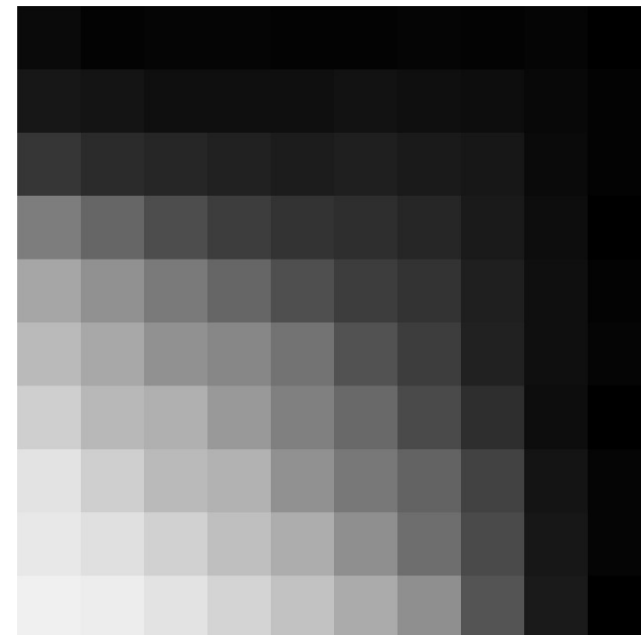


3836 TSE Prime

AVANT GROUP CORPORATION

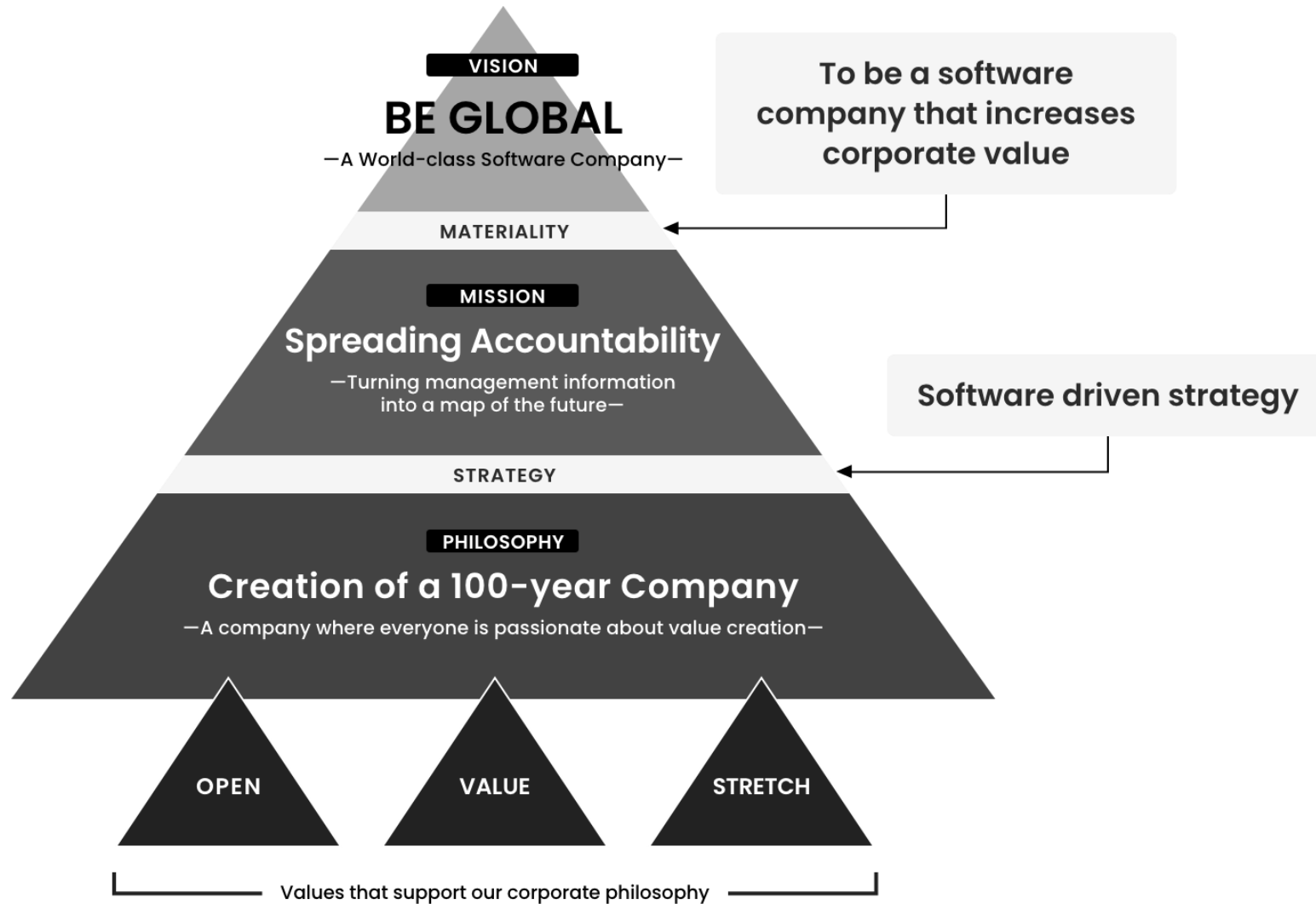
Investor Presentation

October 2023



Next Medium Term Management Plan BE GLOBAL 2028 (BG28)

Avant Group Philosophy



The Avant Group Moves to the Next Five Years to Realize BE GLOBAL

Established the top share in Japan in the consolidated accounting business

Introduction of holding company system and expansion of group management

BE GLOBAL

Government-led initiatives

■ Start of reporting in consolidated accounting (FY Mar. 2000~)

■ Mandatory quarterly reporting (FY Apr. 2003~)

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

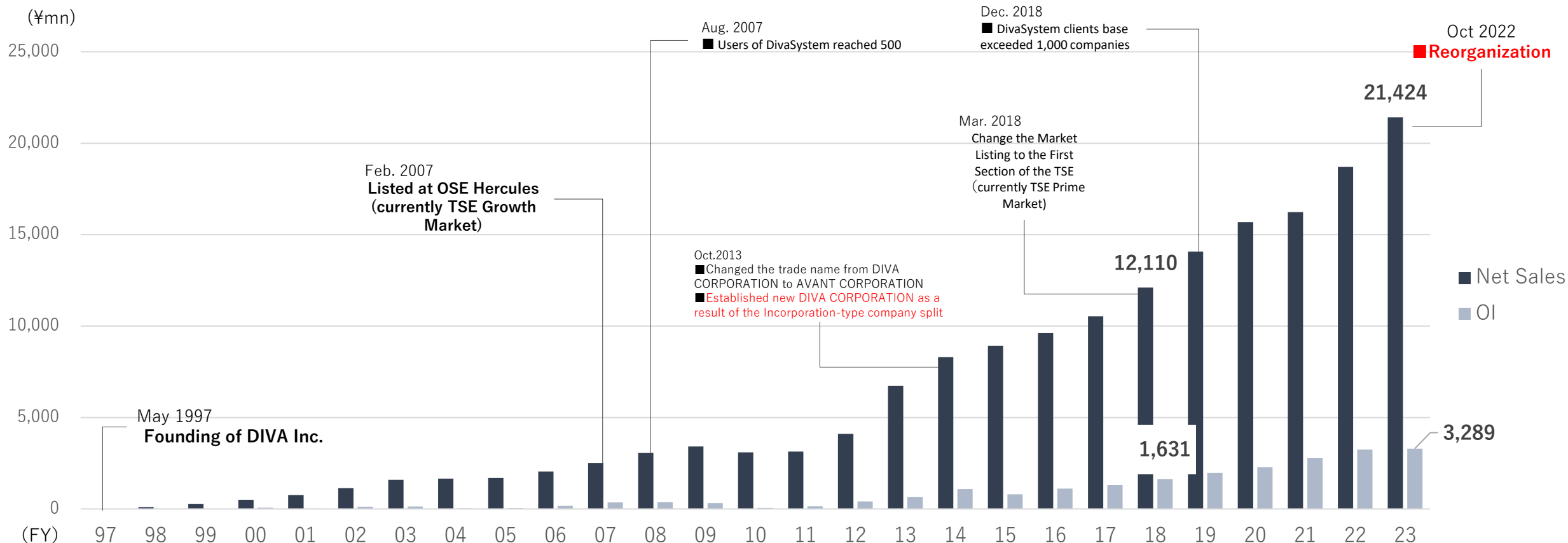
■ Voluntary Application of Disclosure under IFRS (FY Mar. 2010~)

■ Corporate Governance Code (Jun. 2015~)

■ Group Governance Practice Guidelines (Sep. 2019~)

