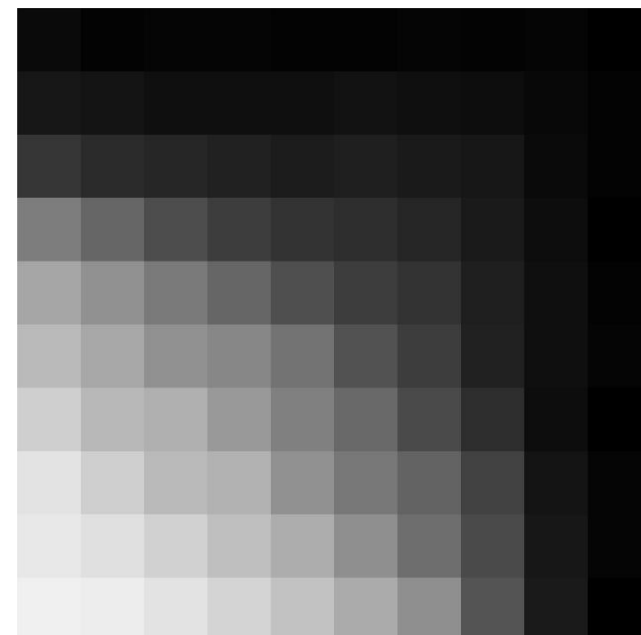


3836 TSE Prime

Avant Group Corporation

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

January 31, 2025



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 1H/25

Net Sales

¥14,011_m

(YoY + 19.3%)

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 organizational restructuring in the first quarter of the previous year

Operating Profit

¥2,537_m

(YoY + 34.2%)

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 the 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.

Net Profit

¥1,584_m

(YoY + 30.2%)

There is an increase in operating profit which led to an increase in net profit this period as well

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

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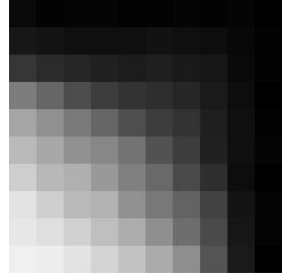
I . Summary of Financial Results for the First Half of Fiscal Year June 2025

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 First Half of Fiscal Year June 2025

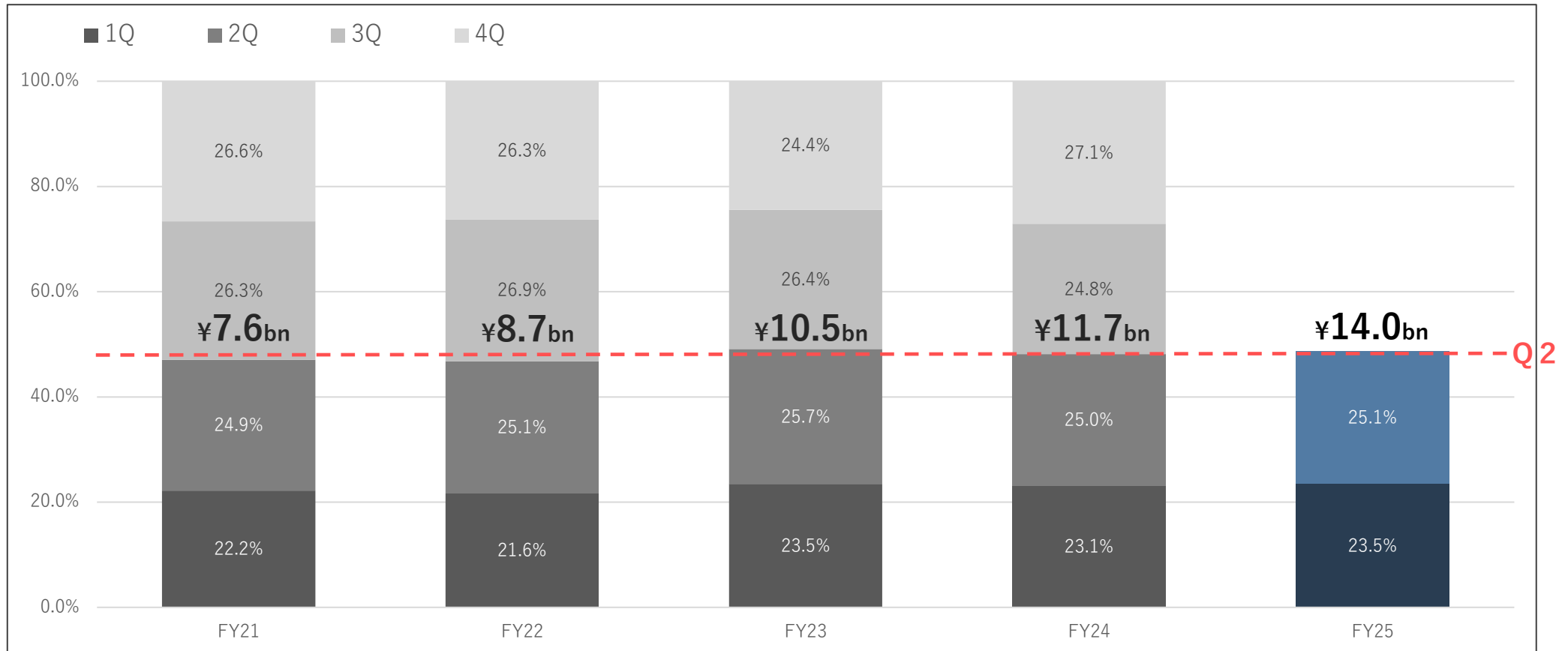
Highlights of the Results

- Net sales increased 19.3% year-on-year to 14,011 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 1Q of the previous fiscal year due to organizational restructuring
- Operating profit increased 34.2% year-o-year to 2,537 million yen, despite higher personnel and IT expenses in line with business expansion, outsourced processing costs to respond to increased orders, and increased investment-related expenses, due to 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

(million of yen)	FY6/25 2Q	YoY Variance		FY6/25 2Q YTD	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Net Sales	7,235	6,096	18.7%	14,011	11,742	19.3%
Cost of Sales	3,902	3,296	18.4%	7,691	6,569	17.1%
Gross Profit	3,332	2,799	19.0%	6,319	5,173	22.2%
GPM	46.1%	45.9%	0.1pt	45.1%	44.1%	1.0pt
SG&A	1,886	1,590	18.6%	3,781	3,282	15.2%
Operating Income	1,446	1,209	19.6%	2,537	1,890	34.2%
OPM	20.0%	19.8%	0.1pt	18.1%	16.1%	2.0pt
Net Income	968	733	32.0%	1,584	1,216	30.2%
NPM	13.4%	12.0%	1.4pt	11.3%	10.4%	0.9pt
EBITDA	1,566	1,328	17.9%	2,783	2,126	30.9%
EBITDA margin	21.7%	21.8%	▲0.1pt	19.9%	18.1%	1.8pt

Progress in the Full-Year Sales Forecast

- FY25 1H sales progressed at 48.6% 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 mid- 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 2Q	YoY Variance		FY6/25 2Q YTD	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Net Sales	7,235	6,096	18.7%	14,011	11,742	19.3%
Personnel expenses	3,247	2,846	14.1%	6,471	5,730	12.9%
Recruitment expenses	143	102	39.9%	289	233	24.0%
Outsourcing expenses	1,206	981	22.9%	2,397	2,007	19.4%
IT expenses	365	310	17.7%	753	624	20.7%
Office expenses	227	216	4.9%	465	428	8.7%
Other expenses	599	429	39.5%	1,098	830	32.3%
Total expenses	5,789	4,886	18.5%	11,473	9,852	16.5%
Operating Income	1,446	1,209	19.6%	2,537	1,890	34.2%
OPM	20.0%	19.8%	0.1pt	18.1%	16.1%	2.0pt

