

Next Generation Technology Group

FY 2024 Financial Results

February 14, 2025

Company Overview

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

FY2024 Financial Results

FY2025 Financial Forecast

Appendix: Overview of the Group Companies

Mission

A wide-angle, high-angle photograph of a large industrial manufacturing facility. The floor is filled with various pieces of machinery, including large metalworking equipment and a prominent vertical lathe on the right side with the brand name 'OBAYAMA' visible. Several workers in blue uniforms are seen operating the machines and working at workbenches. The space is filled with tools, materials, and equipment, creating a busy and complex industrial environment. The lighting is bright, and the overall atmosphere is one of active production.

**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



~400 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: 1,717 (Establishment - December 2024)	
Number of companies acquired (M&A track record) ⁽¹⁾	10 companies	
Number of Employees ⁽²⁾	556 employees	
Consolidated Financial Results (FY2024)	Net Sales	11.1 billion yen
	Adjusted EBITDA ⁽³⁾	2.2 billion yen
	Adjusted Profit ⁽⁴⁾	1.0 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 November 30, 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

Management

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 of the board

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

Yosuke Fujii

Executive Officer

- B.A. in Economics, Keio University
- CPA
- PwC
- Corporate Directions Shanghai

Toshiyuki Shiga

Outside Director of the board

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

M&A

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

Yasuhisa Tahara

- MBA, Stanford Graduate School of Business and B.A. in Law, The University of Tokyo
- Nagashima Ohno & Tsunematsu Law Office
- PAG

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

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

Mari Hoshino

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

Nobuhiro Hirai

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

Koyo Ejiri

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

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

Note: Including outsourced members

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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:

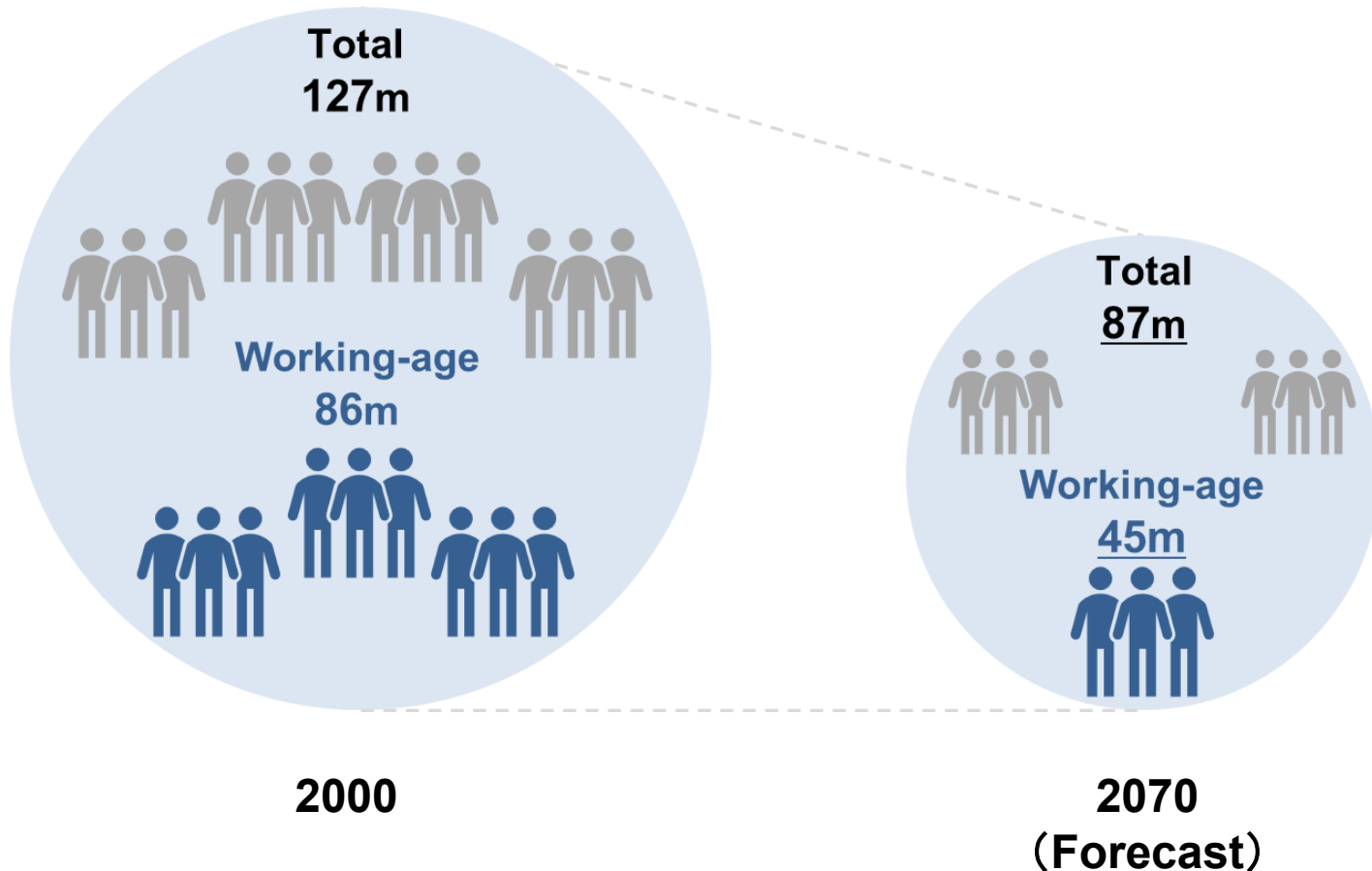
(1) The number of SMEs is as of 2021, and the scope of SMEs is based on the definition of companies treated as small and medium-sized enterprises or small businesses under the Small and Medium-sized Enterprise Basic Act

(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)

