

Next Generation Technology Group

FY2025 Q1 Financial Results

May15, 2025

FY2025 Q1 Financial Results

FY2025 New Acquisitions

Appendix: Company Overview

- Market Environment
- Acquisition Targets and Track Record
- Value Creation of Acquired Companies
- Equity Story
- Overview of the Group Companies

FY2025 Q1 Financial Highlights

- The progress rate of Adjusted EBITDA in Q1 was 18.4%. This was mainly impacted by the delay of high-margin orders expected to be received in Q1 at Aero Craft Japan. These orders are expected to be received within this fiscal year, and there is no change to the forecasts
- The YoY decline in Adjusted EBITDA is also primarily due to the delay in order intake at Aero Craft Japan
- In connection with our listing in February 2025, listing-related expenses of 23 million yen were recorded as non-operating expenses, which had a downward impact on Adjusted quarterly Profit
- We expect to achieve the full-year forecasts for Net Sales, Adjusted EBITDA, and Adjusted Profit for the FY2025
- In April, which falls under Q2, the Company completed the acquisition of two companies: Miyasaka Industries and Suntec Industry
- For the FY2026, when the full-year contribution from the newly acquired companies is expected, Adjusted EBITDA is projected to be 2.9 billion yen

(millions of yen)

	2024/12 Q1	2025/12 Q1	YoY	2025/12 Forecasts	Progress rate
Net Sales	2,564	2,659	+3.7%	11,600	22.9%
Adjusted EBITDA ⁽¹⁾	565	441	▲22.0%	2,400	18.4%
Adjusted quarterly Profit ⁽²⁾	319	198	▲37.7%	1,200	16.5%

注:

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

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

Key Management Indicators/KPIs

- We use Adjusted EBITDA and Adjusted Profit as management indicators

Adjusted EBITDA

- EBITDA with acquisition related costs added back.
- Acquisition related costs are the fees paid to M&A advisors and represent one-time
- Adjusted EBITDA is emphasized to remove the impact of these temporary expenses on profits
- Acquisition related costs are recorded as part of the acquisition cost in the individual financial statements, but are recognized as expenses in the consolidated financial statements. These costs are conceptual expenses that are not deductible for tax purposes
- When valuing the stock for acquisitions, we also subtract acquisition-related costs from the calculation, and from a cash flow perspective, these costs are factored into the value of the acquired shares.

[Formula]

Operating profit

+) Amortization of goodwill

+) Depreciation and amortization

EBITDA

+) Acquisition related costs

Adjusted EBITDA

Adjusted Profit

- The figure excluding the effects of amortization of goodwill, gain from negative goodwill, goodwill impairment loss, and acquisition related costs from the profit attributable to owners of parent
- Adjusted Profit, which excludes differences from international accounting standards and temporary gains or losses arising from M&A activities, is emphasized as an indicator representing the profit attributable to shareholders.

[Formula]

Profit attributable to owners of parent

+) Amortization of goodwill

+) Goodwill impairment loss

-) Gain from negative goodwill

+) Acquisition related costs

Adjusted Profit

Note:

See the next page for specific calculation process of Adjusted EBITDA and Adjusted Profit

Calculation of Adjusted EBITDA and Adjusted quarterly Profit

(millions of yen)

	2024/12 Q1	2025/12 Q1
Operating profit	397	290
(+) Amortization of goodwill	18	15
(+) Depreciation and amortization	124	136
EBITDA	539	441
(+) Acquisition related costs	26	-
Adjusted EBITDA	565	441
Quarterly Profit attributable to owners of the parent	382	183
(+) Amortization of goodwill	18	15
(+) Goodwill impairment loss	-	-
(-) Gain from negative goodwill	107	-
(+) Acquisition related costs	26	-
Adjusted quarterly Profit	319	198

Consolidated Balance Sheets

- 1.8 billion yen was raised through the IPO. The funds will be used for M&A standby capital, and are planned to be allocated for new acquisitions
- As of the end of March 2025, cash and deposits have increased by 1.5 billion yen compared to the end of December, 2024

	(millions of yen)	
	As of December 31, 2024	As of March 31, 2025
Current assets	8,799	10,117
Non-current assets	6,617	6,588
Goodwill	835	819
Total assets	15,416	16,705
Total liabilities	11,414	10,756
Net assets	4,002	5,949
Net Debt	2,974	1,253
Total Cash ⁽¹⁾	5,867	7,375
Total Debt ⁽²⁾	8,841	8,629
Net Debt / Adjusted EBITDA	1.38x	0.52x ⁽³⁾

Note:

(1) Total Cash = Cash and cash equivalents + long-term deposits + investment securities

(2) Total Debt = Long-and short-term debt + long-and short-term bonds + long-and short-term lease obligations

(3) The Net Debt / Adjusted EBITDA for Q1 FY2025 is calculated using the full-year forecast for adjusted EBITDA

Stock Performance and Valuation

- Since the IPO, the stock price has been rising, and it has been performing steadily even compared to the TOPIX



- EV/EBITDA : 18.5x (As of May 14, 2025)
- P/E : 34.6x (As of May 14, 2025)

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Acquisition of Miyasaka Industries and Suntec Industry

- In April, two companies with stable EBITDA joined our group
- Adjusted EBITDA for the FY2026, which will fully reflect the new acquisitions, is expected to reach 2.9 billion yen
- We plan to continue acquiring new companies consecutively
- Since the IPO, the number of acquisition deals received has increased

Portfolio (11) : Miyasaka

- On April 1st, 2025, NGTG acquired shares from Yoshimasa Miyasaka and others.

Location	5568-2 Kanazawa, Chino-shi, Nagano, Japan
Business Description	Metal Grinding and Proprietary Products
CEO	Masaru Kamijo (Age 55 / Promoted from Executive Vice President upon acquisition)
Employees	31



Product Image



Portfolio (12) : Suntec Industry

- On April 25th, 2025, NGTG acquired shares from Kouichi Inoue.

Location	2-48 Juichiya, Minato-ku, Nagoya-shi, Aichi, Japan
Business Description	Annealing, shot blasting, and metal surface lubrication treatment
CEO	Kouichi Inoue (Founder, age 69 / Continues to serve as Representative Director after the acquisition)
Employees	25



Product Image



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Mission

A wide-angle, high-angle photograph of a large industrial workshop. The space is filled with various pieces of machinery, including large metalworking equipment and a prominent vertical lathe on the right side with the brand name 'OGAWA' visible. Several workers in blue uniforms are seen working at different stations. The workshop has a high ceiling with exposed structural elements and large windows on the right side. The overall atmosphere is one of a busy, well-equipped manufacturing environment.

**Bridging Technology
to the Next Generation**

Business Model - Serial Acquirer

- We are a “Serial Acquirer” that grows through a series of acquisitions at appropriate valuations
- We will continue to grow by conducting both new acquisitions and value creation efforts, i.e., driving organic growth and using the cash flow generated to further accelerate new acquisitions

M&A at low valuations



~500 new pipelines / year
from M&A advisors



Preferred by sellers for our
long-term ownership



Manufacturing sector focus



Experienced team



Radical standardization



Favorable financing terms

Growth through continuous acquisitions

Cash Flow generation through value creation



- Unique Value creation
playbook, NGP:
NGTG⁽¹⁾ Growth Program

- Continuous Kaizen



- Encouraging
collaboration among
group companies

- Sharing best practices

Note:

(1) Abbreviation of our English company name, Next Generation Technology Group Inc.

Basic Company Information

Company Name	Next Generation Technology Group Inc.	
Year of Establishment	July 2018	
Business	Serial acquisitions of manufacturing companies Resale of an acquired company is not expected	
Number of deals under consideration	Cumulative Total: 1,867 (Establishment - March 2025)	
Number of companies acquired (M&A track record) ⁽¹⁾	12 companies	
Number of Employees ⁽²⁾	558 employees	
Consolidated Financial Forecasts (FY2025)	Net Sales	11.6 billion yen
	Adjusted EBITDA ⁽³⁾	2.4 billion yen
	Adjusted Profit ⁽⁴⁾	1.2 billion yen

Note:

(1) Actual results since the company was established.

(2) The number of employees on a consolidated basis that includes employees of the portfolio companies, as of December 31, 2024.