■ Establishment of a study group on fair acquisition (2022~)

■ Publication of Business Restructuring Practice Guidelines (Jul. 2020~)



Review of Medium Term Management Plan BE GLOBAL 2023 (BG23)

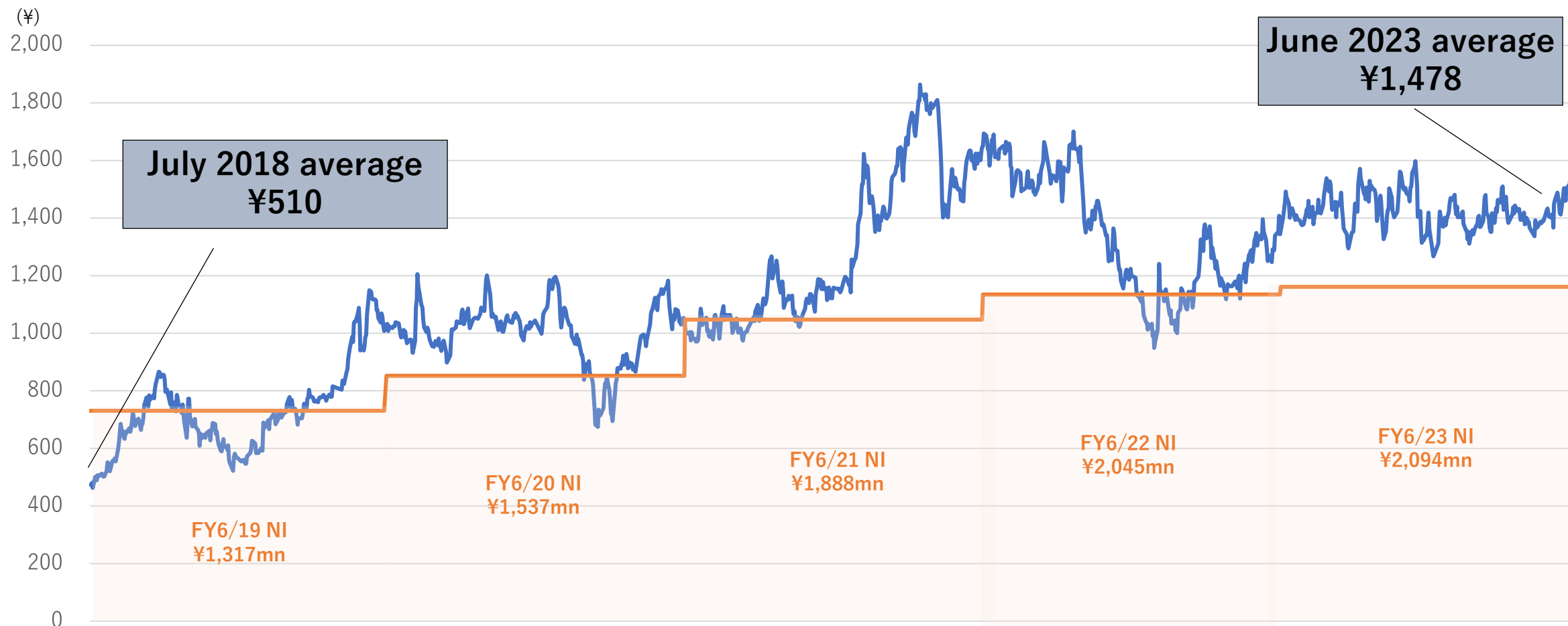
- Sales and earnings both grew during the plan, (13 consecutive years of sales growth, 8 consecutive years of earnings growth), operational and financial KPIs achieved, net sales and operating income nearly doubled during the plan.
- Achieve transformation of business model in new plan BE GLOBAL 2028 (BG28), and accelerate growth

		FY6/18 Result	FY6/23 Target	FY6/23 Result	
Operational KPI	Net Sales (¥bn)	12.1	18~22	21.4	Achieved both net sales and operating income medium term targets, with net sales growing 1.8x, and operating income 2x during the plan.
	Operating Income (¥bn)	1.6	3.1~3.8	3.2	
Strategic KPI	Recurring Sales Ratio (%)	33	70	35	Recurring sales grew from ¥4.0bn in FY6/18 to ¥7.6b in FY6/23, but the recurring sales ratio failed to grow, and the business model was not transformed.
	Sales Growth + OPM (points)	28.5	40 or more	29.9	
Financial KPI	ROE (%)	24.5	20 or more	22.2*	Achieved medium term targets for both ROE and dividend.
	Dividend (¥)	12	15 or more	15	

* FY6/19–FY6/23 average, new revenue recognition standard applied from FY6/22. FY6/23 actual 18.3%.

Share Price Performance during BE GLOBAL 2023

- Share price almost tripled during BG23
- Achieved share price formation that correlates with business performance



BG28 Outlook

- Increase corporate value by improving fundamentals through net income growth (3x) and by increasing future cashflow through a shift to a software focus

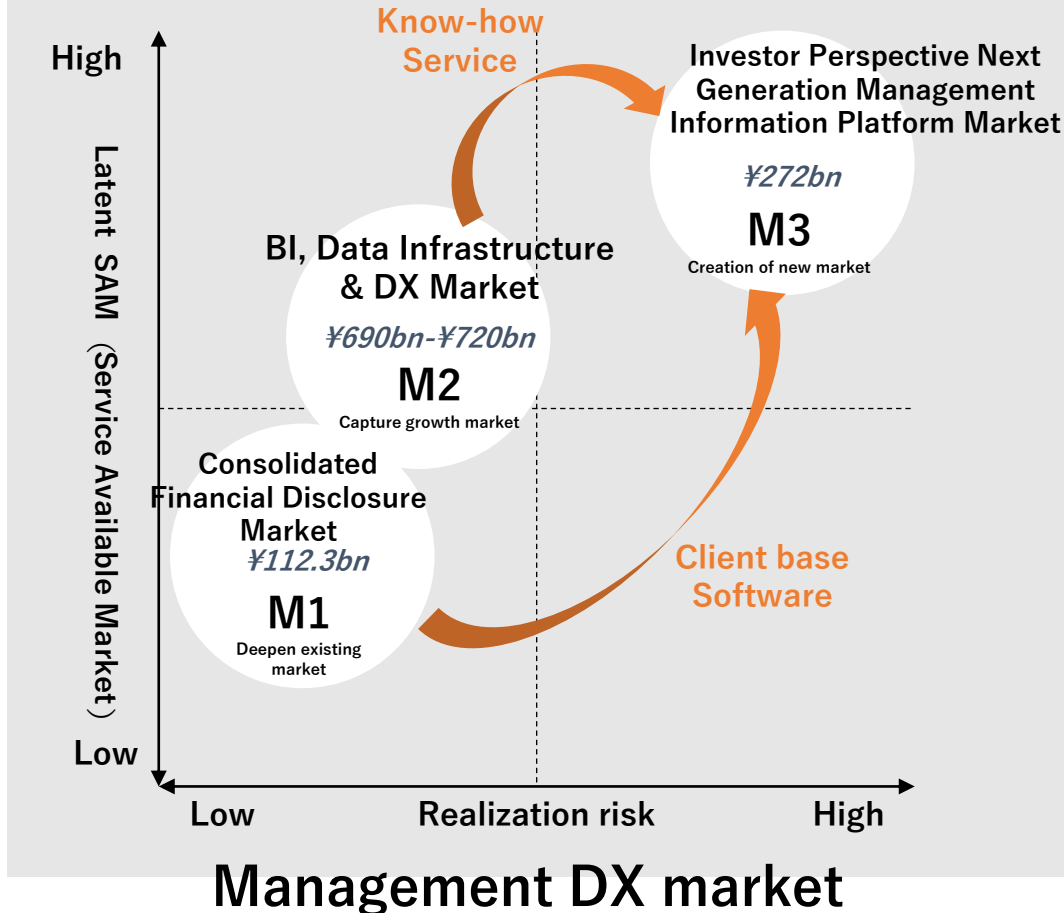
	FY6/23	FY6/24	FY6/28	5yr chg/avg
Net Sales	¥21.4bn	¥24bn	¥40-45bn	2x
Operating Income (OI)	¥3.28bn	¥3.85bn	¥9-11bn	3x
OPM	15.4%	16.0%	20-24%	+5-9pts
Net Income	¥2.09bn	¥2.5bn	¥6-7bn	3x/CAGR 25%
OI/person	¥2.4mn	¥2.4mn	¥3.5-4.3mn	1.5x
Software Gross Profit	¥2.13bn	¥2.17bn	¥6.0-6.5bn	3.0x
ROE	18.3%	19.3%	20% or more	Avg 20%
DOE	4.9%	5.3%	8% or more	Avg 7%
Dividend	¥15	¥19	¥51 or more	3.4x

