September 25, 2026
Avant Group Corporation
Tetsuji Morikawa, President and Representative Director
For inquiries Investor Relations Office 03-6864-0100 (main)

The status of the Company's corporate governance is as follows.

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Approach

(1) Corporate Philosophy

Since its founding, the Company Group has valued a management philosophy rooted in the Japanese cultural view of a company as a public institution of society and aims to develop as an organization that provides value to society. We articulate this approach as our corporate philosophy, “Creating a 100-Year Company - A Company Where Everyone Is Passionate About Value Creation.”

The “public institution” referred to by the Company Group means an organization that is not biased toward any particular stakeholder, provides value to society, and develops sustainably through the growth of its people. We aim to become a 100-year company as a result of all members being passionate about providing value to society in a free and creative manner.

To achieve this, the Company Group practices group management that balances organizational independence with group synergy, and has established “OPEN, VALUE, STRETCH” as the values shared throughout the Group. “OPEN” is based on an open-minded spirit, “VALUE” represents fostering passion for value creation, and “STRETCH” represents continuing to challenge ourselves to achieve the best.

The Company Group also places great importance on continuously enhancing corporate governance in order to support the growth of people and the sustainable development of the organization. Through continuous learning and dialogue with various stakeholders, we aim for open management that can provide value to society without being biased toward any particular stakeholder.

(2) Approach to Corporate Governance

Based on this corporate philosophy, we have established the “Avant Group Basic Policy on Corporate Governance” and are working to enhance corporate governance by strengthening the transparency and soundness of management and establishing a management system that enables prompt business execution based on accurate decision-making and appropriate monitoring.

https://www.avantgroup.com/en/sustainability/governance/main/0/teaserItems1/01/linkList/0/link/AvantCorpPolicyonCorporateGovernance20220927.pdf

[Reasons for not implementing each principle of the Corporate Governance Code]

[Supplementary Principle 2-4(i): Securing Diversity in the Appointment of Core Human Resources]

To realize our management philosophy of "Creating a 100-Year Company," all employees of the Company Group share the values of (1) customer orientation, (2) pursuit of excellence in a particular area, and (3) pursuit of high profitability ("Three Orientations"), and we have established "OPEN, VALUE, STRETCH" as common behavioral guidelines throughout the Group. "OPEN" means open communication, "VALUE" means pursuing value creation through customer satisfaction, and "STRETCH" means enjoying change and continuing to challenge ourselves to achieve the best. We are promoting the development and recruitment of human resources who embody these values, continue to take on challenges through open dialogue, and work to create value for customers.

The Company Group regards human resources as one of the important forms of management capital that serves as a source of sustainable growth and medium- to long-term enhancement of corporate value. We are securing and developing human resources with the expertise and diverse experience necessary to realize our management strategies and creating an environment in which each employee can fully exercise his or her abilities. To realize the software-driven strategy, we clarify the human resource profiles and capability requirements needed for each business and accelerate business growth through recruitment, development and assignment based on those requirements.

Regarding diversity of human resources, we are developing an environment in which diverse human resources can exercise their abilities. For the fiscal year ended June 2026, women accounted for 13.2% of employees in managerial positions in the Company Group.

We also use the external assessment Great Place to Work® (GPTW) with the aim of maximizing performance by enabling employees to possess sufficient skills and engage in their work with a sense of purpose. Each Group company has set a GPTW score of 70% as an important KPI at the level required for certification as a great place to work, and has established a system under which management is responsible for progress. The GPTW scores for the fiscal year ended June 2026 were 71% for Avant Co., Ltd., 73% for Zeal Inc., and 78% for Diva Co., Ltd.

[Supplementary Principle 4-1(iii): Succession Planning]

We recognize succession planning for the Chief Executive Officer (Group CEO) as an important management issue of the Company and began discussions at the Board of Directors in the fiscal year ended June 2018. In the fiscal year ended June 2019, we also considered the formulation of a comprehensive succession plan incorporating the expertise of an external consulting firm.

In September 2021, the Articles of Incorporation were amended to change the provision under which the CEO automatically served as Chairperson of the Board of Directors to a system in which the Chairperson is selected from among the directors. Around the same time, we established a "logo mark" as a "credo" to visually convey

"Creating a 100-Year Company" and "Democratization of Management Information," transferring part of the founder's role in permeating the management philosophy to the logo mark in an effort to achieve sustainable development.
Pursuant to a resolution of the Board of Directors meeting held on July 23, 2025, the Company changed its system by establishing the Nomination and Compensation Advisory Committee in place of the Compensation Advisory Committee. In addition to matters related to compensation previously considered, the committee now comprehensively deliberates mainly on matters concerning the appointment and dismissal of directors, succession planning, and individual compensation of directors excluding Audit and Supervisory Committee members, and makes recommendations to the Board of Directors.
During the fiscal year ended June 2026, the Nomination and Compensation Advisory Committee met six times. In addition to continuing discussions on CEO succession, an important management issue, it deliberated and considered the assignment and development of operating company leaders, the management system for next-generation leaders, and the nature and roles of the Group Corporate Officer system. Going forward, we will continue to improve the effectiveness of succession planning through deliberations by the Nomination and Compensation Advisory Committee. Although the CEO's concurrent service as a representative director of a business company was ended in October 2022, for the purpose of restoring the performance of Avant Co., Ltd., the CEO assumed the position of Representative Director of Avant Co., Ltd. on July 1, 2026, while the president is an other director, thereby establishing a structure based on the succession plan.

[Disclosure based on each principle of the Corporate Governance Code]

[Principle 1-4: So-called Policy Shareholdings] (Comply)
The Company has no so-called policy shareholdings. Policy shareholdings are intended to maintain and strengthen inter-company transactions. If such shares are acquired, the director in charge of finance will regularly report the risks and returns to the Board of Directors, and approval by the Board of Directors will be required in accordance with the "Fund Management Regulations" and other applicable rules. The basic criterion for exercising voting rights attached to policy shareholdings is whether the exercise is consistent with enhancing the corporate value of both the Company and the investee company.

[Principle 1-7: Related Party Transactions] (Comply)
The Company requires transactions between directors that constitute competing transactions or transactions involving conflicts of interest to be deliberated and resolved by the Board of Directors. At the end of each fiscal year, each Director, Director who is an Audit and Supervisory Committee member, and Corporate Officer is asked to complete a questionnaire regarding transactions with related parties to confirm that such transactions do not harm the Company or the common interests of shareholders. There were no related party transactions during the fiscal year under review.

[Principle 2-6: Exercise of Function as an Asset Owner of a Corporate Pension Plan] (Comply)
The Company does not have a corporate pension fund system. However, in order to support employees' stable asset formation, we introduced an employer-sponsored defined contribution (DC) pension plan at domestic Group companies in February 2025. At the time of introduction, we held explanatory sessions and posted related materials and instructional videos on the internal portal to deepen employees' understanding of basic knowledge and investment considerations, and we are working to support asset formation based on individual life plans.

[Principle 3-1: Enhance Disclosure of Information] (Comply)
(1) We have established a philosophy system including the management philosophy of the Avant Group and have disclosed our management strategy and medium-term management plan for realizing that philosophy. The management philosophy is described in this report; details of the management philosophy, management strategy and medium-term management plan are available on the Company's website.
(2) Based on the respective principles of this Code, the Company's basic approach to corporate governance is described in "I.1 Basic Approach" of this report.
(3) Our basic policy for determining directors' compensation is to establish an incentive structure aimed at the sustainable enhancement of corporate value over the medium to long term and sharing value with shareholders. Individual compensation for directors other than Directors who are Audit and Supervisory Committee members is determined by the Board of Directors, after consultation with the Nomination and Compensation Advisory Committee and receipt of its recommendations and advice, within the compensation limits approved by the General Meeting of Shareholders, taking into consideration each director's duties and scope of responsibility and overall market and industry levels. Details of the compensation structure are described in "II. Status of Management Decision-Making, Execution and Supervision, and Other Matters Concerning the Corporate Governance System, 1. Matters Related to Organizational Structure and Operation, [Directors' Compensation], Disclosure of Policy for Determining the Amount of Compensation or Calculation Method."
(4) When appointing senior management and nominating candidates for directors, the Company selects candidates who understand the Company's management philosophy, possess broad knowledge required for corporate management, have sufficient qualifications to determine important matters of business execution as members of the Board of Directors, and can contribute to strengthening mutual checks and monitoring functions among directors and ensuring the effectiveness of the Board of Directors. Knowledge, experience, capabilities and diversity are also sufficiently taken into consideration.
Director candidates are deliberated and determined by the Board of Directors after receiving the recommendations and advice of the Nomination and Compensation Advisory Committee. Outside directors must also satisfy the Company's independence standards and be capable of supervising and advising management from an independent and objective standpoint.
(5) The reasons for appointing candidates for Outside Directors and their expected roles are disclosed in the Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 3-1(iii): Sustainability Initiatives, etc.] (Comply)

As pointed out by the United Nations Intergovernmental Panel on Climate Change, global warming is progressing faster than anticipated, and we recognize that the impact of climate change on economic activity can no longer be ignored. We believe that we must identify climate-related risks and opportunities as management issues and connect them to enhancement of corporate value.

The Company's founding philosophy of "Creating a 100-Year Company" reflects the concept of sustainability, namely, achieving continuous business growth through an independent organization that can adapt to a rapidly changing market environment. The Company does not believe that pursuing profit alone is sufficient; rather, it constantly considers and acts on how to realize sustainable corporate value creation while maintaining a balance with society and the environment. The Company signed the United Nations Global Compact on August 25, 2020 and endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on December 22, 2021. Since then, while conducting risk assessments, we have considered and implemented measures that can be undertaken as a Group to realize sustainability.