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

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

A Team Composed of Members with Diverse Backgrounds

M&A

Eiichi Arai CEO

- B.A. in Economics, The University of Tokyo
- Mizuho Securities
- Innovation Network Corporation of Japan
- Founded NGTG after traveling around the world

Aiko Horie Director

- B.A. in Commerce and Management, Hitotsubashi University
- Mizuho Securities

Toshiyuki Ohashi

- B.S., Electrical Engineering and M.S., Electronic Information Engineering, The University of Tokyo
- Goldman Sachs
- Innovation Network Corporation of Japan
- NeoCareer

Taiga Suzuki

- B.A. in Commerce, Hitotsubashi University
- Mizuho Securities

Toshiyuki Shiga Director

- Ex-COO and Representative Director of Nissan
- Chairman of Innovation Network Corporation of Japan

Value Creation

Yuichiro Tokuda

- B.S., Department of Systems Innovation, Faculty of Engineering and M.S. in Precision Machinery Engineering, The University of Tokyo
- Dr. in Electronic Engineering, Kyoto University
- Denso Corporation

Yu Nagai

- B.S. in Mechanical Engineering and M.S. in Industrial Machinery Engineering, The University of Tokyo
- Certificated SME Management Consultant
- NTT Data Corporation

Tetsuya Yamamoto

- B.S. in law and M.S. in law, The University of Tokyo
- Licensed Attorney
- Mori Hamada & Matsumoto LPC
- Boston Consulting Group
- Nissan Corporation

Kayo Terada

- B.A. in Foreign Studies, Osaka University, majoring in German
- Pasona
- Cancer Scan

Koji Sugiyama

- Professional Engineer
- CEO of Miyoshi (Current)
- Sanzo Kankyo Engineering (JFE Kankyo Technology)

Administration

Koyo Ejiri Head of Administration

- B.A. in Law, Chuo University and MBA, Nagoya University of Commerce and Business
- CPA
- KPMG

Mari Hoshino

- B.A. in Commerce, Chuo University
- CPA
- PwC
- Nomura Securities

Nobuhiro Hirai

- B.A. in Economics, Rikkyo University
- CPA
- EY

Keiko Ando

- B.A. in Science (Mathematics/Mathematical Science), Kyoto University
- CPA
- Kyoto Prefectural Government
- FUJIMI INCORPORATED

Tomoki Yoshida

- B.A. in Business Administration, Kobe University
- Kamakura Shinsho

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Market Environment Surrounding NGTG in Japan

1

Increasing Needs for Business Succession



- ✓ Aging and lack of successors in Japanese manufactures
- ✓ Of the 3.36 million SMEs⁽¹⁾ in Japan, 120,000 are profitable manufacturing companies⁽²⁾
- ✓ Negative perceptions of private equity funds remain

2

Borrower-Favorable Lending Environment



- ✓ Japan's lending interest rates have remained extremely low compared to other countries
- ✓ In rural areas, where there are few quality companies, borrower-favorable terms are more acceptable to lenders

Favorable Tailwinds for Japan-Based Serial Acquirers

Note:

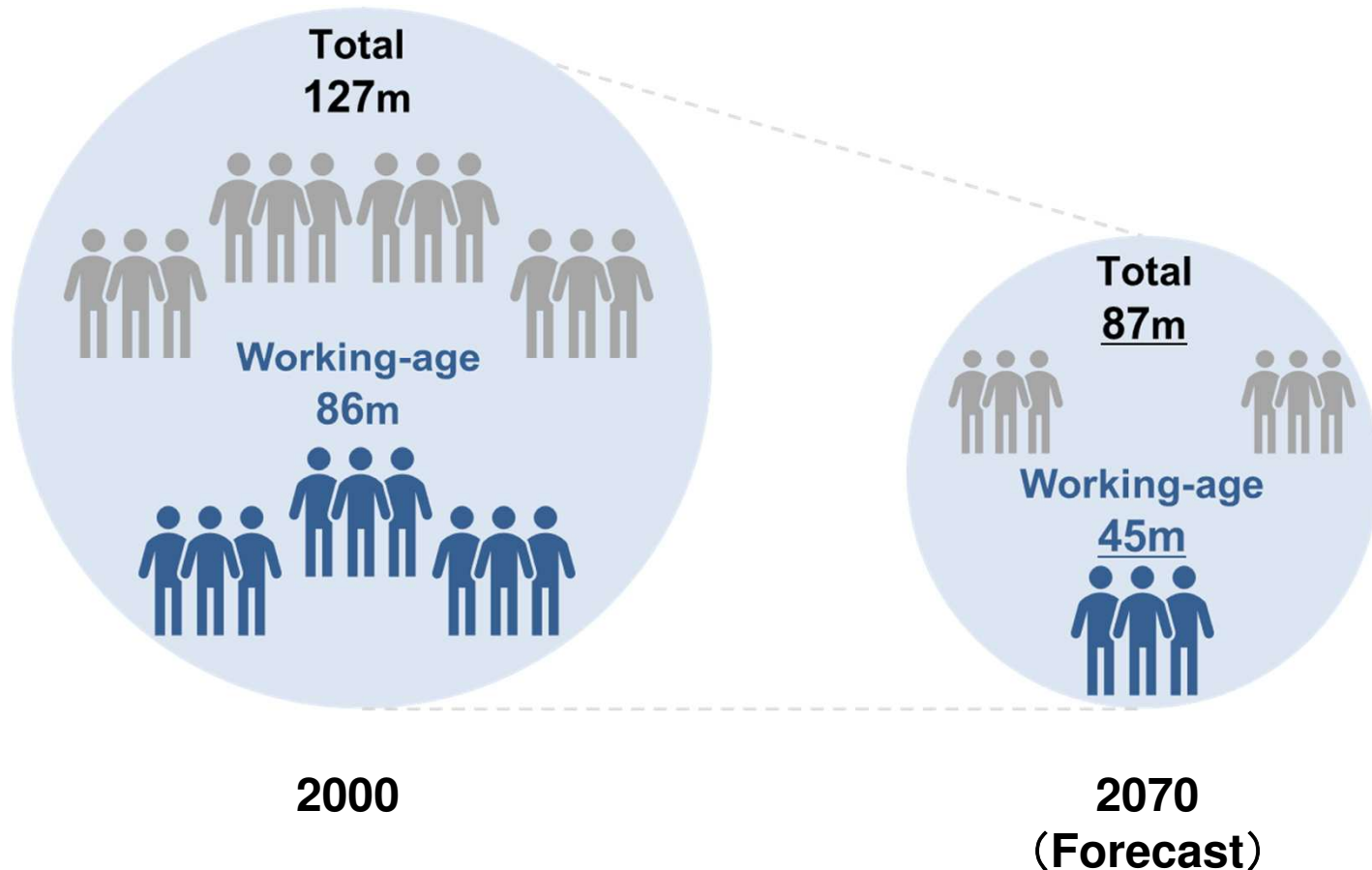
(1) The number of SMEs is as of 2021, and the scope of SMEs is based on the definition of companies treated as small and medium-sized enterprises or small businesses under the Small and Medium-sized Enterprise Basic Act

(2) Estimated by multiplying 37%, which is the ratio of profitable manufacturing companies in the tax authority's sample survey results, by the number of small and medium-sized manufacturing companies (340,000 as of FY2022).

Sources: White Paper on Small and Medium Enterprises 2024 (Small and Medium Enterprise Agency), Results of Sample Survey of Companies for FY2022 (National Tax Agency)

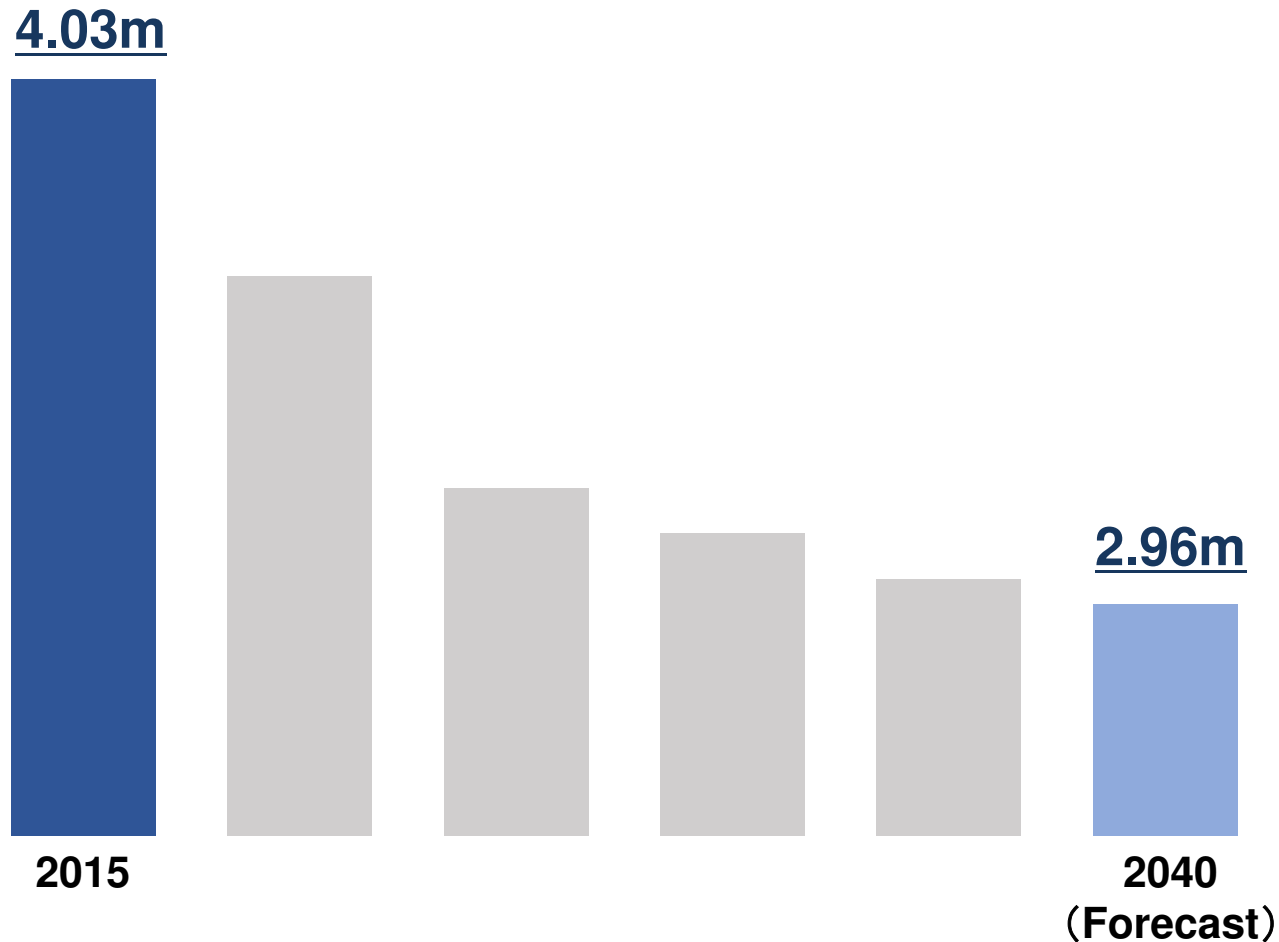
1) Increasing Needs for Business Succession - Population Decline in Japan

