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## Consolidated Summary Report under Japanese GAAP for the fiscal year ended June 30, 2024

August 2, 2024

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 Code Number: 3836  
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Annual General Meeting of Shareholders date: September 25, 2024 Dividend payment date: September 26, 2024  
 Securities report issue date: September 20, 2024  
 Supplementary information for financial statements: Available  
 Explanatory meeting to be held: Yes (for analysts)

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

### 1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024

#### (1) Consolidated results of operations

(Percentages indicate year-on-year changes)

Fiscal Year	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%		%
ended June 30, 2024	24,419	14.0	4,642	24.2	4,099	24.6	4,121	26.2	2,850	36.1
ended June 30, 2023	21,424	14.5	3,737	4.3	3,289	1.3	3,265	9.3	2,094	2.4

Comprehensive income (loss) for the fiscal year ended June 30, 2024 2,925 million yen [33.7%] for the fiscal year ended June 30, 2023 2,187 million yen [3.2%]

Fiscal Year	Net profit per share	Diluted net profit per share	Ratio of net profit to shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
ended June 30, 2024	76.62 yen	- yen	22.3 %	20.3 %	16.8 %
ended June 30, 2023	55.65 yen	- yen	18.3 %	18.5 %	15.4 %

(Reference) Share in profit of associated company for the fiscal year ended June 30, 2024: - million yen for the fiscal year ended June 30, 2023: - million yen  
 (Notes) EBITDA is derived by adding depreciation and amortization of goodwill to operating profit.

#### (2) Consolidated financial condition

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
June 30, 2024	21,896	13,293	60.7	362.95
June 30, 2023	18,705	12,328	65.9	327.51

(Reference) Net assets attributable to the company's shareholders As of June 30, 2024 13,293 million yen As of June 30, 2023 12,328 million yen

#### (3) Consolidated cash flows

Fiscal Year	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
ended June 30, 2024	3,680	(630)	(1,981)	11,976
ended June 30, 2023	2,175	(795)	(507)	10,881

### 2. Dividends on Common Shares

Fiscal Year Ended	Dividends per share					Total Dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual			
June 30, 2023	- yen	0.00 yen	- yen	15.00 yen	15.00 yen	564 million yen	27.0 %	4.9 %
June 30, 2024	- yen	0.00 yen	- yen	19.00 yen	19.00 yen	708 million yen	24.8 %	5.5 %
June 30, 2025 (Forecast)	- yen	0.00 yen	- yen	- yen	25.00 yen		- %	

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending June 30, 2025

(Percentages indicate year-on-year changes)

Fiscal Year ending June 30, 2025	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
	28,800	17.9	4,900	19.5	4,900	18.9	3,350	17.5	91.46

(Note) Since the Company manages its operations on an annual basis, consolidated earnings forecasts for the second quarter (cumulative) are not provided. For details, please refer to "1. Qualitative Information on Financial Results (4) Earnings Forecasts" on page 8 of the attached document.

#### Notes

(1) Changes in significant subsidiaries during the period (changes in "Specified Subsidiaries" (Tokutei Kogaisha) accompanying changes in scope of consolidation): No

Newly added to the scope of consolidation: nil

Newly deleted from the scope of consolidation: nil

(2) Changes in accounting policies, accounting estimates and restatement:

(i) Changes in accounting policies due to revision of accounting standards: No

(ii) Changes in accounting policies due to reasons other than item (i) above: No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(3) Number of issued shares (common shares)

(i) Total number of issued shares including treasury shares

As of June 30, 2024	37,645,851 shares	As of June 30, 2023	37,645,851 shares
As of June 30, 2024	1,019,398 shares	As of June 30, 2023	2,998 shares
Fiscal Year ended June 30, 2024	37,206,951 shares	Fiscal Year ended June 30, 2023	37,636,218 shares

(ii) Number of treasury shares held

(iii) Average number of shares

\* This report is exempt from the audits of CPAs or Audit firms.

\* Explanation of the appropriate use of earnings forecasts and other special notes

Forward-looking statements in this report, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements are not guarantees by the Company regarding future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to "1. Qualitative Information on Financial Results (4) Earnings Forecasts" on page 8 of the attached document for the assumptions behind the earnings forecasts and notes for using earnings forecasts.

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## 1. Qualitative Information on Financial Results

### (1) Management's Comments on Business Operations for the Fiscal Year under Review

Consolidated financial results for the fiscal year under review are as follows.

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

	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024	Year-on-Year Change	
			Amount	%
Net sales	21,424	24,419	2,995	14.0
Operating profit	3,289	4,099	809	24.6
Ordinary profit	3,265	4,121	855	26.2
Profit attributable to owners of parent	2,094	2,850	756	36.1

Consolidated net sales were 24,419 million yen (up 14.0% year-on-year) due to strong growth in the Digital Transformation Promotion business, against a backdrop of investment needed to maintain and enhance competitiveness through improvements to corporate management and business activities using data and digital technology. This is becoming a medium- to long-term trend among Japanese companies (our customers). In addition, the Outsourcing business also maintained high growth.

From the first quarter of this fiscal year, the Company revised the categorizations for its business segments and changed the previous reportable segments of "Group Governance Business," "Digital Transformation Business," and "Outsourcing Business" to the "Consolidated Financial Disclosure Business," the "Digital Transformation Promotion Business," and the "Management Solutions Business." In light of this change, results for each reportable segment for the previous fiscal year were restated in line with the new reportable segments.

The Consolidated Financial Disclosure Business supports value creation through development and maintenance of our proprietary software "DivaSystem" for consolidated management support and consolidated accounting, as well as the provision of outsourcing of consolidated and non-consolidated financial statements using this software. With regards the segment's position within the Group, we aim to establish a business model that combines both software and outsourcing businesses.

The Consolidated Financial Disclosure Business also includes information search services for disclosure documents provided by Internet Disclosure, Inc, primarily to audit firms.

The Digital Transformation Promotion Business supports the promotion of digital transformation at companies and data-driven management through consulting and system development services, including the provision of a data platform for utilizing all kinds of data related to companies, to AI and BI solutions that can analyze, predict and enable data visualization. From major cloud vendors to multi-cloud compatible software, customers can find out about the latest data utilization methods and generative AI specializing in data utilization, as well as train engineers and develop their own data utilization platform products. The suite of products offered is also slated for expansion.

