

NCD Co., Ltd. (the "Company") hereby announces that certain matters in the "Notice Concerning Formulation of New Medium-Term Management Plan" require correction. The Company sincerely apologizes for the inconvenience and makes the following corrections.

- Corrected section  
"3-year investment total" on Page 4 of the attached document to "Notice Concerning Formulation of New Medium-Term Management Plan"
- Details of the corrections  
The corrected sections are underlined

[Before corrections]

#### 1. Review of the Previous Medium-Term Management Plan "Vision 2026"

### Review of Key Target Figures

Regarding financial targets, the initial plan was achieved by a wide margin, but sales fell slightly short of the revised plan II. Not all investment targets were met, but each investment area saw a certain degree of success; overall, approximately 90% were executed

(Million yen)	A Initial plan	B Revised plan*	C Revised plan II*	D FYE3/2026 results	Difference (D-C)	Achievement (D/C)	
Financial targets	Net sales	26,000	32,000	31,000	30,867	-133	99.5 %
	Operating profit	1,800	3,000	2,450	2,638	188	107.7 %
	Operating profit margin	6.9 %	9.4 %	7.9 %	8.5 %	0.6 pt.	-
	ROE	15% or higher	20% or higher	-	22.9 %	-	-
Investment target	Human capital	0.7 billion yen	-	-	0.6 billion yen	-100	85.7 %
	R&D/new business	0.6 billion yen	-	-	0.2 billion yen	-400	33.3 %
	Other	0.5 billion yen	-	-	0.8 billion yen	300	160.0 %
	3-year investment total	<u>18 billion yen</u>	-	-	<u>16 billion yen</u>	-200	88.9 %

\* The revised plan and the revised plan II were released in November 2024 and November 2025, respectively.

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[After corrections]

#### 1. Review of the Previous Medium-Term Management Plan "Vision 2026"

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Investment target	Human capital	0.7 billion yen	-	-	0.6 billion yen	-0.1 billion yen	85.7 %
	R&D/new business	0.6 billion yen	-	-	0.2 billion yen	-0.4 billion yen	33.3 %
	Other	0.5 billion yen	-	-	0.8 billion yen	0.3 billion yen	160.0 %
	3-year investment total	<u>1.8 billion yen</u>	-	-	<u>1.6 billion yen</u>	-0.2 billion yen	88.9 %

\* The revised plan and the revised plan II were released in November 2024 and November 2025, respectively.

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May 15, 2026

For Immediate Release

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## Notice Concerning Formulation of New Medium-Term Management Plan

NCD Co., Ltd. (the “Company”) hereby announces that it has formulated a new Medium-Term Management Plan "Vision 2029," covering the three-year period from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029, as outlined below.

### 1. Background to the formulation of the new Medium-Term Management Plan

Aiming for sustainable growth and enhanced corporate value, the Company group has set its vision for the year 2032 as "To be a company that creates more value together with clients and society through an exciting and energetic work environment."

Under the previous Medium-Term Management Plan "Vision 2026," which covered the period from the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2026 and was the first step toward realizing the group vision, the Company implemented various measures to achieve the basic policies of "Pursue Further NCD Value by Enhancing Existing Businesses and Creating New Businesses," "Strengthening Management Foundation for Enhancement of Corporate Value," and "Rebuild Optimal Group Business Structure." As a result, we made progress, but there are still challenges to be addressed, such as improving profitability and increasing the added value of the businesses.

In addition, given changes in the external environment, the Company group recognizes that in order to enhance its competitive advantage and contribute to solving essential customer challenges, it must quickly shift to a higher value-added business model with a high level of expertise and proposal capabilities and focus even more on cultivating growth areas from a medium- to long-term perspective. We thus have formulated the new Medium-Term Management Plan "Vision 2029," of which the basic policy is "Transition to High-Value Businesses through the Construction of Clearer "Strengths" and the Creation of New Growth Areas."

2. Consolidated-basis financial targets

Target Indicators	Target figures for fiscal year ending March 31, 2029	(Reference) Actual results for fiscal year ended March 31, 2026
Net sales	36,000 million yen	30,867 million yen
Operating profit	3,500 million yen	2,638 million yen
Operating profit margin	9.7 %	8.5 %
ROE	20% or higher	22.9 %
ROIC	20% or higher	18.5 %

For details of the new Medium-Term Management Plan "Vision 2029," please refer to the attached document.

**Note: This document and the attached document have 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.**



NCD Group  
Medium-Term Management Plan  
(FYE3/2027-FYE3/2029)

# Vision 2029

## Change & Challenge for Smile

May 15, 2026



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# 1 **Review of the Previous Medium-Term Management Plan “Vision 2026”**

## Review of Key Target Figures

- Regarding financial targets, the initial plan was achieved by a wide margin, but sales fell slightly short of the revised plan II. Not all investment targets were met, but each investment area saw a certain degree of success; overall, approximately 90% were executed

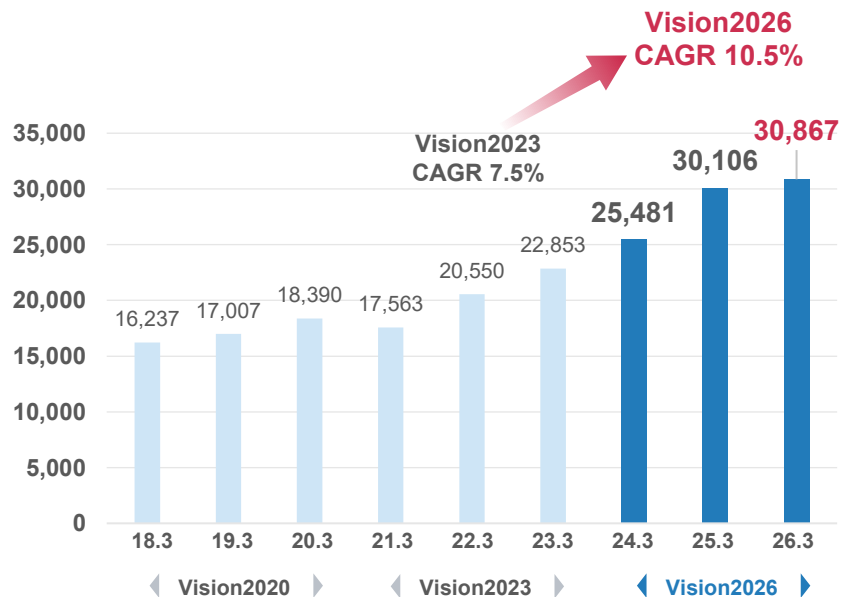
(Million yen)		A	B	C	D		
		Initial plan	Revised plan*	Revised plan II*	FYE3/2026 results	Difference (D-C)	Achievement (D/C)
Financial targets	Net sales	26,000	32,000	31,000	<b>30,867</b>	-133	99.5 %
	Operating profit	1,800	3,000	2,450	<b>2,638</b>	188	107.7 %
	Operating profit margin	6.9 %	9.4 %	7.9 %	<b>8.5 %</b>	0.6 pt.	-
	ROE	15% or higher	20% or higher	-	<b>22.9 %</b>	-	-
Investment target	Human capital	0.7 billion yen	-	-	<b>0.6</b> billion yen	-0.1 billion yen	85.7 %
	R&D/new business	0.6 billion yen	-	-	<b>0.2</b> billion yen	-0.4 billion yen	33.3 %
	Other	0.5 billion yen	-	-	<b>0.8</b> billion yen	0.3 billion yen	160.0 %
	3-year investment total	1.8 billion yen	-	-	<b>1.6</b> billion yen	-0.2 billion yen	88.9 %

\* The revised plan and the revised plan II were released in November 2024 and November 2025, respectively.