- Japan's total population is projected to decrease from 127 million in 2000 to under 100 million by 2070
- The working-age population (15-64) is expected to decline from 86 million in 2000 to 45 million by 2070



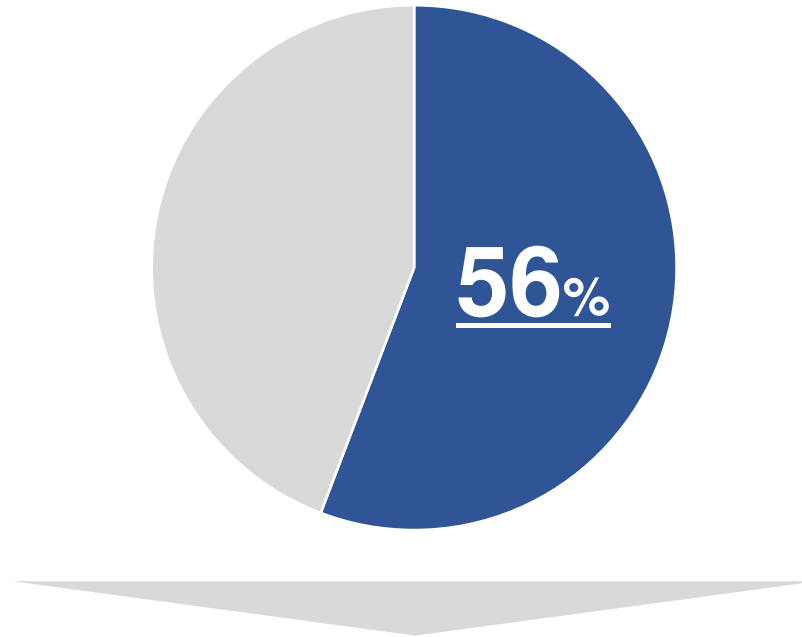
1) Increasing Needs for Business Succession - Decrease in number of companies

- The number of Japanese companies is expected to decline from over 4 million in 2015 to less than 3 million by 2040



1) Increasing Needs for Business Succession - Closure of profitable companies

- Over half of the medium-sized enterprises⁽¹⁾ that went out of business in 2023 were profitable⁽²⁾



M&A of Japanese SMEs holds great opportunities and social impact

Note:

(1) Medium-sized enterprises refers to "small and medium enterprises" as defined in the Small and Medium Enterprise Basic Act, excluding "small enterprises".

(2) Source: "White Paper on Small and Medium Enterprises in Japan 2024" (Small and Medium Enterprise Agency)

1) Increasing Needs for Business Succession - Market size in Japan

SMEs in Japan ⁽¹⁾

3.36 million companies

Manufacturing SMEs in Japan

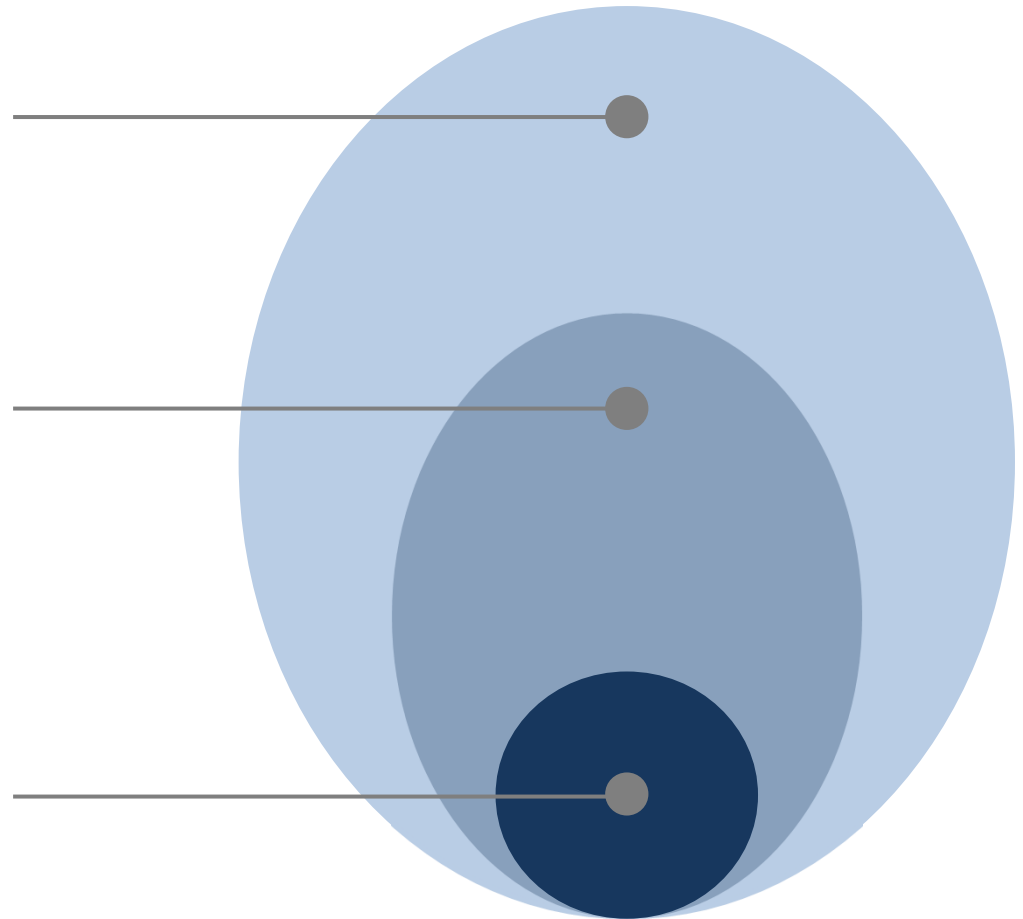
340,000 companies

Total Sales **138 trillion yen**

Our Potential Target

Profitable manufacturing SMEs⁽²⁾

120,000 companies



Note:

(1) The number of SMEs is as of 2021, and the scope of SMEs is based on the definition of companies treated as small and medium-sized companies or small businesses under the Small and Medium-sized Enterprise Basic Act

(2) Estimated by multiplying 37%, which is the ratio of profitable manufacturing companies in the sample survey results, by the number of small and medium-sized manufacturing companies (340,000 as of FY2022).

