

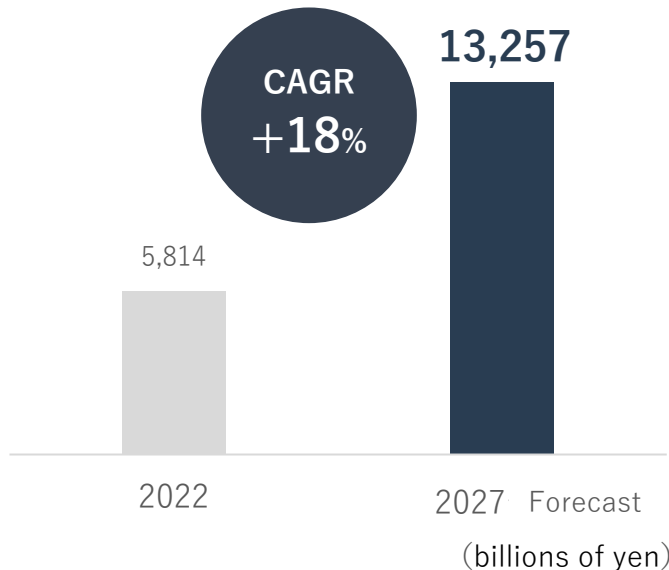


*All exclude the impact of ID sales.

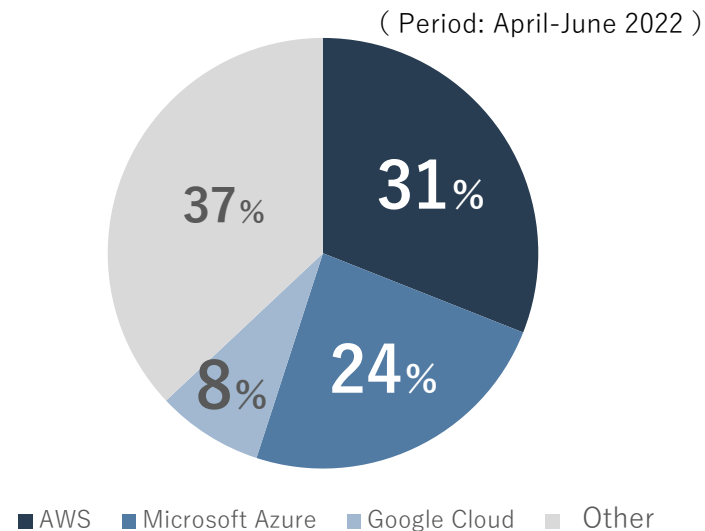
Results by Business Segment (DX Promotion Business)

- It operates in the DX market, and its business domain covers not only the BI domain but also the entire data utilization for DX realization (data platform). This is a particularly high-growth business area in the DX market.
- The domestic cloud market is expected to continue to grow at a high rate. Microsoft, Amazon, and Google hold the top market shares in the global cloud market.
- The Company's strategic focus on Azure, AWS, and GCP, multi-vendor strategy (see below), and extensive award-winning and partner recognition have enabled the Company to successfully realize business opportunities in these growing business areas.
- As a result, net sales increased. Note that sales related to Azure, AWS, and GCP accounted for about 2/3 of cumulative sales through Q3 FY6/2024.

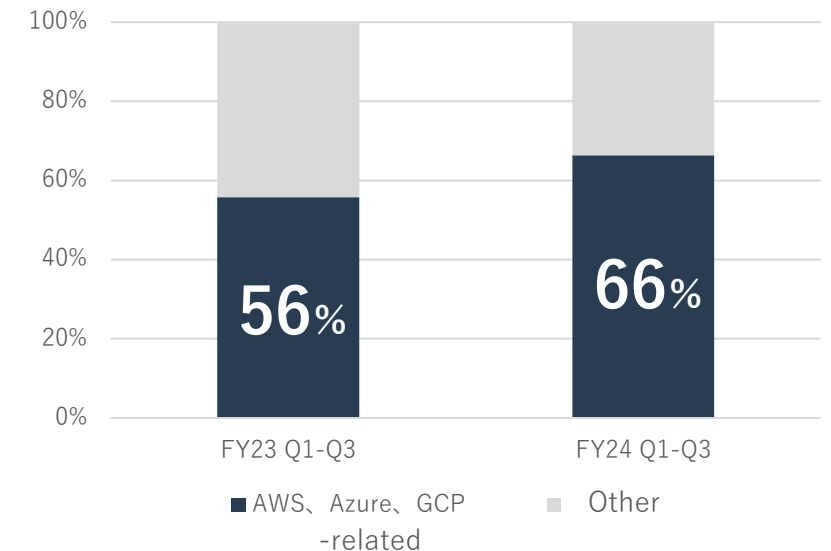
**Domestic Cloud Market Forecast
(in terms of revenue)**



**Global Cloud Infrastructure Services
Spending Market Share**













**AWS, Azure, and GCP-related sales as a
percentage of Zeal sales**



Results by Business Segment (DX Promotion Business)

- We have adopted a multi-vendor strategy and have established cooperative relationships with a variety of manufacturers. As a result, we are able to adapt to our customers' needs and our business is growing.
- Our company has a strong track record of awards and partner accreditations. As a result, we often receive orders for projects from each of our major partner companies, leading to the growth of our business.

Major Vendor Companies (selected)

BI/Statistical Analysis			
			
Analysis Basis			
			

Awards and Recognition from Partners

Awards : Awarded Microsoft Japan Partner of the Year for three consecutive years
 2023: Business Intelligence category
 2022: Power BI Awards
 2021: Analytics Award



Our engineer won Microsoft Top Partner Award in Azure category and Microsoft MVP Award in Data Platform category.

We won the "Best Solution Award" at the SAS Partner Award 2021.

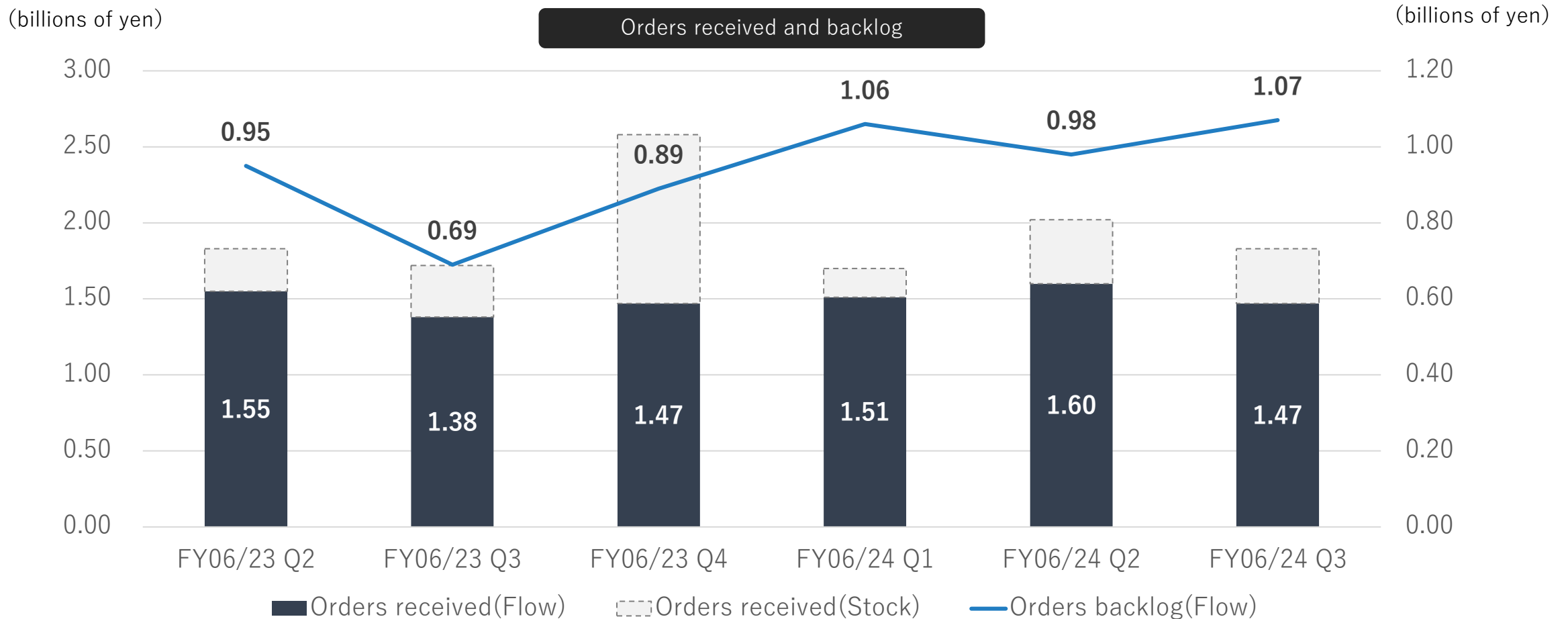
Microsoft : We are the first company in Japan to receive the Advanced Specialization for "Analysis using Microsoft Azure" in 2021.

Amazon : Promoted to AWS Advanced Tier Service Partner (2023) and obtained SDP for AWS Glue. First in Japan to acquire SDP for Amazon Redshift, Amazon QuickSight, and AWS Glue (2023).

Google : Acquire Google Cloud service partner certification (2021) and Looker Sell partner certification under Google Cloud (2022)

Results by Business Segment (Business management solutions)

- The impact of the business restructuring, which restricted sales activities for a certain period of time, has been resolved, the pipeline has recovered, and the flow order backlog, excluding stock, has increased. Flow orders increased YoY but decreased QoQ. However, the pipeline is steadily building up and is expected to turn to an upward trend in FY24Q4.



