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Security Code: 4783

June 3, 2026

(Start date of electronic provision measures: May 27, 2026)

To Our Shareholders:

32-1 Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo

NCD Co., Ltd.

President and Representative Director Osamu Shimojo

Notice of the 61st Ordinary General Meeting of Shareholders

We are pleased to notify you that the 61st Ordinary General Meeting of Shareholders of our company (the “Company”) will be held as follows.

The electronic provision measures are taken for the convocation of this General Meeting of Shareholders, and the matters subject to the electronic provision measures are available on the following website on the Internet.

▶ The Company’s website
<https://www.ncd.co.jp/ir/stockholder-meeting/>



The matters are also available on the following website on the Internet in addition to the above.

▶ Tokyo Stock Exchange’s website
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>
Please access the above website, enter and search “NCD” in “Issue name (company name)” or the Company’s securities code “4783” in “Code,” and select “Basic information” and then “Documents for public inspection/PR information.”



In lieu of attending the meeting, you can exercise your voting rights in writing or via the Internet, etc., so please review the Reference Documents for the General Meeting of Shareholders and either indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it via mail so that it is received by 5:30 p.m. on Monday, June 24, 2026 (Japan time), or exercise your voting rights via the voting website designated by the Company (<https://evote.tr.mufg.jp/>) no later than the date and time set forth above.

1. **Date and Time:** Tuesday, June 25, 2026 at 10:00 a.m. (Reception opens at 9:00 a.m.) (Japan time)
2. **Venue:** A meeting room in the Company's head office located on the 2nd Floor of Tokyo Nissan Nishi-Gotanda Building II, 32-1 Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo
3. **Purpose of the Meeting:**
 - Matters to be reported 1. Business Report, Consolidated Financial Statements for the 61st Fiscal Year (from April 1, 2025 to March 31, 2026), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 - Matters to be reported 2. Non-consolidated Financial Statements for the 61st Fiscal Year (from April 1, 2025 to March 31, 2026)
 - Matters to be resolved
 - Proposal No. 1 Election of Six Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
 - Proposal No. 2 Election of Three Directors Serving as Audit and Supervisory Committee Members
 - Proposal No.3 Partial Amendments to the Performance-Based Stock Compensation Plan
4. **Instructions on How to Exercise Voting Rights, etc.:** Please refer to the [Instructions on How to Exercise Voting Rights, etc.] on pages 3 to 4.

- ◎ If you are attending the meeting in person, please submit the enclosed voting form at the reception desk of the General Meeting of Shareholders.
- ◎ If any amendments are made to the matters subject to the electronic provision measures, the amendments will be posted on the respective websites that provide those matters.
- ◎ The document delivered also serves as one stating the matters for electronic provision measures based on the request for delivery of the document.

The following matters are not included in accordance with laws and regulations as well as Article 15 of the Articles of Incorporation of the Company. Accordingly, the aforementioned document constitutes only part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor when preparing their audit reports.

Some items in the Business Report

Matters Concerning Company Officers

- Summary of Details of Liability Limitation Agreements
- Summary of Details of Directors and Officers Liability Insurance Agreement
- Matters Concerning Outside Officers

Matters Concerning the Accounting Auditor

Matters Concerning the Development and Operation of Systems to Ensure the Appropriateness of Business Operations

Consolidated Statement of Changes in Equity




Notes to Consolidated Financial Statements

Non-consolidated Statement of Changes in Equity

Notes to Non-consolidated Financial Statements

- ◎ We ask for your understanding that we will hold the meeting wearing light clothing (cooler business attire).

Please review the Reference Documents for the General Meeting of Shareholders contained in the matters subject to the electronic provision measures, and exercise your voting rights by one of the following methods.