The Management Solutions Business has a focus on group management, consolidated accounting, and business administration and aims to identify and maximize hidden value at companies and offers one-stop support services from consulting to system planning, building, installation, and maintenance. In addition to in-house development, it is also possible to develop in combination with software from other companies. The role of this business is to maximize the Group's assets and continue to generate solutions that will provide management data that is useful for the enhancement of corporate value.

Profits were boosted by a decrease in one-time expenses incurred in the previous fiscal year as a result of group reorganization and sales growth in the Digital Transformation Promotion business, set against increased fixed personnel expenses due to higher headcount, outsourced processing expenses as a result of the increase in orders, and investment-related expenses to realize future growth, Operating profit was 4,099 million yen (up 24.6% year-on-year), ordinary profit was 4,121 million yen (up 26.2% year-on-year), and net income attributable to owners of the parent was 2,850 million yen (up 36.1% year-on-year)

The status of each reportable segment is as follows.

(i) Net sales

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

	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024	Year-on-Year Change	
			Amount	%
Consolidated Financial Disclosure Business	6,902	7,537	635	9.2
Digital Transformation Promotion Business	7,272	8,846	1,574	21.7
Management Solutions Business	7,883	8,518	634	8.1
Elimination of inter-segment transactions	(633)	(483)	150	-
Consolidated Net sales	21,424	24,419	2,995	14.0

(ii) Operating profit

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

	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024	Year-on-Year Change	
			Amount	%
Consolidated Financial Disclosure Business	1,586	1,840	250	16.0
Digital Transformation Promotion Business	1,118	1,633	515	46.1
Management Solutions Business	1,321	1,407	86	6.6
Corporate Expenses and Elimination of inter-segment transactions	(736)	(782)	(46)	-
Consolidated operating profit	3,289	4,099	809	24.6

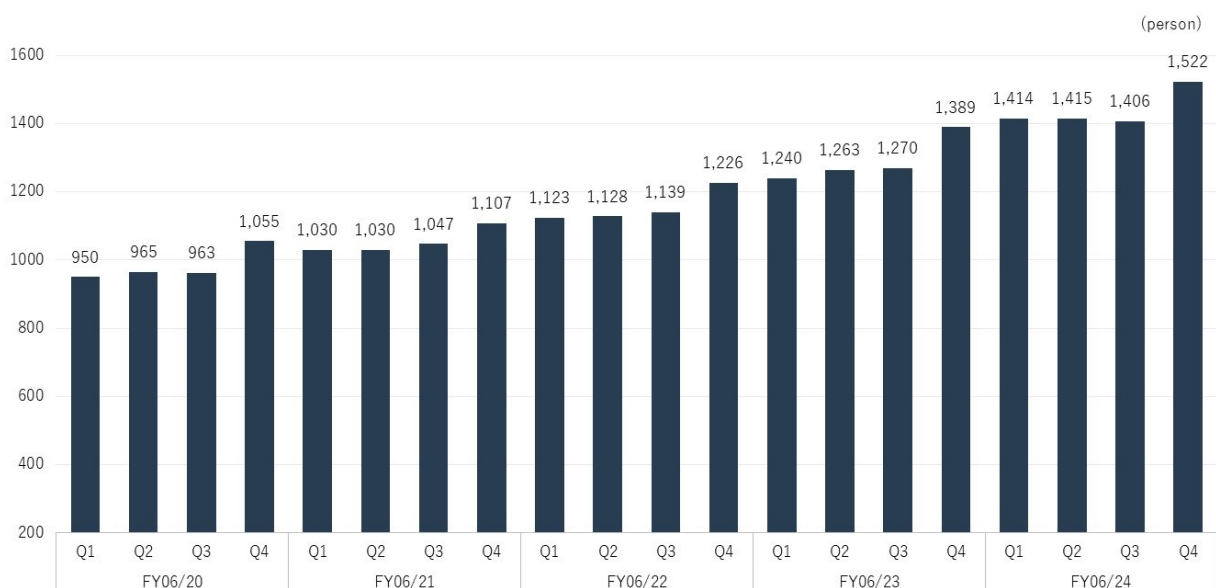
In the Consolidated Financial Disclosure business, the software business has been improving under the new structure through a review of pricing strategies and strategically reducing intra-group contract development transactions for product maintenance and other operational support, while the outsourcing business continued to maintain high growth and contributed to revenue growth. As a result, net sales increased to 7,537 million yen (up 9.2% year-on-year). In terms of profitability, the outsourcing business drove growth, resulting in an increase in operating profit to 1,840 million yen (up 16.0% year-on-year).

In the Digital Transformation Promotion Business, the need to utilize data for decision-making related to management and business promotion continues to accelerate, and the number of projects related to cloud data platform construction is on the rise, with an increase in large-scale projects and in the scale of ongoing projects. The increase in the number of large-scale projects and the expansion of the scale of ongoing projects was a significant driver of revenue growth. As a result, net sales increased 21.7% year on year to 8,846 million yen (up 21.7% year-on-year). Although personnel costs increased due to efforts to secure human resources to provide services along with ongoing rises in requisite subcontracting expenses, this was offset by the increased revenue, and operating profit was 1,633 million yen (up 46.1% year-on-year), significantly higher than the same period of the previous year.

In the Management Solutions Business, while the transformation of the profit structure, mainly in the software business, is still in progress, results have started to emerge in the area of group business management solutions, and the fourth quarter was affected by a significant increase in sales compared to the previous year's single quarter due to large project orders and other factors, Sales rose to 8,518 million yen (up 8.1% year-on-year). In terms of profitability, operating profit increased to 1,407 million yen (up 6.6% year-on-year), despite cost-increasing factors such as higher personnel costs due to securing personnel for future growth and increased system development costs and depreciation costs associated with strengthening the software business.

The number of employees on a consolidated basis was 1,522 at the end of the fiscal year, up 133 from the end of the previous fiscal year.

### Number of Employees of the Group (by Quarter)



The status of orders received and sales by segment for the fiscal year under review is as follows.

