

Next Generation Technology Group

FY2025 Q2 Financial Results

August 14, 2025

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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 Q2 Financial Highlights

- The progress rate of Adjusted EBITDA in Q2 was 42.8%. Continuing from Q1, this was mainly impacted by the delay of high-margin orders expected to be received in Q1 and Q2 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
- We expect to achieve the full-year forecasts for Net Sales, Adjusted EBITDA, and Adjusted Profit for the FY2025

- We acquired, Miyasaka Industries and Suntec Industry, in April, and Kanda Iron Works in August
- For the FY2026, when the full-year contribution from the newly acquired companies is expected, Adjusted EBITDA is projected to be JPY 3.0B

	(millions of yen)				
	2024/12 Q2	2025/12 Q2	YoY	2025/12 Forecasts	Progress rate
Net Sales	5,373	5,619	+4.6%	11,600	48.4%
Adjusted EBITDA ⁽¹⁾	1,102	1,026	▲6.8%	2,400	42.8%
Adjusted Profit ⁽²⁾	596	510	▲14.4%	1,200	42.5%

注:

(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 half-year Profit

(millions of yen)

	2024/12 Q2	2025/12 Q2
Operating profit	780	512
(+) Amortization of goodwill	37	49
(+) Depreciation and amortization	258	292
EBITDA	1,075	853
(+) Acquisition related costs	26	173
Adjusted EBITDA	1,102	1,026
Half-year Profit attributable to owners of the parent	641	289
(+) Amortization of goodwill	37	49
(+) Goodwill impairment loss	-	-
(-) Gain from negative goodwill	107	-
(+) Acquisition related costs	26	173
Adjusted half-year Profit	596	510

Consolidated Balance Sheets

- Goodwill increased by approximately JPY 1.0B due to new acquisitions. While JPY 1.8B was raised through the IPO , this was offset by cash outflows including the repayment of debt, resulting in a net increase in cash of just over JPY 600M
- Net Debt / Adjusted EBITDA at Q2 was 1.09x, this remains well below our target appropriate level of 3-4x, indicating that we still have sufficient debt capacity

	(millions of yen)	
	As of December 31, 2024	As of June 30, 2025
Current assets	8,799	9,597
Non-current assets	6,617	8,212
Goodwill	835	1,855
Total assets	15,416	17,808
Total liabilities	11,414	11,739
Net assets	4,002	6,069
Net Debt	2,974	2,614
Total Cash ⁽¹⁾	5,867	6,510
Total Debt ⁽²⁾	8,841	9,123
Net Debt / Adjusted EBITDA	1.38x	1.09x ⁽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 Q2 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
- On July 7th, the stock price reached a new high since the IPO



- EV/EBITDA : 20.2x (As of August 13, 2025)
- P/E : 39.3x (As of August 13, 2025)

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Acquisition of Kanda Iron Works

- In August, Kanda Iron Works with stable EBITDA joined our group
- Including Miyasaka Industries and Suntec Industry, we have acquired three companies in this fiscal year
- The number of inbound acquisition opportunities has increased since our IPO, and we plan to continuously make new acquisitions going forward
- Adjusted EBITDA for the FY2026, which will fully reflect the new acquisitions, is expected to reach JPY 3.0B

Portfolio (13) : Kanda Iron Works

- On August 8th, 2025, NGTG acquired shares from Noriaki Kanda and others.

Location	185-1 Asanominami, Awaji-shi, Hyogo, Japan
Business Description	Machining and cutting
CEO	Noriaki Kanda (Former shareholder; Age 54 / Continues to serve as Representative Director after the acquisition)
Employees	18



Product Images



Note: Number of employees as of July 31, 2025

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Mission

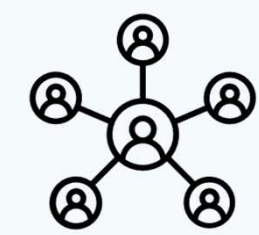
A wide-angle, high-angle photograph of a large industrial manufacturing facility. The space is filled with various pieces of machinery, including large lathes, mills, and workbenches. Several workers in blue uniforms are visible, engaged in different tasks. The facility has a high ceiling with exposed steel beams and large windows on the right side. The overall atmosphere is one of a busy, well-equipped industrial environment.

**Bridging Technology
to the Next Generation**

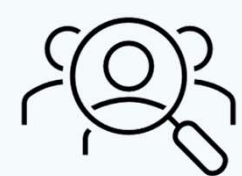
Business Model - Serial Acquirer

- 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

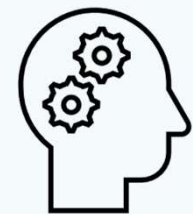
M&A at low valuations



~500 new pipelines / year from M&A advisors



Preferred by sellers for our long-term ownership



Manufacturing sector focus



Experienced team



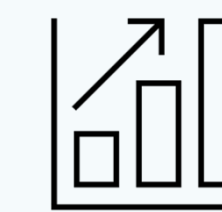
Radical standardization



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: 2,051 (Establishment - June 2025)	
Number of companies acquired (M&A track record) ⁽¹⁾	13 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:

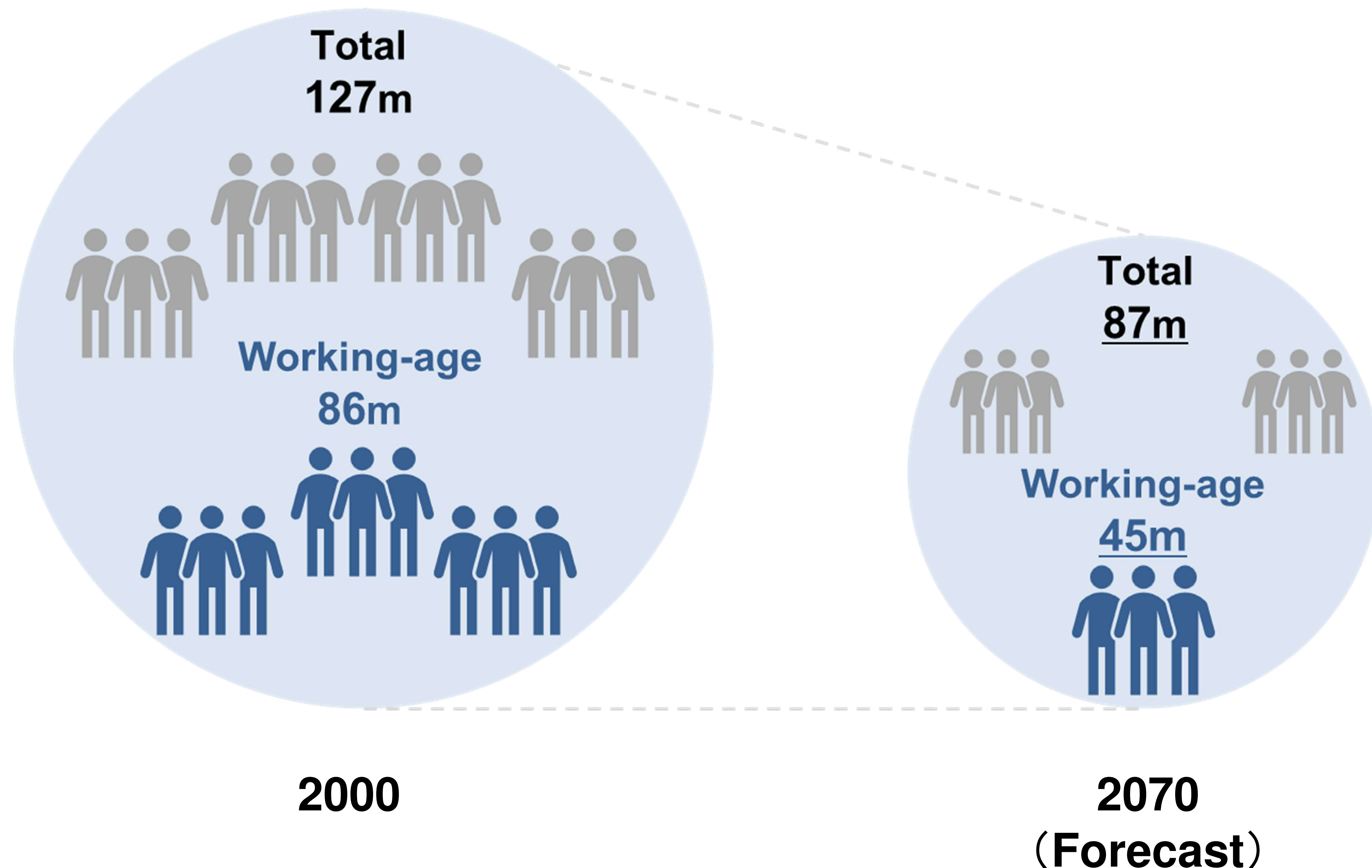
(1) The number of SMEs is as of 2021, and the scope of SMEs is based on the definition of companies treated as small and medium-sized enterprises or small businesses under the Small and Medium-sized Enterprise Basic Act