Sources: White Paper on Small and Medium Enterprises 2024 (Small and Medium Enterprise Agency), Results of Sample Survey of Companies for FY2022 (National Tax Agency), 2023 Basic Survey of Small and Medium Enterprise Facts (Small and Medium Enterprise Agency)

2) Borrower-Favorable Lending Environment

- While interest rates in the U.S. move up and down significantly in certain cycles, in Japan they have remained at extremely low levels for many years, with limited fluctuations

Comparison of 10-Year Treasury Bill Rates in Japan and the U.S. - Over the Past 20 Years

(Unit: %)



Source:

Japan: Ministry of Finance, JGB Interest Rate Information

U.S.: Federal Reserve Bank of St. Louis, Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity

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Reasons for Focusing on the Manufacturing Industry

– High Margin, Potential for Global Expansion, and Less Competition



Existence of High-Margin Businesses

- A sufficient number of high-margin companies exist, primarily within the B2B space

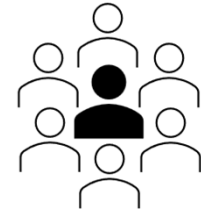
- ✓ Reviewed numerous companies for sale⁽¹⁾ from a large pool of attractive target companies



Potential for Global Expansion

- Japan's manufacturing excellence continues to command recognition

- ✓ With unique technical capabilities, expansion into international markets is viable
- ✓ In the future, we will also look to conduct M&A in Asia, where similar business succession issues are likely to arise



Less Competition

- As buyers should understand the technologies of target companies, compared to IT, HR, and other sectors, there is little competition, including from PE funds

- ✓ Less competition allows us to acquire high-performing companies at attractive valuations

Note:

(1) 1,867 deal proposals considered since establishment through March 2025

Current Investment Criteria

Industry	<ul style="list-style-type: none"> • Manufacturing industry <ul style="list-style-type: none"> – Interested in companies with core technologies that support industries, rather than those with cutting-edge innovations – Do not typically consider operational synergies – Fabless companies are also within our target scope • Manufacturing related business <ul style="list-style-type: none"> – Any company that operates a business that underpins the manufacturing industry (i.e. trading companies, rental, construction, maintenance, inspection and measurement, IT, etc.)
Ownership ratio	<ul style="list-style-type: none"> • 100% as a general rule
Profitability	<ul style="list-style-type: none"> • Only high-profitability companies • Do not engage in turnaround deals
Valuation	<ul style="list-style-type: none"> • EV/EBITDA multiple⁽¹⁾
Typical Financing Terms	<ul style="list-style-type: none"> • Low interest rate • Fixed rate in principle • Long-duration repayment schedule • No or few Financial Covenants⁽²⁾

Note:

(1) An index calculated by dividing enterprise value (= Equity Value + Net Debt) by EBITDA (operating profit + depreciation and amortization + amortization of goodwill), and widely used as a measure for comparing valuations



















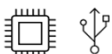


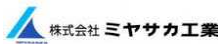



(2) Covenants are obligations or restrictions that the borrower side assumes when raising funds through loans or bonds. Among them, financial covenants refer to financial standards to be met by the borrower, which require the borrower company to maintain a certain level of interest-bearing debt, net assets, and profits, etc.

Completed 12 Acquisitions Since Inception



List of Portfolio Companies

- Our portfolio companies are diversified across a wide range of sectors within the manufacturing industry, making our group structure less vulnerable to fluctuations in specific end markets

Company Name	Business	Customer Industry	
TOSHIMA	MS Division of Toshima Manufacturing	Sputtering target	Superconductivity, Battery, Research institution 
	PT Division of Toshima Manufacturing	Cold forging and press processing	Automobile 
	Toshima Thailand	Cold forging and press processing	Audio, Generators 
 東洋マ-フ	Toyo Mark	Resin film printing and molding	Amusement, Transportation, Housing 
 SHINKA.	FA Shinka Technology	Automatic soldering equipment	FA equipment, Telecommunications 
 エムエスシー製造株式会社 MSC.MFG.CO.,LTD.	MSC Manufacturing	Sheet and coil material cutting machines	Machine manufacturer 
 株式会社 篠原製作所	Shinohara Manufacturing	Processing and winding machines for high-performance films, metal foils, and paper	Optical film, Separator 
 KYOWA	Kyowa Seiko	Machining and cutting	Machine manufacturer 
 株式会社 キンポーメルテック	Kimpou Meltec	Precision sheet metal processing and metal foil processing	Machine tools, Train 
 OCJ AERO CRAFT JAPAN	Aero Craft Japan	CFRP, metal parts	F1, Racing 
 AMATORI	Amatori	Machining and cutting	Electronics, Semiconductor 
 TIOCK ROAD INFORMATION SYSTEM	Tiock	Road information board	Construction 
 株式会社 ミヤサカ工業	Miyasaka Industries	Metal Grinding and Proprietary Products	Industrial Equipment, Disaster Prevention, and Welfare 
 SECO	Suntec Industry	Annealing, shot blasting, and metal surface lubrication treatment	Automobile, Bicycle 

Strengths at Each Step of the M&A Process

Sourcing

- ✓ Strong network of more than 350 M&A advisors
Extensive pipeline of 1,867⁽¹⁾ deals since inception, with ~500 deals under review in a year
- ✓ Screening only high-profitability companies

Meeting with Sellers

- ✓ Due to our commitment to long-term ownership, the autonomy and independence of individual companies, and our focus on the manufacturing industry, we often receive high praise from sellers
- ✓ Flexible approach that accommodates the seller's preference for how long they wish to continue working

LOI Submission

- ✓ Detailed presentations of post-acquisition initiatives that allow sellers to envision the future within our group
- ✓ Valuation based on a disciplined EV/EVBITDA multiple

Due Diligence and Negotiation

- ✓ Conducting due diligence with trusted legal, accounting, and tax advisors
- ✓ Addressing identified issues through valuation and/or definitive agreements

Financing

- ✓ Non-recourse loan through an SPC for each company
- ✓ Ability to obtain favorable terms based on strong trusting relationships with financial institutions
 - High leverage relative to EV
 - Low interest, fixed rate, long-duration, and no or a few financial covenants

Closing

- ✓ Adjusting the closing timing based on the seller's preference
- ✓ Beginning search for an external hire for the new CEO prior to closing

Note:

(1) 1,867 deal proposals considered since establishment through March 2025

Strong relationships with over 350 advisors

- Through our network of over 350 advisors, in addition to referrals from our own group network, we continuously develop our M&A pipeline

Major sourcing channels (in no particular order)

External	SME M&A advisor	<ul style="list-style-type: none">• Japan M&A Center, M&A Capital Partners, Strike, M&A Research Institute• M&A Best Partners, Integroup, M&A Royal Advisory, Yamada Consulting, ONDECK, RECOF, Management Succession Support, M&A DX, Frontier Management, NEWOLD CAPITAL and many others
	Financial Institution	<ul style="list-style-type: none">• City banks: MUFJ Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, Resona Bank• Regional banks: Fukuoka Bank, Bank of Yokohama, Chiba Bank, Hachijuni Bank, Gunma Bank, Hokuriku Bank, Kyoto Bank, Shizuoka Bank, Saitama Resona Bank, Daishi Hokuetsu Bank, Hyakugo Bank, Kiyo Bank, Towa Bank and many others• Securities companies: SBI, Nomura, Daiwa, SMBC Nikko, Mizuho
	Public Institution	<ul style="list-style-type: none">• Business succession support centers: Tokyo, Chiba, Kanagawa, Kyoto, Shizuoka, Fukushima, and many others• Japan Finance Corporation, Shoko Chukin Bank, Development Bank of Japan, Government-affiliated funds, Ministry of Economy, Trade and Industry, Small and Medium Enterprise Agency
	Tax/CPA Firm	<ul style="list-style-type: none">• Large accounting firms, local accounting firms• Major tax accounting firms, local tax accounting firms
Internal		<ul style="list-style-type: none">• Our network of advisors and other members• Network of former owners of the portfolio companies• Business partners and peers of the portfolio companies

Strengths as a Preferred Buyer

- By leveraging our strengths, we can structure proprietary deals. Even in competitive situations, sellers often choose us for reasons beyond price
- The number of serial acquirers in the manufacturing industry is relatively small compared to the market size, primarily due to the challenges of initial fundraising and team formation
- Resulting in attractive entry valuations based on EV/EBITDA multiple

	<u>NGTG</u>	<u>PE Fund</u>	<u>Other Enterprises</u>
Resale	<ul style="list-style-type: none">• Policy of not reselling the group companies	<ul style="list-style-type: none">• Need to sell portfolio companies in order to return capital to investors	<ul style="list-style-type: none">• Not reselling the acquired companies in most cases
Independence of individual companies	<ul style="list-style-type: none">• Respect the independence of each group company	<ul style="list-style-type: none">• No subordinate relationship, as a PE firm is also a pure investment vehicle• Normally, respect the independence of each portfolio company	<ul style="list-style-type: none">• Subordinate relationships may result in the enforcement of parent company policies or organizational integration
Value-Creation	<ul style="list-style-type: none">• Management support through unique value-creation playbook, NGP• Sharing best practices among group companies	<ul style="list-style-type: none">• Some PE firms take a hands-on approach, while others are more hands-off in their support• Often not industry-specific and difficult to share best practices	<ul style="list-style-type: none">• Management support is feasible in the same or related industries, but often provided primarily to benefit the parent company

Addressing Diverse Business Succession Needs

- We provide tailored solutions to meet the diverse succession needs of current owners, which is one of the reasons sellers often choose us

When to Retire	Next CEO	Our Plans	Track Record
1 Want to retire after a transition period of ~5 years	Former owner continues to serve as CEO	<ul style="list-style-type: none"> • Support the former owner/CEO to select and train candidates for the next CEO • Smooth succession within the timeframe desired by the former owner/CEO 	<div>  </div> <div> <p>An employee succeeded to the CEO position after transition period, with the former CEO becoming a Chairman / Advisor</p> <p>Training candidates to be the next CEO within the company by collaborating with former owner / current CEO</p> </div>
2 Won't retire soon but want to grow the company with NGTG	Former owner continues to serve as CEO	<ul style="list-style-type: none"> • Implement operational improvements with the CEO • Train future successors within the company 	<div>  </div> <div> <p>The former owner (in his 40s) continues to serve as CEO</p> <p>The former owner (in his 40s) continues to serve as CEO</p> </div>
3 As soon as possible	No candidate within the company	<ul style="list-style-type: none"> • External hire of new CEO via our networks⁽¹⁾ • NGTG collaborates closely during the start-up phase 	<div>  </div> <div> <p>CEO of NGTG also serves as president → An employee succeeded to the CEO position</p> <p>External hire → An employee succeeded to the CEO position</p> <p>External hire</p> </div>

Note:

(1) Including the introductions of external recruitment agencies as well as the management and members of us and our portfolio companies.