#### (i) Orders Received

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

	Fiscal Year ended June 30, 2023		Fiscal Year ended June 30, 2024		Year-on-Year Change	
	Orders Received	Outstanding Orders	Orders Received	Outstanding Orders	Amount	
					Orders Received	Outstanding Orders
Consolidated Financial Disclosure Business	7,435	3,949	8,269	4,681	833	731
Digital Transformation Promotion Business	7,919	1,705	9,211	2,069	1,292	364
Management Solutions Business	7,999	3,113	9,410	4,006	1,411	892
Elimination of inter-segment transactions	(978)	(1,746)	(711)	(1,974)	267	(228)
<b>Total</b>	<b>22,375</b>	<b>7,021</b>	<b>26,180</b>	<b>8,782</b>	<b>3,805</b>	<b>1,760</b>

#### (ii) Net Sales

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

	Fiscal Year ended June 30, 2023		Fiscal Year ended June 30, 2024		Year-on-Year Change	
					Amount	%
Consolidated Financial Disclosure Business		6,902		7,537	635	9.2
Digital Transformation Promotion Business		7,272		8,846	1,574	21.7
Management Solutions Business		7,883		8,518	634	8.1
Elimination of inter-segment transactions		(633)		(483)	150	-
<b>Total</b>		<b>21,424</b>		<b>24,419</b>	<b>2,995</b>	<b>14.0</b>

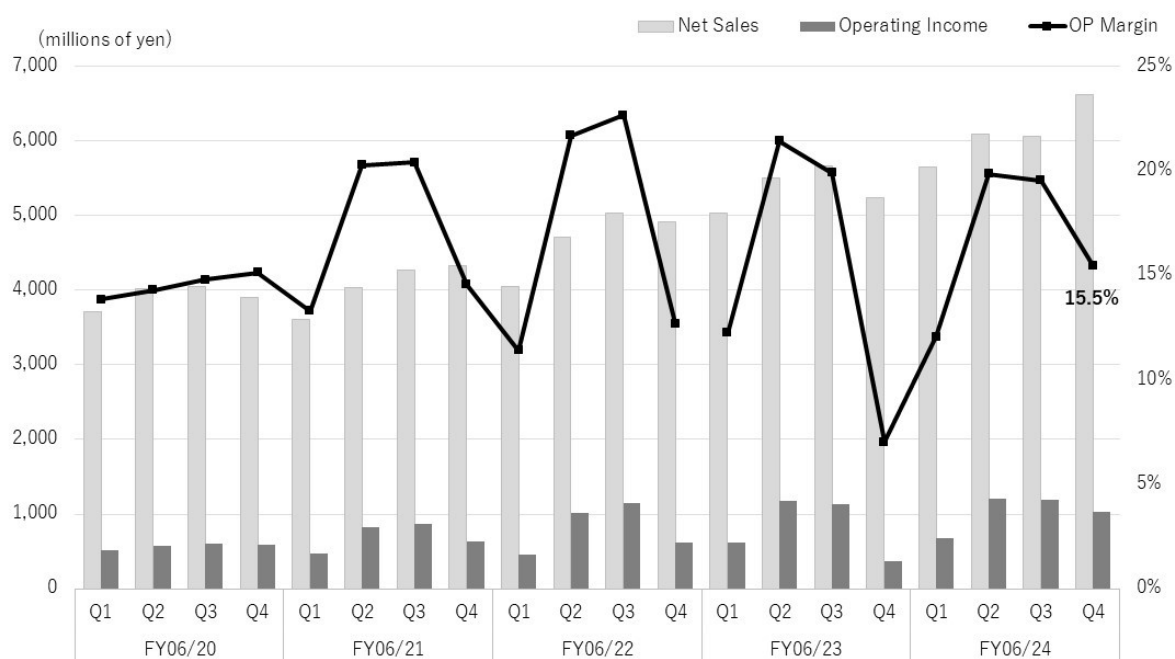
Quarterly trends in net sales and operating profit are as follows.

Net sales and operating profit for the last four quarters

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

	Fiscal Year ended June 30, 2024			
	First quarter	Second quarter	Third quarter	Fourth quarter
Net sales	5,646	6,096	6,063	6,613
Operating profit	681	1,209	1,185	1,023
Operating profit margin (%)	12.1	19.8	19.5	15.5

Net sales, operating profit, and operating profit margin (by Quarter)



## **(2) Comments on Financial Position for the Fiscal Year under Review**

Total assets at the end of the current financial year amounted to 21,896 million yen (up 3,191 million yen from the end of the previous financial year). This was mainly due to a 557 million yen increase in cash and deposits, a 1,477 million yen increase in notes, accounts receivable and contract assets, a 296 million yen increase in prepaid expenses, and a 264 million yen increase in investment securities.

On the other hand, total liabilities amounted to 8,603 million yen (up 2,226 million yen from the end of the previous financial year). This was mainly due to a 166 million yen increase in notes and accounts payable, a 337 million yen increase in accounts payable and accrued expenses, a 630 million yen increase in income taxes payable, a 549 million yen increase in contract liabilities and a 281 million yen increase in provision for bonuses.

Total net assets amounted to 13,293 million yen (up 965 million yen from the end of the previous year), mainly due to net profit attributable to owners of the parent of 2,850 million yen, the acquisition of treasury shares of 1,396 million yen and the payment of dividends from surplus of 564 million yen. As a result, the equity ratio was 60.7% (65.9% at the end of the previous financial year), a decrease of 5.2 percentage points compared to the previous financial year, but we believe we still have a highly stable financial balance with low interest-bearing liabilities.

## **(3) Comments on Cash Flow for the Fiscal Year under Review**

Cash and cash equivalents ('funds') at the end of the financial year under review increased by 1,095 million yen to 11,976 million yen compared to the end of the previous financial year. The status of each cash flow and their factors are as follows.

### < Cash flows from operating activities >

Cash acquired as a result of operating activities amounted to 3,680 million yen. (Funds acquired in the previous financial year amounted to 2,175 million yen).

The main positive factors were income before income taxes and minority interests of 4,131 million yen, depreciation and amortization of 543 million yen, increase in accounts payable and accrued expenses of 400 million yen, refund of income taxes of 565 million yen and increase in provision for bonuses of 281 million yen, while the main negative factors were increase in trade receivables and contract assets of 1,476 million yen. The main factors of decrease were income taxes paid of 1,273 million yen.