Exercising your voting rights in writing	Exercising your voting rights via the Internet, etc.	Attending the General Meeting of Shareholders
 <p>Please indicate your approval or disapproval of the proposals on the enclosed voting form, and then return the form so that it will be received by the Shareholder Registry Administrator of the Company by the voting deadline.</p> <p>Voting deadline</p> <p>Must be received by 5:30 p.m. on Wednesday, June 24, 2026 (Japan time)</p>	 <p>Please follow the instructions on the next page to enter your approval or disapproval of each proposal.</p> <p>Please see the next page for details.</p> <p>Voting deadline</p> <p>Must be exercised by 5:30 p.m. on Wednesday, June 24, 2026 (Japan time)</p>	 <p>Please bring the enclosed voting form and submit it at the reception desk of the General Meeting of Shareholders. Please come early as the reception desk is expected to be very crowded just before the opening of the meeting.</p> <p>Date and time of the General Meeting of Shareholders</p> <p>Thursday, June 25, 2026 at 10:00 a.m. (Japan time) (The reception desk will open from 9:00 a.m.)</p>

Notice Concerning Handling of Exercise of Voting Rights

- ◎ If no indication of approval or disapproval of a proposal is made on the voting form, it shall be deemed that each of the items was approved.
- ◎ If votes have been exercised both in writing and via the Internet, etc., the vote exercised via the Internet, etc., will be taken as the validly exercised vote.
- ◎ If votes have been exercised multiple times via the Internet, etc., the vote exercised later will be taken as the validly exercised vote.

For inquiries regarding the system for exercising voting rights	Corporate Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation  0120-173-027 (Available from 9:00 a.m. to 9:00 p.m. (Japan time), toll free)
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When using smart phones:
By scanning the QR code

By scanning the “Login QR Code,” you can log in without entering your “Login ID” and “temporary password.”

1 Scan the QR code



Voting form slip (on the right side)



* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Use your smart phone to scan the “Login QR Code” displayed on the enclosed voting form slip (on the right side).

2 Follow the instructions on the screen to select “approval” or “disapproval.”



⚠ Points to note

- Not available from 2:30 a.m. to 4:30 a.m. every day.
- Costs incurred when accessing the website for exercising voting rights (such as Internet connection charges and communication charges) are to be borne by the shareholders.

About the “Electronic Voting Platform”

Nominee shareholders such as custodian banks (including standing proxies) may use the “Electronic Voting Platform” operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange and others, when they have applied in advance to use the platform, in addition to exercising voting rights via the Internet, etc., as described above.

By entering your login ID and temporary password

Website for exercising voting rights

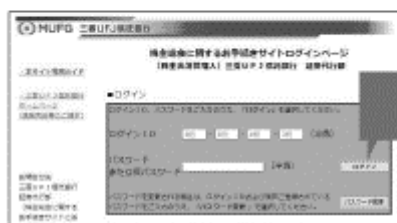
<https://evote.tr.mufg.jp/>

1 Access the website for exercising voting rights



Click “Proceed to Next Screen”

2 Enter your “Login ID” and “temporary password” indicated on the slip (on the right side) of the voting form at hand



Click “Login”

3 Follow the instructions on the screen to select “approval” or “disapproval.”

Proposals and Reference Information

Proposal No. 1 Election of Six Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)


The terms of office of all six current Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the close of this General Meeting of Shareholders. We therefore propose that the following six candidates for Director (excluding Directors serving as Audit and Supervisory Committee Members) be elected.


Additionally, the Audit and Supervisory Committee has declared that the candidates are qualified to be Directors of the Company.


The candidates for Director (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:


Candidate No.	Name	Gender	Position at the Company at the time of this General Meeting of Shareholders	Attendance at Board of Directors meetings
1	<input type="checkbox"/> Reappointment Osamu Shimojo	Male	President and Representative Director	100% (14/14 times)
2	<input type="checkbox"/> Reappointment Hiroshi Takagi	Male	Director (Senior Managing Executive Officer)	100% (14/14 times)
3	<input type="checkbox"/> Reappointment Yusuke Kato	Male	Director (Senior Managing Executive Officer)	100% (14/14 times)
4	<input type="checkbox"/> Reappointment Noriko Goto	Female	Director (Executive Officer)	100% (11/11 times)
5	<input type="checkbox"/> Reappointment Toshiya Koyama <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Male	Outside Director	100% (11/11 times)
6	<input type="checkbox"/> New Yukiko Kano <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Female	—	—