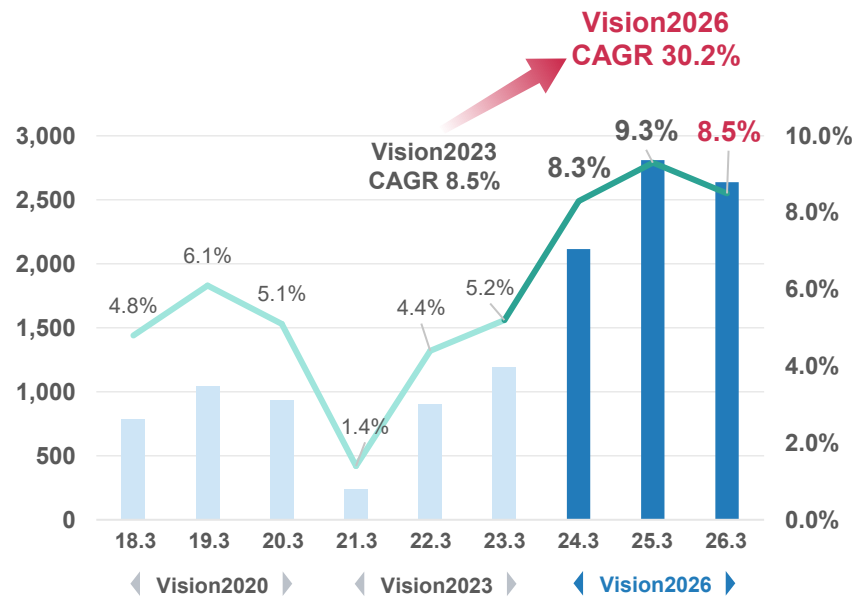
# Consolidated Financial Results

- Both net sales and operating profit reached record highs during the Vision 2026 period. Targets were not achieved, but both exceeded their compound annual growth rate (CAGR) for the past three years; operating profit margin, in particular, continued to show an improving trend

Consolidated Net Sales



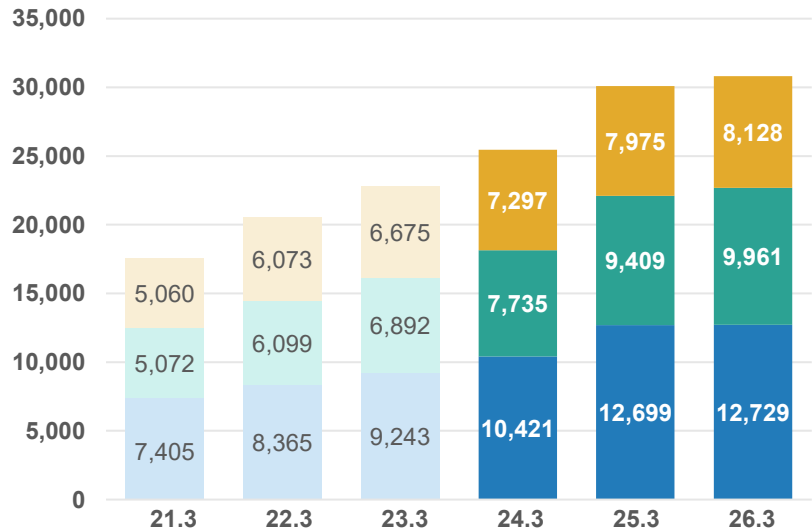
Consolidated Operating Profit / Consolidated Operating Profit Margin



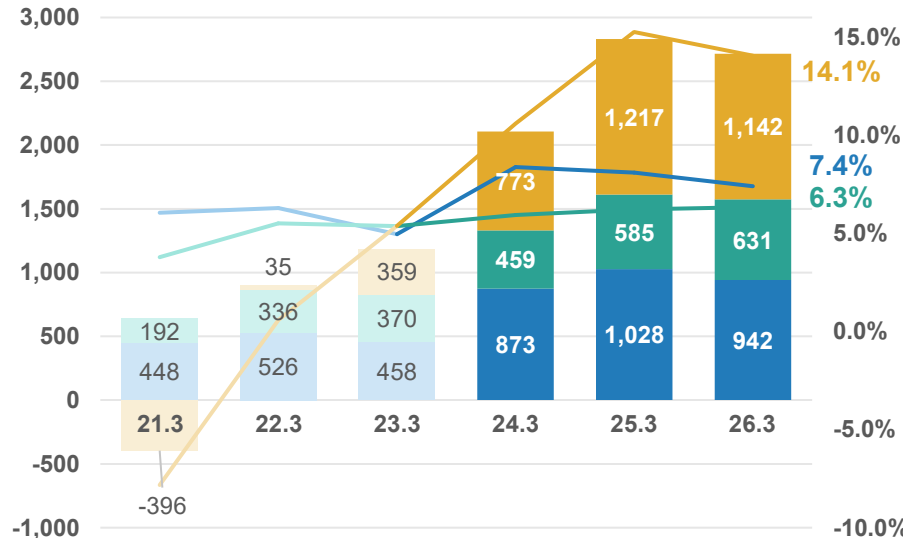
# Financial Results by Main Segment

- Each segment has seen significant growth in both net sales and segment profit over the past three years. Particularly, IT-related businesses (System Development Business and Support and Service Business) drove growth in net sales, while the continued trend of improving profitability through the structural reforms of Parking System Business contributed significantly to segment profit

Net sales



Segment Profit / Segment Profit Margin\*



■ System Development Business ■ Support and Service Business ■ Parking System Business

(Million yen)

\* Segment profit is the figure of company-wide expenses (general and administrative expenses related to the parent company), which were previously recorded as adjustments and are now allocated to each segment

# Review of Company-Wide Basic Policies

## 1. Pursue further NCD value by enhancing existing business and creating new business

》 A certain degree of progress has been seen in solidifying the foundation of existing businesses as the first step toward realizing the Group vision

- Profitability of IT-related businesses improved along with the progress of the NCD service model. In addition, with the customer base further strengthened, net sales have grown by 40.6% over the past three years
- With its business reforms completed, Parking System Business evolved into a more muscular structure than before. Gross profit margin rose sharply by 10.1 pts, from 19.2% to 29.3%

》 Centered on a newly launched internal public solicitation system, new business creation is in the pipeline for developing business proposals

- Business proposals selected through the internal public solicitation system have gone through a PoC process for commercialization, with the *JITERECO* brand announced, aiming for an early launch

## 2. Strengthening management foundation for enhancement of corporate value

》 Strengthening of the management foundation has progressed largely as planned, primarily through sustainability management and human capital management

- Progress has been seen in issuing integrated reports, response to climate changes (TCFD disclosure and CDP certification “B-”), and enhancing non-financial information disclosures
- Executed a total of 600 million yen of human capital investments, including training of managers and DX personnel and reviewing the salary system through wage increases, etc.