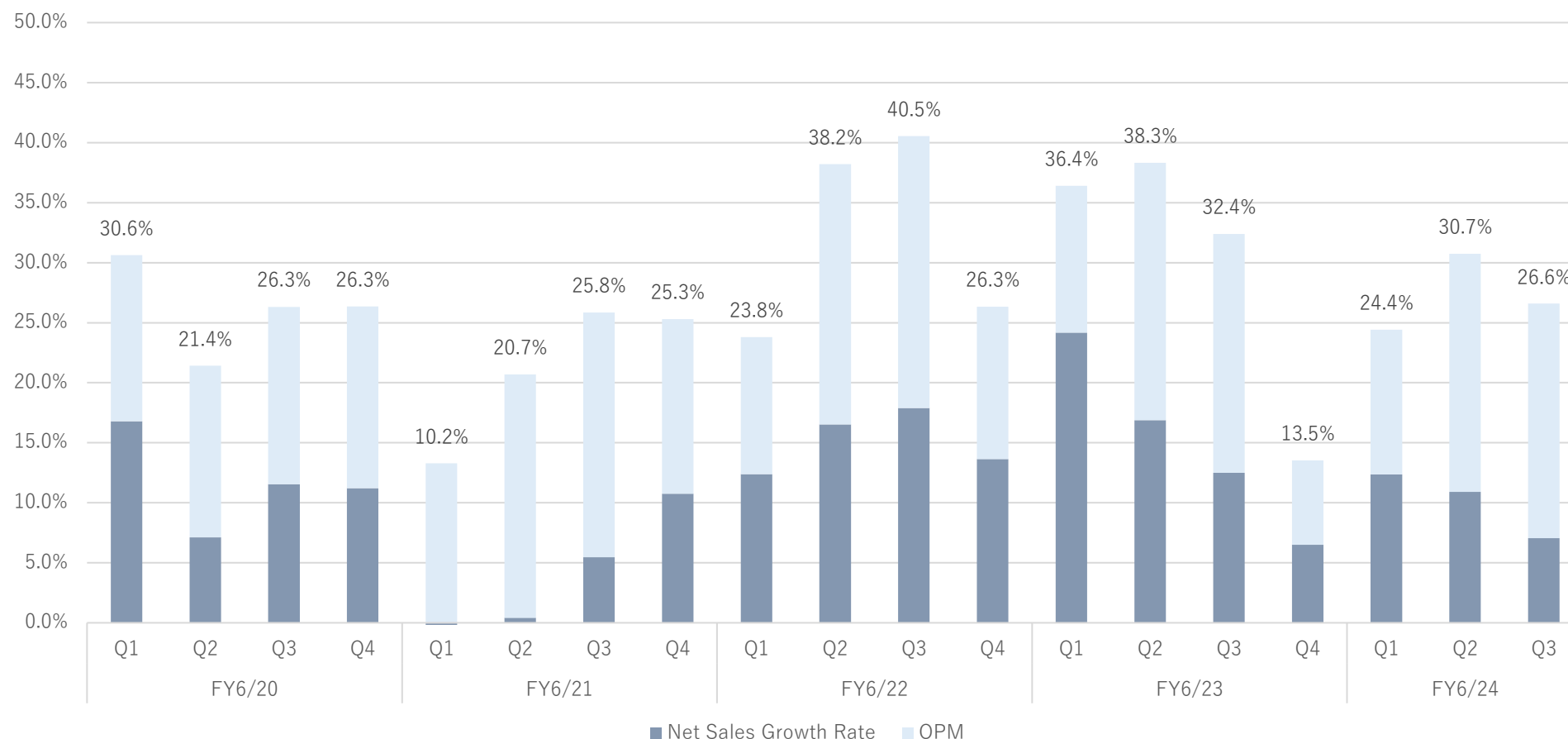
Group Cost Structure

- Recruitment and personnel expenses increased due to active recruitment activities. Outsourcing costs also increased, but to a limited extent.
- IT expenses increased due to increased headcount and cloud computing (for customers and internal environment)
- Despite a decrease in restructuring costs, other expenses increased due to expenses for the introduction of the RS Trust and an increase in fees paid related to the Materiality Realization Office.

(Millions of yen)	FY6/24 Q3	YoY Variance		FY6/24 Q3 Total	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Net Sales	6,063	5,664	7.0%	17,806	16,187	10.0%
Personnel expenses	2,785	2,488	11.9%	8,515	7,511	13.4%
Recruitment expenses	105	88	18.9%	338	298	13.4%
Outsourcing expenses	958	1,002	▲4.4%	2,965	2,794	6.1%
IT expenses	321	248	29.4%	944	681	38.7%
Office expenses	199	233	▲14.6%	627	689	▲9.0%
Other expenses	508	476	6.8%	1,341	1,293	3.7%
Total expenses	4,878	4,536	7.5%	14,730	13,266	11.0%
Operating Income	1,185	1,127	5.1%	3,075	2,920	5.3%
OPM	19.5%	19.9%	▲0.4pt	17.3%	18.0%	▲0.8pt

Quarterly GPP (Net Sales Growth + OPM) Trends

- Although GPP had been on a downtrend since the 3Q of the previous fiscal year, it rose in the 1Q of the current fiscal year due to a recovery in sales growth and rose in the 2Q due to an improvement in the operating profit margin. 3Q saw a slowdown in sales growth in the business management solutions business due to a lack of pipeline, but the operating profit margin remained at a high level.



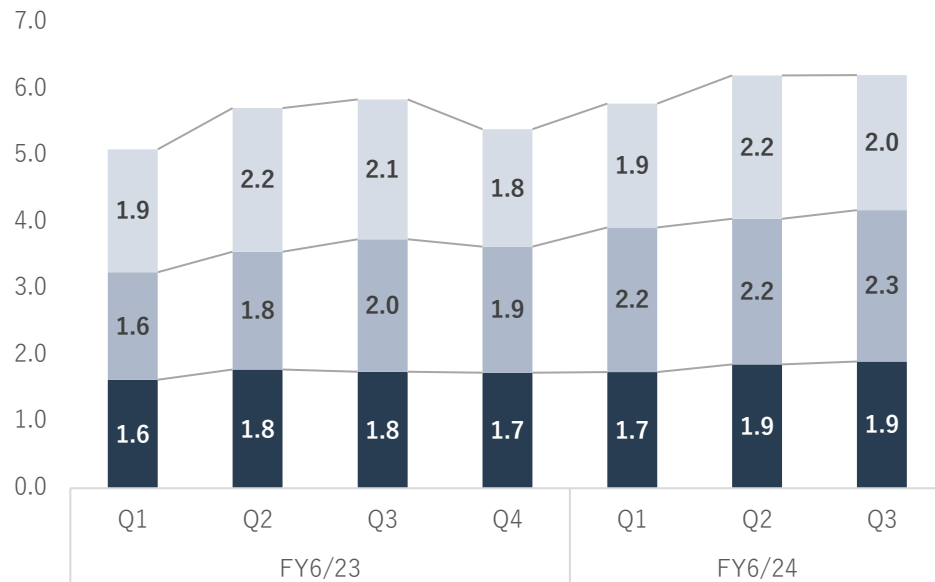
Effective from the beginning of the first quarter of FY6/22, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied.

Quarterly Net Sales by Segment

- Transient effects of business restructuring are seen in the figures of Business Management Solutions for the 4Q of the previous fiscal year and the 1Q of the current fiscal year.
- As in previous years, profitability tends to increase in 2Q and 3Q, but business management solutions remain stagnant.

(Billions of yen)

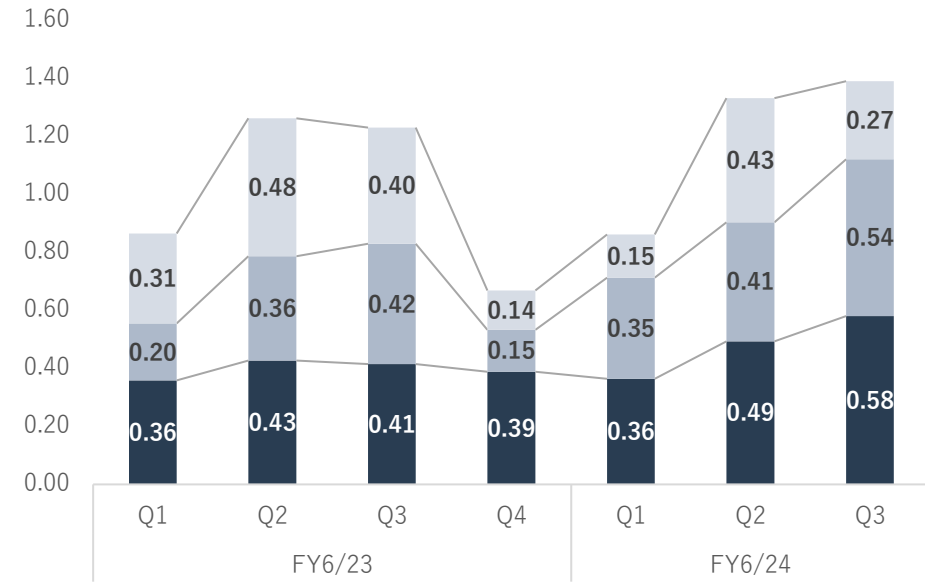
Net Sales



- Management Solutions Business
- Digital Transformation Promotion Business
- Consolidated Financial Disclosure Business

(Billions of yen)

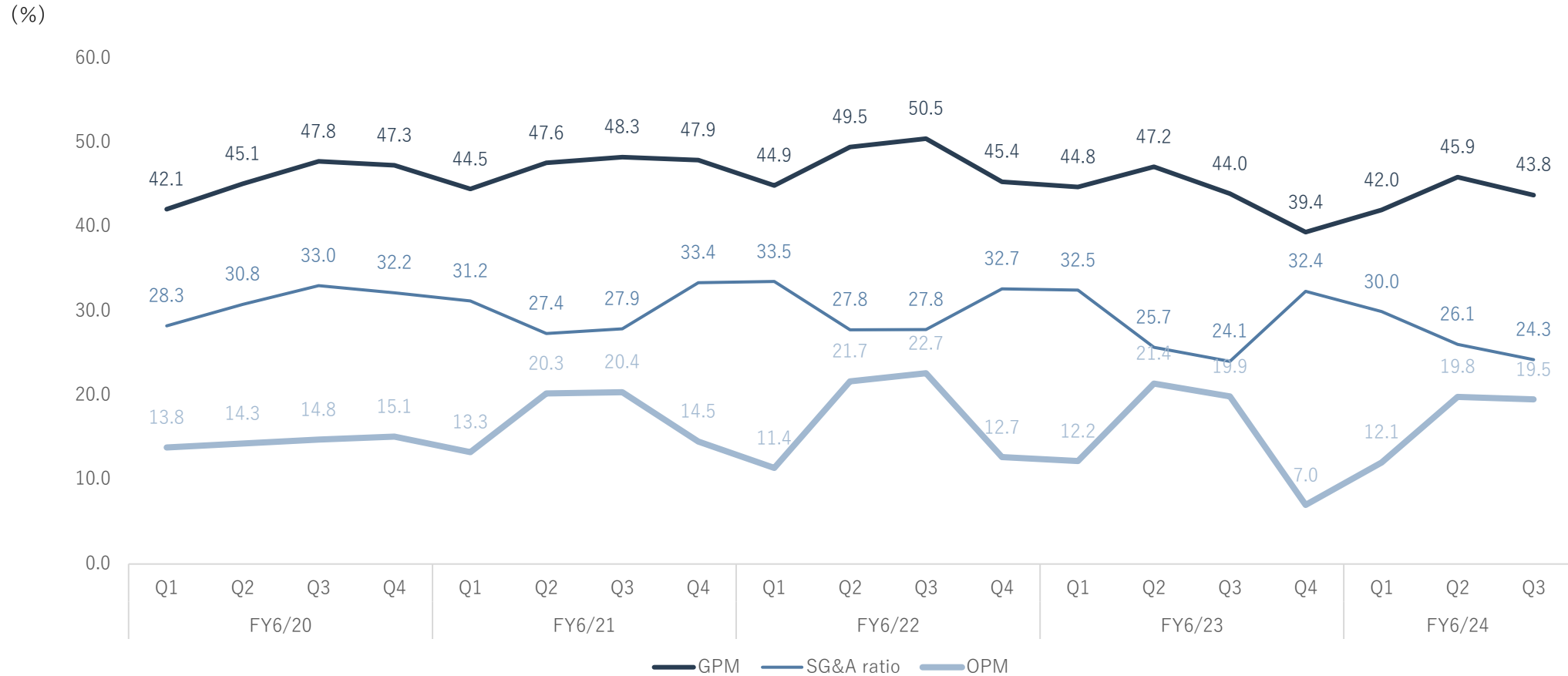
Operating Income



- Management Solutions Business
- Digital Transformation Promotion Business
- Consolidated Financial Disclosure Business

Quarterly Margin Trends

- In the 4Q of the previous fiscal year, gross profit margin declined due to a certain period of restrictions on sales activities related to business management solutions as a result of business restructuring, but in the current fiscal year, sales grew and both gross profit margin and operating profit margin were on a recovery trend, reaching the same level as the same period of the previous fiscal year.