<input type="checkbox"/> Reappointment	Candidate for reappointment as Director	<input type="checkbox"/> New	Candidate for newly appointed Director	<input type="checkbox"/> Outside	Candidate for outside Director	<input type="checkbox"/> Independent	Candidate for Independent Director
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Candidate No. 1	Osamu Shimojo (Date of birth: January 19, 1958)	Reappointment	Number of the Company's shares owned	287,000 shares
	Past experience, positions and responsibilities in the Company (major concurrent positions) Mar. 1986 Joined the Company Oct. 1997 Manager of Hokkaido Branch of the Company Nov. 2000 Director, Nihon System Research Co., Ltd. (currently NCD Technology Co., Ltd.) (present position) Apr. 2005 President and Representative Director, Nihon System Research Co., Ltd. (currently NCD Technology Co., Ltd.) Director, NCD CHINA Co., Ltd. (present position) June 2008 Director and Executive Officer of the Company Apr. 2010 General Manager of Second System Solution Division of the Company Apr. 2012 President and Representative Director (present position) May 2016 Director, ZEXIS CORPORATION (currently NCD Solutions Co., Ltd.) Apr. 2021 In charge of Parking System Business Division of the Company (present position) July 2022 Director, NCD EST Co., Ltd. (present position) Dec. 2023 Director, Japan Computer Services, Inc. (present position)			
Reasons for nomination as candidate for Director Osamu Shimojo has served as President of the Company since April 2012. He has led the management of the Group with strong leadership and decision-making skills. Accordingly, the Company has judged that he will continue to further contribute to the sustainable growth and enhancement of the corporate value of the Group.				

Candidate No. 2	Hiroshi Takagi (Date of birth: July 4, 1968)	Reappointment	Number of the Company's shares owned	45,700 shares
	Past experience, positions and responsibilities in the Company (major concurrent positions) Apr. 2016 Joined the Company Executive Officer of the Company June 2016 Director of the Company (present position) in charge of IT Business Division Apr. 2017 In charge of IT Business Division and Information Management Division of the Company Aug. 2017 Chairperson, NCD CHINA Co., Ltd. (present position) Mar. 2018 Director, NCD Technology Co., Ltd. Apr. 2018 President and Representative Director, NCD Technology Co., Ltd. (present position) General Manager of IT Business Division and in charge of Information Management Division and Management Support Office of the Company May 2019 Director, ZEXIS CORPORATION (currently NCD Solutions Co., Ltd.) (present position) Apr. 2020 General Manager of IT Business Division of the Company June 2021 Senior Managing Executive Officer of the Company (present position) General Manager of IT Business Division and in charge of DX of the Company Dec. 2023 Director, Japan Computer Services, Inc. (present position) Apr. 2026 General Manager of IT Business Division (present position)			
Reasons for nomination as candidate for Director Hiroshi Takagi has a wealth of knowledge and expertise in IT business. Accordingly, the Company has judged that he can be expected to properly perform duties as Director of the Company and contribute to the enhancement of its corporate value.				

Candidate No. 3	Yusuke Kato (Date of birth: April 27, 1964)	Reappointment	Number of the Company's shares owned	30,000 shares
	Past experience, positions and responsibilities in the Company (major concurrent positions) July 2018 Joined the Company, General Manager of General Affairs Department Apr. 2019 Company Auditor, Yano Industrial Inc. (currently NCD EST Co., Ltd.) (present position) May 2019 Company Auditor, NCD Technology Co., Ltd. (present position) June 2019 Executive Officer of the Company Apr. 2020 General Manager of Administration Division of the Company (present position) May 2020 Director, ZEXIS CORPORATION (currently NCD Solutions Co., Ltd.) (present position) Director, NCD Pros Co., Ltd. June 2020 Director of the Company (present position) June 2021 Senior Managing Executive Officer of the Company (present position) Dec. 2023 Director, Japan Computer Services, Inc. (present position) May 2025 Company Auditor, NCD Pros Co., Ltd. (present position)			
Reasons for nomination as candidate for Director Yusuke Kato is well versed in general managerial work as a person in charge of administration division. Accordingly, the Company has judged that he can be expected to properly perform duties as Director of the Company and contribute to the enhancement of its corporate value				

Candidate No. 4	Noriko Goto (Date of birth: April 23, 1971)	Reappointment	Number of the Company's shares owned	3,200 shares
	Past experience, positions and responsibilities in the Company (major concurrent positions) Apr. 2006 Joined the Company Apr. 2018 General Manager of Technology Services Department, IT Business Division of the Company Apr. 2020 General Manager of Human Resource Development Office, Administration Division of the Company Jun. 2023 Executive Officer of the Company (present position) Apr. 2025 General Manager of Human Resource Development Department, Administration Division of the Company (present position) Jun. 2025 Director of the Company (present position) Deputy General Manager, Administration Division of the Company (present position)			
Reasons for nomination as candidate for Director Noriko Goto has a wealth of knowledge and expertise in IT business and human capital management. Accordingly, the Company has judged that she can be expected to properly perform duties as Director of the Company and contribute to the enhancement of its corporate value.				

