

**Supports management through a series of M&As of technically advanced and highly profitable small and medium-sized manufacturers**

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For inquiries concerning the report, please contact [info@stock-r.org](mailto:info@stock-r.org)

**[319A Next Generation Technology Group Sector : Metal Products]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec. 2022	6,804	-	460	-	541	-	148	-	19.0	149.9	0.0
Dec. 2023	9,327	37.1	879	91.1	926	71.2	1,613	10.9x	206.5	362.6	0.0
Dec. 2024 f	11,000	17.9	1,500	70.6	1,500	62.0	860	-46.7	109.1	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2024 is the company's forecasts.

It conducted 5:1 reverse stock split on November 1, 2024. Per share indices are adjusted retroactively.

**Conducts a Series of M&As Involving Technically Advanced and Highly Profitable Small and Medium-sized Manufacturers and Provides Support for Management**

The mission of Next Generation Technology Group is to pass down the technologies of small and medium-sized manufacturers to the next generation. It is a serial acquisition company that conducts M&As involving manufacturers and manufacturing-related businesses, primarily SMEs, and provides management support for companies that have been acquired.

The company conducts M&A transactions involving highly profitable, technically advanced small and medium-sized manufacturers that face management issues, including securing and training successors, hiring human resources and overseas expansion. After M&A, the company establishes a transition period during which it trains personnel as successors from the transferee company while also leveraging IT to strengthen operational efficiency, recruit human resources and support the development of new business.

Unlike an acquisition fund, the Next Generation Technology Group does not sell companies involved in its M&A activity. Rather, it operates the business while stressing management autonomy and independence for the companies involved in M&A. The company's results reflect the performance of the companies involved in the M&As it has managed. After the merger or acquisition, the company focuses on enhancing the value of the transferee company to increase its profitability.

From its establishment in July 2018 to September 2024, Next Generation Technology Group received a total of 1,607 candidate company referrals from more than 350 M&A advisors. Currently, with approximately 400 referrals annually, the company's policy is not to involve financially struggling firms in M&A, considering only highly profitable companies as M&A candidates.

Starting with the November 2019 acquisition of Toshima Manufacturing Co., Ltd., a developer and manufacturer of thin-film materials and cold forging, and its Thai subsidiary Toshima (Thailand) Co., Ltd., the company has conducted M&As for 10 corporate groups to date, counting parent-subsidary and affiliated companies as a single entity, with a focus on companies with diverse technology holdings and business domains.

## Financial Statements

Statement of income	Fiscal Year	Dec. 2022		Dec. 2023		Nine months to Sep.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		6,804	100.0	9,327	100.0	8,044	100.0
Cost of sales		5,273	77.5	6,926	74.3	5,664	70.4
Gross profit		1,532	22.5	2,401	25.7	2,380	29.6
Selling, general and administrative expenses		1,072	15.8	1,522	16.3	1,242	15.4
Operating profit		460	6.8	879	9.4	1,138	14.1
Non-operating income		136	-	161	-	100	-
Non-operating expenses		56	-	114	-	82	-
Ordinary profit		541	8.0	926	9.9	1,156	14.4
Profit before income taxes		168	2.5	1,979	21.2	1,074	13.4
Profit attributable to owners of parent		148	2.2	1,613	17.3	617	7.7

Balance sheet	Fiscal Year	Dec. 2022		Dec. 2023		Sep.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,949	53.9	7,635	51.8	8,439	55.3
Cash and deposits		2,602	28.3	4,398	29.8	5,357	35.1
Accounts receivable-trade		1,171	12.7	1,624	11.0	1,364	8.9
Inventories		901	9.8	1,289	8.7	1,486	9.7
Non-current assets		4,236	46.1	7,114	48.2	6,822	44.7
Property, plant and equipment		3,470	37.8	4,945	33.5	4,893	32.1
Intangible assets		247	2.7	1,082	7.3	877	5.7
Investments and other assets		519	5.7	1,087	7.4	1,052	6.9
Total assets		9,185	100.0	14,749	100.0	15,261	100.0
Current liabilities		3,665	39.9	5,082	34.5	5,083	33.3
Accounts payable - trade		709	7.7	768	5.2	736	4.8
Short-term borrowings		1,777	19.3	1,805	12.2	2,105	13.8
Current portion of bonds payable		10	0.1	10	0.1	20	0.1
Current portion of long-term borrowings		767	8.4	1,267	8.6	1,264	8.3
Non-current liabilities		4,197	45.7	6,554	44.4	6,489	42.5
Bonds payable		10	0.1	-	-	46	0.3
Long-term borrowings		3,457	37.6	5,685	38.5	5,355	35.1
Net assets		1,323	14.4	3,113	21.1	3,689	24.2
Owners' equity		1,323	14.4	3,013	20.4	3,589	23.5

Statement of cash flows	Fiscal Year	Dec. 2022	Dec. 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		326	1,189
Depreciation		436	540
Amortization of goodwill		9	45
Cash flows from investing activities		-431	-702
Cash flows from financing activities		393	1,281
Dividends paid		-	-
Net increase in cash and cash equivalents		309	1,791
Cash and cash equivalents		2,608	4,399

Note: Consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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