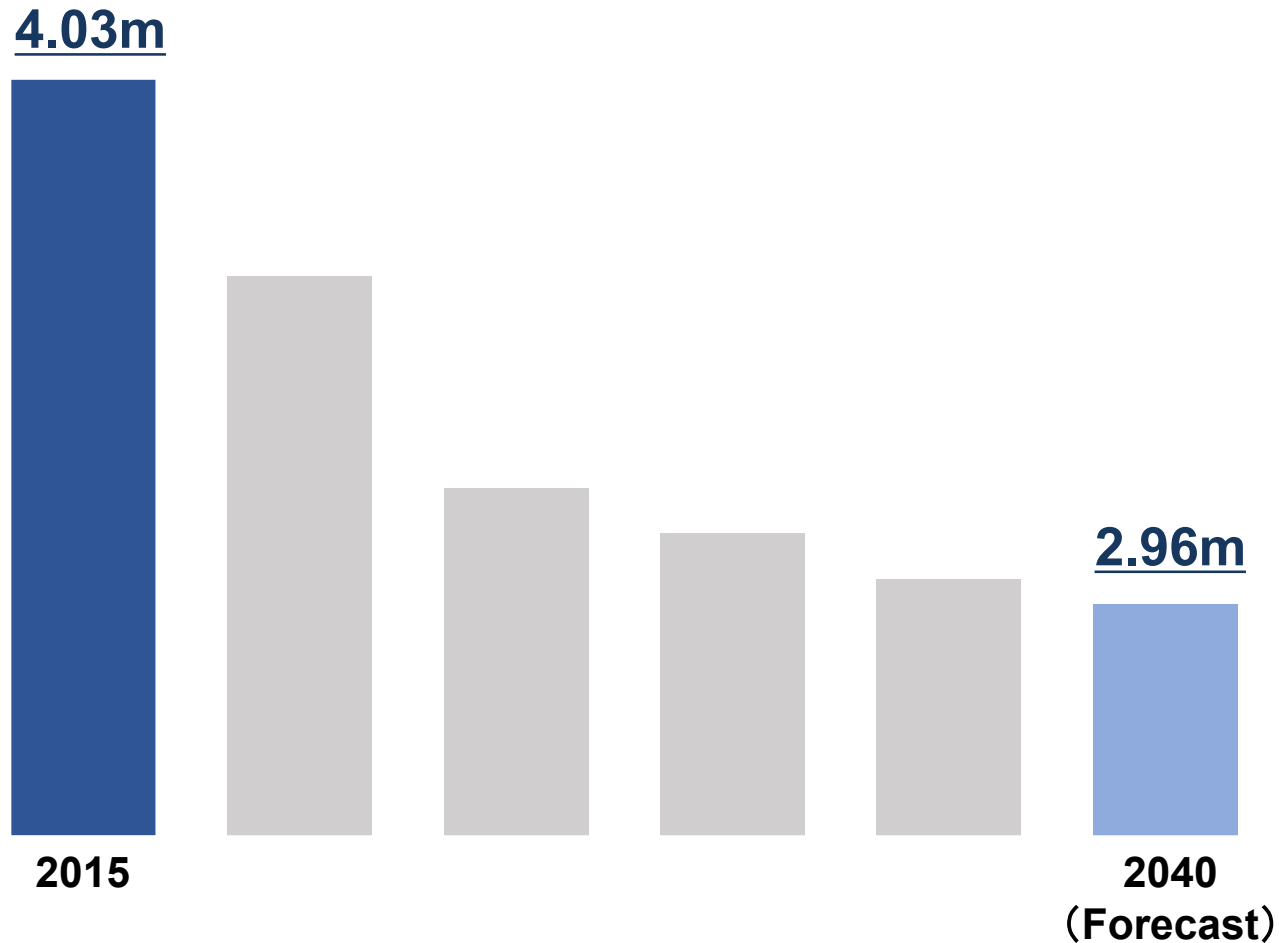
1) Increasing Needs for Business Succession - Population Decline in Japan

- 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



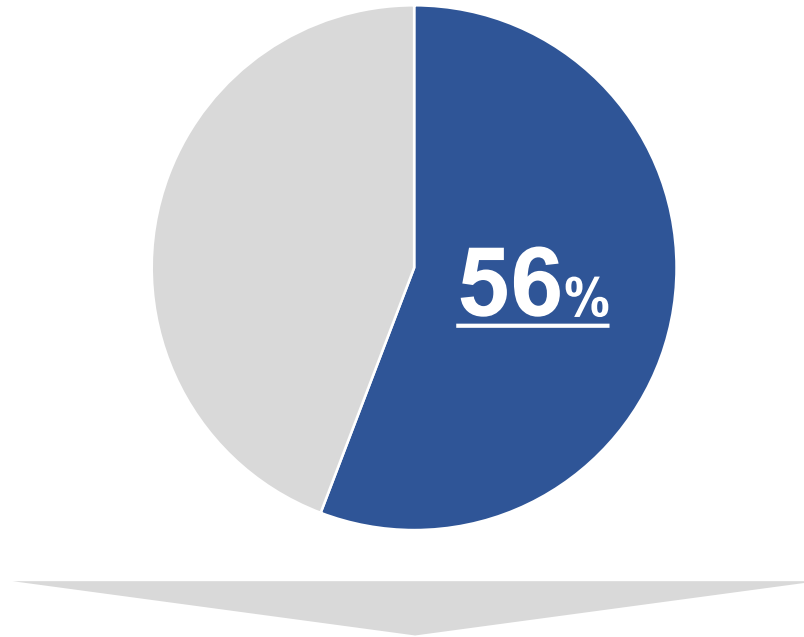
1) Increasing Needs for Business Succession - Decrease in number of companies

