

3836 TSE Prime

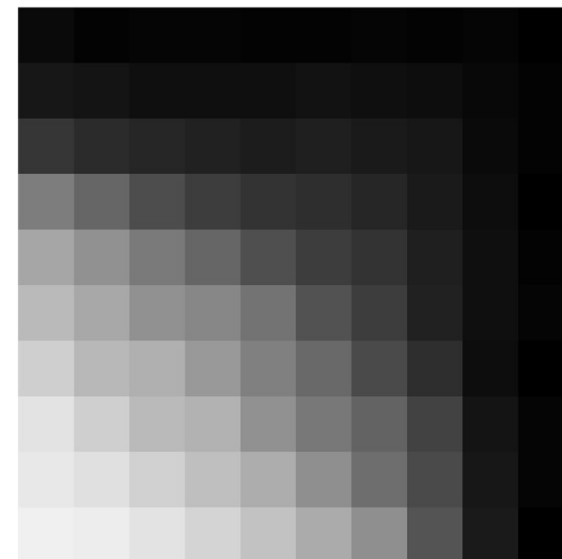
Avant Group Corporation

Financial Results Briefing
for the Third Quarter of Fiscal Year June 2025

April 30, 2025

AVANT GROUP

AVANT GROUP CORPORATION
www.avantgroup.com



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 nine months/25

Net Sales

¥20,938_m

(YoY + 17.6%)

In addition to sales growth in all the three businesses of Consolidated Financial Disclosure Business, DX Promotion Business, and Management Solutions Business, sales increased due to a reaction to the suppression of sales growth in the Management Solutions Business due to structural reorganization in the first quarter of the previous year.

Operating Profit

¥3,625_m

(YoY + 17.9%)

Profit increased due to an increase in profit margin and an increase in sales due to the growth of the software business, and a rebound from the low profit level of Management Solutions Business in the first quarter of the previous year, despite an increase in personnel and IT expenses in response to the expansion of the business, outsourcing processing expenses to respond to an increase in orders, and investment expenses to achieve future growth, and a cancellation of a large-scale-project in DX Promotion Business.

Net Profit

¥2,270_m

(YoY + 15.0%)

Maintains profit increase while the increase remains modest.

Forecasts for the year ending 30 June 2025

- No changes to earnings forecasts or year-end dividend forecasts
- For the fiscal year ending June 2025, the company expects net sales of ¥28,800 million (+17.9% year-on-year), operating profit of ¥4,900 million (+19.5% year-on-year), and net profit of ¥3,350 million (+17.5% year-on-year)
- The year-end dividend is expected to be ¥25 per share with the aim of achieving the target of a dividend on net assets of 8% within the period of the medium-term management plan

| INDEX

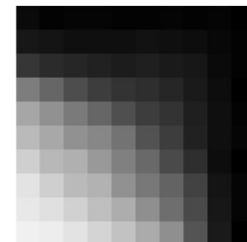
I . Summary of Financial Results for the Nine Months of Fiscal Year June 2025

II . Earnings and Dividend Forecast

III . Update of 'BE GLOBAL 2028'

* 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 Nine Months of Fiscal Year June 2025

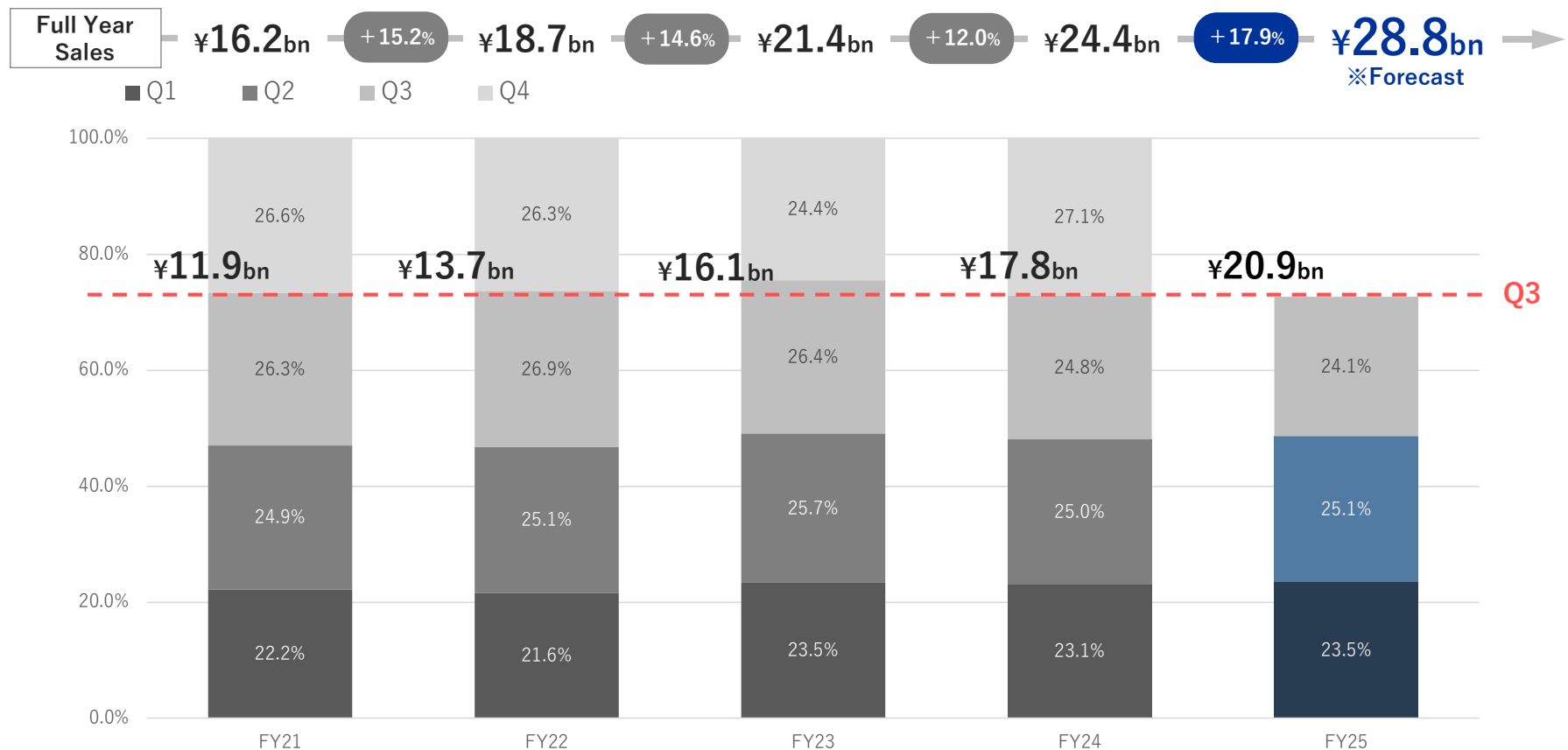
Highlights of the Results

- Net sales increased 17.6% year-on-year to 20,938 million yen due to sales growth in all three businesses, Consolidated Financial Disclosure, DX Promotion, and Management Solutions, as well as a reaction to the restrained sales growth in the Management Solutions Business in the Q1 of the previous fiscal year due to organizational restructuring
- Operating profit increased 17.9% year-o-year to 3,625 million yen, despite higher personnel and IT expenses in line with business expansion, increasing outsourced processing costs to respond to increased orders, increased investment-related expenses, and a cancellation of a large-scale-project in DX Promotion Business, while the effect of an improved profit margin and higher sales from growth in the software business, and a rebound from the low profit level of the Management Solutions Business in the 1Q of the previous fiscal year

(Millions of yen)	FY6/25 Q3	YoY Variance		FY6/25 YTD	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Net Sales	6,927	6,063	14.2%	20,938	17,806	17.6%
Cost of Sales	3,938	3,407	15.6%	11,630	9,976	16.6%
Gross Profit	2,988	2,656	12.5%	9,308	7,829	18.9%
GPM	43.1%	43.8%	-0.7pt	44.5%	44.0%	0.5pt
SG&A	1,900	1,471	29.2%	5,682	4,753	19.5%
Operating Profit	1,088	1,185	-8.2%	3,625	3,075	17.9%
OPM	15.7%	19.5%	-3.8pt	17.3%	17.3%	0.0pt
Net Profit	685	757	-9.4%	2,270	1,974	15.0%
NPM	9.9%	12.5%	-2.6pt	10.8%	11.1%	-0.2pt
EBITDA	1,213	1,344	-9.7%	3,996	3,470	15.2%
EBITDA margin	17.5%	22.2%	▲4.7pt	19.1%	19.5%	-0.4pt

Progress in the Full-Year Sales Forecast

- FY25 Q3 accumulated sales progressed at 72.7% of full-year sales, on a par with the past four years



Group Cost Structure

- Recruitment and personnel costs increased due to active recruitment activities
- Investment needs to maintain and strengthen competitiveness through "sophistication of corporate management and corporate activities using data and digital technology," which is becoming a medium- to long-term trend among Japanese companies, remain strong. Outsourcing costs increased to meet this demand.
- IT expenses also increased due to increase in headcount and introduction of cloud computing (for customers and internal environment)

