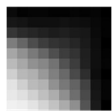


This is an unofficial translation. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail



AVANT
GROUP



February 14, 2025

To whom it may concern

Company Name: AVANT GROUP CORPORATION
Name of Representative: Tetsuji Morikawa,
Founder, Chairman & Group CEO
(Code: 3836, TSE Prime Market)
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Notice Regarding Disposal of Treasury Shares by Third-Party Allotment in Connection with Introduction of Stock Compensation Plan

We hereby announce that our Board of Directors has resolved today to dispose of treasury shares as stock-based compensation (hereinafter referred to as the "Disposal of Treasury Shares") as described below.

Notes

1. Outline of the Disposal

(1) Date of disposal	March 4, 2025
(2) Class and number of shares to be disposed of	Ordinary shares of the Company 178,800 shares
(3) Disposal value	1,957 yen per share
(4) Total amount of disposal	349,911,600 yen
(5) Expected to be disposed of	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: The Japan Custody Bank, Ltd. (trust account))
(6) Other	The Disposal of Treasury Shares is subject to the effectuation of the notification under the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Disposition

At the Board of Directors meeting held on September 2, 2024, the Company resolved to change the performance-linked stock compensation plan introduced for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; the same shall apply hereinafter) to a performance-linked stock compensation plan that grants the Company's shares with transfer restrictions using a trust (the "Plan"). The change to the Plan was approved at the 28th Ordinary General Meeting of Shareholders held on September 25, 2024.

For an overview of the Plan, please refer to the " Notice Revision of Performance-Linked Stock Compensation Plan for Directors" dated September 2, 2024."

The Disposal of Treasury Shares will be made to Sumitomo Mitsui Trust Bank, Limited (trust account) (re-trustee: Japan Custody Bank, Ltd. (trust account)), which is the trustee of the trust established for the introduction of the Plan (hereinafter referred to as the "Trust")."

The number of shares to be disposed of is equivalent to the number of shares expected to be delivered to Directors in accordance with the Share Delivery Regulations established by the Company upon the introduction of the Plan, taking into account the changes in the rank and composition of the Company's Directors during the trust period. The degree of dilution will be 0.47% (0.48% of the total number of voting rights of 370,061 as of December 31, 2024; rounded to the nearest third decimal place in both cases) of the total number of issued shares of 37,645,851 as of December 31, 2024. The Company believes that the Plan will clarify the link between the remuneration of the Company's Directors and the value of the Company's shares and lead to an increase in the Company's corporate value in the medium to long term. The Company judges that the number of shares to be disposed of and the scale of dilution by the Disposal of Treasury Shares are reasonable and that the impact on the secondary market will be minor.

(Reference) Overview of the trust agreement for the Trust

Trustor	Our company
Trustee	Sumitomo Mitsui Trust Bank (Re-trustee: The Japan Custody Bank, Ltd.)
Beneficial owner	Directors who satisfy the beneficiary requirements
Trust administrator	Appointment of a third party independent of the Company and its officers
Exercise of voting rights	Voting rights pertaining to the Company's shares in the Trust will not be exercised throughout the period of the Trust.
Type of trust	Money trusts other than money trusts (third party benefit trusts)
Date of the trust agreement	March 4, 2025
Term of the Trust	From March 4, 2025 to December 31, 2028 (scheduled)
The purpose of the trust;	Delivery of the Company's shares to beneficiaries in accordance with the Share Delivery Regulations

3. Basis for Calculation of the Disposal Price and Specific Details

The disposal price was set at 1,957 yen, the closing price on the Tokyo Stock Exchange on February 13, 2025 (the business day immediately prior to the date of the resolution of the Board of Directors), in order to eliminate arbitrariness in light of recent stock price trends. The company decided to adopt the closing price on the business day immediately prior to the date of resolution of the Board of Directors as the market value immediately prior to the date of resolution of the Board of Directors and it is highly objective and reasonable as a basis for calculation.

The deviation from the average closing price of ¥ 1,948 (rounded down to the nearest yen) for the most recent one month period (from January 14, 2025 to February 13, 2025) on the business day

immediately prior to the date of resolution of the Board of Directors is 0.46%, the deviation from the average closing price of ¥ 1,994 (rounded down to the nearest yen) for the most recent three month period (from November 14, 2024 to February 13, 2025) is -1.86%, or the deviation from the average closing price of ¥ 2,022 (rounded down to the nearest yen) for the most recent six month period (from August 14, 2024 to February 13, 2025) is -3.21% (All deviations are rounded to the second decimal place).

Taking the above into consideration, the Company considers that the disposal price for the Disposal of Treasury Shares is not particularly advantageous to the scheduled recipient and is reasonable.

In addition, the Audit and Supervisory Committee (consisting of three members, two of whom are Outside Directors) has expressed its opinion that the basis for the calculation of the disposal price is reasonable, and that the disposal price is not particularly favorable to the scheduled recipient and is legal.

4. Matters related to procedures under the Corporate Code of Conduct

The Disposal of Treasury Shares does not require the procedures to obtain an opinion from an independent third party and to confirm the intent of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (I) the dilution rate is less than 25% and (ii) it does not involve a change in the controlling shareholder.

End