

FINANCIAL DATA

	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2023
Operation Indicators:					
Recurring sales (millions of yen)	4,420	5,123	5,852	6,476	7,573
Recurring sales ratio (%)	31.4	32.6	36.0	34.6	35.3
Value-added productivity (thousand yen/person)	9,629	9,784	10,332	10,607	10,400
Amount of orders received (millions of yen)	14,171	15,357	17,401	20,012	22,375
Consolidated Financial Disclosure Business	—	—	—	—	7,435
Digital Transformation Promotion Business	—	—	—	—	7,919
Management Solutions Business	—	—	—	—	7,999
Group Governance Business*	7,774	8,313	8,510	10,155	9,839
Digital Transformation Business*	5,265	5,417	6,639	6,902	9,208
Outsourcing Business*	1,807	2,160	2,987	3,751	4,016
Order backlog (millions of yen)	3,927	3,595	4,761	6,070	7,021
Consolidated Financial Disclosure Business	—	—	—	—	3,949
Digital Transformation Promotion Business	—	—	—	—	1,705
Management Solutions Business	—	—	—	—	3,113
Group Governance Business*	2,173	1,999	2,349	3,132	2,938
Digital Transformation Business*	1,204	854	1,244	1,131	1,957
Outsourcing Business*	852	950	1,457	2,164	2,425
Income Statement:					
Consolidated net sales (millions of yen)	14,077	15,691	16,236	18,703	21,424
Consolidated Financial Disclosure Business	—	—	—	—	6,902
Digital Transformation Promotion Business	—	—	—	—	7,272
Management Solutions Business	—	—	—	—	7,883
Group Governance Business*	8,034	8,485	8,160	9,372	10,033
Digital Transformation Business*	4,990	5,767	6,250	7,015	8,381
Outsourcing Business*	1,629	2,062	2,479	3,044	3,755
Operating income (millions of yen)	1,966	2,278	2,796	3,247	3,289
Consolidated Financial Disclosure Business	—	—	—	—	1,586
Digital Transformation Promotion Business	—	—	—	—	1,118
Management Solutions Business	—	—	—	—	1,321
Group Governance Business*	1,293	1,616	1,935	2,060	1,709
Digital Transformation Business*	636	692	811	1,244	1,521
Outsourcing Business*	318	364	523	661	824
Ordinary income (millions of yen)	1,972	2,282	2,808	2,988	3,265
Income before income taxes (millions of yen)	2,003	2,282	2,808	2,988	3,079
Income taxes (millions of yen)	686	744	919	943	984
Profit attributable to owners of parent (millions of yen)	1,317	1,537	1,888	2,045	2,094
Balance Sheet:					
Cash and deposits (millions of yen)	5,160	6,335	7,238	9,444	10,317
Tangible fixed assets (millions of yen)	277	469	407	398	487
Intangible fixed assets (millions of yen)	165	191	608	676	728
Software	164	190	607	676	728
Investments and other assets (millions of yen)	1,574	1,614	1,893	1,800	2,137
Investment securities	397	428	491	511	772
of which, stocks of subsidiaries and affiliates	—	—	267	—	—
Total assets (millions of yen)	10,415	11,780	13,956	16,617	18,705
Current liabilities (millions of yen)	4,348	4,314	4,943	5,820	6,122
Long-term liabilities (millions of yen)	169	272	226	198	254
Total liabilities (millions of yen)	4,517	4,586	5,169	6,019	6,377
of which, interest-bearing debt	—	—	—	—	—
Net assets (millions of yen)	5,898	7,194	8,787	10,597	12,328
Shareholders' equity (millions of yen)	5,889	7,161	8,728	10,466	12,103
Accumulated other comprehensive income (millions of yen)	8	32	58	131	224

* Effective from the fiscal year ending June 30, 2024, the Company has reviewed its business segment classification method and changed its reporting segments from "Group Governance Business," "Digital Transformation Promotion Business," and "Outsourcing Business" to "Consolidated Financial Disclosure Business," "Digital Transformation Promotion Business," and "Management Solution Business" from "Group Governance Business," "Digital Transformation Promotion Business," and "Outsourcing Business." Data for the new business segments are included as year-on-year comparisons for the fiscal year ended June 30, 2023.