(Millions of yen)	FY6/25 Q3	YoY Variance		FY6/25 YTD	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Net Sales	6,927	6,063	14.2%	20,938	17,806	17.6%
Personnel expenses	3,236	2,785	16.2%	9,708	8,515	14.0%
Recruitment expenses	178	105	68.8%	467	338	38.2%
Outsourcing expenses	1,231	958	28.5%	3,628	2,965	22.4%
IT expenses	395	321	23.0%	1,148	944	21.6%
Office expenses	248	199	24.9%	714	627	13.9%
Other expenses	549	508	8.0%	1,647	1,341	22.8%
Total expenses	5,839	4,878	19.7%	17,312	14,730	17.5%
Operating Profit	1,088	1,185	▲8.2%	3,625	3,075	17.9%
OPM	15.7%	19.5%	▲3.8pt	17.3%	17.3%	0.0pt

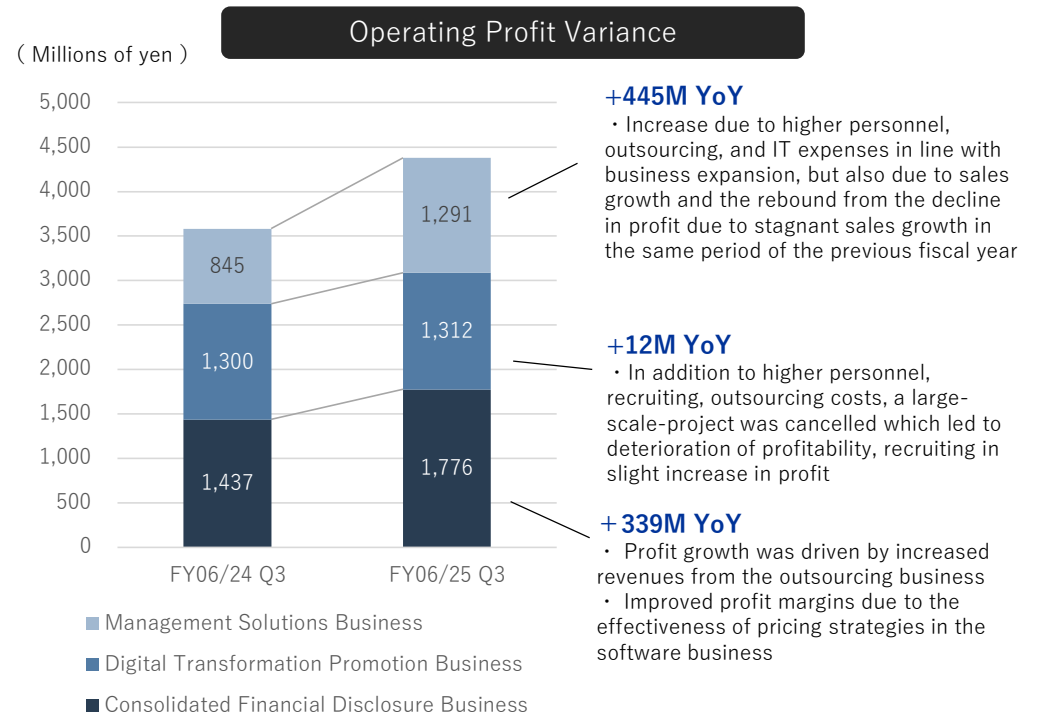
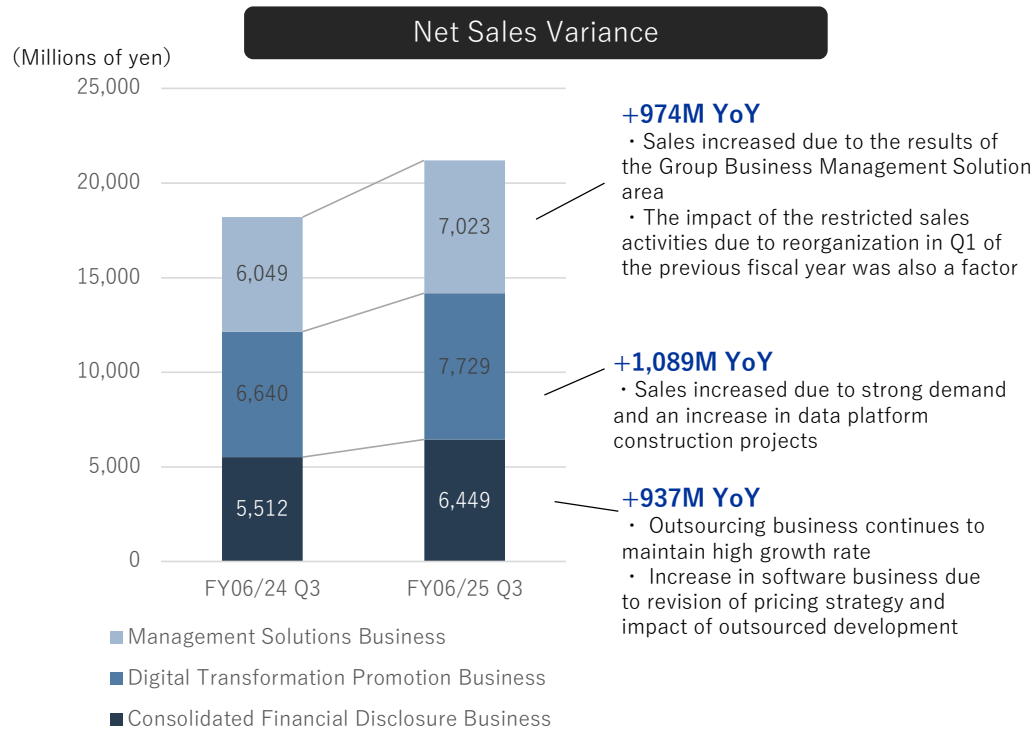
Results by Business Segment

- In the Q3 of the current fiscal year, the trend from the Q1 of the current fiscal year continued, with sales increasing in all business segments
- Regarding profit, year-on-year variance is particularly high in Business Management Solutions, as the profit level of the segment was low in the first quarter of the previous fiscal year, while DX Promotion Business observed decrease in variance of the single quarter, slight increase in the YTD due to a cancellation of a large-scale-project

(Millions of yen)		FY6/25	YoY Variance		FY6/25	YoY Variance	
		Q3	Yr earlier	% chg	YTD	Yr earlier	% chg
Consolidated Financial Disclosure Business	Net Sales	2,203	1,905	15.6%	6,449	5,512	17.0%
	Operating Profit	621	579	7.1%	1,776	1,437	23.6%
	OPM	28.2%	30.4%	▲2.2pt	27.5%	26.1%	1.5pt
	Orders	2,280	1,836	24.1%	6,686	5,398	23.9%
	Order Backlog	4,918	3,835	28.2%	4,918	3,835	28.2%
Digital Transformation Promotion Business	Net Sales	2,603	2,274	14.4%	7,729	6,640	16.4%
	Operating Profit	364	541	▲32.6%	1,312	1,300	1.0%
	OPM	14.0%	23.8%	▲9.8pt	17.0%	19.6%	▲2.6pt
	Orders	2,382	2,360	0.9%	7,358	6,466	13.8%
	Order Backlog	1,698	1,531	11.0%	1,698	1,531	11.0%
Management Solutions Business	Net Sales	2,205	2,030	8.6%	7,023	6,049	16.1%
	Operating Profit	360	269	33.7%	1,291	845	52.7%
	OPM	16.3%	13.3%	3.1pt	18.4%	14.0%	4.4pt
	Orders	1,974	1,991	▲0.9%	6,349	5,609	13.2%
	Order Backlog	3,332	2,674	24.6%	3,332	2,674	24.6%