(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)

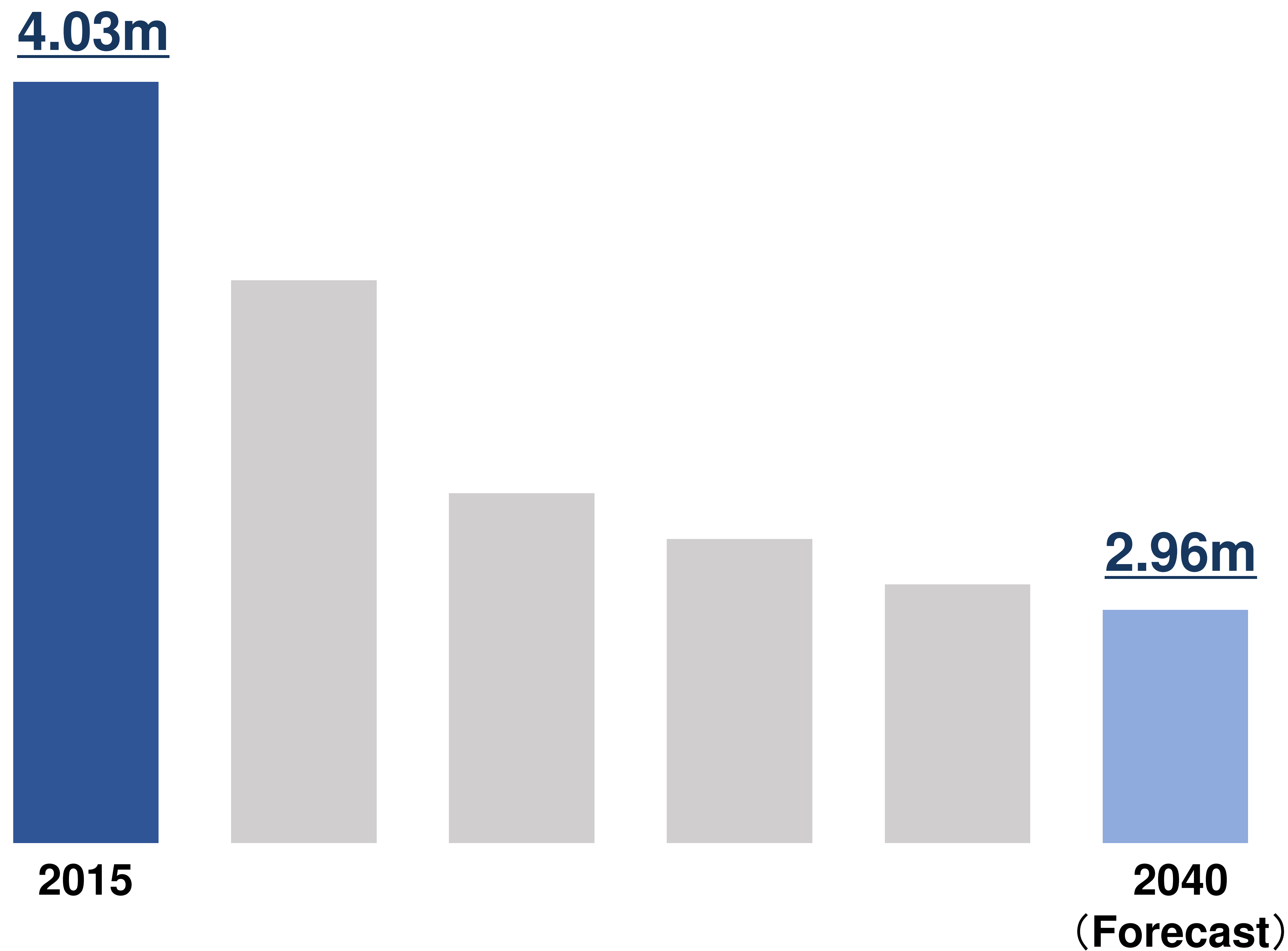
1) Increasing Needs for Business Succession - Population Decline in Japan

- 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

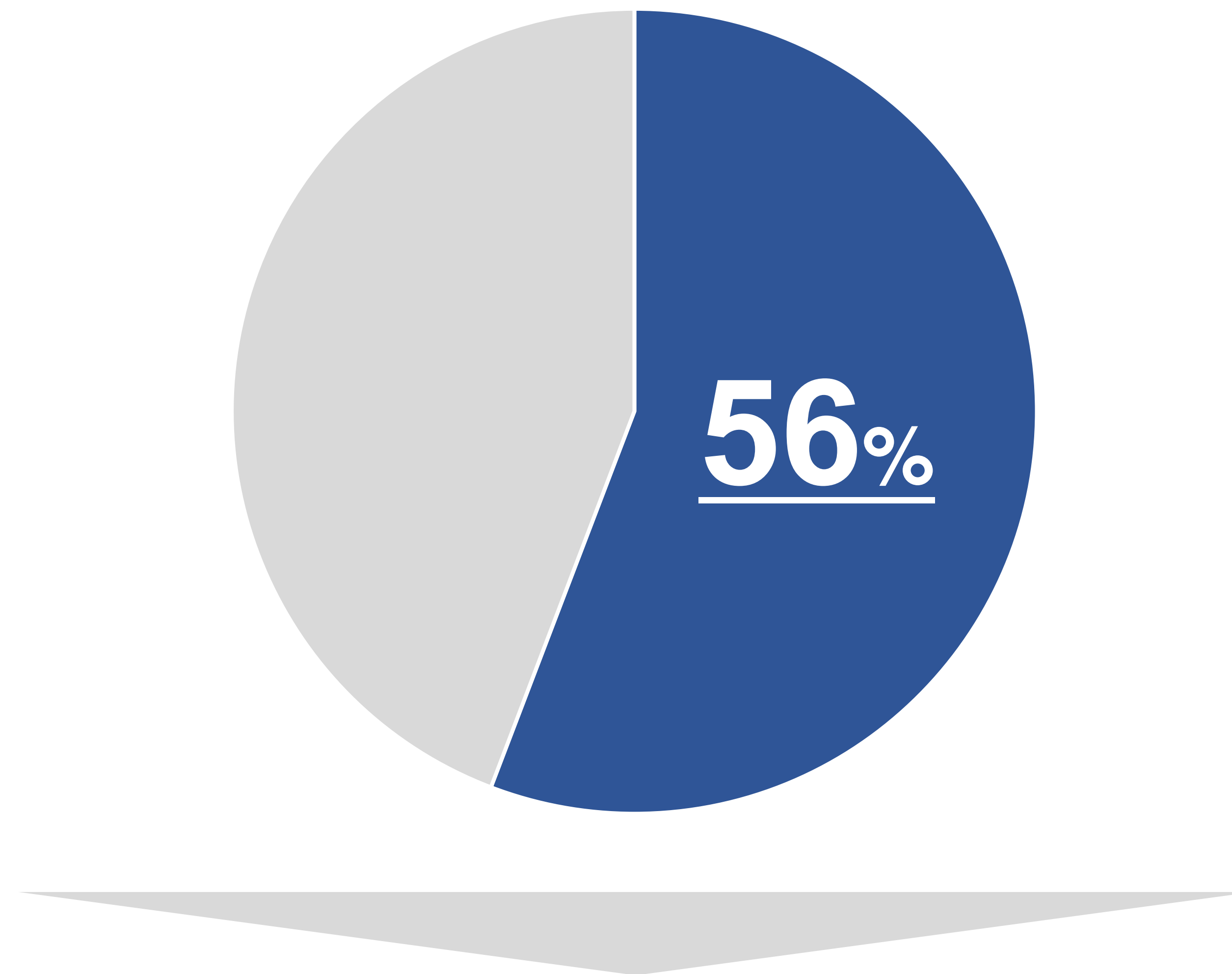
- The number of Japanese companies is expected to decline from over 4 million in 2015 to less than 3 million by 2040



Source: “Public Policy Review – Future Projections for Number of Businesses by Region, Vol.131” (POLICY RESEARCH INSTITUTE, Ministry Of Finance)