Most important critical success factor (CSF) for promotion of group strategy

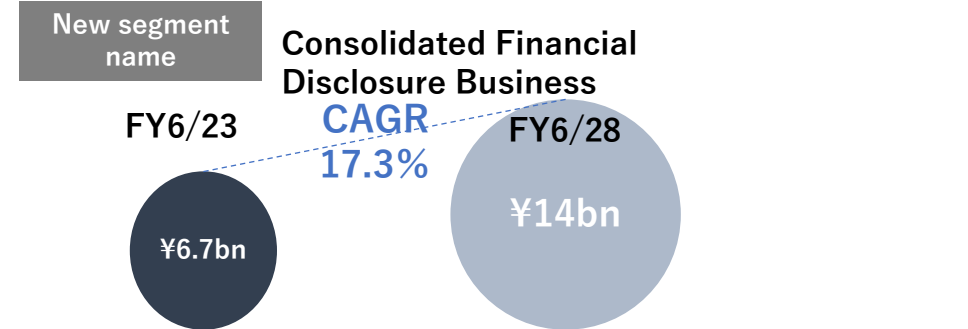
BG28 Focus Markets

- Position self in management DX market for companies where enhancing corporate value is a serious issue

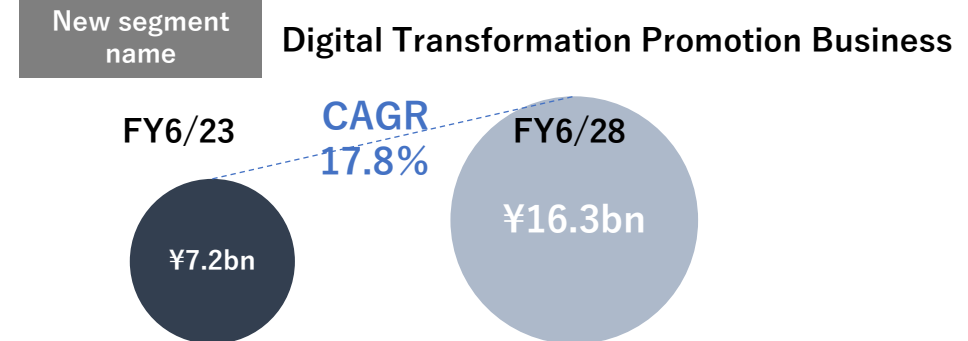
TAM (Total Addressable Market) and positioning of each market