## 3. Rebuild optimal Group business structure

》 IT-related businesses were strengthened through M&A; intragroup restructuring was done for Parking System Business

- In IT-related businesses, the M&A of Japan Computer Services was achieved for full outsourcing purposes
- In Parking System Business, operations were transferred between the group companies to reorganize roles and bring some outsourced operations in-house

## 2 NCD Group Vision and Recognition of Current Issues

# NCD Group Vision



NCD Group Vision  
- The vision for the  
year 2032 -

**To be a company that creates more value together with clients and society through an exciting and energetic work environment.**

## Basic Policies

- ✔ Transform into a more profitable company and contribute to the sustainable growth of the NCD Group
- ✔ Build a third pillar of business by taking on challenges in new business areas
- ✔ Become a “Well-being Company” where employees can feel happy to work for the NCD Group and grow

## Numerical Targets (FYE3/2032)

Net sales **40** billion yen    Operating profit **4** billion yen (**10.0%**)

# Recognition of Current Issues and Direction of Vision 2029

## Internal environment (recognition of issues based on the review of Vision 2026)

<b>Finance</b>	<b>Improving profitability</b>	<ul style="list-style-type: none"> <li>■ Achieving a 10% operating profit margin remains a high hurdle toward realizing the vision</li> </ul>
<b>Strategy</b>	<b>Adding high value to businesses</b>	<ul style="list-style-type: none"> <li>■ Steady progress is seen in strengthening the current business foundation, but the Company is still only halfway to building “strengths” that drive medium to long-term growth</li> </ul>
	<b>True linkage between human resources strategy and business strategy</b>	<ul style="list-style-type: none"> <li>■ Despite some success in the human resources strategy, a challenge remains in ensuring its linkage that “truly” supports the business strategy</li> </ul>
<b>Measures</b>	<b>Investment planning</b>	<ul style="list-style-type: none"> <li>■ There is a need for a variety of measures, including active use of external assets, and for bolder investments</li> </ul>

## External environment (opportunities and threats)

<b>Rapid evolution/development of generative AI</b>
<b>Growing demand for digital transformation</b>
<b>Decrease in the number of bicycles abandoned/owned</b>
<b>Declining and aging population</b>



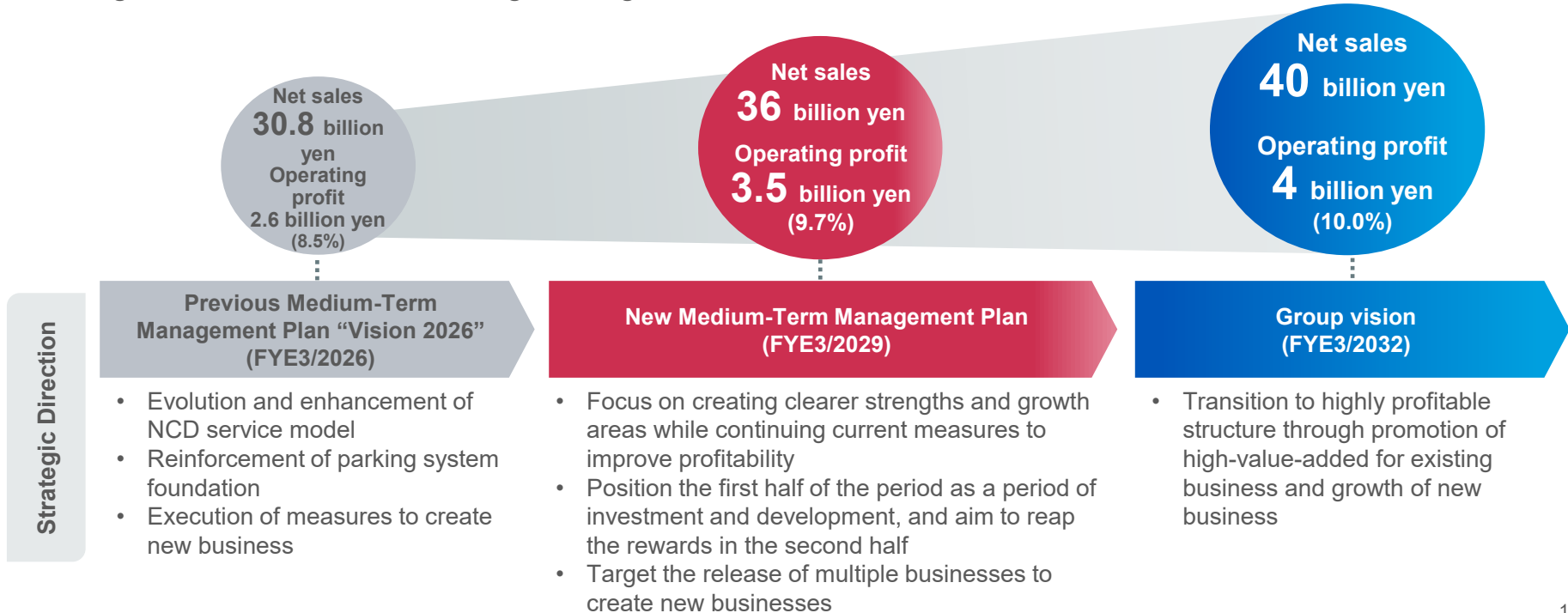
As DX demand continues to grow, contributing to solving customers' essential issues by enhancing competitive advantages is needed

Under Vision 2029, we must quickly transition to a higher value-added business model with a high level of expertise and proposal capabilities and focus even more on cultivating growth areas from a medium to long-term perspective.

# 3 New Medium-Term Management Plan “Vision 2029” - Overview

## Positioning toward Realizing Group Vision

- The new Medium-Term Management Plan “Vision 2029” is positioned as the second step to achieving the Group vision
- We will continue to work on improving current profitability and focus on creating clearer strengths and new growth areas for transitioning to a high-value business model



# Vision 2029 NCD Group Basic Policy



NCD Group  
Medium-Term  
Management Plan  
Vision2029

Transition to a high-value business by building clearer “strengths,” and create new growth areas

Net sales **36** billion yen

Operating profit **3.5** billion yen

Operating profit margin **9.7** %

## Business strategy / IT-related businesses

As a business transformation partner of our clients, add value to existing services by making full use of advanced IT and expand high-value-added areas by acquiring upstream process projects

## Business strategy / Parking System Business

As a leading company in the industry, achieve next-generation bicycle parking systems that respond to environmental changes and take on the challenge of entering new business domains

## Establish a more effective management foundation to further increase corporate value

### Technology strategy

Create value starting from development/operation using advanced IT to clients' business transformation

### Human resources strategy

Promote measures more linked to business strategy and strengthen human resource management capabilities

### Sustainability strategy

Establish an effective sustainability management promotion cycle

### Strengthening governance

Establish a strong governance structure at the level of a Prime-listed company

## Financial & Capital Strategy

Accelerate the realization of management strategies through aggressive growth investments

# Key Numerical Targets

## Consolidated financial targets

	(FYE3/2027)	(FYE3/2028)	(FYE3/2029)
Net sales	<b>32</b> billion yen	<b>34</b> billion yen	<b>36</b> billion yen
Operating profit	<b>2.75</b> billion yen	<b>3</b> billion yen	<b>3.5</b> billion yen
Operating profit margin	<b>8.6</b> %	<b>8.8</b> %	<b>9.7</b> %
ROE			<b>20</b> % or higher
ROIC			<b>20</b> % or higher

## Financial targets by segment (FYE3/2029)

	Net sales	Gross profit	Gross profit margin	Segment profit	Segment profit margin
<b>System Development</b>	<b>15</b> billion yen	<b>3.4</b> billion yen	<b>22.7</b> %	<b>1.3</b> billion yen	<b>8.7</b> %
<b>Support and Service</b>	<b>12</b> billion yen	<b>2.5</b> billion yen	<b>20.8</b> %	<b>0.85</b> billion yen	<b>7.1</b> %
<b>Parking System</b>	<b>9</b> billion yen	<b>2.9</b> billion yen	<b>32.2</b> %	<b>1.35</b> billion yen	<b>15.0</b> %