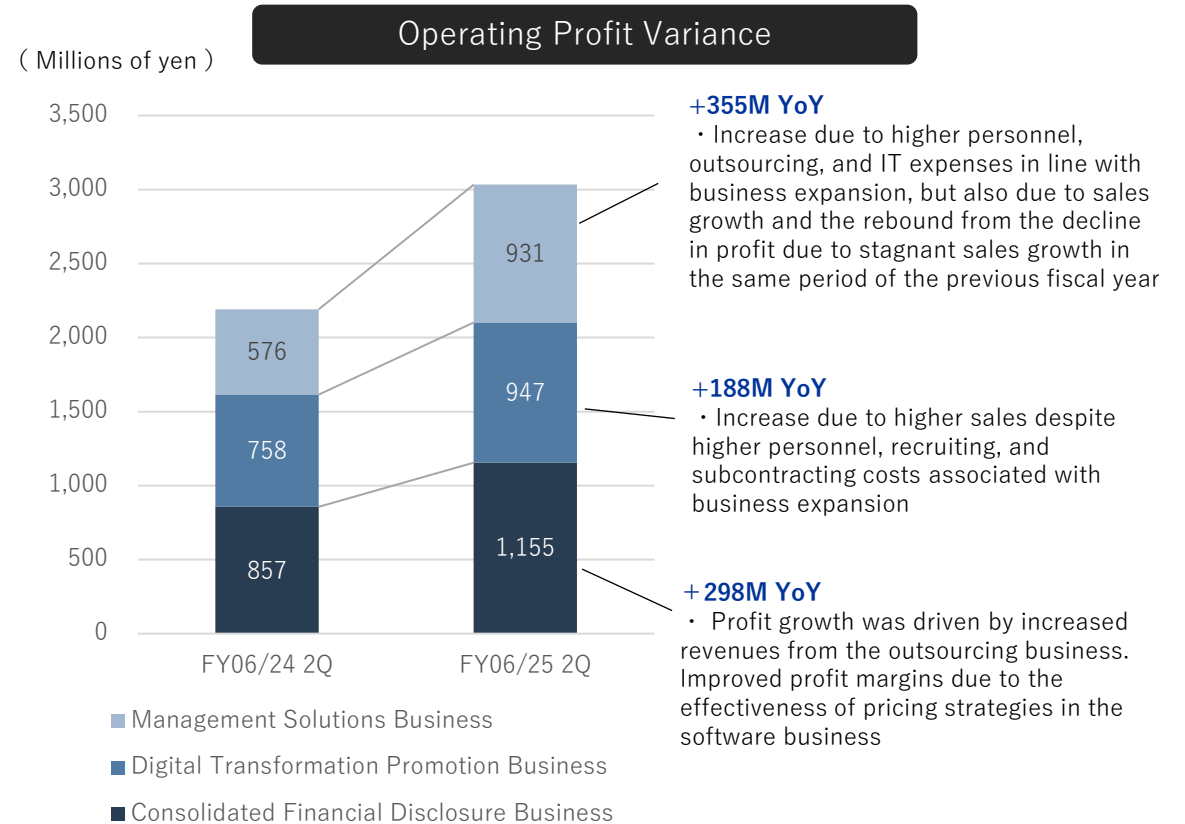
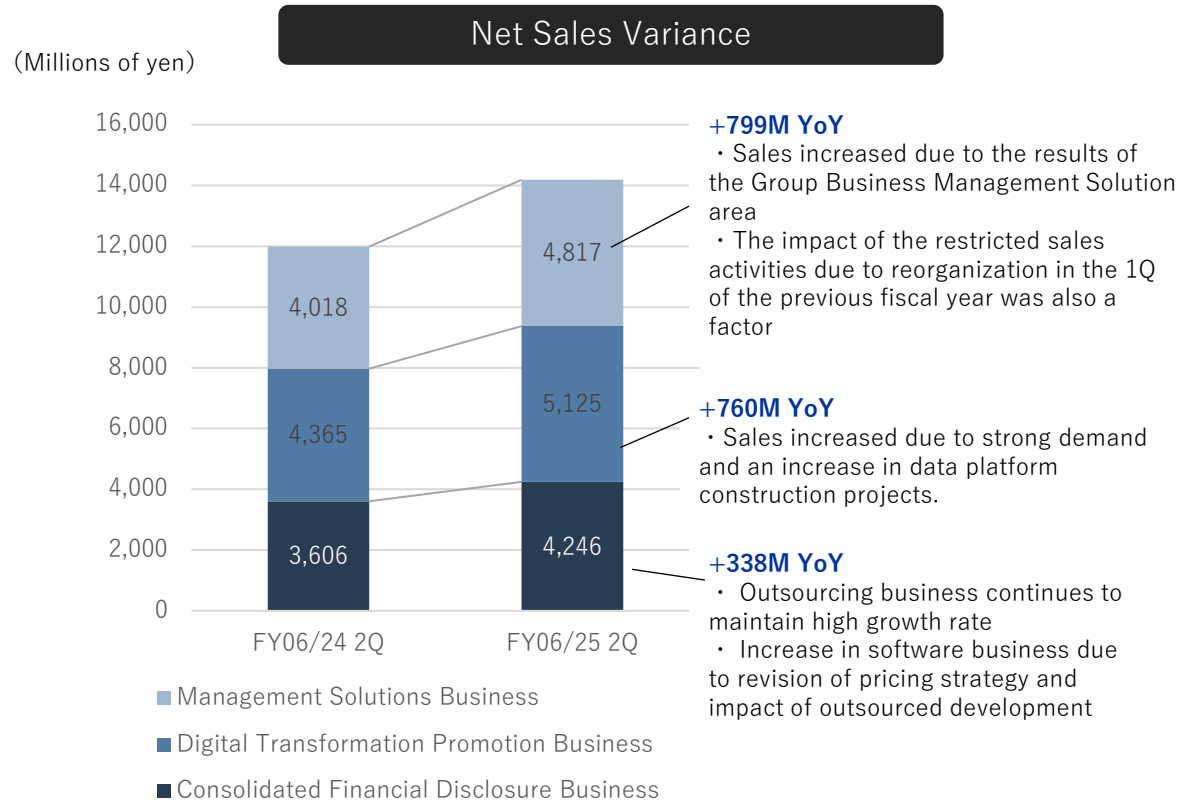
Results by Business Segment

- In the 2Q of the current fiscal year, the trend from the 1Q of the current fiscal year continued, with sales and profits increasing in all business segments. In the first half of the current fiscal year, the rate of increase in Management Solutions, which remained at a low profit level in the first quarter of the previous fiscal year, was particularly high
- Orders and Order backlog increased year-over-year in all segments

(Millions of yen)		FY6/25 2Q	YoY Variance		FY6/25 2Q YTD	YoY Variance	
			Yr earlier	% chg		Yr earlier	% chg
Consolidated Financial Disclosure Business	Net Sales	2,160	1,858	16.2%	4,246	3,606	17.7%
	Operating Income	618	493	25.5%	1,155	857	34.8%
	OPM	28.6%	26.5%	2.1pt	27.2%	23.8%	3.4pt
	Orders	2,034	1,739	16.9%	4,406	3,561	23.7%
	Order Backlog	4,841	3,904	24.0%	4,841	3,904	24.0%
Digital Transformation Promotion Business	Net Sales	2,644	2,193	20.6%	5,125	4,365	17.4%
	Operating Income	509	410	24.1%	947	758	24.9%
	OPM	19.3%	18.7%	0.5pt	18.5%	17.4%	1.1pt
	Orders	2,548	2,078	22.6%	4,975	4,105	21.2%
	Order Backlog	1,919	1,445	32.8%	1,919	1,445	32.8%
Management Solutions Business	Net Sales	2,517	2,155	16.8%	4,817	4,018	19.9%
	Operating Income	560	427	31.1%	931	576	61.6%
	OPM	22.3%	19.8%	2.4pt	19.3%	14.3%	5.0pt
	Orders	2,299	1,995	15.2%	4,375	3,618	20.9%
	Order Backlog	3,564	2,713	31.3%	3,564	2,713	31.4%

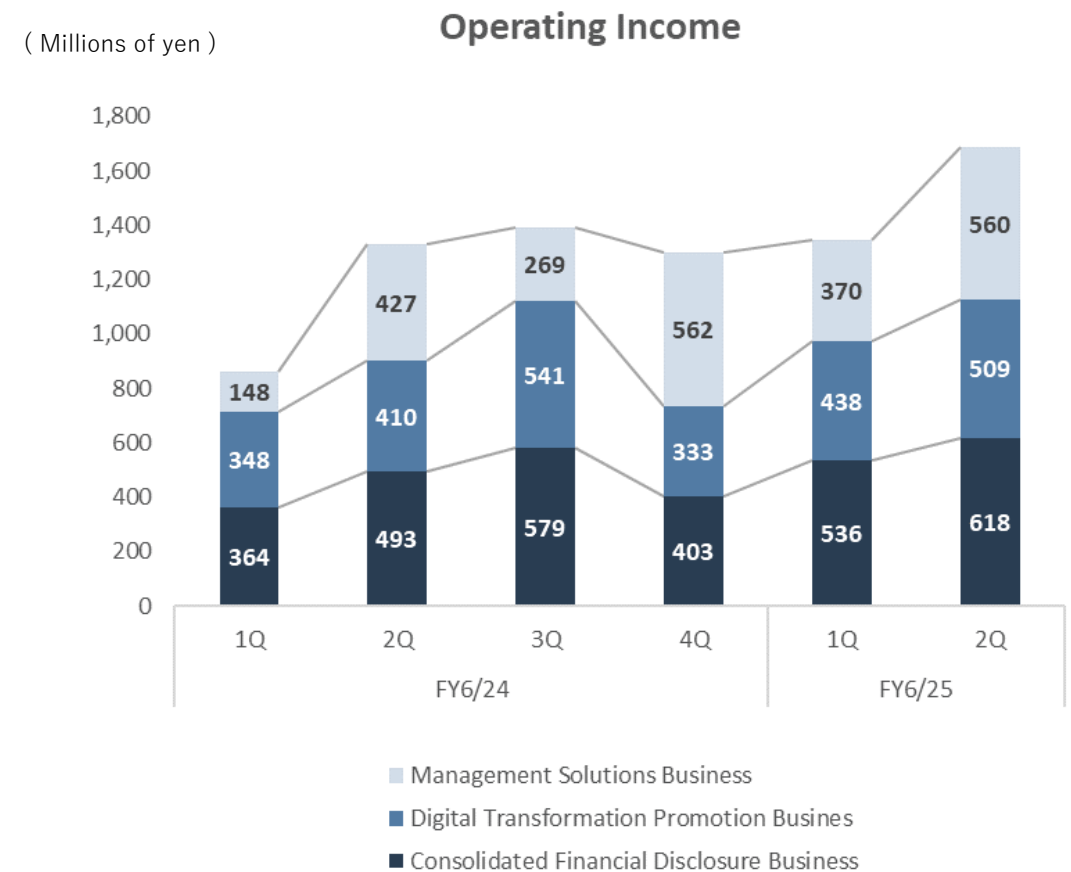
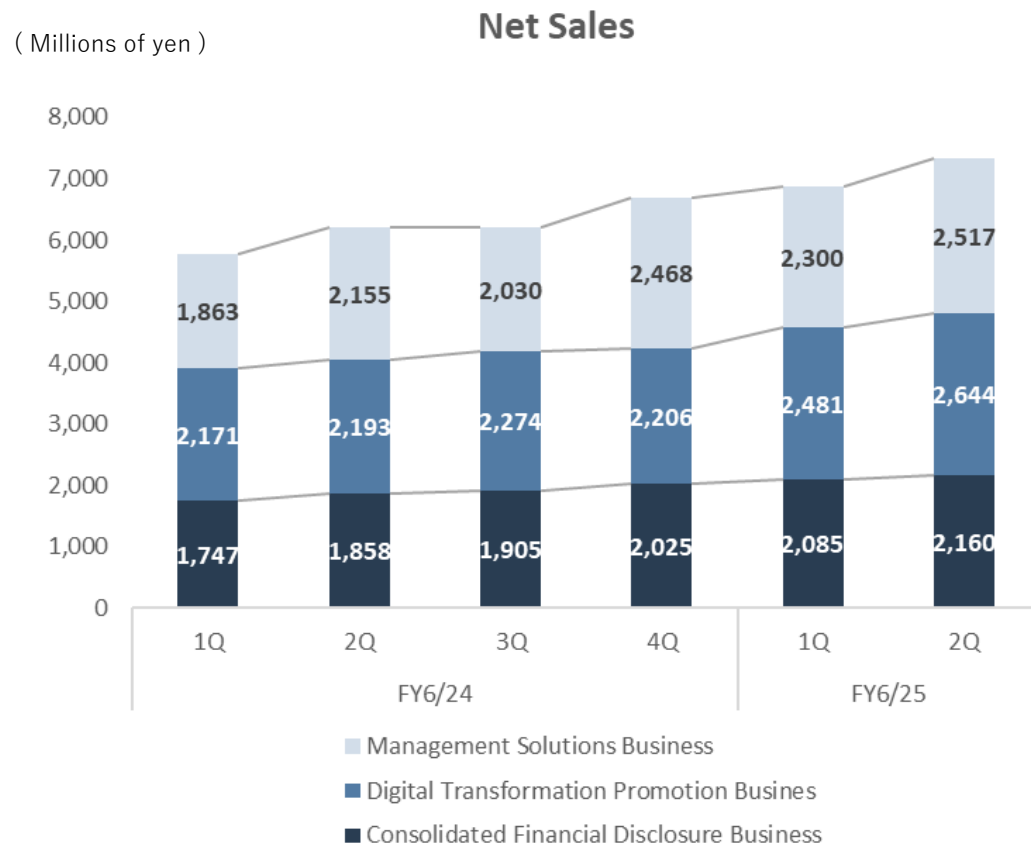
Results by Business Segment (Factors)