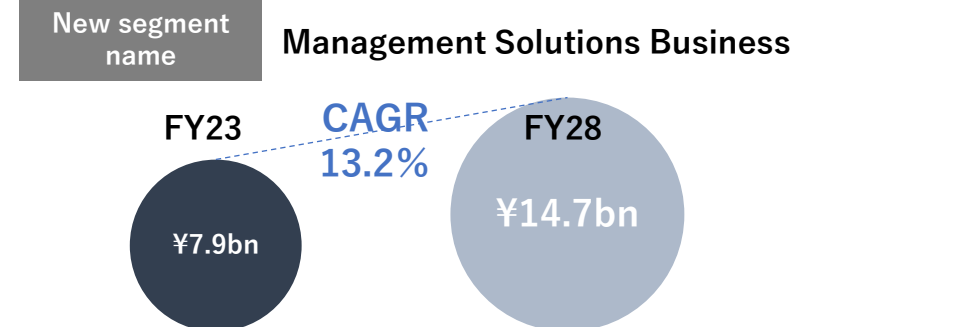
M1
Deepen existing market



M2
Capture growth market

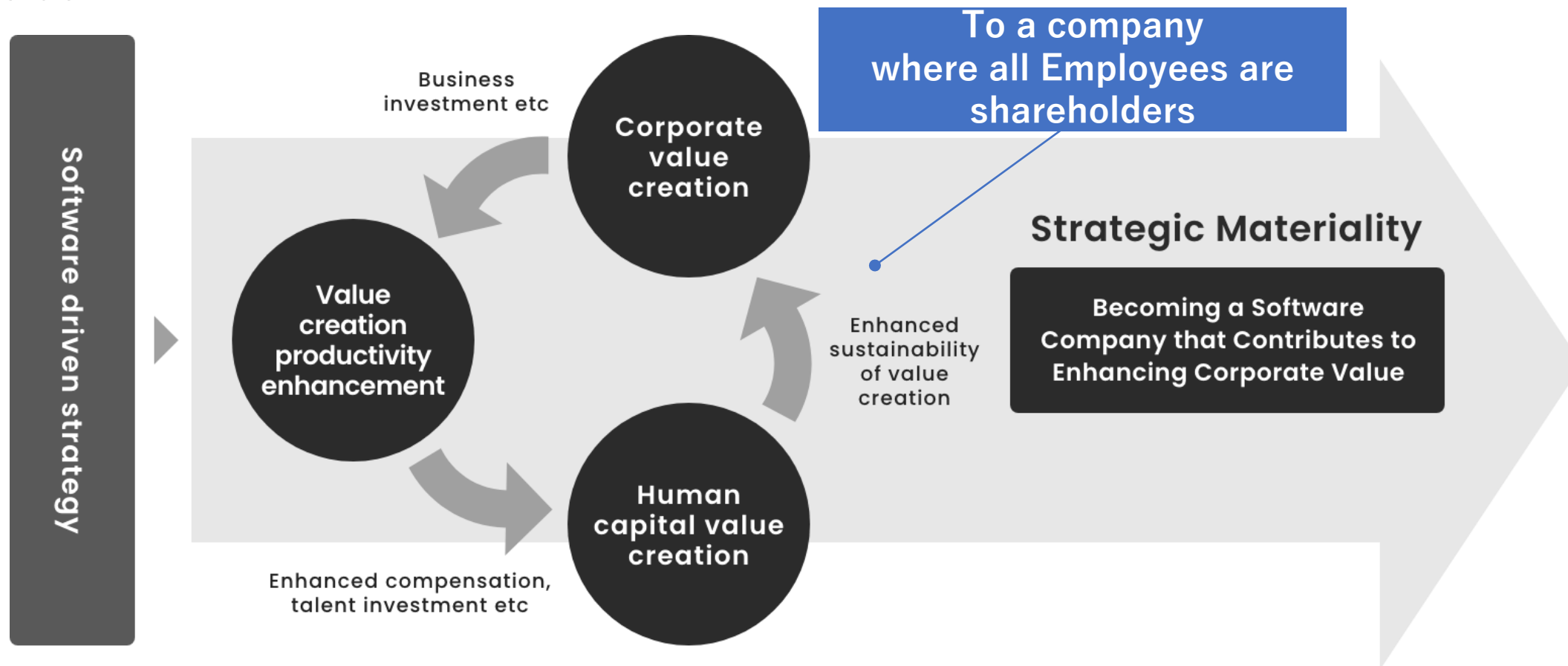


M3
Creation of new market



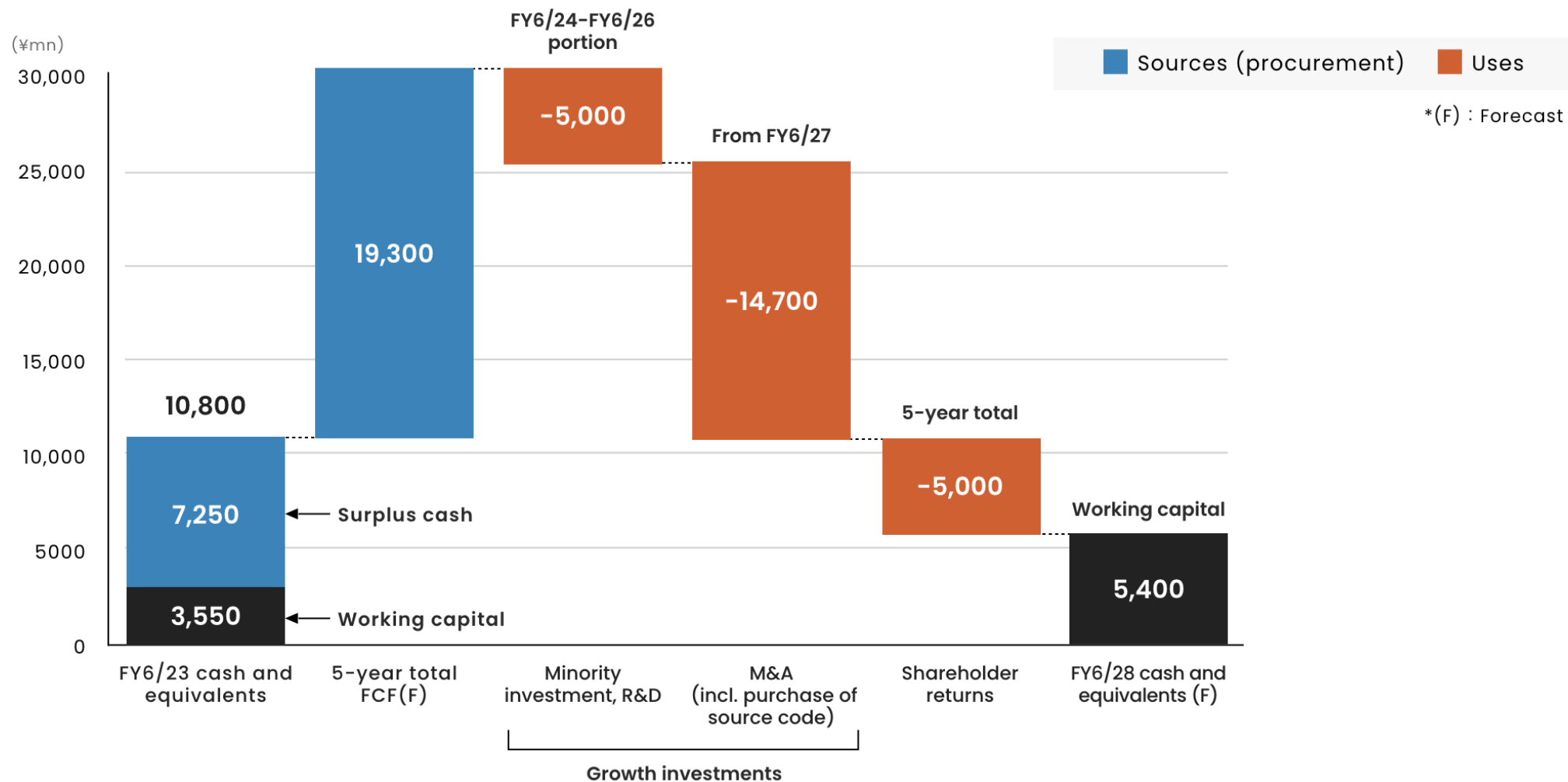
Value Creation Spiral Targeted in BG28

- With software as the driver for all businesses, review and reorganize the software portfolio, and promote value creating productivity improvements.
- By making all employees shareholders, raise employees' awareness of enhancing corporate value.



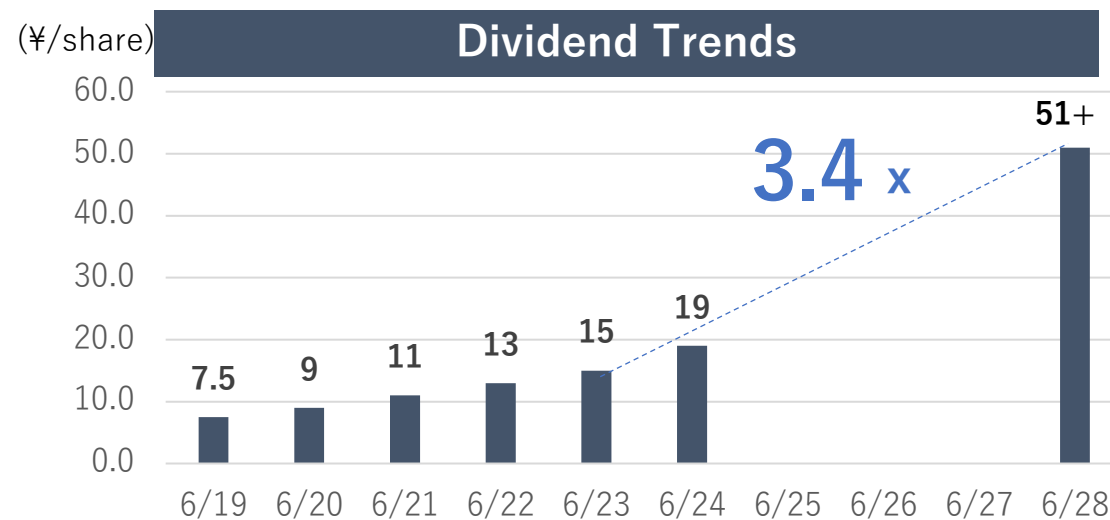
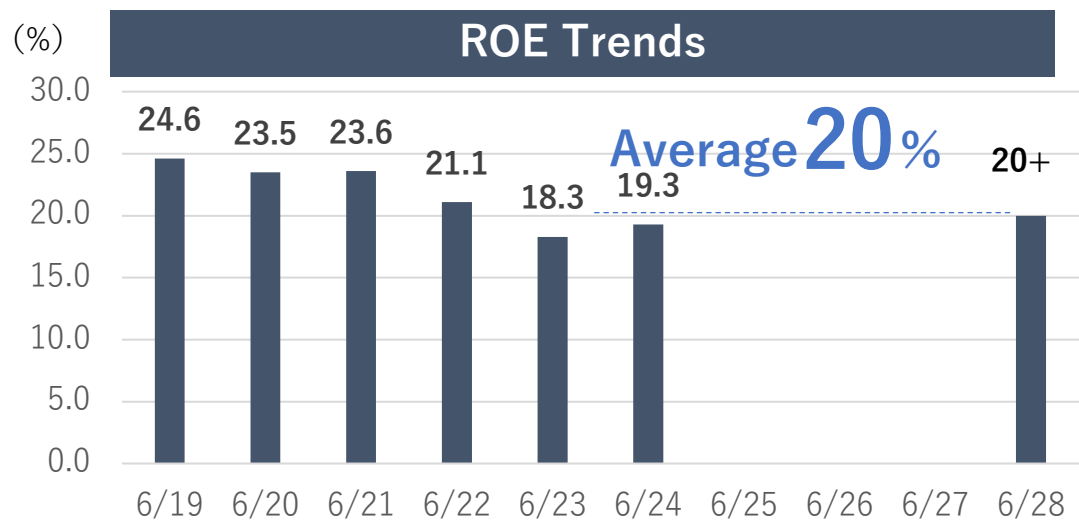
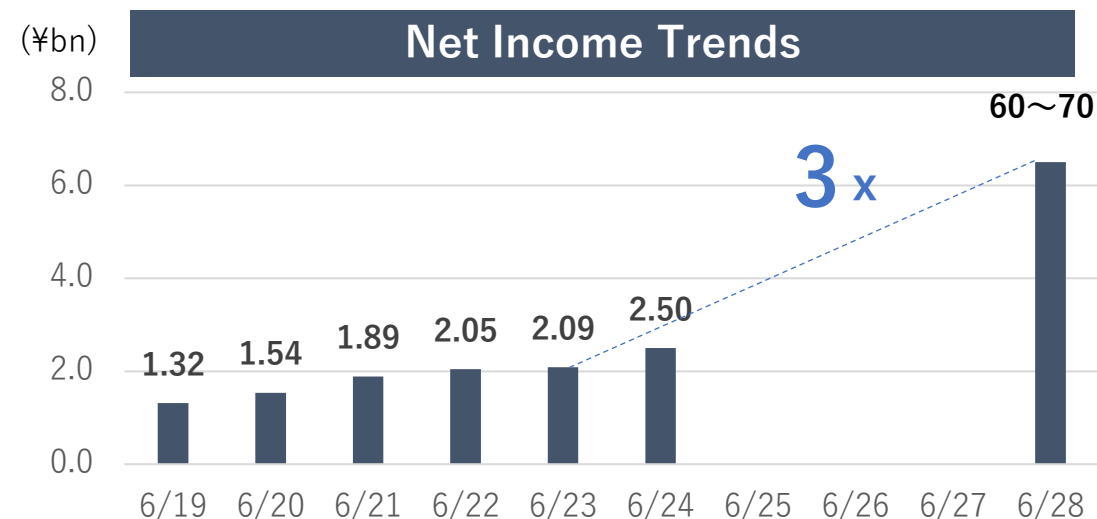
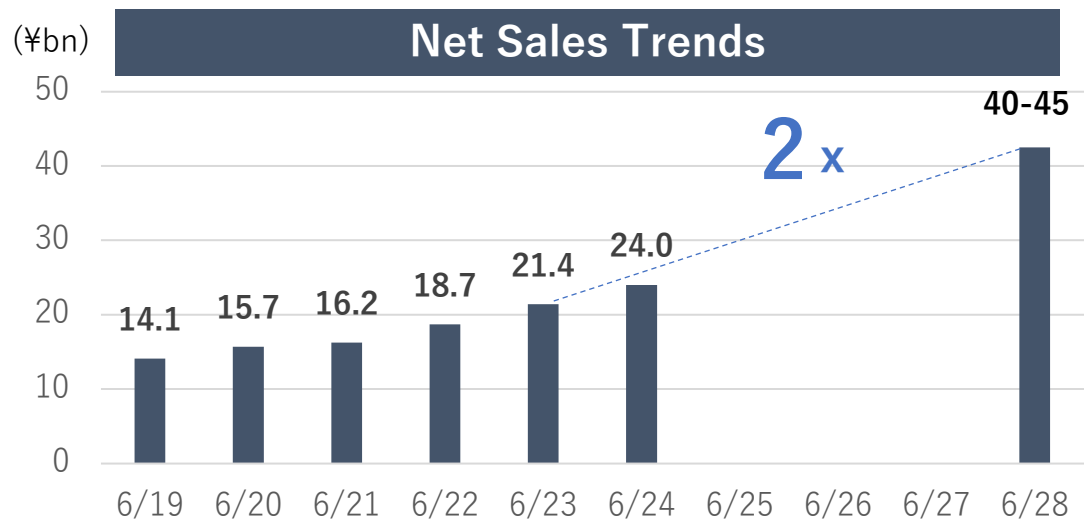
Capital Allocation