	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2023
Consolidated Cash Flow:					
Operating cash flow (millions of yen)	1,320	1,890	2,561	3,026	2,175
Depreciation and amortization	167	227	254	349	449
Investment cash flow (millions of yen)	-455	-420	-789	-398	-795
Acquisition of tangible fixed assets	-127	-236	-114	-89	-225
Acquisition of intangible fixed assets	-54	-121	-429	-317	-521
Free cash flow (millions of yen)	864	1,470	1,771	2,627	1,379
Financial cash flow (millions of yen)	-232	-294	-359	-433	-507
Repayment of long-term debt	—	—	—	—	—
Payment of dividends	-225	-281	-338	-413	-489
Profitability and Capital Efficiency:					
EBITDA (millions of yen)	2,133	2,506	3,038	3,582	3,737
Effective tax rate (%)	30.6	30.6	30.6	30.6	30.6
NOPAT (millions of yen)	1,364	1,581	1,940	2,253	2,282
ROIC (%)	25.5	24.2	24.3	23.3	19.9
ROE (%)	24.6	23.5	23.6	21.1	18.3
Net sales growth (%)	16.2	11.5	3.5	15.2	14.5
Operating income margins (%)	14.0	14.5	17.2	17.4	15.4
GPP (revenue growth rate + operating income ratio) (points)	30.2	26.0	20.7	32.6	29.9
Total asset turnover (times)	1.46	1.41	1.26	1.22	1.21
Research and development expenses (millions of yen)	215	409	445	382	375
Capital adequacy ratio (%)	56.6	61.1	63.0	63.8	65.9
Cash conversion ratio (%)	61.9	75.4	84.3	84.5	58.2
Share Information and Shareholder Returns:					
Number of shares issued (shares)	37,570,188	37,586,982	37,603,203	37,625,501	37,645,851
Average number of shares during the period (shares)	37,561,940	37,582,026	37,598,448	37,614,361	37,636,218
BPS (yen/share)	157.00	191.42	233.70	281.68	327.51
EPS (yen/share)	35.06	40.92	50.24	54.37	55.65
DPS (yen/share)	7.5	9.0	11.0	13.0	15.0
DOE (%)	5.3	5.2	5.2	5.0	4.9
Dividend payout ratio (%)	21.4	22.0	21.9	23.9	27.0
TSR (%)					
3 years	748.5	295.8	347.6	136.6	140.1
5 years	549.6	584.4	1,228.8	389.0	304.6

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, 31 March 2020) etc. have been applied from the beginning of the financial year ended 30 June 2022, and the figures for the year ended 30 June 2022 are after the application of such accounting standards. Figures for the year ended 30 June 2021 and earlier are before the application of such accounting standards.

On 1 December 2019, the company carried out a stock split at a ratio of 2 ordinary shares for each ordinary share. BPS, EPS and DPS are calculated on the assumption that the said stock split was carried out at the beginning of the year ended 30 June 2019.