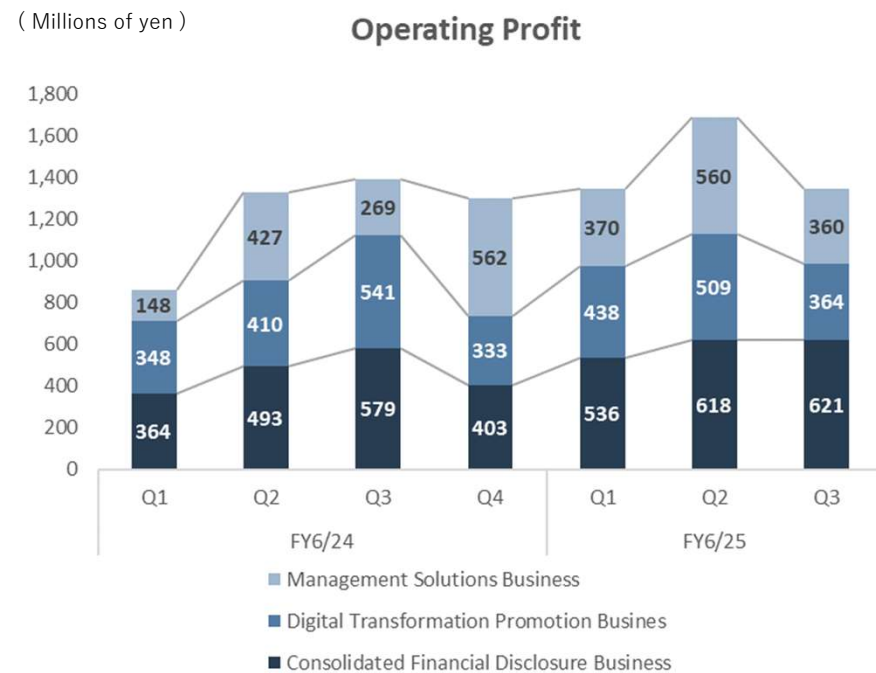
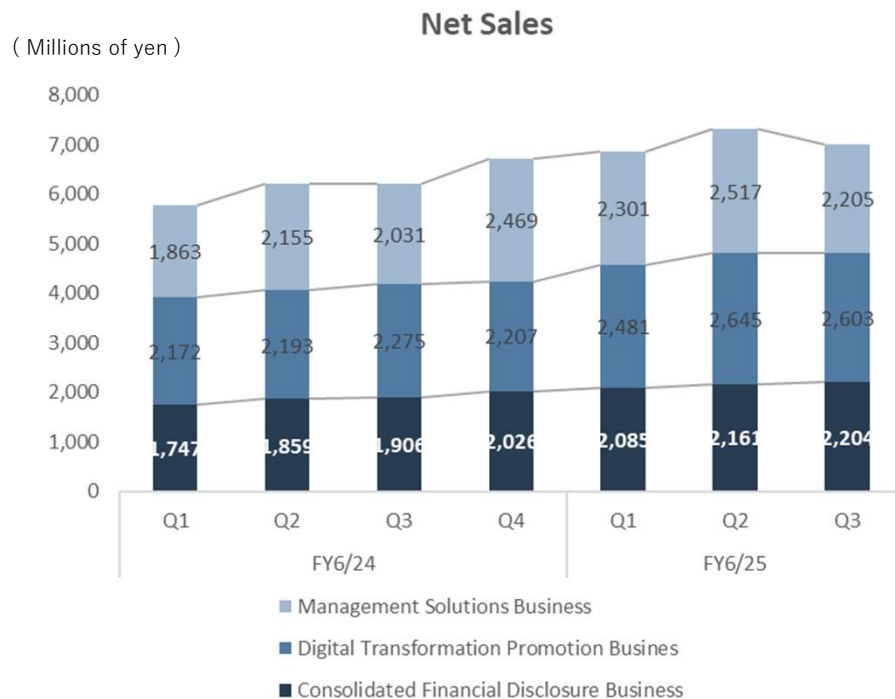
Results by Business Segment (Factors)

- Consolidated Financial Disclosure Business observed increase in both sales and profit due to solid performance of the outsourcing business, which is the driving force in the growth
- While DX Promotion Business continues to enjoy strong demand, resulting in increased sales, there's a cancellation of a large-scale-project which led to deteriorate the profitability and modest growth in operating profit
- Management Solutions Business increased sales and profit as it began to see results in the Group Management Solutions Business area in addition to the impact of restrained sales in Q1 of the previous fiscal year as a result of sales activities being constrained due to business reorganization



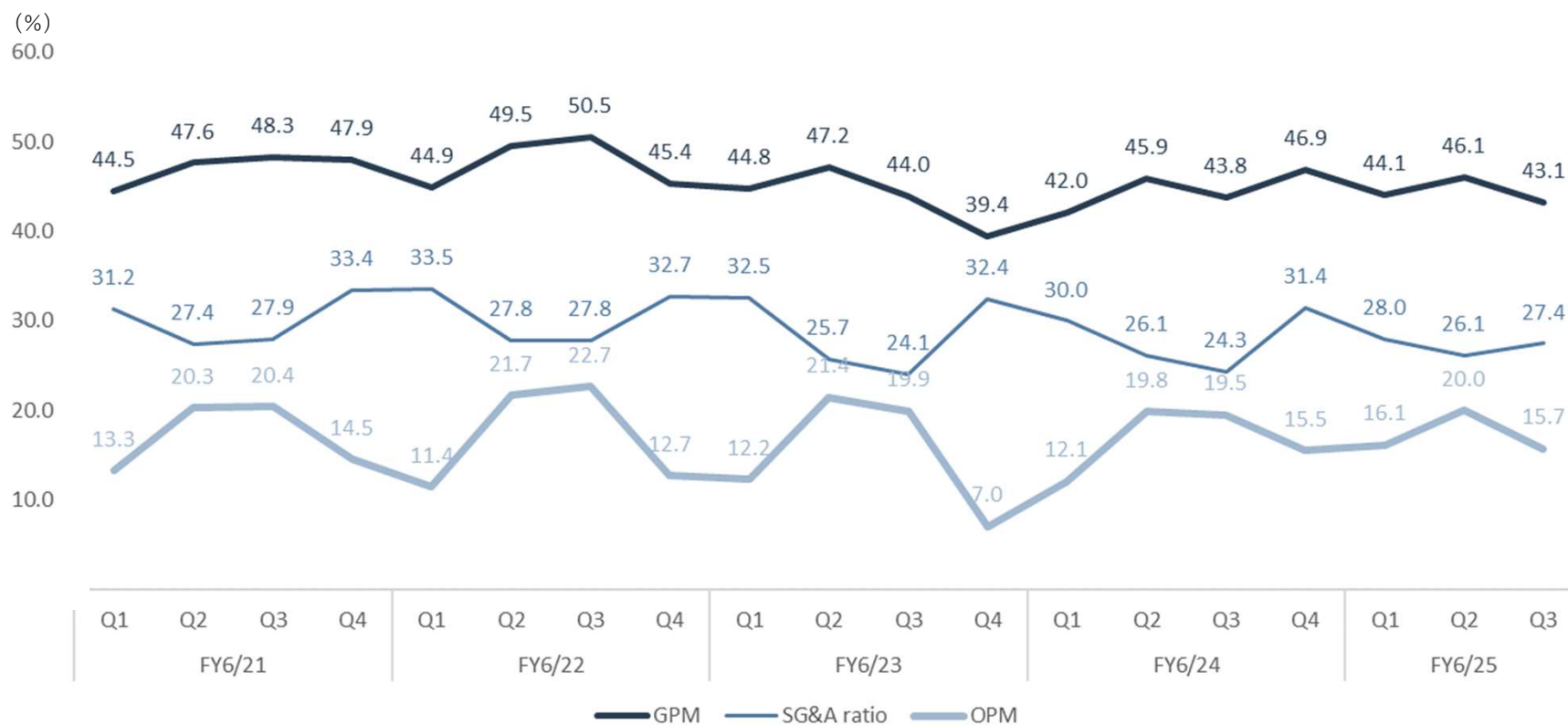
Quarterly Net Sales and Operating Profit by Segment

- Profit temporarily declined in DX Promotion Business due to a cancellation of a large-scale-project
- One time impact from business restructuring in Q1 of the previous fiscal year in Management Solutions Business



Quarterly Margin Trends

- Gross profit margin in Q3 temporarily dropped due to a cancellation of a large-scale-project in DX Promotion Business. Operating profit margin also decreased due to increased recruitment and personnel costs as well as afore-mentioned factor, but it still maintains over 15% level. Although gross profit margin declined in 1Q of the previous fiscal year due to restrictions on Management Solutions Business as a result of business restructuring, both gross profit margin and operating profit margin have since recovered