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

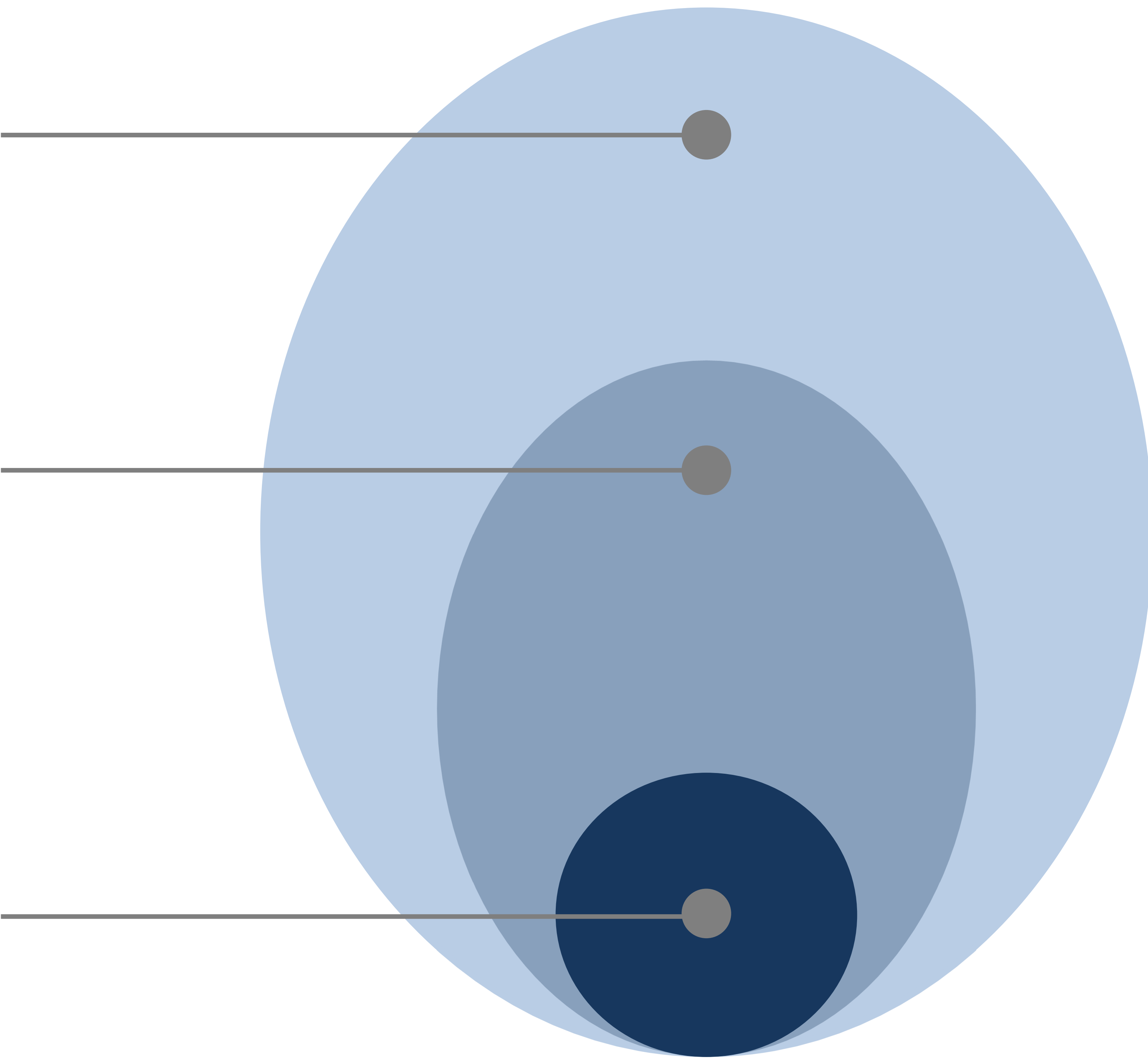
340,000 companies

Total Sales **138 trillion yen**

Our Potential Target

Profitable manufacturing SMEs⁽²⁾

120,000 companies



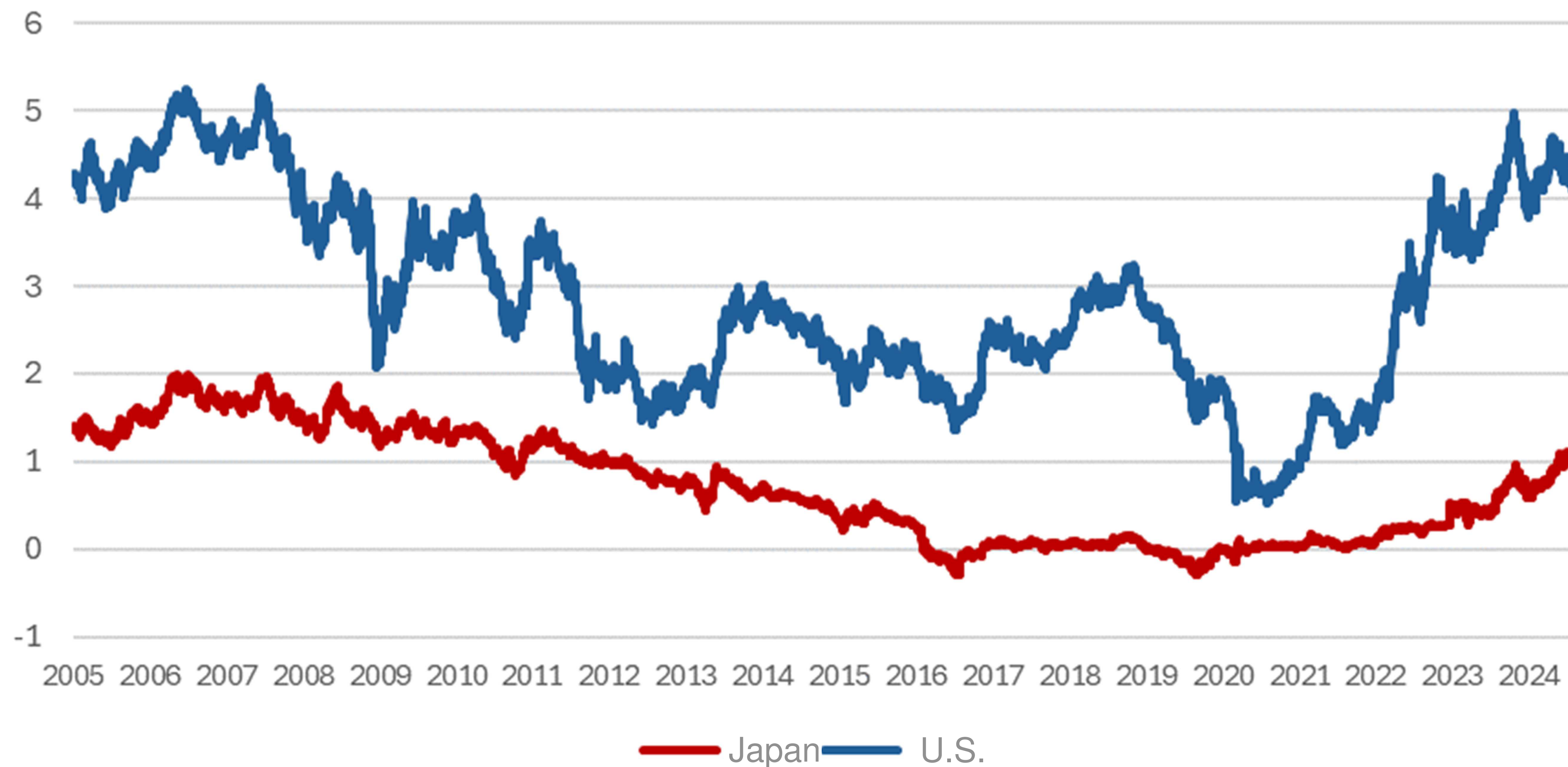
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Sources: White Paper on Small and Medium Enterprises 2024 (Small and Medium Enterprise Agency), Results of Sample Survey of Companies for FY2022 (National Tax Agency), 2023 Basic Survey of Small and Medium Enterprise Facts (Small and Medium Enterprise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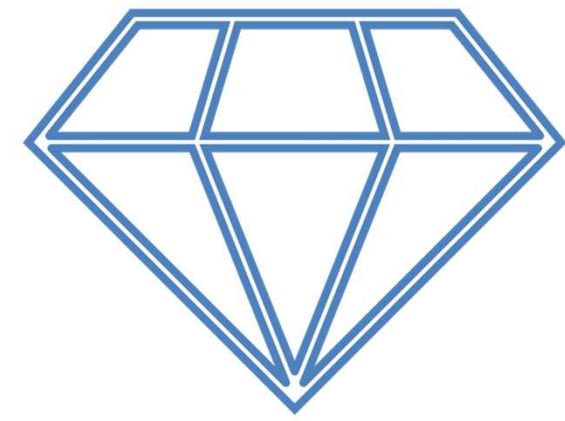
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Reasons for Focusing on the Manufacturing Industry

