

For Immediate Release

Company: NCD Co., Ltd.
 Representative: Osamu Shimojo
 President and Representative Director
 Securities Code: 4783 TSE Standard Market
 Contact: Yusuke Kato
 Director and Senior Managing Executive Officer
 General Manager of Administration Division
 Phone: 03-5437-1021
 URL: <https://www.ncd.co.jp/>

Notice Concerning Disposal of Treasury Shares as Stock Compensation

NCD Co., Ltd. (the "Company") hereby announces that at a meeting of its Board of Directors held on June 25, 2026, the Company resolved to dispose its treasury shares. The details are as follows.

1. Overview of the disposal

(1) Disposal Date	July 24, 2026
(2) Class and Number of Shares to be Disposed	41,400 shares of common stock
(3) Disposal Price	2,337 yen per share
(4) Total Disposal Amount	96,751,800 yen
(5) Allottees of Disposed Shares, Their Number, and Number of Shares to be Disposed	Four (4) Directors of the Company: 28,600 shares Five (5) Executive Officers (Note): 12,800 shares
(6) Other	The Company submitted a Securities Notice pursuant to the Financial Instruments and Exchange Act in connection with this disposal of treasury shares.

Note: Includes one executive officer who retired on June 25, 2026.

2. Purpose and Reasons for the Disposal

The Company has introduced a performance-based stock compensation plan (the "Plan") starting from the fiscal year ended March 31, 2018 (FY2018) to further clarify the linkage between compensation of Directors (excluding outside Directors and Directors serving as Audit and Supervisory Committee Members) and Executive Officers (collectively, "Directors, etc.") and corporate performance and stock value of the Company, and to raise awareness of contributing to sustainable growth and increase of corporate value through improvement of medium- to long-term performance.

This disposal of treasury shares is being carried out pursuant to a resolution of the Board of Directors held on June 25, 2026, under the Plan as stock compensation for the performance period covering FY2024 through FY2026.

The Company's common stock subject to this disposal of treasury shares will be delivered to four Directors and five Executive Officers of the Company (including one Executive Officer who retired on June 25, 2026) who were eligible participants in the Plan during the relevant period, through an in-kind contribution of monetary compensation claims granted to them under the Plan.

The overview of the Plan is set forth below.

[Overview of the Plan, Etc.]

(1) Overview of the Plan

The Plan is a performance-based stock compensation plan (performance share unit) whereby monetary compensation claims for the delivery of the Company's common stock and money to secure funds for tax payment are granted to Directors, etc. as their compensation for the applicable period, in accordance with the degree of achievement of corporate performance targets in the final fiscal year of the applicable period consisting of the three fiscal years corresponding to the medium-term management plan of the Company (the "applicable period").

(2) Mechanism of the Plan

The Plan is implemented through the following procedures:

- [1] The Board of Directors determines the number of shares of the Company's common stock to be delivered and the amount of money to be provided to each Director, etc. in accordance with the degree of

achievement of corporate performance targets for the final fiscal year of the medium-term management plan, the position of those Directors, etc., and the formula described in the following paragraph (3).

- [2] The Company provides each Director, etc. with monetary compensation claims for the delivery of the Company's common stock in accordance with the number of shares of the Company's common stock to be delivered to each Director, etc. as determined in [1] above, and each Director, etc. acquires the Company's common stock by contributing all such monetary compensation claims in kind. The amount to be paid in for the Company's common stock shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the meeting of the Board of Directors to be held after the end of the applicable period pertaining to the issuance of shares or disposal of treasury shares for the purpose of such delivery (if the transaction is not closed on that date, the closing price on the immediately preceding trading day shall apply).
- [3] In connection with the delivery of the Company's common stock described in [2] above, each Director, etc. will incur a tax burden. In order to secure funds for tax payment, the Company provides each Director, etc. with the amount of money determined in [1] above in addition to the monetary compensation claims described in [2] above.

(3) Method of calculating the number of shares of the Company's common stock to be delivered and the amount of money to be provided to Directors, etc. under the Plan

The Company calculates the number of shares of the Company's common stock to be delivered to each Director, etc. based on the formula in [1] below, and the amount of money to be provided to each Director, etc. to secure funds for tax payment based on the formula in [2] below.

- [1] Number of shares of the Company's common stock to be delivered to each Director, etc.
= Base number of shares to be delivered (*1) × Performance-based payment rate (*2) × 60%
- [2] Amount of money to be provided to each Director, etc.
= (Base number of shares to be delivered (*1) × Performance-based payment rate (*2) – Number of shares of the Company's common stock calculated in [1] above) × Stock price at the time of delivery (*3)

(*1) Amount determined in accordance with compensation standards based on the position of the applicable Director, etc. / Base stock price × 3 (number of fiscal years)

The base stock price shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Ordinary General Meeting of Shareholders of the Company held in the first fiscal year of the applicable period (if the transaction is not closed on that date, the closing price on the immediately preceding trading day shall apply). If the calculated number of shares to be delivered includes shares less than one unit, the shares less than one unit shall be omitted.

(*2) The performance-based payment rate ranges from 0% to 150% depending on the degree of achievement of targets, with the level corresponding to company performance targets for Directors, etc. as 100%.

(*3) The closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the meeting of the Board of Directors to be held after the end of the applicable period pertaining to the issuance of shares or disposal of treasury shares for the purpose of delivery of the Company's common stock under the Plan (if the transaction is not closed on that date, the closing price on the immediately preceding trading day).

(4) Requirements for the delivery of shares under the Plan

Under the Plan, the Company's common stock shall be delivered to Directors, etc. if the following requirements for the delivery of shares are met at the end of the applicable period.

- [1] The person served as Director, etc. during the applicable period
[2] The person has not committed a certain kind of misconduct
[3] Other requirements that are deemed necessary to achieve the purpose of the stock compensation plan

3. Basis for Calculation of the Disposal Price and Specific Details Thereof

This disposal of treasury shares will be effected through an in-kind contribution of the monetary compensation claims granted to each Director, etc. under the Plan.

In order to ensure a price free from arbitrariness, the disposal price has been set at 2,337 yen, which was the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") on June 24, 2026, the business day immediately preceding the date of the resolution of the Board of Directors concerning the disposal of treasury shares.

The Company has decided to adopt this price because it represents the market price immediately preceding the resolution of the Board of Directors and has determined it to be highly objective and reasonable as a basis for calculation, appropriately reflecting the Company's corporate value. Accordingly, the Company believes that the disposal price does not constitute a particularly favorable price for the Directors, etc.

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.