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

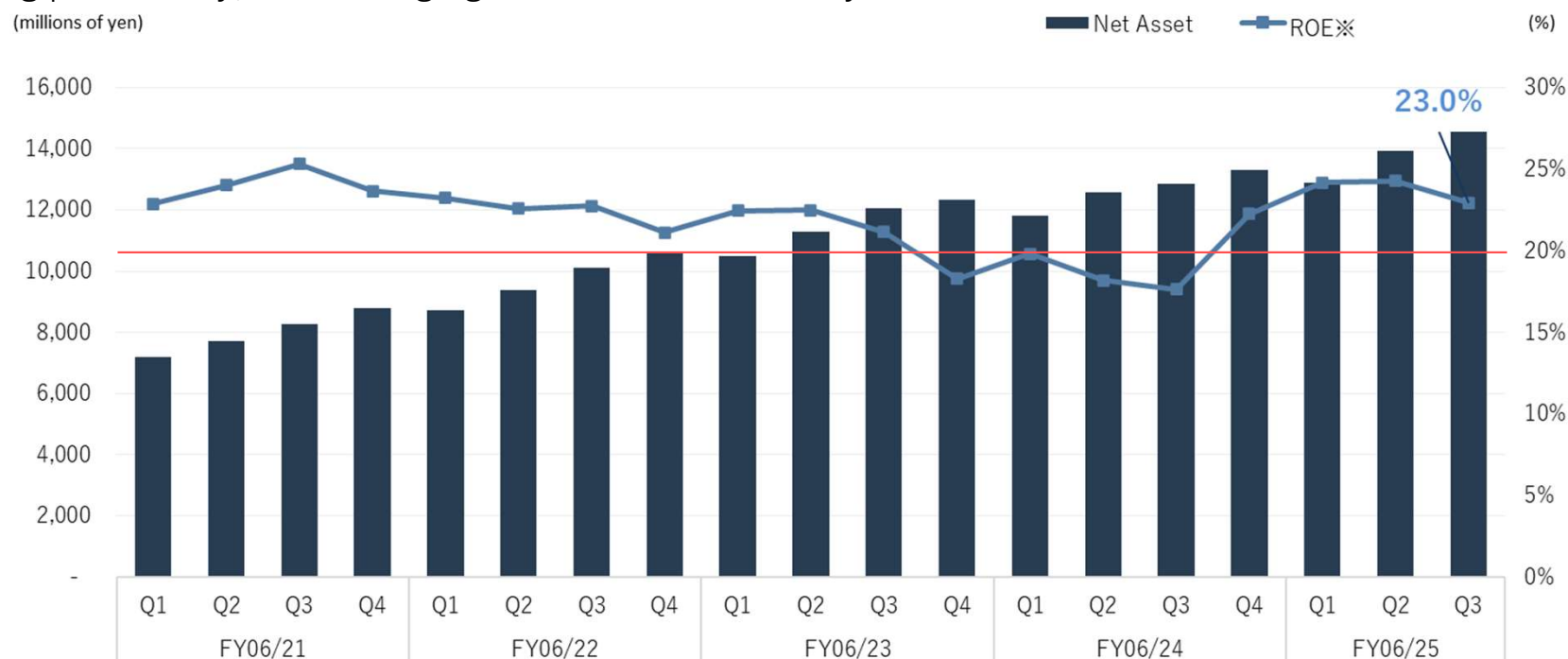
- While the recurring ratio remained largely unchanged in level, the absolute value of recurring sales remained steady



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

- While net assets increased from Q1, due to deterioration of profitability, ROE* dropped from Q1, Q2 level, but still maintains high level at 23.0%
- Aim to maintain an average of at least 20% through adherence to the Group's management principles, further increasing profitability, and managing assets more efficiently

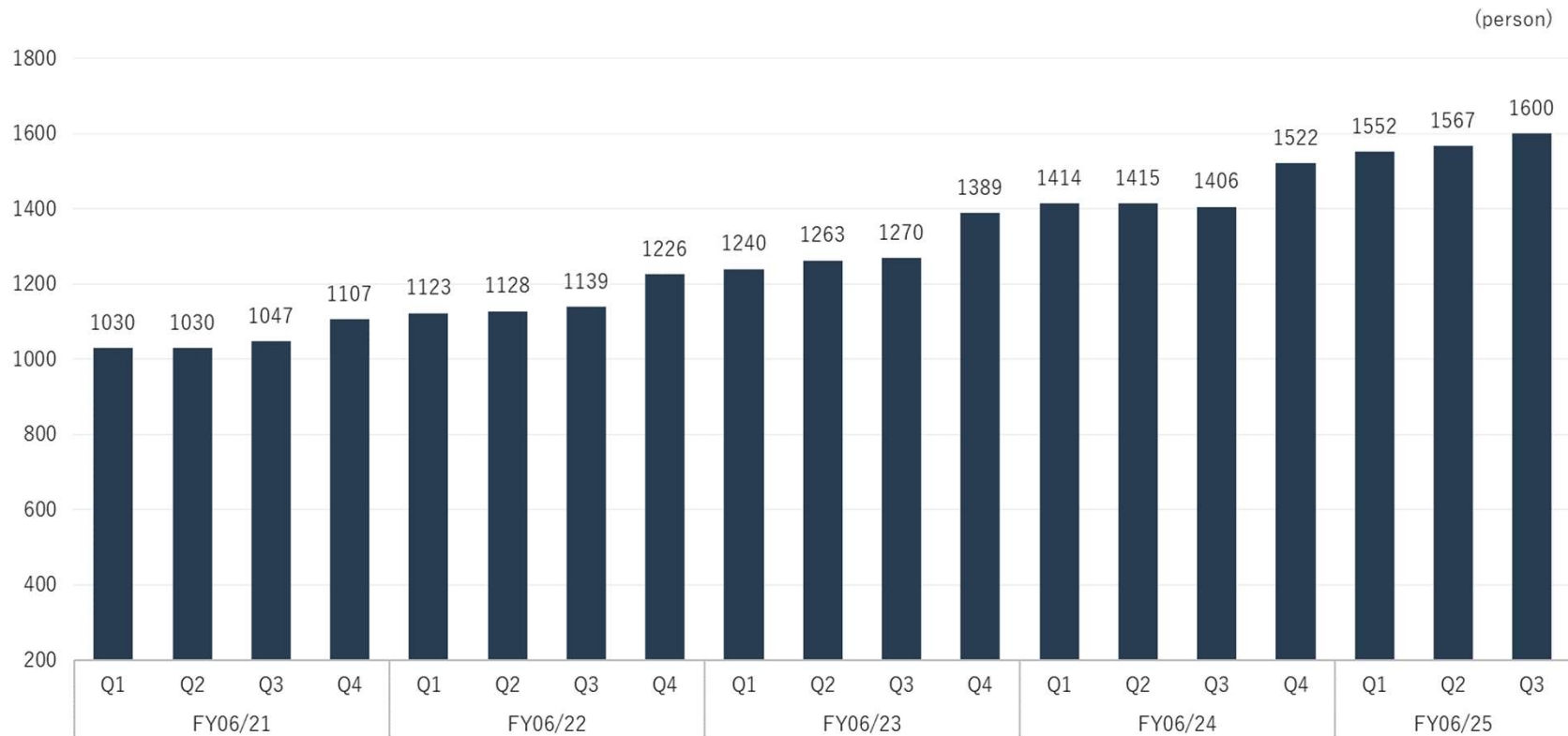


※Figures are calculated based on the past four quarters.

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.

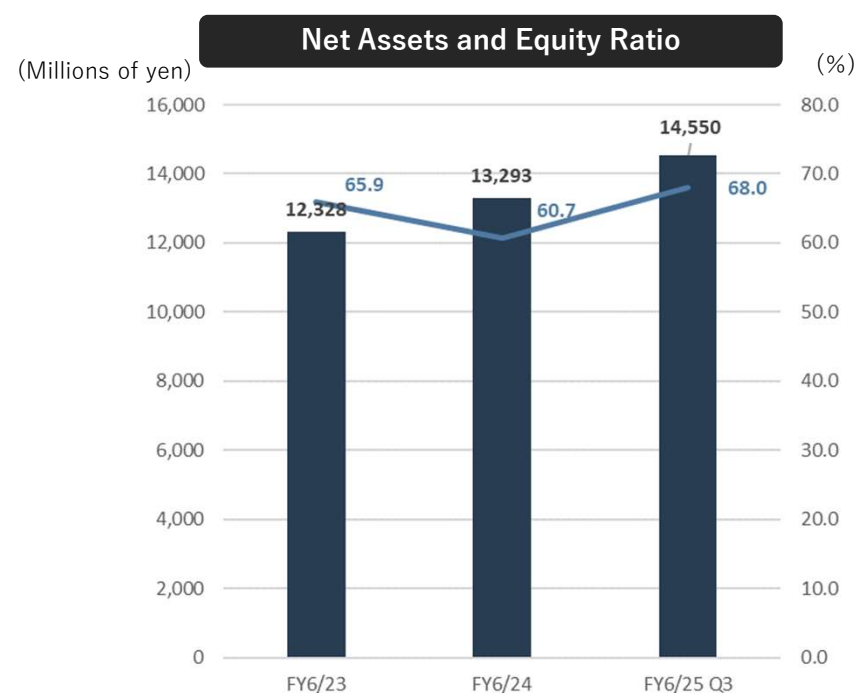
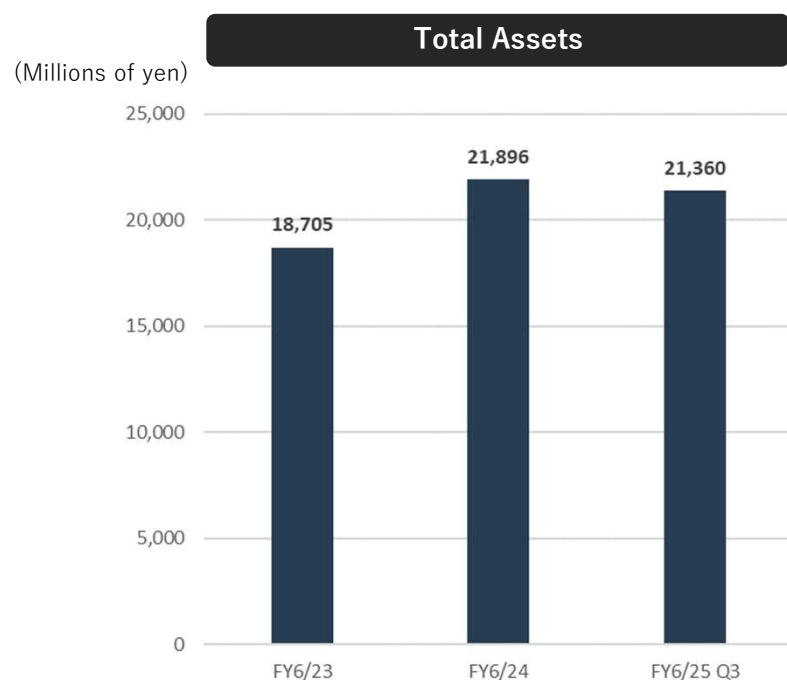
Number of Group Employees