Our Strengths in Fundraising

- We have leveraged our unique strengths to secure financing from financial institutions on favorable terms
- Maintain consolidated leverage level and continue new acquisitions with a highly capital-efficient structure

Our Strengths appealed to financial institutions



Deal-making with high-profitability companies



Strong team



Trust based on a proven track record



Social significance

Typical borrowing terms

- ✓ Low interest rate
- ✓ Fixed rate
- ✓ Long-duration repayment schedule
- ✓ No or a few financial covenants
- ✓ High leverage relative to enterprise value

Leverage level (on a consolidated basis)

- ✓ Consolidated financial leverage level is managed using the Net Debt / Adjusted EBITDA
- ✓ Net Debt / Adjusted EBITDA ⁽¹⁾

Assuming **3.0-4.0x** to be an appropriate level

Note:

- (1) Net Debt = Long-and short-term debt + long-and short-term bonds + long-and short-term lease obligations - cash and cash equivalents - long-term deposits - investment securities
Adjusted EBITDA = Operating profit + depreciation and amortization + amortization of goodwill + acquisition related costs

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NGP: NGTG Growth Program

- The NGP, a structured value creation playbook, is applied to newly acquired company to provide efficient and effective growth support

NGP: NGTG⁽¹⁾ Growth Program

- Our proprietary value-creation playbook that is modeled after Danaher's Danaher Business System (DBS)
- Weekly updates based on successes and failures at each group company

Effective support by stage

First 6 months

- Understand the current situation through 1-1 meetings with employees
- Introduce some NGP initiatives(e.g., IT tools, review of organizational structure, etc.)
- Business plan development

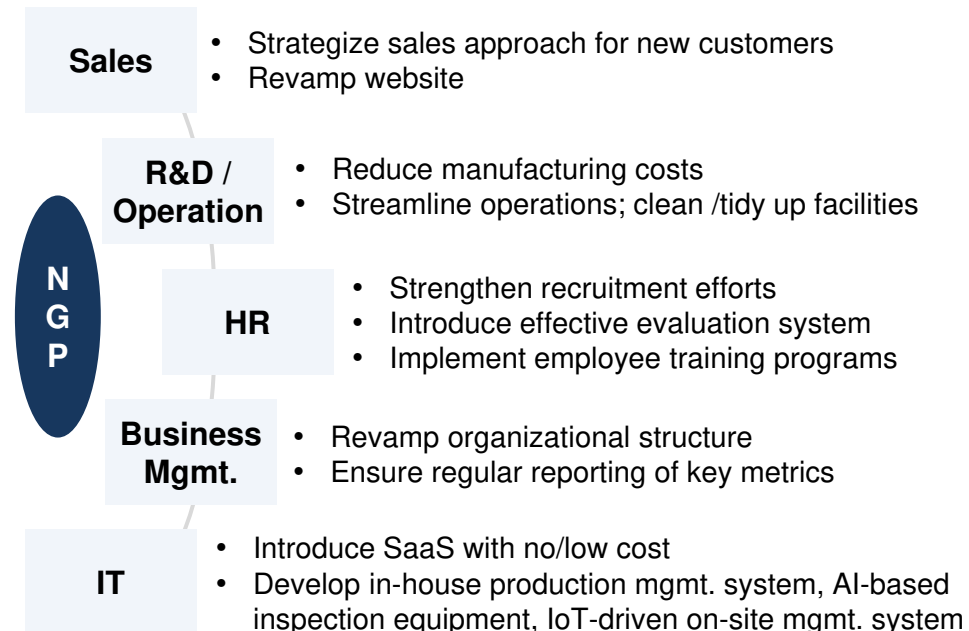
From 6 months to 2 years

- Execute business plans
- Provide a wide range of growth support measures

From 3 years onwards

- International expansion
- Bolt-on M&As

Comprehensive support

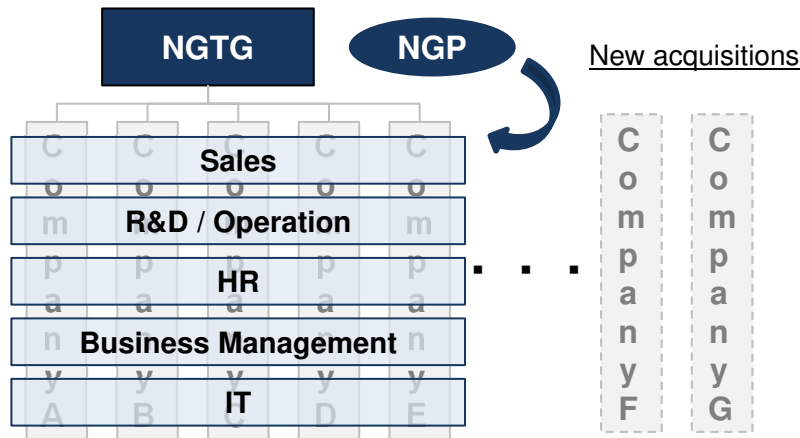


Note: (1) Abbreviation for Next Generation Technology Group, our company name in English.

Collaboration within Group

- Many companies experience similar management challenges despite differences in their products and markets. Growth support through group collaboration has proven effective
- By actively encouraging interaction within the group, we share best practices and provide support across all areas, from sales to employee training

Foster collaboration across different areas



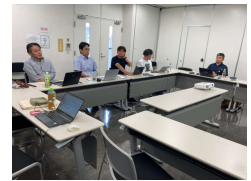
[Interaction within Group]



Specific examples of intra-group collaboration

Opportunities for interaction within the group

- ✓ Customer referrals
- ✓ Mutual site visits, information exchanges among technicians
- ✓ Sharing of supplier information, utilization of machinery trading companies within the group
- ✓ Group joint training (new graduate training, CEO's academy, etc.)
- ✓ Monthly President's Meeting



[CEO's academy and employee training]

Developing NGP by sharing best practices

- ✓ Weekly NGP updates based on successes and failures that have emerged from the trials and errors of each company
- ✓ Through NGP, companies can mutually enhance each other by sharing best practices

Post-Acquisition Initiatives at Toshima Manufacturing (Implementation of NGP)

Post-Acquisition Initiatives

Step 1

- NGTG members lived near the company, dedicating their full efforts
- Individual interviews with all employees, including those in Thailand
- Customer visits
- Market and competitive research
- Sought insights from external advisors

Step 2

Sales

- Strategizing sales approaches for new customer acquisition
- Revamping the website and web marketing strategies
- Cost analysis and price increases for existing products

Operation

- Driving projects to lower manufacturing costs
- Adapting investments to align with customer requirements
- Cleanup activities and comprehensive 5S implementation
- Introducing 3D CAD and 3D printers

HR

- Introduce a personnel evaluation system that incentivizes effort
- Revamp the organizational structure to enhance cross-departmental communication
- Strengthen recruitment efforts for new graduates/mid-career
- Revamp the education system

Business Mgmt

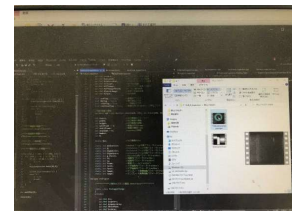
- Shift in decision-making process from owner-management to team-management
- Formulate budget, capex plans, and analysis of business metrics
- Regular financial reporting at morning meetings and assessing bonus allocations based on achievements

IT

- Implement IT tools / Cloud storage services such as Slack, Zoom, Google Calendar, freee, self-developed production trace system, and Asprova
- Introduce image inspection equipment
- Leverage IoT for improved production management and manufacturing efficiency



NGTG members deepening their understanding of the site



Newly introduced AI-based image inspection system



Training for section chiefs

Examples of NGP execution (1): Website and Production System

Website revamp

- Issue
- Toshima's website doesn't rank high in Google search results for relevant products and technologies
 - Website visits do not translate into inquiries from potential customers
 - Display issues when accessing the website on a smartphone.
- Action & Results
- Installed a website improvement project involving young employees to revamp the website with SEO strategies
 - Analyzed traffic using Google Analytics and Search Console. Spent minimal advertising expense.
 - Attained higher search result rankings (3rd to 1st page) for the keyword "cold forging," resulting in increased site visitors and inquiries.