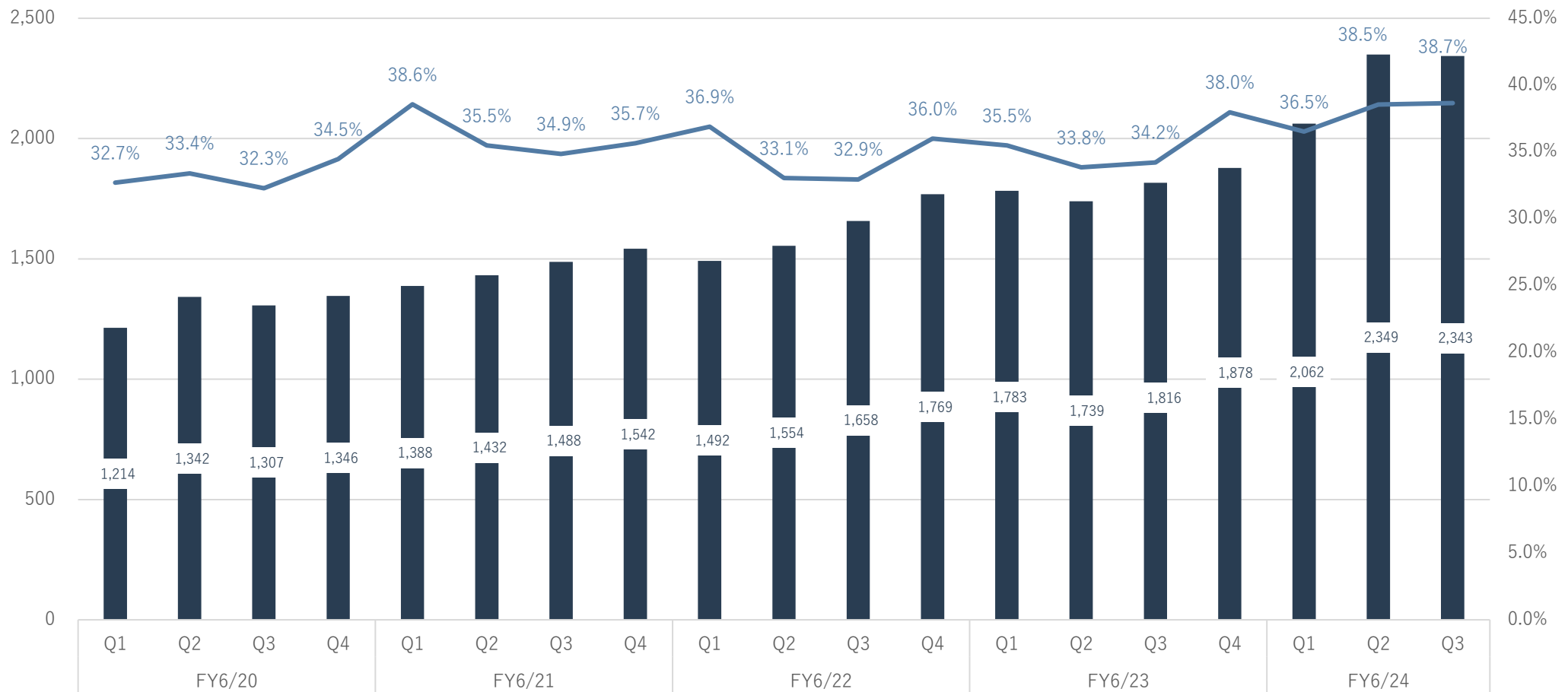


Effective from the beginning of the first quarter of FY6/22, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied.

Quarterly Recurring Sales and Recurring Sales Ratio

- While the stock ratio has not changed its level significantly, the absolute value of stock sales has remained steady.

(Millions of yen)

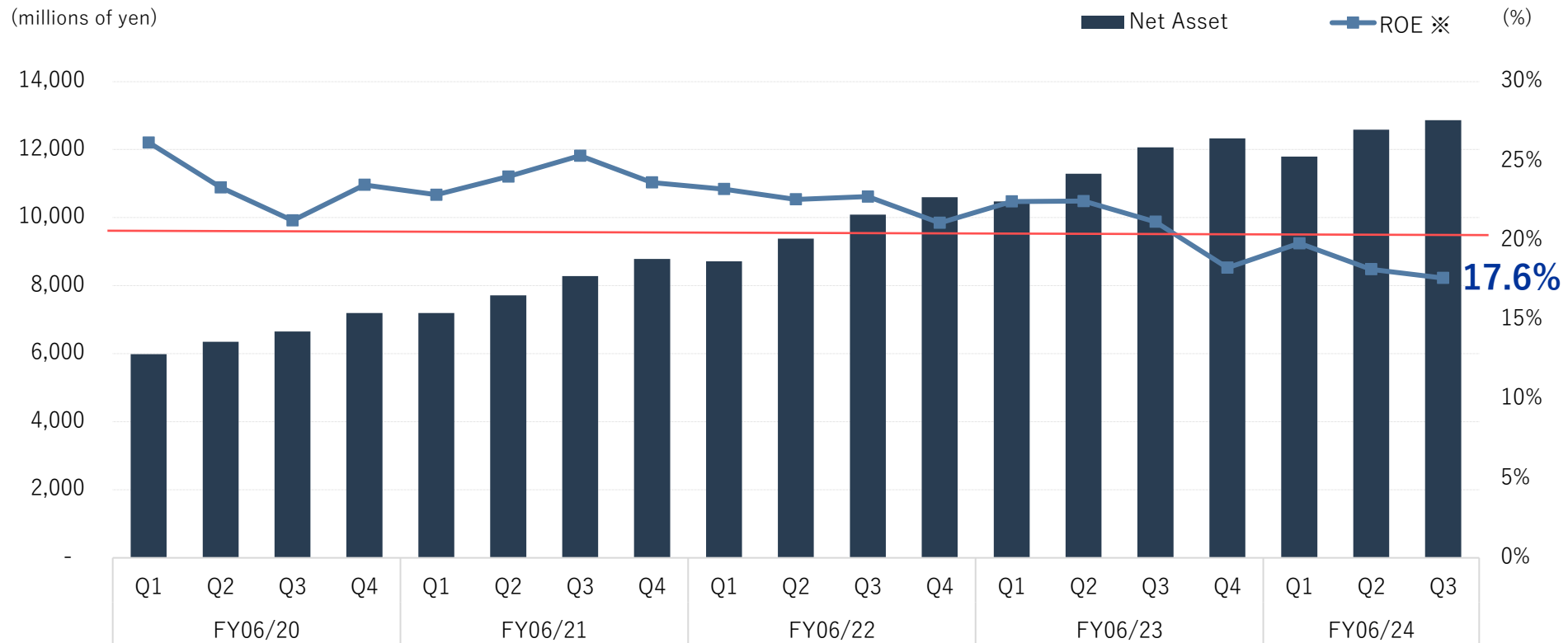


■ Recurring Sales — Recurring Sales Ratio

Effective from the beginning of the first quarter of FY6/22, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied.

ROE Trends

- ROE* has been on a downtrend recently, partly due to an increase in net assets, but improved in the 1Q due to dividend payments and a share buyback. In 2Q and 3Q, it declined again due to the buildup of net assets.
- We aim to maintain an average of at least 20% through adherence to the Group's management principles, by further enhancing profitability and managing assets more efficiently.

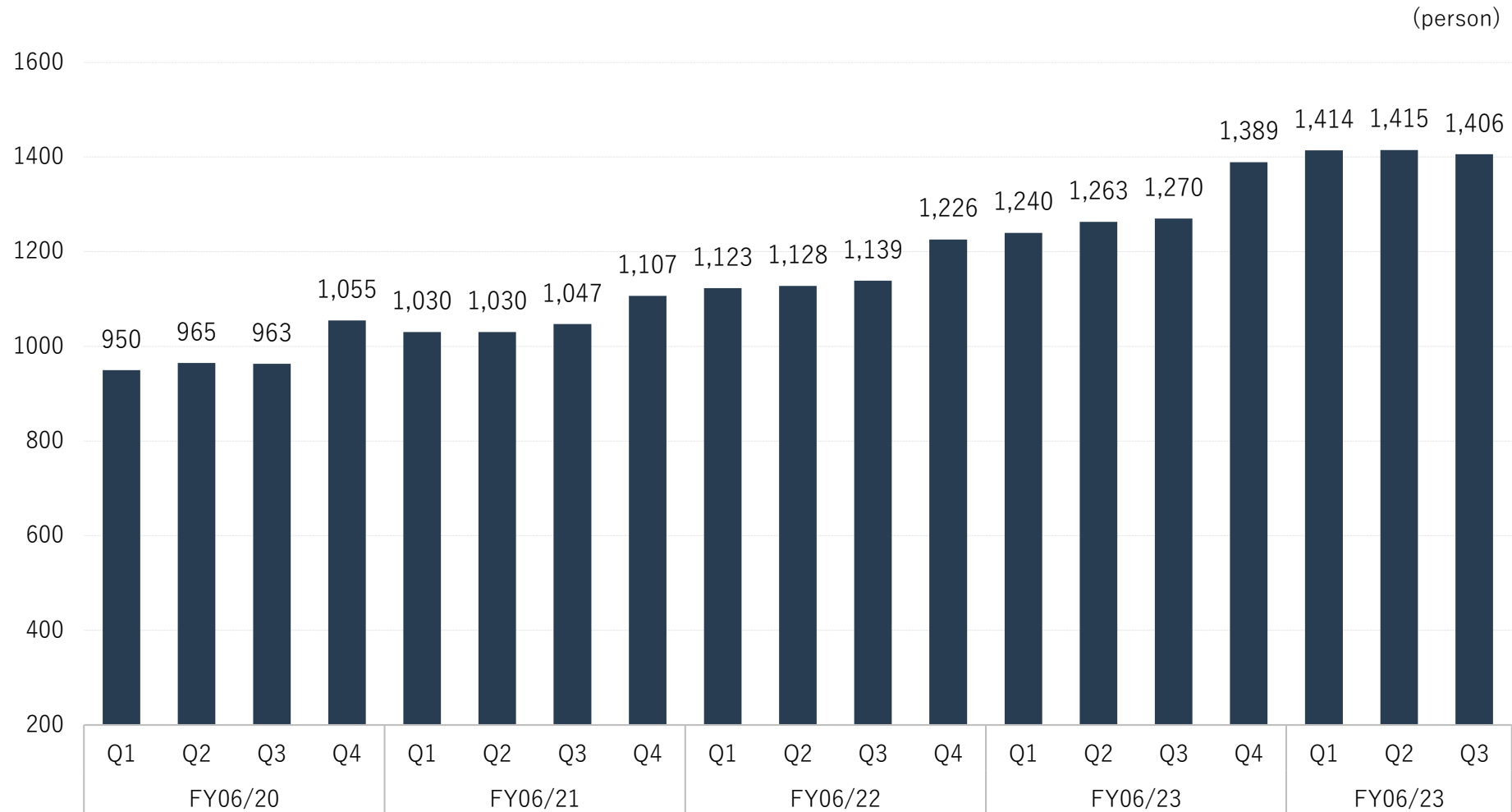


※Figures are calculated based on the past four quarters.

Effective from the beginning of the first quarter of FY6/22, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied.