- Headcount is on an increasing trend to achieve sustainable growth, the increase in Q3 of the current fiscal year is modest



Trends of Financial Condition

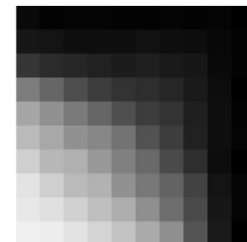
- Total assets decreased by 536 million yen from the end of the previous fiscal year to 21,360 million yen. This was mainly due to a 1,131 million yen decrease in current assets resulting from the refund of income taxes that had been accrued in the previous fiscal year, a 222 million yen decrease in software
- Net assets increased by 1,257million yen from the end of the previous fiscal year to 14,550 million yen due to the recording of 2,270 million yen in profit attributable to owners of parent and payment of 708 million yen in dividends from retained earnings. Capital adequacy ratio remained high at 68.0%



Trends of Cashflow

- Operating cash flow increased mainly due to profit before income taxes of 3,788 million yen, income tax refunded of 339 million yen, and depreciation and amortization of 371 million yen, while it decreased mainly due to income taxes paid of 1,726 million yen, a decrease in provision for bonuses of 593 million yen, a decrease in contract liabilities of 676 million yen
- The main uses of financing cash flow were dividends paid of 708 million yen and purchase of treasury shares of 701 million yen, while main sources were sales of treasury shares of 349 million yen, 441 million yen less used from the same period of the previous fiscal year

(Millions of yen)	FY6/25 Q3	YoY Variance		FY6/25 YTD	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Operating CF	975	910	64	1,827	1,260	566
Investment CF	△ 102	△ 365	262	△ 288	△ 605	316
Free CF	872	545	327	1,538	655	883
Financial CF	△ 4	△ 472	468	△ 1,056	△ 1,498	441



II . Earnings and Dividend Forecast

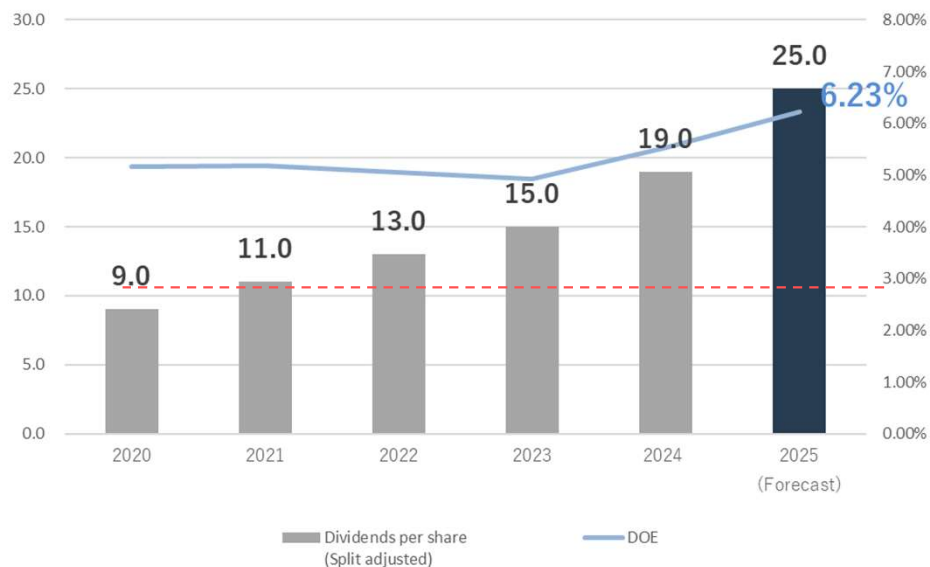
| Earnings Forecast for the Fiscal Year ending June 30, 2025

- For the fiscal year ending June 2025, sales are expected to increase by 17.9% year-on-year to 28,800 million yen
- Operating profit is expected to increase by 19.5% year-on-year to 4,900 million yen, and net profit is expected to increase by 17.5% year-on-year to 3,350 million yen

(Millions of yen)	FY6/24 (Actual)	FY6/25 (Forecast)	Variance	Chg
Net Sales	24,418	28,800	4,381	17.9%
Operating Profit	4,099	4,900	800	19.5%
OPM	16.8%	17.0%	-	-
Net Profit	2,850	3,350	499	17.5%

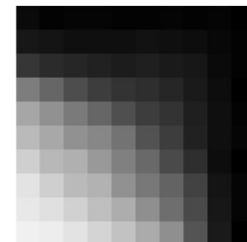
Shareholder Returns

- DOE for the fiscal year ending June 2024 was 5.5%, well above the TSE-listed company average (12 months) of 3.2%
- Dividend per share for the fiscal year ending June 2025 is expected to be 25 yen per share, in line with the company's policy of continuing to pay stable dividends. DOE level to be 6.23%



Our shareholder return policy

- Dividends are an important part of our shareholder return policy
- Avant Group 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. Update on 'BE GLOBAL 2028'

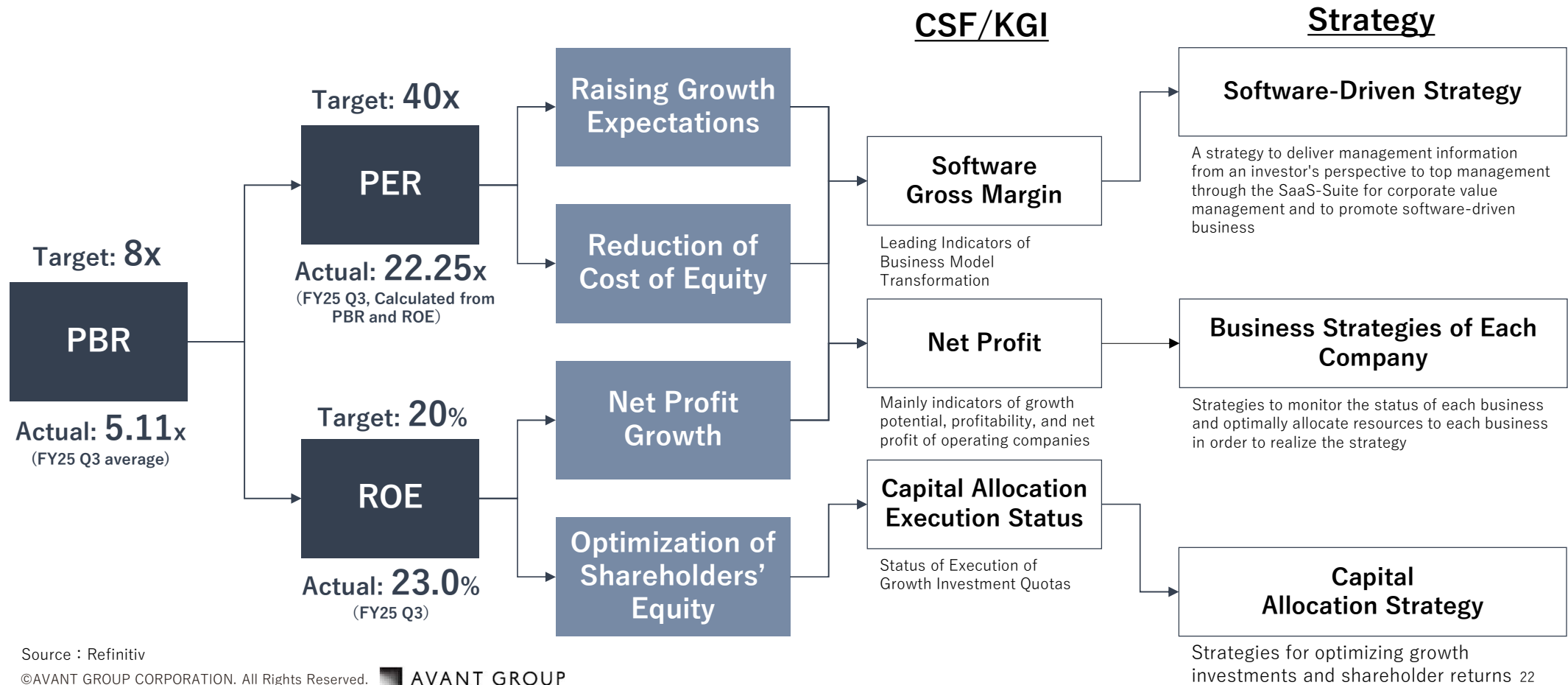
Second Year of BE GLOBAL 2028 (BG28)

- BG28's second year plan exceeds the FY25 level in the original BG28 plan, but software gross profit remains largely in line with the plan