– 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

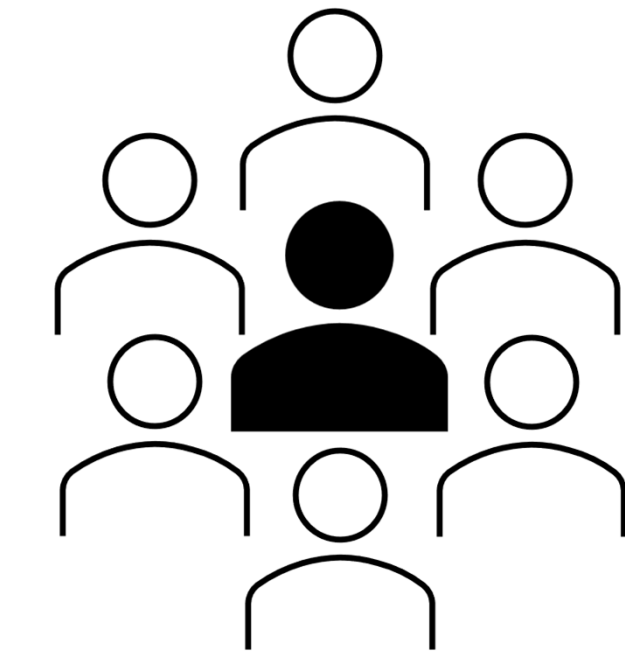
- ✓ Reviewed numerous companies for sale ⁽¹⁾ from a large pool of attractive target companies



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) 2,051 deal proposals considered since establishment through June 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


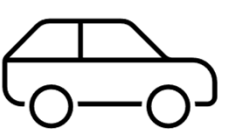
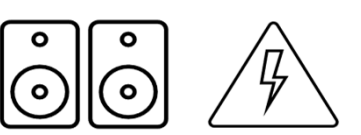

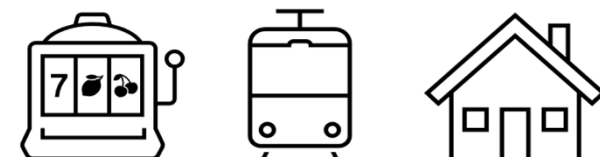

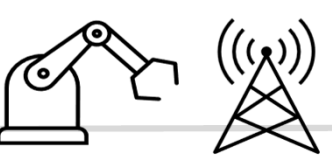

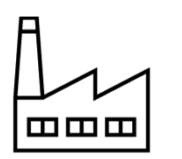

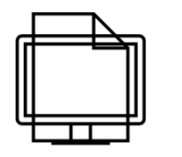

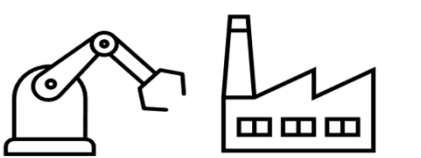

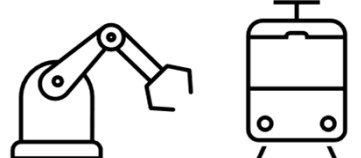



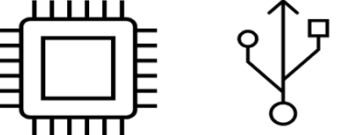

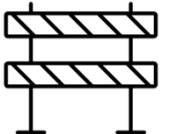



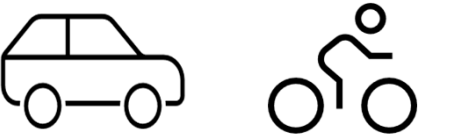

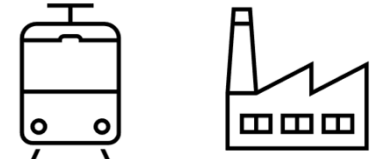
(2) Covenants are obligations or restrictions that the borrower side assumes when raising funds through loans or bonds. Among them, financial covenants refer to financial standards to be met by the borrower, which require the borrower company to maintain a certain level of interest-bearing debt, net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

Completed 13 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	
	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	Racing	
	Amatori	Machining and cutting	Electronics, Semiconductor	
	Tiock	Road information board	Construction	
	Miyasaka Industries	Metal Grinding and Proprietary Products	Industrial Equipment, Disaster Prevention, and Welfare	
	Suntec Industry	Annealing, shot blasting, and metal surface lubrication treatment	Automobile, Bicycle	
	Kanda Iron Works	Machining and cutting	Train, Industrial Equipment	

Strengths at Each Step of the M&A Process

Sourcing

- ✓ Strong network of more than 350 M&A advisors
- Extensive pipeline of 2,051⁽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) 2,051 deal proposals considered since establishment through June 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, Strike, M&A Capital Partners, M&A Research Institute, TBC、fundbook、GOEN CapitalM&A Best Partners, Integroup, M&A Royal Advisory, Yamada Consulting, ONDECK, RECOF, Management Succession Support, 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 BankRegional banks: Hachijuni Bank, Kyoto Bank, Fukuoka Bank, Bank of Yokohama, Chiba Bank, Gunma Bank, Hokuriku Bank, Shizuoka Bank, Saitama Resona Bank, Daishi Hokuetsu Bank, Hyakugo Bank, Kiyo Bank, Towa Bank and many othersSecurities 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 othersJapan 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 firmsMajor tax accounting firms, local tax accounting firms
Internal		<ul style="list-style-type: none">Our network of advisors and other membersNetwork of former owners of the portfolio companiesBusiness 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

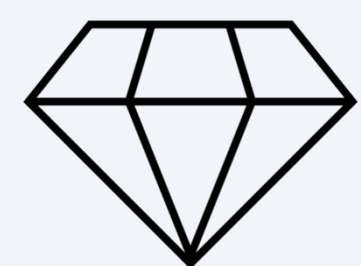
	When to Retire	Next CEO	Our Plans	Track Record	
1	Want to retire after a transition period of ~5 years	Former owner continues to serve as CEO	<ul style="list-style-type: none"> Support the former owner/CEO to select and train candidates for the next CEO Smooth succession within the timeframe desired 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.

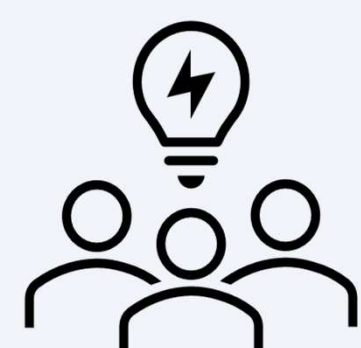
Our Strengths in Fundraising

- 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



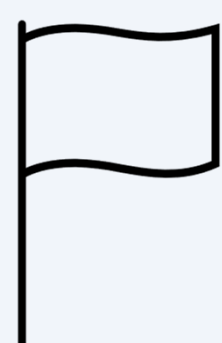
Deal-making with high-profitability companies



