

AVANT

Investor Presentation

AVANT CORPORATION

(Code:3836 TSE1)

Aug/Sep 2021

Who we are

Creating a 100-Year Company

We value management philosophy based on Japanese culture to regard our company as a public organization as a cultural asset and aspire to develop as an organization that exists for the development of society



Mission

Spreading Accountability

As advances in information technology have brought major changes to society, the Group's mission is to help disclose corporate management information throughout the organization so that it contributes to the sustainable development of the company and society



Vision

BE GLOBAL

With increased information availability, society has become globalized and we need to position ourselves from a global perspective. We shall create a competitive business and organization, with performance benchmarked against world-class SaaS companies



OPEN

VALUE

STRETCH

OPEN, VALUE and STRETCH

We value an organizational culture that emphasizes honest relationships with all stakeholders. We work to create new value and pursue the highest level of customer satisfaction. We enjoy change and pursue growth to accomplish challenges.

Holding company

Operating companies

AVANT

DIVA®

株式会社 インターネットディスクロージャー
Internet Disclosure Co.,Ltd.

ZEAL®
BI EVANGELISTS

FIERTE

Consolidated Accounting

Business Intelligence

Outsourcing

Maximizing corporate value of the Group

- Establish group governance
- Establish framework to generate group synergies
- Stay engaged with investment communities
- Take alternative actions supplementing existing business to achieve growth target
 - ✓ Incorporating external growth
 - ✓ Investment in new business

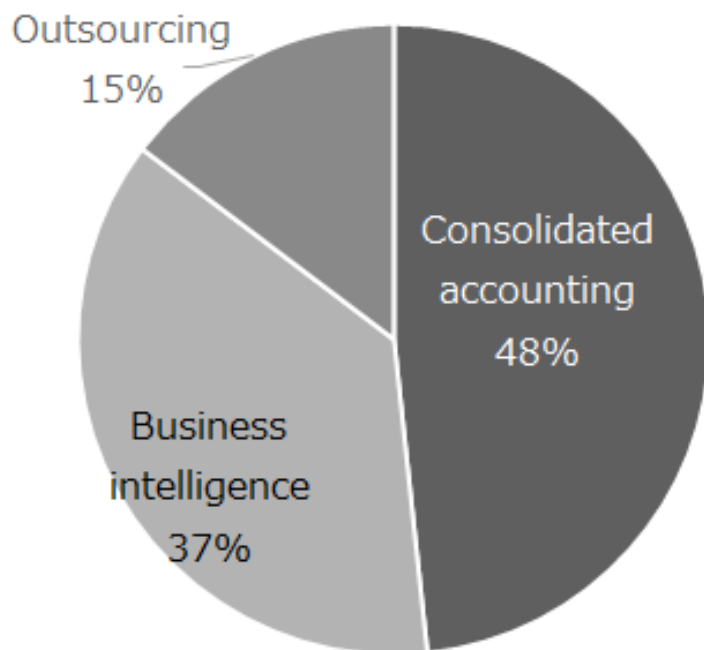
Maximizing business value of OpCo

- Focus on maximizing value proposition to customers
- Execute business plan
- Transform business model, if necessary, to achieve business plan
- Develop new products based on accumulated knowledge

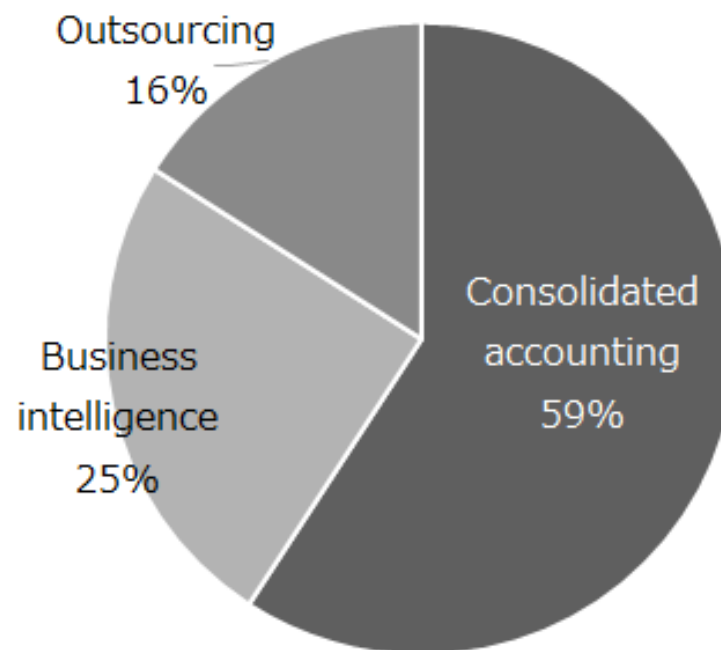
Segment Information (FY June 2021)

AVANT

Net sales ¥16.23B



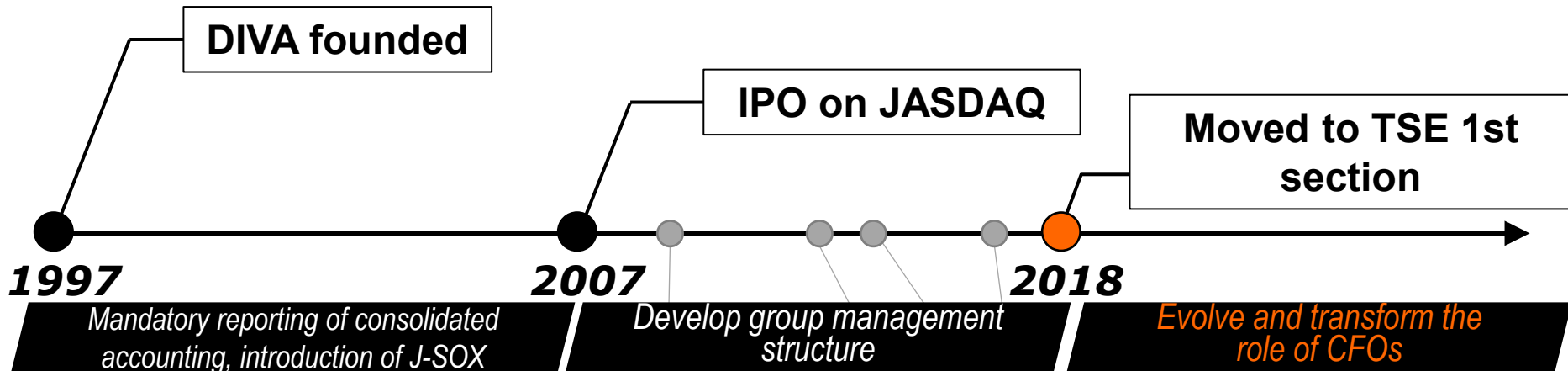
OP income ¥2.79B



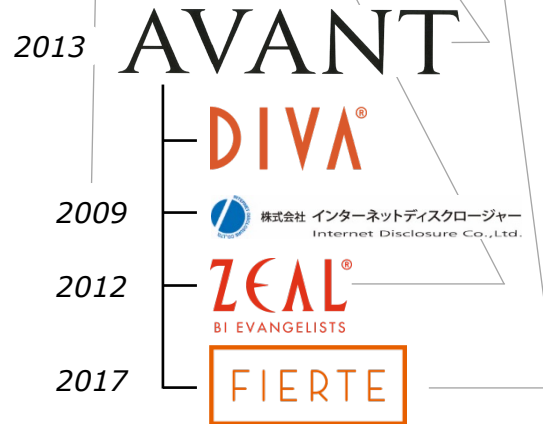
Segment	YoY
Consolidated Accounting	-3.8%
Business Intelligence	+8.4%
Outsourcing	+20.2%
Consolidated	+3.5%

Segment	OP Margins
Consolidated Accounting	23.7%
Business Intelligence	13.0%
Outsourcing	21.1%
Consolidated	17.2%