	FY6/24	FY6/25			FY6/28 Plan
		Plan	Rate to BG28	YoY	
Net Sales	24,419M	28,800M	+6.8%	+17.9%	40,000~45,000M
Operating Profit (OP)	4,099M	4,900M	+19.0%	+19.5%	9,000~11,000M
OPM	16.8%	17.0%	+1.8pts	+0.2pts	20~24%
Net Profit	2,850M	3,350M	+25.2%	+17.5%	6,000~7,000M
OP / person	2.8M	3.0M	+21.8%	+5.6%	3.9M
Software Gross Profit	2,442M	2,474M	+0.7%	+1.3%	5,500~6,000M
ROE	22.3%	22.4%	+4.0pts	+0.1pts	20% or more
DOE	5.5%	6.2%	▲0.3pts	+0.7pts	8.1% or more
Dividend	¥19	¥25	±0	+31.6%	¥51 or more

Strategy Execution Monitoring using PBR Tree Diagram

- While software gross profit increasing year-on-year, there's no change in the level of PER, continue to have a certain gap with the goal



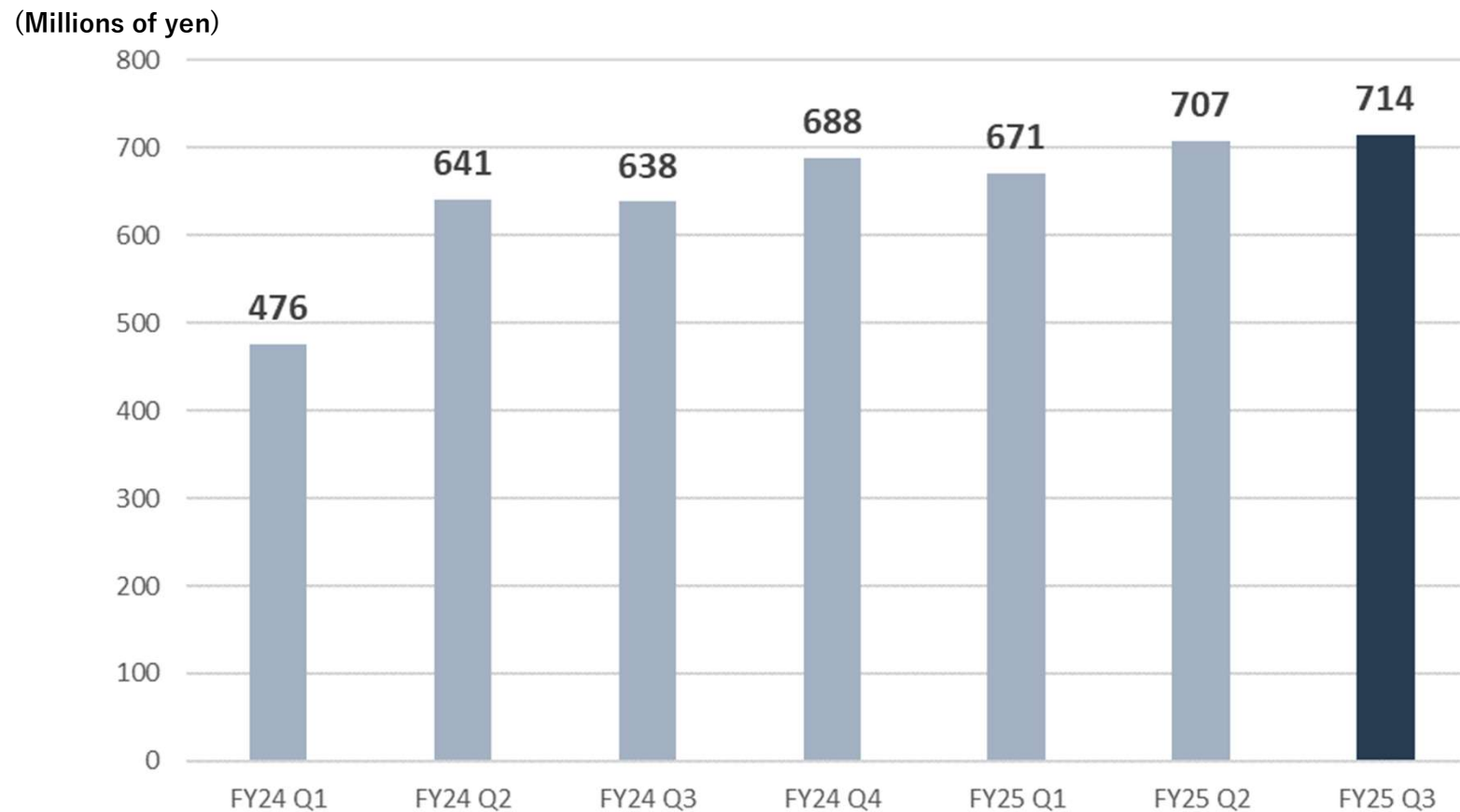
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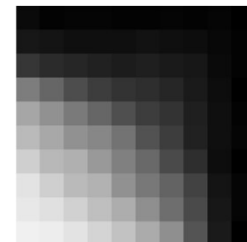
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Strategies for optimizing growth investments and shareholder returns 22

Software Gross Profit

- Increased software sales and lower outsourcing expenses, resulting in a 11.9% year-on-year increase, 1.0% quarter-on-quarter increase