Note: Examples from Toshima Manufacturing

In-house production system

- Issue
- Toshima Manufacturing's parts division faced challenges in tracking inventory locations and quantities
 - Excessive intermediate inventory and limited on-site storage space
- Action & Results
- NGTG members developed a system using FileMaker, a non-coding software
 - Employees input work details on iPads deployed at work allowing real-time tracking of produced items (intermediate inventory)
 - The system is being refined on field feedback for enhanced usability

Production Result Registration Screen

日報登録

作業日: 2021/07/06
品名: 023942-01-06 シェル M Z 21-135
工程: 023942-01-06-#1 ブランク

製造・検査実績

内庫番号	作業番号	良品	不良	不良
no2	ch1	40	2	3
no1	ch111	120	2	6
AA	ch1	150	0	0
no1	ch11	345	1	3

作業者・所要時間

作業開始時刻	作業終了時刻
9:00:00	12:00:00

作業員氏名

作業員氏名	作業時間
作業員 1 田中 亮太	180
作業員 2 鈴木マフン・エンディ	120
作業員 3 川崎 健	300
作業員 4 渡辺 翔	100
作業員 5 佐田 明秀	120

メモ

On-site registration of production numbers by lot, workers, working hours, and equipment used

Inventory Database Screen

品別在庫照会

ログインユーザ: ログイン

生産管理 実績分析 システム管理

品名	単位	数量	在庫	仕入	仕出	在庫	仕入	仕出
1. ブランク	個	120	500	0	0	120	0	0
2. プレス加工 (P1)	個	500	0	0	0	500	0	0
3. プレス加工 (P2)	個	500	0	0	0	500	0	0
4. プレス加工 (P3)	個	500	0	0	0	500	0	0
5. プレス加工 (P4)	個	500	0	0	0	500	0	0
6. プレス加工 (P5)	個	500	0	0	0	500	0	0
7. プレス加工 (P6)	個	500	0	0	0	500	0	0
8. プレス加工 (P7)	個	500	0	0	0	500	0	0
9. プレス加工 (P8)	個	500	0	0	0	500	0	0
10. プレス加工 (P9)	個	500	0	0	0	500	0	0

After registering the date in the system, it is immediately reflected in the inventory list.

Examples of NGP execution (2): IoT-Driven On-site Management System

Development and installation of IoT systems

Issues

- They wanted a system that enables automated collection of manufacturing data, including machine operation status, production state, and real-time factory visuals
- Gather factory conditions, including temperature and humidity
- Utilize varied data to enhance productivity
- Create a system in-house on a tight budget

Action & Results

- Collecting process data through budget-friendly sensors and devices
- Designing unit housings using 3D printers to match installation spots. Utilizing Wi-Fi within the factory to eliminate cables. Solar panels for power supply
- Enabling real-time information sharing between sensors/devices and individual employees through Slack or LINE notifications
- Incorporating abnormality detection systems to alert machine anomalies like overheating
- Cloud-based data collection. AI-based failure prediction



【 Hardware setup 】

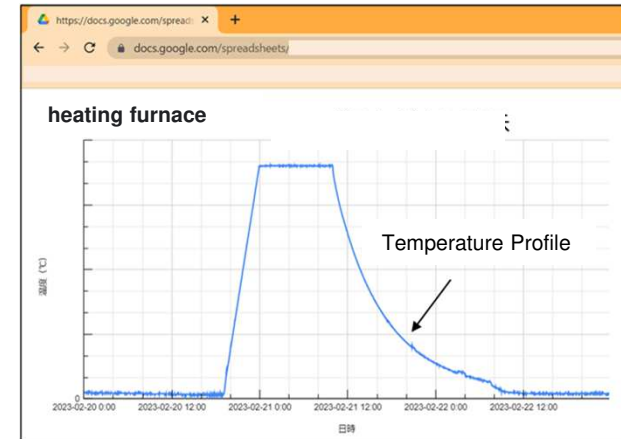


【 Manufacturing machines 】

Date and time
Reference
thermoelectromotive force
Temperature

	A	B	C	D	E
	time	temp_mv	ref_mv	temp_mv	temp
2	2022-02-17 0:00	110.5	21.438	3.67812	437.05
3	2022-02-17 0:01	110.5	21.562	3.6791	436.84
4	2022-02-17 0:02	110	21.5	3.65283	434.9
5	2022-02-17 0:03	109.75	21.562	3.64005	433.72
6	2022-02-17 0:04	109.5	21.562	3.62973	432.75
7	2022-02-17 0:05	109	21.562	3.60909	430.8
8	2022-02-17 0:07	108.5	21.562	3.58891	428.84
9	2022-02-17 0:08	108.25	21.5	3.56889	426.07
10	2022-02-17 0:09	108	21.5	3.57037	427.08
11	2022-02-17 0:10	107.5	21.825	3.54458	424.7
12	2022-02-17 0:11	107.25	21.5	3.53842	424.14
13	2022-02-17 0:12	107	21.5	3.52391	423.15
14	2022-02-17 0:13	106.75	21.825	3.51342	421.75
15	2022-02-17 0:14	106.5	21.5	3.4775	418.22
16	2022-02-17 0:17	105.5	21.562	3.46482	417.02
17	2022-02-17 0:18	104.75	21.438	3.43879	414.46
18	2022-02-17 0:20	104.5	21.438	3.42847	413.47
19	2022-02-17 0:21	104.25	21.5	3.41956	412.37
20	2022-02-17 0:23	103.75	21.5	3.39485	410.28
21	2022-02-17 0:24	103.5	21.438	3.38719	409.5
22	2022-02-17 0:25	103.25	21.438	3.37887	408.51
23	2022-02-17 0:26	102.75	21.312	3.36143	406.95
24	2022-02-17 0:27	102.5	21.375	3.34952	405.75
25	2022-02-17 0:28	101.75	21.312	3.32016	402.98
26	2022-02-17 0:30	101.75	21.312	3.32016	402.98
27	2022-02-17 0:31	101.25	21.25	3.30208	401.21
28	2022-02-17 0:32	101	21.25	3.29176	400.22
29	2022-02-17 0:43	98	21.188	3.17049	388.51
30	2022-02-17 0:44	97.5	21	3.15261	387.15

【 Data collected from machines 】



【 Visualization of temperature profile in a web browser 】

Note: Examples from Toshima Manufacturing

FY2025 Q1 Financial Results

FY2025 New Acquisitions

Appendix: Company Overview

- Market Environment
- Acquisition Targets and Track Record
- Value Creation of Acquired Companies
- Equity Story
- Overview of the Group Companies

Investment Highlight

1

Given the aging population, M&A activity in the manufacturing sector is expected to increase, creating opportunities to acquire high-profitability companies at attractive valuations.

2

Leveraging Japan's low interest rates and excess funds in financial institutions, we secure a highly leveraged financial package from banks, to execute acquisitions.

3

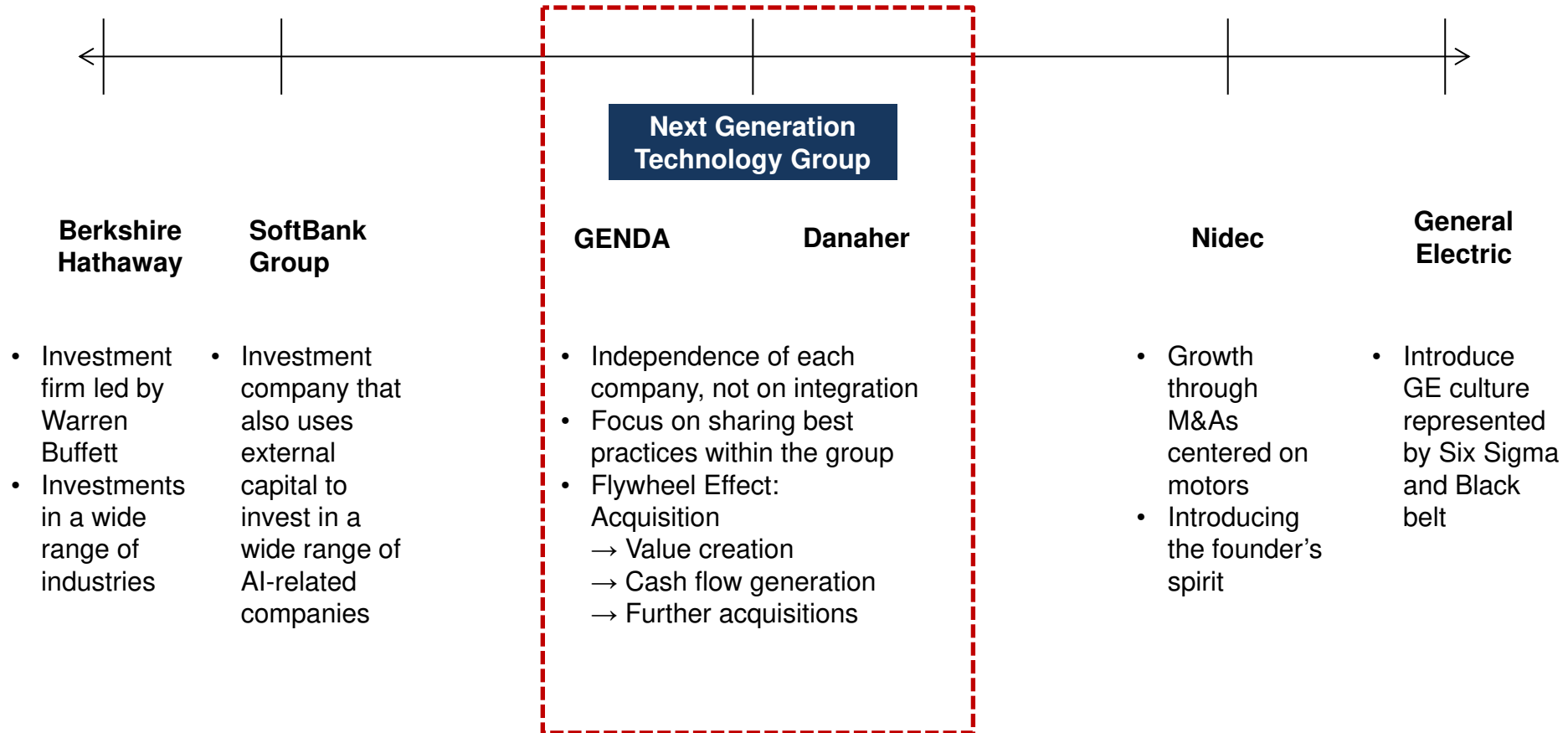
By standardizing processes and pursuing synergies across the group, we create value in acquired companies, generate stable cash flow, and execute serial acquisitions.