For the fiscal year ended June 2026, Scope 1 greenhouse gas emissions were zero, and actual results have been calculated for Scope 2 and Scope 3. Because the electricity company emission factor used to calculate Scope 2 for April through June 2026 had not been published, the March 2026 factor was used; consequently, the actual results may change if the figures are recalculated after the relevant factor is published. We are also working to reduce the environmental impact associated with our business activities in order to reduce greenhouse gas emissions.

As part of our responsibility to society and customers, we consider the greatest risk to the Group to be loss of continuity in the provision of services to customers due to cyberattacks. In particular, because our services broadly contribute to the creation and disclosure of information critical to corporate continuity, including preparation of customers' financial information and generation of information that supports management decisions, continuity of our services is extremely important. To address these risks, the Risk Management Committee considers appropriate BCPs and reports the progress to the Board of Directors.

Please refer to the Company's website for more information on sustainability initiatives.

https://www.avantgroup.com/en/sustainability.html

[Supplementary Principle 4-1(i): Scope of Delegation to Management] (Comply)

We have sought to establish a separation between management decision-making and supervision and business execution through the Board of Directors as the body responsible for management decision-making and supervision and the Corporate Officer system as the business execution system based on those decisions. An overview is disclosed on the Company's website and in the Report on Corporate Governance. The Board of Directors decides matters stipulated by laws and the Articles of Incorporation, as well as important matters concerning the Company and its subsidiaries, while delegating part of its authority to decide matters concerning business execution to executive directors following the transition to a company with an Audit and Supervisory Committee in September

2022. Such delegated authority is reviewed and determined at the Board of Directors meeting held immediately after each Annual General Meeting of Shareholders in light of changes in the Board composition. Following the change in the composition of directors approved at the 30th Annual General Meeting of Shareholders held on September 25, 2026, the Company has transitioned to a new Board of Directors structure. In connection with this change, the Corporate Officer system was abolished and the business execution structure by management was reconstructed. Although the boards of directors of the Company's subsidiaries decide important matters, the subsidiaries are required, under the applicable rules and operations, to obtain the Company's approval for (a) investments, (b) executive appointments, and (c) financing, including capital policies, which have a significant impact on the Group. The Company has entered into management guidance and business management agreements with its subsidiaries and receives reports on important matters concerning directors' execution of duties, the results of which are reported to the Company's Board of Directors. The Company's Group Legal Department confirms that the boards of directors of its subsidiaries are held monthly.

[Principle 4-2: Roles and Responsibilities of the Board of Directors] (Comply)
The Board of Directors receives proposals from the Group CEO or from Group CxOs delegated by the Group CEO from time to time. It conducts comprehensive and multifaceted deliberations to ensure that proposals are consistent with the management philosophy, annual business plan and medium-term management plan, etc. Proposals approved by the Board of Directors are implemented mainly by the Group CEO and Group CxOs. To facilitate smooth execution, the Board of Directors provides necessary personnel, financial and other support.

[Supplementary Principle 4-2(i): Sound Management Compensation for Sustainable Growth] (Comply)
Our basic policy on officer compensation is to establish an incentive structure aimed at enhancing corporate value over the medium to long term, sharing value with shareholders and realizing sustainable growth. Based on achievement of the medium-term management strategy, we seek to provide strong incentives for short- and medium-term business growth, ensure a high degree of objectivity and transparency in performance metrics, effectively motivate management, and provide compensation at a level that enables us to secure and retain excellent human resources. Compensation for Directors other than Directors who are Audit and Supervisory Committee members consists of fixed monetary compensation, short-term performance-linked monetary compensation, and medium- to long-term performance-linked stock compensation. As a guide based on achievement of performance targets, the proportions are fixed compensation 45%-50%, short-term performance-linked compensation 15%-20%, and medium- to long-term performance-linked compensation 35% Outside directors were previously paid fixed compensation only because they are independent of business execution.
Following approval of Proposal No. 4, "Revision of the Amount and Content of Compensation, etc. for Directors Excluding Directors who are Audit and Supervisory Committee Members," at the 30th Annual General Meeting of Shareholders held on September 25, 2026, outside directors other than Directors who are Audit and Supervisory Committee members were added to the stock compensation program from the fiscal year ending June 2027. In

view of their role in supervising management objectively from an outside standpoint, the stock compensation for outside directors is not linked to performance. The compensation limit is ¥20 million per year (20,000 shares per year; 10,000 shares per director per year).
Following approval of Proposal No. 5, "Determination of Amount and Content of Stock Compensation, etc. for Directors who are Audit and Supervisory Committee Members," at the same Annual General Meeting, a stock compensation program separate from fixed compensation was introduced for Directors who are Audit and Supervisory Committee members from the fiscal year ending June 2027. This stock compensation is also not linked to performance in view of their role in objectively assessing the appropriateness of business execution from an oversight standpoint. The compensation limit is ¥20 million per year (20,000 shares per year; 10,000 shares per director per year).
These changes to the compensation programs were deliberated multiple times by the Nomination and Compensation Advisory Committee, which is composed of a majority of outside directors, and were submitted to the General Meeting of Shareholders after deliberation by the Board of Directors based on the committee's recommendations. Details of the compensation structure are described in "II. Status of Management Decision-Making, Execution and Supervision, and Other Matters Concerning the Corporate Governance System, 1. Matters Related to Organizational Structure and Operation, [Directors' Compensation], Disclosure of Policy for Determining the Amount of Compensation or Calculation Method."

[Supplementary Principle 4-8(ii): Effective Use of Lead Independent Outside Director] (Comply)
The Company has appointed a Lead Independent Outside Director since May 2018. The Board of Directors was informed at its meeting held on September 25, 2026 that Ms. Chie Goto had been selected by mutual election among the Independent Outside Directors to serve as Lead Independent Outside Director.

[Principle 4-9: Independence Standards and Qualifications for Independent Outside Directors] (Comply)
Based on the independence standards stipulated by the Companies Act and financial instruments exchanges, the Company has established the following independence standards with the objective of substantively ensuring the independence of Independent Outside Directors. At meetings of the Board of Directors, outside directors actively provide opinions and advice from an objective and neutral standpoint and contribute sufficiently to constructive deliberations.
Avant Group Independence Standards for Outside Directors
An Outside Director is considered independent when, based on an investigation conducted by the Company to the extent reasonably possible, it is determined that none of the following applies:
(1) A person who currently is, or has been within the past 10 years, an executive person (executive director, executive officer, Corporate Officer, employee or other worker) of the Company or any subsidiary or affiliate of the Company (collectively, the "Company Group");
(2) A person who directly or indirectly holds 10% or more of the total voting rights of the Company, or an executive

person thereof;

(3) A person for whom the Company Group is a major business partner, or whose company regards the Company Group as a major business partner, or an executive person thereof;

(4) A person who receives a large amount of money or other property benefits, other than officer compensation, as consideration for providing professional services such as consulting, legal, certified public accounting or certified tax accounting services to the Company Group, or an executive person thereof;

(5) A person who receives donations or grants exceeding ¥15 million per year from the Company Group, or an executive person thereof;

(6) A person who belongs to the audit firm that is the accounting auditor of the Company Group;

(7) An executive person of a company that appoints an executive person of the Company Group as a director;

(8) A person who has fallen under any of items (2) through (7) within the past three years; or

(9) A spouse or relative within the second degree of kinship of a person falling under items (1) through (8).

(Note 1) “Major business partner” means a transaction involving monetary consideration exceeding 2% of annual consolidated sales, or financing exceeding 2% of consolidated total assets.

(Note 2) “Large amount” means, in the case of an individual professional service provider, annual benefits received from the Company Group, excluding officer compensation, exceeding ¥15 million in the most recent fiscal year. In the case of an organization such as a corporation or partnership, it means benefits received from the Company Group exceeding either 2% of the organization’s annual gross revenue or ¥15 million, whichever is higher, in the most recent fiscal year.

[Supplementary Principle 4-10(i): Use of Voluntary Mechanisms] (Comply)

The Company’s Board of Directors consists of three Directors who are not Audit and Supervisory Committee members (including two outside and independent directors, one of whom is a woman) and three Directors who are Audit and Supervisory Committee members (including two outside and independent directors, one of whom is a woman). The Company seeks to strengthen the independence, objectivity and accountability of the decision-making process.

The Company resolved at the Board of Directors meeting held on July 23, 2025 to establish the Nomination and Compensation Advisory Committee in place of the former Compensation Advisory Committee in order to incorporate an objective perspective into the nomination and compensation decision-making process and strengthen the supervisory function of the Board of Directors. The committee consists of two Independent Outside Directors and the Representative Director and Group CEO, for a total of three members, and the chairperson is selected from among the Independent Outside Directors.

The Nomination and Compensation Advisory Committee deliberates on matters concerning the appointment and dismissal of directors, succession planning, and individual compensation of Directors other than Directors who are Audit and Supervisory Committee members, and provides recommendations and advice to the Board of Directors. During the fiscal year ended June 2026, the committee met six times and broadly deliberated and considered matters

including the assignment and development of operating company leaders, the management system for next-generation leaders, the nature and roles of the Group Corporate Officer system, the officer compensation system, policies for short- and long-term incentives, and the setting of short-term incentive metrics for newly established subsidiaries.
Director candidates are deliberated and decided by the Board of Directors after receiving the recommendations and advice of the Nomination and Compensation Advisory Committee.
Subject to the approval at the 30th Annual General Meeting of Shareholders held on September 25, 2026 of the proposals to elect three Directors other than Directors who are Audit and Supervisory Committee members and three Directors who are Audit and Supervisory Committee members, the Company has transitioned to the new Board of Directors structure.

