

Leveraging digital technology to support design and development operational reform in the automotive and other manufacturing industry fields

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For inquiries concerning the report, please contact info@stock-r.org

[339A PROGRESS TECHNOLOGIES GROUP Sector : Services]

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)
Feb. 2024	5,116	7.0	1,150	-3.4	996	-7.0	696	-4.7	98.5	432.7	0.0
Feb. 2025 f	5,625	9.9	854	-25.7	799	-19.8	576	-17.2	81.6	-	0.0
Feb. 2026 f	6,388	13.6	1,580	85.0	1,518	90.0	1,050	82.3	136.0	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending February 2025 and 2026 are the company's forecasts.
It conducted 1:20 stock split on January 29, 2025. Per share indices are adjusted retroactively.

Supporting Manufacturing Industry Design and Development Operational Reform Through the Use of Digital Technology

The corporate group of PROGRESS TECHNOLOGIES GROUP comprises the holding company and two subsidiaries. Its business encompasses consulting, solution provision and engineer dispatch for design and development operational reform, including digital transformation (DX) and operational efficiency improvement, using digital technology.

The company's three business areas are the solution segment, the digital twin segment and the engineering segment. In fiscal year ended February 2024, the solution segment accounted for 50.0% of net sales, the digital twin segment for 1.8% and the engineering segment for 48.2%.

The solution segment offers consulting services for manufacturer design and development processes, digital engineering services that cover everything from the introduction of cutting-edge digital tools to their full implementation and project services in which the company undertakes product development as a project.

The digital twin segment provides development processes in which an actual machine is not used, such as virtual testing using driving simulators and the development of plant models, for automotive-related companies.

The engineering segment offers a service in which the company dispatches engineers with digital technology expertise to the design and development departments of client companies. As resident staff at the respective companies, they mainly provide support for design and development operational reform. Group company PROGRESS TECHNOLOGIES is responsible for this.

The company provides services to companies in the automotive, semiconductor, precision equipment, medical and heavy industry sectors. Most of its business, however, is with automotive industry companies, which account for around 60% of net sales. The company's key customers are Honda Motor group and Astemo, an automobile parts manufacturer in which Honda Motor has a 40% stake.

PROGRESS TECHNOLOGIES GROUP (339A TSE Growth)

April 11, 2025

Financial Statements

Statement of income	Fiscal Year	Feb. 2023		Feb. 2024		Nine months to Nov.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Sales revenue		4,780	100.0	5,116	100.0	4,228	100.0
Cost of sales		2,672	55.9	2,890	56.5	2,319	54.8
Gross profit		2,107	44.1	2,225	43.5	1,909	45.2
Selling, general and administrative expenses		919	19.2	1,074	21.0	854	20.2
Other income		21	-	30	-	19	-
Other expenses		19	-	31	-	15	-
Operating profit		1,190	24.9	1,150	22.5	1,057	25.0
Financial income		1	-	1	-	1	-
Financial expense		120	-	155	-	43	-
Profit before income taxes		1,071	22.4	996	19.5	1,015	24.0
Profit attributable to owners of parent		730	15.3	696	13.6	734	17.4

Balance sheet	Fiscal Year	Feb. 2023		Feb. 2024		Nov.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,180	27.6	1,937	25.2	2,584	27.7
Cash and deposits		1,278	16.2	792	10.3	1,398	15.0
Accounts receivable-trade		579	7.3	733	9.5	n.a.	n.a.
Contract asset		76	1.0	123	1.6	67	0.7
Non-current assets		5,711	72.4	5,738	74.8	6,731	72.3
Property, plant and equipment		436	5.5	456	5.9	1,383	14.8
Goodwill		4,964	62.9	4,964	64.7	4,964	53.3
Intangible assets		159	2.0	144	1.9	149	1.6
Other assets		150	1.9	173	2.3	233	2.5
Total assets		7,892	100.0	7,676	100.0	9,315	100.0
Current liabilities		1,533	19.4	1,497	19.5	1,986	21.3
Accounts payable - trade		78	1.0	64	0.8	n.a.	n.a.
Current portion of long-term borrowings		318	4.0	327	4.3	327	3.5
Non-current liabilities		4,006	50.8	3,118	40.6	3,524	37.8
Long-term borrowings		3,665	46.4	2,754	35.9	2,444	26.2
Net assets		2,352	29.8	3,060	39.9	3,804	40.8
Owners' equity		2,352	29.8	3,060	39.9	3,804	40.8

Statement of cash flows	Fiscal Year	Feb. 2023	Feb. 2024	Nine months to Nov.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		1,052	712	1,372
Depreciation		89	95	109
Cash flows from investing activities		-57	-31	-261
Cash flows from financing activities		-959	-1,167	-505
Dividends paid		-	-	-
Net increase in cash and cash equivalents		34	-486	605
Cash and cash equivalents		1,278	792	1,398

Note: Consolidated

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

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