### < Cash flows from investing activities >

Cash used as a result of investing activities amounted to 630 million yen. (Funds used in the previous financial year amounted to 795 million yen).

The main components of expenditure were 159 million yen for the purchase of property, plant and equipment, 222 million yen for the purchase of intangible assets and 189 million yen for the purchase of investment securities.

### < Cash flows from financing activities >

Cash used as a result of financing activities amounted to 1,981 million yen. (Funds used in the previous financial year amounted to 507 million yen).

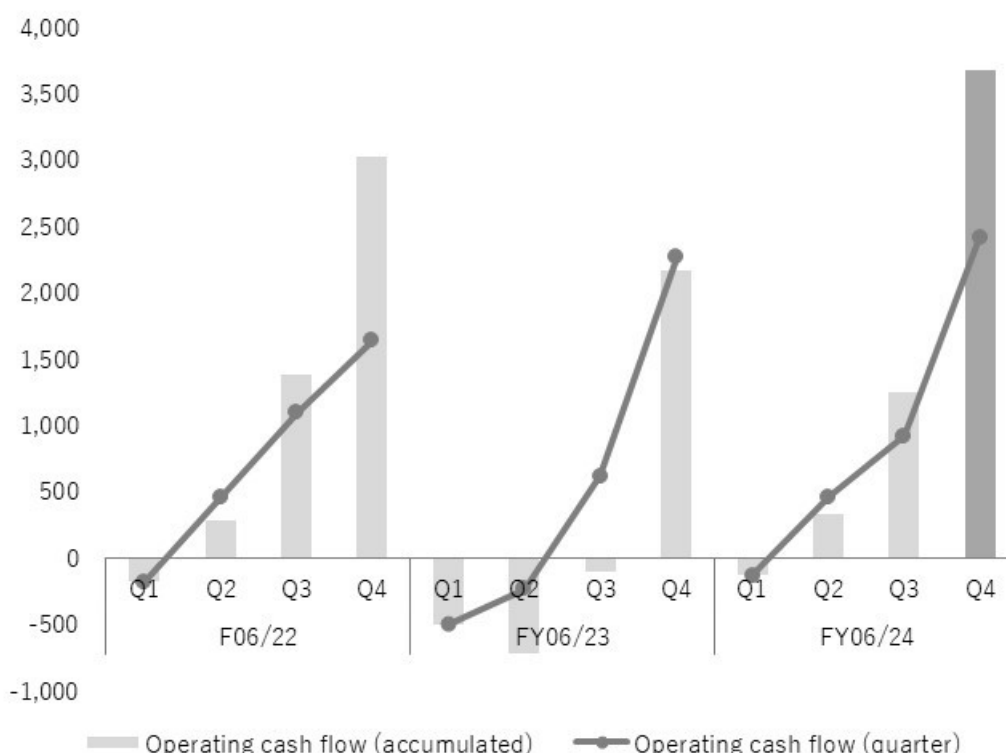
The main components of expenditure were expenditure of 1,396 million yen on the acquisition of treasury shares and cash dividends paid of 564 million yen.



In our group, cash flow from operating activities in the first quarter is typically at a low level due to the payment of income taxes and the payment of performance-based bonuses to officers and employees. It then gradually increases from the second quarter onward, and is usually positive over the full fiscal year (In the fiscal year under review, upfront payments in the first half of the year were larger than a typical fiscal year due to factors such as increases in sales of consulting services, which require working capital upfront, and bonuses and income taxes paid).

Maintenance fees in the Management Solutions Business and commissions paid for the Outsourcing Business are paid annually in advance of the provision of services, so as a result, the business model requires almost no working capital. On the other hand, in the Digital Transformation Promotion Business as outsourcing costs and other expenses are paid in advance, working capital demand will increase as sales grow. However, by concentrating the excess funds of the Group as a whole in the holding company, the Group is able to smoothly extend funds across the Group. In addition to the total amount of cash held, the Group has established a commitment line totaling 3.5 billion yen with banks with which it does business. Accordingly, at present there are no concerns about funding.

Operating cash flow by Quarter (Millions of yen)



#### (4) Earnings Forecasts

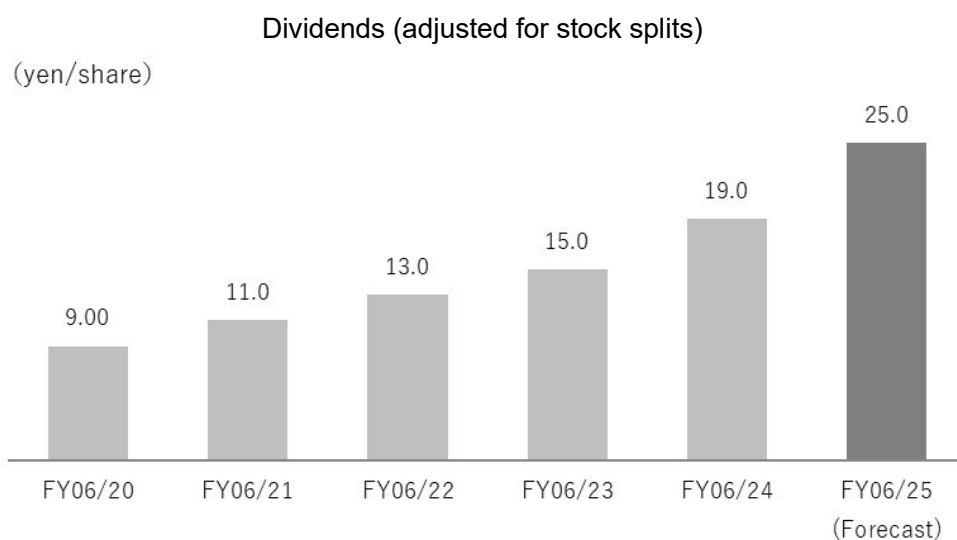
In August 2023, the company announced a new medium-term management plan, a five-year plan (five-year targets to be achieved by the end of the year 2028). In FY2025, the second year of the plan, the Group will continue to promote measures to realize the Avant Group's materiality ('to become a software company that helps increase corporate value'), with a focus on strengthening the software business. In the early stages of the new medium-term management plan period, the Group is not yet at a stage where it will reap the full benefits of the Group's reorganization, and it is expected that the effects will gradually become apparent over the five-year period. In addition, although the organization of the Group's restructuring has been completed, the Group intends to continue to make growth investments necessary to realize materiality in a continuous and flexible manner, particularly in the Group's operating companies.