- Consolidated Financial Disclosure Business increased due to solid performance of the outsourcing business, and growth of the outsourcing business was the driving force in terms of revenue and earnings
- DX Promotion Business continues to enjoy strong demand, resulting in increased sales and profit
- Management Solutions Business increased sales and income due to the beginning to see results in the Group Management Solutions Business area and the impact of sales growth being restrained in the 1Q of the previous fiscal year as a result of sales activities being constrained due to business reorganization



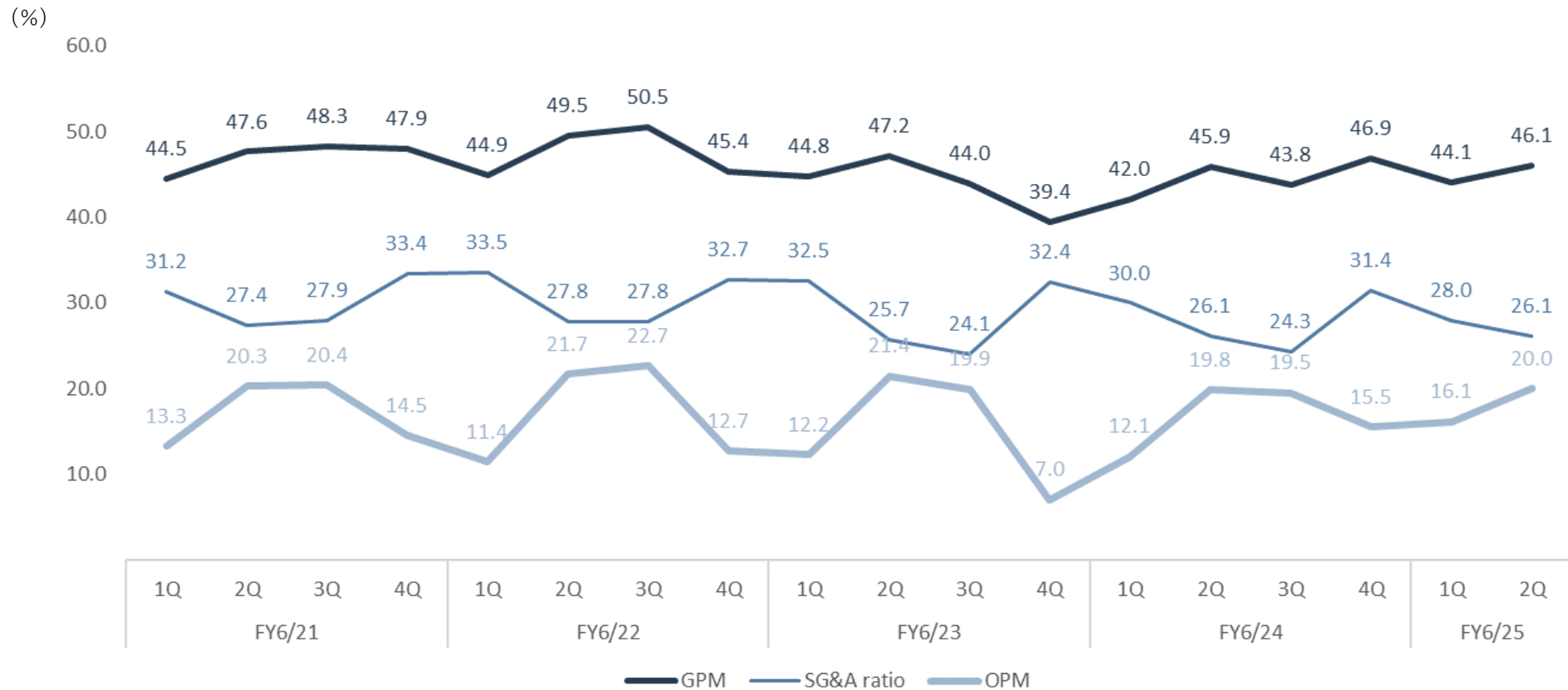
Quarterly Net Sales and Operating Profit by Segment

- Both sales and profits in all business segments increased QoQ. Profitability tends to increase in 2Q and 3Q and decrease in 4Q due to performance-linked bonuses and new graduates joining the company
- One time impact from business restructuring in 1Q of the previous fiscal year in Management Solutions



Quarterly Margin Trends

- Operating profit margin in 2Q of the current fiscal year was on par with that in 2Q and 3Q of previous years. Although gross profit margin declined in 1Q of the previous fiscal year due to restrictions on business management solutions as a result of business restructuring, both gross profit margin and operating profit margin have since recovered

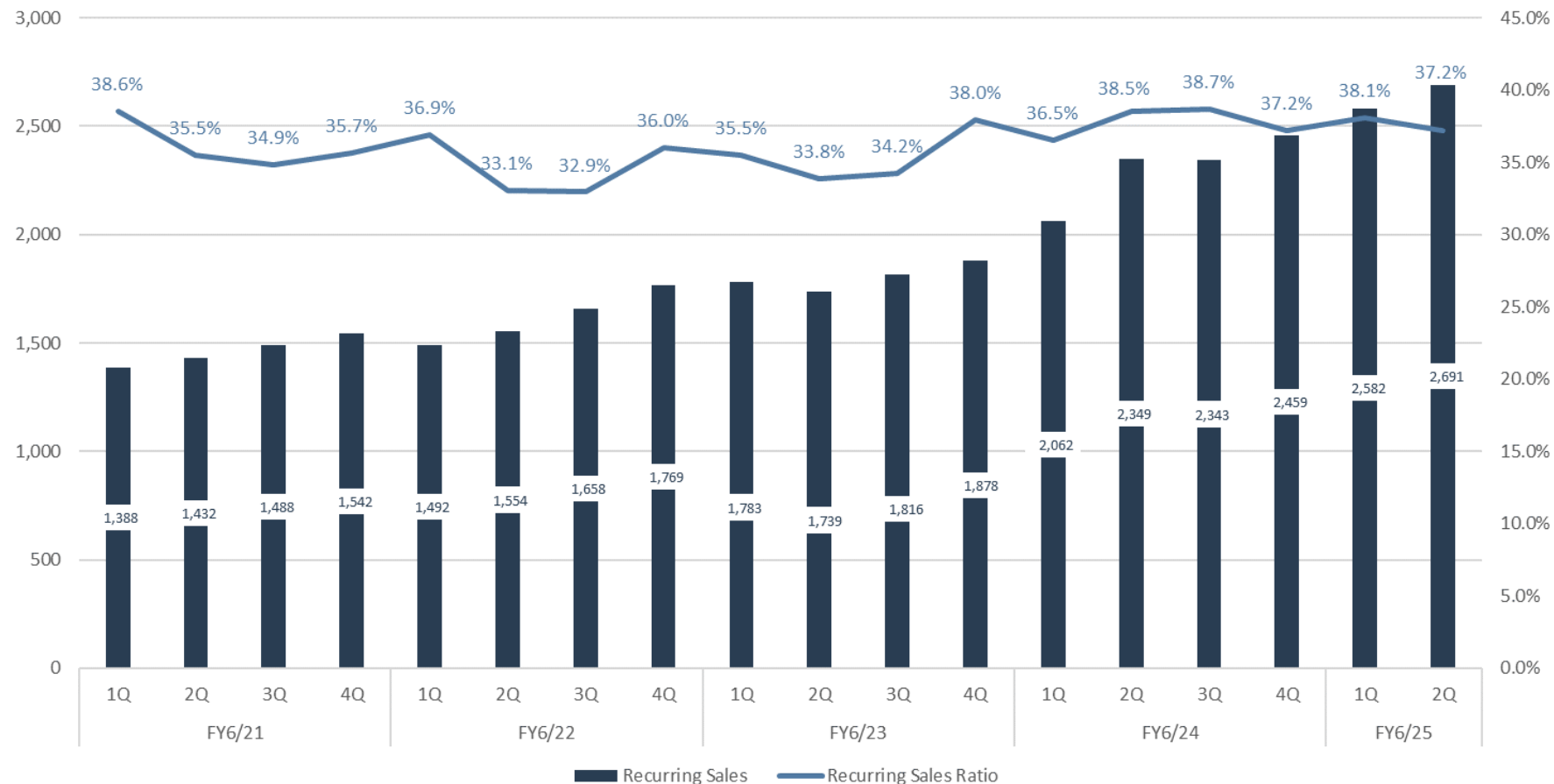


Effective from the beginning of the first quarter of FY6/22, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied.