[Supplementary Principle 4-11(i): Diversity and Size of the Board of Directors as a Whole] (Comply)
The Company appoints directors from among candidates with diverse and specialized experience and knowledge in areas including leadership (management experience), IT industry/SaaS experience, corporate value, global business, organization and human resources, finance and accounting, and legal/compliance, while also taking diversity into consideration. The Company believes that the diversity of human resources and the balance of knowledge, experience and capabilities have been sufficiently considered in the Board of Directors and that the Board maintains a level that enables sophisticated decision-making. Reasons for appointment of outside directors are disclosed in the Notice of Convocation of the General Meeting of Shareholders. The skill matrix of the members of the Board of Directors is shown in the second chart at the end of this report.

[Supplementary Principle 4-11(ii): Concurrent Directorships] (Comply)
The concurrent positions of outside directors at other companies are disclosed annually in the Notice of Convocation of the General Meeting of Shareholders, Annual Securities Report and Report on Corporate Governance. Before appointment, the Company confirms that concurrent positions will not interfere with the performance of duties as a director of the Company.

[Supplementary Principle 4-11(iii): Analysis, Evaluation and Disclosure of Results regarding Overall Board Effectiveness] (Comply)
The Company recognizes issues relating to the responsibilities, composition and operation of the Board of Directors and is committed to continuous improvement with the aim of achieving sustainable enhancement of corporate value. Each year, the Board of Directors analyzes and evaluates its effectiveness based on self-evaluations by each director and other factors.
<Evaluation Method>
To enhance the independence and objectivity of the analysis and evaluation, third-party evaluations were conducted for the fiscal years ended June 2018 and June 2019. However, the Board of Directors noted that the evaluations

focused primarily on quantitative assessments and made it difficult to identify issues clearly. Therefore, since the fiscal year ended June 2020, we have primarily used our own questionnaire survey and, as appropriate, interviews of directors and auditors by third-party organizations.

Since June 2021, to understand issues more clearly, we have used a proprietary questionnaire that allows respondents to write their views on the assessment of issues and countermeasures. In June 2026, we conducted the questionnaire using the survey function of our proprietary Board of Directors DX cloud “TRINITY BOARD” for all directors, including Directors who are Audit and Supervisory Committee members, and reported the results to the Board of Directors on August 5, 2026.

<Evaluation Results>

A summary of the questionnaire responses confirmed that the Board of Directors and the Nomination and Compensation Advisory Committee are functioning effectively. The Board has also been operated efficiently through use of the Board of Directors DX cloud “TRINITY BOARD,” and efforts to strengthen monitoring through off-site meetings have been made. Overall, the effectiveness of the Board of Directors was highly evaluated and it was considered to be appropriately operated. At the same time, the following points were recognized as issues.

(1) Organization of the Board of Directors

The following opinions and issues were identified regarding the organization of the Board of Directors:

- Further discussion of succession for the management team, including the Group CEO
- Securing skills such as knowledge relating to the rapid advancement of IT, including AI, and an acute sense capable of anticipating industry trends
- Participation of management personnel with entrepreneurial or management experience in the IT field in the United States

(2) Agenda of the Board of Directors Meetings

The following opinions and issues were identified regarding the agenda of Board meetings:

- Enriching reporting and discussion concerning human capital investment, including human resource development, recruitment and development policies, across the Group companies

(3) Operation of the Board of Directors

- Earlier submission of Board materials to “TRINITY BOARD”
- Improving Board materials by reducing their volume and clarifying issues so that the Board can engage in substantive discussion

<Future Actions>

In light of the above, we have reported that the following actions will be advanced for the operation of the Board of Directors in the fiscal year ending June 2027:

(1) Continue discussions leading to management team succession

(2) Earlier submission of Board materials and clearer identification of issues for discussion

(3) Strengthen reporting on the status of human capital investment, including human resource development, recruitment and development policies

[Supplementary Principle 4-14(ii): Training Policy for Directors] (Comply)

When selecting candidates for directors, the Company considers their character, experience, expertise and broad knowledge and places importance on experience and knowledge relating to the Group's business. The training policy is stipulated in the "Basic Policy on Corporate Governance" disclosed on the Company's website.

https://www.avantgroup.com/en/sustainability/governance/main/0/teaserItems1/01/linkList/0/link/CG_en.pdf

[Principle 5-1: Policy on Constructive Dialogue with Shareholders] (Comply)

The Company recognizes that active dialogue with shareholders and reflecting their opinions and requests in management contributes to the sustainable enhancement of corporate value. Accordingly, we have established a system in which the IR department takes the lead and cooperates with corporate planning, finance and other relevant departments, with management including the Representative Director and President (Group CEO) appropriately involved.

In dialogue with shareholders and investors, the Company provides timely and appropriate information on management strategy, the medium-term management plan, business performance and capital policies, and reports opinions and requests obtained through dialogue to the Board of Directors and other bodies as necessary for use in management. The Board of Directors also reports and discusses meetings with institutional investors and measures concerning the share price.

[Actions to Achieve Management Conscious of Cost of Capital and Share Price] [English-language disclosure available] [Update date: September 25, 2026]

An overview is provided in "Actions to Achieve Management Conscious of Cost of Capital and Share Price," disclosed on September 25, 2026. Please refer to the following.

URL: https://www.avantgroup.com/ja/ir/irnews/auto_20250922561057/pdfFile.pdf

2. Capital Structure

Foreign Shareholding Ratio	More than 10% but less than 20%

[Status of Major Shareholders]

Name or Designation	Number of shares held (shares)	Percentage (%)
Tetsuji Morikawa	9,781,466	27.87
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,578,400	7.35
Tsuyoshi Noshiro	1,868,800	5.32
OBIC Business Consultant Co.	1,600,000	4.56
Avant Group Employee Stock Ownership Plan	1,306,700	3.72
Custody Bank of Japan, Ltd. (Trust Account)	1,089,499	3.10
Tatsuru Nakayama	659,784	1.88
STATE STREET BANK AND TRUST COMPANY 505044	555,200	1.58
Tokio Kawamura	550,000	1.57
Junichi Wada	514,200	1.47

Name of controlling shareholder (excluding parent company)	None

Parent Company Name	None

Supplementary explanation

Not applicable.

3. Company attributes

Scheduled Listing Market Classification	Prime Market
Accounting period	June
Type of industry	Information and communication industry
Number of (consolidated) employees as of the end of the immediately preceding fiscal year	1,000 or more
(Consolidated) sales in the immediately preceding fiscal year	¥10 billion or more but less than ¥100 billion
Number of consolidated subsidiaries as of the end of the immediately preceding fiscal year	Fewer than 10 companies

4. Guidelines Concerning Minority Shareholders Protection Policy in Transactions with Controlling Shareholders

Not applicable.

5. Other special circumstances that could materially affect corporate governance

Not applicable.

II. Status of Management Decision-Making, Execution and Supervision, and Other Matters Concerning the Corporate Governance System

1. Matters Related to Organizational Structure and Operation

Organizational structure	Company with an Audit and Supervisory Committee

[Directors]

Directors

Number of Directors under the Articles of Incorporation	9
Term of directors under the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of directors	6
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of outside directors designated as independent officers	4

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)

		a	b	c	d	e	f	g	h	i	j	k
Kaoru Chujo	From another company											
Kazushi Ambe	From another company											
Chie Goto	Lawyer						●					
Makoto Nakano	Scholar						●				●	

1. Selected items regarding relationship with the company

a. a. An executive person of a listed company or its subsidiary
b. b. An executive or non-executive director of the parent company of the listed company
c. c. An executive person of a sibling company of the listed company
d. d. A person whose main business partner is a listed company, or an executive person of such business partner
e. e. A major business partner of a listed company, or an executive person of such business partner
f. f. A consultant, accounting professional or legal professional who receives a large amount of money or other assets from a listed company other than director compensation
g. g. A major shareholder of a listed company (if the major shareholder is a corporation, an executive person of such corporation)
h. h. An executive person (the person himself/herself only) of a business partner of a listed company that does not fall under d, e or f
i. i. An executive person (the person himself/herself only) of a party with whom an outside officer has a mutual appointment relationship
j. j. An executive person (the person himself/herself only) of a recipient to whom the listed company has made a donation
k. k. Others

Relationship with the Company (2)

Relationship with company (2)

Name	Audit Committee / Independent Officer	Supplemental Explanation of Conforming Items	Reason for Appointment
Kaoru Chujo	No / Yes	There are no transactions or other special interests with the Company Group that could affect the Company's decision-making.	He has extensive knowledge of IT, AI and software, having been involved in the development and business operations of mobile phones, ubiquitous IoT, AI services and software businesses at Fujitsu Limited, as well as having experience at overseas research facilities. In addition, he has management experience as President and Representative Director of SoW Insight Inc. We believe he can contribute to the supervision and advice relating to the Company's software-driven strategy, global business development and enhancement of corporate value. He has no special interests with the Company, satisfies the requirements for an independent officer under the rules of the Tokyo Stock Exchange and the Company's independence standards for outside directors, and we have designated him as an independent officer because we have determined that there is no risk of conflict of interest with general shareholders.