## Investment targets\*

(Total of FYE3/2027-FYE3/2029)

3-year investment total	<b>4.5</b> billion yen
• Human capital investment	<b>1.3</b> billion yen
• R&D/IT/DX investments	<b>0.9</b> billion yen
• Capital investment / others	<b>1.2</b> billion yen
• M&A	<b>1</b> billion yen

\* Excluding investment in bicycle parking facilities related to Parking System Business

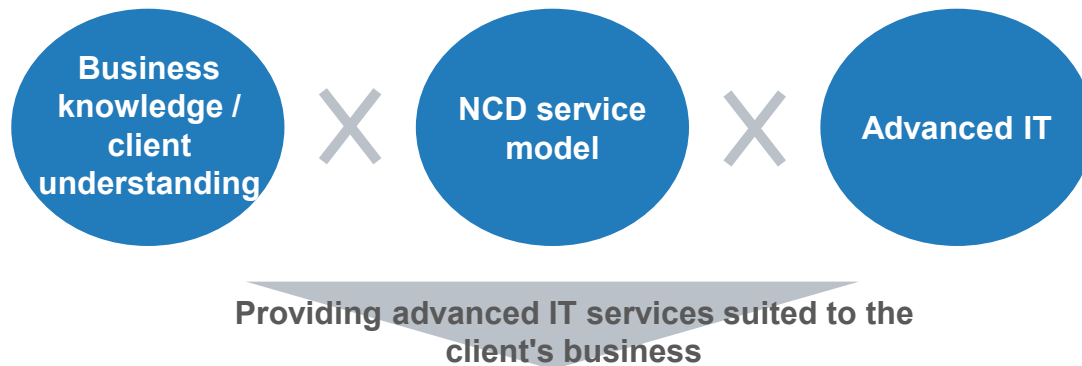
# 4 New Medium-Term Management Plan “Vision 2029” - Business Strategy

# IT-Related Businesses - Basic Policy

<b>Basic policy</b>	As a business transformation partner of our clients, add value to existing services by making full use of advanced IT and expand high-value-added areas by acquiring upstream process projects		
<b>Financial targets</b>	Net sales <b>27</b> billion yen	Segment profit <b>2.15</b> billion yen	Segment profit margin <b>8.0</b> %
<b>Key strategy</b>	<b>1</b> Improving profitability by restructuring customer portfolio	<b>2</b> Enhancing the value of existing services through maintenance and operation services using advanced IT	<b>3</b> Expanding the scope of upstream processes by leveraging industry and business knowledge
<b>Key measures</b>	<b>Strengthening sales structure</b> <ul style="list-style-type: none"> <li>Strengthen acquisition of new customers and deepen relationships with potential customers</li> <li>Strategically withdraw from low-profit projects/customers</li> <li>Enhance proposal/negotiation capabilities and customer relationships</li> </ul>		<b>Expanding consulting functions</b> <ul style="list-style-type: none"> <li>Strengthen acquisition of upstream projects mainly in the life insurance industry and IT infrastructure area</li> <li>Strengthen the development and recruitment of business analyst personnel</li> <li>Upgrade service models such as processes and knowledge</li> </ul>
	<b>Strengthening the use of advanced IT</b> <ul style="list-style-type: none"> <li>Contribute to customer business process reforms through strong business expertise/knowledge x AI, etc.</li> <li>Strengthen internal systems to promote AI, automation, data utilization, etc., and enhance utilization of external assets</li> </ul>		<b>Maximizing group synergies</b> <ul style="list-style-type: none"> <li>Clarify roles of group companies and strengthen cross-selling</li> <li>Establish NCD Group CoE (Centers of Excellence) in technical areas</li> </ul>
<b>Investment policy</b>	Make investments to build a high value-added model and strengthen sales structure (total of approximately 1 billion yen over 3 years)		

## IT-Related Business - Adding Value to Existing Services

- We will enhance the sophistication and added value of existing services by combining NCD's strengths, such as business knowledge and client business understanding accumulated through many years of transactions, and development and operation service models based on our numerous achievements, with advanced IT



### Increased productivity

#### <Development x AI>

- Development/maintenance x AI-driven development
- System testing x AI agents

#### <Operation x AI>

- Service desk x AI assistants
- IT infrastructure operations services x AIOps

### Business process/business reforms

- BPR x AI agents
- AI operation services
- BI x machine learning
- Knowledge utilization AI foundation

# IT-Related Businesses - Profit Structure Reforms & Strategic Roadmap

The first half is a phase of building the foundation and making investments, and the second half is a three-year step to reap results. We aim to achieve a qualitative transformation in the profit structure and achieve a segment profit margin of 8.0% (10.0% or more by FYE3/2032) by withdrawing from low-profit projects, strengthening acquisition of new clients, and adding high value through the use of advanced IT and a shift to upstream processes

## (1) Vision 2029 financial targets

FYE3/2026 results		FYE3/2029 targets	
Net sales	22.6 billion yen	Net sales	27 billion yen +4.4 billion yen
Segment profit	1.57 billion yen	Segment profit	2.15 billion yen +0.58 billion yen
Segment profit margin	6.9 %	Segment profit margin	8.0 % +1.1 pt.

## (2) Profit structure reforms

Strengthening profitability improvement activities	Monetizing advanced IT utilization services	Shifting to high-unit-price areas
<ul style="list-style-type: none"> <li>Withdrawal from low-profit projects/customers</li> <li>Strengthening acquisition of new customers</li> <li>Deepening relationships with existing customers and expanding cross-selling through group synergies</li> </ul>	<ul style="list-style-type: none"> <li>Cost optimization by AI-driven development and AIOps implementation</li> <li>BPR services utilizing AI agents, monetization of new services through knowledge AI/BI x machine learning</li> </ul>	<ul style="list-style-type: none"> <li>Step-by-step expansion of upstream process areas and shift to an integrated IT lifecycle</li> <li>Expansion of consulting functions and strengthening of development/recruitment of business analyst personnel</li> <li>Strengthening industry-specific proposal capabilities</li> </ul>

## (3) Strategic roadmap

FYE3/2027	FYE3/2028	FYE3/2029
<ul style="list-style-type: none"> <li>Start selecting and withdrawing from low-profit projects</li> <li>Strengthen the foundation for AI utilization and operate services</li> <li>Strengthen the development and recruitment of business analyst personnel</li> </ul>	<ul style="list-style-type: none"> <li>Expand advanced IT utilization services</li> <li>Increase acquisition of upstream projects</li> <li>Roll out Group CoE</li> </ul>	<ul style="list-style-type: none"> <li>Monetize business knowledge x AI services</li> <li>Establish and further expand upstream and integrated models</li> </ul>