Quarterly Recurring Sales and Recurring Sales Ratio

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

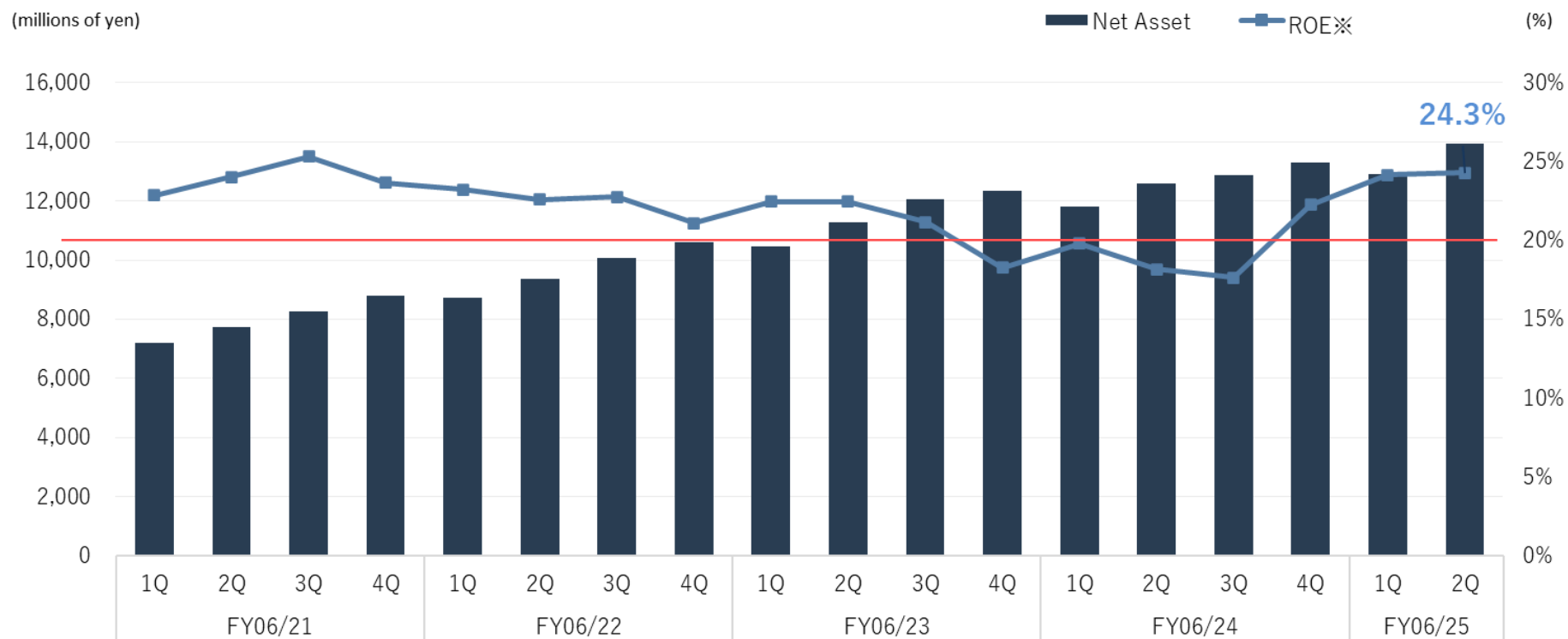
(Millions of yen)



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

- Net assets increased from 1Q, but ROE* remained at the same level as in 1Q due to the impact of increased income
- 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

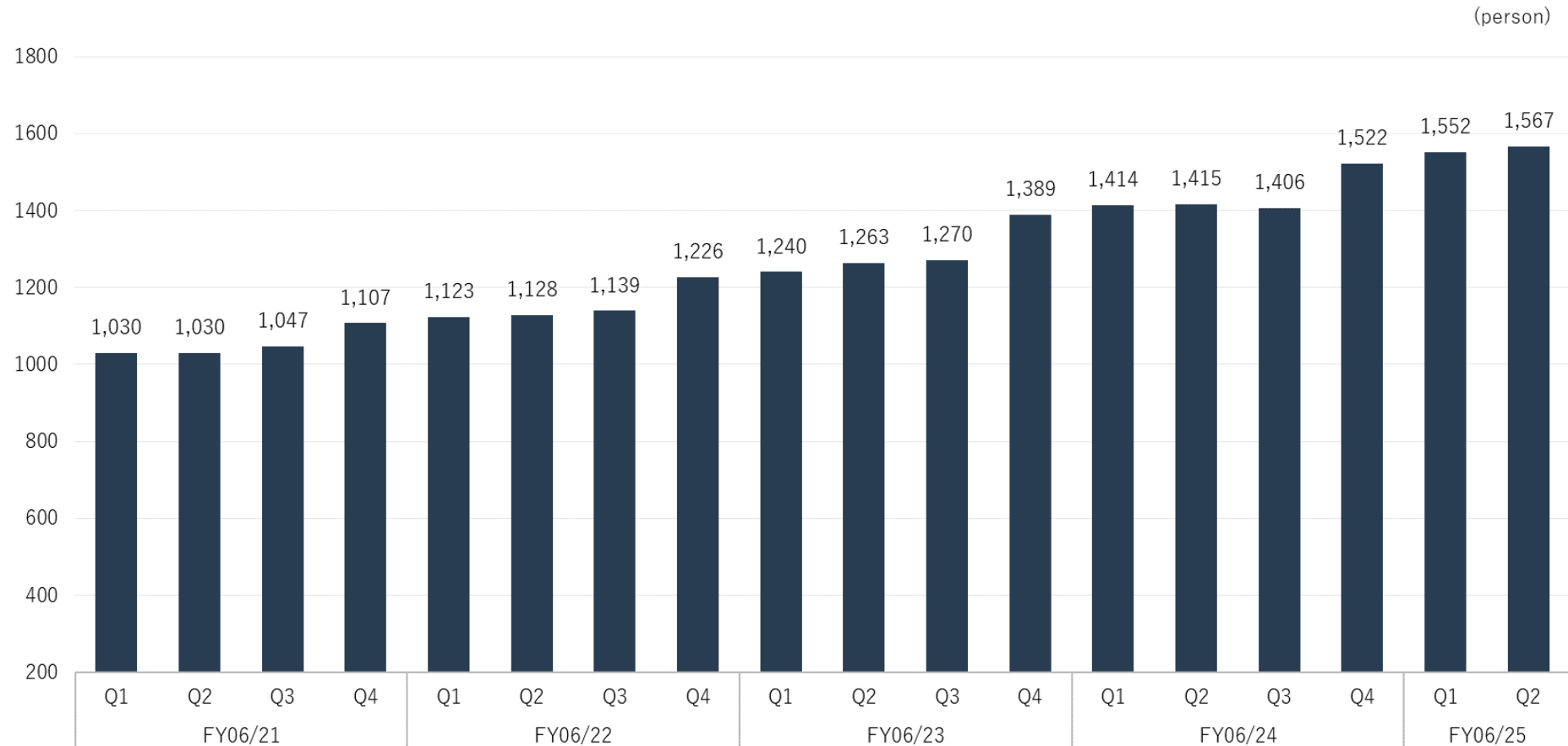


※Figures are calculated based on the past four quarters.

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.

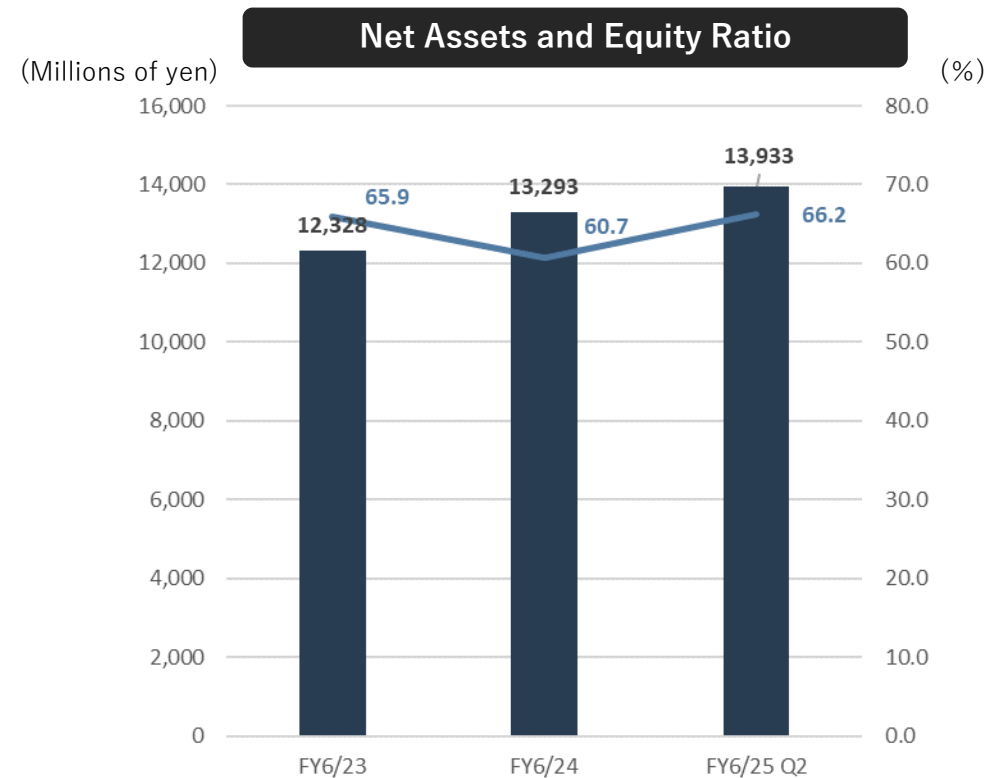
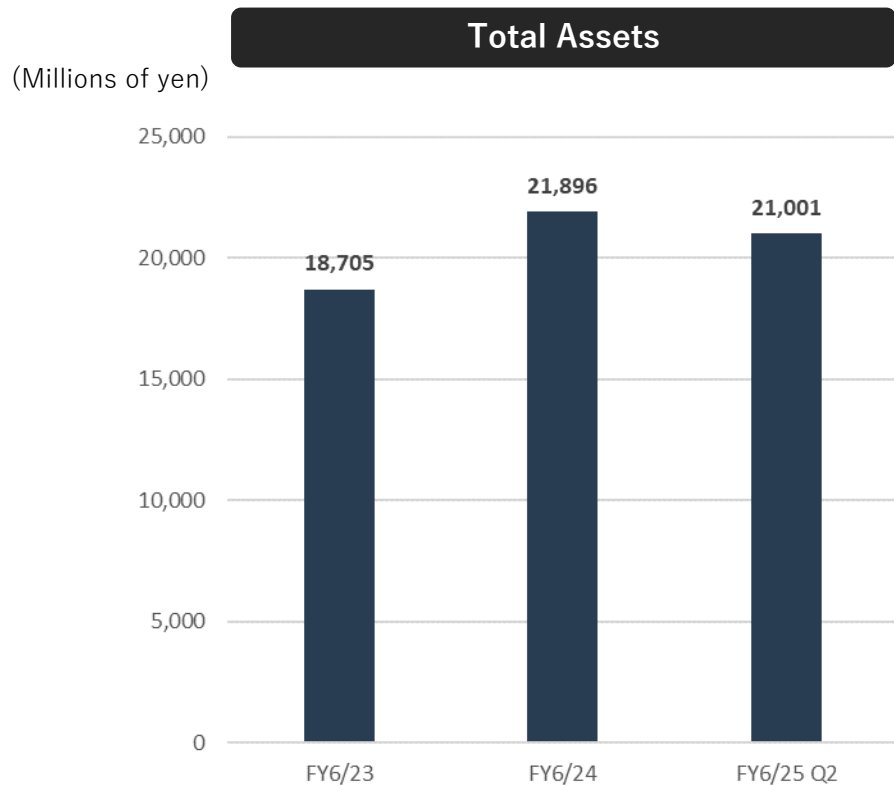
Number of Group Employees