Kazushi Ambe	No / Yes	There are no transactions or other special interests with the Company Group that could affect the Company's decision-making.	He has long been engaged in global business operations, including overseas business, at Sony Corporation (now Sony Group Corporation), and has extensive experience in management, human resources and general affairs as an Executive Vice President and in other positions. He is currently engaged in developing next-generation executives as President of Sony University. We believe he can contribute to supervision and advice concerning the Company's global expansion, human resources and organizational strategy, and enhancement of corporate value. He has no special interests with the Company, satisfies the requirements for an independent officer under the rules of the Tokyo Stock Exchange and the Company's independence standards for outside directors, and we have designated him as an independent officer because we have determined that there is no risk of conflict of interest with general shareholders.
Chie Goto	Yes / Yes	Toho Holdings Co., Ltd., where she serves as an outside director (Audit and Supervisory Committee member), has business dealings with Diva Co., Ltd., a wholly owned subsidiary of the Company. However, the amount is less than 0.1% of consolidated sales and is within the 2% threshold specified in the Company's independence standards for outside directors, and therefore there is no risk that it will affect the Company's decision-making.	In addition to work experience at general business companies, she is qualified as both a lawyer and a certified public accountant and has been involved with various companies as a legal and financial accounting professional, including in M&A, tax compliance and harassment matters. She currently serves as an outside auditor of the Company and appropriately performs her duties. We expect her to utilize her extensive expertise as a legal and accounting professional and, as a Director who is an Audit and Supervisory Committee member, provide useful advice in management judgment and decision-making processes, thereby strengthening the functions of the Board of Directors. She has no special interests with the Company, satisfies the independence requirements of the Tokyo Stock Exchange and the Company's independence standards for outside directors, and has been designated as an independent officer because we have determined that there is no risk of conflict of interest with general shareholders.
Makoto Nakano	Yes / Yes	The Company has transactions mainly related to endowed courses and executive development programs with the Graduate School of Business Administration of Hitotsubashi University, where he serves as a professor. The amount is less than 0.1% of consolidated sales and within the 2% threshold specified in the Company's independence standards for outside directors. In addition, the donation amount is less than ¥15 million, and therefore there is no risk that the transactions will affect the Company's decision-making.	He has deep expertise in business administration, accounting and corporate finance and has built a broad research network in industry and academia centered on corporate value, which is also a materiality of the Company. He has conducted numerous finance and corporate value training programs for executives of listed companies. We believe he can advise not only on enhancing the Company's corporate value and that of its customers, but also contribute to developing the Company's next-generation management. He has no special interests with the Company, satisfies the independence requirements of the Tokyo Stock Exchange and the Company's independence standards for outside directors, and has been designated as an independent officer because we have determined that there is no risk of conflict of interest with general shareholders.

[Audit and Supervisory Committee]

Composition of Committee Members and Attributes of the Chairperson

Composition of Committee Members and Attributes of the Chairperson

	Total members (persons)	Full-time members (persons)	In-house directors (persons)	Outside directors (persons)	Committee chairperson
Audit and Supervisory Committee	3	1	1	2	None

Existence or non-existence of directors and employees to assist the Audit and Supervisory Committee in its duties	None The Company has resolved the following in its "Basic Policy for the Development of Internal Control Systems," and when assistance is requested by an Audit and Supervisory Committee member, a secretariat will be promptly established in accordance with that policy. ■ Matters concerning employees assisting the duties of Audit and Supervisory Committee members and ensuring the effectiveness of instructions to such employees - If the Audit and Supervisory Committee requests the Board of Directors to establish a secretariat to assist in its duties, the secretariat will be established by appointing appropriate personnel from inside or outside the Company. If employees are appointed, they will be thoroughly informed that they are subject to the direction and orders of the Audit and Supervisory Committee.

Matters concerning the independence of such directors and employees from the executive directors

Two of the Company's three Directors who are Audit and Supervisory Committee members are independent Outside Directors, and they perform their responsibilities as Audit and Supervisory Committee members independently of the executive directors.

Collaboration among the Audit Committee, Accounting Auditor, and Internal Audit Department

The Audit and Supervisory Committee attends financial audit reporting meetings, receives reports from the audit firm, and has opportunities for mutual listening and discussion to confirm the status of internal controls in operations and finance, thereby promoting cooperation.

The Audit and Supervisory Committee and the internal audit function coordinate operational audits and seek efficient audits, while also holding opportunities for mutual listening and discussion to confirm that management

and business execution are appropriate and efficient, thereby promoting cooperation.

Collaboration among the Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Department

[Voluntary Committee]

Existence or non-existence of a voluntary committee equivalent to a nominating or compensation committee	Yes

[Voluntary Committees]

Status of establishment of any committees, composition of members and attributes of the chair (chairman)

Voluntary committee equivalent to a compensation committee

Committee Name			Nomination and Compensation Advisory Committee			
Total members (persons)	Full-time members (persons)	In-house directors (persons)	Outside directors (persons)	In-house experts (persons)	Other (persons)	Chairperson
3	1	1	2	0	0	Outside Director

Status of establishment of voluntary committees, composition of members and attributes of the chairperson

Supplementary explanation

Pursuant to a resolution adopted at the Board of Directors meeting held on July 23, 2025, the Company changed the system and established the Nomination and Compensation Advisory Committee in place of the Compensation Advisory Committee. The Nomination and Compensation Advisory Committee comprehensively deliberates mainly on matters concerning the appointment and dismissal of directors, succession planning, and individual compensation of Directors other than Directors who are Audit and Supervisory Committee members, and provides recommendations to the Board of Directors. During the fiscal year ended June 2026, it deliberated and considered a wide range of matters including the assignment and development of operating company leaders, the management system for next-generation leaders, the nature and roles of the Group Corporate Officer system, the officer compensation system, and short- and long-term incentive policies.

[Independent Director Relationships]

Number of independent officers	4

Other Matters Concerning Independent Directors

Not applicable.

[Incentive-related Matters]

Status of implementation of measures to provide incentives to directors	Introduction of performance-linked compensation and stock compensation

Supplemental Explanation for Applicable Items

The Company has introduced performance-linked compensation and a stock compensation program as an incentive structure aimed at enhancing corporate value over the medium to long term, sharing value with shareholders, and realizing sustainable growth. Short-term performance-linked compensation for Directors other than Outside Directors and Directors who are Audit and Supervisory Committee members is calculated based on the year-on-year change in consolidated net income after taxes, which is consistently emphasized in the Company's medium- to long-term management strategy, medium-term management plan and annual performance. The amount paid is calculated by multiplying a base amount determined according to position and other factors by a short-term incentive coefficient set within a range of 0% to 150% according to the performance indicator. Medium- to long-term performance-linked compensation is designed to provide directors with an incentive to enhance corporate value over the long term and to further share value between directors and shareholders. The performance indicator is the Company's "Stock Growth Rate," calculated by dividing the Company's TSR (Total Shareholder Return) by the growth rate of TOPIX, and a corresponding number of shares of the Company's common stock is delivered based on the achievement level. Following the revision of the compensation system approved at the 30th Annual General Meeting of Shareholders held on September 25, 2026, outside directors other than Directors who are Audit and Supervisory Committee members are included in the stock compensation program from the fiscal year ending June 2027. In view of their objective management oversight function, this stock compensation is not linked to performance. In addition, a non-performance-linked stock compensation program has been introduced for Directors who are Audit and Supervisory Committee members, also from the fiscal year ending June 2027, for the purpose of further sharing value with shareholders and sustainably enhancing corporate value.

Persons to whom stock options are granted	Not applicable.

Supplementary Explanation for Applicable Items

Not applicable.

Director Compensation

Disclosure status	Individual disclosure for some directors only

Supplemental Explanation of Applicable Items

The proportion of fixed compensation and performance-linked compensation for Directors other than Directors who are Audit and Supervisory Committee members is as follows, using the achievement of performance targets as a guide (based on a short-term incentive coefficient of 100%). Because outside directors are independent of business execution, they are paid fixed compensation and non-performance-linked stock compensation.

Composition of compensation for Directors other than Directors who are Audit and Supervisory Committee members and outside directors

	Fixed compensation	Short-term performance-linked compensation	Medium- to Long-term performance-linked compensation
Director(excluding members of the Audit and Supervisory Committee)	45-50%	15-20%	35%.

The amounts of compensation, etc. for Directors other than Directors who are Audit and Supervisory Committee members and Directors who are Audit and Supervisory Committee members for the previous fiscal year are as follows. Individual compensation for directors was determined based on the calculation process described in "Disclosure of Policy for Determining the Amount of Compensation or Calculation Method," after consultation with the voluntary Nomination and Compensation Advisory Committee and receipt of its recommendations and advice, and was decided by the Board of Directors.
Directors who are Audit and Supervisory Committee members receive fixed compensation and non-performance-linked stock compensation. Fixed compensation is determined through consultation among the Directors who are Audit and Supervisory Committee members, taking into consideration full-time or part-time status, in-house or outside status, division of duties and other factors, within an annual limit of ¥55 million.

Classification	Total amount of compensation, etc.	Total Amount by Type of Compensation, etc.			Number of Eligible Directors
		Fixed Compensation (Cash)	Short-term Performance-linked Compensation (Cash)	Medium- to Long-term Performance-linked Compensation (Stock)	
Directors (excluding Directors who are Audit and Supervisory Committee Members) (of whom, Outside Directors)	¥108 million (¥20 million)	¥108 million (¥20 million)	– (–)	– (–)	4 (2)
Directors who are Audit and Supervisory Committee Members (of whom, Outside Directors)	¥38 million (¥22 million)	¥38 million (¥22 million)	– (–)	– (–)	3 (2)
Total (of whom, Outside Directors)	¥146 million (¥42 million)	¥146 million (¥42 million)	– (–)	– (–)	7 (4)

No director has consolidated compensation, etc. of ¥100 million or more.