Reference : Company Overview

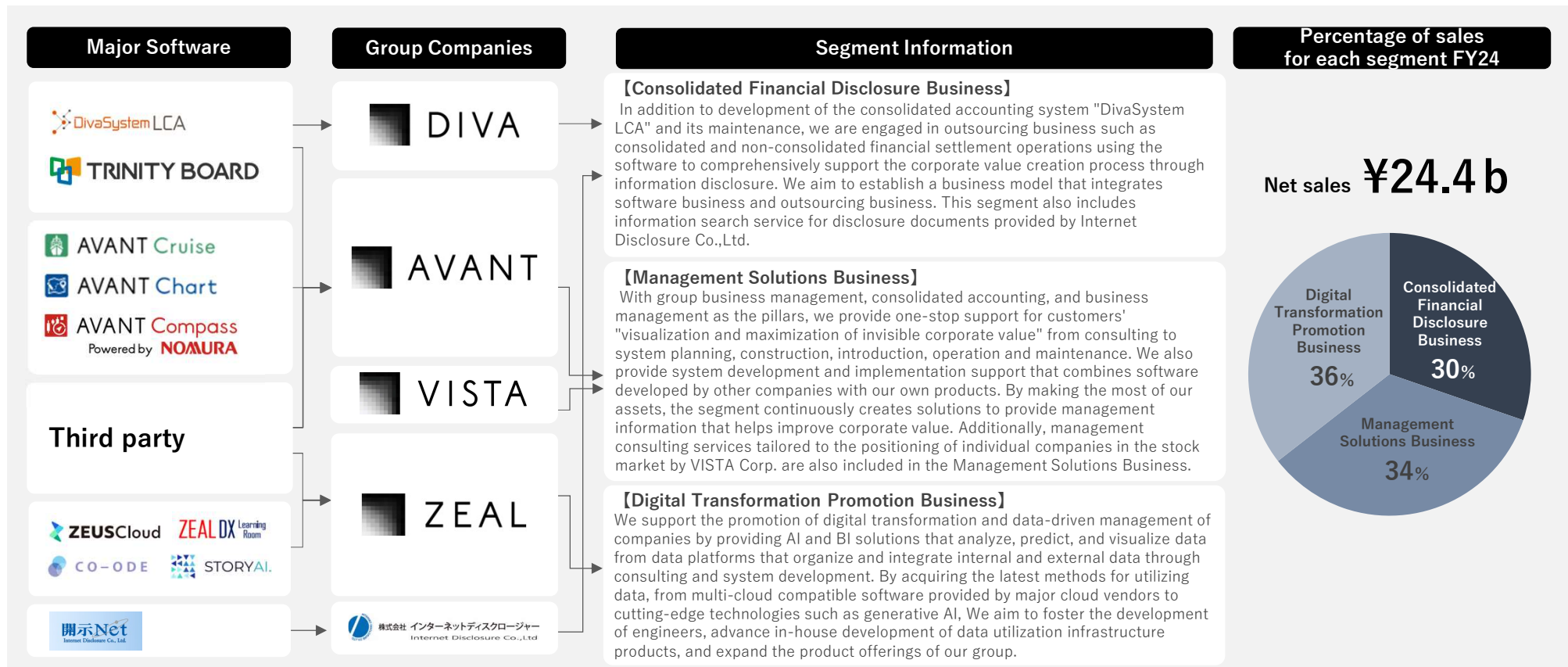
Company Introduction

Name : AVANT GROUP CORPORATION

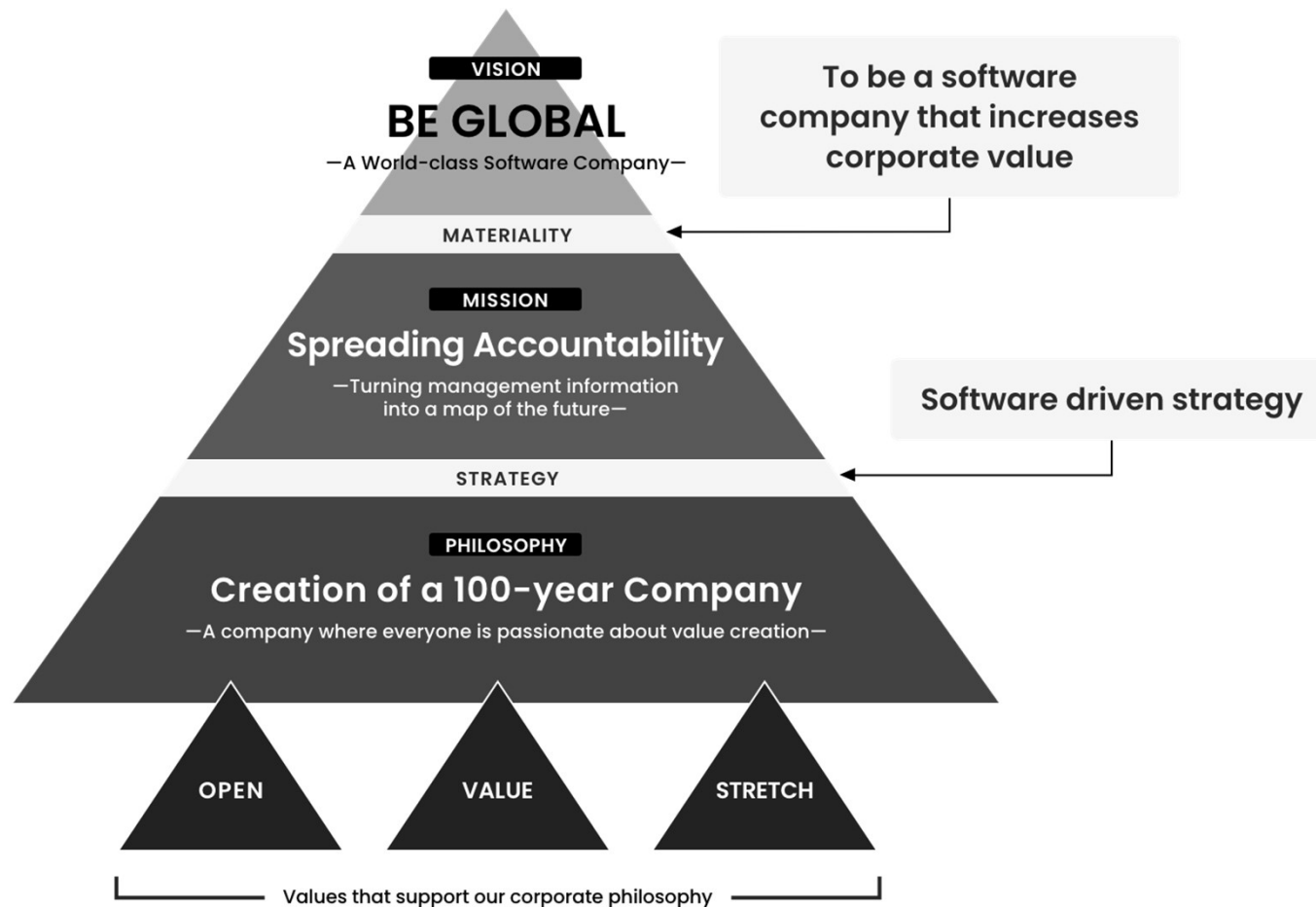
Inception : May 26, 1997

Representative : Tetsuji Morikawa, Founder, Chairman & Group CEO

Market Cap : Approximately 53 billion yen (TSE Prime, 3836, 06/2024)



Avant Group Philosophy



Avant Group Advances to the Next Five Years to Achieve BE GLOBAL

Established the top share in Japan
in the consolidated accounting business

Introduction of holding company structure 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~)

■ Request from TSE for 'Action to
achieve cost of capital and share
price conscious management'
(Mar 2023~)

Sales/Operating Profit
(Millions of yen)

30,000

25,000

20,000

15,000

10,000

5,000

0

97

98

99

00

01

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

■ Sales

■ Operating Profit

— Market Cap.

Aug. 2007
■ Users of DivaSystem
reached 500

Feb. 2007
Listed at OSE Hercules
(currently TSE Growth
Market)

May 1997
Founding of DIVA Inc.

Oct. 2013
■ Changed the trade name
to AVANT CORPORATION
■ Introduced holding
company structure

Mar. 2018
■ Change the Market Listing to
the First Section of the TSE
(currently TSE Prime Market)

Dec. 2018
■ DivaSystem clients
base exceeded 1,000
companies

Oct 2022
■ Reorganization

Market Cap.
(Millions of yen)

70,000

60,000

50,000

40,000

30,000

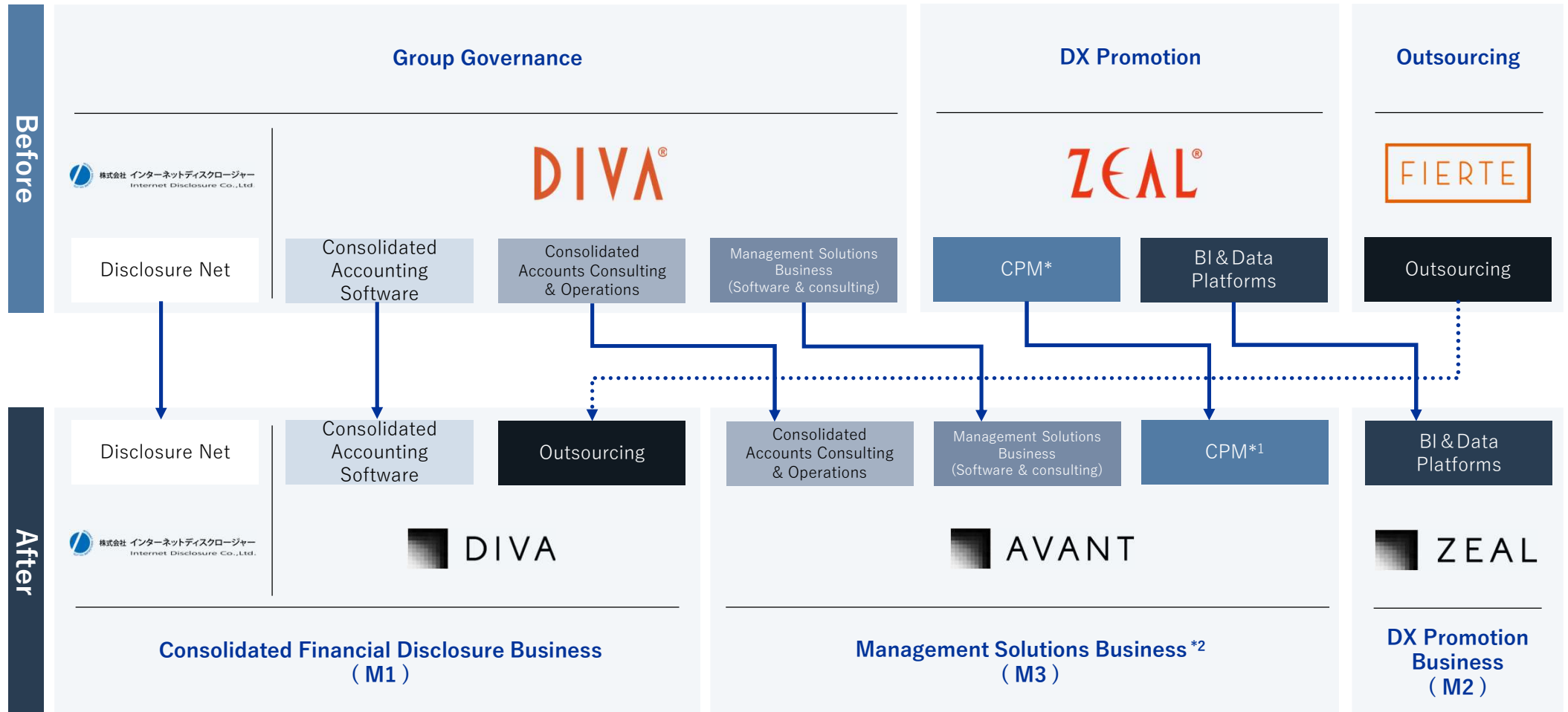
20,000

10,000

0

(FY)

Segment Reorganization

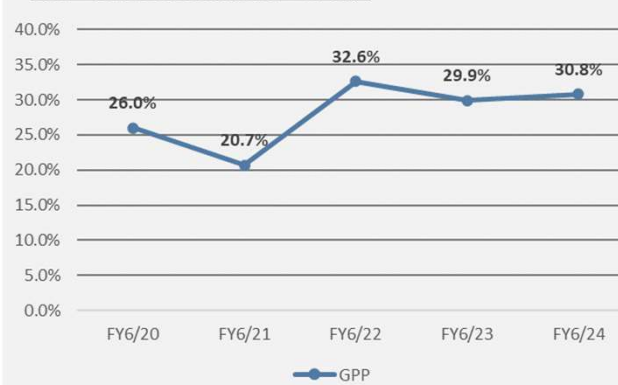


Numerical Summary

Net Sales / Sales Growth Rate



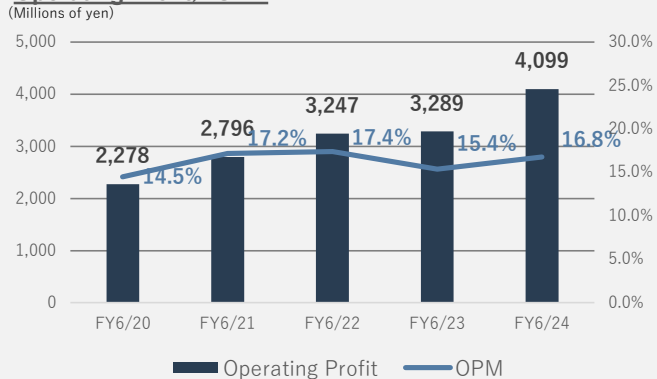
GPP (Sales Growth Rate + OPM)