NGTG's Positioning among Peers Driving Growth Through M&As

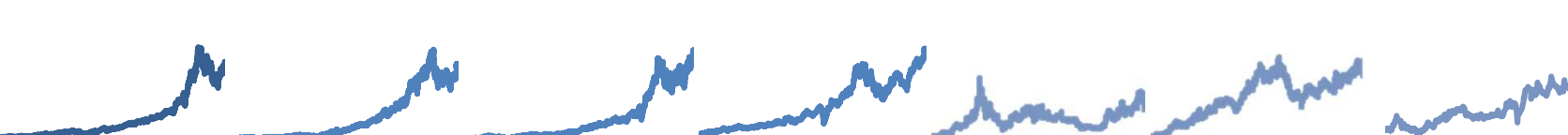
Pure investment

Serial Acquirer

Integration



Serial Acquirer Case Study

	North America	Europe			Japan		
Name	Danaher	Halma	Indutrade	Lifco	Yoshimura Food HD	Japan Elevator Service HD	GENDA
HQ	US	UK	Sweden	Sweden	Japan (Tokyo)	Japan (Tokyo)	Japan (Tokyo)
Establishment	1984	1894	1978	1946	2008	1994	2018
# of Group Companies	Not disclosed	55	225	257	36	32	40
Sales ⁽¹⁾⁽²⁾	25.1B USD	2.7B USD	3.2B USD	2.6B USD	387M USD	329M USD	745M USD
Share Price Chart ⁽³⁾							
feature	<ul style="list-style-type: none"> ■ Focus on life science, diagnostics, and environment ■ Implementing Danaher Business System (DBS) 	<ul style="list-style-type: none"> ■ Focus on safety, environmental, and health markets ■ Independent profit system ■ Hands-off business operations 	<ul style="list-style-type: none"> ■ Focus on social infrastructure manufacturing, medical, etc. ■ Not pursue business synergy ■ Hands-off business operations 	<ul style="list-style-type: none"> ■ Focus on Dental and Construction ■ Emphasis on independence of each company ■ Not pursue business synergy 	<ul style="list-style-type: none"> ■ Acquire only food-related companies ■ Create business synergies within the group companies 	<ul style="list-style-type: none"> ■ Acquire elevator maintenance and servicing company ■ Strengthen the sales network via intra-group collaboration 	<ul style="list-style-type: none"> ■ Acquire only entertainment-related companies ■ Create business synergies within the group companies

Note:

(1) Sales for the most recent fiscal year of each company

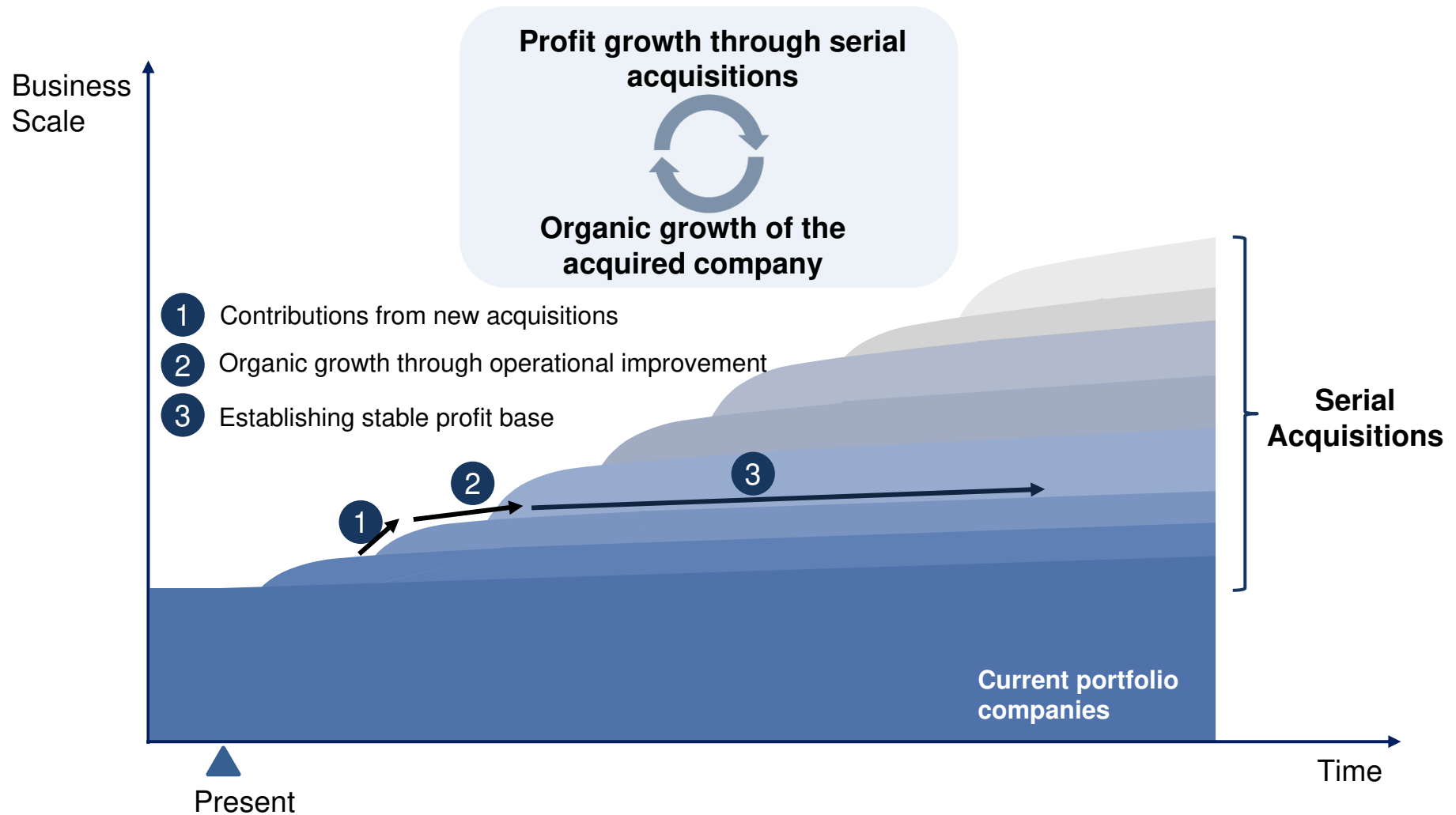
(2) The exchange rates are converted as follows: 1JPY = 0.007USD, 1GBP = 1.24USD, 1SEK = 0.092USD

(3) Share price changes from the earlier of each company's listing date or January 2, 2020, until December 31, 2024.

Source: Each company's disclosed materials, each company's website, Yahoo Finance

Illustrative Diagram of Our Future Growth

- We aim for medium-to long-term growth through both organic value creation of acquired companies and continuous M&A



Note: The above illustrates our medium- to long-term growth vision for the business scale and does not guarantee specific numerical changes in performance.