- 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

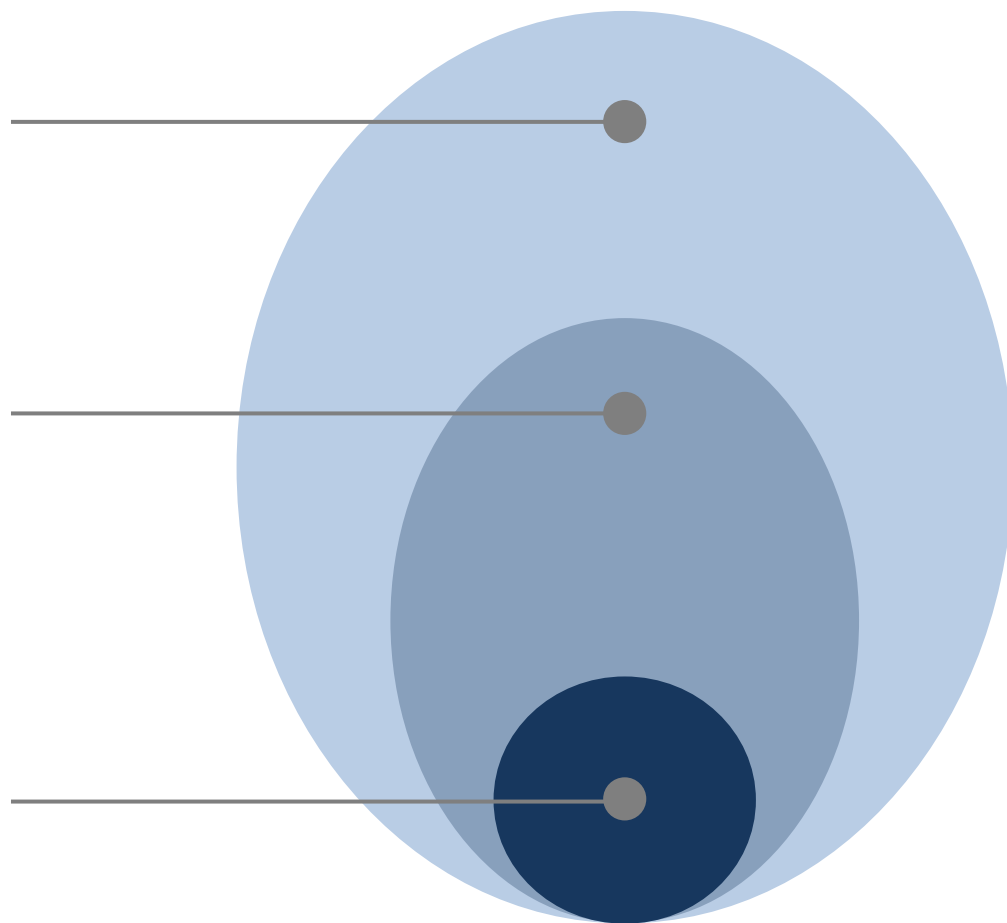
340,000 companies

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).

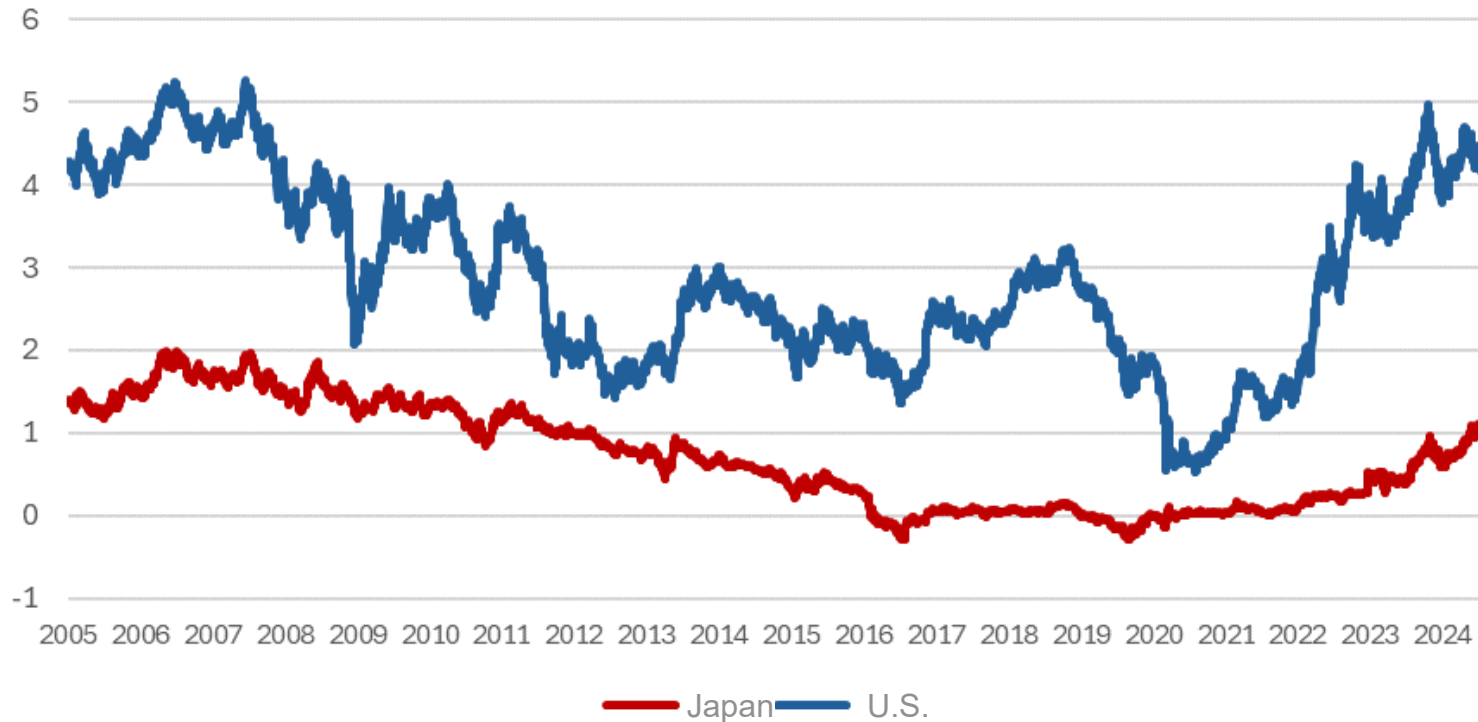
Sources: White Paper on Small and Medium Enterprises 2024 (Small and Medium Enterprise Agency), Results of Sample Survey of Companies for FY2022 (National Tax Agency), 2023 Basic Survey of Small and Medium Enterprise Facts (Small and Medium Enterprise Agency)