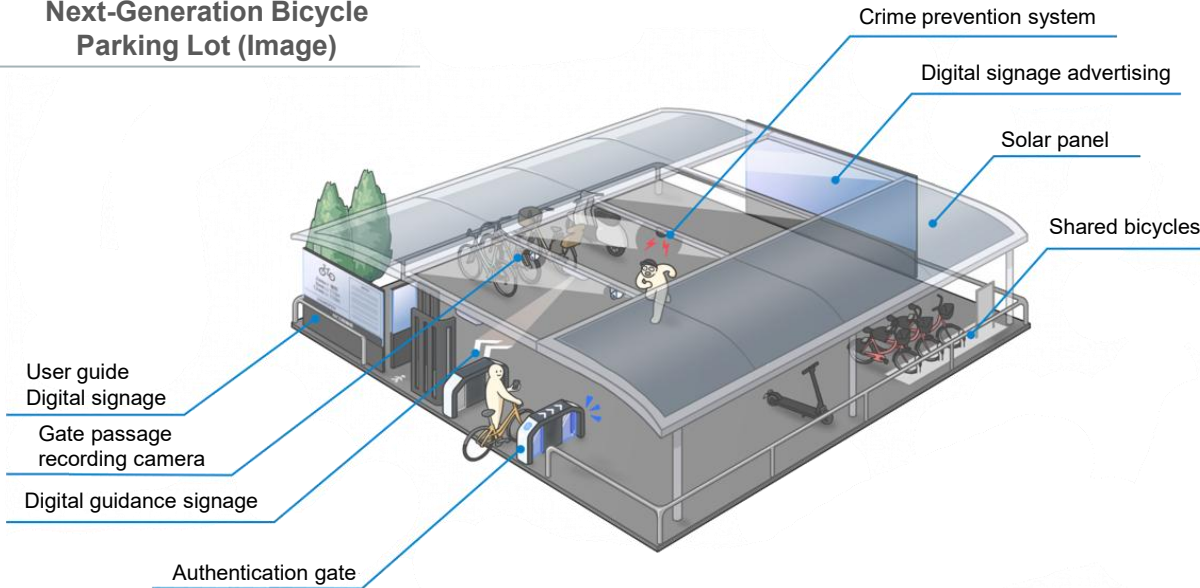
# Parking System Business - Basic Policy

<p><b>Basic policy</b></p>	<p>As a leading company in the industry, realize next-generation bicycle parking systems that respond to social environmental changes and take on the challenge of entering new business domains</p>		
<p><b>Financial targets</b></p>	<p>Net sales <b>9</b> billion yen</p>	<p>Segment profit <b>1.35</b> billion yen</p>	<p>Segment profit margin <b>15.0</b> %</p>
<p><b>Key strategy</b></p>	<p><b>1</b> Early realization of next-generation bicycle parking systems to accommodate diversification of mobility and development of membership services</p>	<p><b>2</b> Development of new markets and growth areas</p>	<p><b>3</b> Further strengthening existing revenue base by expanding self-operated businesses and municipality businesses</p>
<p><b>Key measures</b></p>	<p><b>Development for the release of next-generation-type products</b></p> <ul style="list-style-type: none"> <li>■ Conduct early validation/development of PoC for the release of next generation bicycle parking system</li> <li>■ Develop application services to support EcoStation21 and ECOPOOL and implement a membership service</li> </ul>		<p><b>Strengthening product development structure</b></p> <ul style="list-style-type: none"> <li>■ Strengthen the product development structure and proactively utilizing external assets</li> <li>■ Strengthen the development and recruitment of management personnel</li> </ul>
	<p><b>Further enhancement of service lineup</b></p> <ul style="list-style-type: none"> <li>■ Develop new products in terms of both hardware and software to support the diversifying mobility environment</li> <li>■ Expand service plans to meet diversifying customer needs</li> </ul>		<p><b>Strengthening sales structure</b></p> <ul style="list-style-type: none"> <li>■ Strengthen service promotion and proposal capabilities and sales structure</li> <li>■ Strengthen cross-selling between group companies</li> </ul>
<p><b>Investment policy</b></p>	<p>Make investments related to product development (total of approximately 700 million yen over 3 years)</p>		

# Parking System Business - Overview of Next-Generation Bicycle Parking System

- In addition to capturing demand associated with the diversification of small mobility, we aim to expand into new areas by strengthening products for gate-type bicycle parking, which was previously a non-focus area
- Aiming for installation during FYE3/2029, we expect about 20 projects in total during the Vision 2029 period

**Next-Generation Bicycle Parking Lot (Image)**



## Main features

**Rackless**

**Payment machine-less**

**Cashless**

**Automatic vehicle-type detection**

**Hands-free entry**

# Parking System Business - Growth Strategy Synergies & Roadmap

- We aim to achieve a segment profit margin of 15.0% and build a long-term growth foundation by responding to changes in the market environment and focusing on the three pillars: next-generation bicycle parking systems, new market development, and deepening existing businesses/customers

## (1) Vision 2029 financial targets

FYE3/2026 results		FYE3/2029 targets	
Net sales	8.1 billion yen	Net sales	9 billion yen +0.9 billion yen
Segment profit	1.14 billion yen	Segment profit	1.35 billion yen +0.21 billion yen
Segment profit margin	14.1 %	Segment profit margin	15.0 % +0.9 pt.

## (2) Growth strategy synergies (common apps, membership base, and usage data analysis link respective strategies across different areas)

### Next-generation bicycle parking system

- Strengthen products for gate-type bicycle parking, which was a non-focus area
- Starting point for application/membership service expansion

### New market development

- Consider participating in mobility hub projects and expanding existing bicycle parking services overseas
- Assess business feasibility through test implementations, etc., during the Vision 2029 period

### Deepening existing businesses

- Develop municipality businesses nationwide
- Collaborate with regional partners
- Diversify equipment and operating plans, including the launch of low-cost products and rental plans
- Improve convenience for existing customers through apps

## (3) Strategic roadmap

### FYE3/2027

- Develop next-generation bicycle parking systems
- Consider a collaborative scheme for mobility hubs
- Research and analyze overseas candidate countries
- Introduce new operating plans

### FYE3/2028

- Start introduction of next-generation bicycle parking systems
- Roll out member apps
- Implement mobility hub PoC
- Consider collaboration with overseas partners

### FYE3/2029

- Roll out next-generation bicycle parking systems
- Assess feasibility for mobility hub business/overseas expansion

# New Business Strategy

- We will continue our efforts in Vision 2029 based on the internal idea solicitation system established during the Vision 2026 period
- Although its contribution to the Group performance during the Vision 2029 period may not be so significant, our aim is to have several new businesses launched for Vision 2032

1

## Steady commercialization of the *JITERECO* business and development of sales promotion measures



- Product development is in the final stage with the aim of releasing the product in winter 2026. Various measures to ensure a smooth launch and customer acquisition are taken

2

## Implementation of measures to create next business ideas and expansion/revitalization of internal systems



### Creating the future of the NCD Group together In-house idea solicitation system, Co-do (*Kodo*) Project

- Following the *JITERECO* project, other business proposal is currently in the planning stage, for which PoC will be conducted for early commercialization
- Reinforce a promotion structure through the activation of the internal solicitation system and the launch of a department specialized in new businesses, etc.