FY2025 Q1 Financial Results

FY2025 New Acquisitions

Appendix: Company Overview

- Market Environment
- Acquisition Targets and Track Record
- Value Creation of Acquired Companies
- Equity Story
- Overview of the Group Companies

Portfolio (1) : Toshima Manufacturing

- On November 29th, 2019, NGTG acquired shares from Kentaro Kimoto

Location	1414 Shimo-nomoto, Higashimatsuyama City, Saitama, Japan
Business Description	2 business units + 1 Thai subsidiary <ul style="list-style-type: none"> • Material Systems Business (Chemical materials, mainly sputtering targets) • Parts Business (Automobile parts cold forging and pressing) • Toshima Thai (Speakers, generators, automobile parts cold forging and pressing)
CEO	Prior to acquisition: Kentaro Kimoto (former 100% shareholder, age:44) He stepped down from a director and supported the management as the Chairman and advisor for six months Post-acquisition (2019/11 to 2021/12): Eiichi Arai (concurrently President, NGTG) Post-transition period (from 2022/1): Tsugio Saito (former employee of Toshima Manufacturing)
Employees	225 (Japan:175 + Thailand:50)



Business / Product Image

MS Business

- Battery Materials
 - All-solid-state Lithium Ion Battery
- Energy Device Materials
 - Superconductivity
 - Artificial photosynthesis
 - Thermoelectric conversion
- Advanced Functional Materials
 - Piezoelectric and ferroelectric materials
 - Magnetic device



Parts Business

- Automotive Parts



Note: Number of employees as of December 31, 2023

Portfolio (2) : Toyo Mark

- On December 10th, 2020, NGTG acquired shares from Kazuhiko Sasaoka and others

Location	5465 Oaza-Nakasu, Suwa City, Nagano, Japan
Business Description	Resin printing, resin processing
CEO	<p>Prior to the acquisition: Kazuhiko Sasaoka (former major shareholder, age:65. Post-transaction, he stepped down as a director and supported the management as an advisor for 6 months.)</p> <p>Post-acquisition (2020/12 to 2022/3): Masami Onishi (recruited from outside via an agent; experienced professional management; most recently President of Hotta Marusho Co, listed company in TSE)</p> <p>Post-acquisition (from 2022/4): Masashi Mizuno (former employee of Toyo Mark)</p>
Employees	44



Business / Product Image

Amusement



フィルムインサート部品



下段 インサート
上段 成形品



フィルムインサート部品



左 スパイダー成形品
右 インサート用フィルム

Automobile



カーナビパネル



車載文字盤

Others



自販機カード読み取り



自販機用モニター



携帯電話・カメラ部品
N.C 切削加工



操作パネル
メンブレン
スマホ飛散防止フィルム

Note: Number of employees as of December 31, 2023

Portfolio (3) : FA Shinka Technology

■ On February 10th, 2021, NGTG acquired shares from Kaoru Yamaguchi and others

Location	Headquarters: 102-7, Iwasaki-cho, Watari, Fukushima City, Fukushima, Japan Fukushima Office: 9-11 Houkidamaebakke, Fukushima City, Fukushima , Japan R&D Center: 78-1122 Higuchi, Tonai, Towada City, Aomori, Japan
Business Description	Development and manufacture of automatic soldering machines, etc.
CEO	-2024/6: Kaoru Yamaguchi (Former major shareholder, age:59; he continued to represent the company after the share transfer and is now supporting management as an advisor) 2024/7- : Nozomi Kuwajima (age:50, former employee of FA Shinka Technology)
Employees	21



Product Image



Note: Number of employees as of December 31, 2023

Portfolio (4) : MSC Manufacturing

■ On July 30th, 2021, NGTG acquired shares from Kenji Tokukatsu and others

Location	2-1076 Yashio City, Saitama, Japan
Business Description	Manufacture and sale of sheet and coil material cutting machines (scrap cutters, fixed length cutters)
CEO	<p>-2021/12: Kenji Tokukatsu (Former shareholder, age:54, he continued to represent the company after the share transfer and is now supporting management as Chairman)</p> <p>2022/1- : Koichi Masuyama (age:34, former employee of MSC Manufacturing)</p>
Employees	17



Product Image



Note: Number of employees as of December 31, 2023

Portfolio (5) : Shinohara Manufacturing

■ On September 6th, 2021, NGTG acquired shares from Hiroomi Shinohara and others

Location	325-2 Matsuoka, Fuji City, Shizuoka, Japan
Business Description	Design and manufacture of processing and winding machines for high-performance film, metal foil, paper, etc.
CEO	Hiroomi Shinohara (Former shareholder, age:53, continues to be the representative director after the share transfer, working with NGTG to train his successor)
Employees	28



Product Image



Note: Number of employees as of December 31, 2023

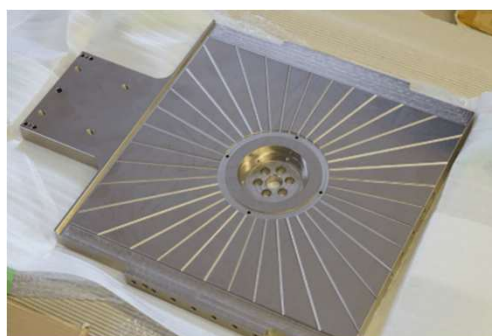
Portfolio (6) : Kyowa Seiko

- On July 5th, 2022, NGTG acquired shares from Sadatsugu Kishida and others

Location	1-11-12 Himuro-cho, Takatsuki City, Osaka, Japan
Business Description	Machining and cutting of parts for various industrial equipment
CEO	-2023/2: Sadatsugu Kishida (Former shareholder, age:77, continued to represent the company after the share transfer and supported management as Advisor until 2024/7) 2023/2- : Kenji Hashiuchi (age: 53,recruited from outside via an agent) 2023/5~: Koyo Ejiri (Concurrent position with NGTG)
Employees	35



Product Image



Note: Number of employees as of December 31, 2023

Portfolio (7) : Kimpou Meltech

■ On April 13th, 2023, NGTG acquired shares from Toshihiro Nozawa and Asako Nozawa

Location	2111, 1435-1 Mikkaichiba, Iida City, Nagano, Japan
Business Description	Precision sheet metal fabrication, Metal foil processing
CEO	<p>~2025/4:Toshihiro Nozawa (Former major shareholder, age 59 at the time. Continued to serve as Representative Director for a certain period following the acquisition, and has since supported management as a Director after stepping down as Representative.)</p> <p>2025/4~:Masahiro Miyazawa (Age 44, Former Head of Sales at Kimpou Meltech)</p>
Employees	57



Product Image



Note: Number of employees as of December 31, 2023

Portfolio (8) : Aero Craft Japan

- On June 29th, 2023, NGTG acquired shares from Takuma Fukatsu

Location	922-16 Kawamukou-cho, Tsuzuki-ku, Yokohama City, Kanagawa, Japan
Business Description	<ul style="list-style-type: none">• Designing and manufacturing CFRP (Carbon Fiber Reinforced Plastics) product• Manufacturing non-ferrous metal products
CEO	Takuma Fukatsu (Previous owner; age:40; he continues to be the CEO after the share transfer)
Employees	41



Product / Industry image



Note: Number of employees as of December 31, 2023

Portfolio (9) : Amatori

■ On August 1st, 2023, NGTG acquired shares from Makoto Shimura

Location	1022-1 Shimojo Nishiwari, Okusa-machi, Nirasaki City, Yamanashi, Japan
Business Description	Manufacturing components for semiconductor manufacturing equipment (machining and cutting)
CEO	Yu Shimura (Son of previous owner; age: 41; he continues to be the CEO after the share transfer)
Employees	48



Product Image



Note: Number of employees as of December 31, 2023

Portfolio (10) : Tiock

■ On January 31st, 2024, NGTG acquired shares from Masaaki Kanazawa and others

Location	850-1 Aokijimaotsu, Aokijimamachi, Nagano City, Nagano, Japan
Business Description	Manufacturing LED information boards for road/construction work
CEO	Masaaki Kanazawa (Former shareholder/founder, age:62, continues to be the representative director after the share transfer, working with NGTG to train his successor)
Employees	28



Product Image



Note: Number of employees as of December 31, 2023

Portfolio (11) : Miyasaka Industries

■ On April 1st, 2025, NGTG acquired shares from Yoshimasa Miyasaka and others

Location	5568-2 Kanazawa, Chino-shi, Nagano, Japan
Business Description	Metal Grinding and Proprietary Products
CEO	Masaru Kamijo (Age 55 / Promoted from Executive Vice President upon acquisition)
Employees	31



Product Image



Note: Number of employees as of April 30, 2025

Portfolio (12) : Suntec Industry

■ On April 25th, 2025, NGTG acquired shares from Kouichi Inoue

Location	2-48 Juichiya, Minato-ku, Nagoya-shi, Aichi, Japan
Business Description	Annealing, shot blasting, and metal surface lubrication treatment
CEO	Kouichi Inoue (Founder, age 69 / Continues to serve as Representative Director after the acquisition)
Employees	25



Product Image



Note: Number of employees as of April 30, 2025