Avant Group for the next 10 years



Established itself as top developer of consolidated accounting software



Shifted to a holding company and evolved its group management structure

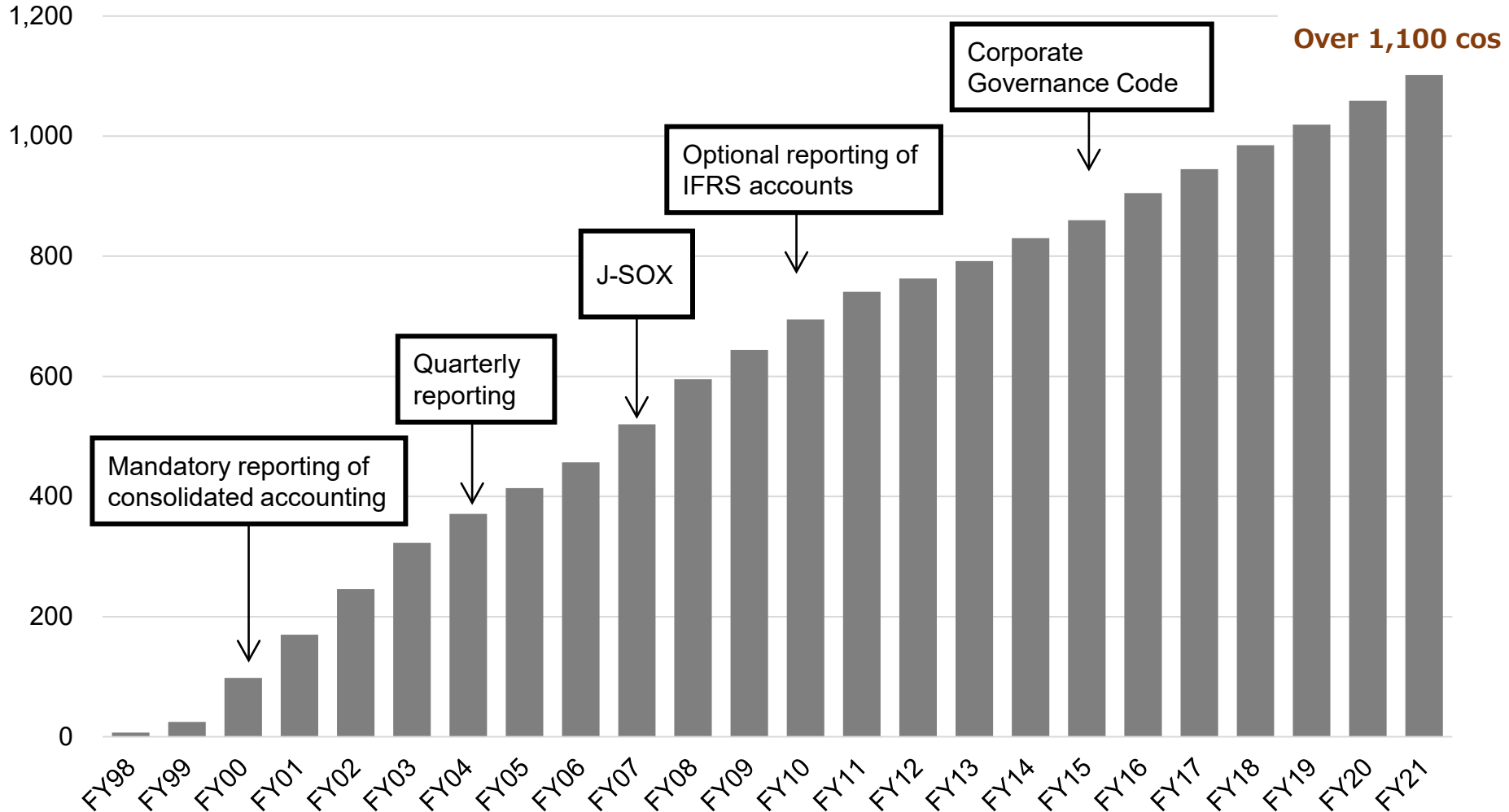
Avant Group
supports solution to, and transformation of CIFO organizations
CIFO ACCELERATOR

The Group stands poised to generate new value to stakeholders

DIVA System: Solid History

AVANT

We have increased our customer base as disclosure requirement evolved..

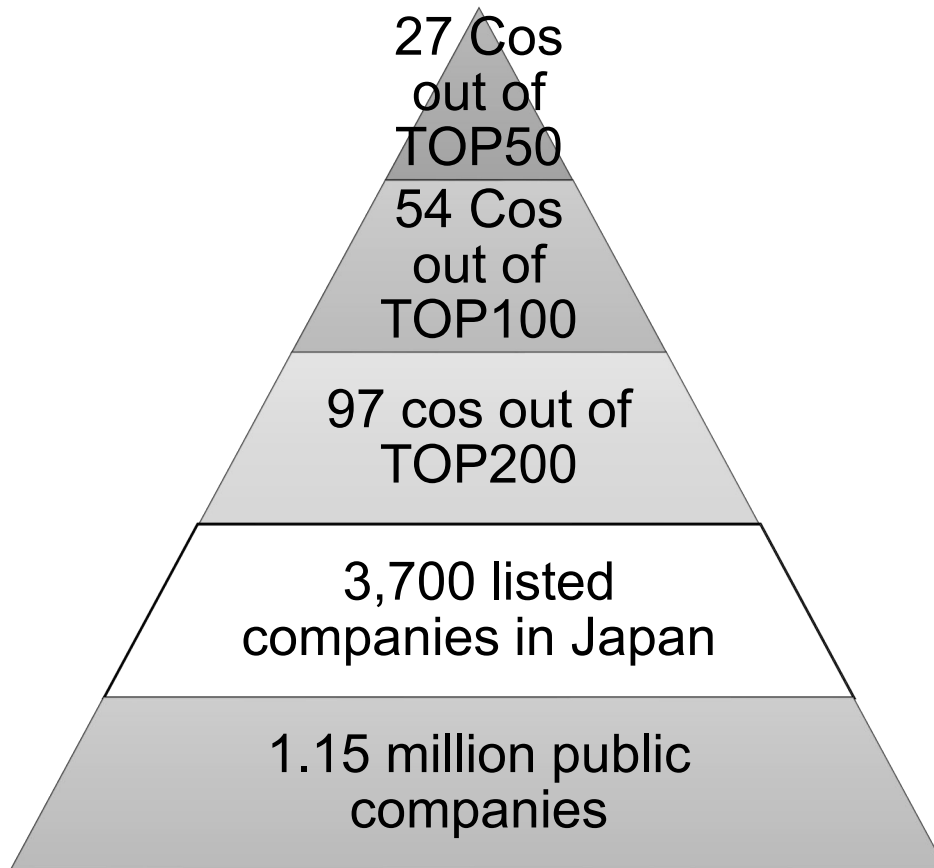


Consolidated Accounting Related Segment

AVANT

DIVA®

- Sold to over 1,100 companies¹
- Leading market share of 45.3%² in FY2020. More than half of TSE listed top 100 companies
- Offers financial and managerial accounting, governance solutions









Toyota Motor Corporation
Nippon Telegraph and Telephone
KDDI Corporation
Chugai Pharmaceutical Co., Ltd.
Hitachi Group
Daikin Industries, Ltd.
Denso Corporation
Seven & i Holdings Co., Ltd.
Fujifilm Holdings
Astellas Pharma Inc.
Bridgestone Corporation
Nippon Paint Holdings Co., Ltd.
Kao Corporation
Panasonic Corporation
Kubota Corporation, etc.

¹ As of December 2020

² Fuji-Keizai Management "2020 Software Business New Market" Consolidated Accounting Software (Package) Market Share

In addition to tools for creating financial data for reporting, DIVA offers a wide range of solutions to support business decisions, including performance management and governance.

Products	Details
 DivaSystem LCA	The core consolidated accounting system. It supports operations from data collection to consolidated processing, reporting, and disclosure.
 DivaSystem FBX	A system that enables the collection and integration of various reporting information from group companies. It supports the construction of financial and non-financial databases and the management of forecast and actual progress.
 DivaSystem Dx3-Advance	Visualize the chain of account codes from consolidated to subsidiary, and drill down from consolidated accounts to subsidiary journal details.
 DivaSystem SMD	Based on the know-how accumulated in the consolidated accounting system, this management accounting software enables multi-axis management by product, customer, and location. It also enables drill-down to account item details and future forecasts based on scenarios.
 DIVA Compass	Based on our know-how of consolidated accounting systems and our own database of listed companies, this system enables the calculation of KPIs, comparison with other companies, and analysis of corporate value.
 DIVA Empower	The system enables advanced management analysis by linking with Diva systems and inputting PSI information, etc. The system enables interactive scenario development using scenario inputs such as ROIC simulations, future forecasts for each foreseeable scenario, and decision making by comparing future scenarios.



metapraXis

Agreed on capital and business alliance in January 2021

Business Intelligence Segment

AVANT



- Founded in 1991, acquired in 2012. More than 30 years of experience in business intelligence
- Installation of BI/DWH system to more than 1,000 clients
- Close relationship with Microsoft, Oracle, IBM, SAP and more

Recent cases

Yamato Contact Service Co., Ltd. ~Customer sentiment analysis environment	Sojitz Corporation ~Data application and analysis training	JGC Holdings Corporation ~Data application and analysis training	JGC Holdings Corporation ~Building Data Analysis Infrastructure
Goh Shoji Co., Inc. ~Inventory management templates	Nomura Real Estate Development Co., Ltd. ~Performance management system	Audio-Technica Corporation ~Sales force automation system	Kyorindo Drug Store Co., Ltd. ~Cloud ERP
Obayashi Corporation ~Data platform	Sanko Soflan Holdings Co., Ltd. ~Marketing analysis environment	Yamaha Motor Co., Ltd. ~Data analysis environment	Kao Group Customer Marketing ~Marketing analysis environment
Kracie Pharma, Ltd. ~Marketing analysis environment	BEAMS Holdings Co., Ltd. ~Budget management system	LIFE Corporation ~Budget management system	KU Holdings Co., Ltd. ~Budget management system

