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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: Next Generation Technology Group Inc.
Listing: Tokyo Stock Exchange
Securities code: 319A
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

CEO
Head of Administration

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	2,659	3.7	290	(27.1)	250	(40.7)	183	(52.1)
March 31, 2024	2,564	-	397	-	421	-	382	-

(Note) Comprehensive income: Three months ended March 31, 2025: ¥ 175 million [(57.8) %]
Three months ended March 31, 2024: ¥ 414 million [- %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	21.77	-
March 31, 2024	48.39	-

Non-GAAP Financial Measures

(Percentages indicate year-on-year changes.)

	Adjusted EBITDA		Adjusted Profit	
	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	441	(22.0)	198	(37.7)
March 31, 2024	565	-	319	-

(Note 1) Adjusted EBITDA=Operating profit+ depreciation and amortization + amortization of goodwill + acquisition related costs

(Note 2) Adjusted Profit = Profit attributable to owners of parent + amortization of goodwill - gain from negative goodwill + goodwill impairment loss + acquisition related costs

(Note 3) A 1-for-5 reverse stock split of its common stock was conducted with an effective date of November 1, 2024. “Basic earnings per share” have been calculated assuming the reverse stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	16,705	5,949	35.0	661.25
December 31, 2024	15,416	4,002	25.3	495.04

(Reference) Equity: As of March 31, 2025: ¥ 5,849 million
As of December 31, 2024: ¥ 3,902 million

(Note) A 1-for-5 reverse stock split of its common stock was conducted with an effective date of November 1, 2024. “Net assets per share” have been calculated assuming the reverse stock split was conducted at the beginning of the prior consolidated fiscal year.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending December 31, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025(January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted EBITDA		Adjusted Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	11,600	5.0	2,400	11.4	1,200	15.2

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 8,845,978 shares
December 31, 2024: 7,882,778 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: - shares
December 31, 2024: - shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2025: 8,399,671 shares
Three months ended March 31, 2024: 7,882,778 shares

(Note) A 1-for-5 reverse stock split of its common stock was conducted with an effective date of November 1, 2024. "Total number of issued shares at the end of the period", "Number of treasury shares at the end of the period" and "Average number of shares outstanding during the period" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and the Company makes no guarantees as to their achievement. Additionally, actual results may differ from these forecasts due to a wide range of factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,442	6,887
Notes receivable - trade	25	43
Accounts receivable - trade	1,073	1,139
Electronically recorded monetary claims - operating	401	243
Merchandise and finished goods	351	348
Work in process	637	566
Raw materials and supplies	483	517
Other	387	374
Total current assets	8,799	10,117
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,059	1,025
Machinery, equipment and vehicles, net	1,487	1,411
Land	2,024	2,019
Leased assets, net	241	235
Other, net	144	147
Total property, plant and equipment	4,955	4,838
Intangible assets		
Goodwill	835	819
Other	24	23
Total intangible assets	859	842
Investments and other assets		
Investment securities	296	359
Deferred tax assets	297	340
Other	210	209
Total investments and other assets	803	908
Total non-current assets	6,617	6,588
Total assets	15,416	16,705

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	645	492
Electronically recorded obligations - operating	272	200
Short-term borrowings	1,975	2,050
Current portion of bonds payable	20	20
Current portion of long-term borrowings	1,279	1,104
Lease liabilities	38	36
Provision for bonuses	-	139
Income taxes payable	280	139
Contract liabilities	44	22
Other	491	312
Total current liabilities	5,043	4,515
Non-current liabilities		
Bonds payable	41	36
Long-term borrowings	5,243	5,146
Lease liabilities	244	237
Deferred tax liabilities	151	140
Retirement benefit liability	188	184
Provision for retirement benefits for directors (and other officers)	289	289
Other	215	210
Total non-current liabilities	6,371	6,240
Total liabilities	11,414	10,756
Net assets		
Shareholders' equity		
Share capital	55	941
Capital surplus	187	1,073
Retained earnings	3,576	3,759
Total shareholders' equity	3,818	5,774
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	26
Foreign currency translation adjustment	67	50
Total accumulated other comprehensive income	84	76
Non-controlling interests	100	100
Total net assets	4,002	5,949
Total liabilities and net assets	15,416	16,705