Candidate No. 5	Toshiya Koyama (Date of birth: May 19, 1960)	Reappointment Outside	Independent	Number of the Company's shares owned	200 shares
	Past experience, positions and responsibilities in the Company (major concurrent positions)				
	Apr. 1986 Joined Teijin Limited				
	Apr. 2013 Corporate Officer (Riji), Teijin Group, General Manager of New Materials Business Development Department Chief Representative of Teijin Electronics Korea Co., Ltd.				
	Apr. 2015 Corporate Officer, Teijin Group				
	Apr. 2017 Executive Officer, Teijin Group General Manager, Material Business Group				
	Apr. 2020 President, Material Business of the Teijin Group				
	Jun. 2020 Executive Officer, Director, Teijin Limited				
	Apr. 2021 Executive Officer, Director, Chief Social Responsibility Officer, Responsible for Corporate Audit Department, Teijin Limited				
	Apr. 2023 Mission Executive and Member of the Board, Teijin Limited				
	Jun. 2023 Mission Executive, Teijin Limited				
	Jun. 2024 Outside Director of Arakawa Chemical Industries Ltd. (present position)				
	Jun. 2025 Outside Director of the Company (present position)				
Reasons for nomination as candidate for outside Director and summary of expected role					
The Company has judged that Toshiya Koyama will fully play a role in the decision-making on important issues concerning the management and supervision of the execution of duties, etc., based on his wealth of experience in business management at operating companies. His term of office as Outside Director will have been one year at the time of the conclusion of this general meeting of shareholders.					

Candidate No. 6	Yukiko Kano (Date of birth: November 17, 1963)	New Outside	Independent	Number of the Company's shares owned	- shares
	Past experience, positions and responsibilities in the Company (major concurrent positions)				
	Apr. 1987 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently NTT, Inc.)				
	Apr. 2007 General Manager in charge of Compliance, Fourth Financial Sector, NTT DATA CORPORATION				
	Apr. 2009 General Manager in charge of External Connectivity, Domestic Exchange and Direct Channels, NTT DATA CORPORATION				
	Feb. 2013 General Manager, Planning Department and First Development Department, Second System Development Division, NTT DATA FRONTIER CORPORATION				
	Jul. 2019 Senior Vice President, Head of Third System Development Division, NTT DATA FRONTIER CORPORATION				
	Jul. 2024 Senior Vice President, Head of Well-being Promotion Department, NTT DATA FRONTIER CORPORATION (present position)				
Reasons for nomination as candidate for outside Director and summary of expected role					
The Company has judged that Yukiko Kano will fully play a role in the decision-making on important issues concerning the management and supervision of the execution of duties, etc., based on her extensive experience and expertise in the IT business and human capital management at operating companies.					

- (Notes)
1. None of the candidates for Director have any special interest in the Company.
 2. Toshiya Koyama and Yukiko Kano are candidates for Outside Director. The Company has designated Toshiya Koyama as Independent Directors under the provisions of the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange to that effect. If he is reappointed, he will continue to be Independent Directors. In addition, if Yukiko Kano is appointed, the Company will have designated her as Independent Directors and notified the Tokyo Stock Exchange to that effect.
 3. If Toshiya Koyama assumes office as Director, the Company plans to continue the agreement entered into with him to limit their liability for damages under Article 427, paragraph (1) of the Companies Act. The cap on the liability for damages under the agreements is the sum of the amount set forth in Article 425, paragraph (1) of the Companies Act. In addition, if Yukiko Kano assumes office as Director, the Company intends to conclude a similar limitation of liability agreement with her.

4. The Company has concluded the directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. In the event a claim for damages is submitted by a shareholder or a third party, etc., the insurance agreement will cover the damages, including damages and legal expenses to be borne by the insured. The candidates for Director will be covered by the insurance agreement. The Company plans to renew the insurance policy on the same terms and conditions at the time of its renewal.