Major Products

Amazon QuickSight/Amazon Redshift/Amazon Web Service/ASTERIA WARP/Birst/Board/BusinessSPECTRE/CCH Tagetik/Coracle Cloud Platform/Databricks/DataSpider Servista/Denodo/Dr.Sum/IBM InfoSphere DataStage/IBM Planning Analytics/IBM SPSS/IIJ GIO/IMB Cognos Analytics/Incora Enterprise Analytics/Infor d/EPM/Informatica PowerCenter/Intra-mart Accel Platform/Microsoft Azure Synapse Analytics/Microsoft Power BI/Microsoft SQL Server/MicroStrategy/MotionBoard/Oracle Analytics Cloud/Oracle Business Intelligence/Oracle Data Integrator/Oracle EPM Cloud/Oracle Essbase/Oracle Exadata/Oracle Exalytics/Oracle Hyperion Planning/QlikView/SAP Analytics Cloud/SAP BusinessObjects/SAS Analytics Cloud for Planning/SAS Visual Analytics/SAS Viya/SISENSE/Snowflake/Tableau/ThoughtSpot/Workday Adaptive Planning/Yellowfin/ZEAL CO-ODE/ZEAL DX-Leading Room/ZEUSCloud

FIERTE

- Started as outsourcing department at DIVA in 2004, incorporated in August 2017
- More than 100 customers for various accounting process outsourcing and treasury management solutions

Outsourcing of accounting

Ajinomoto Co., Inc.	APAMAN Co., Ltd.	Ichishin Holdings Co., Ltd.	IDOM Inc.	IMAGICA Group Inc.	HIS Co., Ltd.
Tokyo FM Broadcasting Co., Ltd.	Kawasaki Heavy Industries, Ltd.	Qol Co., Ltd.	KUBOTA Corporation	Cosmo Energy Holdings Co., Ltd.	Japan Best Rescue System Co., Ltd.
JERA Co., Inc.	SystemSoft	Sojitz Corporation	Taisho Pharmaceutical Holdings Co., Ltd.	Tsumura & Co.	Trend Micro Inc.
Nitto Denko Corporation	Nifco Inc.	Punch Industry Co., Ltd.	PHC Holdings Corporation	Hitachi Metal Ltd.	Hitachi Ltd.
Hitachi Transport System, Ltd.	Fukoku Co., Ltd.	Benefit One Inc.	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Financial Group	Mitsubishi Heavy Industries, Ltd.
Mitsubishi Estate Co., Ltd.	Yoshinoya Holdings Co., Ltd.	RISA Partners, Inc.			

Treasury management solution

Kirin Holdings Company Limited	KDDI Corporation	Kobe Steel, Ltd.	THK Co., Ltd.	Toei Animation
Nifco Inc.	Mitsui Chemicals, Inc.	UACJ Corporation		

The Market

Contribution scope of "spreading accountability" is expanding

Stewardship Reform

Corporate Governance Reform

Acceleration of importance of environmental and human rights issues

Acceleration of digitization

Changes in customer needs

Corporate philosophy, mission, and business assets

Increase the value potential for social contribution by providing an information environment that contributes to the enhancement of corporate value

Balancing "maximizing contribution value" and "maximizing corporate value"

- Strengthen the Group's ability to provide integrated proposals and services
- Improve social recognition as a company with high social contribution value
- Enhancement of the Group's management capabilities

Increase Value through “Spreading Accountability”

Group companies provide components needed to carry out mission

Solutions to IT
technology
application skills

**DX Consulting
& SI Business**

ZEAL®
BI EVANGELISTS

Solutions for further
utilization of
business and IT

**Business software
SaaS Business**

DIVA®
株式会社 インターネットディスクロージャー
Internet Disclosure Co., Ltd.

Solutions to the
shortage of human
resource

**Specialized
BPO Business**

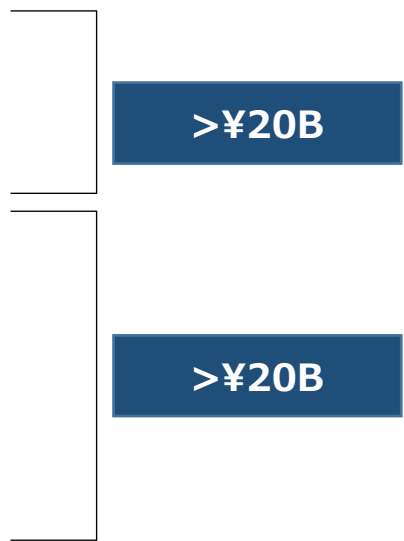
FIERTE

The source of our value is accumulation of business know-how and improvement of ability to transfer it to software

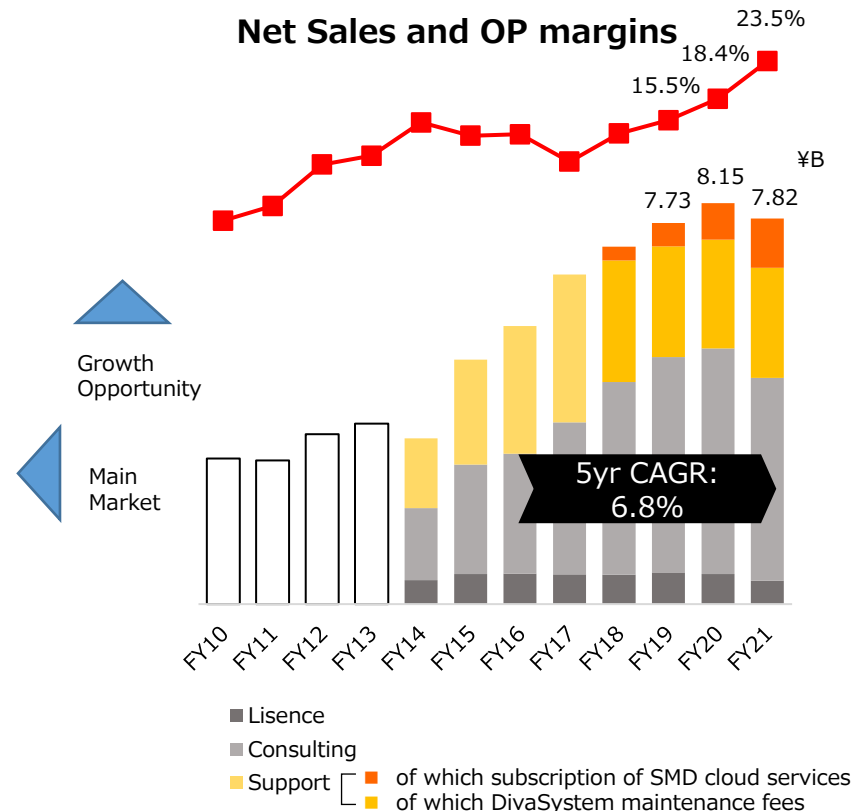
TAM for Consolidated Accounting Related Business

- Group management has become inevitable for Japanese companies to improve efficiency, reorganize industries, and expand overseas. The consolidated accounting system market should grow at around 6% due to the need to accelerate the settlement of accounts and strengthen disclosure.
- As companies are required to ensure sustainability through DX, they need solutions to integrate and analyze various information for management decision making, execution and reporting. Management accounting and IBP market should grow by 30%

TAM for DIVA[®]

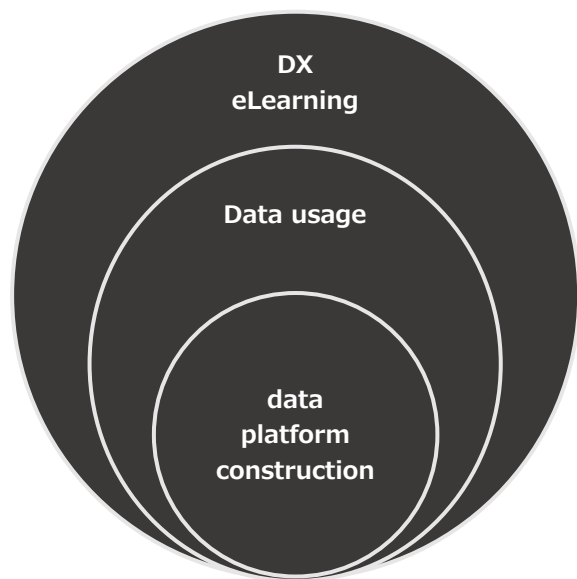


Net Sales and OP margins



- It has been two years since the Ministry of Economy, Trade and Industry (METI) released its "DX Report" with the aim of overcoming the "cliff of 2025" and promoting digital transformation (DX). Even in the DX Report 2, which was released in light of the changes in the environment during this period, only 5% of companies have adopted DX in earnest.
- ZEAL provides comprehensive support for corporate digital transformation, from data platform construction to digital transformation human resource development.