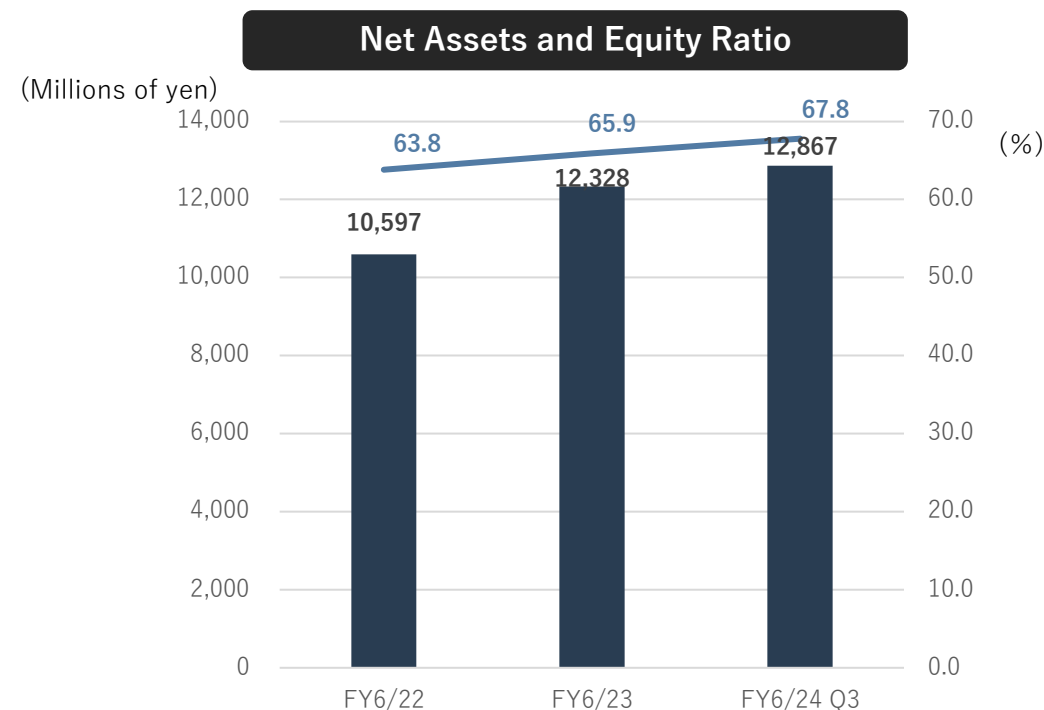
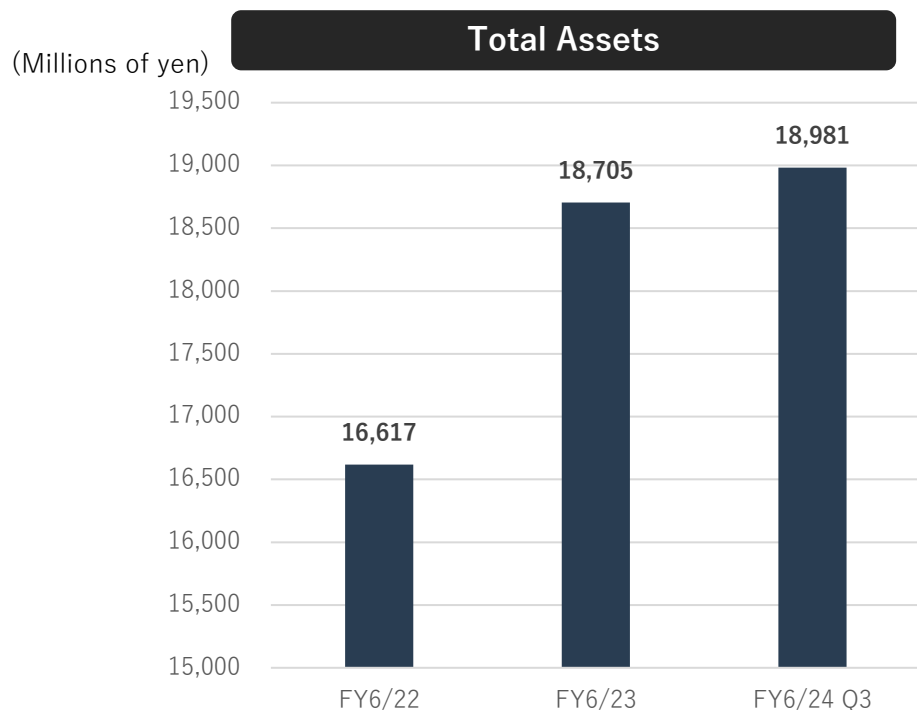
Number of Group Employees

- To achieve sustainable growth, headcount is increasing, but remained flat in 2Q and slightly declined in 3Q



Financial Condition Trends

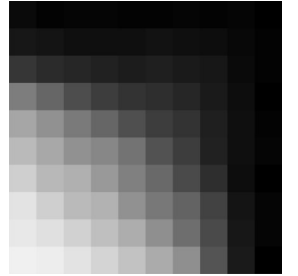
- Despite a decrease of 843 million yen in cash and deposits, total assets increased due to a 1,082 million yen increase in notes and accounts receivable, accounts receivable and contract assets, a 111 million yen increase in prepaid expenses, and a 213 million yen increase in investment securities.
- Net assets increased 538 million yen from the end of the previous period to 12,867 million yen due to the posting of 1,974 million yen in net income attributable to parent company shareholders, 918 million yen in acquisition of treasury stock, and 564 million yen in dividend payments from retained earnings.
- The capital adequacy ratio has remained at a high level.



Cashflow Trends

- Operating cash flow increased due to income before income taxes and minority interests of 3,091 million yen, income taxes refund of 565 million yen, etc., and decreased due to a decrease in notes and accounts receivable-trade and contract assets of 1,082 million yen, a decrease in contract liabilities of 542 million yen, a decrease in allowance for bonuses of 208 million yen, income taxes paid of 1,206 million yen etc.
- The main components of financial cash flow outflows were the purchase of treasury stock of 918 million yen following the introduction of the RS Trust as an incentive program for future stock price hikes, and dividend payments of 564 million yen, resulting in an increase of 502 million yen used versus the same period last year.

(Millions of yen)	FY6/24	YoY Variance		FY6/24 Q3	YoY Variance	
	Q3	Yr earlier	% chg	cumulative total	Yr earlier	% chg
Operating CF	910	624	286	1,260	△ 93	1,354
Investment CF	△ 365	△ 51	△ 313	△ 605	△ 674	69
Free CF	545	572	△ 26	655	△ 767	1,423
Financial CF	△ 472	△ 3	△ 469	△ 1,498	△ 502	△ 995



II . Earnings and Dividend Forecast

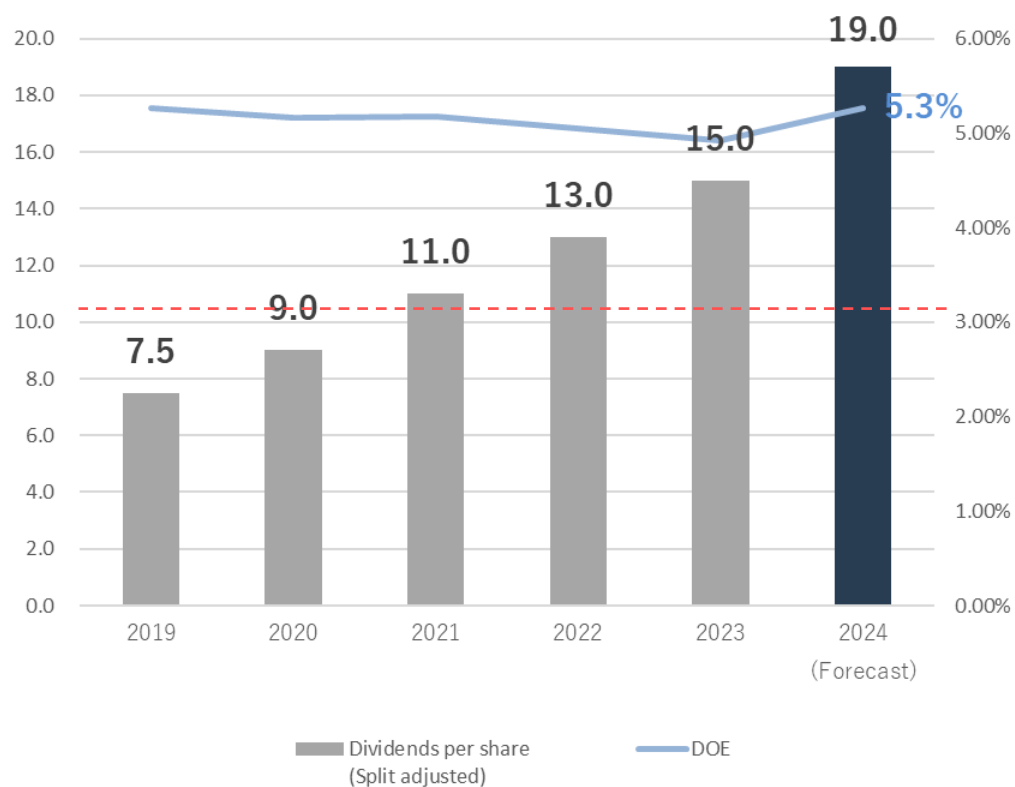
Earnings forecast for the fiscal year ending June 30, 2024

- For the fiscal year ending June 2024, sales are expected to increase by 12% year-on-year to 24,000 million yen. Operating income and net income are expected to increase at a rate greater than the rate of increase in sales due to the effect of increased sales and the reduction of the burden of restructuring costs incurred in the fiscal year ending June 2023.

(Millions of yen)	FY6/23 (Actual)	FY6/24 (Forecast)	Variance	Chg
Net Sales	21,424	24,000	2,576	12.0%
Operating Income	3,289	3,850	561	17.1%
OPM	15.4%	16.0%	-	-
Net Income	2,094	2,500	406	19.4%

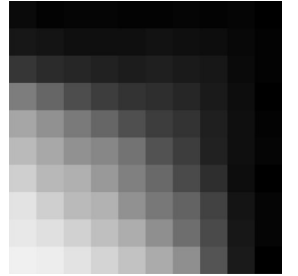
Shareholder Returns

- In line with the policy of continuing to pay a stable dividend, the dividend per share for the year ending 30 June 2024 is expected to be 19 yen per share.
- DOE for the fiscal year ended June 30, 2023 was 4.9%, well above the TSE-listed company average (12 months) of 3.1%.



Our shareholder return policy

- Dividends are an important part of our shareholder return policy
- Avant aims to maintain if not grow the dividend by focusing on indicators such as dividend on equity (DoE) which is less impacted by fluctuations in annual earnings.
- The Company's DOE will always exceed the average of all companies listed on the Tokyo Stock Exchange and will aim to achieve 8% within the period of the new medium-term management plan.