3

## Strengthening the development of human resources for new businesses



- Collaborate with the Graduate School of Project Design, etc., to strengthen the development of human resources who will lead next-generation businesses

# 5 New Medium-Term Management Plan “Vision 2029” - Non-Financial Strategy

# Technology strategy

- We will promote transformation based on the three axes: upgrading existing businesses through our strengths in on-site knowledge x AI, creating new services, and strengthening the group-wide promotion platform
- We aim to simultaneously add value to the IT-related businesses and improve the service capabilities and profitability of Parking System Business, by using the Company’s own assets (Parking System Business) as a “testing ground” as well

## 1 Existing businesses x Advanced IT

Evolving into a service that “continuously increases” the value of existing businesses through on-site improvements x AI

- **Development/maintenance x AI-driven development**  
From implementation-focus to “design and quality assurance”-focus
- **System testing x AI agents**  
From automation to “testing sophistication”
- **Service desk x AI assistants**  
From inquiry response to “business outsourcing”
- **IT infrastructure operations services x AIOps**  
From human-centered to “autonomous infrastructure operation”

## 2 Creating new services

Creation of new services to engage in the transformation of customers’ business operations in an era premised on AI

- **BPR x AI agents**  
From business optimization to “business transformation”
- **AgentOps**  
From implementation to a “business infrastructure that evolves through operation”
- **BI x machine learning**  
From data visualization to “BI that answers questions”

## 3 Strengthening internal infrastructure

Strengthening of the internal infrastructure to promote the use of advanced IT across the entire NCD Group

- **Infrastructure development**  
Develop knowledge search platform, AI operation and accuracy evaluation platform, integrated data analysis platform, etc.
- **Human resource development and system reinforcement**  
Strengthen AI literacy/governance, and promote AI utilization to penetrate and take root in business operations
- **Establishment of NCD group-wide CoE**  
Consolidate high-level human resources and acquire the latest technologies to deploy across the group

# Sustainability strategy

To enhance the link between materiality and business strategy, which was identified as an issue in the previous Medium-Term Plan, we will expand the setting of quantitative KPIs and further promote sustainability awareness activities, thereby achieving the establishment of an effective sustainability management cycle

Materialities	Main measures	KPI	FYE3/2029 targets
<b>(1) Reducing environmental impact</b> <ul style="list-style-type: none"> <li>Provision of high-value-added bicycle parking services</li> <li>Response to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Realize improvement of client convenience and reduction of labor shortages</li> <li>Respond to climate change initiatives</li> </ul>	<ul style="list-style-type: none"> <li>ECOPOOL new installations/year</li> <li>Introducing next-generation bicycle parking systems</li> <li>GHG reduction ratio (vs. 3/2025)</li> </ul>	<ul style="list-style-type: none"> <li>37,500 units / 3 years</li> <li>Installation</li> <li>Scope 1-2: 26.4% decrease</li> <li>Scope 3: 15.7% decrease</li> </ul>
<b>(2) Creation of a safe, secure and prosperous society</b> <ul style="list-style-type: none"> <li>Promotion of DX</li> <li>Provision of resilient social infrastructure</li> <li>Contribution to regional development</li> </ul>	<ul style="list-style-type: none"> <li>Promote customer DX through the use of advanced IT</li> <li>Provide a secure infrastructure environment</li> <li>Promote the new business (Jitereco)</li> <li>Develop advanced digital human resources (at regional bases)</li> </ul>	<ul style="list-style-type: none"> <li>Number of projects utilizing advanced IT</li> <li>Number of projects using cloud</li> <li>Status of promotion</li> <li>Number of advanced IT-related certifications acquired</li> </ul>	<ul style="list-style-type: none"> <li>55 cases / 3 years</li> <li>210 cases / 3 years</li> <li>Launch of business (first year)</li> <li>50 cases / 3 years (190 cases in total)</li> </ul>
<b>(3) Aiming for society where diverse human resources can play an active role</b> <ul style="list-style-type: none"> <li>Respect for human rights and promotion of D&amp;I</li> <li>Balancing ease of work and job satisfaction</li> <li>Development of next-generation leaders</li> </ul>	<ul style="list-style-type: none"> <li>Continue promotion of women's empowerment</li> <li>Practice diversity of knowledge and experience</li> <li>Improve engagement</li> <li>Continue the next-generation leader development programs</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of female managers</li> <li>Ratio of recruits from different industries</li> <li>Ratio of male employees taking childcare leave</li> <li>Engagement index</li> <li>Number of participants in development programs</li> </ul>	<ul style="list-style-type: none"> <li>17%</li> <li>50%</li> <li>100%</li> <li>75%</li> <li>72 persons / 3 years</li> </ul>
<b>(4) Earning trust from society</b> <ul style="list-style-type: none"> <li>Enhancement of governance structure</li> <li>Promotion of compliance</li> <li>Appropriate risk management</li> </ul>	<ul style="list-style-type: none"> <li>Implement the evaluation of Board of Directors effectiveness</li> <li>Continue efforts to ensure compliance</li> <li>Promotion of company-wide risk management</li> </ul>	<ul style="list-style-type: none"> <li>Positive evaluation rate</li> <li>Training participation rates</li> <li>Establishment of a risk-taking system</li> </ul>	<ul style="list-style-type: none"> <li>80%</li> <li>100%</li> <li>Start of the operation</li> </ul>

## Human Resources Strategy (Basic Concept)

- The basic concept of the human resources strategy is “the transformation of organizational culture through autonomous career development and dialogue.” We aim to transform human resource management through both human resource development and organizational development

### Fostering of an organizational culture of mutual respect for individuality and friendly competition



# Human Resources Strategy (Focus Area)

- We will make strategic investments in human capital, the most important capital for the NCD Group, to provide new value
- Defining the way we want to be to realize our business vision, we will focus on training and recruitment

Focus area		Human resources strategy		Measures
Human resource development	Management personnel	Next-generation leader development		<ul style="list-style-type: none"> <li>■ Cultivate leaders who will drive next-generation businesses through collaborative projects with the Graduate School of Project Design, Nikkei Business School, etc.</li> </ul>
	Personnel to drive growth strategies	Consultant	Advanced architect	<ul style="list-style-type: none"> <li>■ Combine technical skills, specialized skills, and competencies to define key human resources, and build a talent pool</li> <li>■ Build a pipeline of key personnel through strategic rotation and early promotion experience</li> <li>■ Clarify career paths to develop an environment where employees can take on challenges</li> </ul>
	Personnel to realize business strategies	Business analyst	Advanced project manager	
	Autonomous personnel	Promoting autonomous career development		<ul style="list-style-type: none"> <li>■ Hold workshops to help each individual verbalize “My Purpose and Will” and strategically develop their careers</li> <li>■ Expand opportunities for employees to raise their hands to maximize their abilities</li> </ul>
Organizational development	Improvement of engagement	D&I promotion	1on1	<ul style="list-style-type: none"> <li>■ Promote diversity of knowledge and experience</li> <li>■ Establish one-on-one meetings as an organizational culture</li> <li>■ Continue to hold training to improve coaching skills at management level</li> <li>■ Promote collaboration across divisions and hierarchies through diverse dialogue opportunities</li> <li>■ Further promote workshops to explore the connection between the NCD Group Purpose and My Purposes, and introduce practical examples</li> </ul>
		Penetration of a corporate philosophy structure starting with Purpose(s)		

# 6 New Medium-Term Management Plan “Vision 2029” - Financial and Capital Strategy

- Actions to achieve management that is conscious of  
cost of capital and stock price -

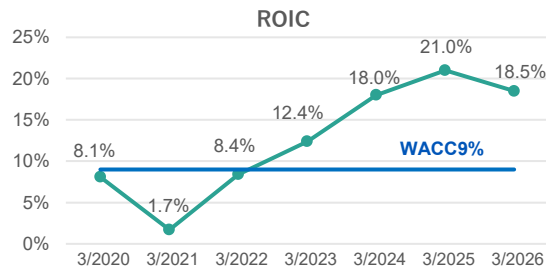
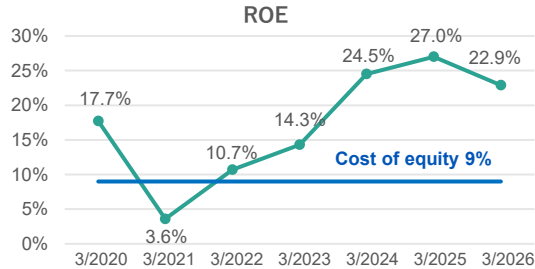
# 6. New Medium-Term Management Plan "Vision 2029" - Financial and Capital Strategy - Actions to achieve management that is conscious of cost of capital and stock price