TAM for **ZEAL**
BI EVANGELISTS

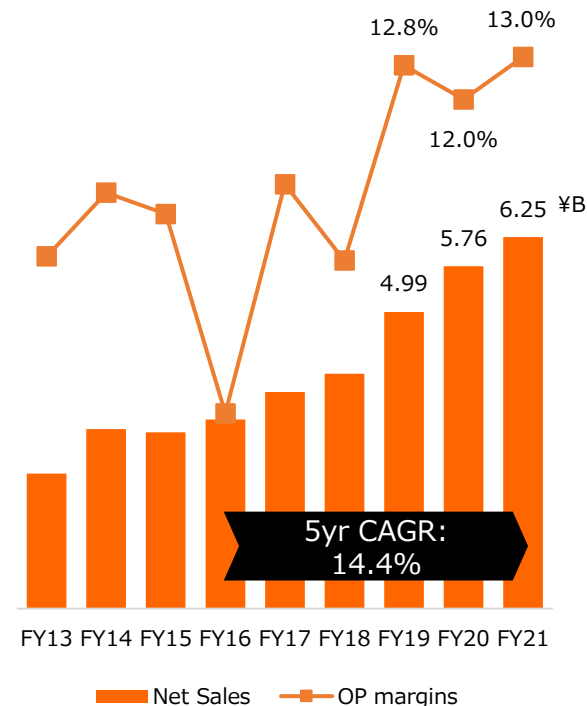


Growth Opportunity

Growth Opportunity

Main Market

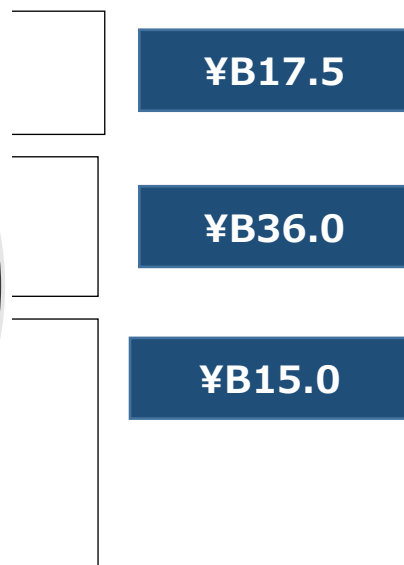
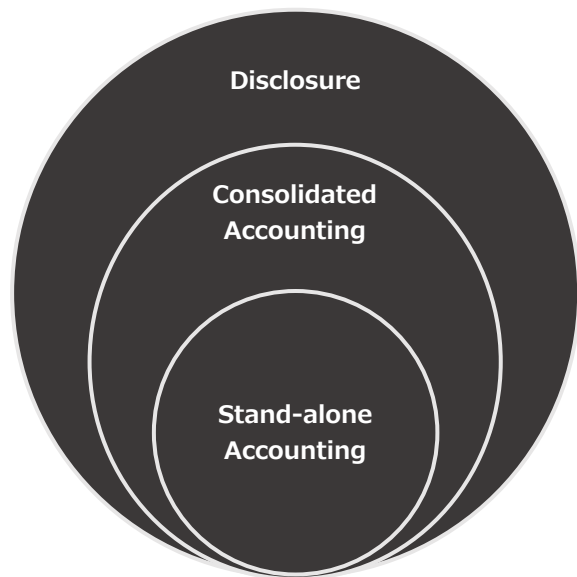
Net Sales and OP margins



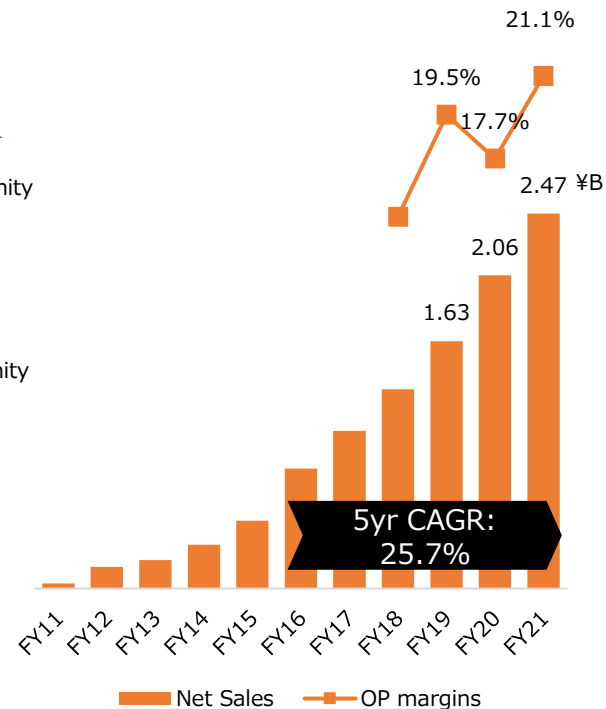
TAM for Outsourcing Business

- There is no other company that provides a wide range of outsourcing services from settlement of accounts to disclosure, and its strength lies in the know-how it has accumulated through the development, implementation and maintenance of consolidated accounting systems.
- The market is growing 20-25%, supported by needs for DX reforms, siloing, work style reforms, and enhanced governance.

TAM for **FIERTE**



Net Sales and OP margins



Medium-term Business Plan (FY19~23)

BE GLOBAL 2023

Initiative for Mid-term Plan “BE GLOBAL 2023”

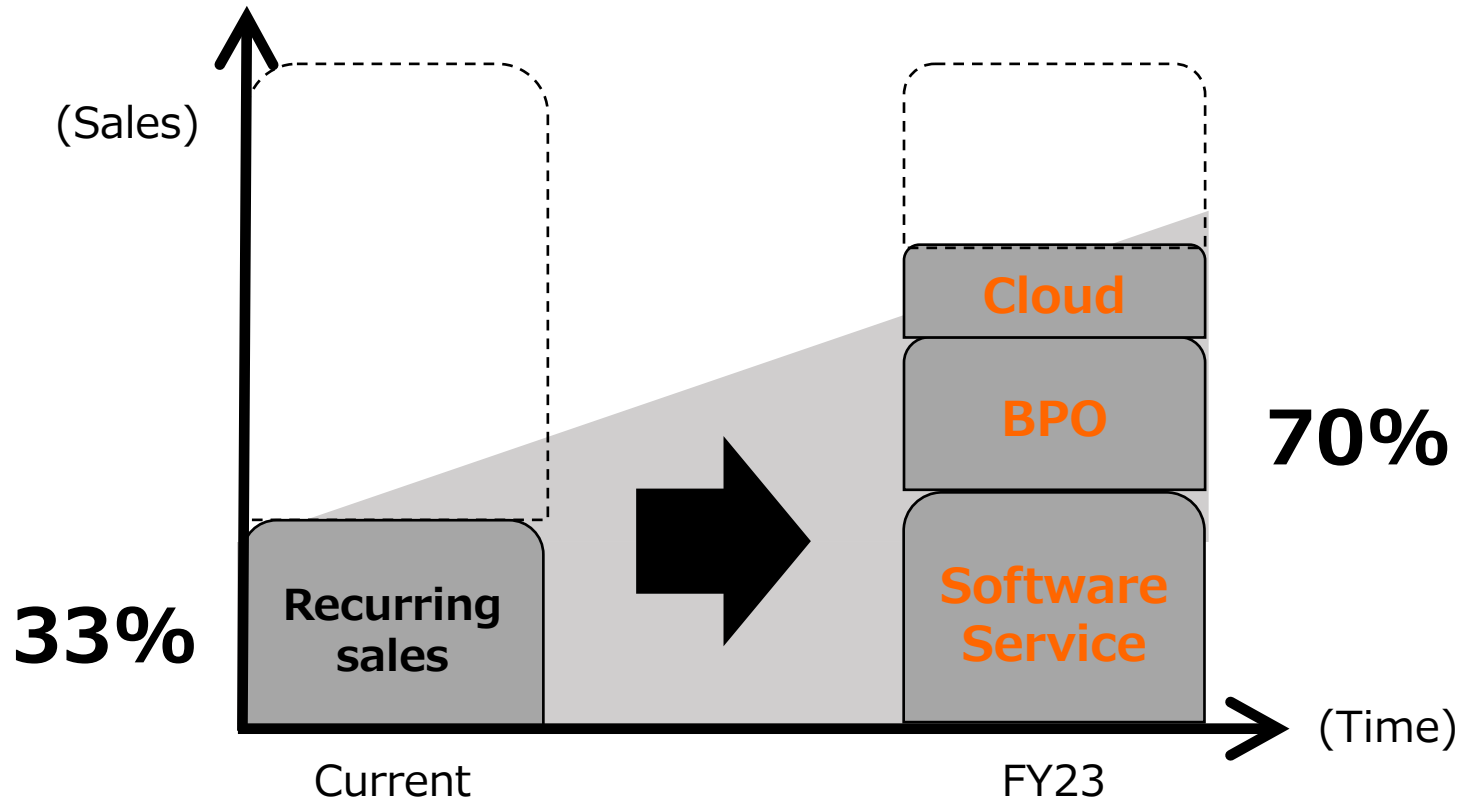
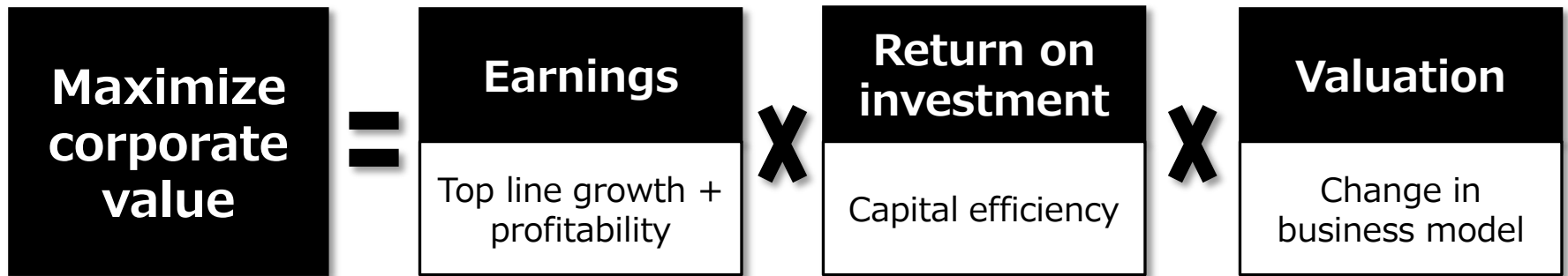
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- Promote cloud-shift, focus on basis for top-line growth
- Launch proprietary IP based products & services to improve recurring sales ratio, strengthen consultant sales
- Options for M&A at operating company level to accelerate growth