- Assuming ¥20bn for growth investments and ¥5bn for shareholder returns (dividends) over the 5-year period of the medium-term management plan.



BG28 Summary

- Grow the business with an increase in value-creating productivity, tripling net income on a doubling of sales.



Earnings Update & Shareholder Returns

FY6/23 Results Highlights

- Net sales increased 6.5% in the fourth quarter and 14.5% for the full year, despite a decline in the Group Governance business in the fourth quarter.
- Gross profit and operating income decreased in the fourth quarter on a quarterly basis due to a decline in gross profit margin due to additional personnel for growth and reorganization costs. Full-year increase rate is small, but profit growth was achieved.
- Net sales are below forecast, but operating and net income exceeded forecast.

(¥mn)

	FY6/23 Q4	YoY Variance		FY6/23	YoY Variance		vs Forecast	
		Yr earlier	% chg		Yr earlier	% chg	Forecast	% Achieve
Net Sales	5,236	4,916	6.5%	21,424	18,703	14.5%	21,800	-1.7%
Cost of Sales	3,173	2,686	18.1%	12,028	9,782	23.0%	—	—
Gross Profit	2,063	2,230	-7.5%	9,395	8,921	5.3%	—	—
GPM	39.4%	45.4%	-6.0pt	43.9%	47.7%	-3.8pt	—	—
SG&A	1,695	1,606	5.5%	6,106	5,674	7.6%	—	—
Operating Income	368	624	-41.0%	3,289	3,247	1.3%	3,100	6.1%
OPM	7.0%	12.7%	-5.7pt	15.4%	17.4%	-2.0pt	14.2%	1.1pt
Net Income	223	472	-52.8%	2,094	2,045	2.4%	2,030	3.2%
NPM	4.3%	9.6%	-5.4pt	9.8%	10.9%	-1.2pt	9.3%	0.5pt
EBITDA	492	711	-30.8%	3,737	3,582	4.3%	—	—
EBITDA margin	9.4%	14.5%	-5.1pt	17.4%	19.2%	-1.7pt	—	—

FY6/24 Earnings Forecasts

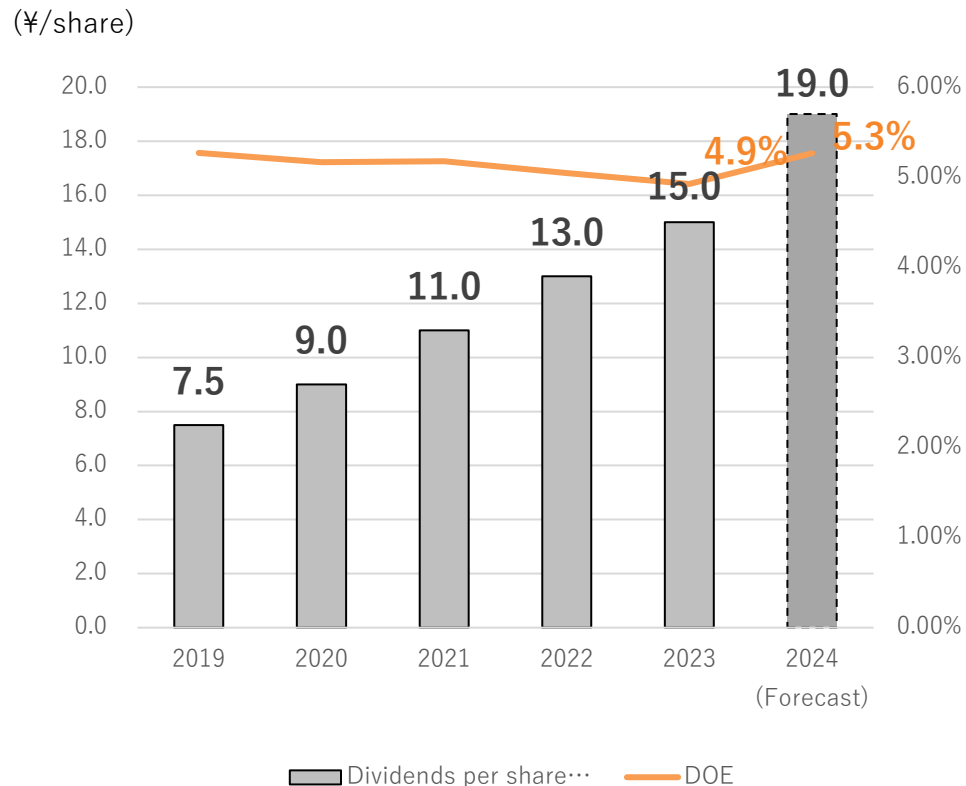
- In the fiscal year ending June 2023, we landed at almost the same level as the earnings forecast, achieving increased sales and profits.
- For the fiscal year ending June 2024, sales are expected to increase by 12% year-on-year to ¥24bn. Operating income and net income are expected to increase at a rate greater than the rate of increase in sales due to the effect of increased sales and the reduction of the burden of reorganization costs incurred in the fiscal year ending June 2023.

(¥mn)

	FY6/23 (Actual)	FY6/24 (Forecast)	Variance	Chg
Net Sales	21,424	24,000	2,576	12.0%
Operating Income	3,289	3,850	561	17.1%
OPM	15.4%	16.0%	-	-
Net Income	2,094	2,500	406	19.4%

Shareholder Returns

- DOE for the fiscal year ending June 2023 is expected to be 4.9%, significantly higher than the average of 3.1% for companies listed on the Tokyo Stock Exchange (12 months).
- For the fiscal year ending June 2024, the dividend per share will be significantly increased, and the DOE is expected to be 5.3%.



< Our shareholder return policy >

- Dividends are an important part of our shareholder return policy
- Avant aims to maintain if not grow the dividend by focusing on indicators such as dividend on equity (DoE) which is less impacted by fluctuations in annual earnings.
- The Company's DOE will always exceed the average of all companies listed on the Tokyo Stock Exchange and will aim to achieve 8% within the period of the new medium term management plan.