Existence or non-existence of a policy for determining the amount of compensation or calculation method	Yes

Details of disclosure of policy for determining the amount of compensation or its calculation method

I. Amount of Compensation, etc. for Directors and Corporate Auditors, and Policy and Method for Determining Amounts and Calculation Methods

1. Compensation System and Process for Determining Compensation Amounts

The policy and calculation method for determining officer compensation and the standards for the compensation structure and amounts of directors and executive officers are determined by resolution of the Board of Directors. A summary of the contents is described below under “2. Compensation for Directors (excluding Directors who are Audit and Supervisory Committee members)” and under “II. Purpose of Performance-Linked Compensation and Performance-Linked Stock Compensation, Basis for Indicators, and Specific Calculation Methods.”

To strengthen the independence, objectivity and accountability of the process for determining nominations and compensation, the Company has established the Nomination and Compensation Advisory Committee as a voluntary advisory body. The committee consists of two independent officers and the Representative Director and Group CEO, for a total of three members, and the chairperson is selected from among the Independent Outside Directors. The Company seeks to ensure objectivity by obtaining advice from external experts and considering overall market and industry levels. The Board of Directors consults the Nomination and Compensation Advisory Committee, receives its recommendations and advice, and then makes decisions.

The Nomination and Compensation Advisory Committee deliberates mainly on matters concerning appointment and dismissal of directors, succession planning, and individual compensation of Directors other than Directors who are Audit and Supervisory Committee members, and provides recommendations and advice to the Board of Directors.

For compensation, etc. of Directors other than Directors who are Audit and Supervisory Committee members for the fiscal year under review, the Board of Directors determined, based on the committee’s recommendations and advice, that the compensation is consistent with the policy for determining individual director compensation.

2. Compensation for Directors (excluding Directors who are Audit and Supervisory Committee members)

Compensation for the Company’s Directors other than Directors who are Audit and Supervisory Committee members consists of monthly fixed monetary compensation, short-term performance-linked monetary compensation, and stock compensation.

Fixed compensation is paid as a standard amount by position, taking into consideration the level commensurate with the required capabilities and responsibilities. The annual limit for fixed compensation of the Company’s Directors was approved at the 26th Annual General Meeting of Shareholders held on September 27, 2022 at ¥150 million or less (the number of Directors immediately after that meeting was four, including two outside directors). Under the compensation system revision approved at the 30th Annual General Meeting of Shareholders held on September 25, 2026, the fixed compensation limit for outside directors included in this amount is ¥50 million or less per year.

Short-term performance-linked compensation is cash compensation linked to annual business performance and is paid to Directors other than outside directors and Directors who are Audit and Supervisory Committee members. The annual limit was approved at the 26th Annual General Meeting of Shareholders held on September 27, 2022 at ¥41.25 million or less per eligible director.

Stock compensation for Directors other than outside directors and Directors who are Audit and Supervisory Committee members is medium- to long-term performance-linked compensation intended to provide an incentive

to enhance corporate value over the longer term and further share value between directors and shareholders. It delivers a number of shares of the Company's common stock calculated according to the Company's Stock Growth Rate, which is the Company's TSR divided by the growth rate of TOPIX over the subject period.
The annual limit for this stock compensation is ¥100 million or less, 100,000 shares per year or less, and 60,000 shares per eligible director per year or less.
Following approval at the 30th Annual General Meeting of Shareholders held on September 25, 2026, outside directors other than Directors who are Audit and Supervisory Committee members were also made eligible for the stock compensation program from the fiscal year ending June 2027 in order to further share value with shareholders through sustainable enhancement of the share price and provide an incentive to sustainably enhance corporate value. Because outside directors are responsible for objective management oversight, the stock compensation is not linked to performance. Its annual limit is ¥20 million or less, 20,000 shares or less per year, and 10,000 shares or less per outside director per year.
The proportions of compensation for Directors other than outside directors and Directors who are Audit and Supervisory Committee members are, using achievement of performance targets as a guide (short-term incentive coefficient 100%), fixed compensation 45%-50%, short-term performance-linked compensation 15%-20%, and medium- to long-term performance-linked compensation 35%.
Outside directors are independent of business execution, and therefore are not subject to performance-linked compensation and receive fixed compensation and non-performance-linked stock compensation.

3. Compensation for Directors who are Audit and Supervisory Committee members
Compensation for Directors who are Audit and Supervisory Committee members consists of fixed monetary compensation and non-performance-linked stock compensation.
Fixed compensation is determined through consultation among Directors who are Audit and Supervisory Committee members, taking into consideration their responsibilities and roles in supervising and auditing business execution, full-time or part-time status, in-house or outside status, division of duties and other factors, within the compensation limit approved at the General Meeting of Shareholders. The annual limit for fixed compensation was approved at the 26th Annual General Meeting of Shareholders held on September 27, 2022 at ¥55 million or less.
At the 30th Annual General Meeting of Shareholders held on September 25, 2026, the Company introduced a stock compensation program separate from fixed compensation for Directors who are Audit and Supervisory Committee members to further share value with shareholders and provide an incentive to sustainably enhance corporate value. In view of their role in objectively assessing the appropriateness of business execution from an oversight standpoint, the stock compensation is not linked to performance. Its annual limit is ¥20 million or less, 20,000 shares or less per year, and 10,000 shares per director per year.

II. Purpose of Performance-Linked Compensation and Performance-Linked Stock Compensation, Basis for

Indicators, and Specific Calculation Methods

1. Short-Term Performance-Linked Compensation

Short-term performance-linked compensation is paid in cash. The amount is calculated by multiplying a standard amount determined according to position and other factors by a short-term incentive coefficient.

Short-term performance-linked compensation = short-term performance-linked compensation standard amount × short-term incentive coefficient

(1) The Company

Short-term performance-linked compensation paid to Directors other than outside directors and Directors who are Audit and Supervisory Committee members is calculated based on the year-on-year change in consolidated net income after taxes, which is consistently emphasized in the Company's medium- to long-term management strategy, medium-term management plan and annual performance. The amount is calculated by multiplying a base amount (performance-linked bonus base amount) determined according to position and other factors by a short-term incentive coefficient ranging from 0% to 150% according to the change in consolidated net income after taxes from the previous fiscal year.

The coefficient is calculated as follows. Where current consolidated net income after taxes is "a" and previous consolidated net income after taxes is "b":

① If "a" is less than or equal to "b": 0

② If "a" exceeds "b" but is less than "b" × 137.5%: (a ÷ b - 1) ÷ 0.375 × 1.5

③ If "a" is 137.5% or more of "b": 1.5

The current fiscal year's consolidated net income after taxes, which is the performance indicator, was ¥2,985 million and was below the previous fiscal year's ¥3,434 million. Accordingly, no short-term performance-linked compensation was paid.

Short-term incentive coefficient = 0

(2) The Company's subsidiaries

Performance-linked bonuses paid to directors of the Company's subsidiaries (Avant Co., Ltd., Zeal Inc. and Diva Co., Ltd.) use GPP, calculated by adding the subsidiary's sales growth rate and IBTM margin.

GPP = Sales growth rate + IBTM margin (Note)

(Note) Sales growth rate = (Current fiscal year sales ÷ Previous fiscal year sales) - 1

IBTM margin = IBTM ÷ Sales

*IBTM = Pre-tax net income + management fees (2.3% of previous year's sales) + employee stock compensation (number of employees who were employed from July 1, 2025 to June 30, 2026 × ¥50,000) + trust fees

Performance-linked bonuses are determined by multiplying the performance-linked bonus base amount by a short-term incentive coefficient ranging from 0% to 150% according to the achievement level of GPP.

① If GPP is 17.3 points or less: 0

② If GPP is more than 17.3 points but 22.3 points or less: (GPP - 17.3 points) ÷ 10 points

③ If GPP is more than 22.3 points but 27.3 points or less: 0.5 + ((GPP - 22.3 points) ÷ 20 points)

④ If GPP is more than 27.3 points but 42.3 points or less: 0.75 + ((GPP - 27.3 points) ÷ 60 points)

⑤ If GPP is more than 42.3 points but 62.3 points or less: 1 + ((GPP - 42.3 points) ÷ 40 points)

⑥ If GPP is more than 62.3 points: 1.5

A. Avant Co., Ltd.

The GPP for the fiscal year under review was 19.66 points. Applying formula ④ above, the short-term incentive coefficient was 0.23, and 23% of the short-term performance compensation base amount of ¥46 million will be paid as short-term performance-linked compensation.

Short-term incentive coefficient = (GPP: 19.66 points - 17.3 points) ÷ 10 points = 0.23

B. Zeal Inc.

The GPP for the fiscal year under review was 24.73 points. Applying formula ③ above, the short-term incentive coefficient was 0.62, and 62% of the short-term performance compensation base amount of ¥17 million will be paid.

Short-term incentive coefficient = 0.5 + ((GPP: 24.73 - 22.3 points) ÷ 20 points) = 0.62

C. Diva Co., Ltd.

The GPP for the fiscal year under review was 44.33 points. Applying formula ⑤ above, the short-term incentive coefficient was 1.05, and 105% of the short-term performance compensation base amount of ¥38 million will be paid.

Short-term incentive coefficient = 1 + ((GPP: 44.33 - 42.3 points) ÷ 40 points) = 1.05

2. Medium- to Long-Term Performance-Linked Compensation

This is a performance-linked stock compensation program under which the Company's common stock is delivered according to the degree of achievement of performance targets.