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

FY2025 Q2 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

NGP: NGTG Growth Program

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

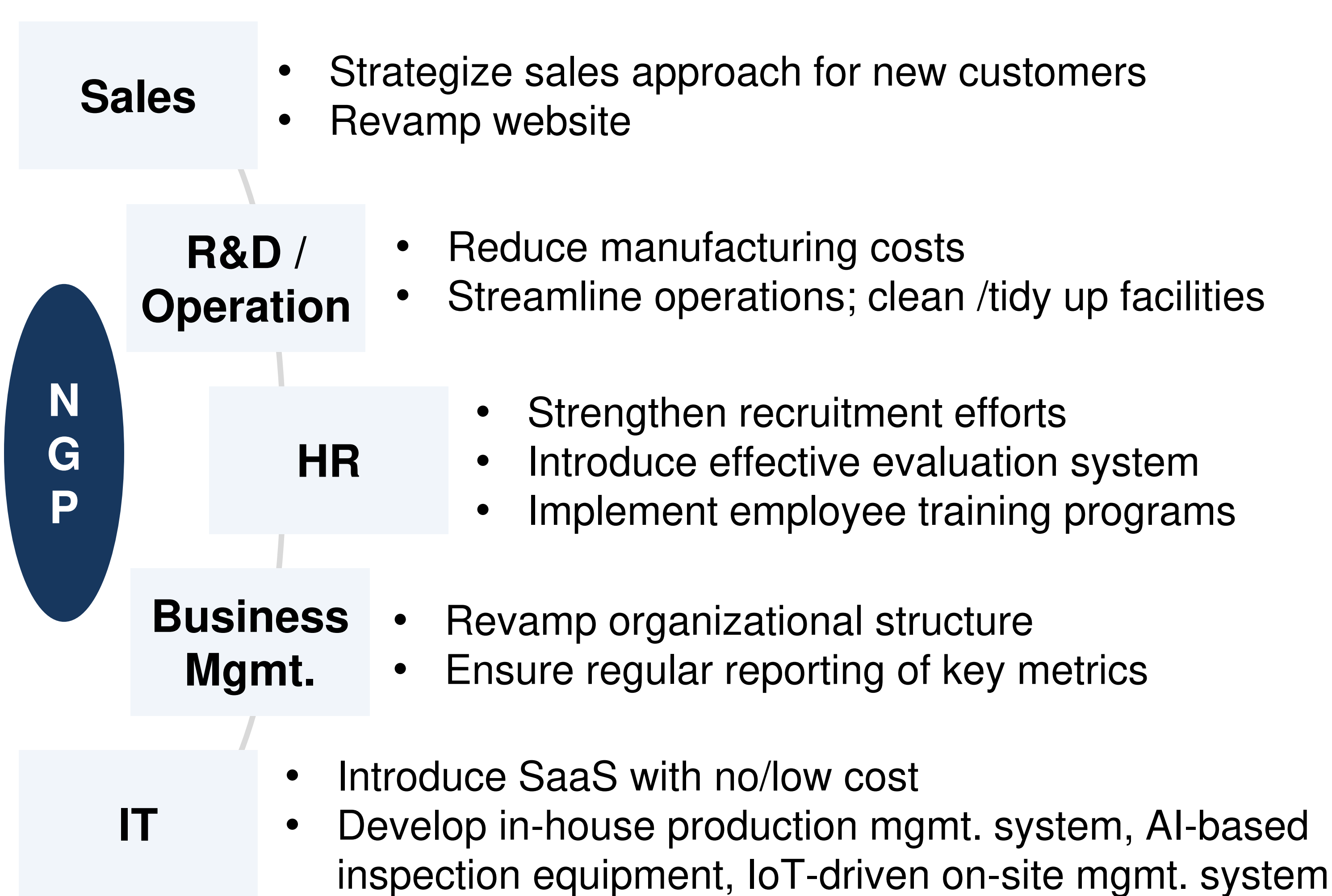
NGP: NGTG⁽¹⁾ Growth Program

- 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



Comprehensive support

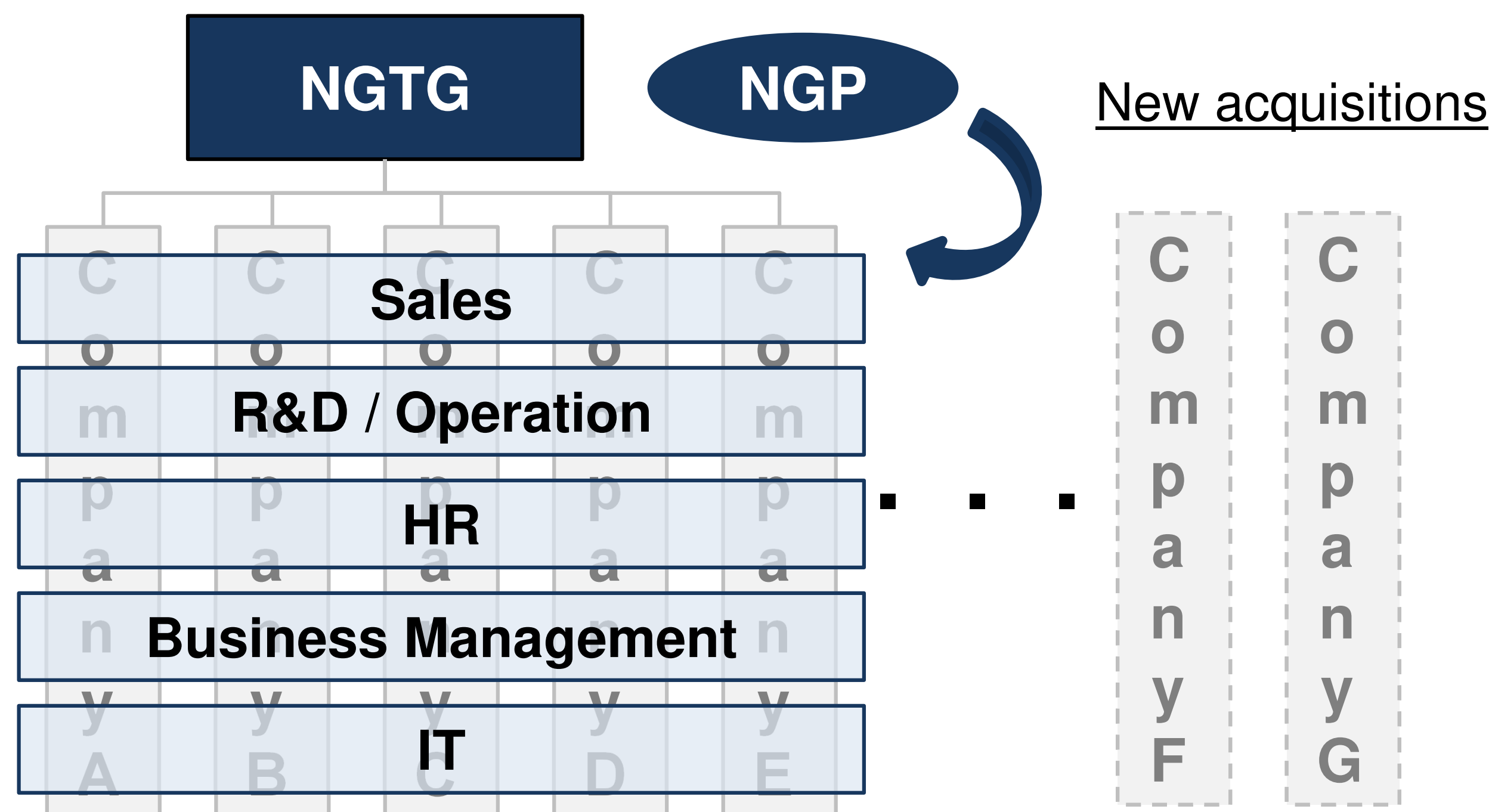


Note: (1) Abbreviation for Next Generation Technology Group, our company name in English.

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

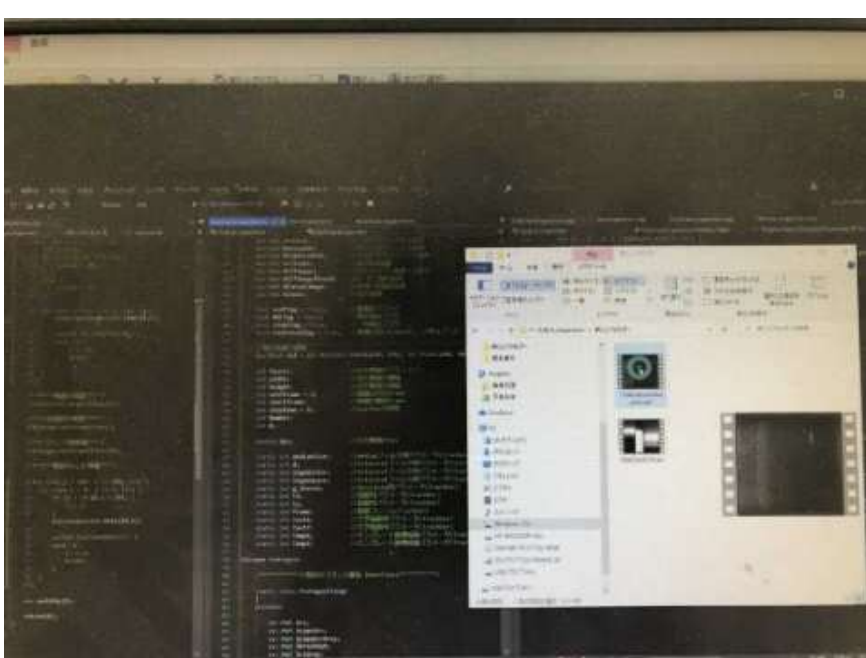
Post-Acquisition Initiatives at Toshima Manufacturing (Implementation of NGP)