Company Profile

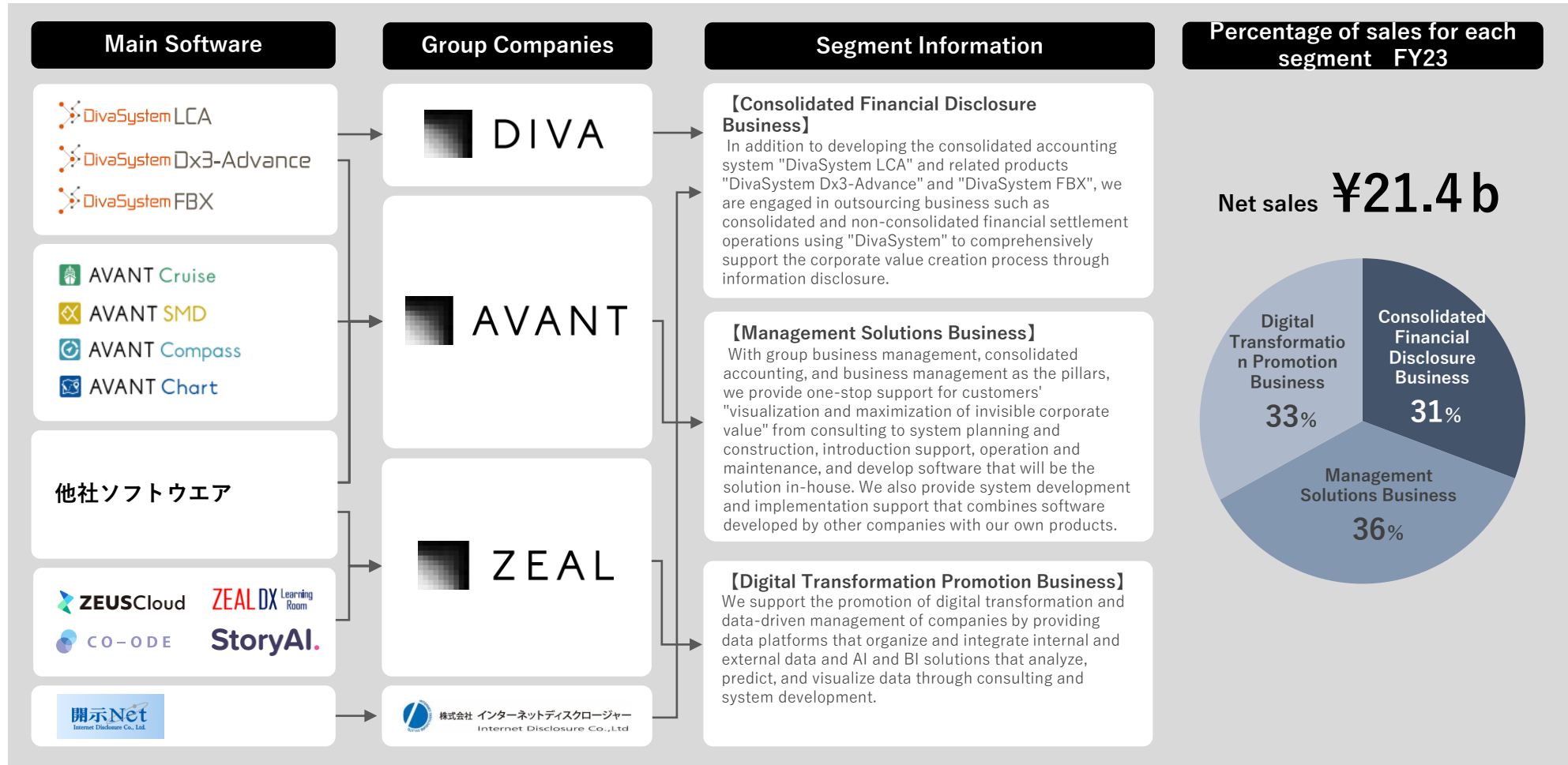
Company Introduction

Name : AVANT GROUP CORPORATION

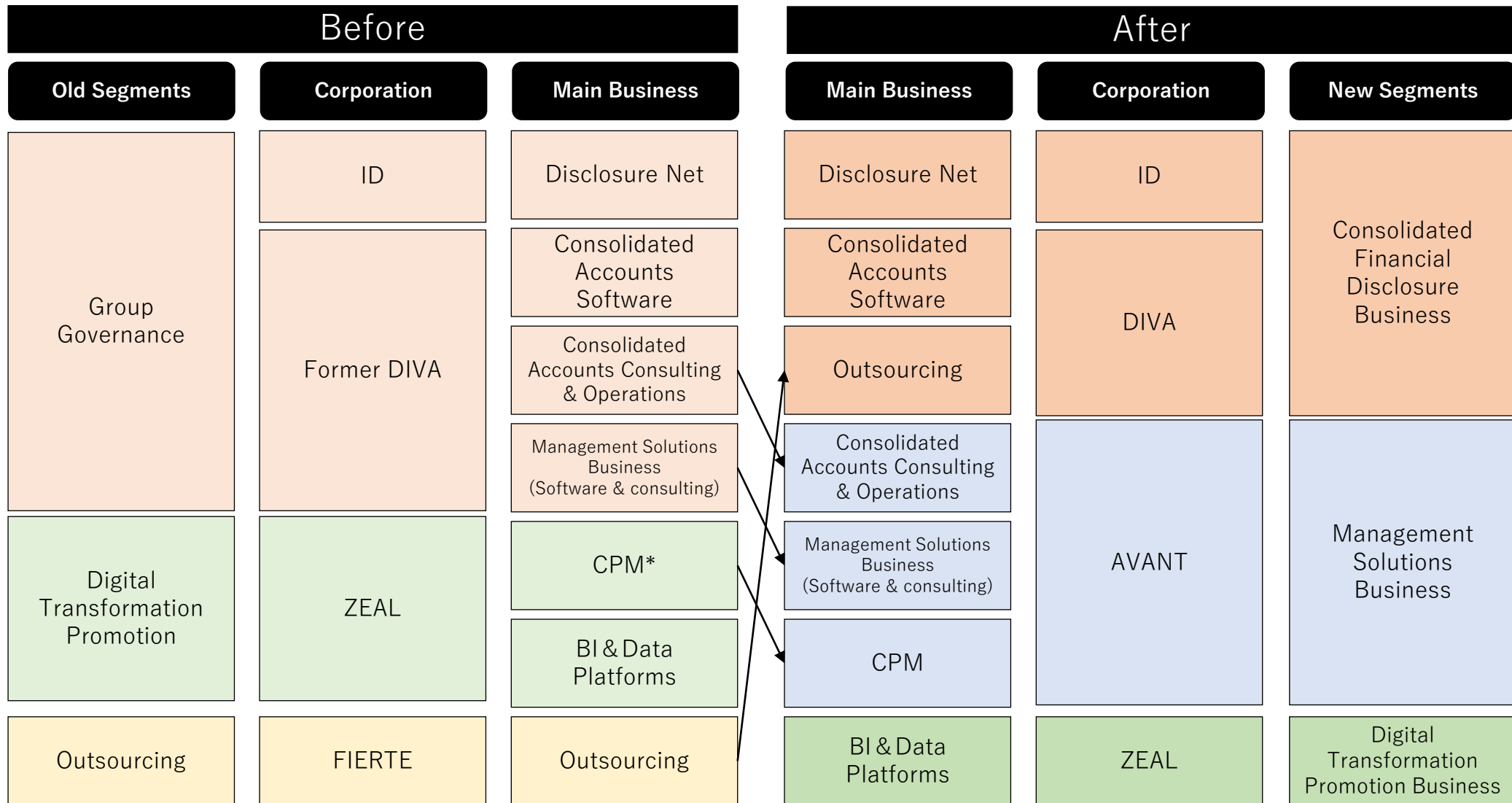
Inception : May 26, 1997

Representative : Tetsuji Morikawa, President and Group CEO

Market Cap : Approximately 55 billion yen (TSE Prime, 3836)