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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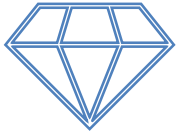
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Reasons for Focusing on the Manufacturing Industry

– 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

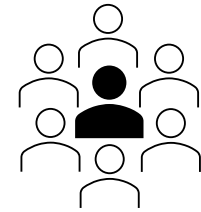
- ✓ Reviewed numerous companies for sale⁽¹⁾ from a large pool of attractive target companies



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) 1,717 deal proposals considered since establishment through December 2024

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




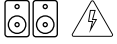















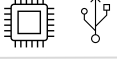


(2) Covenants are obligations or restrictions that the borrower side assumes when raising funds through loans or bonds. Among them, financial covenants refer to financial standards to be met by the borrower, which require the borrower company to maintain a certain level of interest-bearing debt, net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

Completed 10 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
	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 
	Toyo Mark Resin film printing and molding	Amusement, Transportation, Housing 
	FA Shinka Technology Automatic soldering equipment	FA equipment, Telecommunications 
	MSC Manufacturing Sheet and coil material cutting machines	Machine manufacturer 
	Shinohara Manufacturing Processing and winding machines for high-performance films, metal foils, and paper	Optical film, Separator 
	Kyowa Seiko Machining and cutting	Machine manufacturer 
	Kimpou Meltec Precision sheet metal processing and metal foil processing	Machine tools, Train 
	Aero Craft Japan CFRP, metal parts	F1, Racing 
	Amatori Machining and cutting	Electronics, Semiconductor 
	TiOCK Road information board	Construction 

Strengths at Each Step of the M&A Process

Sourcing

- ✓ Strong network of more than 350 M&A advisors
Extensive pipeline of 1,717 deals since inception, with ~400 deals under review in 2023
- ✓ 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

Strong relationships with over 350 advisors

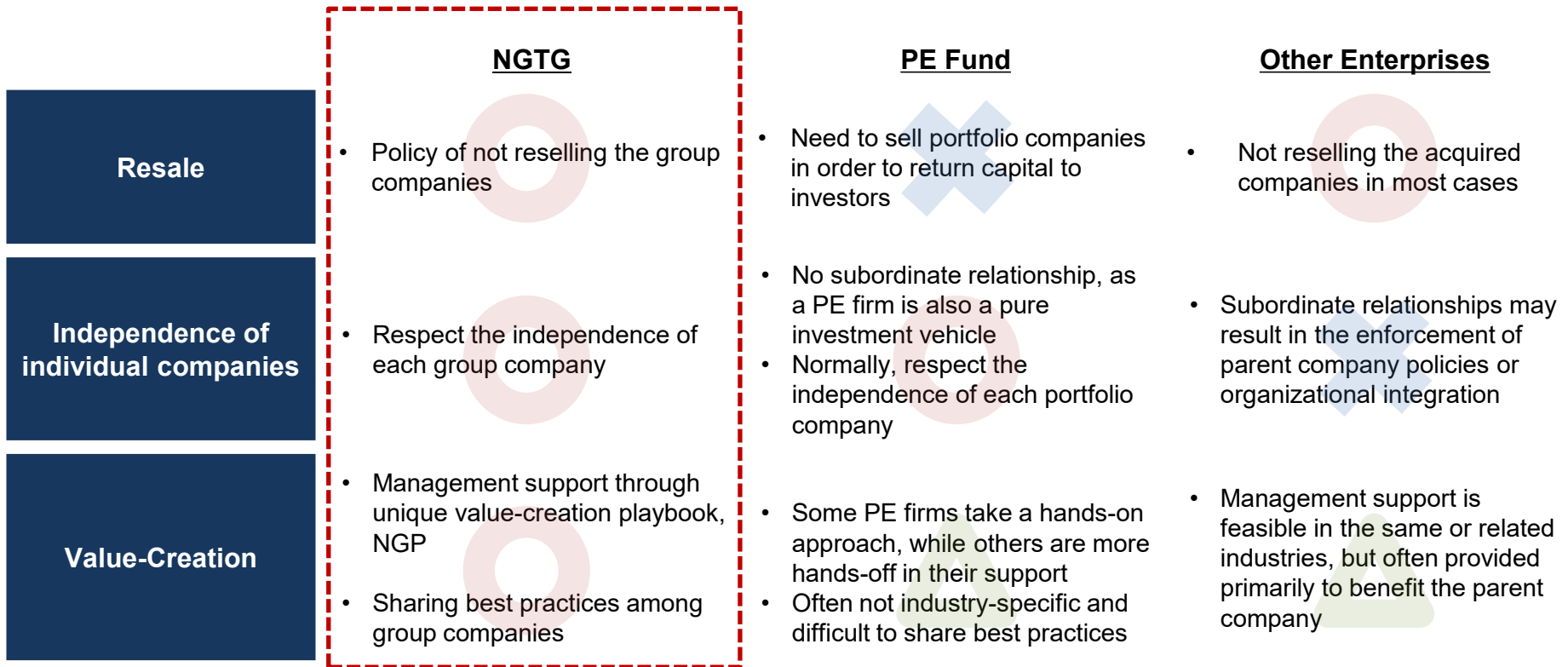
- Through our network of over 350 advisors, in addition to referrals from our own group network, we continuously develop our M&A pipeline

Major sourcing channels (in no particular order)



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



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
<p>1 Want to retire after a transition period of ~5 years</p>	<p>Former owner continues to serve as CEO</p>	<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 	<p>エムエスシー製造株式会社 MSC.MFG.CO.,LTD.</p> <p>SHINKA.</p> <p>株式会社 篠原製作所</p> <p>株式会社 キンポーメテック</p> <p>TIOCK TIOCK TECHNICAL SUPPORT</p> <p>An employee succeeded to the CEO position after a 6-month transition period, with the former CEO becoming a Chairman</p> <p>An employee succeeded to the CEO position after a ~3.5-year of transition period, with the former CEO becoming an advisor</p> <p>Training candidates to be the next CEO within the company by collaborating with former owner / current CEO</p>
<p>2 Won't retire soon but want to grow the company with NGTG</p>	<p>Former owner continues to serve as CEO</p>	<ul style="list-style-type: none"> • Implement operational improvements with the CEO • Train future successors within the company 	<p>OCJ AERO CRAFT JAPAN</p> <p>A MATORI</p> <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>
<p>3 As soon as possible</p>	<p>No candidate within the company</p>	<ul style="list-style-type: none"> • External hire of new CEO via our networks⁽¹⁾ • NGTG collaborates closely during the start-up phase 	<p>TOSHIMA</p> <p>株式会社 東洋マーク</p> <p>KYOWA</p> <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>