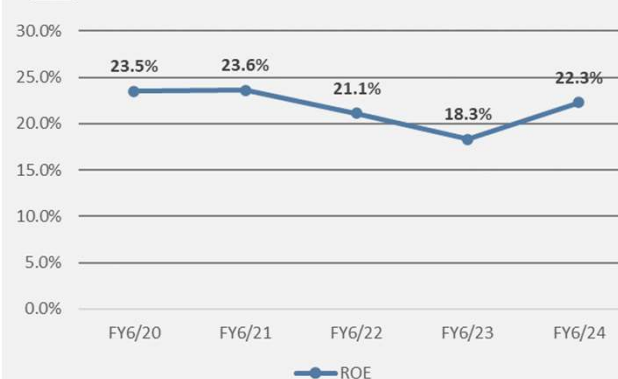
Number of employees



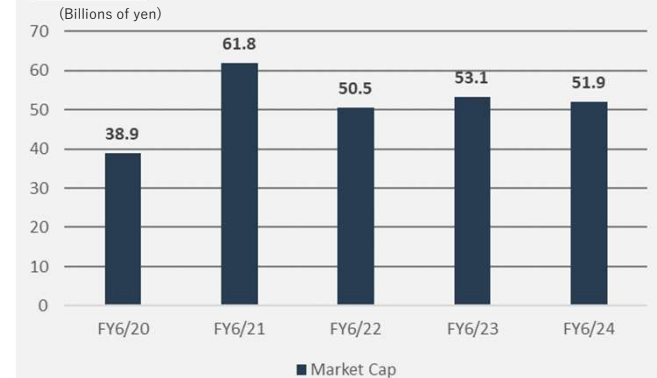
Operating Profit / OPM



ROE

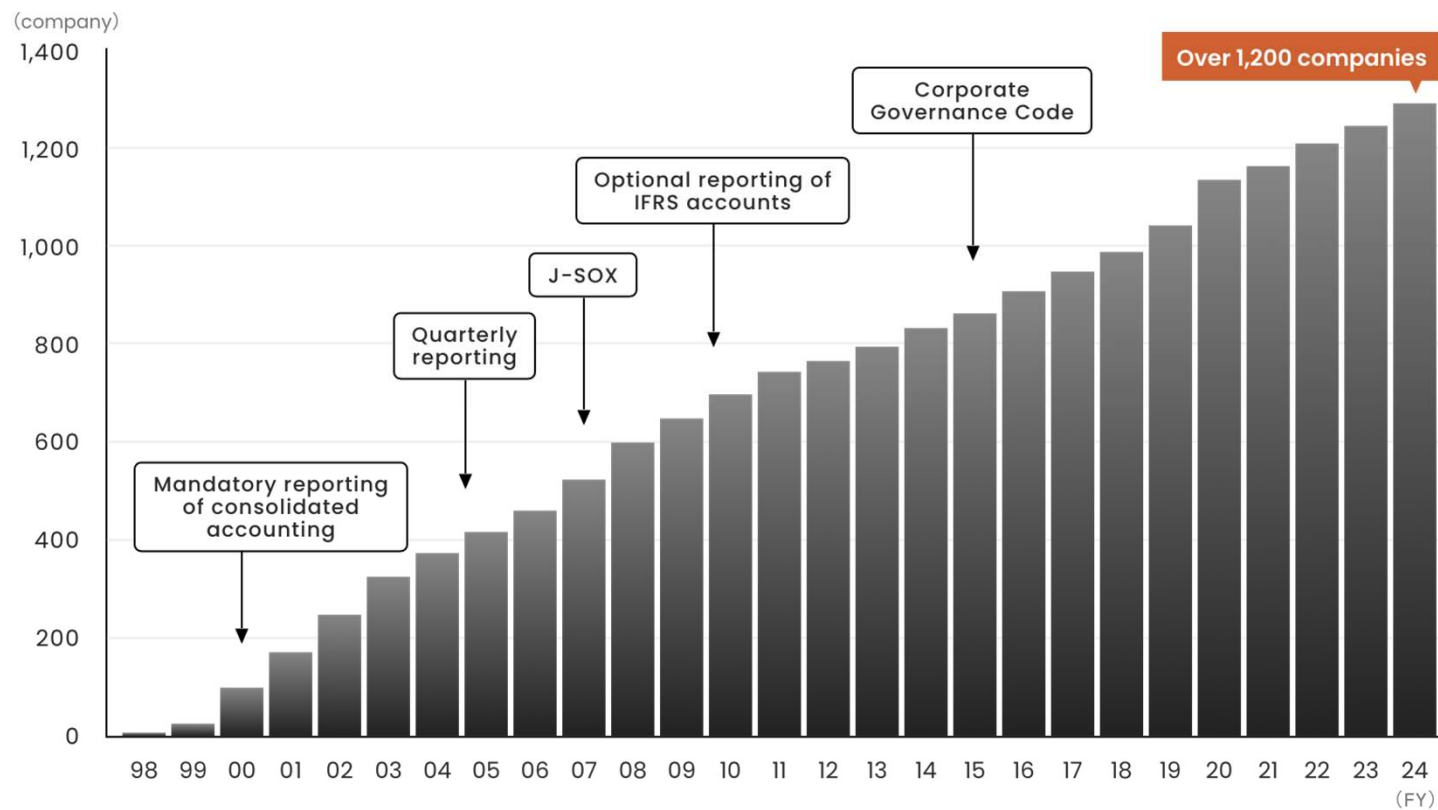


Market Cap



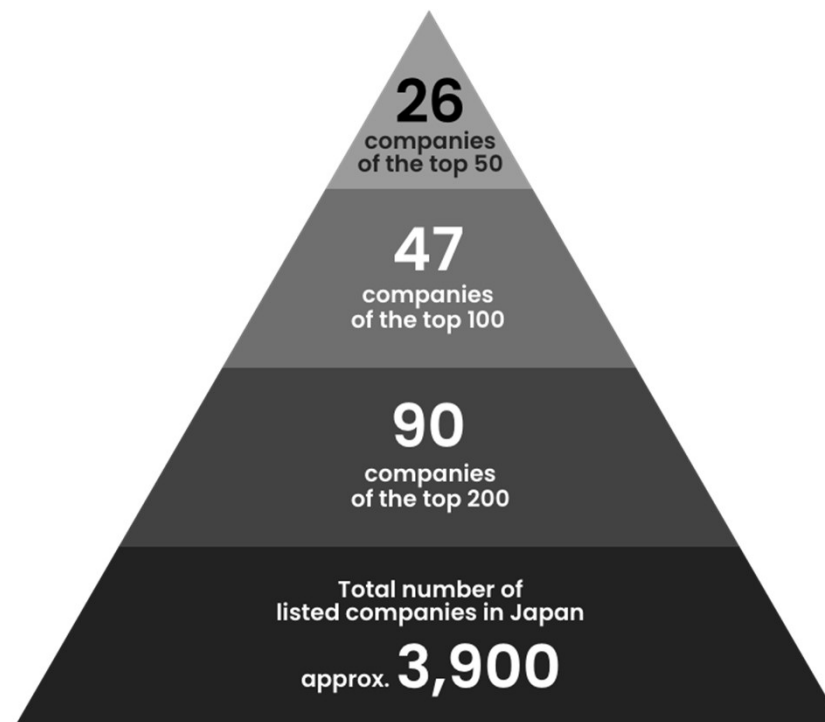
Trends in Companies introduced Avant Group Software Product

- 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 bought ※1
- FY2023 consolidated accounting software market share is 43.8% ※2
- From institutional accounting to budget and management accounting, we support the strengthening of corporate governance



※1 As of the end of June 2024

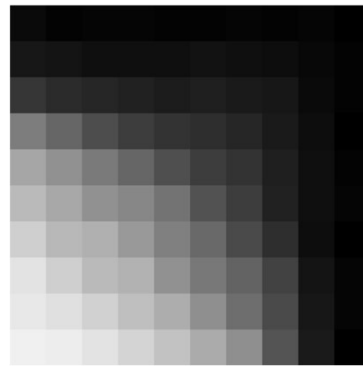
※2 Fuji Chimera Research Institute "Software Business New Market 2023 Edition" Consolidated Accounting Management Software Market Share

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 endeavour 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