III. 'BE GLOBAL 2028' Actions to realise

BG28 Outlook

- Increase corporate value by improving fundamentals through net income growth (3x) and by increasing future cashflow through a shift to a software focus

	FY6/23	FY6/24	FY6/28	5yr chg/avg
Net Sales	¥21.4bn	¥24bn	¥40-45bn	2x
Operating Income (OI)	¥3.28bn	¥3.85bn	¥9-11bn	3x
OPM	15.4%	16.0%	20-24%	+5-9pts
Net Income	¥2.09bn	¥2.5bn	¥6-7bn	3x/CAGR 25%
OI/person	¥2.4mn	¥2.4mn	¥3.5-4.3mn	1.5x
Software Gross Profit	¥2.13bn	¥2.17bn	¥6.0-6.5bn	3.0x
ROE	18.3%	19.3%	20% or more	Avg 20%
DOE	4.9%	5.3%	8% or more	Avg 7%
Dividend	¥15	¥19	¥51 or more	3.4x

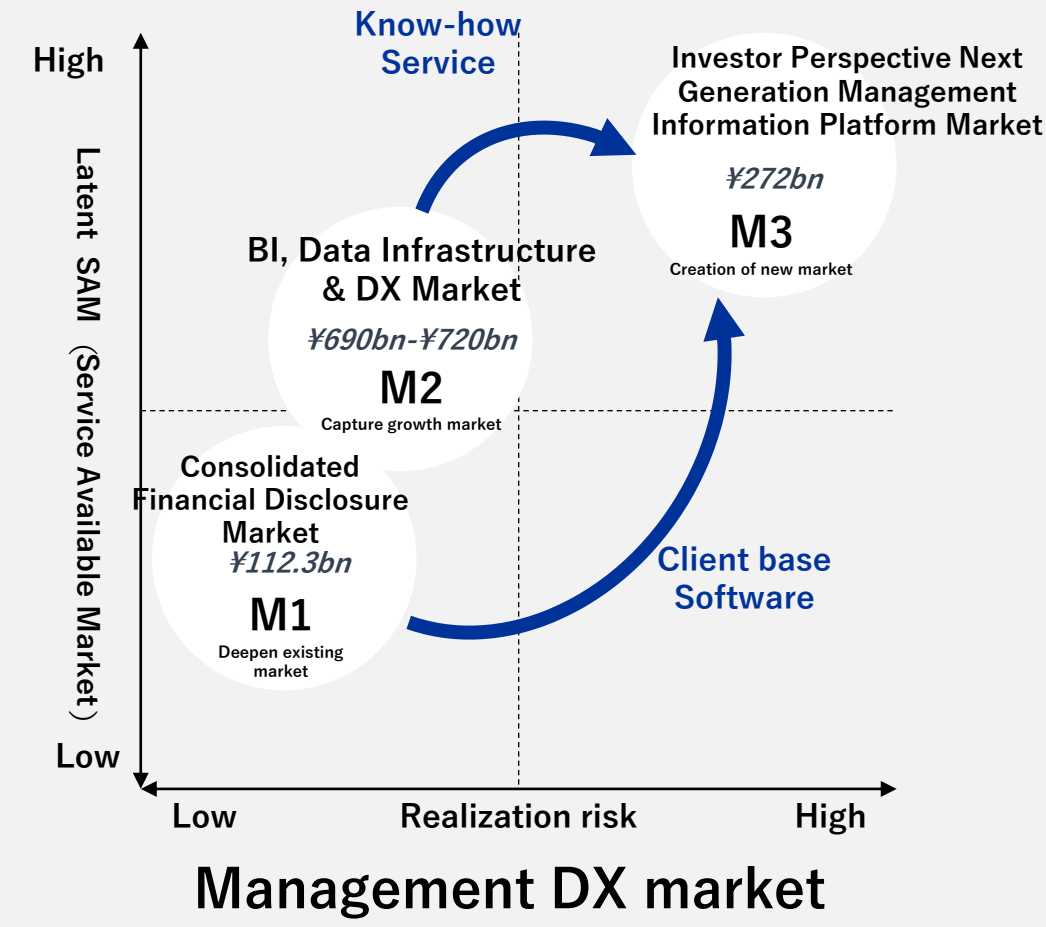
Most important critical success factor (CSF) for promotion of group strategy



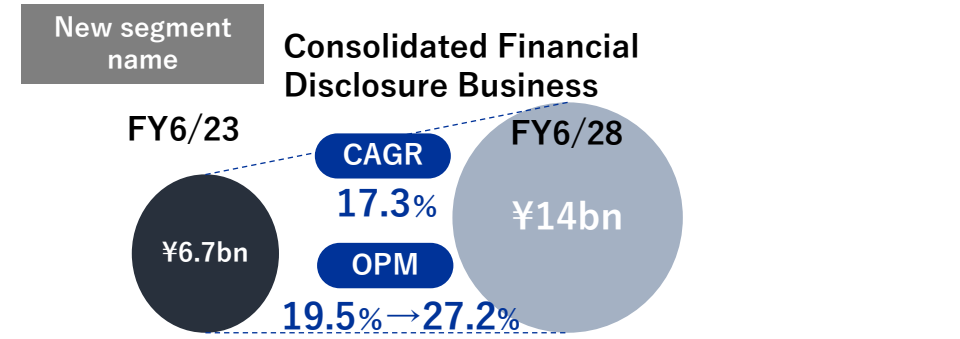
BG28 Focus Markets

- Position self in management DX market for companies where enhancing corporate value is a serious issue

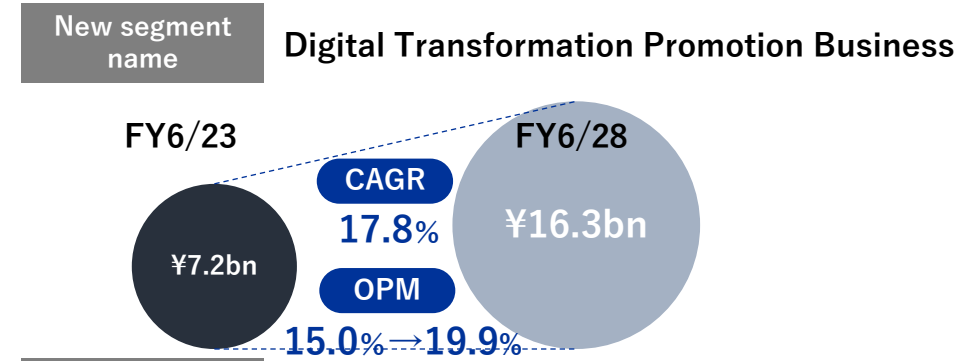
TAM (Total Addressable Market) and positioning of each market



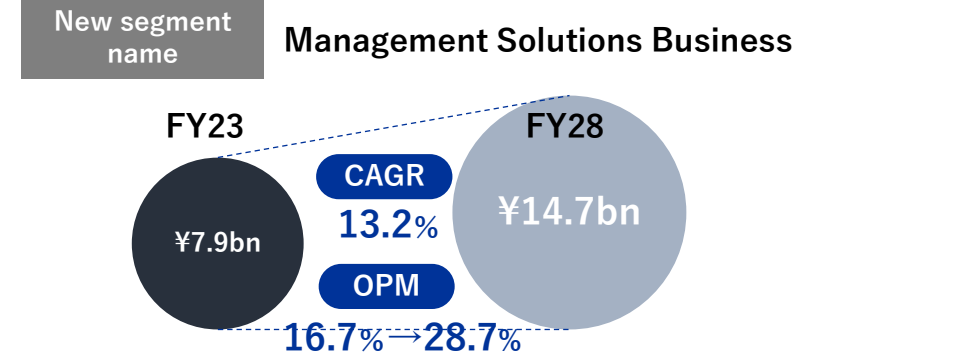
M1
Deepen existing market



M2
Capture growth market

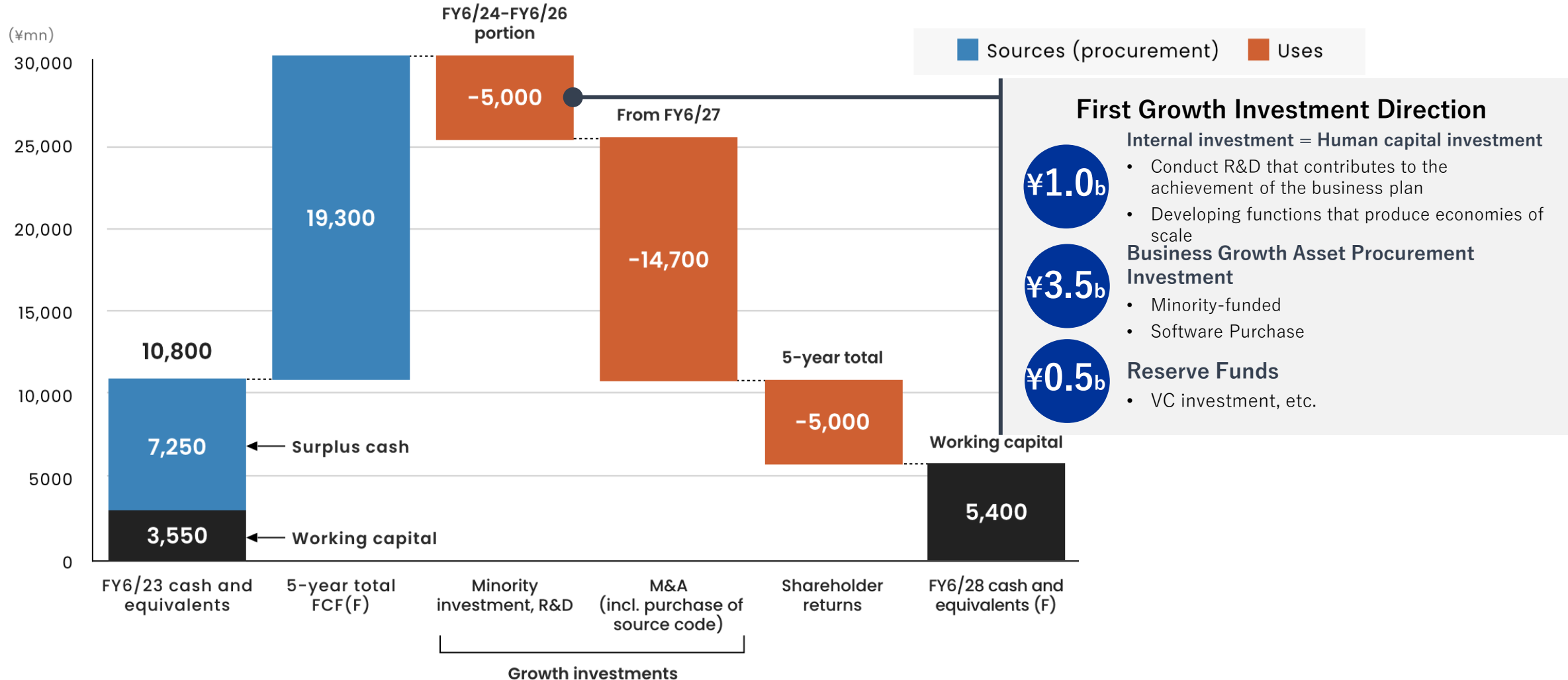


M3
Creation of new market



Capital Allocation

- Assuming ¥20bn for growth investments and ¥5bn for shareholder returns (dividends) over the 5-year period of the medium-term management plan.



Avant Releases New Generation of AVANT Cruise



- As part of efforts to continuously release new functions (expansion of business management contents, enhancement of data linkage functions, collection of ESG information, etc.) to strengthen the functions of the "Group Business Management System for Corporate Value Enhancement".
- We will continue to focus on dramatically accelerating and upgrading the development of "software that contributes to the enhancement of corporate value" for our Japanese customers.

Functions and effects of this software

AVANT, a group company, has integrated Fluence Technologies' innovative software technology into AVANT Cruise in order to contribute to the enhancement of our customers' corporate value through the provision of business management systems.

This has enabled centralized management of data processing processes such as collection, processing and calculation, and visualization, as well as business processes such as communication with businesses and subsidiaries, management, and interactive analysis, and has evolved into software with an intuitive interface that users can operate.