Proposal No. 2 Election of One Directors Serving as Audit and Supervisory Committee Members


The term of office of one of the four Directors serving as Audit and Supervisory Committee Members will expire at the close of this General Meeting of Shareholders. We therefore propose that the following candidate for Director serving as Audit and Supervisory Committee Members be elected.

Additionally, the Audit and Supervisory Committee has previously given its approval for this proposal.

The candidate for Directors serving as Audit and Supervisory Committee Members are as follows:

Name	Gender	Position at the Company at the time of this General Meeting of Shareholders	Attendance at Board of Directors meetings
Reappointment Yuki Kobayashi	Male	Director (Full-time Audit and Supervisory Committee Member)	100% (14/14 times)

Reappointment	Candidate for reappointment as Director
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Yuki Kobayashi (Date of birth: December 9, 1962)		Reappointment	Number of the Company's shares owned	24,000 shares
	Past experience, positions and responsibilities in the Company (major concurrent positions)			
	Dec. 1998	Joined the Company		
	Apr. 2006	General Manager of Accounting Department of the Company		
	Apr. 2013	Executive Officer of the Company		
	Apr. 2015	General Manager of Administration Division and General Manager of Accounting Department of the Company		
	May 2016	Director, ZEXIS CORPORATION (currently NCD Solutions Co., Ltd.)		
	June 2016	Director of the Company		
	Aug. 2017	Company Auditor, NCD CHINA Co., Ltd. (present position)		
	Mar. 2018	Director, NCD Pros Co., Ltd.		
	Aug. 2019	General Manager of Administration Division of the Company		
	Apr. 2020	In charge of Administration Division of the Company		
	June 2020	Director (Audit and Supervisory Committee Member) of the Company (present position)		
Reasons for nomination as candidate for Director				
In addition to having a wide variety of experience in accounting and finance, Yuki Kobayashi has been involved in making management judgments and decisions as a Director who supervises management departments. Accordingly, the Company has judged that he can fully play a role in supervising the execution of duties, etc. based on his experience.				

- (Notes)
1. None of the candidate have any special interest in the Company.
 2. If the candidate assumes office as Directors, the Company plans to continue the agreements entered into with him to limit their liability for damages under Article 427, paragraph (1) of the Companies Act. The cap on the liability for damages under the agreements is the sum of the amount set forth in Article 425, paragraph (1) of the Companies Act.
 3. The Company has concluded the directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. In the event a claim for damages is submitted by a shareholder or a third party, etc., the insurance agreement will cover the damages, including damages and legal expenses to be borne by the insured. The candidate for Director will be covered by the insurance agreement. The Company plans to renew the insurance policy on the same terms and conditions at the time of its renewal.

Reference

Skill Matrix of Directors

The expertise and experience of the Board of Directors if Proposals 1 and 2 are approved at this Ordinary General Meeting of Shareholders are as follows:

Name	Position	Expertise and experience						
		Corporate management	Financial accounting Finance	Legal Compliance Risk management	Personnel and labor Human resource development	Technology	Industry experience	Sustainability
Osamu Shimojo	President and Representative Director	○			○		○	○
Hiroshi Takagi	Director (Senior Managing Executive Officer)	○				○	○	○
Yusuke Kato	Director (Senior Managing Executive Officer)		○	○	○			○
Noriko Goto	Director (Executive Officer)				○	○	○	○
Toshiya Koyama	Outside Director	○		○		○		○
Yukiko Kano	Outside Director				○	○	○	○
Yuki Kobayashi	Director (Full-time Audit and Supervisory Committee Member)		○	○				
Katsuo Nakayama	Outside Director (Audit and Supervisory Committee Member)	○	○				○	○
Shigeru Okuno	Outside Director (Audit and Supervisory Committee Member)			○	○			
Masaaki Yasuoka	Outside Director (Audit and Supervisory Committee Member)	○	○	○				○