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

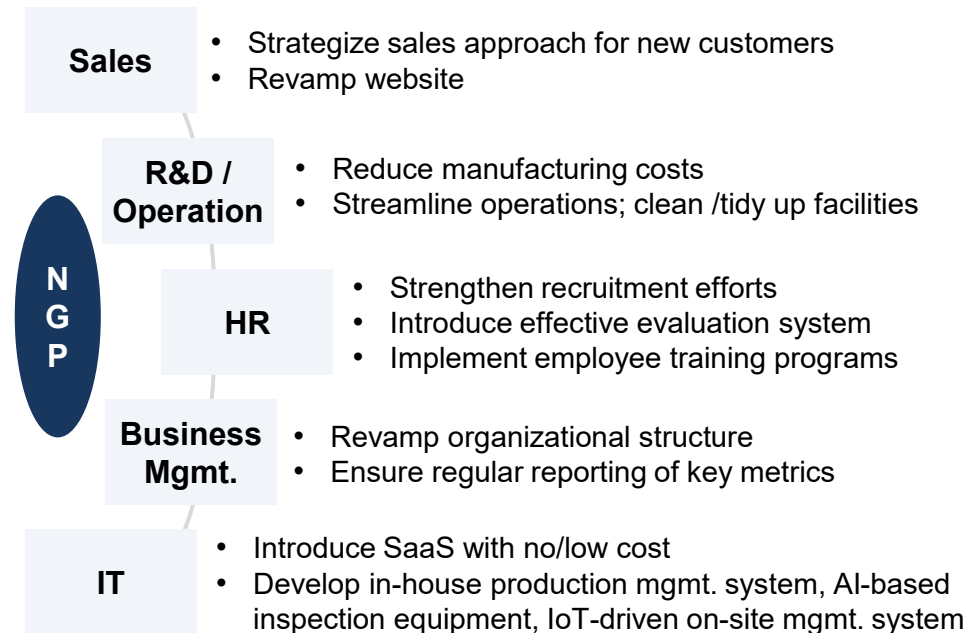
From 6 months to 2 years

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

From 3 years onwards

- International expansion
- Bolt-on M&As

Comprehensive support

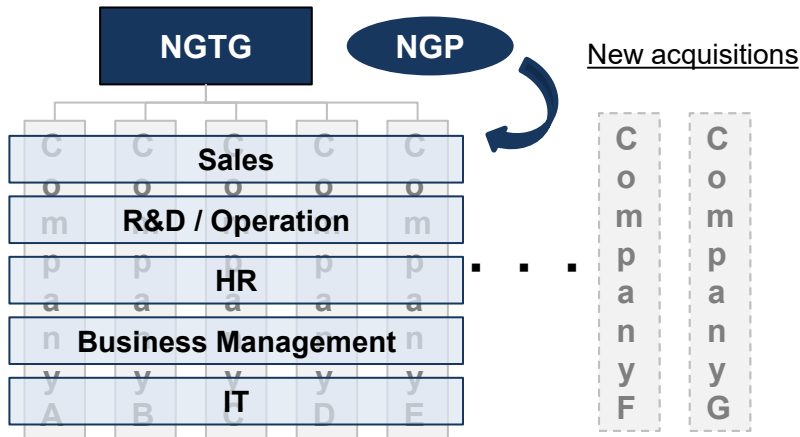


Note: (1) Abbreviation for Next Generation Technology Group, our company name in English.

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



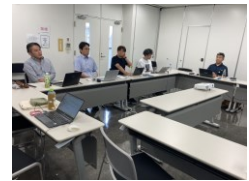
[Interaction within Group]



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

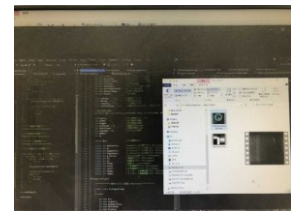
- Shift in decision-making process from owner-management to team-management
- Formulate budget, capex plans, and analysis of business metrics
- Regular financial reporting at morning meetings and assessing bonus allocations based on achievements

IT

- Implement IT tools / Cloud storage services such as Slack, Zoom, Google Calendar, free, 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.

Improved website



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

The screenshot shows a web-based form for recording production results. It includes fields for '作業日' (Date: 2021/07/06), '品名' (Part Name: シェル M Z 21-135), and '工程' (Process: 023942-01-06-#1 ブランク). Below these are two tables: '製造・検査実績' (Production/Inspection Results) and '作業者・所要時間' (Worker/Required Time). The production table has columns for '作業番号' (Job No.), '品名' (Part Name), '数量' (Quantity), 'ロス' (Loss), '不良' (Defect), and '検出' (Detection). The worker table lists workers and their respective times for each job.

作業番号	品名	数量	ロス	不良	検出
no2	ch1	40	2	3	5
no1	ch111	120	2	6	4
AA	ch1	150	0	0	0
no1	ch11	345	1	3	4

作業者	所要時間
作業者1 細田 亮太	180
作業者2 伊藤マツコ・エンヂィ	120
作業者3 川島 優	300
作業者4 藤田 翔	100
作業者5 松田 明秀	120

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

Inventory Database Screen

The screenshot shows a table of inventory items with columns for '品名' (Part Name), '数量' (Quantity), '単位' (Unit), '場所' (Location), '在庫' (Inventory), and '単位' (Unit). The table lists various parts like 'ブラスタ' (Blaster) and 'プレス加工' (Pressing) with their respective quantities and locations.