NON-FINANCIAL DATA

	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2023
Environmental					
GHG emissions (t-CO ₂)*	8,980	10,001	8,738	10,299	11,478
of which Scope 2	741	650	543	556	359
of which Scope 3	8,238	9,351	8,195	9,743	11,119
Electricity consumption (thousand kWh)*	1,471	1,455	1,225	1,216	975
Percentage of renewable energy (%)	0	0	0	100	100
Indicators in SASB standards (Software / IT services)					
Data security					
Number of personal information leaks	0	0	0	0	0
Percentage of information that contains personally identifiable information (%)	0	0	0	0	0
Number of customers affected	0	0	0	0	0
Description of efforts to identify and address data security risks, including the use of third-party cybersecurity standards:	Avant Group has acquired ISMS certification (ISO/IEC27001:2013), an international standard. The Information Security Committee, led by management and the Chief Information Security Officer (CISO), operates the ISMS under its management system and strives to improve information security. We respond to cyber-attacks and incidents in accordance with our internal regulations, and the Information Security Committee takes measures according to the degree of impact on the Group's business.				
Social					
Number of employees (persons)	938	1,055	1,107	1,226	1,389
Avant Group	37	36	45	47	37
Avant (Formerly Diva)	424	454	450	479	439
Zeal	311	351	372	401	429
Diva	154	203	229	288	473
ID	12	11	11	11	11
Number of female employees (persons)	321	379	379	406	480
Ratio of female managers (%)	8.3	6.8	6.5	7.7	8.8
Number of non-Japanese employees (persons)	57	74	77	66	60
Employment rate of persons with disabilities (%)					
Avant Group / Avant (Formerly Diva)	1.6	2.3	2.0	2.5	2.4
Zeal	0.3	1.4	1.3	1.2	1.4
Diva (Formerly Fierte)	1.3	1.0	0.8	0.7	1.5
Rate of male employees taking paternity leave (%)	4.4	9.5	23.5	29.6	36.8
Number of hires (persons)	226	241	197	261	334
Number of new graduates	48	56	30	50	59
Number of mid-career hires	178	185	167	211	275
Number of resignations (persons)	90	145	109	128	168
Employee turnover (%)	12.2	13.4	10.2	11.3	13.4

* Calculations for emissions for the period from June 2018 to June 2022 have been changed to reflect optimization of the inputs. The emission and electricity consumption figures are therefore different than those presented in previous Integrated Reports.

	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2023
Average years of service (years)	4.6	4.1	4.6	4.6	4.3
Recruitment expenses (millions of yen)	268	263	326	353	433
Recruitment cost (thousand yen/number of hires)	1,189	1,091	1,656	1,353	1,296
Personnel expenses (millions of yen)	6,419	7,162	7,748	9,135	10,257
Training expenses (millions of yen)	39	39	46	63	84
Training cost (yen/number of employees)	42,445	37,449	42,234	52,020	60,973
Average salary (yen/year)	5,451,533	5,397,341	5,772,288	5,892,667	6,010,044
Salary increase rate (%)	5.60	1.04	3.60	4.70	7.3
Average age (years)	34.2	34.0	34.5	34.6	34.3
Average annual overtime hours worked (hours/month)	19.2	16.7	16.2	14.7	13.2
GPTW score (points)*					
Avant (Formerly Diva)	41	54	56	59	66
Zeal	44	51	58	65	70
Diva (Formerly Fierte)	58	61	66	67	67

Governance

Number of shareholders (persons)	2,176	2,536	3,674	3,311	2,926
Shareholder Composition (%)					
Individual	64.1	61.3	60.5	59.4	58.0
of which directors	31.8	31.8	31.8	31.8	31.1
of which Employee Stock Ownership Plan	9.2	8.5	6.1	6.1	3.8
Government	0.0	0.0	0.0	0.0	0.0
Financial institutions	10.1	12.1	12.7	13.8	14.9
Domestic corporations	11.5	10.5	10.1	8.0	8.0
Foreigner	12.6	14.2	14.8	17.3	17.6
Securities company	1.6	1.8	1.9	1.5	1.5
Treasury stock	0.0	0.0	0.0	0.0	0.0
Number of meetings of the Board of Directors (times)	17	16	17	14	14
Total board meeting time (minutes)	1,956	1,107	1,413	1,454	1,419
Average Board meeting time (minutes)	115	65	83	103	101
Number of meetings of the Remuneration Advisory Committee (times)	—	—	3	7	8

* Great Place To Work* (GPTW) is a specialized organization that for over 30 years has been quantifying (scoring) job satisfaction through surveys on job satisfaction and analyzing the results. The Avant Group aims to improve job satisfaction by having everyone at each company participate in the surveys, using the GPTW score to identify issues, and then solving and improving them.