Post-Acquisition Initiatives

Step 1	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Strategizing sales approaches for new customer acquisition• Revamping the website and web marketing strategies• Cost analysis and price increases for existing products
		Operation	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

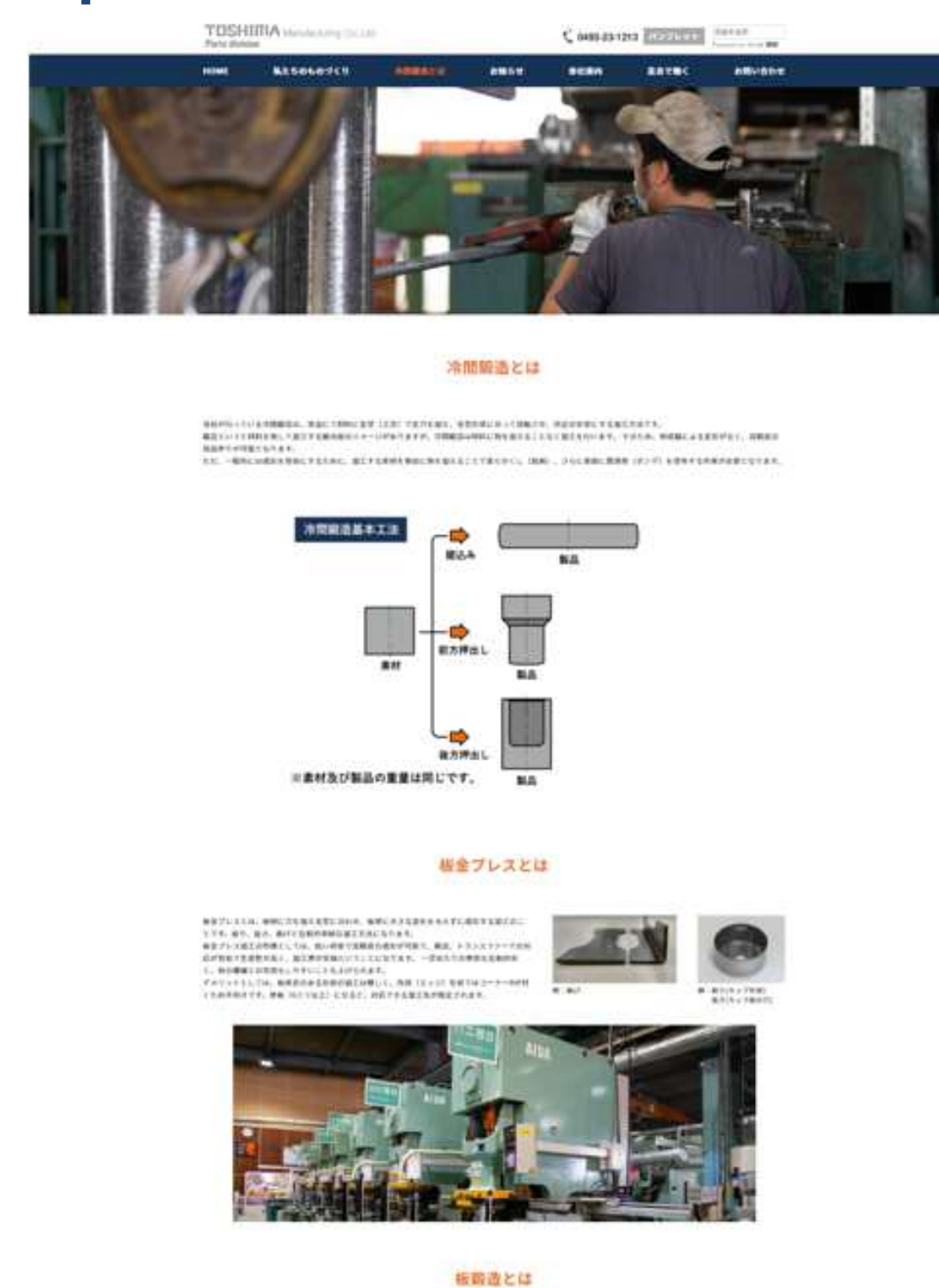
Issue

- 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.

Improved website



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

所属: プレスA 氏名: 川島 優

作業日: 2021/07/06

製品: 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

内示番号	チャージ番号	良品	ロス	不良	保留
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

作業者氏名	作業時間(分)
作業者1 恩田 克美	180
作業者2 スルマワン・エンディ	120
作業者3 川島 優	300
作業者4 渡辺 翔	100
作業者5 安田 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: ログアウト

生産管理 実績分析 システム管理

1段目: 承認済正式数値、2段目: 未承認数値

工程番号	工程(代表)	※複数設備ある場合は代表1つの工程名が表示されます	最終在庫数	最終在庫数	ロス	不良品	保留品	現在在庫
1	ブランク	35631-B1010-#1	120	500	10	0	0	120
2	プレス1工程 (P1)	35631-B1010-#2	0	500	0	0	0	500
3	プレス2工程 (P2)	35631-B1010-#3	900	400	0	0	0	200
4	切歯 (野澤)	35631-B1010-#4-3	0	250	0	0	0	-40
4	切歯	35631-B1010-#4-1	1200	740	0	0	0	440
5	ボンデ (標準型)	35631-B1010-#5-2	500	700	0	0	0	900
5	ボンデ (リバーカー)	35631-B1010-#5-1	100	800	0	0	0	300
5	ボンデ (リバーカー)	35631-B1010-#5-1	250	900	0	0	0	1150