品名	数量	単位	場所	在庫	単位
ブラスタ	120	500	10	0	120
プレス加工 (P1)	0	500	0	0	500
プレス加工 (P2)	900	0	0	0	200
プレス加工 (P3)	0	250	0	0	40
プレス加工 (P4)	1200	700	0	0	440
プレス加工 (P5)	500	700	0	0	900
プレス加工 (P6)	100	800	0	0	300
プレス加工 (P7)	250	900	0	0	1150

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 】

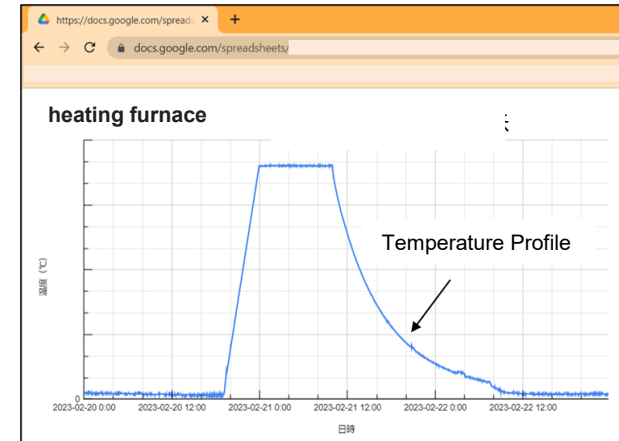


【 Manufacturing machines 】

Date and time
Reference
thermoelectromotive force
Temperature

	A	B	C	D	E
1	2022-02-17 0:00	110.5	21.438	3.87812	437.05
2	2022-02-17 0:01	110.5	21.562	3.8711	436.84
3	2022-02-17 0:02	110	21.5	3.85263	434.9
4	2022-02-17 0:03	109.75	21.562	3.84005	433.72
5	2022-02-17 0:04	109.5	21.562	3.82973	432.75
6	2022-02-17 0:05	109	21.562	3.80909	430.8
7	2022-02-17 0:07	108.5	21.562	3.78845	428.84
8	2022-02-17 0:08	108.25	21.5	3.76859	426.87
9	2022-02-17 0:09	108	21.5	3.75037	427.08
10	2022-02-17 0:10	107.5	21.825	3.54458	424.7
11	2022-02-17 0:11	107.25	21.5	3.53842	424.14
12	2022-02-17 0:12	107	21.5	3.52391	423.15
13	2022-02-17 0:13	106.75	21.825	3.51842	421.75
14	2022-02-17 0:14	105.75	21.5	3.4775	418.22
15	2022-02-17 0:15	105.5	21.562	3.46482	417.02
16	2022-02-17 0:16	104.75	21.438	3.43879	414.46
17	2022-02-17 0:20	104.5	21.438	3.42847	413.47
18	2022-02-17 0:21	104.25	21.5	3.41859	412.27
19	2022-02-17 0:23	103.75	21.5	3.39485	416.28
20	2022-02-17 0:24	103.5	21.438	3.38719	409.5
21	2022-02-17 0:25	103.25	21.438	3.37887	408.51
22	2022-02-17 0:26	102.75	21.312	3.36143	406.95
23	2022-02-17 0:27	102.5	21.375	3.34852	405.75
24	2022-02-17 0:28	101.75	21.312	3.32916	402.98
25	2022-02-17 0:30	101.75	21.312	3.32016	402.98
26	2022-02-17 0:31	101.25	21.25	3.30208	401.21
27	2022-02-17 0:32	101	21.25	3.29176	400.22
28	2022-02-17 0:43	98	21.188	3.17049	388.51
29	2022-02-17 0:44	97.5	21	3.15291	387.15

【 Data collected from machines 】



【 Visualization of temperature profile in a web browser 】

Note: Examples from Toshima Manufacturing

Company Overview

- Market Environment
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FY2024 Financial Results

FY2025 Financial Forecast

Appendix: 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

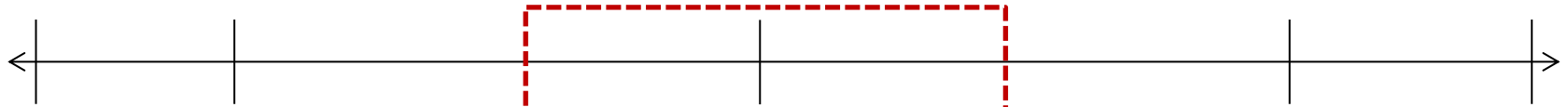
By standardizing processes and pursuing synergies across the group, we create value in acquired companies, generate stable cash flow, and execute serial acquisitions.

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

Pure investment

Serial Acquirer

Integration



**Next Generation
Technology Group**

Berkshire Hathaway

- Investment firm led by Warren Buffett
- Investments in a wide range of industries

SoftBank Group

- Investment company that also uses external capital to invest in a wide range of AI-related companies

GENDA

- Independence of each company, not on integration
- Focus on sharing best practices within the group
- Flywheel Effect: Acquisition
 - Value creation
 - Cash flow generation
 - Further acquisitions

Danaher

Nidec

- Growth through M&As centered on motors
- Introducing the founder's spirit

General Electric

- Introduce GE culture represented by Six Sigma and Black belt

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	38
Sales ⁽¹⁾⁽²⁾	25.1B USD	2.7B USD	3.2B USD	2.6B USD	348M USD	295M USD	389M 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