- Headcount is on an increasing trend to achieve sustainable growth, but the increase in 2Q of the current fiscal year is modest



Trends of Financial Condition

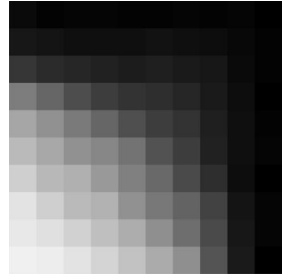
- Total assets decreased by 895 million yen from the end of the previous fiscal year to 21,001 million yen. This was mainly due to a 591 million yen decrease in current assets resulting from the refund of income taxes that had been accrued in the previous fiscal year, a 155 million yen decrease in software, and a 165 million yen decrease in deferred tax assets
- Net assets increased by 639 million yen from the end of the previous fiscal year to 13,933 million yen due to the recording of 1,584 million yen in net income attributable to owners of parent and payment of 708 million yen in dividends from retained earnings. Capital adequacy ratio remained high at 66.2%



Trends of Cashflow

- Operating cash flow increased mainly due to profit before income taxes of 2,646 million yen, income tax refunded of 339 million yen, and depreciation and amortization of 245 million yen, while it decreased mainly due to income taxes paid of 985 million yen, a decrease in provision for bonuses of 587 million yen, and a decrease in contract liabilities of 391 million yen, 262 million yen decrease in accounts payable – other and accrued expense, and 238 million yen increase in notes and accounts receivable – trade and contract assets
- The main components of financing cash flow were dividends paid of 708 million yen and purchase of treasury shares of 351 million yen, an increase of 26 million yen from the same period of the previous fiscal year

(Millions of yen)	FY6/25 2Q	YoY Variance		FY6/25 2Q YTD	YoY Variance	
		Yr earlier	% chg		Yr earlier	% chg
Operating CF	1,399	478	921	851	349	501
Investment CF	△ 66	△ 145	79	△ 185	△ 239	54
Free CF	1,332	332	1,000	666	110	556
Financial CF	△ 7	△ 5	△ 2	△ 1,052	△ 1,025	△ 26



II . Earnings and Dividend Forecast

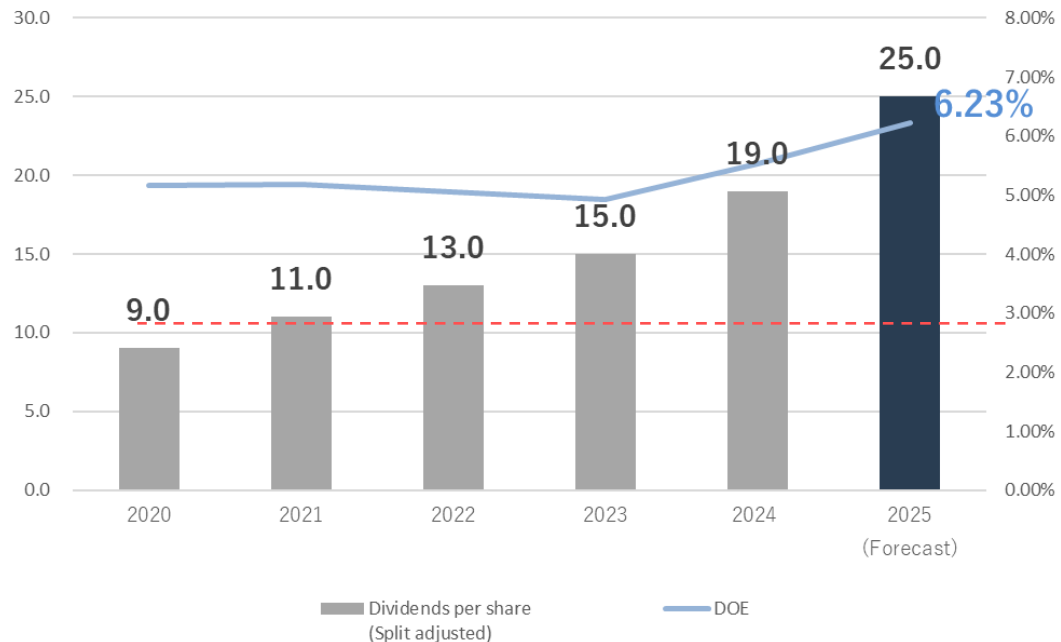
Earnings Forecast for the Fiscal Year ending June 30, 2025

- 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 Income	4,099	4,900	800	19.5%
OPM	16.8%	17.0%	-	-
Net Income	2,850	3,350	499	17.5%

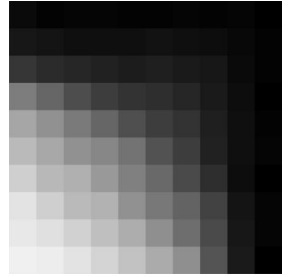
Shareholder Returns

- 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 of 'BE GLOBAL 2028'

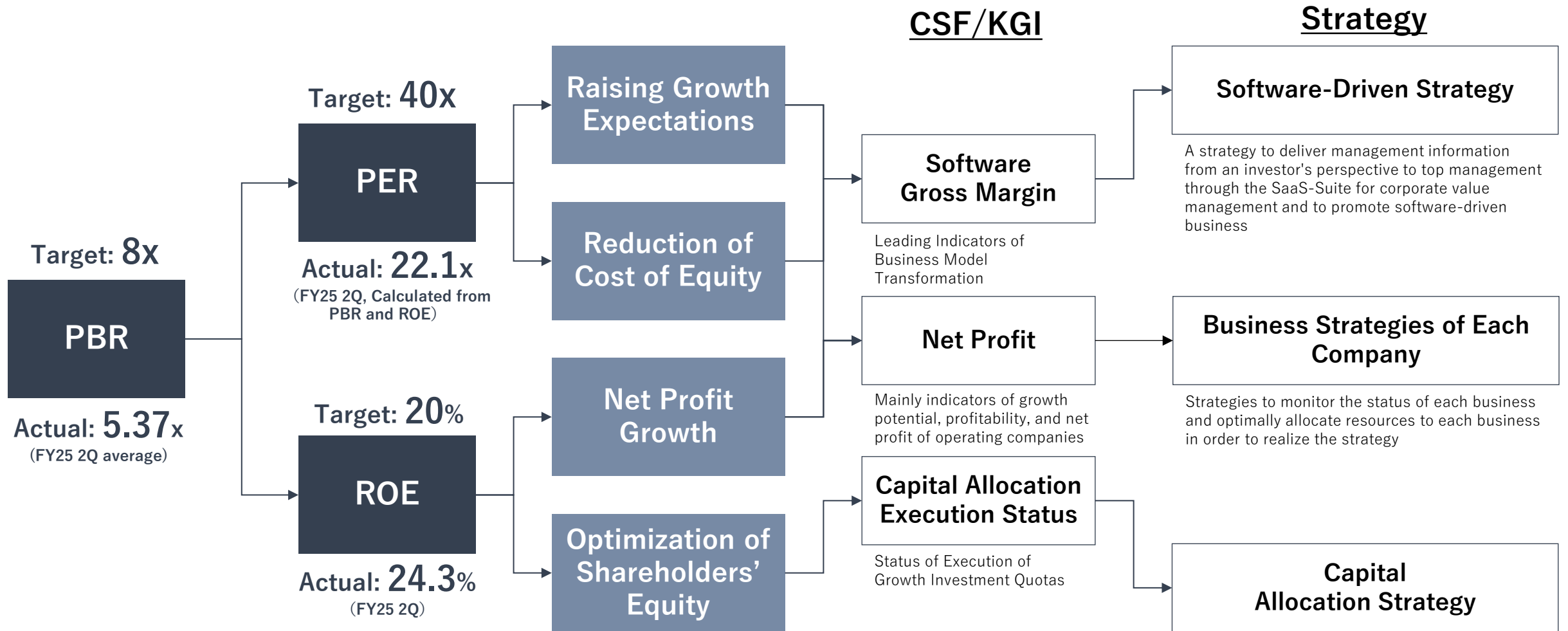
BG28 Second Year of the Plan

- Year BG28's second year plan exceeds the FY25 level in the BG28 original 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 Income (OI)	4,099M	4,900M	+19.0%	+19.5%	9,000~ 11,000M
OPM	16.8%	17.0%	+1.8pts	+0.2pts	20~24%
Net Income	2,850M	3,350M	+25.2%	+17.5%	6,000~ 7,000M
OI / 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