Description of each skill and reason for selection

Expertise and experience	Details/Reason for selection
Corporate management	Broad knowledge of corporate management in general and experience in managing organizations as a member of the management team are necessary to exercise appropriate decision-making and supervisory functions in a significantly changing business environment.
Financial accounting Finance	Knowledge and experience in financial accounting and finance are necessary to build a sound financial base and to invest in growth and enhance shareholder returns toward sustainable corporate value enhancement.
Legal Compliance Risk management	Knowledge and experience in legal, compliance, and risk management are necessary to establish an appropriate governance structure and secure the trust of stakeholders, which are prerequisites for sustainable corporate value enhancement.
Personnel and labor Human resource development	Knowledge and experience in personnel and labor, and human resource development are necessary to formulate strategies and create an environment so that each and every one of our diverse human resources can maximize their abilities, play an active role, and grow to realize the Group's vision and sustainable growth.
Technology	Knowledge and experience in all aspects of technology are necessary to create new value and transform business through innovation, while enhancing the Group's competitiveness and productivity.
Industry experience	Knowledge and experience of the industry and business in which the Group operates are necessary to develop, implement, and supervise business strategies for sustainable growth.
Sustainability	Knowledge of the sustainability field and practical experience in corporate management are necessary to solve social issues and increase corporate value through business by promoting sustainability management for the realization of a sustainable society.

Proposal No. 3 Partial Amendments to the Performance-Based Stock Compensation Plan

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.

The Company has judged that it is appropriate to apply the Plan for sharing benefits and risks of stock price linkage with shareholders, and for further increasing incentives for Directors, etc. to achieve sustainable growth and increase corporate value. Therefore, the Company will continue the Plan during the applicable period of the new medium-term management plan commencing in FY2027 (from FY2027 to FY2029). After the end of that applicable period, the Plan may be continued in a new applicable period consisting of the three fiscal years corresponding to the new medium-term management plan by the resolution of the Board of Directors of the Company to the extent approved by the General Meeting of Shareholders.

Under the Plan, the Company provides Directors, etc., with monetary compensation claims as property to be used to acquire the Company’s common stock and money to secure funds for tax payment, in accordance with the degree of achievement of performance targets during the applicable period consisting of the three fiscal years corresponding to the medium-term management plan of the Company (the “Applicable Period”).

The upper limit of the total amount of monetary compensation claims and money to be provided to Directors, etc., under the Plan is 200 million yen, which was approved at the 55th Ordinary General Meeting of Shareholders held on June 29, 2020. The Company will revise this amount to 300 million yen, subject to approval at the Meeting, since the upper limit may be exceeded due to an increase in the number of Directors, etc., a rise in the Company’s stock price, or an improvement in the Company’s performance. As before, the maximum amount of compensation under the Plan will be proposed to the Meeting separately from the maximum amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members). The upper limit of the total number of shares of the Company’s common stock to be delivered after the end of the Applicable Period will be changed from 300,000 shares to 100,000 shares, in light of the Company’s most recent stock price level and other factors.

The performance target indicators, which are consolidated net sales and consolidated operating profit for the final fiscal year of the Applicable Period, will be changed to consolidated net sales, consolidated operating profit, consolidated return on equity (ROE), and an engagement index for the Applicable Period (three fiscal years).

The Company has judged this proposal appropriate, since its content is consistent with the purpose of the Plan mentioned earlier and the policy for determining compensation of each Director, and in line with the recommendations of the Nomination and Compensation Committee of the Company.

If Proposal 1 "Election of Six Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)," is approved and resolved, the number of Directors, etc. covered by the Plan will be four (4) Directors (excluding outside Directors) and four (4) Executive Officers.

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 performance targets during the Applicable Period. The current applicable period is the three fiscal years from FY2027 to FY2029. The Plan may be continued in the future, with each period of three fiscal years corresponding to the medium-term management plan as the Applicable Period.

Accordingly, since monetary compensation claims for the delivery of the Company’s common stock and money to secure funds for tax payment are to be provided to Directors, etc., in accordance with the degree of achievement of the above-mentioned performance targets, the Company has not determined as of the introduction of the Plan whether these will be delivered or provided to each Director, etc., as well as the

number of shares of the Company's common stock to be delivered, and the amount of monetary compensation claims for the delivery of the Company's common stock and money to be provided.