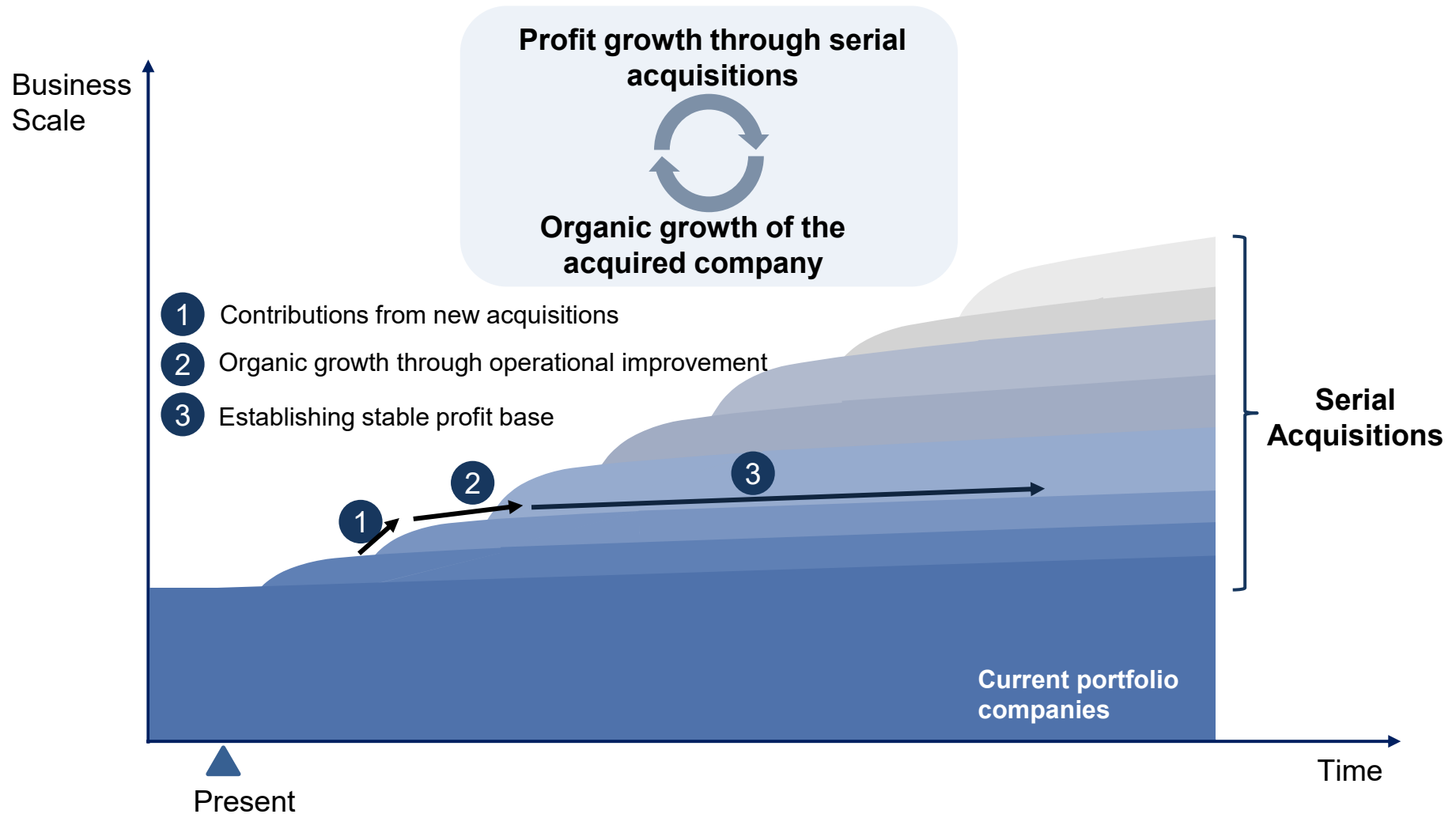
(2) The exchange rates are converted as follows: 1JPY = 0.007USD, 1GBP = 1.24USD, 1SEK = 0.092USD

(3) Share price changes from the later 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.

Company Overview

- Market Environment
- Acquisition Targets and Track Record
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FY2024 Financial Results

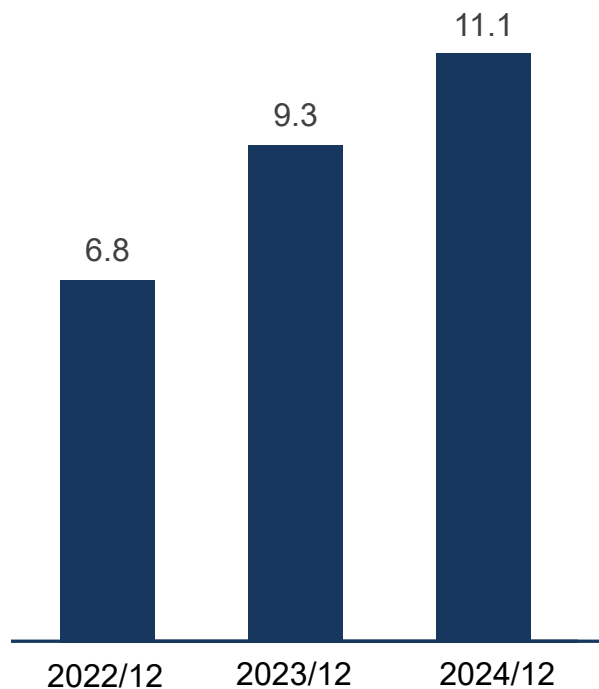
FY2025 Financial Forecast

Appendix: Overview of the Group Companies

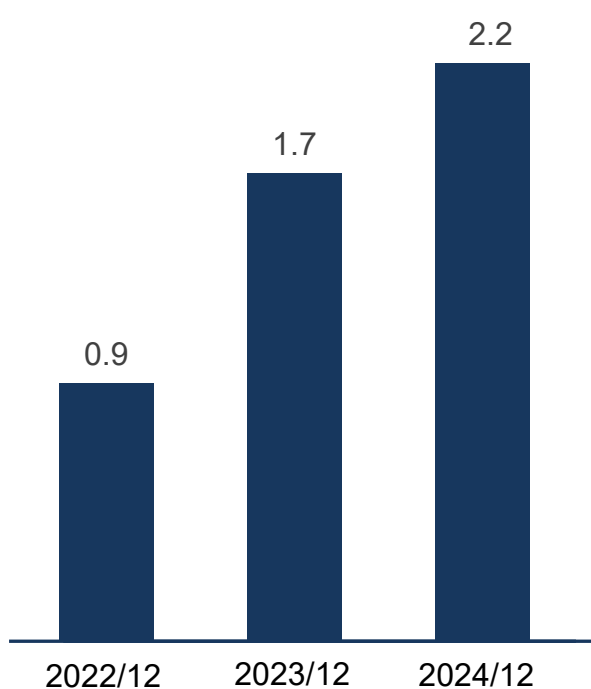
Historical Consolidated Financial Results