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

Note: Examples from Toshima Manufacturing

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 】



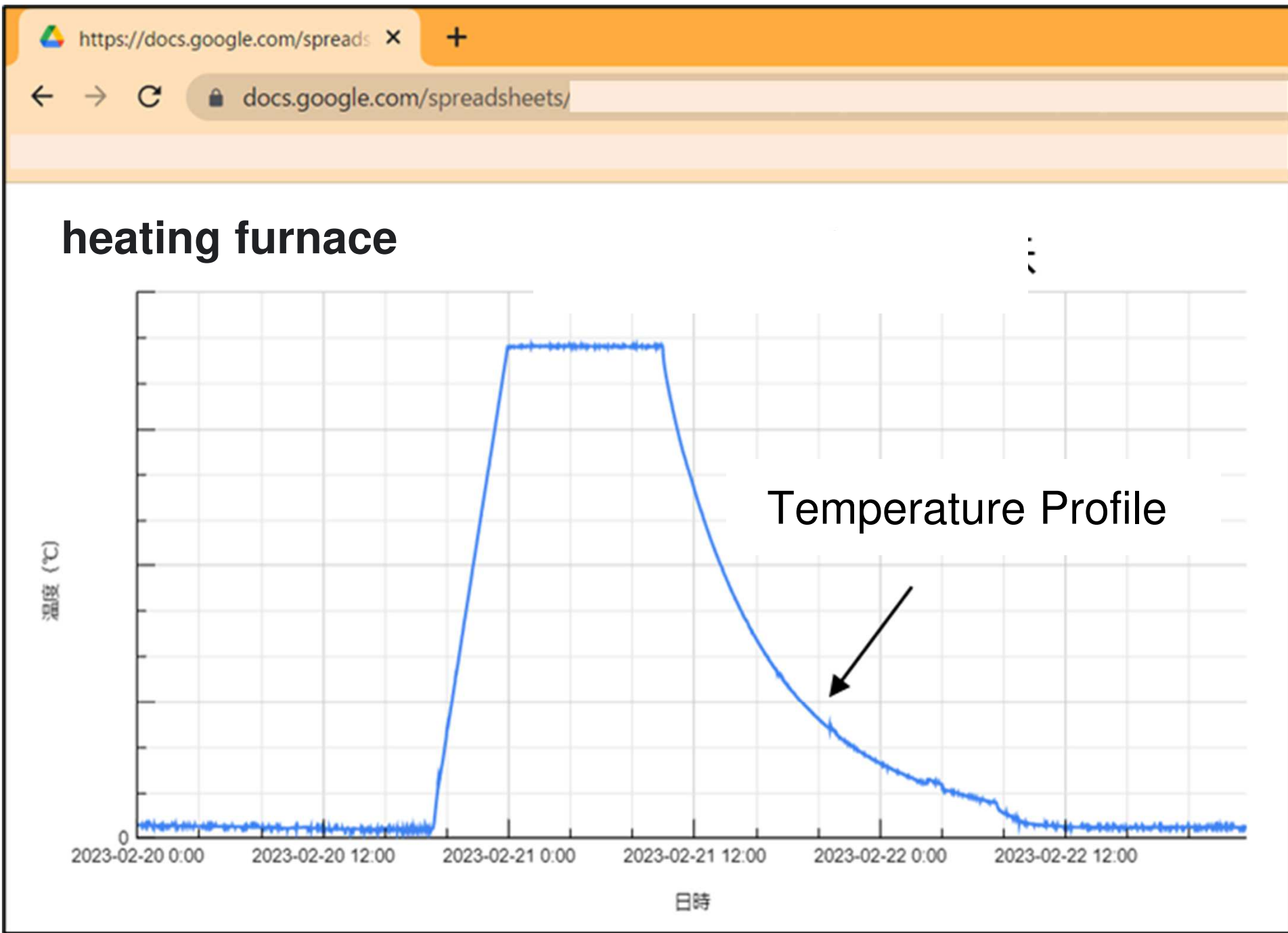
【 Manufacturing machines 】

Date and time
Reference
thermoelectromotive force

Temperature

K1_2022-02-17.csv					
	A	B	C	D	E
	time	app_temp	ref_temp	vol_mv	temp
2	2022-02-17 0:00	110.5	21.438	3.67612	437.05
3	2022-02-17 0:01	110.5	21.562	3.671	436.64
4	2022-02-17 0:02	110	21.5	3.65293	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	3.58845	428.84
9	2022-02-17 0:08	108.25	21.5	3.58069	428.07
10	2022-02-17 0:09	108	21.5	3.57037	427.08
11	2022-02-17 0:10	107.5	21.625	3.54458	424.7
12	2022-02-17 0:11	107.25	21.5	3.53942	424.14
13	2022-02-17 0:12	107	21.5	3.5291	423.15
14	2022-02-17 0:13	106.75	21.625	3.51362	421.75
15	2022-02-17 0:16	105.75	21.5	3.4775	418.22
16	2022-02-17 0:17	105.5	21.562	3.46462	417.02
17	2022-02-17 0:19	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	3.41559	412.27
20	2022-02-17 0:23	103.75	21.5	3.39495	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	3.37687	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	3.34852	405.75
25	2022-02-17 0:29	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	3.15761	387.15

【 Data collected from machines 】



【 Visualization of temperature profile in a web browser 】

Note: Examples from Toshima Manufacturing

FY2025 Q2 Financial Results

FY2025 New Acquisitions

Appendix: Company Overview

- Market Environment
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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.