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Forecast	FY23 Target
Net Sales (B yen)	14.07	15.69	16.23	17.82	18~22
Recurring Sales Ratio (%)	31.4	32.7	36.1	UP	70
OP Income (B yen)	1.96	2.27	2.79	2.86	3.1~3.8
Sales Growth + OP Margin (points)	30.2	26.0	20.7	—	over 40
ROE (%)	24.6	23.5	23.6	—	over 20
Dividends (yen)	7.5	9.0	11.0	12.0	over 15

Our Goal during the Mid-term Business Plan

AVANT



Consolidated Accounting

Recurring sales ratio

FY20 actual

39%

FY23 target

50%

Initiatives for FY21

Accelerate top-line growth through cloud shift

- Introduce new products and services for cloud adoption
- Enhance solutions that contribute to the sophistication of management, from system accounting to planning & budgeting and managerial accounting
- Target better-performing industries and global players
- Consider profitability improvement measures (productivity improvement/flexible hiring/office space)

Business Intelligence

Recurring
sales
ratio

FY20 actual

9%

FY23 target

40%

Initiatives for FY21

Transform business model with proprietary solutions

- Launch unique solutions following ZEUSCLOUD,
- Strengthen collaboration with software vendors,
- Support large companies in DX-related projects,
- Adopt business unit organization that supports the transition

Outsourcing

Recurring
sales
ratio

FY20 actual

89%

FY23 target

95%

Initiatives for FY21

Maintain growth momentum

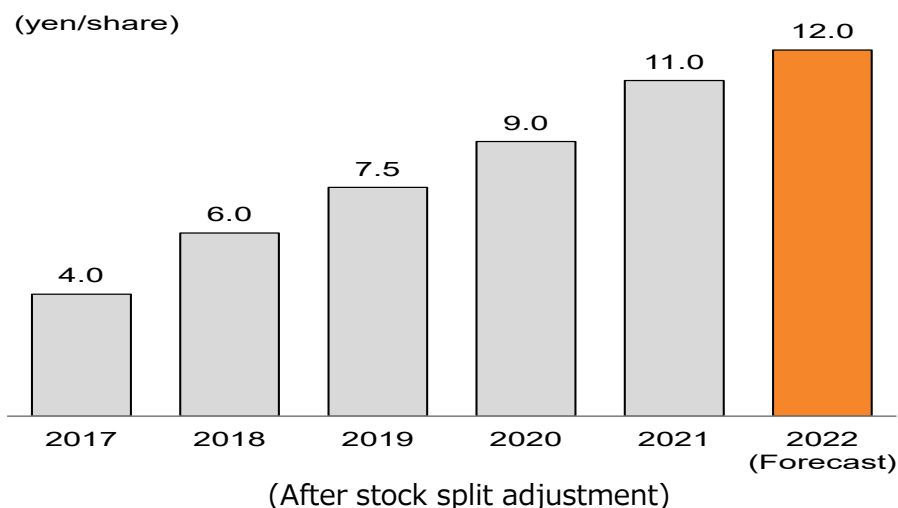
- Develop pipeline for financial closing outsourcing and cash management solutions into hard contracts
- Diversify services
- Accelerate investment in efficiency improvement and development of human resources

Shareholder Return Policy

- The dividend for the fiscal year ending June 30, 2021 is 11 yen, an increase of 2 yen from the previous fiscal year, in consideration of better-than-expected full-year results; in line with the policy of maintaining stable dividends for the fiscal year ending June 30, 2022, the dividend is expected to increase for the seventh consecutive year to 12 yen per share.
- DOE for the fiscal year ending June 30, 2021 is 5.2%, much higher than the average (12-month) DOE of 2.7% for companies listed on the Tokyo Stock Exchange.

<AVANT's shareholder return policy>

- The Company regards dividends as an important part of its shareholder return policy.
- By focusing on indicators such as the ratio of dividends to net assets, we aim to maintain or increase the amount of dividends in a stable manner without being greatly affected by the business performance of each fiscal year.
- We will gradually raise the ratio of dividends to net assets to a level that is consistently higher than the average of all companies listed on the Tokyo Stock Exchange, and over the medium to long term, we will aim for 8%, which is the average of the top 10% of companies in terms of the ratio of dividends to net assets.

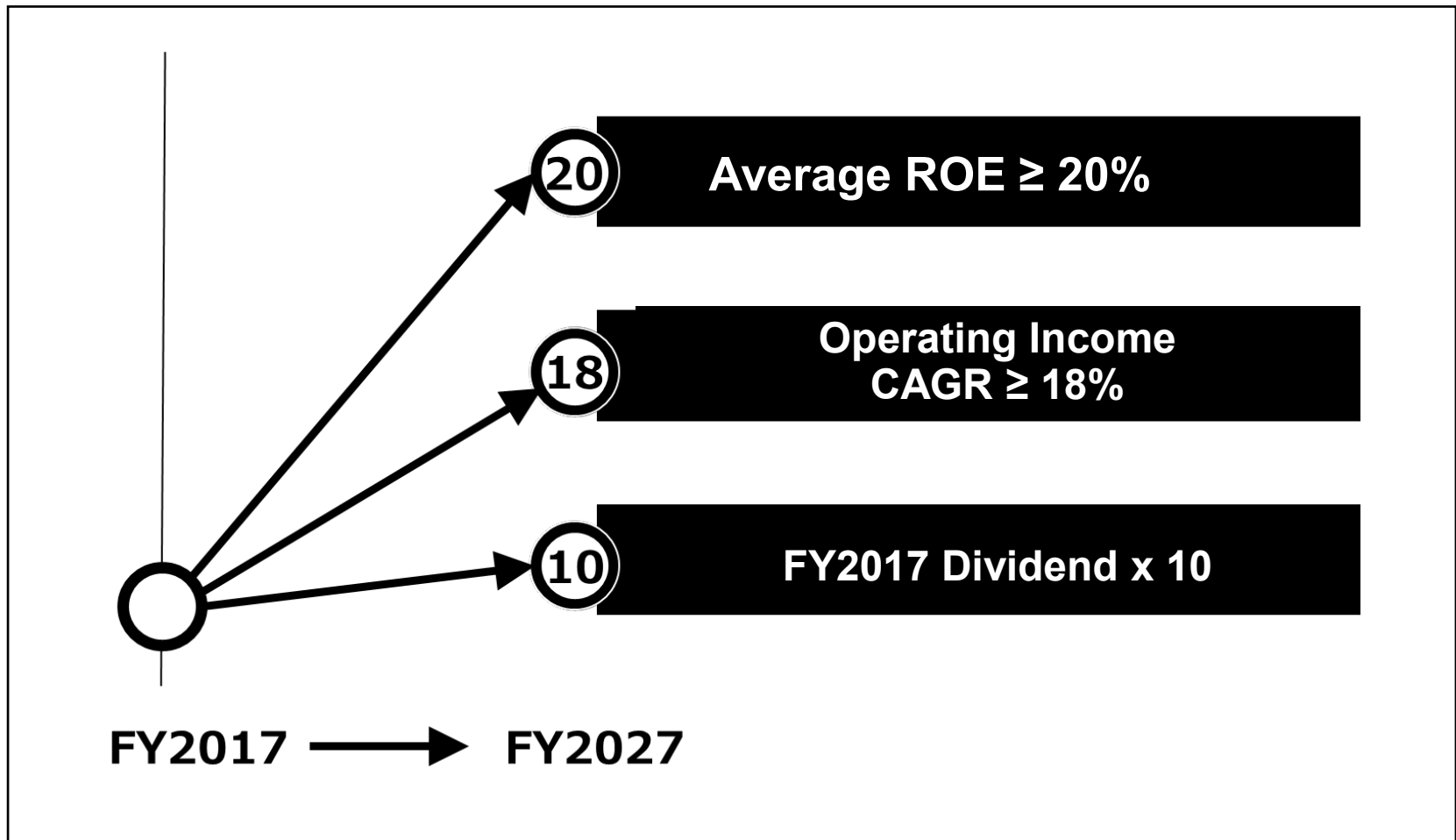


	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast
Dividends per share (yen)	4.0	6.0	7.5	9.0	11.0	12.0
DOE (AVANT)	4.18%	5.20%	5.27%	5.17%	5.18%	-
DOE (TSE Average)	2.70%	2.86%	2.93%	2.94%	2.72%	-