(Note) For medium- to long-term performance-linked compensation (stock), pursuant to the resolution of the 28th Annual General Meeting of Shareholders held on September 25, 2024, the scheme for periods beginning September 2024 was changed to a structure in which the Company's common stock is delivered through a trust funded by monetary contributions made by the Company. The terms were also revised so that transfer restrictions are imposed on the relevant director, prohibiting transfer, creation of security interests or other disposition until immediately after the director retires from the position of director or any other position predetermined by the Board of Directors. There is no substantive change in the amount paid per fiscal year or the number of shares delivered to directors covered by the scheme.

<Illustration of Medium- to Long-Term Performance-Linked Stock Compensation under the Former and Current Plans>

(Note 1) Because the Board of Directors determines in October following the end of the subject period whether and to what extent the awards will be made, whether the Company's common shares will be delivered has not yet been determined as of the present time.
(Note 2) Transfer restrictions apply to shares from the date of delivery until immediately after the relevant person retires from any position as a director or Corporate Officer of the Company, a director or Corporate Officer of a subsidiary, or any other position predetermined by the Board of Directors.

With respect to medium- to long-term performance-linked stock compensation for which the Company decided during the fiscal year under review whether to make an award, the plan covering the period from September 2024 to September 2025 resulted in zero share delivery under Part I because the average closing price of the Company's common stock on the Tokyo Stock Exchange in September 2024 was below the average closing price in September 2023. Under Part II, the Company's TSR (Total Shareholder Return) during the subject period was 74.4%, compared with TOPIX growth of 119.2%, and the Company's TSR was below TOPIX growth. This fell under category ① of the stock grant ratio below, where the Company Stock Growth Rate (A) is less than 100%, and therefore the number of shares delivered was zero.

Support system for outside directors

Currently, there is no dedicated person assigned exclusively to assist outside directors (including Directors who are Audit and Supervisory Committee members). Administrative and other support, including liaison, is provided by personnel in the Administrative Division. The Company provides outside directors with necessary information, including Board of Directors materials, through the administrative support person, and provides Directors who are Outside Directors and Audit and Supervisory Committee members with such information through full-time Audit and Supervisory Committee members or the administrative support person. The Company makes every effort to provide explanations and guidance in advance as far as reasonably possible.

2. Items related to functions such as business execution, auditing and supervision, nomination, and compensation decisions (overview of current corporate governance system)

(1) Board of Directors
The Company's Board of Directors currently consists of three Directors who are not Audit and Supervisory Committee members (including two outside directors) and three Directors who are Audit and Supervisory Committee members (including two outside directors). In principle, regular meetings of the Board of Directors are held on the second business day following the third Monday of each month, and extraordinary meetings are held as necessary to make important management decisions.
The Company, as a company with an Audit and Supervisory Committee, delegates part of the decision-making

authority concerning business execution to the executive side. This enables the Board of Directors to focus on important decisions concerning management strategy and supervision of business execution, securing the agility and speed of business execution while strengthening the supervisory function of the Board of Directors.

(2) Execution System

Business execution is divided between the Representative Director and President appointed by the Board of Directors and the Group CxOs. The Group Management Meeting is chaired by the Group CEO and attended by the Group CFO, Group CBO, Group CRO, Group CPO, Group CCO, Group CIO, Group CTO, Group CISO, Group CMO, Group CHRO, and Group CLO, with the aim of achieving sustainable growth and enhancing corporate value through group management. The meeting deliberates important issues relating to business execution and receives reports on each member's area of responsibility, and important matters concerning execution of group management are reported by members of the Group Management Meeting to the Board of Directors. The official titles of the CxOs are as follows.

Chief Executive Officer,
Chief Financial Officer,
Chief Business Development Officer,
Chief Risk-Management Officer,
Chief Product Officer,
Chief Customer Officer,
Chief Information Officer,
Chief Technology Officer,
Chief Information Security Officer,
Chief Management Officer,
Chief Human Resources Officer,
Chief Legal Officer,

In addition, all members of the Group Management Meeting participate in Board of Directors meetings of major Group companies to monitor execution status and manage risks.

(3) Auditing and Supervision

The Company has adopted a company structure with an Audit and Supervisory Committee. The Audit and Supervisory Committee consists of three members: one full-time Director who is an Audit and Supervisory Committee member and two Outside Directors who are Audit and Supervisory Committee members.

Under the audit policy established by the Audit and Supervisory Committee, the Audit and Supervisory Committee audits the execution of duties by directors through attendance at meetings of the Board of Directors and other important meetings and investigation of the status of business execution. Based on its audit policy, division of responsibilities and audit plan, the Audit and Supervisory Committee also monitors management

from a fair and objective standpoint regarding the execution of duties by directors.
The internal audit department works in cooperation with the accounting auditor and the Audit and Supervisory Committee by sharing internal audit plans and internal audit reports, among other measures.
For accounting audits, the Company has appointed Deloitte Touche Tohmatsu LLC as its accounting auditor and receives audits from that firm.

(4) Policy for Determining Directors' Compensation
The compensation system for directors is explained in detail in [Directors' Compensation] (Disclosure of Policy for Determining the Amount of Compensation or Calculation Method).

3. Reasons for selecting the current corporate governance structure

The Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee with the approval of the 26th Annual General Meeting of Shareholders held on September 27, 2022, in order to further enhance corporate governance by strengthening the Board of Directors' supervisory function over individual directors. Through the current corporate governance system, the Company seeks to secure speed and efficiency in decision-making while appropriately monitoring and auditing the execution of duties by directors and ensuring management transparency. The Company also seeks to ensure sound corporate governance by incorporating outside perspectives through the appointment of multiple outside directors and establishment of the Nomination and Compensation Advisory Committee, which includes Outside Directors who are Audit and Supervisory Committee members.
The Company is working to establish and strengthen a corporate governance system that contributes to sustainable enhancement of corporate value by appropriately allocating roles between the Board of Directors, which makes important management decisions and supervises business execution, and management, which carries out business execution promptly and appropriately, in order to realize the corporate philosophy of "Creating a 100-Year Company."
The Nomination and Compensation Advisory Committee has been established to incorporate an objective perspective into the process for determining nominations and compensation and to strengthen the supervisory function of the Board of Directors. The Audit and Supervisory Committee consists of one full-time Director who is an Audit and Supervisory Committee member and two Outside Directors who are Audit and Supervisory Committee members, for a total of three members, and monitors the execution of directors' duties from a fair and objective standpoint based on its audit policy and audit plan.

III. Implementation Status of Measures Concerning Shareholders and Other Stakeholders

1. Efforts to Revitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

	Supplementary explanation
Early dispatch of Notice of Convocation of General Meeting of Shareholders	As a rule, the Company endeavors to mail the notice three weeks before the meeting date. To provide shareholders with information early, the notice is also posted on the Company’s website and the Tokyo Stock Exchange website before mailing.
Holding the General Meeting of Shareholders avoiding concentration dates	After confirming the concentration dates for shareholders’ meetings with the trust bank, the Company sets the meeting date so as to avoid such dates.
Exercise of voting rights by electronic means	The Company enables shareholders to exercise voting rights via the Internet and works to create an environment in which shareholders can easily exercise their voting rights.
Participation in the electronic voting platform and other measures to improve the environment for institutional investors to exercise voting rights	The Company participates in the electronic voting platform operated by ICJ, Inc. and works to create an environment in which institutional investors can easily exercise voting rights.
Provision of a summary of the Notice of Convocation in English	An English translation of the Notice of Convocation is prepared and posted on the Company’s website and the Tokyo Stock Exchange website.
Other	The Company continues to use PowerPoint presentations and videos to explain matters at shareholders’ meetings in an easy-to-understand manner and to improve meeting procedures. Since the 24th Annual General Meeting of Shareholders held in September 2020, the Company has also provided live and archived video streaming of the meetings. The Company’s website posts the Notice of Convocation, shareholder communications, notice of resolutions and interim report on voting results in both Japanese and English.

2. Status of IR-related activities

	Supplementary explanation	Whether explained by representative

		personally
Preparation and publication of disclosure policy	The disclosure policy is published on the Company's website (IR page) as the "Information Disclosure Policy".	
Regular briefings for individual investors	Although held irregularly, the Company considers holding briefings for individual investors as necessary.	Yes
Regular briefings for analysts and institutional investors	The Company holds earnings briefings twice a year, once for the second quarter and once after the announcement of full-year results.	Yes
Regular briefings for overseas investors	The Company continues to strengthen information dissemination to overseas investors and actively responds through individual meetings and other measures. At present, however, the Company does not plan to hold regular briefings for overseas investors.	No
IR materials posted on the website	The Company has an IR site on its website, where it posts timely disclosure materials, financial results presentation materials and financial reports on a quarterly basis, as well as videos of financial results briefings.	
Establishment of an IR department (person in charge)	The person in charge of IR works in cooperation with personnel in finance and other relevant departments to conduct IR activities.	
Other	Not applicable.	