Although external factors such as exchange rate fluctuations and the risk of a downturn in overseas economies may affect the Group's performance, we believe that the needs of the Group's businesses, such as the increasing number of companies wishing to utilize data for management and strengthen group governance, will continue to increase over the medium to long term. The Group's business needs are expected to continue to increase in the medium to long term.

As a result, the Group expects to achieve sales of 28,800 million yen and operating profit of 4,900 million yen in the next financial year.

In accordance with the existing dividend policy, the ratio of dividends to net assets will be increased. We intend to always exceed the average dividend for all listed companies, while as well as keeping in mind stable dividends (in principle, dividends per share should not fall below the level of the previous year). The dividend for the year under review will remain unchanged from the forecast at 19 yen per share and will be proposed to the General Meeting of Shareholders of the Company to be held on 25 September 2024.

For the next fiscal year, the dividend policy will remain unchanged and the dividend forecast is 25 yen per share. The aim is to achieve an 8% ratio of dividends to net assets, which is the target set out in the new medium-term management plan.



## 2. Basic Approach to the Selection of Accounting Standards

For the time being, the Group's policy is to prepare consolidated financial statements in accordance with Japanese GAAP. The Group's policy is to adopt IFRS as appropriate, taking into consideration various circumstances in Japan and overseas.

**3. Consolidated Financial Statements and Notes**  
**(1) Consolidated Balance Sheets**

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	10,317,243	10,874,892
Notes and accounts receivable - trade, and contract assets	2,963,130	4,440,280
Securities	500,000	500,000
Work in process	13,620	5,880
Raw materials and supplies	112,676	81,871
Prepaid expenses	824,824	1,120,837
Accounts receivable – other	573,606	518,540
Deposits paid	315	527,976
Other	49,879	135,407
Allowance for doubtful accounts	(3,622)	(4,141)
<b>Total current assets</b>	<b>15,351,673</b>	<b>18,201,545</b>
Non-current assets		
Property, plant and equipment		
Buildings	417,933	561,381
Accumulated depreciation	(157,247)	(233,278)
Buildings, net	260,685	328,102
Vehicles	843	1,956
Accumulated depreciation	(843)	(936)
Vehicles, net	0	1,020
Tools, furniture and fixtures	669,026	748,417
Accumulated depreciation	(494,223)	(588,552)
Tools, furniture and fixtures, net	174,803	159,864
Construction in progress	51,978	-
<b>Total property, plant and equipment</b>	<b>487,466</b>	<b>488,987</b>
Intangible assets		
Trademark rights	-	42,527
Software	728,306	609,376
Other	225	225
<b>Total intangible assets</b>	<b>728,532</b>	<b>652,129</b>
Investments and other assets		
Investment securities	772,046	1,037,000
Long-term prepaid expenses	66,028	19,118
Leasehold and guarantee deposits	575,243	630,981
Deferred tax assets	590,209	728,290
Other	134,393	138,853
<b>Total investments and other assets</b>	<b>2,137,920</b>	<b>2,554,243</b>
<b>Total non-current assets</b>	<b>3,353,919</b>	<b>3,695,360</b>
<b>Total assets</b>	<b>18,705,593</b>	<b>21,896,905</b>

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	634,758	801,391
Lease liabilities	12,257	6,005
Accounts payable - other, and accrued expenses	512,708	850,208
Income taxes payable	354,192	984,232
Contract liabilities	2,796,086	3,345,483
Provision for bonuses	1,038,329	1,319,768
Provision for bonuses for directors (and other officers)	172,380	170,155
Provision for loss on orders received	61,594	17,912
Allowance for stock benefits	-	129,618
Accrued consumption taxes	355,400	461,061
Deposits received	184,269	221,975
Other	142	-
<b>Total current liabilities</b>	<b>6,122,119</b>	<b>8,307,815</b>
<b>Non-current liabilities</b>		
Lease liabilities	6,039	-
Asset retirement obligations	210,900	295,362
Deferred tax liabilities	38,016	-
<b>Total non-current liabilities</b>	<b>254,956</b>	<b>295,362</b>
<b>Total liabilities</b>	<b>6,377,076</b>	<b>8,603,177</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	345,113	345,113
Capital surplus	281,913	281,913
Retained earnings	11,477,458	13,763,738
Treasury shares	(608)	(1,396,622)
<b>Total shareholders' equity</b>	<b>12,103,876</b>	<b>12,994,141</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	183,925	224,019
Deferred gains or losses on hedges	302	2,862
Foreign currency translation adjustment	40,411	72,704
<b>Total accumulated other comprehensive income</b>	<b>224,639</b>	<b>299,586</b>
<b>Total net assets</b>	<b>12,328,516</b>	<b>13,293,728</b>
<b>Total liabilities and net assets</b>	<b>18,705,593</b>	<b>21,896,905</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**

(Thousands of yen)

	Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)
Net sales	21,424,584	24,419,760
Cost of sales	12,028,711	13,491,038
Gross profit	9,395,873	10,928,722
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	396,002	401,146
Employees' salaries and bonuses	1,598,420	1,812,545
Provision for bonuses	1,047,155	1,277,449
Provision for bonuses for directors (and other officers)	173,579	167,627
Legal welfare expenses	246,204	276,140
Share-based payment expenses	19,995	145,975
Outsourcing expenses	76,652	97,870
Rent expenses on land and buildings	231,184	184,546
Utilities expenses	84,138	82,190
Commission expenses	746,590	858,541
Depreciation	269,179	259,901
Research and development expenses	375,674	190,124
Other	841,702	1,075,538
Total selling, general and administrative expenses	6,106,482	6,829,599
Operating profit	3,289,390	4,099,123
Non-operating income		
Interest income	96	109
Dividend income	10,192	12,296
Gain on investments in investment partnerships	7,386	12,864
Subsidy income	531	9,404
Other	4,559	15,875
Total non-operating income	22,766	50,550
Non-operating expenses		
Interest expenses	485	243
Loss on investments in investment partnerships	11,975	13,750
Commission expenses	15,388	10,863
Foreign exchange losses	4,426	2,483
Share issuance costs	228	—
Compensation for damage	13,377	—
Other	289	589
Total non-operating expenses	46,172	27,929
Ordinary profit	3,265,983	4,121,744
Extraordinary profit		
Insurance income	—	14,030
Penalty income	—	16,961
Total extraordinary income	—	30,991
Extraordinary losses		
Impairment losses	186,613	—
Settlement money	—	21,076
Total extraordinary losses	186,613	21,076
Profit before income taxes	3,079,370	4,131,659
Income taxes - current	1,009,937	1,475,358
Income taxes - deferred	(25,087)	(194,621)
Total income taxes	984,850	1,280,736
Profit	2,094,520	2,850,922
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,094,520	2,850,922

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)
Profit	2,094,520	2,850,922
Other comprehensive income		
Valuation difference on available-for-sale securities	80,798	40,093
Deferred gains or losses on hedges	66	2,560
Foreign currency translation adjustment	12,591	32,292
Total other comprehensive income	93,456	74,946
Comprehensive income	2,187,976	2,925,868
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,187,976	2,925,868
Comprehensive income attributable to non-controlling interests	-	-

**(3) Consolidated Statements of Changes in Net Assets**

Fiscal Year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	329,128	265,928	9,872,031	(608)	10,466,479
Changes during period					
Issuance of new shares	15,984	15,984			31,969
Dividends of surplus			(489,092)		(489,092)
Profit attributable to owners of parent			2,094,520		2,094,520
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	15,984	15,984	1,605,427	-	1,637,397
Balance at end of period	345,113	281,913	11,477,458	(608)	12,103,876

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	103,126	236	27,820	131,183	10,597,663
Changes during period					
Issuance of new shares					31,969
Dividends of surplus					(489,092)
Profit attributable to owners of parent					2,094,520
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	80,798	66	12,591	93,456	93,456
Total changes during period	80,798	66	12,591	93,456	1,730,853
Balance at end of period	183,925	302	40,411	224,639	12,328,516

Fiscal Year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	345,113	281,913	11,477,458	(608)	12,103,876
Changes during period					
Issuance of new shares			(564,642)		(564,642)
Dividends of surplus			2,850,922		2,850,922
Profit attributable to owners of parent				(477,635)	(477,635)
Purchase of treasury shares				(918,379)	(918,379)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,286,279	(1,396,014)	890,264
Balance at end of period	345,113	281,913	13,763,738	(1,396,622)	12,994,141

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	183,925	302	40,411	224,639	12,328,516
Changes during period					
Issuance of new shares					(564,642)
Dividends of surplus					2,850,922
Profit attributable to owners of parent					(477,635)
Purchase of treasury shares					(918,379)
Net changes in items other than shareholders' equity	40,093	2,560	32,292	74,946	74,946
Total changes during period	40,093	2,560	32,292	74,946	965,211
Balance at end of period	224,019	2,862	72,704	299,586	13,293,728



**(4) Consolidated Statements of Cash Flows**

(Thousands of yen)

	Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,079,370	4,131,659
Depreciation	449,223	543,472
Impairment losses	186,613	—
Insurance income	-	(14,030)
Penalty income	-	(16,961)
Settlement income	-	21,076
Increase (decrease) in allowance for doubtful accounts	(63)	519
Increase (decrease) in provision for bonuses	(11,986)	281,438
Increase (decrease) in provision for bonuses for directors (and other officers)	8,190	(2,225)
Increase (decrease) in provision for loss on orders received	43,850	(43,681)
Increase (decrease) in provision for share benefits	-	129,618
Interest and dividend income	(10,288)	(12,406)
Interest expenses	485	243
Commission expenses	15,388	10,863
Share issuance costs	228	—
Compensation for damage	13,377	—
Loss (gain) on investments in investment partnerships	4,589	886
Subsidy income	(531)	(9,404)
Share-based payment expenses	20,262	16,906
Decrease (increase) in notes and accounts receivable-trade and contract assets	61,014	(1,476,902)
Decrease (increase) in inventories	(25,368)	38,545
Decrease (increase) in prepaid expenses	(279,472)	(284,188)
Increase (decrease) in trade payables	(27,558)	166,633
Increase (decrease) in accounts payable - other, and accrued expenses	(118,623)	400,793
Increase (decrease) in accrued consumption taxes	(51,169)	110,242
Increase (decrease) in contract liabilities	440,741	549,397
Increase (decrease) in deposits received	35,591	37,706
Other, net	(95,345)	(223,260)
Subtotal	3,738,519	4,356,941
Interest and dividends received	10,480	12,406
Interest paid	(485)	(243)
Compensation paid for damage	(13,377)	—
Subsidies received	531	9,404
Amount of insurance proceeds received	-	14,030
Penalty payments received	-	16,961
Settlement payments	-	(21,076)
Income taxes paid	(1,560,275)	(1,273,477)
Income tax refund	-	565,680
Net cash provided by (used in) operating activities	2,175,390	3,680,627

	(Thousands of yen)	
	Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)
Cash flows from investing activities		
Proceeds from redemption of securities	90,019	-
Purchase of property, plant and equipment	(225,602)	(159,798)
Payments for asset retirement obligations	(12,269)	-
Purchase of intangible assets	(521,790)	(222,203)
Purchase of investment securities	(152,926)	(189,992)
Payments of leasehold and guarantee deposits	(120,775)	(55,737)
Proceeds from refund of leasehold and guarantee deposits	139,792	-
Purchase of insurance funds	(4,459)	(4,459)
Other, net	12,396	1,320
Net cash provided by (used in) investing activities	(795,616)	(630,871)
Cash flows from financing activities		
Repayments of finance lease liabilities	(12,455)	(12,291)
Commission fee paid	(5,397)	(8,962)
Purchase of treasury shares	-	(1,396,014)
Dividends paid	(489,092)	(564,642)
Other, net	(228)	-
Net cash provided by (used in) financing activities	(507,174)	(1,981,911)
Effect of exchange rate change on cash and cash equivalents	5,841	27,428
Net increase (decrease) in cash and cash equivalents	878,441	1,095,273
Cash and cash equivalents at beginning of period	10,002,870	10,881,311
Cash and cash equivalents at end of period	10,881,311	11,976,585

## **(5) Notes to Consolidated Financial Statements**

(Note on the Going Concern Assumption)

Not applicable.

