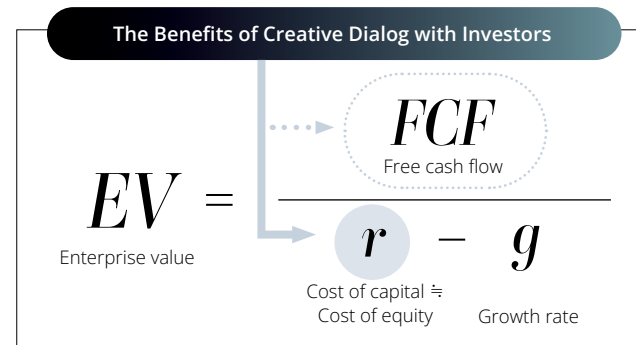


Purpose of the Dialog

As we have no debt, our cost of capital is effectively equal to our cost of equity, which we calculate using the CAPM and recognize as 6.6% to 7.9%. Although we maintain a sufficient equity spread with an ROE around the 20% level, we are actively engaging in dialog with investors to find ways to lower the cost of capital and further increase corporate value.

We also gain insights from investors' questions and suggestions and apply them to our strategy considerations, linking the dialog to increasing corporate value by increasing free cash flow.

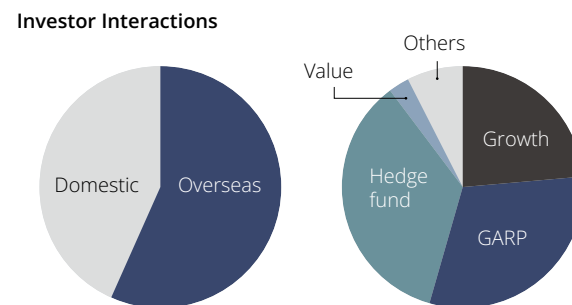


Risk-free rate	+	β	×	Risk premium	=	Cost of equity
0.6-0.7%		1.0-1.2%		6%		6.6-7.9%
Set based on 10-year JGB yield		Set from 2-5 years x daily, weekly, monthly		Set from historical stock market returns		range

Number and Frequency of Investor Interactions (Fiscal year ended June 2023 and first half of fiscal year ending June 2024)

With the intention of creative dialog, IR activities are targeted with institutional investors. Specifically, our main target is overseas growth-style investors, but we also engage in dialog with GARP (Growth At Reasonable Price) style and hedge funds, considering the diversity of investment perspectives.

We also combine online interviews as appropriate with onsite interviews, taking into account the influence of each investor in the U.S., Europe, and Hong Kong/Singapore.



Main IR Activities

Number of financial results briefings:	Number of individual meetings with institutional investors:	Number of overseas roadshow meetings:
3	146	31
analyst briefings held for 1H and full year results	individual meetings were held either online or in person	meetings in the U.S., Singapore, and Europe by the Group CEO and the head of the Investor Relations department

Dialog Content and Response

Institutional investor comments



Investors appear to view the key market in the medium-term management plan as the market for the business management solutions business. Investors are keen to understand more about how Avant Group's products work, their strengths and weaknesses, and the specific benefits for customers. These explanations help better convey the growth story of the Avant Group.

Our response

- We once again have been reminded that we are unable to provide solutions that offer greater clarity, but are working on improving our how we can respond.
- We will disclose information as and when specifics become available. At the Q2 FY6/2024 financial results meeting, we will walk through a demonstration of the TRINITY BOARD and an explanation of the AVANT Cruise product will be provided.



- We feel it is important to have a more focused dialog with investors about the drivers of Avant Group's growth rather than projections of future performance.
- We want to better understand what leading indicators can offer pointers to the progress of growth.

Our response

- C-level management are discussing and refining the drivers of sales growth and margin improvement, and critical success factors (CSFs) that are highly important for the achievement of the medium-term management plan, at Group management meetings.
- We are bolstering our management of quantitative data to enable ongoing disclosure.



We believe that share buybacks can send a message that the stock price is undervalued. I think the value of such transactions will increase as more of the company's own shares are repurchased. If we are able to show more clearly how cash is being used, I think the market may change its perception and understand how management resources are being directed toward growth.

Our response

Capital allocation is clearly stated, and the scale of shareholder return through investment in growth and dividends is available to investors. The company will then consider acquiring shares from the market as appropriate, taking into account the merits of how these shares can be best used, both as additional returns to shareholders, as well as incentive compensation for employees or a supplementary means of payment in M&A transactions.

GROUP CSO MESSAGE



SHINGO MOROI

Group CSO, Executive Officer
Director, Avant Corporation

Our focus is on international institutional investors, especially growth and GARP style investors. While we aim to have them become our shareholders and hold our shares for the long term, we also place importance on having these investors evaluate our strategy from a long-term

perspective. We aim to improve our strategy based on the suggestions we get from these types of dialog. It is also our intention that dialog does not end at that point in time, but will continue during the implementation phase to help drive success of the strategy.