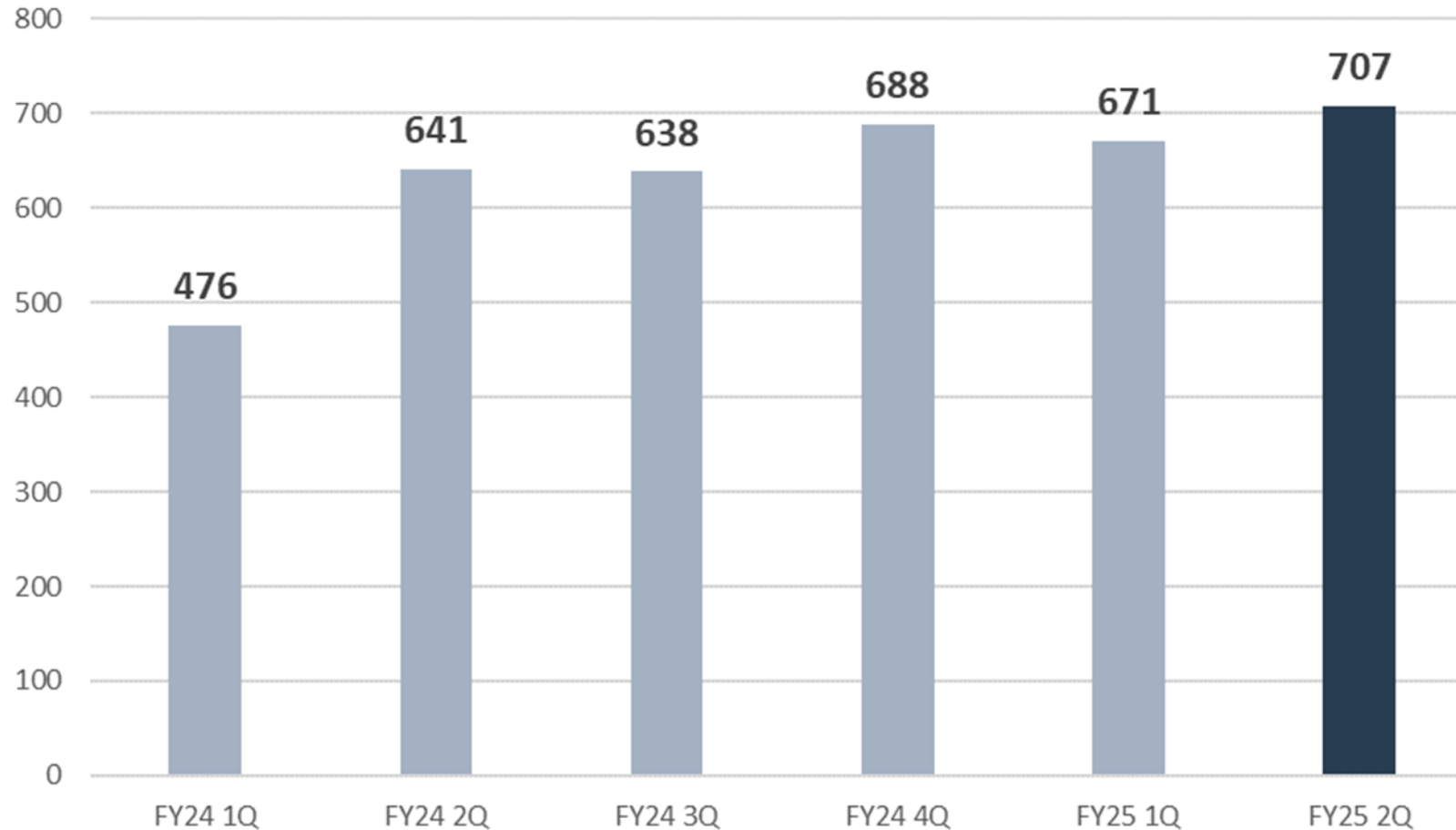
- Software gross profit increased year-on-year (see next page). We also started accepting orders for TRINITY BOARD, a key product in our software-driven strategy.

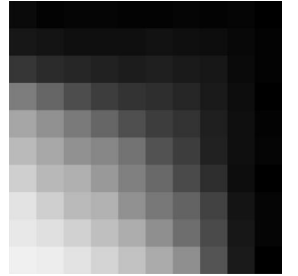


Software Gross Profit

- Increased software sales and lower outsourcing expenses, resulting in a 10.5% year-on-year increase, a 5.5% increase quarter-on-quarter

(Millions of yen)





Reference : Company Overview

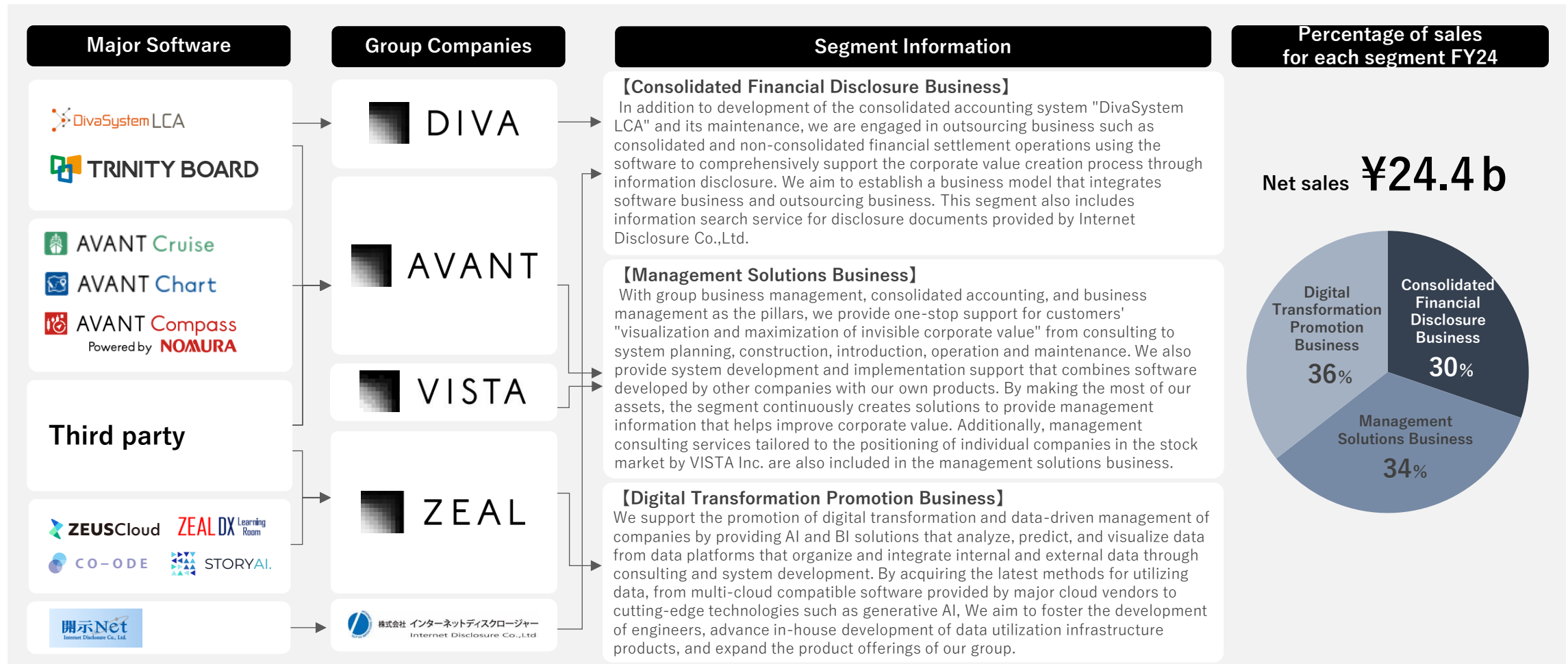
Company Introduction

Name : AVANT GROUP CORPORATION

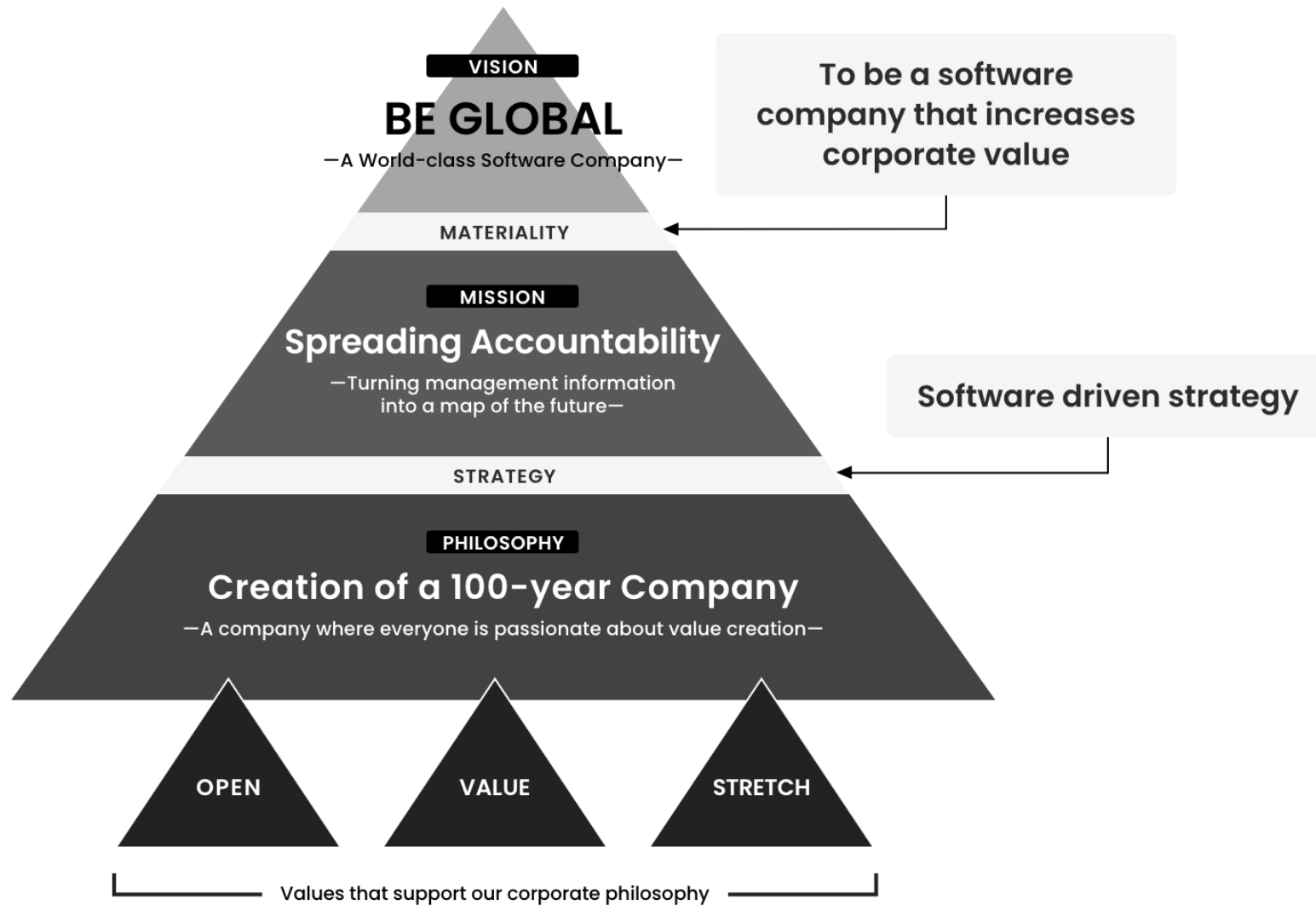
Inception : May 26, 1997

Representative : Tetsuji Morikawa, President and 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 Financial 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~)