3. Status of efforts to respect the position of stakeholders

	Supplementary explanation
Respect for the position of stakeholders stipulated in internal rules, etc.	The Company has established "Insider Information Management Regulations" to promote careful handling of information and prevent information leaks and insider trading. The Company has also established rules concerning standards of conduct for all Group employees to ensure thorough awareness of corporate ethics and compliance, and has established "Compliance Regulations" to set forth its basic compliance policy and ensure thorough compliance. In order to realize the Group philosophy of "Creating a 100-Year Company," the Company considers it important for each employee to be aware of and act in relation to society and the environment, and has established the "Avant Group Human

	Rights Policy" and "Avant Group Environmental Policy," which were approved by the Board of Directors on July 22, 2020.
Implementation of environmental preservation activities, CSR activities, etc.	Under the corporate philosophy of "Creating a 100-Year Company," the Company Group promotes initiatives toward a sustainable society while taking into consideration the balance among economic activities, environmental preservation and social justice. The Company signed the United Nations Global Compact on August 25, 2020 and supports its fundamental principles in the four areas of human rights, labor, environment and anti-corruption. Since July 1, 2021, the Group has also worked to make the electricity it uses greener. During the fiscal year ended June 2026, the Group continued to implement carbon offsets through the purchase of green electricity certificates, submit the United Nations Global Compact Communication on Progress (COP), update disclosure of greenhouse gas emissions based on TCFD, and contribute to local communities through support for sports events and cultural activities.
Establishment of policies, etc. concerning provision of information to stakeholders	The Company has prepared an "Information Disclosure Policy" and published it on the Company's website (IR page). (https://www.avantgroup.com/ja/ir/policy.html)
Other	Based on the Group's standards of conduct, the Company aims to be a highly transparent organization, continuously works to create new value through thorough customer orientation and enjoys its own growth, and undertakes activities and conduct that respect all stakeholders involved in the Company Group's business.

IV. Matters Concerning Internal Control Systems, etc.

1. Basic Policy and Status of Internal Control System

(1) Basic Concepts on Internal Control Systems

In order to fulfill the responsibilities of the corporate organization and its activities as a public institution of society and to ensure business growth and the continuous and efficient operation of the corporate organization, the Company has established the General Meeting of Shareholders as the Company's highest body and has established the following organizational design and internal control systems.

- Establishment of the Board of Directors and selection of the Representative Director to ensure accurate decision-making and prompt execution of operations.
- Establishment of an Audit and Supervisory Committee to audit directors' execution of duties, determine the content of proposals concerning the appointment and dismissal of the accounting auditor and non-reappointment of the accounting auditor.
- Appointment of an accounting auditor to ensure the appropriateness of financial reporting and internal control through accounting audits and to improve disclosure and information-provision functions.
- Establishment of the Risk Management Committee, Compliance Committee and Information Security Committee to respond to important risks, ensure compliance with laws and regulations and other rules, and address information security.

(2) Status of Development of Internal Control Systems

The following basic policy regarding the development of internal control systems has been resolved by the Board of Directors and is being operated accordingly.

① Basic policy regarding the development of internal control systems

1) System to ensure that execution of duties by directors complies with laws and the Articles of Incorporation

- Directors shall comply with the Group's standards of conduct and, in accordance with laws, the Articles of Incorporation, the Board of Directors Regulations and other internal rules, appropriately execute their duties by taking the initiative and shall ensure that employees are fully informed.
- The risk management officers of each Group company appointed by the chairperson of the Risk Management Committee shall deliberate on and consider important issues and responses at the Risk Management Committee and report them to the Board of Directors.
- The compliance officers of each Group company appointed by the chairperson of the Compliance Committee shall confirm compliance status, deliberate on and consider important issues and responses at the Compliance Committee, and report them to the Board of Directors.
- For violations of laws and regulations or other acts that are legally questionable, the Company shall establish and operate a whistleblowing system with an external lawyer and a Director who is an Audit and Supervisory Committee member as contacts.
- Directors who are Audit and Supervisory Committee members shall audit the execution of duties by directors

by attending meetings of the Board of Directors and other important meetings and investigating business execution under the audit policy established by the Audit and Supervisory Committee.

2) System for storage and management of information relating to execution of duties by directors

- Information relating to the execution of duties by directors shall be appropriately stored and managed in accordance with laws, the Board of Directors Regulations, Document Management Regulations and other relevant rules.

3) Rules and other systems concerning management of the risk of loss

- By monitoring performance using rolling forecast management at cycles appropriate to the management environment and thoroughly managing expenses, the Company seeks to manage operations and funds appropriately and prevent risks before they occur.
- The Risk Management Committee is established with the Group CRO (Chief Risk-Management Officer) as chairperson. It deliberates and considers important issues and responses and reports to the Board of Directors.
- The Compliance Committee is established to manage risks relating to compliance, information assets and other business matters by establishing and disseminating necessary rules and manuals.
- The Company strengthens management and responses relating to compliance through the Compliance Committee.
- The Information Security Committee is established to strengthen management and responses relating to information assets.
- As necessary for business execution, the Company consults with and receives advice and guidance from third parties with specialized knowledge, such as lawyers, accounting auditors and tax accountants.

4) System to ensure efficient execution of duties by directors

- The Board of Directors basically holds a regular meeting once a month and holds meetings as necessary to make decisions and execute business promptly while supervising important management decisions and the status of business execution by directors.
- Various meeting bodies and committees for which directors serve as responsible persons or members deliberate and make decisions on business execution within the scope of authority prescribed by the relevant rules.
- The Company promotes decentralization of management through organizational structures based on management policies and business plans.
- The term of Directors other than Directors who are Audit and Supervisory Committee members is one year to clarify management responsibility and respond to changes in the business environment.

5) System to ensure the appropriateness of operations of the corporate group consisting of the Company and subsidiaries

- The Company respects the autonomy of subsidiaries while supporting the development and improvement of their internal control systems and promoting these efforts in cooperation with subsidiaries.
- Subsidiaries enter into management guidance and management control agreements under which the Company receives reports on important matters concerning the execution of duties by directors, etc. Although the boards

of directors of subsidiaries decide important matters, they must obtain the Company’s approval for (i) investments, (ii) executive appointments and (iii) financing, including capital policies, that have a significant impact on the Group.
- Subsidiaries basically hold regular Board meetings once a month and hold meetings as necessary to make decisions and execute business promptly; the Company’s Legal Department confirms the meeting status.
- Employees of subsidiaries who become aware of violations of laws and regulations, the Articles of Incorporation or internal rules, or conduct contrary to socially accepted norms shall report or consult with the whistleblowing system contacts.
- The Compliance Committee supports compliance with laws and other compliance matters at subsidiaries.
- By monitoring the performance status of subsidiaries through rolling forecast management at cycles appropriate to the business environment and by thoroughly managing budgets and expenses in accordance with the Budget Management Regulations, the Company seeks to prevent risks and ensure proper management of operations and funds and reporting to the Company.
- Internal audits of subsidiaries are conducted periodically by the internal audit department, and the results are reported to the Company’s directors and Audit and Supervisory Committee for necessary management.
6) Matters concerning employees assisting Audit and Supervisory Committee members and ensuring the effectiveness of instructions to such employees
- If the Audit and Supervisory Committee requests the Board of Directors to establish a secretariat to assist in its duties, the Company shall establish the secretariat by appointing appropriate personnel from inside or outside the Company. If employees are appointed, they shall be fully informed that they must follow the instructions and orders of the Audit and Supervisory Committee.
7) System under which Directors other than Directors who are Audit and Supervisory Committee members and employees report to the Audit and Supervisory Committee, and system under which directors, auditors and employees of subsidiaries or persons receiving reports from them report to the Audit and Supervisory Committee
- Directors who are Audit and Supervisory Committee members may attend meetings of the Board of Directors and other important meetings, inspect documents necessary for audits, and request explanations from directors and employees.
- Directors, auditors and employees of the Company and its subsidiaries shall report to the Company’s Audit and Supervisory Committee matters that have a significant impact on the Company’s operations and performance.
- It is prohibited to treat a person who has made a report to the Audit and Supervisory Committee disadvantageously because of such report.
8) Other systems to ensure effective audits by the Audit and Supervisory Committee
- The Audit and Supervisory Committee shall periodically meet with the President and Representative Director to exchange opinions on business execution policies, risks and issues to be addressed, and important audit issues.
- The Audit and Supervisory Committee shall periodically exchange opinions with the accounting auditor.

- When an Audit and Supervisory Committee member requests advance payment or reimbursement of expenses incurred in performing his or her duties, the Company shall bear such expenses unless deemed unnecessary.

② Operational status of internal control systems

The Company continuously investigates the status of development and operation of its internal control systems and reports the results to the Board of Directors. Identified issues are corrected and the Company works to establish and operate more appropriate internal control systems. The current operational status is summarized below.

- The Company has adopted a company structure with an Audit and Supervisory Committee in order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance.
- The Board of Directors is held regularly, with a focus on monitoring the progress of the medium-term management plan, identifying issues and strengthening governance.
- The Risk Management Committee meets regularly to review and consider countermeasures for risks arising from the changing business environment across the Group, and the Board of Directors receives reports from the Group CRO to monitor risk management.
- The Compliance Committee meets regularly to confirm the compliance status of the Group, and the Board of Directors receives reports from the Group CLO to monitor compliance.
- The Information Security Committee meets regularly to manage information assets and strengthen information security across the Group.
- During the fiscal year under review, the Board of Directors met 13 times, focusing its oversight on the progress of the medium-term management plan, responses to related issues and governance enhancement.
- Directors who are Audit and Supervisory Committee members attend important meetings including meetings of the Board of Directors, the Group Management Meeting and subsidiary boards, and regularly exchange opinions with the President and Representative Director and the accounting auditor to ensure the effectiveness of audits.
- Under the direction of the Board of Directors, the Company conducts self-assessments and independent evaluations of internal control over financial reporting and is audited by the accounting auditor.

2. Basic Policy on Elimination of Antisocial Forces and Status of Improvement

With respect to the elimination of antisocial forces, in addition to the basic policy regarding internal control systems, the Company will maintain and improve the following system.

The Group’s standards of conduct declare the elimination of antisocial forces and the prohibition of antisocial activities. Each year, the Company receives written pledges from directors and employees regarding the “Code of Conduct and Management of Confidential Information” and confirms their awareness of compliance, including the elimination of antisocial forces.