Note: The average ratio of dividends to net assets for companies listed on the Tokyo Stock Exchange is a weighted average of the monthly figures for the 12-month period ending in June.

Financials

AVANT Group's Long-Term Performance Goals for the Period from FY2017 to FY2027



10-year Financial Summary

AVANT

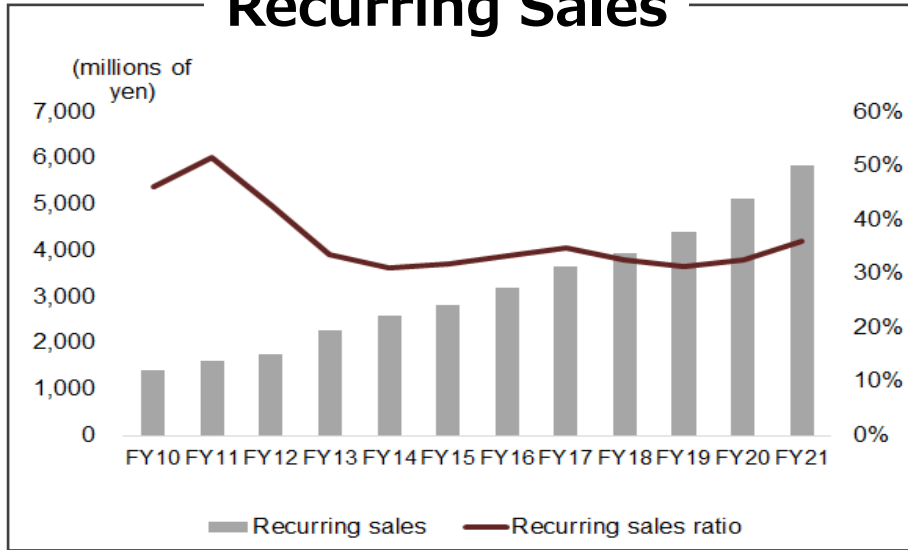
(millions of yen, yen)

	FY12 (12/6)	FY13 (13/6)	FY14 (14/6)	FY15 (15/6)	FY16 (16/6)	FY17 (17/6)	FY18 (18/6)	FY19 (19/6)	FY20 (20/6)	FY21 (21/6)
Net sales	4,101	6,732	8,300	8,928	9,612	10,532	12,110	14,077	15,691	16,236
Cost of sales	2,164	4,061	4,580	5,133	5,452	5,834	6,946	7,779	8,525	8,572
Gross profit	1,936	2,670	3,720	3,795	4,159	4,697	5,163	6,298	7,166	7,664
SG&A expenses	1,526	2,022	2,631	2,990	3,050	3,391	3,532	4,332	4,887	4,867
Operating income	410	647	1,088	805	1,109	1,306	1,631	1,966	2,278	2,796
EBITDA	535	822	1,285	1,033	1,172	1,279	1,807	2,170	2,510	3,063
Net income	191	362	623	402	660	663	1,062	1,317	1,537	1,888
EPS (yen)	5.09	9.66	16.60	10.71	17.60	17.67	28.28	35.06	40.92	50.24
DPS (yen)	0.50	1.13	3.38	2.25	2.75	4.00	6.00	7.50	9.00	11.00
Total property, plant & equipment	115	170	254	199	210	207	222	277	469	407
Intangible assets	67	522	405	301	201	100	172	165	191	608
Investments and other	252	288	377	398	559	747	921	1,574	1,614	1,893
Unearned revenue	56	185	173	109	284	272	300	356	342	366
Current portion of L-T debt	--	129	122	122	122	28	--	--	--	--
Long term debt	--	396	273	151	28	--	--	--	--	--
Net assets	1,535	1,879	2,460	2,739	3,311	3,873	4,792	5,898	7,194	8,787
Total assets	3,502	4,785	5,537	5,681	6,709	7,325	8,814	10,415	11,780	13,956

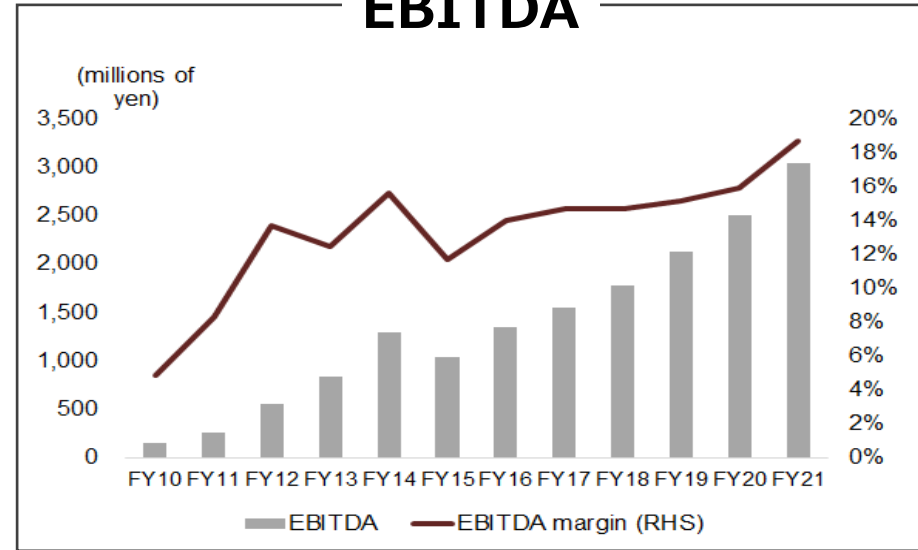
(Note) per share data are adjusted for two-for-one stock splits