March 27, 2024 Release (Japanese)

<https://www.avantcorp.com/news/2024/03/27/12761/>

Avant Group forms capital and business alliance with Figurout Inc.



- **One of the investment measures for procuring growth assets for the business**
- **The direction of contributing to the visualization of corporate value of listed companies and the promotion of data-driven IR, and encouraging stronger engagement with investors, aligned with our strategic materiality.**

Background and Purpose of Alliance

Deepen cooperation in terms of business and services, as well as cooperation in development systems.

By linking TRINITY BOARD, the Board of Directors DX solution sold by Diva, with Figurout's Hoolders Analytics, the company aims to make TRINITY BOARD software even more useful than before in improving the corporate value of its customers. The collaboration is expected to be completed in the near future.

Figurout will use the funds raised to accelerate development and service improvements to further enhance the customer experience of "Holders Analytics" and to develop future products.

March 27, 2024 Release (Japanese)

https://www.avantgroup.com/ja/ir/irnews/auto_20240324558206/pdfFile.pdf

Avant and Nomura Securities Co., Ltd. jointly develop corporate value enhancement support software



- **This software can be effectively used to understand investors' expectations and realize dialogue to enhance corporate value and will promote the realization of our strategic materiality.**
- **This product is one of the initiatives to promote the "Software Driven Strategy" and contributes to the gross profit of software, which is the most important CSF for promoting the Group's strategy.**

Functions and effects of this software

This software is a management support tool that streamlines the response to the request from the Tokyo Stock Exchange ("TSE") in March 2023 for all listed companies to "respond toward the realization of management conscious of cost of capital and stock price" and accelerates the management process necessary for sustainable value creation.

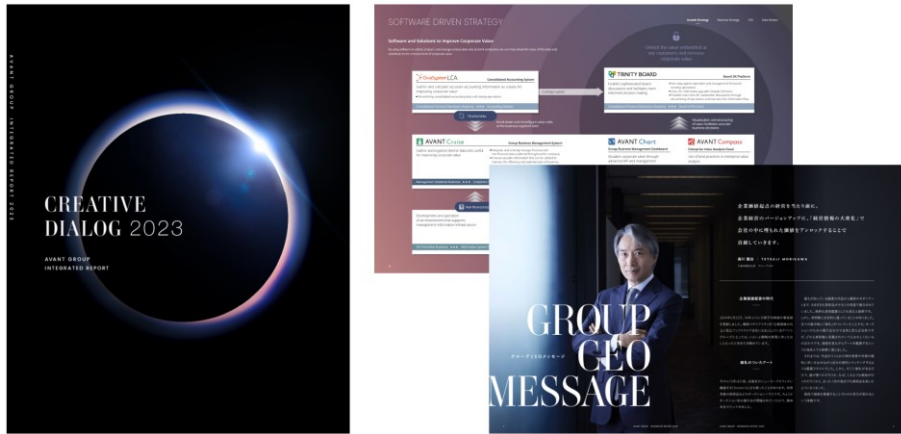
Combining Nomura Securities Co., Ltd.'s expertise in cost of capital analysis, corporate valuation, and scenario risk analysis, which it has provided mainly to prime market listed companies, with Avant's business management software technology, the company will support its clients in formulating and disclosing business strategies and engaging in constructive dialogue with investors.

Avant will provide and market the software, while Nomura will propose effective use of the software, provide advice based on corporate finance theory on the calculated values, and assist with ongoing monitoring after disclosure.

March 28, 2024 Release (Japanese)

<https://www.avantcorp.com/news/2024/03/28/12778/>

Avant Group publishes integrated report "CREATIVE DIALOG 2023"



- This is the fourth issue of the Integrated Report.
- Following the presentation of the issues to be solved by the Group in the previous CREATIVE DIALOG 2022, this Integrated Report is intended to give readers an idea of the solutions offered by the Group.

CREATIVE DIALOG 2023 is published to inform investors and other stakeholders of the Group's approach, strategies, and achievements in value creation and corporate value enhancement, and to initiate dialogue with them.

Through the Group CEO message and value creation process, we will communicate how our group is trying to create value for society.

From then on, based on the philosophy system, the three parts will express how the Group will implement and realize its corporate philosophy, mission, and vision, consisting of growth strategies to realize the vision, business strategies to implement the mission, and ESG initiatives that embody the corporate philosophy.

Integrated Report Page

<https://www.avantgroup.com/en/ir/library/integratedreport.html>

Avant Group establishes a joint venture (consolidated subsidiary) in India.

 AVANT GROUP

- **Established a joint venture company in India with Cygnet Infotech Private Limited**
- **The joint venture company will become a consolidated subsidiary of the Company**

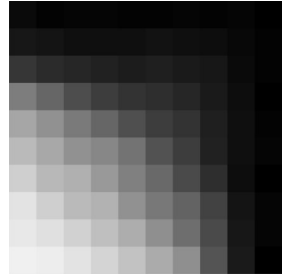
Establishment Background

Cygnet Infotech Private Limited, a global software development company based in India, has joined forces with us to develop software on a global level.

Discovering the growth potential of the Indian software market and the sales potential of our group's software products in India, we decided to establish a joint venture company through joint investment.

Business Description and Objectives

Through the joint venture, we will strengthen the Indian market by conducting research on the Group's software sales and business development in the Indian market.



Reference : Company overview

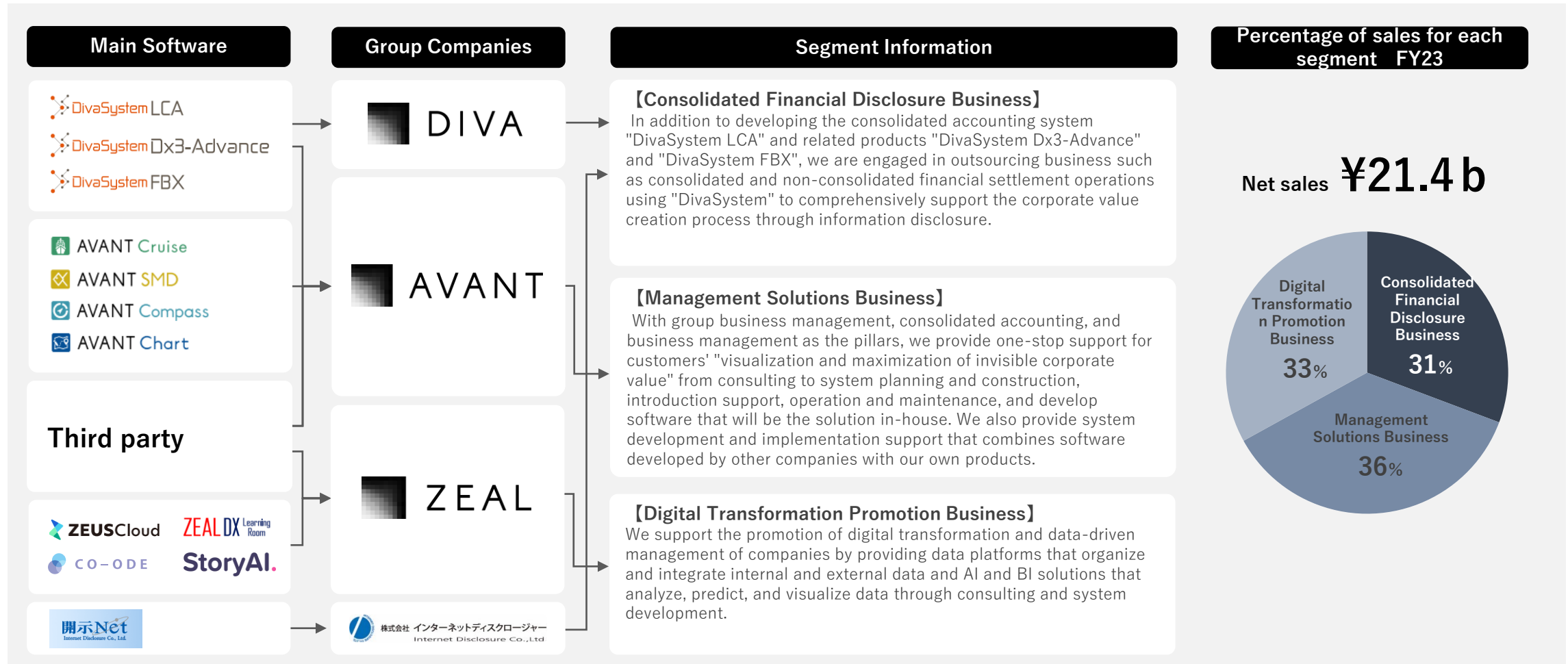
Company Introduction

Name : AVANT GROUP CORPORATION

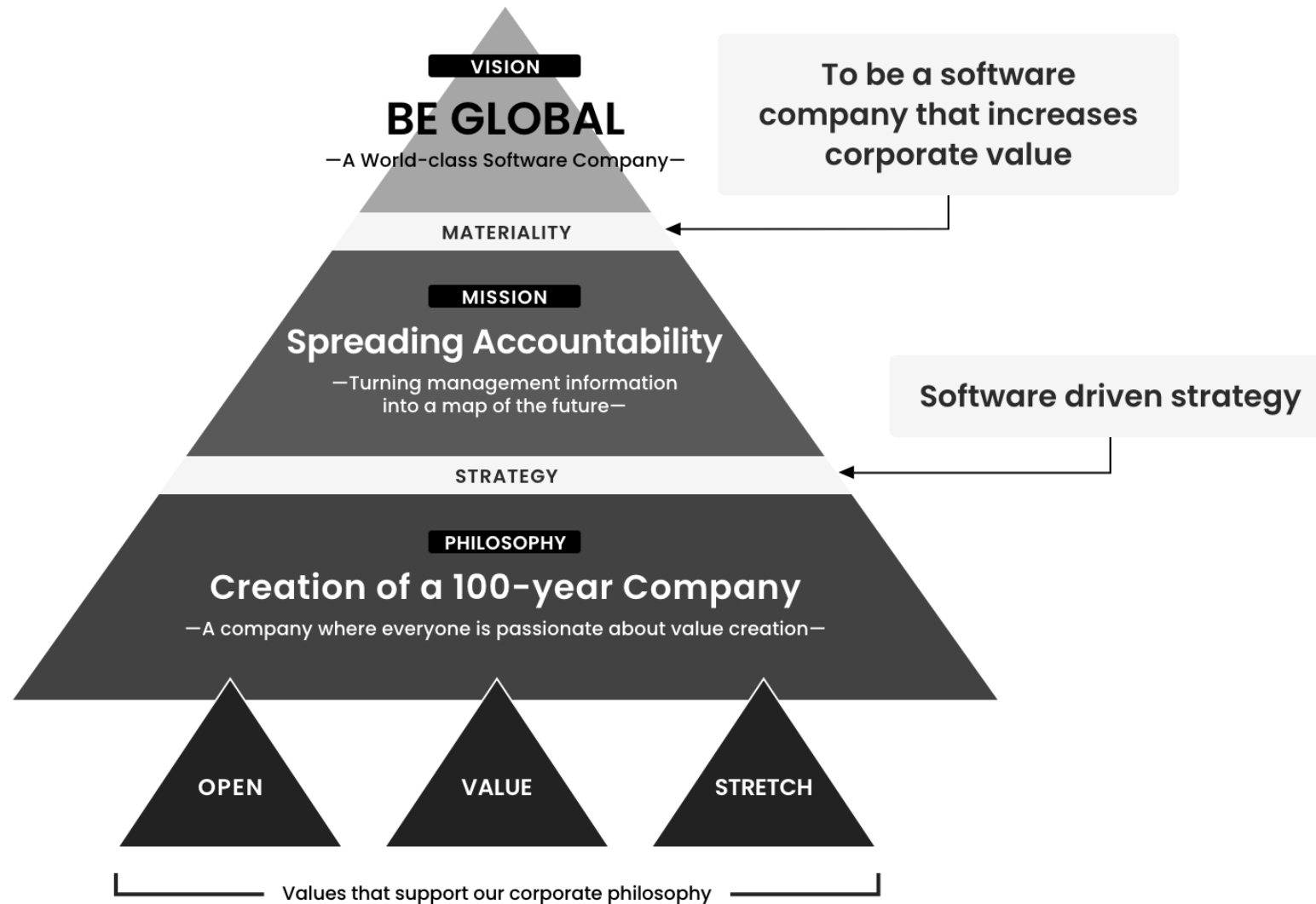
Inception : May 26, 1997

Representative : Tetsuji Morikawa, President and Group CEO

Market Cap : Approximately 55 billion yen (TSE Prime, 3836)