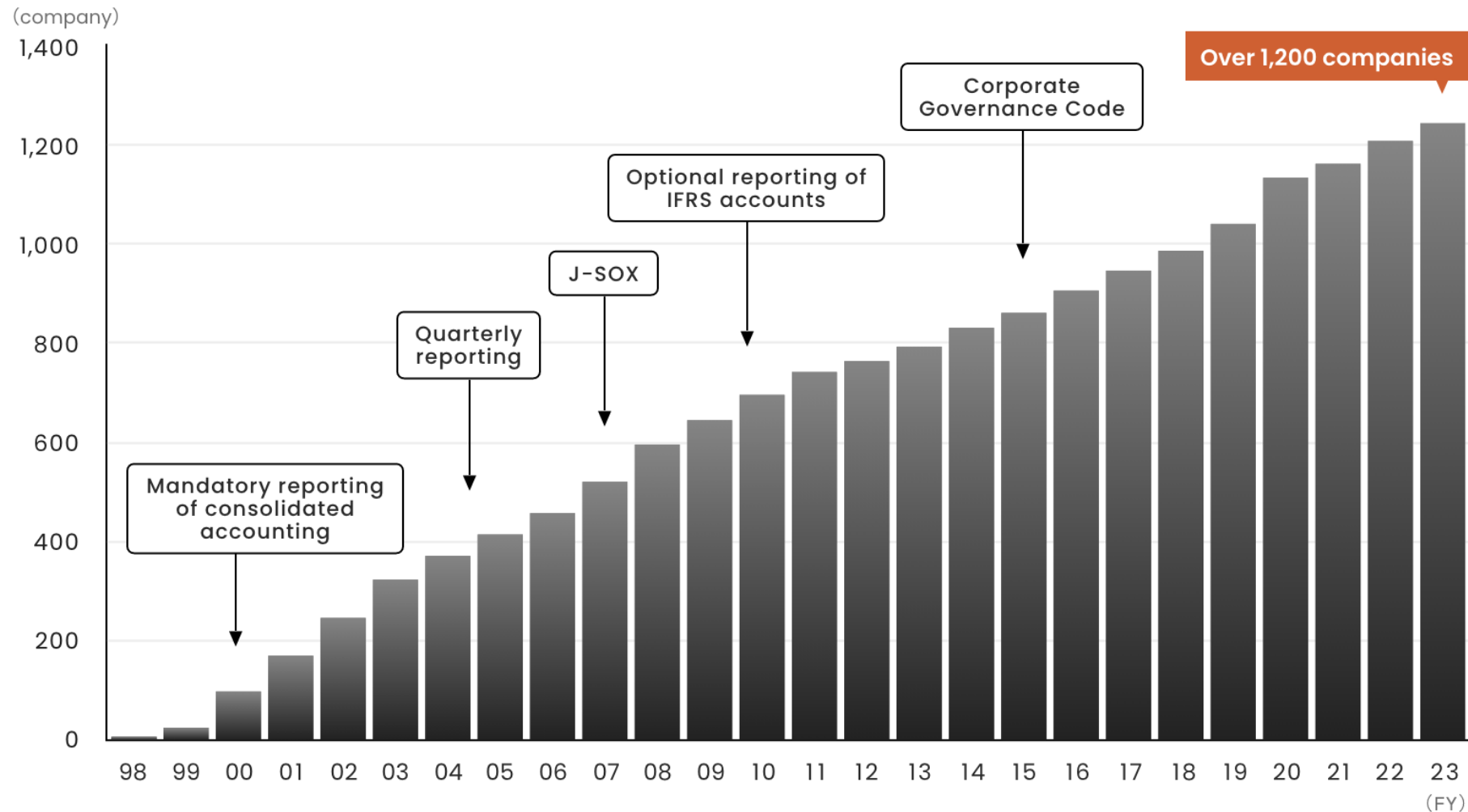
Segment Reorganization



※CPM : Corporate Performance Management

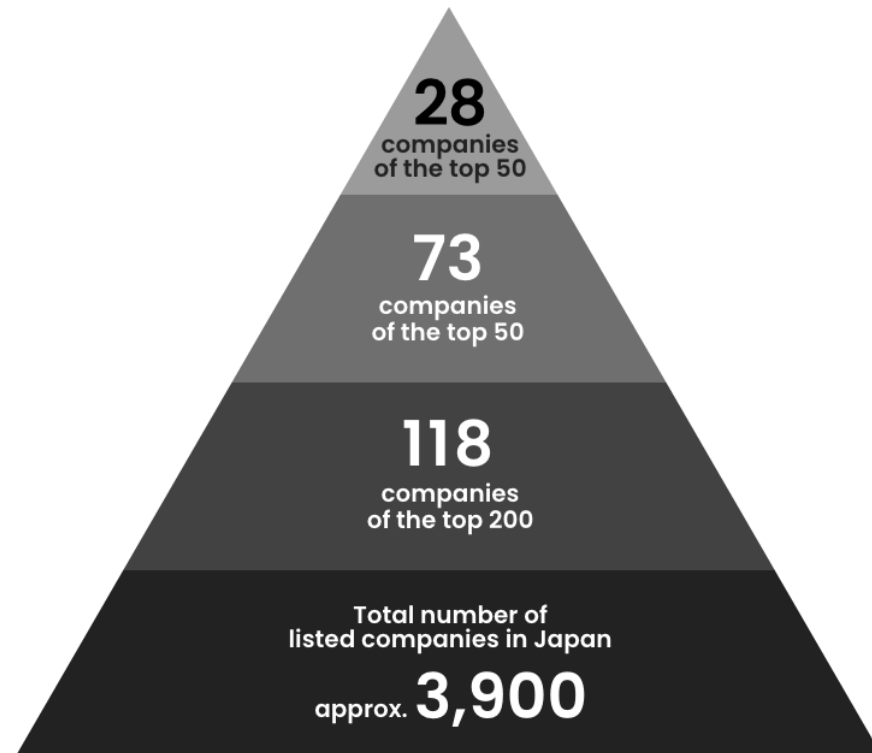
Trends in companies that have introduced Avant Group Software Product

With the tightening of disclosure regulations, consolidated accounting system LCA leads the number of introductions.



Customer base of consolidated accounting system “LCA”

- More than 1,100 companies have sold ※1
- FY2023 consolidated accounting software market share is 43.5% ※2
- From institutional accounting to budget and management accounting, we support the strengthening of corporate governance

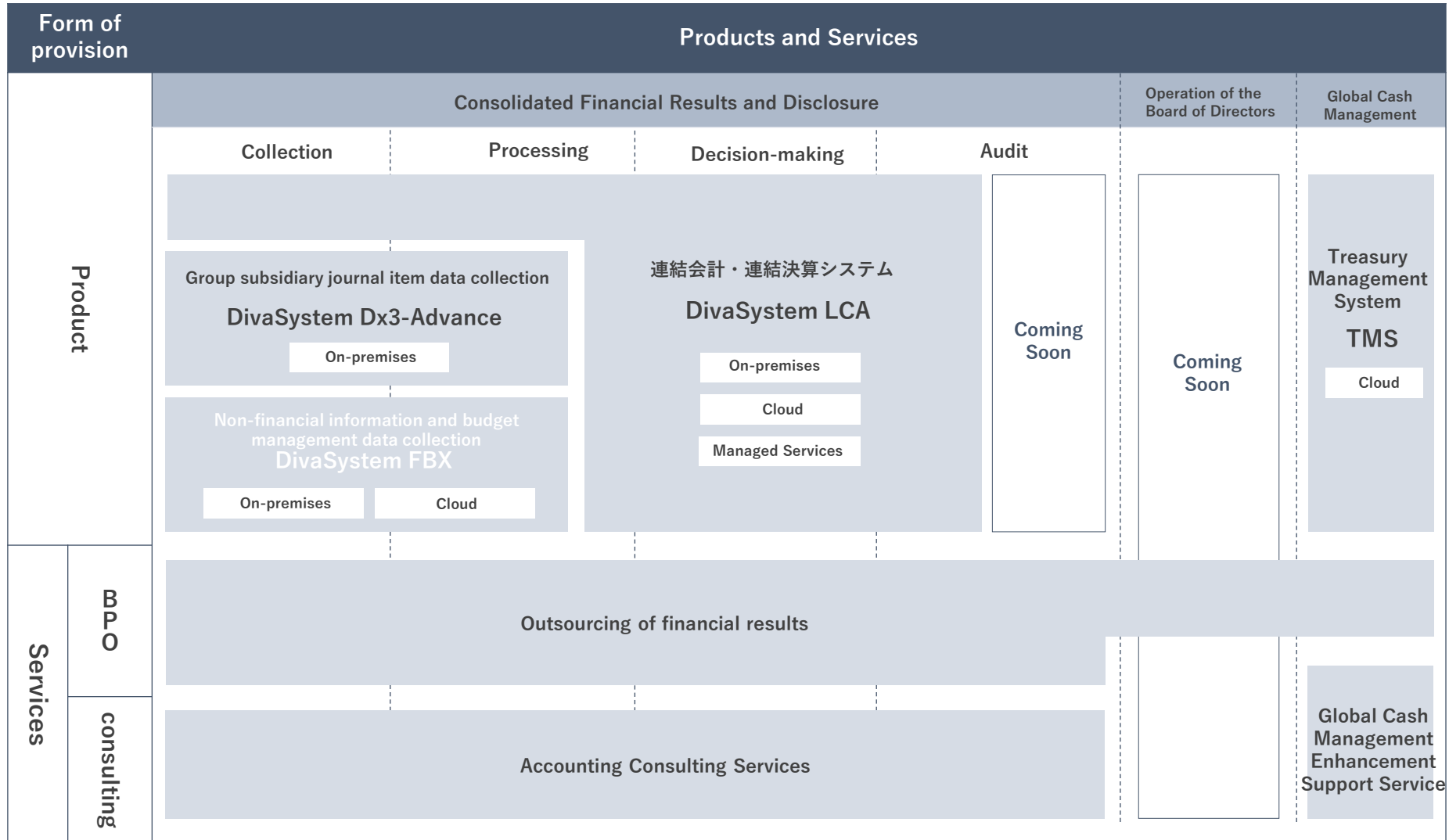


TOYOTA MOTOR CORPORATION
Tokyo Electron Ltd.
KDDI CORPORATION
NIPPON TELEGRAPH AND TELEPHONE CORPORATION
DAIKIN INDUSTRIES, LTD.
DENSO CORPORATION
Hitachi, Ltd.
CHUGAI PHARMACEUTICAL CO., LTD.
Seven & i Holdings Co., Ltd.
Mizuho Financial Group, Inc.
FUJIFILM Holdings Corporation
Astellas Pharma Inc.
Japan Tobacco Inc.
Bridgestone Corporation
Unicharm Corporation
(Market cap order as end of June 2023)