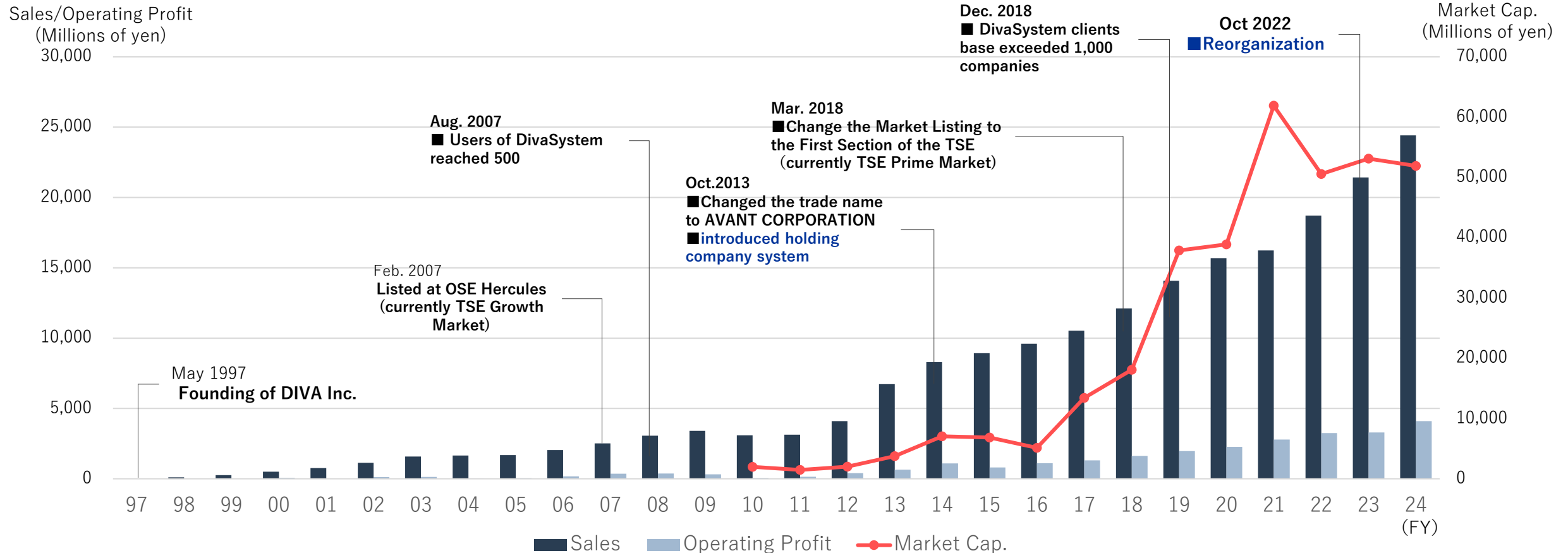
■ Introduction of Internal Control Reporting System (J-SOX) (Apr.2008~)

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

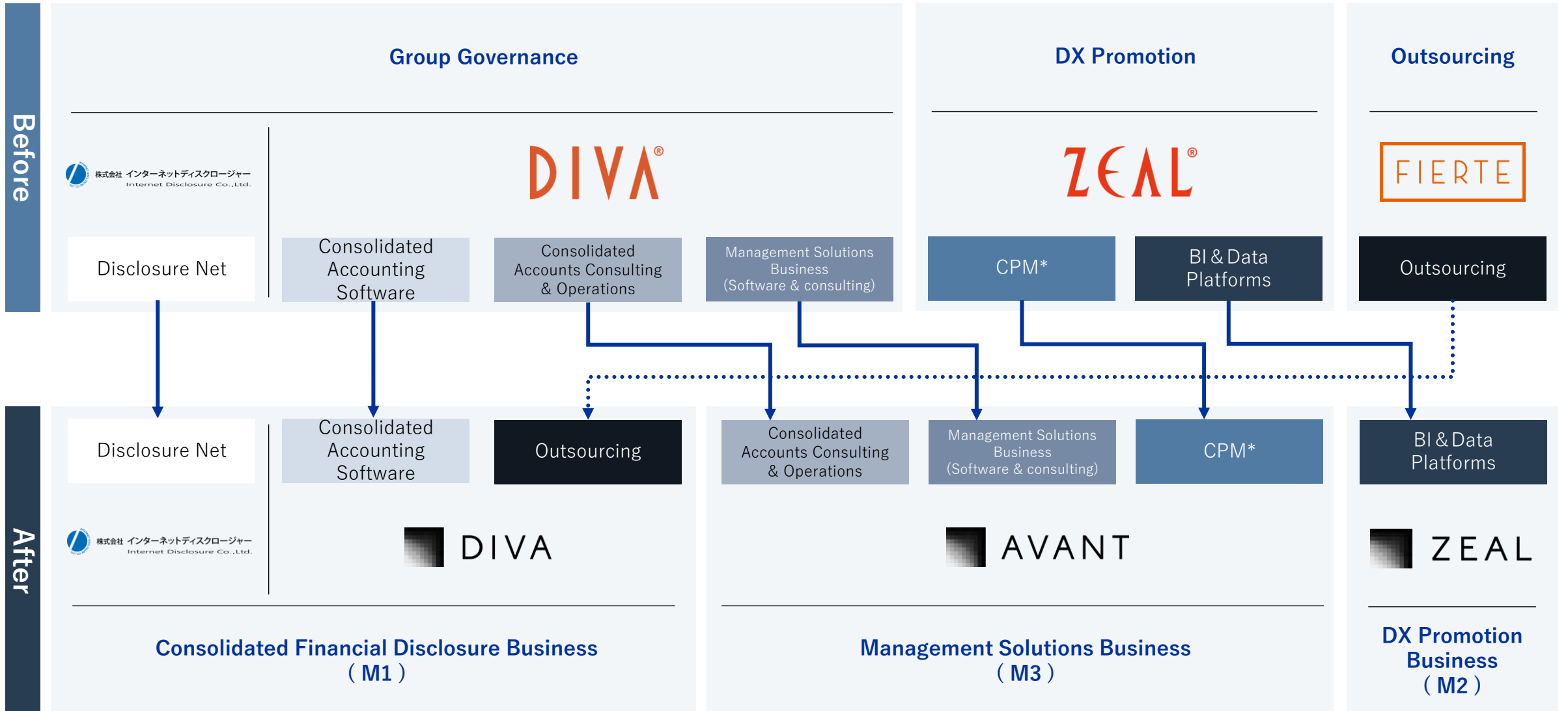
■ Corporate Governance Code (Jun. 2015~)

■ Group Governance Practice Guidelines (Sep. 2019~)

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



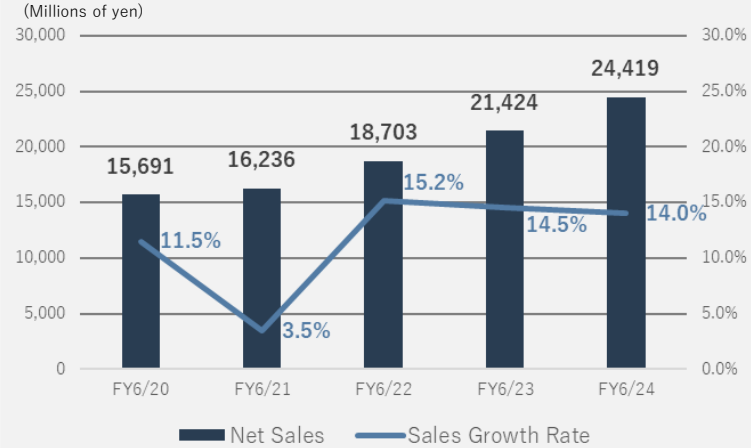
Segment Reorganization



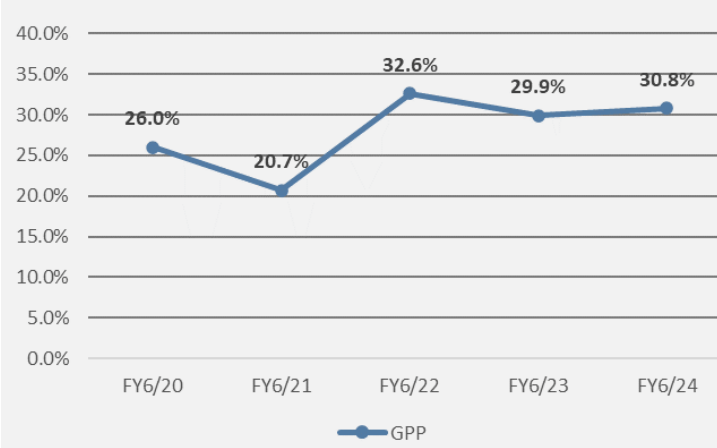
※CPM : Corporate Performance Management

Numerical Summary

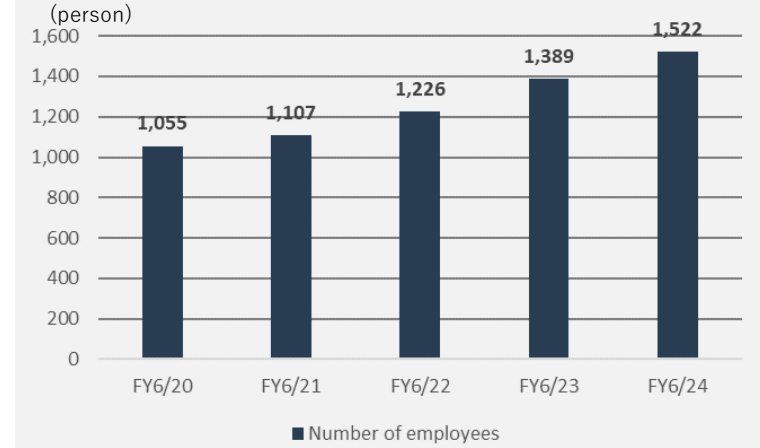
Net Sales / Sales Growth Rate



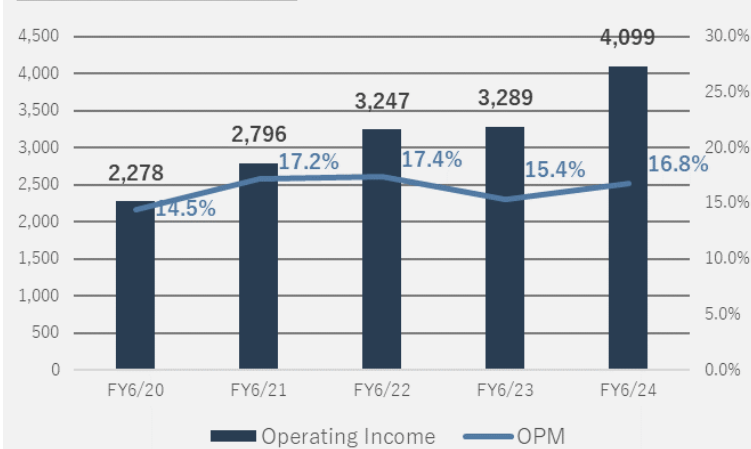
GPP (Sales Growth Rate + OPM)