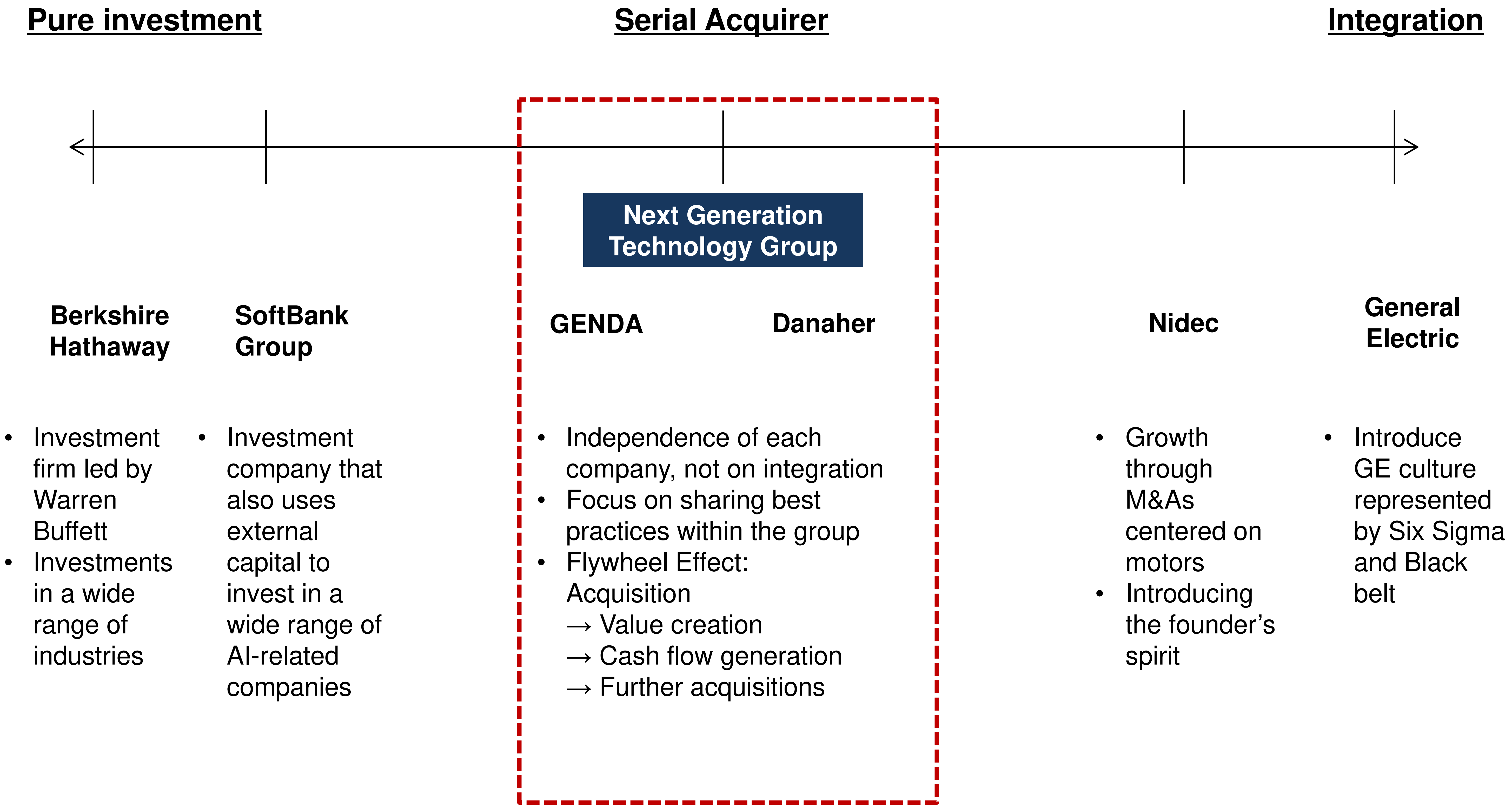
2

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



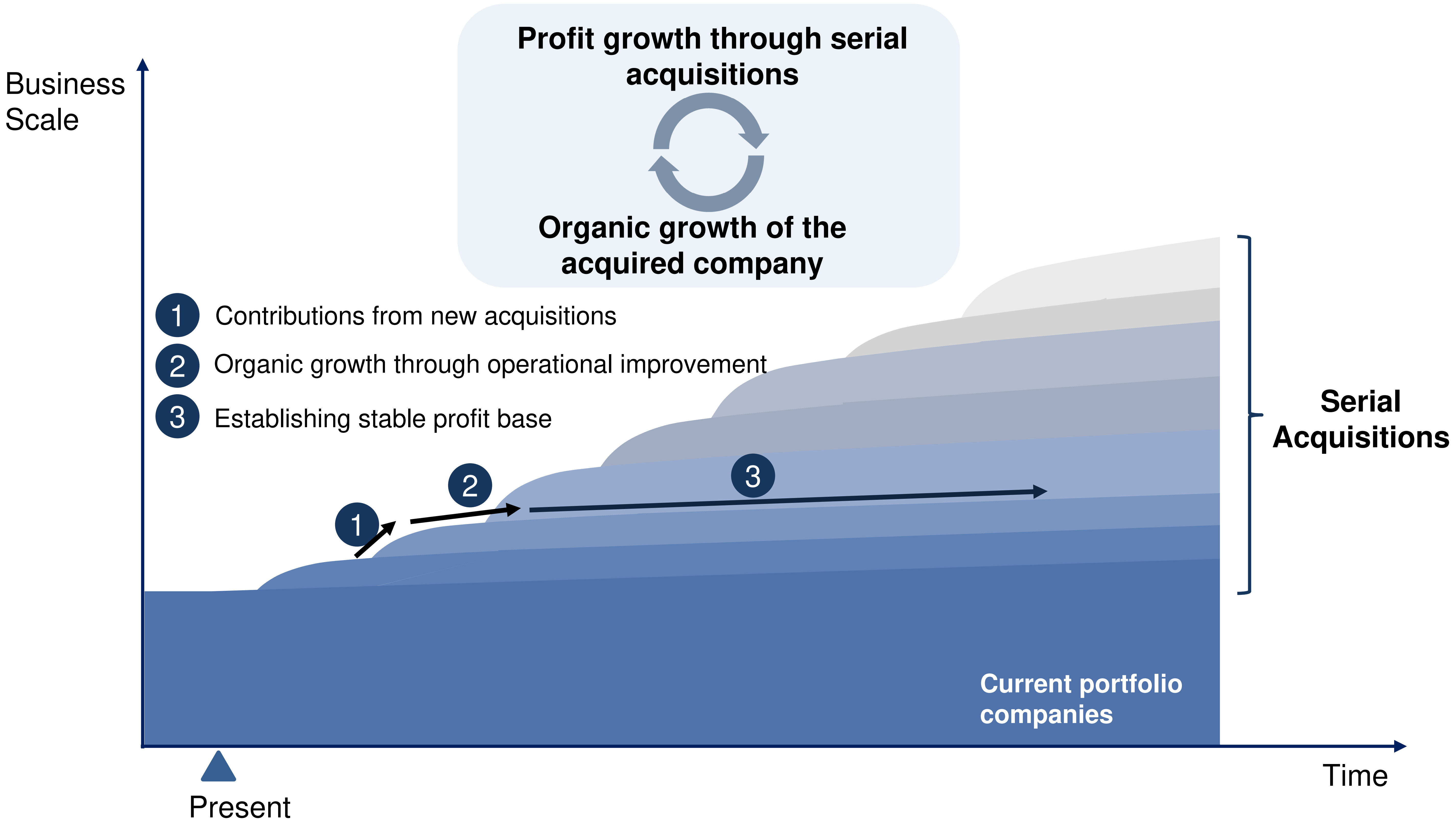
Serial Acquirer Case Study

	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) Figures for each company as of December 31, 2024
(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 Q2 Financial Results

FY2025 New Acquisitions

Appendix: Company Overview

- Market Environment
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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 Images

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 Images

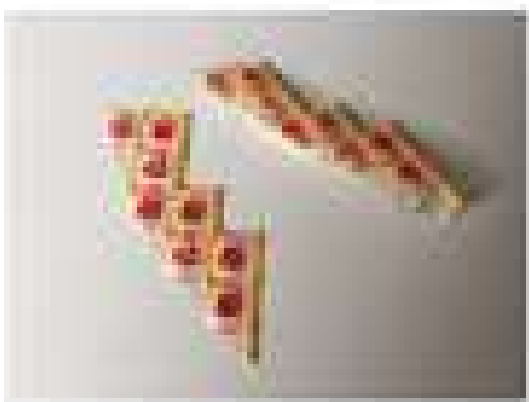
Amusement



フィルムインサート部品



下段 インサート
上段 成形品

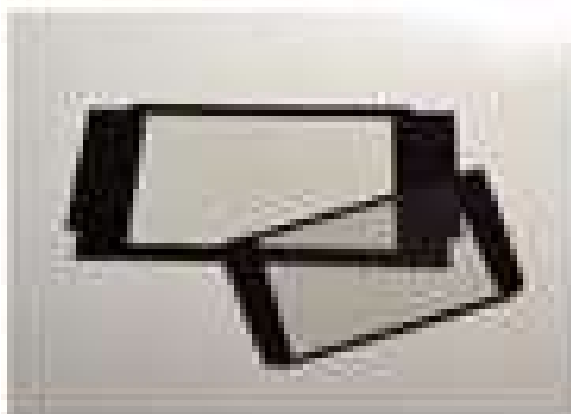


フィルムインサート部品



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



自販機用ゲー



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 Images



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 Images



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 Images



Note: Number of employees as of December 31, 2023

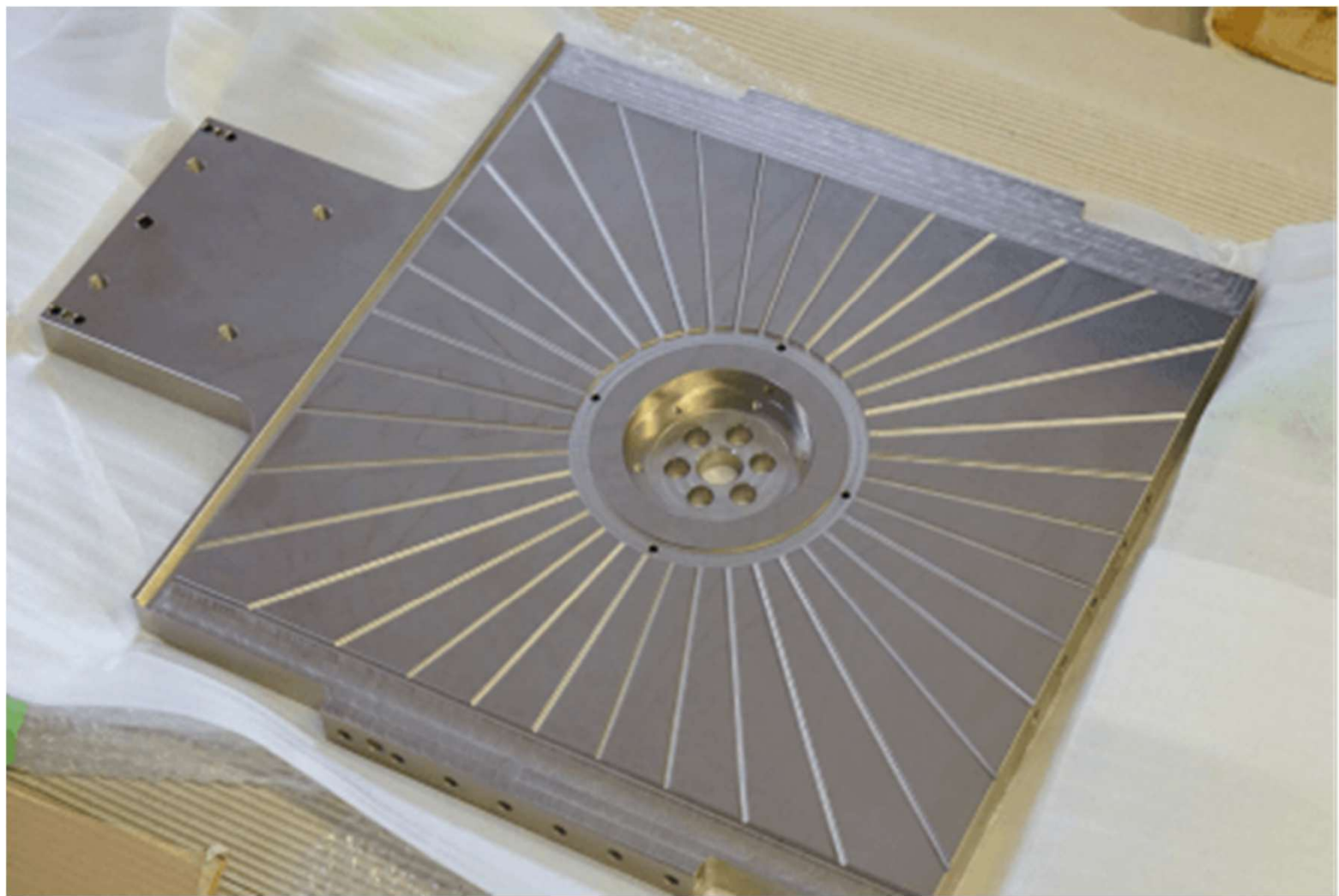
Portfolio (6) : Kyowa Seiko

■ 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 Images



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 Kinpo Me;tech)</p>
Employees	57



Product Images



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 images



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 Images



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 Images



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 Images



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 Images



Note: Number of employees as of April 30, 2025

Portfolio (13) : Kanda Iron Works

■ On August 8th, 2025, NGTG acquired shares from Noriaki Kanda and others.

Location	185-1 Asanominami, Awaji-shi, Hyogo, Japan
Business Description	Machining and cutting
CEO	Noriaki Kanda (Former shareholder; Age 54 / Continues to serve as Representative Director after the acquisition)
Employees	18



Product Images



Note: Number of employees as of July 31, 2025