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	2,564	2,659
Cost of sales	1,753	1,973
Gross profit	811	687
Selling, general and administrative expenses	414	397
Operating profit	397	290
Non-operating income		
Foreign exchange gains	7	-
Gain on investments in investment partnerships	-	32
Other	42	10
Total non-operating income	50	42
Non-operating expenses		
Interest expenses	19	20
Foreign exchange losses	-	36
Listing expenses	-	23
Loss on cancellation of leases	5	-
Other	3	4
Total non-operating expenses	26	82
Ordinary profit	421	250
Extraordinary income		
Gain on bargain purchase	107	-
Gain on sale of non-current assets	0	7
Other	-	1
Total extraordinary income	107	8
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	528	257
Income taxes - current	132	133
Income taxes - deferred	15	(58)
Total income taxes	146	75
Profit	382	183
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	382	183

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	382	183
Other comprehensive income		
Valuation difference on available-for-sale securities	30	9
Foreign currency translation adjustment	2	(17)
Total other comprehensive income	33	(8)
Comprehensive income	414	175
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	414	175
Comprehensive income attributable to non-controlling interests	-	-

Business Combination through Acquisition (Miyasaka Industries Co., Ltd.)

On March 29, 2025, the Company resolved that its consolidated subsidiary, NGTG11 Co., Ltd., would acquire all issued shares of Miyasaka Industries Co., Ltd.

(1) Name and description of business of the acquired company

Name of the acquired company: Miyasaka Industries Co., Ltd.

Description of business: Centerless and surface grinding services, along with the sale of proprietary products under the 'Cokkun Series' brand.

(2) Reasons for the business combination

NGTG is a serial acquirer engaged in the acquisition of manufacturing companies and those related to the manufacturing industry. Our mission is to bridge the technology to the next generation. By bringing together multiple companies with strong technical capabilities, we aim to build a robust corporate group.

Miyasaka Industries' centerless grinding technology underpins global manufacturing, while its in-house developed product business (including the 'Cokkun Series') supports not only people's daily lives but also a wide range of industries.

(3) Date of the business combination

April 1, 2025

(4) Legal form of the business combination

Acquisition of shares for consideration of cash

(5) Name following the business combination

Miyasaka Industries Co., Ltd.

(6) Ratio of voting rights acquired

100.00%

(7) Grounds for deciding on the Company to be acquired

The Company acquired 100% of the voting rights of Miyasaka Industries Co., Ltd. through acquisition of shares for consideration of cash, and has become the acquiring company.

Business Combination through Acquisition (Suntec Industry Co., Ltd.)

On April 25, 2025, the Company resolved that its consolidated subsidiary, NGTG12 Co., Ltd., would acquire all issued shares of Suntec Industry Co., Ltd.

(1) Name and description of business of the acquired company

Name of the acquired company: Suntec Industry Co., Ltd.

Description of business: Annealing, shot blasting, and metal surface lubrication treatment

(2) Reasons for the business combination

NGTG is a serial acquirer engaged in the acquisition of manufacturing companies and those related to the manufacturing industry. Our mission is to bridge the technology to the next generation. By bringing together multiple companies with strong technical capabilities, we aim to build a robust corporate group.

The annealing, shot blasting, and surface lubrication (phosphate coating) technologies of Suntec are of high social

significance, as they underpin global manufacturing. Believing that these technologies should be carried forward to the next generation, we have decided to acquire shares of Suntec.

(3) Date of the business combination

April 25, 2025

(4) Legal form of the business combination

Acquisition of shares for consideration of cash

(5) Name following the business combination

Suntec Industry Co., Ltd.

(6) Ratio of voting rights acquired

100.00%

(7) Grounds for deciding on the Company to be acquired

The Company acquired 100% of the voting rights of Suntec Industry Co., Ltd. through acquisition of shares for consideration of cash, and has become the acquiring company.