## Current Situation Analysis

### Capital Efficiency

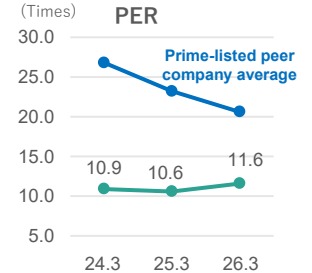
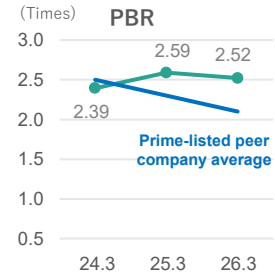
ROE remains above the Company's perceived\* cost of equity (around 9%), but the low net profit margin in the three components is a challenge

ROIC remains above WACC (around 9%). By business segment, Parking System Business showed particularly remarkable improvement



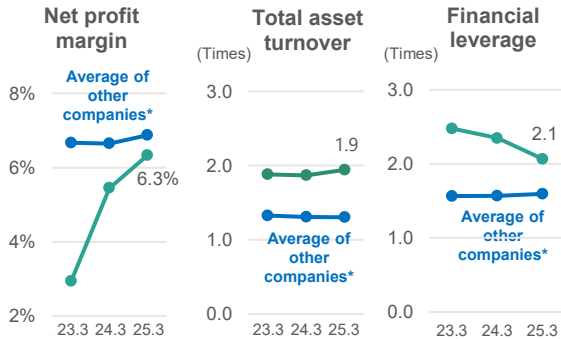
### Market Valuation

PBR is at a reasonable level due to relatively high ROE. On the other hand, PER is low compared to peer companies', which indicates that the Company has failed to obtain adequate market evaluation for medium to long-term corporate value improvement



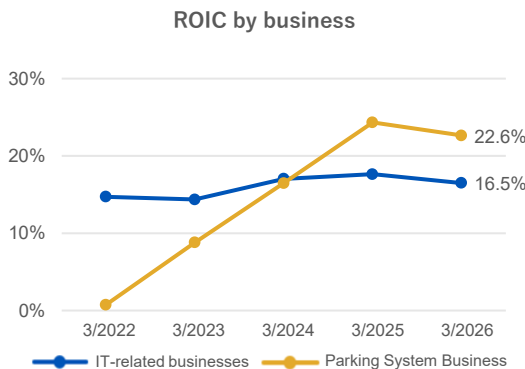
(\* The figures are calculated on a CAPM basis and interviews with institutional investors and securities companies are also taken into account

### <DuPont Analysis of ROE>



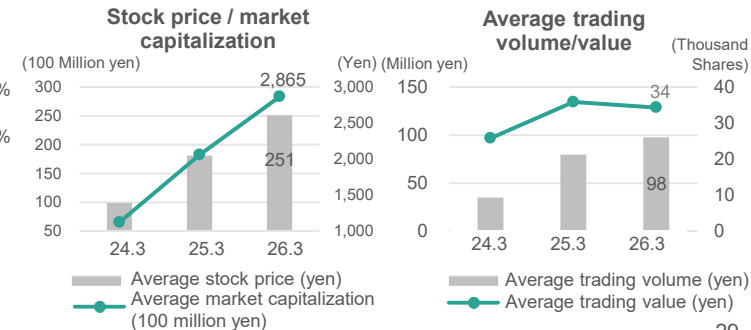
\* Based on our survey

### ROIC by Business



### Stock Prices, etc.

The stock price is on an upward trend, but low liquidity is an issue



# Major Initiatives to Enhance Corporate Value

## Challenge

## Details of major initiatives, etc.

### Improving profitability

- Operating profit margin for FYE3/2026 was 8.5%, down from 9.3% (FYE3/2025). EPS also decreased from 232.95 yen to 227.73 yen. Challenges are improving profitability and expanding EPS
- Focus on customer portfolio restructuring and new businesses/services creation

### Optimal allocation of capital

- Balance sheet control to maintain ROE of 20% or higher
- Continue to make aggressive growth investments (in human capital, new businesses, M&A, etc.)
- In addition to dividends (consolidated dividend payout ratio of 50% or higher), flexible purchase of treasury shares to be performed

### Further strengthening sustainability initiatives and expanding non-financial information disclosures

- Establish an effective sustainability promotion cycle and develop and strengthen such systems
- Strengthen response to climate change. Plan to obtain SBT certification following TCFD disclosure and CDP certification [B-]
- Expand non-financial information disclosures in terms of both quality and quantity

### Strengthening IR activities and expanding dialogue with shareholders and investors

- In addition to briefings for institutional investors/individual investors, online seminars and influencer interviews are held. Dialogue opportunities are expanded through participation in IR fairs and hosting bicycle parking lot tours for individual shareholders
- Individual meetings with institutional investors increased from around 40 (FYE3/2025) to over 60 (FYE3/2026)

### Further strengthening corporate governance

- English-language disclosure materials are largely completed
- Continue to compile and analyze the results of the Board of Directors effectiveness evaluation questionnaire through the use of external organizations
- Malus-Clawback provision for executive incentive compensation is introduced

6. New Medium-Term Management Plan “Vision 2029” - Financial and Capital Strategy - Actions to achieve management that is conscious of cost of capital and stock price

# Financial & Capital Strategy

- Being mindful of balancing growth investments, shareholder returns, and financial soundness, we aim to improve profitability and maintain and enhance capital efficiency
- First, we will strive to increase corporate value in order to achieve a market capitalization of over 50 billion yen as soon as possible

## Management indicators

	Vision 2023 (actual)	Vision 2026 (actual)	Vision 2029 (target)	Vision 2032 (target)
	FYE3/2023	FYE3/2026	FYE3/2029	FYE3/2032
Net sales	22.8 billion yen	30.8 billion yen	36 billion yen	40 billion yen
Operating profit	1.2 billion yen	2.6 billion yen	3.5 billion yen	4 billion yen
Operating profit margin	5.2%	8.5%	9.7%	10.0%
ROE	14.2%	22.9%	20.0% or higher	20.0% or higher
ROIC	12.4%	18.5%	20.0% or higher	20.0% or higher
Market capitalization	6.6 billion yen	21.8 billion yen	Market capitalization: 50 billion yen or more	

## Growth investment

- Actively invest in human capital to enhance corporate value, new business creation and new service development, and in growth investments such as M&A
- Relocate headquarters to improve employee productivity and engagement

## Shareholder returns

- In addition to dividends (consolidated dividend payout ratio of 50% or higher), execute flexible repurchase of own shares based on market trends and other factors
- Adopt a progressive dividends system to pay stable dividends

## Financial soundness

- Equity ratio: 50% or higher
- Cash and cash equivalents level: approx. 2.5 to 3.0 months of monthly sales
- Maximum treasury stock holdings: approx. 2% of total shares outstanding

# Capital Allocation Policy

We will strengthen profitability and make aggressive growth investments and shareholder returns