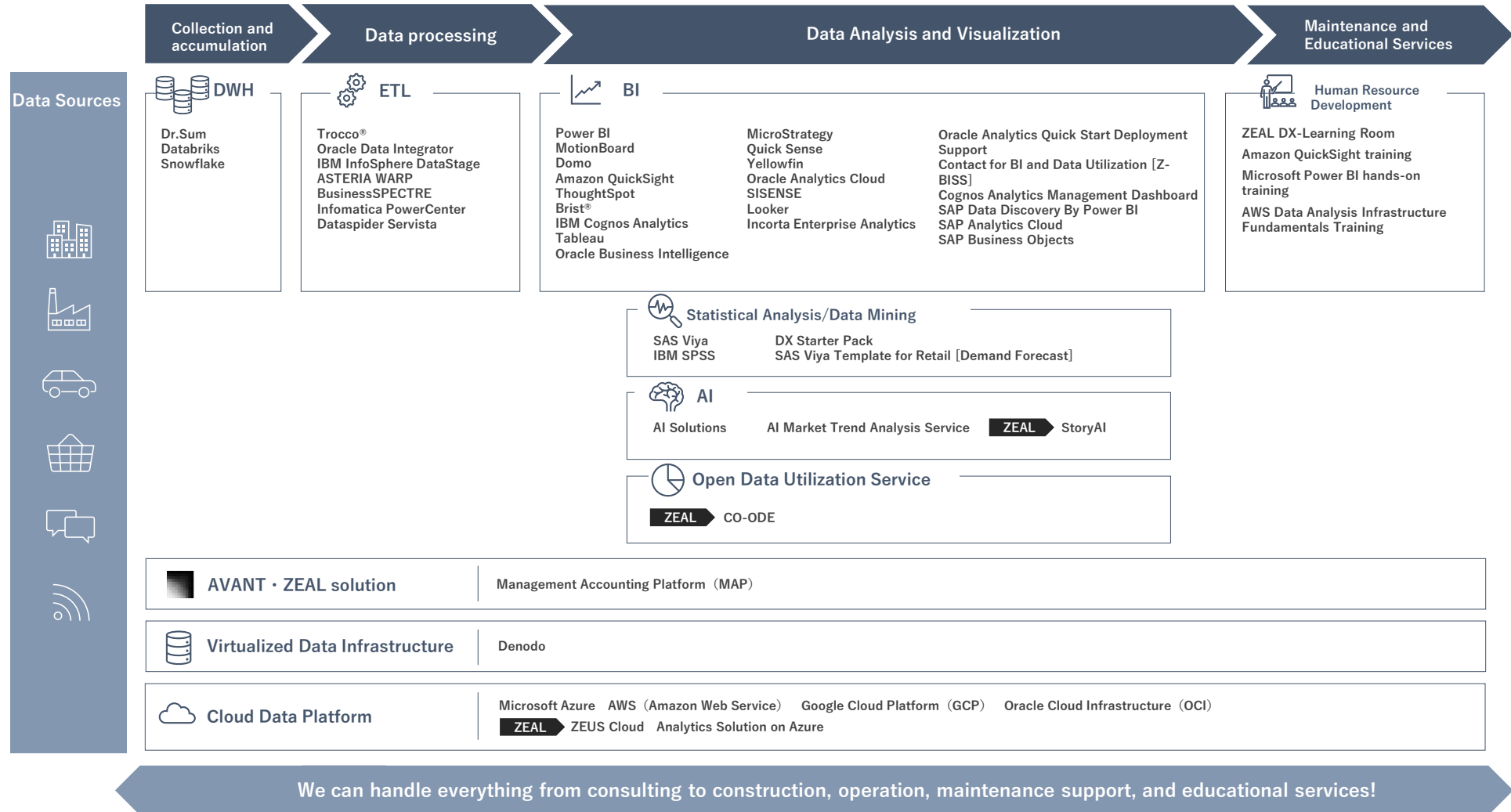
※1 As of the end of June 2023

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

Disclosure of consolidated financial results that leads to improvement of corporate value



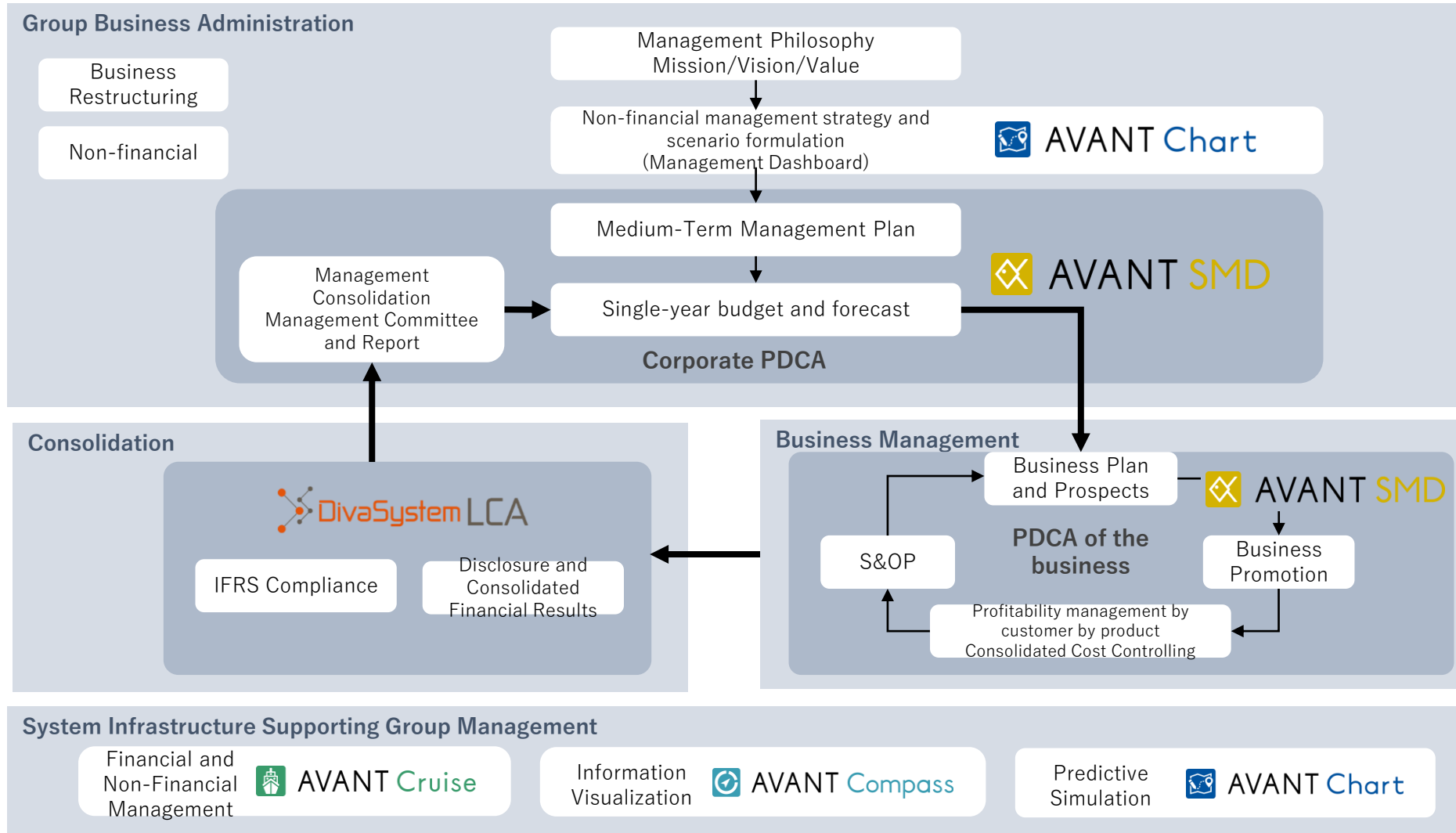
ZEAL helps Japan companies realize digital transformation

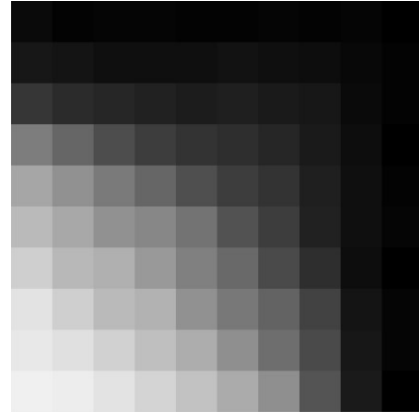


ZEAL → These are ZEAL's original products and services.

AVANT

Making full use of business management solutions to visualize and maximize invisible corporate value





AVANT GROUP

SUSTAINABILITY IS VALUE