

For Immediate Release

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Notice of Changes in Dividend Policy (Introduction of Progressive Dividends, etc.) and Shareholder Benefit Program (Extension)

NCD Co., Ltd. (the “Company”) hereby announces that at a meeting of its Board of Directors held on May 15, 2026, the Company decided to change its dividend policy and its shareholder benefit program. The details are as follows.

1. Change in dividend policy

(1) Reason for the change in dividend policy

The Company positions the return of profits to shareholders as one of the most important management issues and has paid stable and continuous dividends without any decrease in dividends since the fiscal year ended March 31, 2011. Taking into consideration the Company’s future earnings outlook and financial position, it has been decided to change its dividend policy to further enhance the return of profits to shareholders.

(2) Details of change in dividend policy

(Before change)

The Company positions the return of profits to shareholders as one of the most important management issues, and will pay stable and continuous dividends with a consolidated dividend payout ratio of 50% or more as a guideline, taking into consideration the consolidated results of operations, the level of retained earnings necessary for future business development, and others, comprehensively.

(After change)

The Company positions the return of profits to shareholders as one of the most important management issues. Taking into consideration to the consolidated results of operations, the level of retained earnings necessary for future business development, and other factors, comprehensively, the Company will adopt a progressive dividend policy under which, in principle, dividends will be maintained or increased and not decreased and will pay stable and continuous dividends with a consolidated dividend payout ratio of 50% or more as a guideline. The Company will also consider conducting flexible repurchase of its own shares as a measure for the return of profits, taking into consideration its financial position, market trends, and other factors.

(3) Date of change

The new policy will be applied from the fiscal year ending March 31, 2027.

2. Change (extension) of shareholder benefit program

(1) Reason for the change in dividend policy

The Company has introduced a shareholder benefit program to thank its shareholders for their ongoing support and to encourage long-term holding of its shares.

With this change, the Company will expand the qualifying share ownership thresholds and the content of the shareholder benefits with the aim of increasing the attractiveness of investment in the Company's shares to encourage more shareholders to hold the shares.

(2) Details of change in shareholder benefit program

(Before change)

Number of shares held	Continuous holding period	
	Less than 3 years	3 years or more
1,000 - less than 3,000 shares	QUO CARD worth 2,000 yen	QUO CARD worth 3,000 yen
3,000 - less than 5,000 shares	QUO CARD worth 3,000 yen	QUO CARD worth 5,000 yen
5,000 shares or more	QUO CARD worth 5,000 yen	QUO CARD worth 7,000 yen

(After change)

Number of shares held	Continuous holding period	
	Less than 3 years	3 years or more
100 - less than 500 shares	QUO CARD worth 500 yen	QUO CARD worth 1,000 yen
500 - less than 1,000 shares	QUO CARD worth 1,000 yen	QUO CARD worth 2,000 yen
1,000 - less than 3,000 shares	QUO CARD worth 2,000 yen	QUO CARD worth 3,000 yen
3,000 - less than 5,000 shares	QUO CARD worth 3,000 yen	QUO CARD worth 5,000 yen
5,000 shares or more	QUO CARD worth 5,000 yen	QUO CARD worth 7,000 yen

<Continuous Holding Period Requirements>

- With September 30 each year as the record date, shareholders who can be confirmed in the Company's shareholder register as of that date will be eligible.
- For the purposes of determining continuous holding, shareholders who have been recorded consecutively seven or more times under the same shareholder number in the Company's shareholder register at each half-yearly interval (March 31 and September 30 each year) will qualify as having held shares continuously for three years or more.
- In the event of any interruption in the continuity of being recorded under "the same shareholder number," the shareholder shall be deemed not to meet the continuity requirement. For example, this would apply in cases where a shareholder temporarily sells all of their held shares and then repurchases them by the final entitlement date in March or September.

(3) Date of change

The change in the shareholder benefit program will apply from shareholders recorded or registered in the shareholder register with September 30, 2026 as the record date.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.