Cash in	Cash out	Vision 2026 results
<b>Operating cash flow</b> (Before deduction of R&D expenses and human capital investment)  <b>9 billion yen</b>  <Assumptions> • Total net profit for three years: 6.0 billion yen • Excluding financing and investment associated with bicycle parking facilities	<b>Growth investment 4.5 billion yen</b>	<b>1.6 billion yen</b>
	<b>Human capital investment (excl. personnel expenses)</b> <ul style="list-style-type: none"> <li>Strengthening recruitment, human resources education/training</li> <li>Improvement of engagement, D&amp;I promotion</li> <li>Health management promotion, etc.</li> </ul> <b>1.3 billion yen</b>	<b>0.6 billion yen</b>
	<b>R&amp;D/IT/DX investments</b> <ul style="list-style-type: none"> <li>New business creation, next-generation bicycle parking lot development</li> <li>Business management upgrading</li> <li>Promotion of data-driven management, etc.</li> </ul> <b>0.9 billion yen</b>	<b>0.4 billion yen</b>
	<b>Capital investment / others</b> <ul style="list-style-type: none"> <li>Relocation of head office, office expansion at subsidiary</li> <li>Development of bicycles/bike rack molds</li> </ul> <b>1.2 billion yen</b>	<b>0.2 billion yen</b>
	<b>M&amp;A</b> <ul style="list-style-type: none"> <li>Strengthening customer base</li> <li>Technical and skill enhancement, etc.</li> </ul> <b>1 billion yen</b>	<b>0.4 billion yen</b>
	<b>Shareholder returns 3.0-4.2 billion yen</b>	<b>2.3 billion yen</b>
	<b>Shareholder returns</b> <ul style="list-style-type: none"> <li>Dividends</li> <li>Repurchase of own shares</li> </ul> <b>3.0-4.2 billion yen</b>	<b>2 billion yen</b> <b>0.3 billion yen</b>
<b>Cash 7.8 billion yen</b> (March 31, 2026)	<b>Cash 7.5-9.0 billion yen</b> (March 31, 2029)	

6. New Medium-Term Management Plan “Vision 2029” - Financial and Capital Strategy - Actions to achieve management that is conscious of cost of capital and stock price

# M&A Strategy

- We aim for maximized synergies by executing M&A that contributes to the expansion of our business and revenue bases and ensuring thorough PMI
- In principle, the payback period is within 5 to 7 years. We will not pursue acquisitions that fail to create value beyond goodwill.

Purpose	Value created	Past achievements	Net sales*	Operating profit*
Business expansion / customer base expansion	<b>&lt;IT-related businesses&gt;</b> <ul style="list-style-type: none"> <li>■ Expansion of existing businesses through grouping companies in the same industry with non-overlapping customer bases to expand cross-selling, secure personnel, improve efficiency, etc.</li> </ul>	<b>Japan Computer Services Inc.</b> (IT, share transfer in December 2023)	3.1 billion yen (2.5 billion yen)	130 million yen (90 million yen)
		<b>NCD Technology, Inc.</b> (IT, business transfer in November 2000)	2.6 billion yen (1.1 billion yen)	170 million yen (120 million yen)
Technical and skill enhancement	<b>&lt;IT-related businesses&gt;</b> <ul style="list-style-type: none"> <li>■ Increased added value of existing businesses and expansion of business areas, by complementing and reinforcing technologies and skills that we do not possess or wish to further strengthen (AI, IOT and other advanced technologies, consulting, etc.)</li> </ul> <b>&lt;Parking System Business&gt;</b> <ul style="list-style-type: none"> <li>■ Internalization of peripheral operations in the development of next-generation bicycle parking and new services</li> </ul>	(No track record)	-	-
Regional expansion	<b>&lt;IT-related businesses&gt; &lt;Parking System Business&gt;</b> <ul style="list-style-type: none"> <li>■ New entry into regions previously untapped in Japan, and further expansion in already penetrated regions to acquire new customers and expand near-shore capabilities</li> </ul>	<b>NCD EST Co., Ltd.</b> (Fukuoka) (PS, share transfer in April 2019)	200 million yen (100 million yen)	10 million yen (10 million yen)
		<b>NCD Solutions Co., Ltd.</b> (Osaka) (IT, share transfer and share exchange in December 2007)	2.7 billion yen (2.4 billion yen)	240 million yen (100 million yen)

\* Net sales and operating profit in the upper rows are for the most recent fiscal year, and those in parentheses in the lower rows are for the fiscal year immediately prior to the acquisition

# Shareholder Returns

- In addition to stable profit returns through the introduction of progressive dividends, we also plan to implement flexible repurchases of own shares
- Shareholder benefit program will be revised (expanded) with the requirement for eligible shareholdings to be significantly lowered

## Dividend Policy (changes are underlined)

The Company regards the return of profits to shareholders as one of its highest management priorities. By taking into consideration comprehensively consolidated business results, the level of retained earnings necessary for future business development, and other factors, in principle, it will not reduce dividends but will maintain or increase dividends by adopting a progressive dividend policy and pay dividends on a stable and continuing basis, with a target consolidated dividend payout ratio of 50% or higher as a guideline.

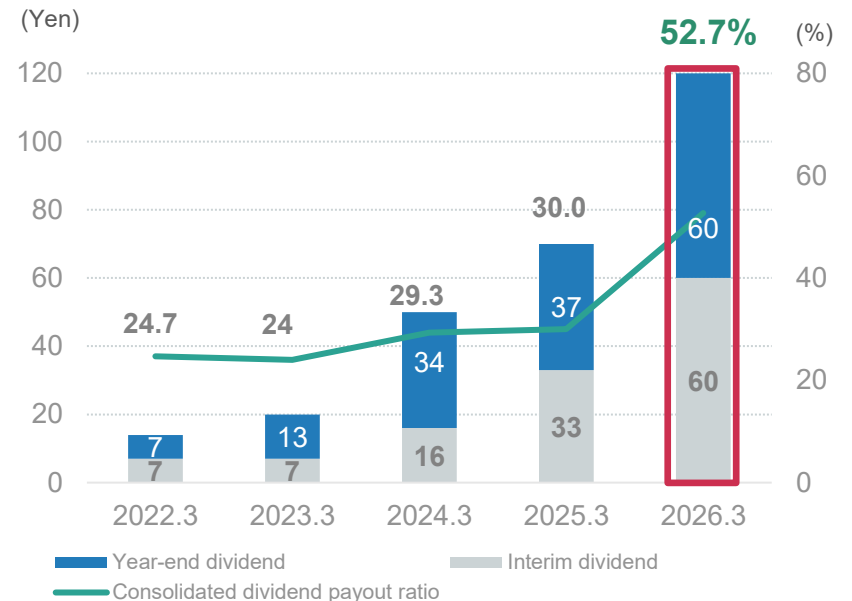
The Company will also consider the repurchase of its own shares in a flexible manner as one of its profit return measures, taking into consideration the Company's financial condition, market trends, and other factors.

## Changes (expansion) to Shareholder Benefit Program

To encourage more shareholders to hold the Company shares, we will expand the shareholder benefit program, starting with the record date of September 30, 2026, and lower the number of shares required to be eligible and offer more benefits.

(Current) 1,000 shares (10 units) or more  
**(After change) 100 shares (1 unit) or more**

## Dividends and Consolidated Dividend Payout Ratio



\* Total return ratio is 68.6% for FYE3/2026 due to the execution of purchase of treasury shares

# Vision2029

## Change & Challenge for Smile

[Contact]

NCD Co., Ltd.

**IR and Sustainability Promotion Office, Administration Division**

The forward-looking statements, including plans, forecasts and projections, contained in this document are based on various assumptions and do not guarantee future performance. They may vary due to various factors.