Trends in Financial KPIs

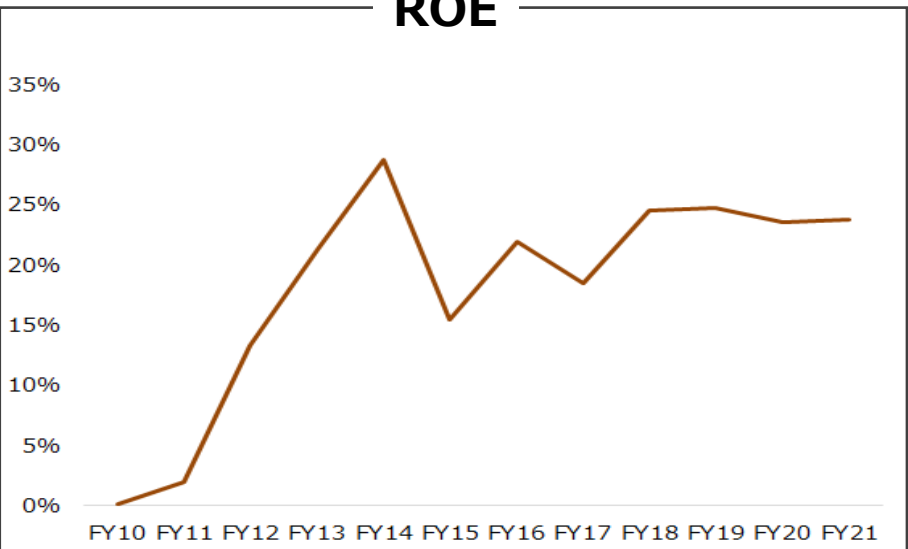
Recurring Sales



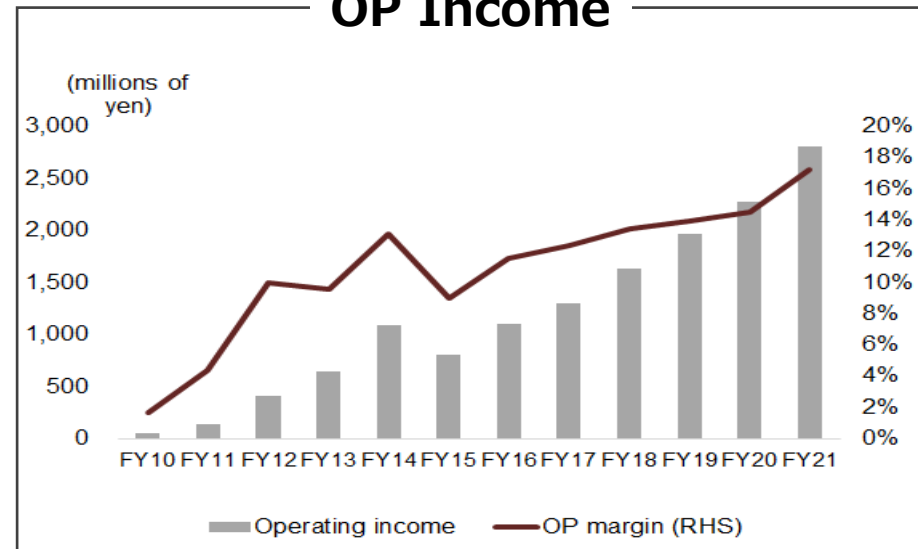
EBITDA



ROE



OP Income



Results for FY June 2021

AVANT

Increased sales and profits for the sixth consecutive year, and dividend forecast revised upward

- All segments achieved sales growth in the three months of the fourth quarter. Orders received and order backlogs were also positive in all segments, resulting in double-digit growth overall.
- Both profit margin and profit amount improved significantly due to the effects of cost reduction measures implemented since the third quarter of the previous fiscal year.

(millions of yen)

	FY20/06	FY21/06	Year-on-Year	
			Variance	%CHG
Net Sales	15,691	16,236	+ 544	+ 3.5%
Cost of Revenue	8,525	8,572	+ 46	+ 0.5%
SG&A expenses	4,887	4,867	△ 19	△ 0.4%
Operating Income	2,278	2,796	+ 517	+ 22.7%
OP Margin	14.5%	17.2%	-	+ 2.7 point
Ordinary Income	2,282	2,808	+ 526	+ 23.1%
Net Income	1,537	1,888	+ 351	+ 22.8%
EBITDA	2,506	3,038	+ 532	+ 21.2%

Results by Business Segment

AVANT

Sales increased in all segments

- Sales in the Consolidated Accounting Related Business decreased for the full year but increased in the three months of the fourth quarter. The Business Intelligence and Outsourcing businesses posted higher profits, as higher revenue offset higher fixed costs and performance-linked compensation.

(millions of yen)

		FY20/06	FY21/06	Year-on-Year	
				Variance	%CHG
Consolidated Accounting	Net Sales	8,485	8,160	△ 324	△ 3.8%
	Operating Income	1,616	1,935	+ 318	+ 19.7%
	OP Margin	19.1%	23.7%	-	+ 4.7 point
Business Intelligence	Net Sales	5,767	6,250	+ 482	+ 8.4%
	Operating Income	692	811	+ 119	+ 17.2%
	OP Margin	12.0%	13.0%	-	+ 1.0 point
Outsourcing	Net Sales	2,062	2,479	+ 417	+ 20.2%
	Operating Income	364	523	+ 159	+ 43.7%
	OP Margin	17.7%	21.1%	-	+ 3.4 point

FY22 Earnings Guidance

AVANT

Expecting sales and profits to increase for the seventh consecutive year

- The Company assumes a trend of accelerated growth in all segments by capturing customers' needs and strengthening proposal capabilities.
- Operating profit margin is expected to deteriorate slightly. This is because we will focus on strengthening product development and securing and training proposal-oriented human resources in order to accelerate the pace of stock sales growth to achieve the mid-term plan. Operating income is expected to increase, marking the seventh consecutive year of higher sales and profits.

(millions of yen)

	2021 June (Actual)	2022 June (Current Forecast)	Variance	% CHG
Net Sales	16,236	17,820	—	—
Operating Income	2,796	2,860	—	—
OP Margin	17.2%	16.0%	—	—
Net Income	1,888	1,905	—	—

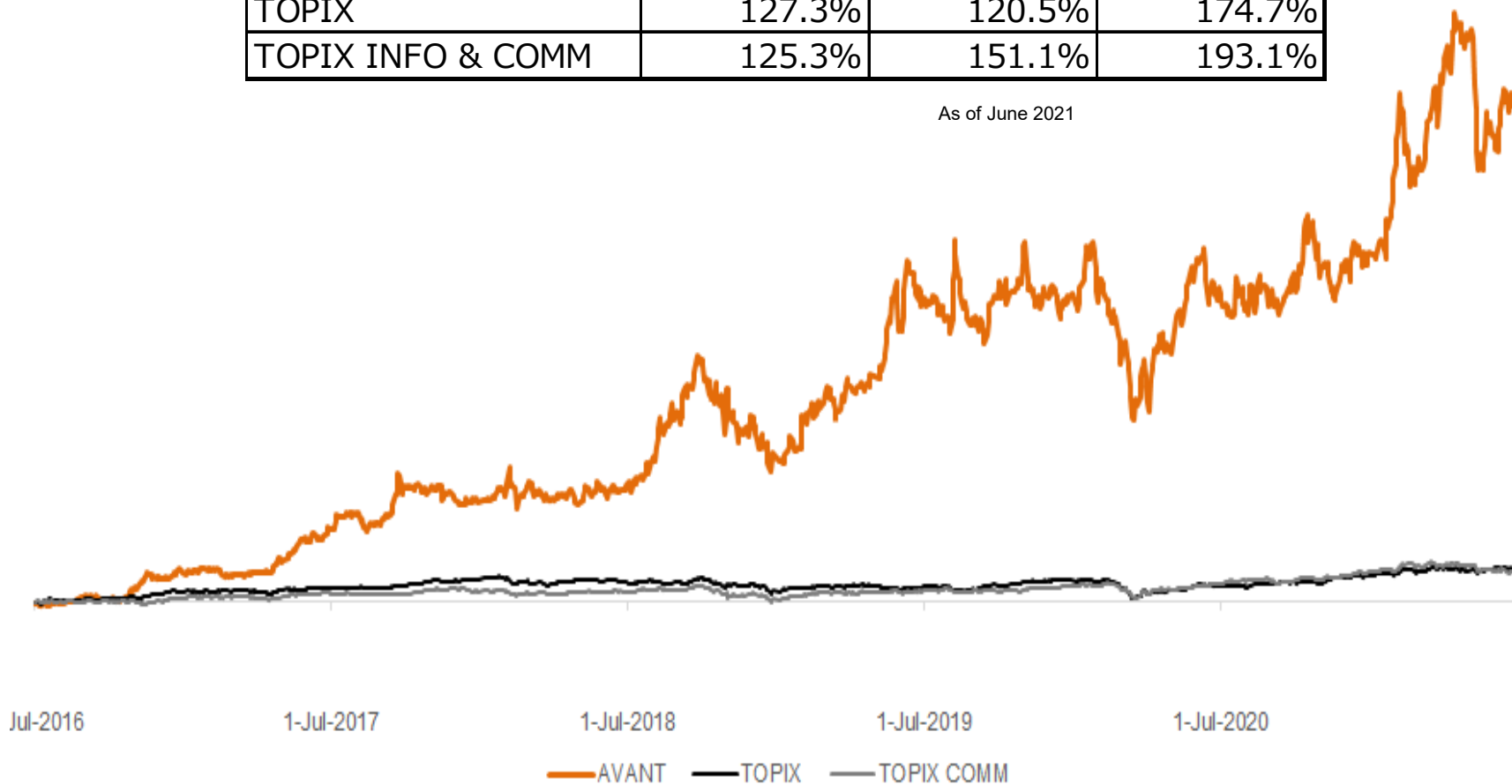
Since the Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the fiscal year ending June 30, 2022, the above forecast of consolidated financial results is the amount after the adoption of the said accounting standard, and therefore, the percentage change from the previous fiscal year is not stated.