Avant Group Philosophy



The Avant Group Moves to the Next Five Years to Realize BE GLOBAL

Established the top share in Japan in the consolidated accounting business

Introduction of holding company system and expansion of group management

BE GLOBAL

Government-led initiatives

■ Start of reporting in consolidated accounting (FY Mar. 2000~)

■ Mandatory quarterly reporting (FY Apr. 2003~)

■ Introduction of Internal Control Reporting System (J-SOX) (Apr.2008~)

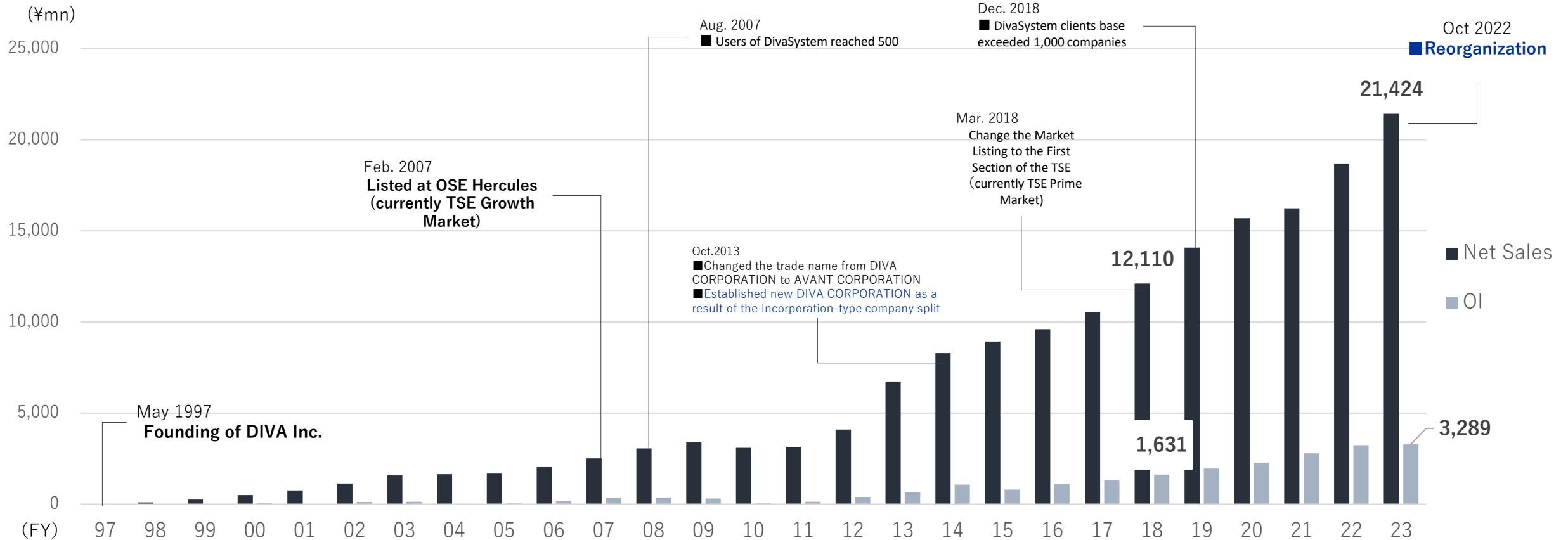
■ Voluntary Application of Disclosure under IFRS (FY Mar. 2010~)

■ Corporate Governance Code (Jun. 2015~)

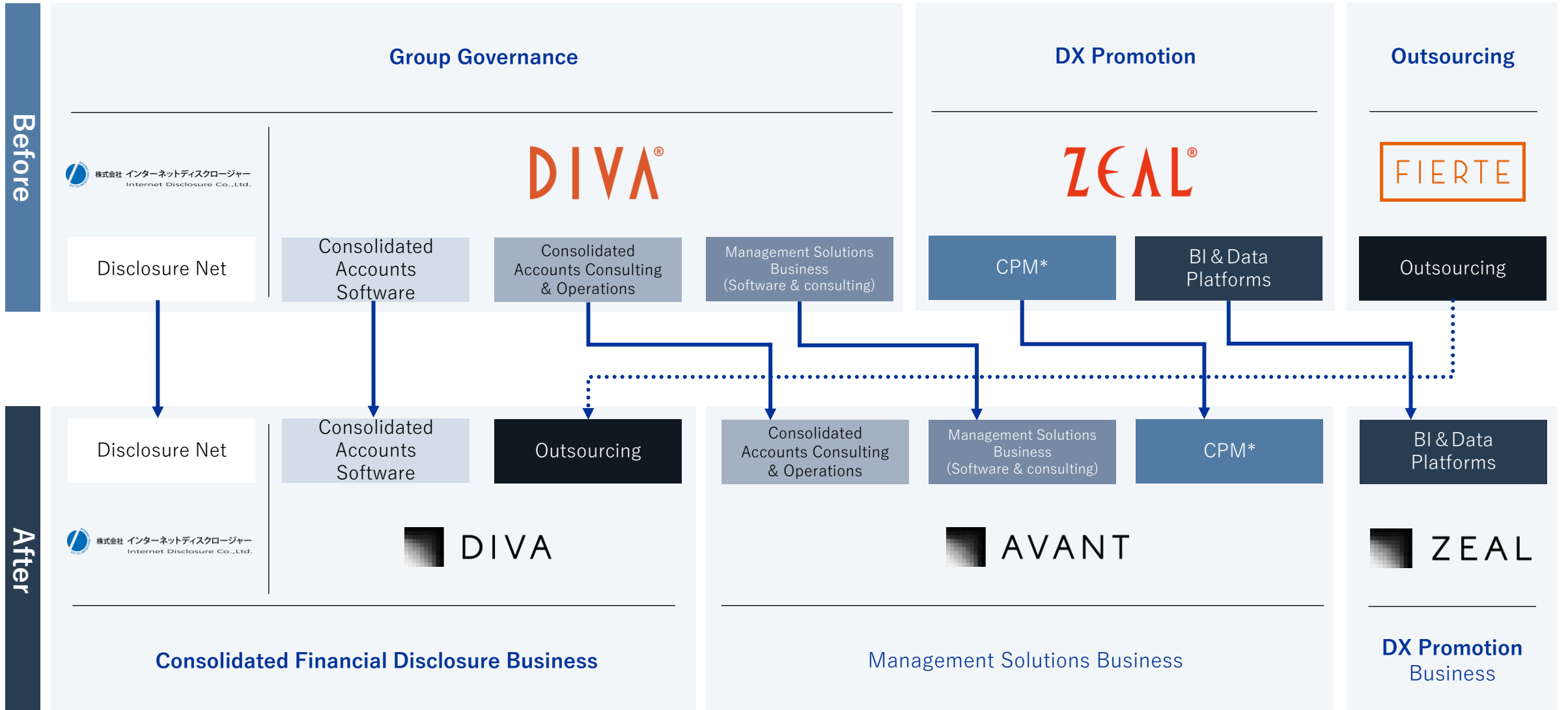
■ Group Governance Practice Guidelines (Sep. 2019~)

■ Establishment of a study group on fair acquisition (2022~)

■ Publication of Business Restructuring Practice Guidelines (Jul. 2020~)



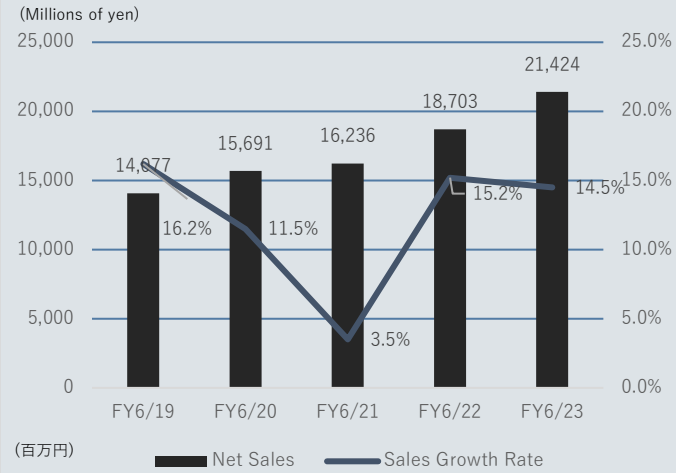
Segment Reorganization



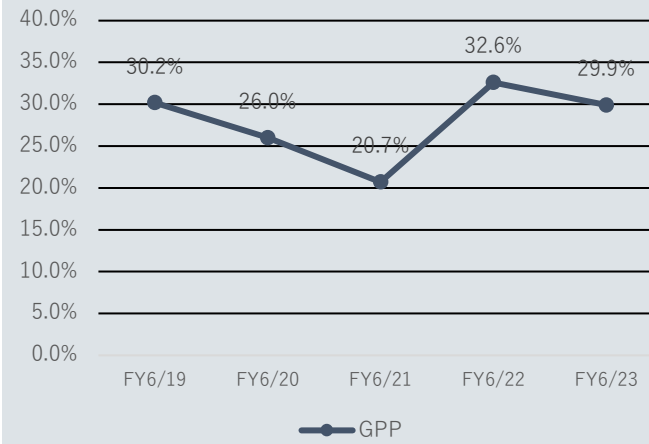
※CPM : Corporate Performance Management

Numerical Summary

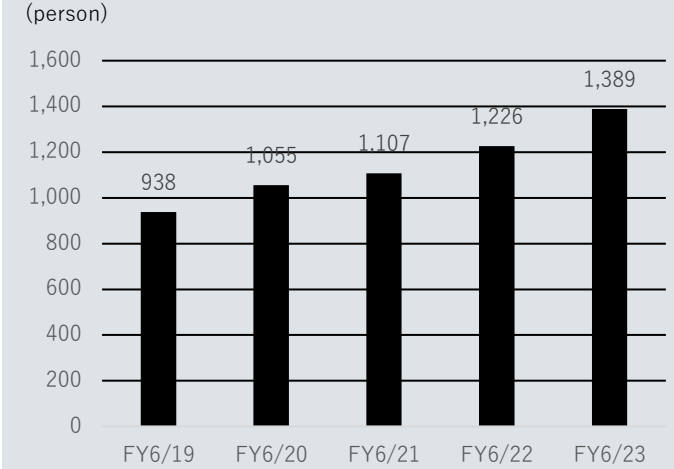
Net Sales/Sales Growth Rate



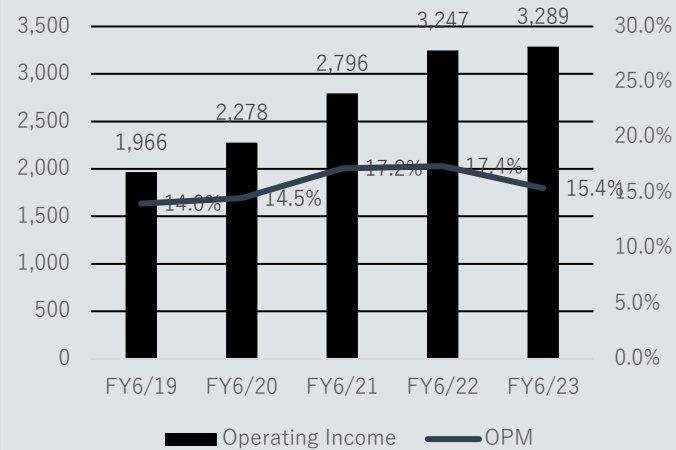
GPP (Sales Growth Rate + OPM)