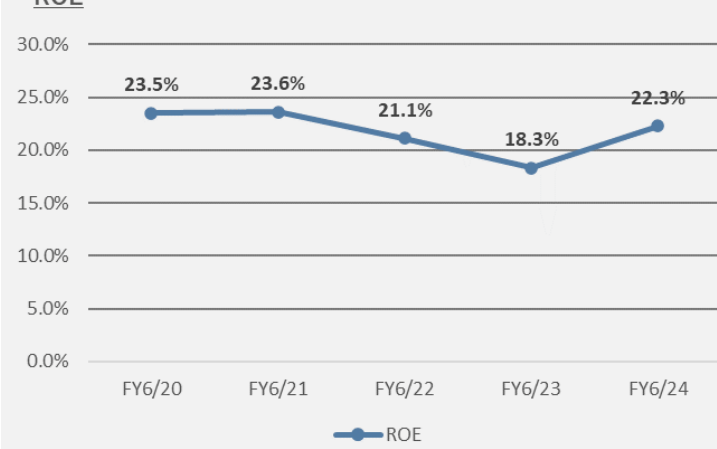
Number of employees



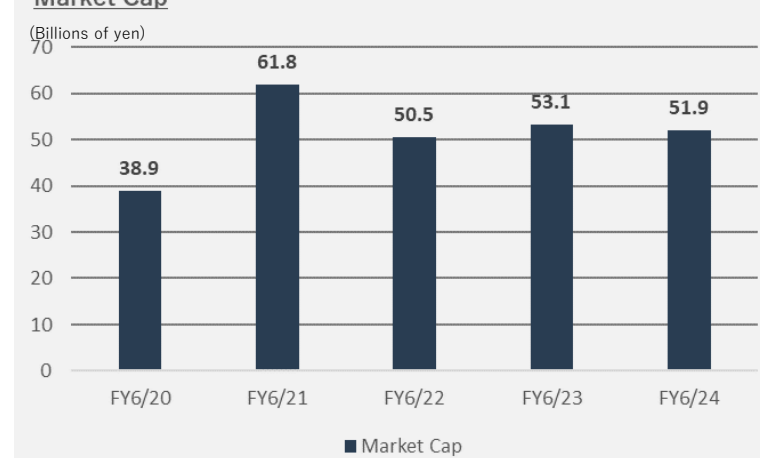
Operating Income / OPM



ROE

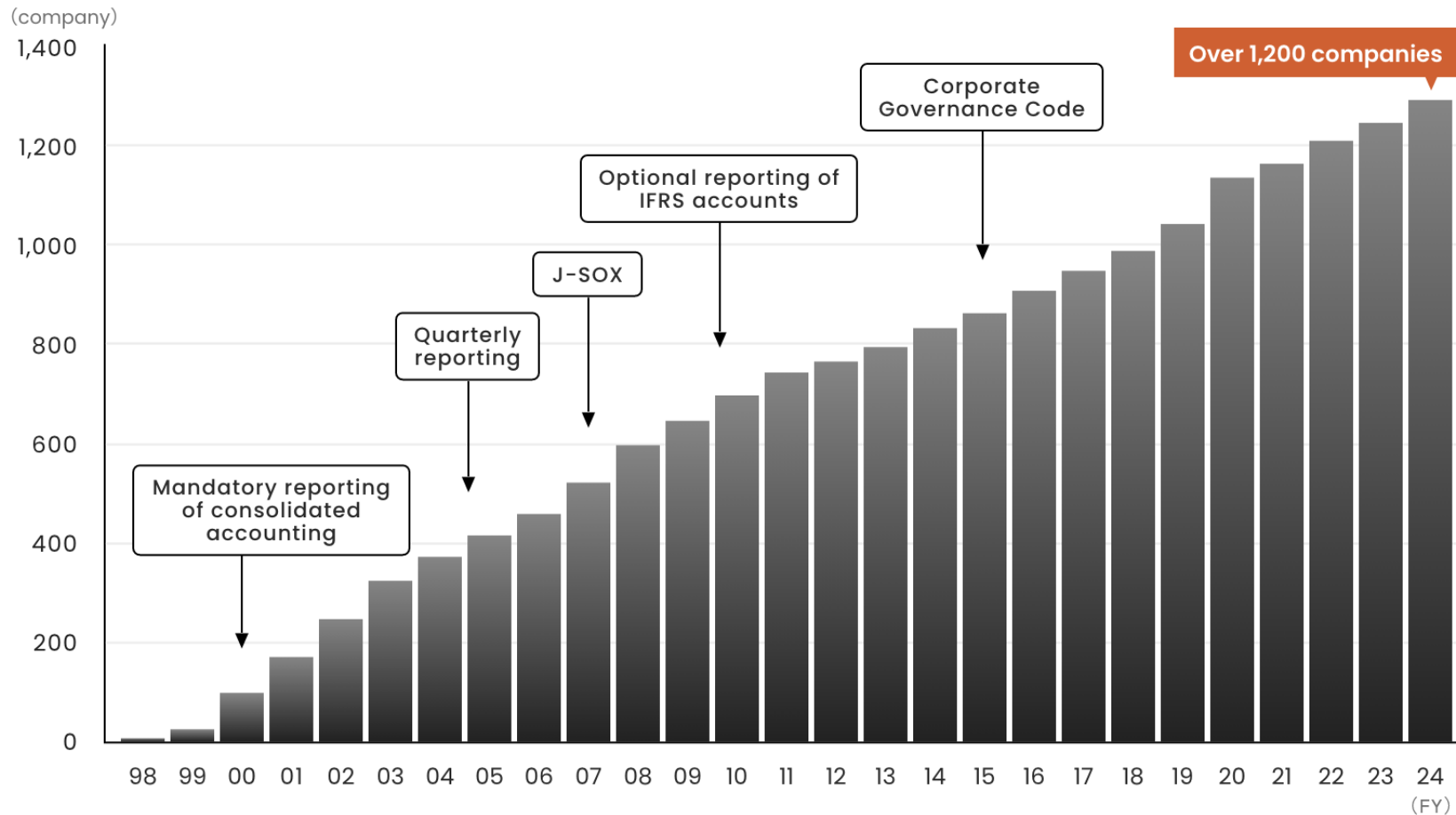


Market Cap



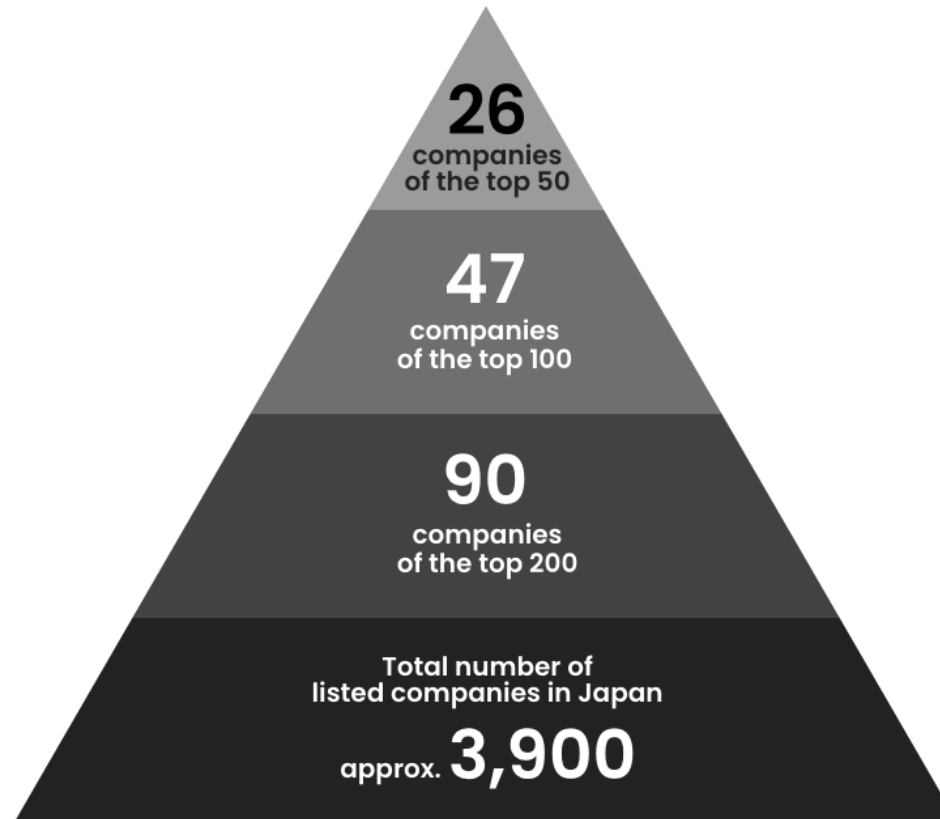
Trends in Companies introduced Avant Group Software Product

- 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
- 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

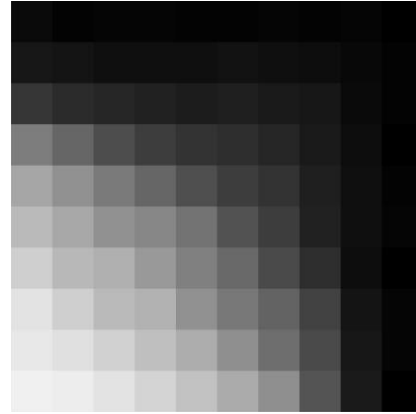
※2 Fuji Chimera Research Institute "Software Business New Market 2023 Edition" Consolidated Accounting Management Software Market Share

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