The General Affairs function, as the responsible department, appoints a person responsible for preventing unjustified demands and cooperates with the competent police authorities to eliminate antisocial forces. In addition, the Company confirms whether business partners have relationships with antisocial forces when entering into basic agreements and strives to thoroughly communicate and strengthen measures for eliminating antisocial forces.

V. Other

1. Introduction of Anti-Takeover Measures

Introduction of anti-takeover measures	None

Supplemental Explanation for Applicable Items

Not applicable.

2. Other Matters Related to the Corporate Governance System, etc.

2. Other matters related to corporate governance structure, etc.

The status of the Company's internal system for timely disclosure of corporate information is as follows.

(1) Basic Policy on Timely Disclosure of Corporate Information

We recognize timely disclosure of corporate information as the only means by which the Company can be broadly understood while fulfilling its social responsibilities, and as an important function in coordinating with the Company's stakeholders and forming corporate governance. We will handle and provide such information in a timely, appropriate and fair manner.

(2) Status of Internal System for Timely Disclosure

Important facts concerning the Company's business operations are appropriately managed by the responsible departments, and the Company has a system under which relevant departments cooperate to make timely and appropriate disclosures of information subject to timely disclosure.

As the Company handles customers' financial information, it seeks to thoroughly disseminate the Financial Instruments and Exchange Act, securities exchange rules and the internal "Insider Information Management Regulations," and conducts training as part of its internal education curriculum.

In light of the social environment surrounding information management and its impact, the Company has established an Information Security Committee and is currently formulating a security policy and related rules to strengthen company-wide information management.

(3) Timely Disclosure Flow

Important matters concerning business operations are shared at meetings and through reports, and matters subject to timely disclosure are processed under the prescribed disclosure procedures under the supervision of the person responsible for information handling.

Information on urgent matters, decisions on other important matters, and financial results is gathered by the person responsible for information management, who scrutinizes and confirms the contents. Information determined to be subject to timely disclosure is disclosed through release distribution, posting on the Company's website and other means after the prescribed disclosure procedures are completed.

(4) Monitoring of Timely Disclosure System

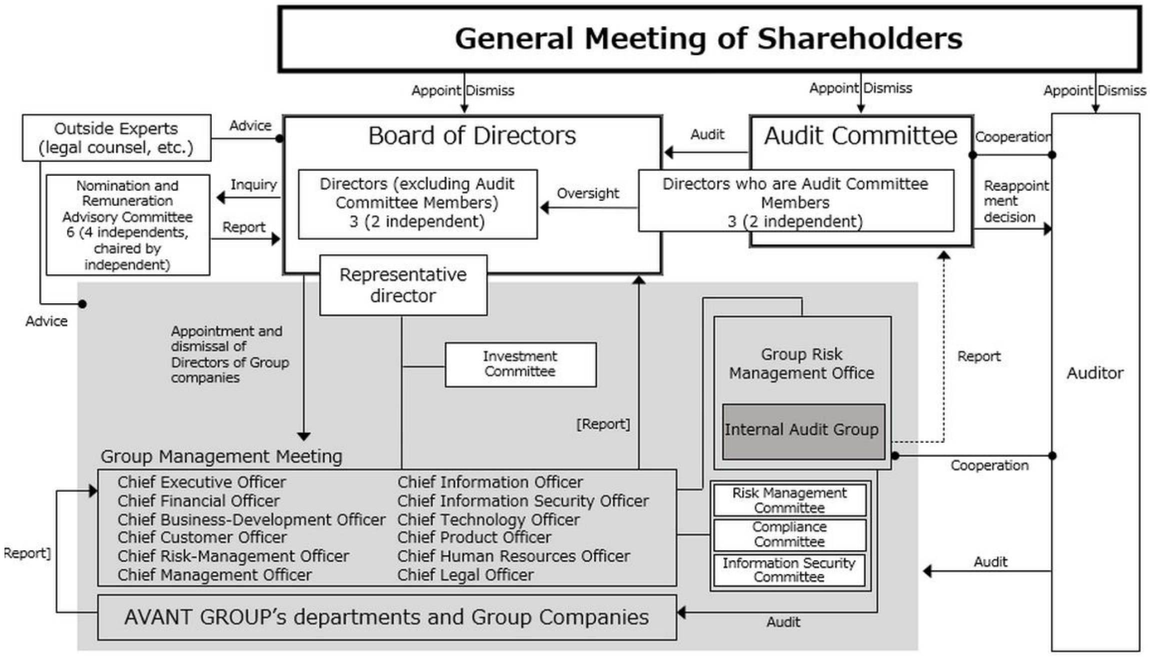
1) Audit and Supervisory Committee

An Audit and Supervisory Committee member selected by the Audit and Supervisory Committee attends meetings of the Board of Directors and other important meetings, audits reports on important occurrences relating to company information and the status of decisions, and comprehensively monitors the operation of internal systems for timely disclosure, including confirmation of financial information and financial condition.

2) Board of Directors regarding timely disclosure

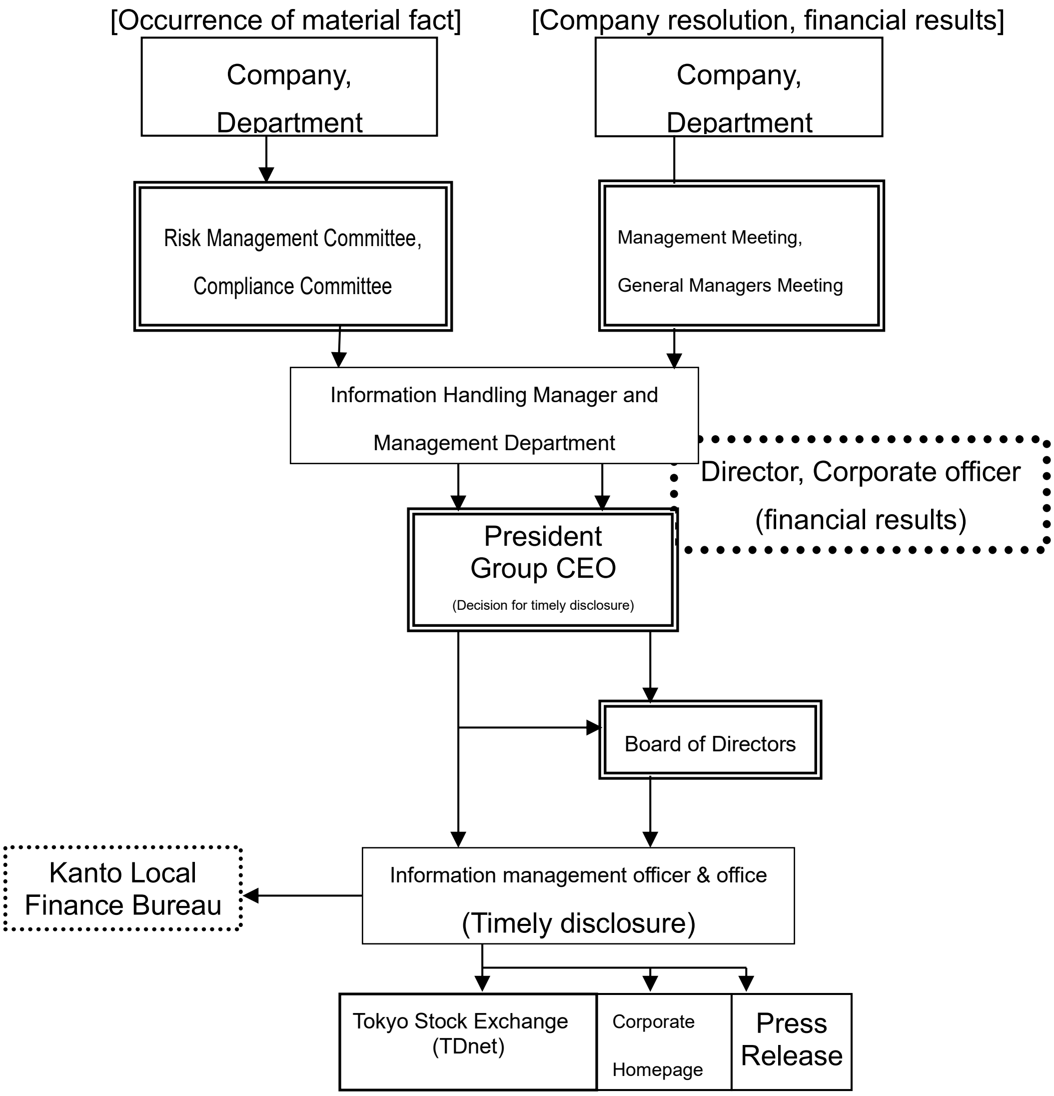
The Company's Board of Directors, including directors who are certified public accountants, confirms the appropriateness of the timely disclosure documents and Annual Securities Report to be prepared and resolved by the Board of Directors with respect to financial information and other matters subject to timely disclosure.

[Schematic Diagram (Reference Material)]



	Directors			Directors who are Audit and Supervisory Committee Members		
	Tetsuji Morikawa	Kaoru Chujo	Kazushi Ambe	Naoyoshi Kasuga	Chie Goto	Makoto Nakano
Insights of finance / accounting				●	●	●
Insights of legal and compliance					●	
Leadership	●	●	●			
IT industry / SaaS experience	●	●				
Insights of corporate value	●			●		●
Experience of global business		●	●	●		
Insights of organizations / human resources	●	●	●	●	●	●

[Occurrence of Material Fact] [Company Resolution, Financial Results]



Ends