AVANT TSR vs TOPIX

AVANT

	One year	Three years	Five years
AVANT	160.1%	347.6%	1228.8%
TOPIX	127.3%	120.5%	174.7%
TOPIX INFO & COMM	125.3%	151.1%	193.1%

As of June 2021

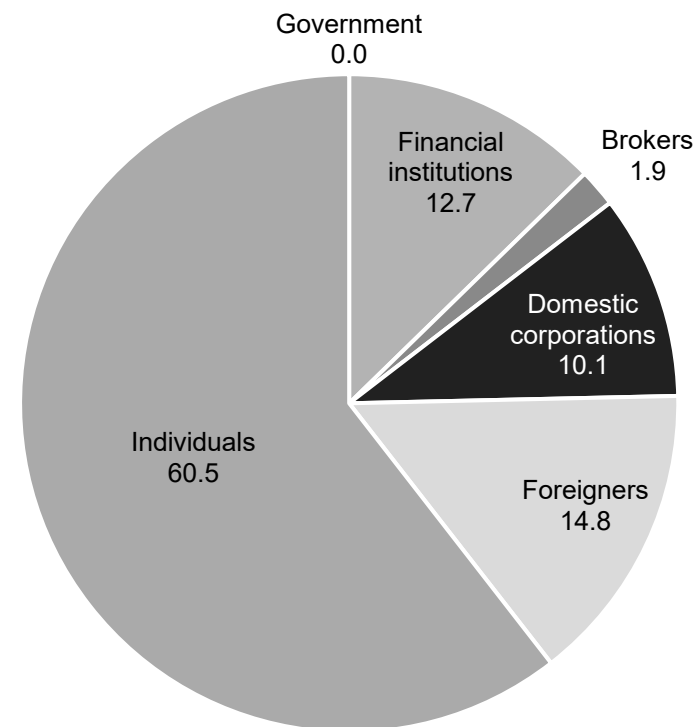


Source: Thomson Reuters

Major Shareholders

Name	Shares held (shares)	(%)
Tetsuji Morikawa	9,764,000	25.97
Avant Employee Stock Ownership Association	2,290,900	6.09
Tsuyoshi Noshiro	1,868,800	4.97
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,651,100	4.39
OBIC Business Consulting Co., Ltd.	1,600,000	4.26
PCA Corporation	1,556,800	4.14
SSBTC CLIENT OMNIBUS ACCOUNT	1,252,015	3.33
Custody Bank of Japan, Ltd. (Trust Account)	1,239,400	3.30
FCP SEXTANT ATOUR DU MONDE	800,000	2.13
JP MORGAN CHASE BANK 385174	705,600	1.88
WASATCH ADVISORS INC	1,911,925	5.08

Shareholders by Type



AVANT switch to renewable energy for all electricity

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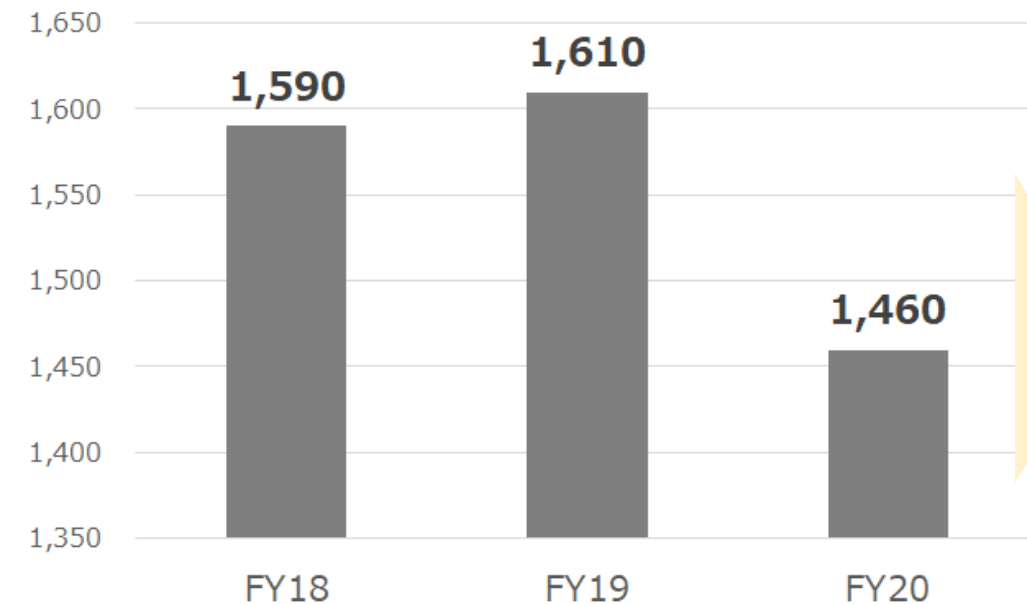
- Avant purchased Green Power Certificates issued by Japan Renewable Energy Co., Ltd. and switched to renewable energy for all electricity used by the five group companies from July 1, 2021.
- This is expected to reduce carbon dioxide emissions by approximately 660 tons-CO₂ (equivalent to the annual emissions of approximately 242 households*) for the approximately 1,500 MWh of electricity used annually by the Avant Group (actual results for the fiscal year ended June 30, 2020).

* Calculated from household sector CO₂ emissions in FY2049.



Japan Natural Energy Company Limited's mark certifying the use of green electricity

(MWh) **AVANT Group Annual Electricity Consumption**



AVANT has achieved carbon offsetting for 1,500 MWh per year.

Governance System of Avant

AVANT



Representative Group CEO
Tetsuji Morikawa



Director Group CFO
Naoyoshi Kasuga



Outside director
Naohisa Fukutani



Outside director
Georges Ugeux



Outside director
Jon Robertson



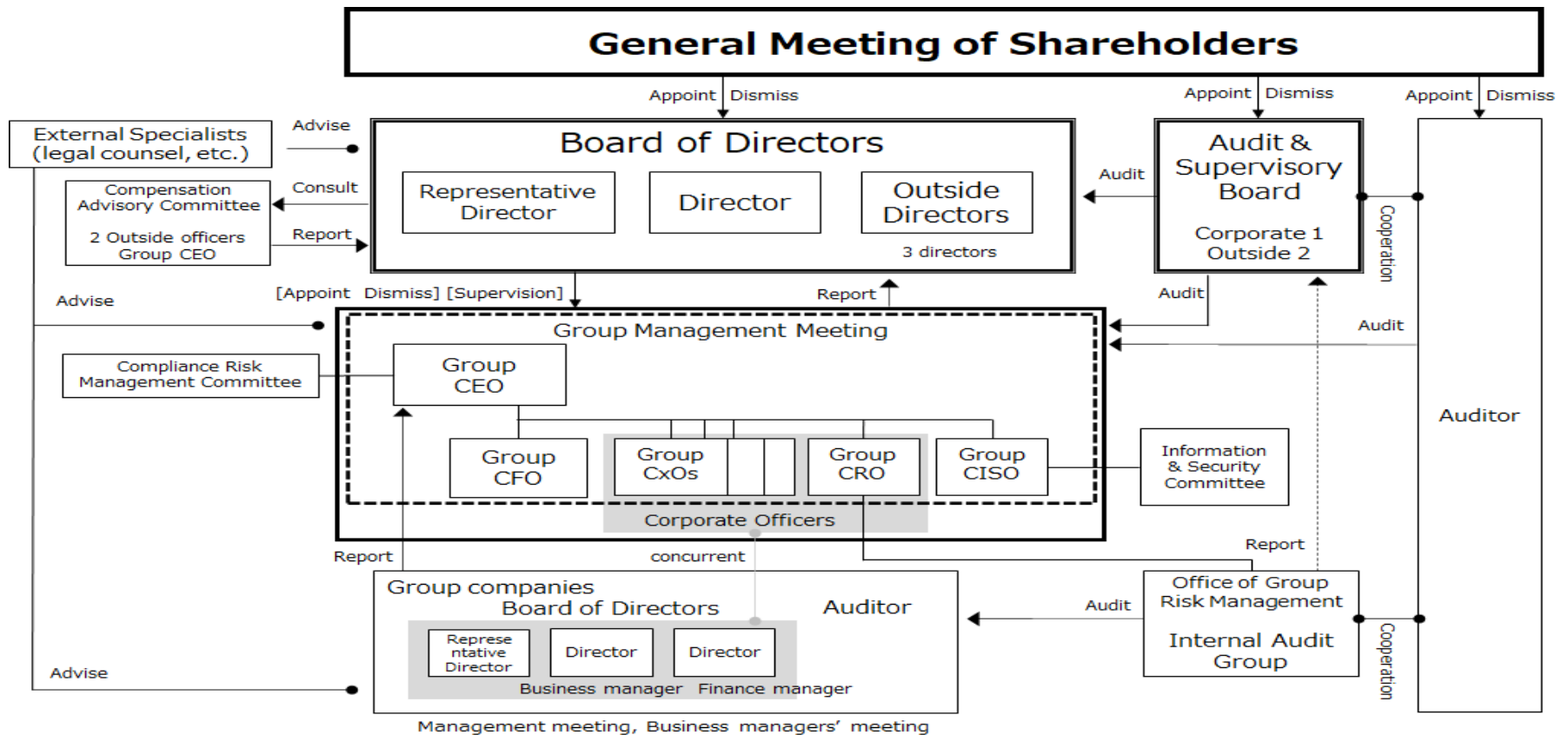
Corporate auditor
Tsuyoshi Noshiro



Outside auditor
Kunio Suzuki



Outside auditor
Chie Goto



CEO : Chief Executive Officer
CFO : Chief Financial Officer

CRO : Chief Risk-management Officer
CISO : Chief Information & Security Officer

AVANT

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