Net Sales

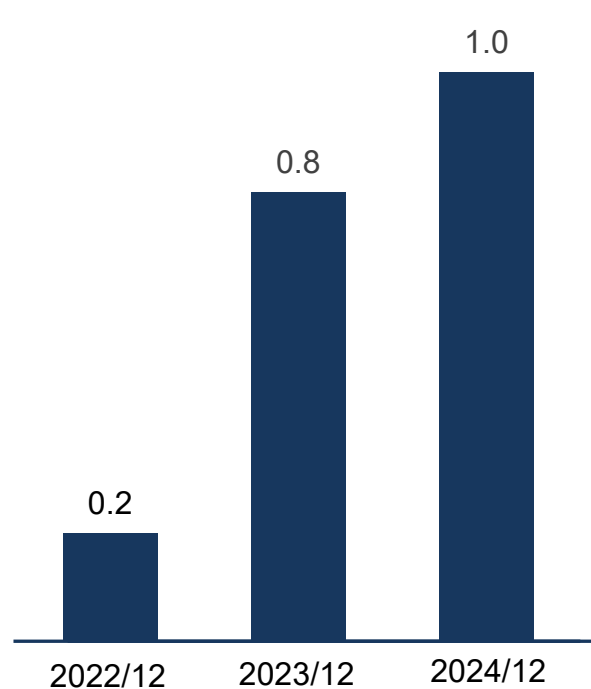
(Unit: JPY billion)



Adjusted EBITDA⁽¹⁾



Adjusted Profit⁽²⁾



Note:

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

(2) Adjusted 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 Profit

(JPY millions)	2023/12	2024/12
Operating profit	879	1,517
(+) Amortization of goodwill	45	71
(+) Depreciation and amortization	540	542
EBITDA	1,463	2,129
(+) Acquisition related costs	232	26
Adjusted EBITDA	1,696	2,155
Profit attributable to owners of the parent	1,613	901
(+) Amortization of goodwill	45	71
(+) Goodwill impairment loss	-	151
(-) Gain from negative goodwill	1,069	107
(+) Acquisition related costs	232	26
Adjusted Profit	820	1,042

Consolidated Balance Sheets

- In the current period (FY2025/12), the capital increase by IPO will result in an increase of 1.37 billion yen in both cash and cash equivalents. *Excluding OA portion
- The funds will be allocated for new acquisitions.

(JPY millions)	As of December 31, 2023	As of December 31, 2024
Current assets	7,635	8,799
Non-current assets	7,114	6,617
Goodwill	1,057	835
Total assets	14,749	15,416
Total liabilities	11,637	11,414
Net assets	3,113	4,002
Net Debt	4,397	2,974
Total Cash ⁽¹⁾	4,841	5,867
Total Debt ⁽²⁾	9,238	8,841
Net Debt / Adjusted EBITDA	2.59x	1.38x

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

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FY2025 Financial forecast (Guidance)

- Forecast is based solely on organic growth, excluding any expectations of new acquisitions (M&A).
- There are plans for several new acquisitions in 2025 for upside potential.
- Along with the announcement of new acquisitions, we plan to announce upward revisions to the guidance if necessary.

(JPY millions)	2024/12 Result	2025/12 Forecast	YoY
Net Sales	11,051	11,600	+5.0%
Adjusted EBITDA	2,155	2,400	+11.4%
Adjusted Profit	1,042	1,200	+15.2%

Company Overview

- Market Environment
- Acquisition Targets and Track Record
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FY2024 Financial Results

FY2025 Financial Forecast

Appendix: 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	<p>2 business units + 1 Thai subsidiary</p> <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	<p>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</p> <p>Post-acquisition (2019/11 to 2021/12): Eiichi Arai (concurrently President, NGTG)</p> <p>Post-transition period (from 2022/1): Tsugio Saito (former employee of Toshima Manufacturing)</p>
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



自販機用ダミー



携帯電話・カメラ部品
NC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	-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) 2022/1- : Koichi Masuyama (age:34, former employee of MSC Manufacturing)
Employees	17



Product Image

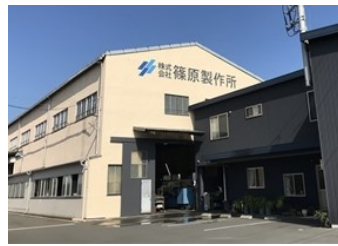


Note: Number of employees as of December 31, 2023

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

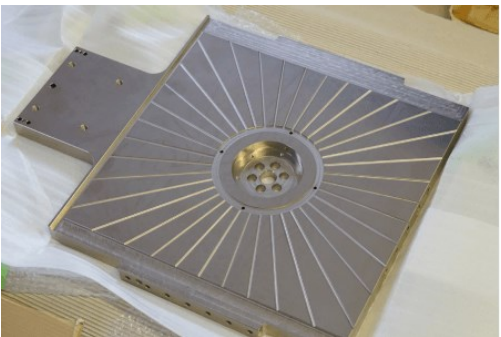
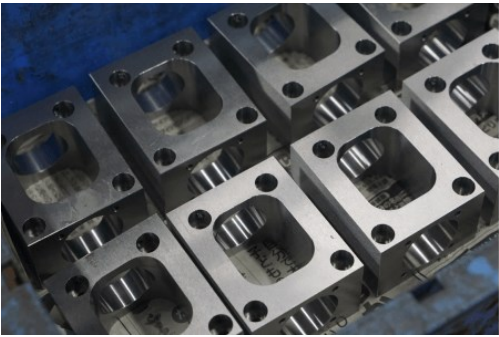
Portfolio (6) : Kyowa Seiko

■ 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)
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	Toshihiro Nozawa (Former shareholder, age:59, continues to be the representative director after the share transfer, working with NGTG to train his successor)
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