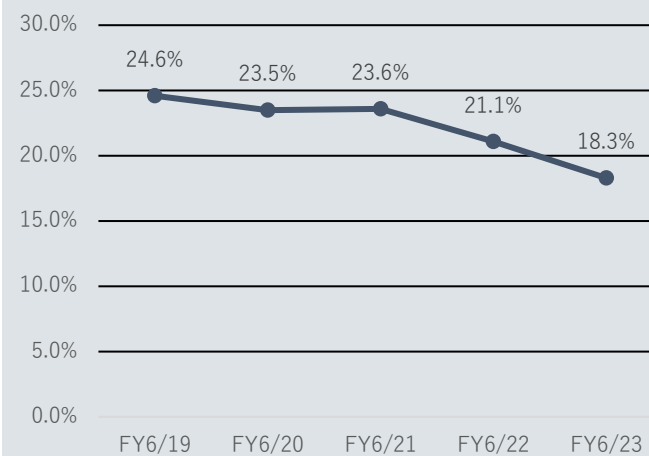
Number of employees



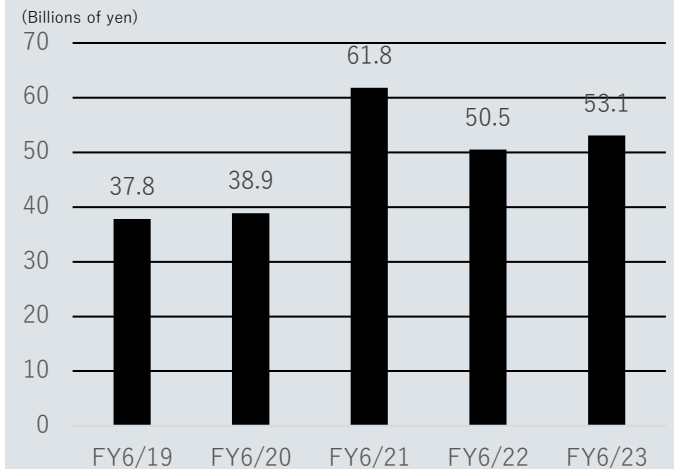
Operating Income/OPM



ROE

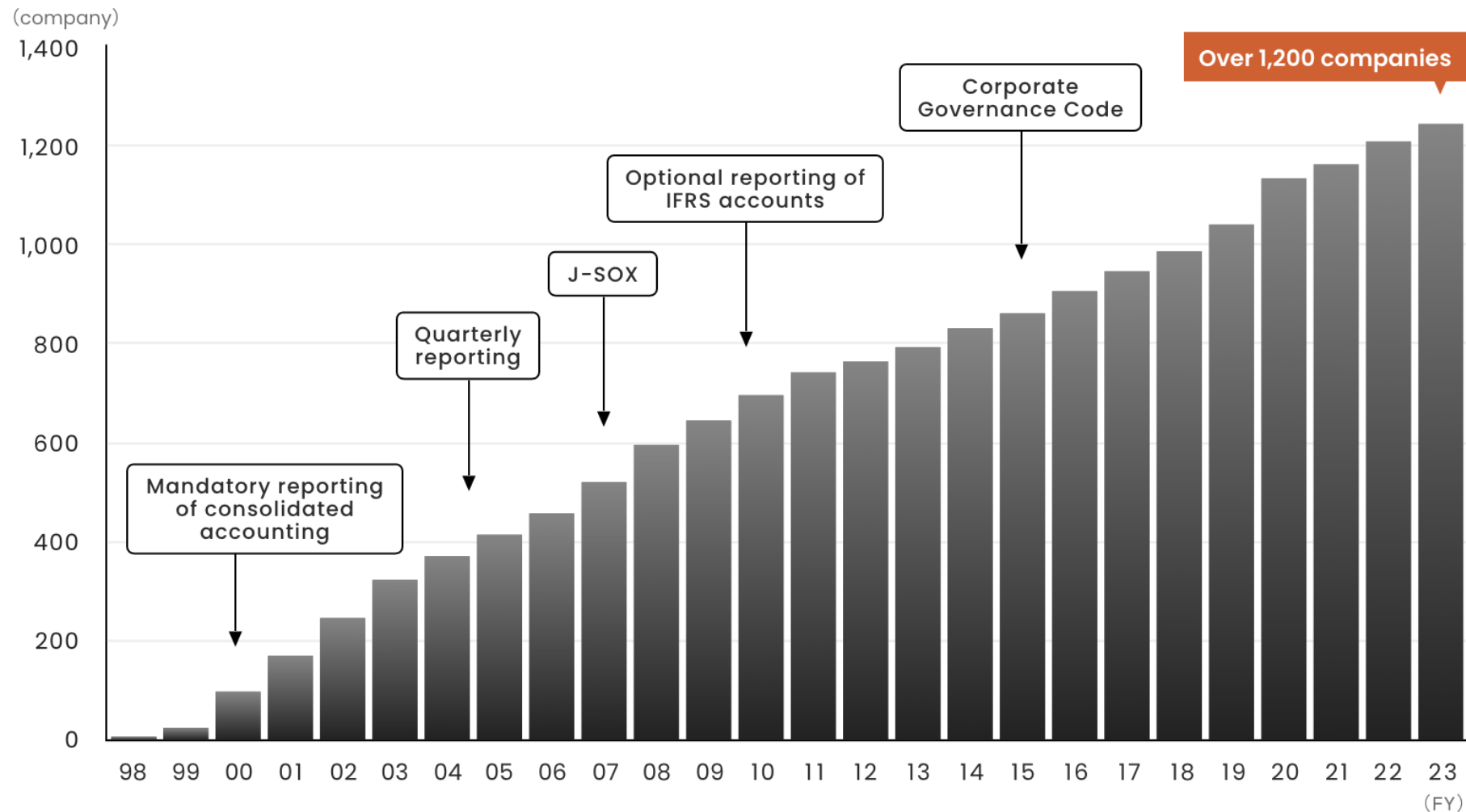


Market Cap



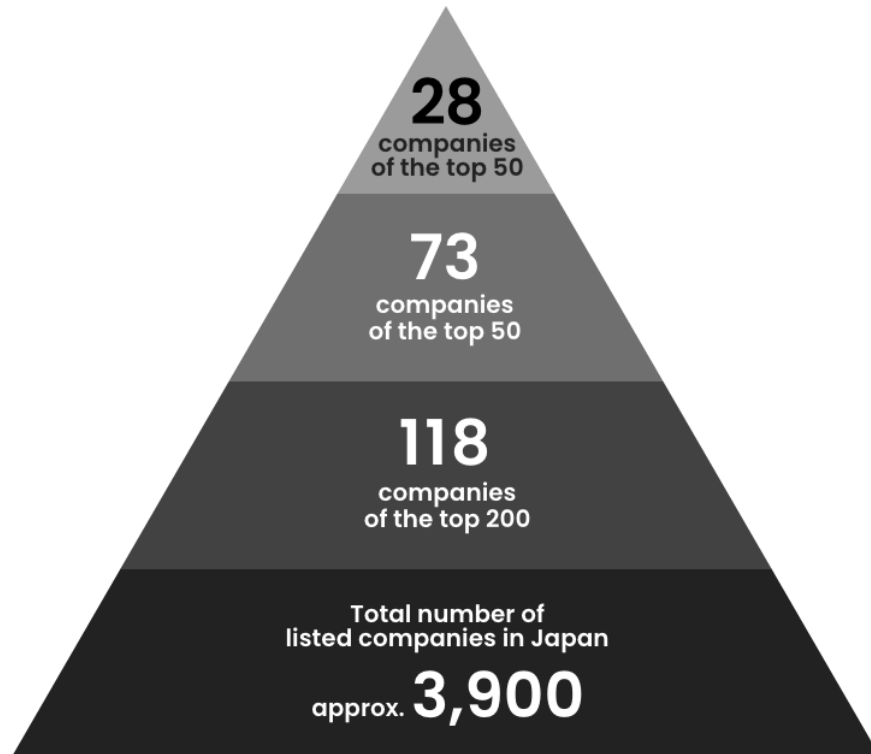
Trends in companies that have introduced Avant Group Software Product

- With the tightening of disclosure regulations, consolidated accounting system LCA leads the number of introductions.



Customer base of consolidated accounting system “LCA”

- More than 1,100 companies have sold ※1
- FY2022 consolidated accounting software market share is 43.1% ※2
- From institutional accounting to budget and management accounting, we support the strengthening of corporate governance



TOYOTA MOTOR CORPORATION
Tokyo Electron Ltd.
KDDI CORPORATION
NIPPON TELEGRAPH AND TELEPHONE CORPORATION
DAIKIN INDUSTRIES, LTD.
DENSO CORPORATION
Hitachi, Ltd.
CHUGAI PHARMACEUTICAL CO., LTD.
Seven & i Holdings Co., Ltd.
Mizuho Financial Group, Inc.
FUJIFILM Holdings Corporation
Astellas Pharma Inc.
Japan Tobacco Inc.
Bridgestone Corporation
Unicharm Corporation
(Market cap order as end of June 2023)

※1 As of the end of June 2023

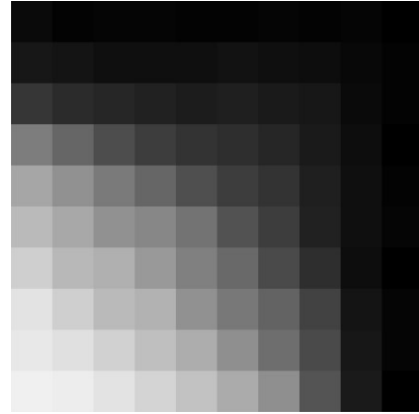
※2 Fuji Chimera Research Institute "Software Business New Market 2023 Edition" Consolidated Accounting Management Software Market Share

Cautionary Statement Concerning Forward-Looking Statements

The information in this document regarding business forecasts and other future projections and strategies is based on judgments made by the Company based on information reasonably available to it at the time this document was prepared and within the scope of what is normally expected. However, actual results may differ materially from those discussed in the forward-looking statements due to the occurrence of extraordinary circumstances or unforeseeable results that could not be foreseen in the normal course of events. While we endeavor to actively disclose information that we believe is important to investors, we urge you not to base your decisions solely on the earnings forecasts contained in this document. Please do not reproduce or transmit this material for any purpose without permission.

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AVANT GROUP

SUSTAINABILITY IS VALUE