(Notes Concerning Changes in Presentation Methods)

< Note to consolidated Balance Sheets >

In the previous consolidated fiscal year, "Accounts receivable – other" and "Deposits paid" were included in "Other" under "Current assets," and "Accrued consumption taxes" and "Deposits received" were included in "Other" under "Current liabilities." However, due to their increased materiality of the amount, they will be presented separately from the current consolidated fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous financial year have been reclassified.

As a result, the 623,801 thousand yen presented as "Other" under "Current assets" in the consolidated income statement for the previous consolidated fiscal year has been reclassified as "Accounts receivable – other" of 573,606 thousand yen, "Deposits paid" of 315 thousand yen and "Other" of 49,879 thousand yen, and the 539,812 thousand yen presented as "Other" under "Current liabilities" has been reclassified as "Accrued consumption taxes" of 355,400 thousand yen, "Deposits received" of 184,269 thousand yen and "Other" of 142 thousand yen.

< Notes to consolidated income statement >

Stock compensation expenses, which were included in 'Other' under 'Selling, general and administrative expenses' in the previous financial year, have been presented as a separate line item from the current financial year due to the increased materiality of the amount. To reflect this change in presentation, the consolidated financial statements for the previous financial year have been reclassified.

As a result, 861,698 thousand yen presented in 'Others' under 'Selling, general and administrative expenses' in the consolidated statement of income for the previous financial year has been reclassified as 'Stock compensation expenses' of 19,995 thousand yen and 'Others' of 841,702 thousand yen.

(Notes on additional information)

< Transaction for the Delivery of Company Shares to Employees through a Trust >

The Company has introduced a share grant trust as an incentive for its employees and executive officers ('Employees, etc.') to provide them with benefits and to enhance the Company's corporate value.

### 1. Outline of the transaction

Under this scheme, in accordance with the Share Delivery Regulations established by the Company in advance, points are granted to employees, etc. who fulfil certain requirements, and the Company shares corresponding to the number of points granted to such beneficiaries are delivered to those employees, etc. who fulfil the requirements to be beneficiaries as stipulated in the Share Delivery Regulations. The shares to be granted are acquired in accordance with the amount set in the trust in advance, including the future portion, and are segregated and managed as trust assets.

### 2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded at their book value in the trust (excluding the amount of incidental expenses). The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the amount of incidental expenses). The book value and number of such treasury shares amounted to 918,379 thousand yen and 652,300 shares at the end of the financial year under review.

(Revenue Recognition)

Breakdown of net sales from contracts with customers

From the current financial year, the Company has reviewed its previous business segment classification method and changed its reportable segments. Details of the segment changes are described in (Segment Information) 1. Overview of reportable segments (1) Method of determining reportable segments.

Cumulative period for the fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Reportable segments			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Goods or services transferred at a point in time	144,550	43,382	233,669	421,602
Goods or services that are transferred over a period of time	6,192,852	7,224,209	7,585,919	21,002,982
Sales from contracts with customers	6,337,403	7,267,592	7,819,589	21,424,584
Other sales	—	—	—	-
Net sales to external customers	6,337,403	7,267,592	7,819,589	21,424,584

Cumulative period for the fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Reportable segments			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Goods or services transferred at a point in time	179,031	36,834	148,019	363,885
Goods or services that are transferred over a period of time	6,988,003	8,777,211	8,290,660	24,055,874
Sales from contracts with customers	7,167,034	8,814,046	8,438,680	24,419,760
Other sales	—	—	—	—
Net sales to external customers	7,167,034	8,814,046	8,438,680	24,419,760

(Segment Information)

## **1. Overview of reportable segments**

### **(1) Method of determining reportable segments**

The Group's reportable segments are components of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

From the first quarter of this fiscal year, the Company revised the categorizations for its business segments and changed the previous reportable segments of "Group Governance Business," "Digital Transformation Business," and "Outsourcing Business" to the "Consolidated Financial Disclosure Business," the "Digital Transformation Promotion Business," and the "Corporate Management Solutions Business." In light of this change, results for each reportable segment for the first quarter of the previous fiscal year were restated in line with the new reportable segments.

### **(2) Products and services in each reportable segment**

The Consolidated Financial Disclosure Business supports value creation through development and maintenance of our proprietary software "DivaSystem" for consolidated management support and consolidated accounting, as well as the provision of outsourcing of consolidated and non-consolidated financial statements using this software. With regards the segment's position within the Group, we aim to establish a business model that combines both software and outsourcing businesses. The Consolidated Financial Disclosure Business also includes information search services for disclosure documents provided by Internet Disclosure, Inc, primarily to audit firms.

The Digital Transformation Promotion Business supports the promotion of digital transformation at companies and data-driven management through consulting and system development services, including the provision of a data platform for utilizing all kinds of data related to companies, to AI and BI solutions that can analyze, predict and enable data visualization. From major cloud vendors to multi-cloud compatible software, customers can find out about the latest data utilization methods and generative AI specializing in data utilization, as well as train engineers and develop their own data utilization platform products. The suite of products offered is also slated for expansion.

The Management Solutions Business has a focus on group management, consolidated accounting, and business administration and aims to identify and maximize hidden value at companies and offers one-stop support services from consulting to system planning, building, installation, and maintenance. In addition to in-house development, it is also possible to develop in combination with software from other companies. The role of this business is to maximize the Group's assets and continue to generate solutions that will provide management data that is useful for the enhancement of corporate value.

## **2. Method of calculating net sales, income or loss, assets, liabilities and other items by reportable segment**

The accounting method for the reportable business segments is generally the same as the accounting method used in preparing the consolidated financial statements. Reportable segment income figures are based on operating profit. Inter-segment net sales and transfers are based on prevailing market prices.

