

June 9,2023

To whom it may concern

Company Name: Avant Group Corporation
Name of Representative: Tetsuji Morikawa, President
and Group CEO
(Code: 3836, TSE Prime Market)
Inquiries: Naoyoshi Kasuga, Director and Group CFO
(TEL: 03-6388-6739)

(Corrections) : " Consolidated Summary Report under Japanese GAAP for the first quarter of the fiscal year ending June 30, 2023" and " Financial Results Briefing for the first quarter of Fiscal Year June 2023"

Avant Group Corporation (the "Company") hereby announces that there have been corrections made to the above-mentioned disclosure material released on October 31, 2022 (JST).

Note that no corrections have been made to numerical data (XBRL data).

1. Reason for corrections

Following the publication of the "Consolidated Summary Report under Japanese GAAP for the first quarter of the fiscal year ending June 30, 2023" and " Financial Results Briefing for the first quarter of Fiscal Year June 2023", it was found that there were some errors in the contents, and corrections have been made.

2. Details of corrections

Corrections are underlined.

1. Qualitative Information on Financial Results for the Current Quarter

(1) Management's Discussion on Business Operations

【Before corrections】

(i) Orders Received

(millions of yen, rounded down to the nearest unit)

	Fiscal Year ended June 30, 2022 First quarter		Fiscal Year ending June 30, 2023 First quarter		Year on Year Change	
					Amount	
	Orders Received	Outstanding Orders	Orders Received	Outstanding Orders	Orders Received	Outstanding Orders
Group Governance Businesses	1,886	2,278	2,589	3,313	702	1,034
Digital Transformation Business	1,296	975	2,099	1,314	803	338
Outsourcing Business	722	1,469	<u>832</u>	<u>2,392</u>	<u>109</u>	<u>922</u>
Elimination of inter-segment transactions	(238)	(343)	<u>(170)</u>	<u>(563)</u>	<u>67</u>	<u>(220)</u>
Total	3,667	4,381	<u>5,350</u>	<u>6,455</u>	<u>1,683</u>	<u>2,074</u>

【After corrections】

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(millions of yen, rounded down to the nearest unit)

	Fiscal Year ended June 30, 2022 First quarter		Fiscal Year ending June 30, 2023 First quarter		Year on Year Change	
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Group Governance Businesses	1,886	2,278	2,589	3,313	702	1,034
Digital Transformation Business	1,296	975	2,099	1,314	803	338
Outsourcing Business	722	1,469	<u>824</u>	<u>2,102</u>	<u>101</u>	<u>632</u>
Elimination of inter-segment transactions	(238)	(343)	<u>(172)</u>	<u>(344)</u>	<u>65</u>	<u>(1)</u>
Total	3,667	4,381	<u>5,340</u>	<u>6,385</u>	<u>1,672</u>	<u>2,003</u>

| Outsourcing Business

Strong orders led to increased sales, resulting in high profitability

- Recurring sales growth slowed slightly but remained strong, increasing approximately 20% YoY. Installation and consulting services associated with new orders contributed to revenue growth, resulting in a high level of sales growth.
- Operating profit margin remained at the same level, absorbing cost increases due to increased office space in conjunction with increased headcount. Orders and order backlogs also grew strongly due to an increase in new orders.

(millions of yen)

	FY22/06 Q1<YtD>	FY23/06 Q1<YtD>	Year-on-Year	
			Variance	%CHG
Net Sales	710	886	+ 175	+ 24.7%
Operating income	161	198	+ 37	+ 23.2%
Operating Margin	22.7%	22.4%	-	△0.3point
New Orders	722	832	+ 109	+ 15.2%
Outstanding Orders	1,469	2,392	+ 922	+ 62.8%

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(millions of yen)

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			Variance	%CHG
Net Sales	710	886	+ 175	+ 24.7%
Operating income	161	198	+ 37	+ 23.2%
Operating Margin	22.7%	22.4%	-	△0.3point
New Orders	722	824	+ 101	+ 14.0%
Outstanding Orders	1,469	2,102	+ 632	+ 43.1%

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Selected Quarterly Segment Data

(millions of yen)

	FY June 2019				FY June 2020				FY June 2021				FY June 2022				FY June 2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
New Orders	Group Governance	1,611	1,890	1,693	2,579	1,893	2,008	1,944	2,466	1,721	1,945	1,912	2,930	1,886	2,629	2,298	3,340	2,589		
	Digital Transformation	1,235	1,223	1,439	1,365	1,565	1,347	1,191	1,313	1,379	2,083	1,650	1,526	1,296	2,078	1,464	2,063	2,099		
	Outsourcing	439	319	363	685	599	468	505	586	651	586	765	983	722	1,223	565	1,521	832		
	Elimination of inter-segment transaction	-201	-115	-92	-266	-102	-201	-64	-164	-149	-201	-223	-161	-238	-164	-172	-442	-170		
New Orders	3,085	3,317	3,404	4,363	3,995	3,623	3,576	4,202	3,602	4,413	4,105	5,279	3,667	5,766	4,154	6,483	5,380			
Orders Outstanding	Group Governance	2,261	1,927	1,611	2,173	2,143	1,910	1,689	1,999	1,920	1,769	1,642	2,349	2,278	2,586	2,358	3,132	3,313		
	Digital Transformation	1,004	958	1,044	1,204	1,340	1,245	926	854	850	1,438	1,354	1,244	975	1,247	809	1,131	1,314		
	Outsourcing	734	650	597	852	948	928	891	950	1,031	1,008	1,112	1,457	1,469	1,937	1,716	2,446	2,392		
	Elimination of inter-segment transaction	-260	-232	-177	-303	-264	-312	-209	-208	-206	-242	-300	-290	-343	-327	-319	-578	-562		
Orders Outstanding	3,739	3,304	3,076	3,927	4,168	3,771	3,298	3,595	3,596	3,974	3,807	4,761	4,381	5,444	4,563	6,131	6,455			
Net Sales	Group Governance	1,783	2,225	2,008	2,017	1,922	2,242	2,165	2,154	1,801	2,096	2,040	2,223	1,957	2,322	2,526	2,566	2,409		
	Digital Transformation	1,161	1,268	1,353	1,206	1,429	1,441	1,510	1,385	1,382	1,495	1,734	1,637	1,564	1,806	1,902	1,741	1,916		
	Outsourcing	380	402	416	430	504	489	541	527	569	609	662	637	710	755	786	791	886		
	(Intra-segment elimination)	-144	-143	-147	-141	-141	-153	-167	-161	-152	-165	-165	-171	-185	-180	-180	-183	-186		
Net Sales	3,180	3,752	3,631	3,512	3,714	4,019	4,050	3,906	3,601	4,036	4,271	4,326	4,047	4,703	5,035	4,916	5,025			
Operating Income	Group Governance	244	362	346	339	330	379	378	528	323	520	530	561	286	599	669	507	393		
	Digital Transformation	102	210	233	89	180	171	209	130	115	226	319	150	187	365	428	263	287		
	Outsourcing	101	100	79	37	118	116	133	-4	130	165	165	62	161	195	221	82	198		
	Elimination of inter-segment transaction	-68	-39	-67	-106	-114	-93	-122	-63	-90	-94	-151	-136	-173	-139	-178	-216	-264		
Operating Income	380	634	592	358	514	574	598	591	478	817	862	637	461	1,020	1,140	636	614			

Effective from the beginning of the first quarter of 2022, the Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others.

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