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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]

August 14, 2025

Company name: Next Generation Technology Group Inc.

Listing: Tokyo Stock Exchange

Securities code: 319A

URL: <https://ngt-g.com/>

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CEO

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Scheduled date to file semi-annual securities report: August 14, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	5,619	4.6	512	(34.3)	522	(35.7)	289	(55.0)
June 30, 2024	5,373	-	780	-	811	-	641	-

(Note) Comprehensive income: Six months ended June 30, 2025: ¥ 294 million [(56.1) %]

Six months ended June 30, 2024: ¥ 671 million [- %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	33.47	-
June 30, 2024	81.28	-

Non-GAAP Financial Measures

(Percentages indicate year-on-year changes.)

	Adjusted EBITDA		Adjusted Profit	
Six months ended	Millions of yen	%	Millions of yen	%
June 30, 2025	1,026	(6.8)	510	(14.4)
June 30, 2024	1,102	-	596	-

(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
As of	Millions of yen	Millions of yen	%
June 30, 2025	17,808	6,069	33.5
December 31, 2024	15,416	4,002	25.3

(Reference) Equity: As of June 30, 2025: ¥ 5,969 million

As of December 31, 2024: ¥ 3,902 million

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	-	0.00			
Fiscal year ending December 31, 2025 (Forecast)			-	0.00	0.00

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

(Note) Breakdown of the 2nd 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: Yes

Newly included: 2 (Company name: Miyasaka Industries Co., Ltd., Suntec Industry Co., Ltd.)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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: Yes
- 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):

June 30, 2025: 8,845,978 shares
December 31, 2024: 7,882,778 shares

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

June 30, 2025: - shares
December 31, 2024: - shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2025: 8,624,058 shares
Six months ended June 30, 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.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	5,442	4,848
Notes receivable - trade	25	44
Accounts receivable - trade	1,073	1,319
Electronically recorded monetary claims - operating	401	300
Securities	-	35
Merchandise and finished goods	351	379
Work in process	637	632
Raw materials and supplies	483	594
Other	387	1,446
Total current assets	8,799	9,597
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,059	1,242
Machinery, equipment and vehicles, net	1,487	1,484
Land	2,024	2,200
Leased assets, net	241	233
Other, net	144	118
Total property, plant and equipment	4,955	5,277
Intangible assets		
Goodwill	835	1,855
Other	24	32
Total intangible assets	859	1,887
Investments and other assets		
Investment securities	296	456
Deferred tax assets	297	358
Other	210	235
Total investments and other assets	803	1,048
Total non-current assets	6,617	8,212
Total assets	15,416	17,808

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	645	530
Electronically recorded obligations - operating	272	225
Short-term borrowings	1,975	2,045
Current portion of bonds payable	20	20
Current portion of long-term borrowings	1,279	1,351
Lease liabilities	38	36
Provision for bonuses	-	111
Income taxes payable	280	270
Contract liabilities	44	34
Other	491	449
Total current liabilities	5,043	5,071
Non-current liabilities		
Bonds payable	41	31
Long-term borrowings	5,243	5,410
Lease liabilities	244	231
Deferred tax liabilities	151	143
Retirement benefit liability	188	200
Provision for retirement benefits for directors (and other officers)	289	435
Other	215	219
Total non-current liabilities	6,371	6,668
Total liabilities	11,414	11,739
Net assets		
Shareholders' equity		
Share capital	55	10
Capital surplus	187	2,004
Retained earnings	3,576	3,865
Total shareholders' equity	3,818	5,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	37
Foreign currency translation adjustment	67	53
Total accumulated other comprehensive income	84	90
Non-controlling interests	100	100
Total net assets	4,002	6,069
Total liabilities and net assets	15,416	17,808

Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	5,373	5,619
Cost of sales	3,756	4,075
Gross profit	1,617	1,545
Selling, general and administrative expenses	837	1,032
Operating profit	780	512
Non-operating income		
Subsidy income	1	83
Foreign exchange gains	35	-
Gain on investments in investment partnerships	-	32
Gain on valuation of derivatives	17	-
Other	32	14
Total non-operating income	85	129
Non-operating expenses		
Interest expenses	43	45
Foreign exchange losses	-	34
Listing expenses	-	23
Other	12	17
Total non-operating expenses	55	120
Ordinary profit	811	522
Extraordinary income		
Gain on sale of non-current assets	0	8
Gain on bargain purchase	107	-
Other	18	1
Total extraordinary income	125	9
Extraordinary losses		
Other	0	0
Total extraordinary losses	0	0
Profit before income taxes	936	531
Income taxes - current	286	237
Income taxes - deferred	9	5
Total income taxes	295	242
Profit	641	289
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	641	289

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Profit	641	289
Other comprehensive income		
Valuation difference on available-for-sale securities	14	20
Foreign currency translation adjustment	17	(14)
Total other comprehensive income	31	6
Comprehensive income	671	294
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	671	294
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	936	531
Depreciation	258	292
Amortization of goodwill	37	49
Gain on bargain purchase	(107)	-
Loss (gain) on investments in investment partnerships	3	(28)
Loss (gain) on valuation of derivatives	(17)	-
Foreign exchange losses (gains)	(35)	30
Interest expenses	43	45
Increase (decrease) in provision for bonuses	79	97
Increase (decrease) in retirement benefit liability	(39)	(0)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(31)	(329)
Subsidy income	(1)	(83)
Decrease (increase) in trade receivables	159	36
Decrease (increase) in inventories	16	(46)
Decrease (increase) in accounts receivable - other	32	43
Increase (decrease) in trade payables	(104)	(167)
Increase (decrease) in contract liabilities	47	(12)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(53)	56
Other, net	(6)	(77)
Subtotal	1,215	436
Interest and dividends received	4	4
Interest paid	(48)	(53)
Income taxes refund (paid)	(185)	(285)
Subsidies received	1	92
Net cash provided by (used in) operating activities	988	194

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from investing activities		
Purchase of securities	-	(32)
Payments for investment in partnerships	(34)	(107)
Proceeds from distributions from investment partnerships	2	23
Purchase of non-current assets	(109)	(199)
Proceeds from sale of non-current assets	0	95
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(27)	(1,782)
Proceeds from cancellation of insurance funds	110	532
Other, net	51	14
Net cash provided by (used in) investing activities	(6)	(1,456)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	23
Repayments of finance lease liabilities	(24)	(20)
Proceeds from long-term borrowings	410	790
Repayments of long-term borrowings	(786)	(853)
Proceeds from issuance of bonds	30	-
Redemption of bonds	(13)	(10)
Purchase of treasury shares	(50)	-
Proceeds from issuance of shares	-	1,772
Other, net	(1)	(27)
Net cash provided by (used in) financing activities	(434)	1,676
Effect of exchange rate change on cash and cash equivalents	26	(24)
Net increase (decrease) in cash and cash equivalents	575	390
Cash and cash equivalents at beginning of period	4,399	5,565
Cash and cash equivalents at end of period	4,974	5,955

Business Combination through Acquisition (Kanda Iron Works Co., Ltd.)

On August 8, 2025, the Company resolved that its consolidated subsidiary, NGTG13 Co., Ltd., would acquire all issued shares of Kanda Iron Works Co., Ltd.

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

Name of the acquired company: Kanda Iron Works Co., Ltd.

Description of business: Machining and cutting

(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 Machining and cutting technologies of Kanda are of high social significance, as they underpin global manufacturing. Believing that these technologies should be carried forward to the next generation.

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(3) Date of the business combination

August 8, 2025

(4) Legal form of the business combination

Acquisition of shares for consideration of cash

(5) Name following the business combination

Kanda Iron Works 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 Kanda Iron Works Co., Ltd. through acquisition of shares for consideration of cash, and has become the acquiring company.