### 3. Information on net sales, income or loss, assets, liabilities and other items by reportable segment

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Reportable segments			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Net sales				
Net sales to external customers	6,337,403	7,267,592	7,819,589	21,424,584
Inter-segment net sales or transfers	564,907	4,652	63,735	633,295
Total	6,902,310	7,272,245	7,883,325	22,057,880
Segment profit	1,586,534	1,118,289	1,321,030	4,025,854
Segment assets	4,963,972	3,104,831	5,163,631	13,232,435
Segment liabilities	3,025,887	1,626,943	3,507,286	8,160,118
Other items				
Depreciation	120,934	40,603	134,463	296,001
Impairment losses	186,613	—	—	186,613
Increase in tangible fixed assets and intangible fixed assets	149,035	10,906	15,033	174,975

Fiscal year ended June30, 2024 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Reportable segments			Total
	Consolidated Financial Disclosure Business	Digital Transformation Promotion Business	Management Solutions Business	
Net sales				
Net sales to external customers	7,167,034	8,814,046	8,438,680	24,419,760
Inter-segment net sales or transfers	370,623	32,882	79,640	483,146
Total	7,537,658	8,846,928	8,518,320	24,902,907
Segment profit	1,840,440	1,633,351	1,407,897	4,881,689
Segment assets	5,894,144	3,915,781	7,821,307	17,631,233
Segment liabilities	3,449,792	2,141,607	4,782,143	10,373,543
Other items				
Depreciation	155,629	12,479	245,465	413,575
Impairment losses	—	—	—	—
Increase in tangible fixed assets and intangible fixed assets	80,215	16,342	172,375	268,933

**4. Differences between the total amount of reportable segments and the amounts recorded in the consolidated financial statements, and major details of said differences (matters related to difference reconciliation)**

(Thousands of yen)

Net sales	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024
Total amount of reportable segments	22,057,880	24,902,907
Elimination of transactions between the Company and its segment	(633,295)	(483,146)
Net sales reported in consolidated financial statements	21,424,584	24,419,760

(Thousands of yen)

Profits	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024
Total amount of reportable segments	4,025,854	4,881,689
Elimination of transactions between the Company and its segment	808,924	908,866
Corporate expenses (Note)	(1,538,347)	(1,682,534)
Others	(7,040)	(8,898)
Operating profit reported in consolidated financial statements	3,289,390	4,099,123

(Note) Corporate expenses are mainly general and administrative expenses not attributable to the reportable segments.

(Thousands of yen)

Assets	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024
Total amount of reportable segments	13,380,772	17,631,233
Elimination of transaction between the Company and segment	(1,993,083)	(2,133,586)
Corporate assets (Note)	7,295,686	6,415,802
Others	22,218	(16,543)
Total assets reported in consolidated financial statements	18,705,593	21,896,905

(Note) Corporate assets are mainly assets not attributable to the reportable segments.

(Thousands of yen)

Liabilities	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024
Total amount of reportable segments	8,161,340	10,373,543
Elimination of transaction between the Company and segment	(2,078,750)	(2,056,449)
Corporate liabilities (Note)	256,865	281,514
Others	37,621	4,569
Total liabilities reported in consolidated financial statements	6,377,076	8,603,177

(Note) Corporate liabilities are mainly liabilities not attributable to the reportable segments.

(Thousands of yen)

Other items	Reportable segments		Adjustments (Note)		Amounts recorded in consolidated financial statements	
	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024	Fiscal Year ended June 30, 2023	Fiscal Year ended June 30, 2024
Depreciation	296,001	413,575	153,222	129,897	449,223	543,472
Impairment losses	186,613	—	—	—	186,613	—
Increase in property, plant and equipment intangible assets	174,975	268,933	446,699	113,069	621,674	382,002

(Note) Adjustment for depreciation is mainly depreciation for assets not attributable to the reportable segments.

Adjustments to increases in property, plant and equipment and intangible assets mainly relate to assets not attributable to reportable segments.

## (Per share Information)

	Fiscal Year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal Year ended June 30, 2024 (July 1, 2023 to June 30, 2023)
Net assets per share	327.51 yen	362.95 yen
Net profit per share	55.65 yen	76.62 yen

(Notes) 1. Diluted net profit per share is not provided as there are no dilutive shares.

2. The basis for calculating net assets per share is as follows.

Item	As of June 30, 2023	As of June 30, 2024
Total of net assets (thousands of yen)	12,328,516	13,293,728
Amount deducted from total of net assets (thousands of yen)	-	-
Net assets attributable to common shares (thousands of yen)	12,328,516	13,293,728
Number of common shares outstanding for calculating net assets per share (shares)	37,642,853	36,626,453

(Notes) We have introduced a share delivery trust for employees and executive officers from the current financial year, and the shares of the Company held by the share delivery trust for employees and executive officers, which are recorded as treasury shares in shareholders' equity at the end of the current financial year, are included in treasury shares deducted in the calculation of the number of shares outstanding at the end of the year for the purpose of calculating net assets per share. The number of such treasury shares deducted in the calculation of net assets per share at the end of the financial year was 652,300 shares.

3. The basis for calculating net profit per share is as follows.

Item	Fiscal Year ended June 30, 2023 (Period from July 1, 2022 to June 30, 2023)	Fiscal Year ended June 30, 2024 (Period from July 1, 2023 to June 30, 2024)
Net profit attributable to owners of parent (thousands of yen)	2,094,520	2,850,922
Amounts not attributable to owners of common shares (thousands of yen)	-	-
Net profit attributable to owners of common shares of parent (thousands of yen)	2,094,520	2,850,922
Average number of common shares (shares)	37,636,218	37,206,951

(Notes) We have introduced a share delivery trust for employees and executive officers from the current financial year, and the shares of the Company held by the share delivery trust for employees and executive officers, which are recorded as treasury shares in shareholders' equity in the current financial year, are included in the treasury shares deducted in the calculation of average number of shares during the period for the purpose of calculating net profit per share for the current financial year. The average number of such treasury shares deducted in the calculation of net profit per share for the year under review was 405,844 shares.



(Subsequent Events)

Not applicable.