(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 performance targets during the Applicable Period, the position of those Directors, etc., and the formula described in the following paragraph.
- [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; whereas 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 no transaction is executed in respect of the Company's common stock 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) The upper limit of the total amount of monetary compensation claims and money under the Plan and the total number of shares to be delivered

During the applicable period under the Plan, the total amount of monetary compensation claims and money to be provided to Directors, etc. shall not exceed 300 million yen, and the total number of shares of the Company's common stock to be delivered shall not exceed 100,000 shares. If the total amount of monetary compensation claims and money to be provided to Directors, etc. or the total number of shares of the Company's common stock to be delivered to Directors, etc. exceeds the upper limit, the amount of monetary compensation claims and money or the number of shares of the Company's common stock to be delivered to each Director, etc. shall be reduced by a reasonable method to treat the said total amount of monetary

compensation claims and money or the total number of shares of the Company's common stock that exceeds the upper limit, such as proportional distribution.

(5) 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

(Note 1) A Director, etc. who retired during the applicable period shall receive the delivery of the number of shares of the Company's common stock in proportion to the number of months in office during the applicable period (unless the term of office is less than 12 months).

(Note 2) A Director, etc. who assumed the office during the applicable period shall receive the delivery of the number of shares of the Company's common stock in proportion to the number of months in office during the applicable period.

(Note 3) A Director, etc. who retired due to death during the applicable period shall receive the delivery of the number of shares of the Company's common stock in proportion to the number of months in office during the applicable period.

(6) Clawback clause

Under the Plan, in the event of a material revision to financial results, a serious violation of laws and regulations, a violation of internal rules, misconduct, or any other incident after the vesting date based on which Directors, etc., receive the delivery of the Company's common stock and payment of money, the Company may demand that Directors, etc., return all or part of the Company's common stock already delivered and money already paid.

(7) Treatment in reorganization, etc.

In the event that a merger agreement under which the Company becomes an absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to reorganization, etc. is approved by the General Meeting of Shareholders of the Company (or the Board of Directors of the Company in the case of the reorganization, etc. that does not require the approval of the General Meeting of Shareholders of the Company) during the applicable period, the amount of money calculated based on the method of calculating the amount of monetary compensation claims and money pertaining to the Plan mentioned above may be provided for the number of shares of the Company's common stock reasonably determined by the resolution of the Board of Directors of the Company based on the period from the commencement date of the applicable period to the approval date of the reorganization, etc. prior to the effective date of the reorganization, etc.

Business Report for the 61st Fiscal Year (from April 1, 2025 to March 31, 2026)

1. Matters Concerning the Current Status of the Corporate Group

(1) Business progress and results

During the fiscal year under review (April 1, 2025 to March 31, 2026), the Japanese economy showed signs of a moderate recovery with the employment and income environment improving. On the other hand, the outlook remains uncertain due to the impact of rising prices, exchange rate fluctuations, U.S. trade policies, and developments in the Middle East.

In the information services industry, to which the Group belongs, IT investment has remained solid, with the increased application of generative AI also being advanced. Furthermore, there was a trend towards cloud migration and the opening up of legacy systems. On the other hand, personnel costs have been increasing due to rising external staffing expenses, wage hikes to secure talent, and others, and competition in the mid-career recruitment market has become increasingly severe. In this environment, the Group has responded to diversifying customer needs by developing advanced IT personnel, promoting mid-career recruitment of work-ready professionals, implementing PoC initiatives involving generative AI, utilizing near-shore operations, and focusing on the creation of synergies within the Group. The Group has also worked to expand the existing client base and acquire new clients by promoting IT full outsourcing and other measures, which provides comprehensive support for the IT lifecycles of the clients.

In the bicycle-parking industry, there has been steady demand for the unattended bicycle parking lots due to labor shortages, new bicycle parking facilities associated with urban redevelopment, and the replacement of aging equipment. In this environment, the Group has strived for order acquisition, leveraging its strengths such as the ECOPOOL monthly bicycle parking management system (which addresses labor shortages), consulting capabilities cultivated through extensive experience, and high-quality service. Moreover, as a measure to enhance profitability, the Group has promoted revising bicycle parking fees, accelerating initiatives aligned with municipal strategies, internalizing outsourced operations, and reducing costs through the utilization of IT. In the fee pricing, the Group has worked to realize efficient bicycle parking operations by utilizing various data accumulated through bicycle parking operations, such as seeking to establish the Group's own pricing model.

During the fiscal year under review, in the IT-related businesses (the System Development Business and the Support and Service Business), net sales increased despite negative factors including the completion of a large project. On the other hand, in the Parking System Business, net sales increased slightly following the acquisition of projects including equipment replacement and revenue from bicycle parking lot usage remained steady, despite reaction from the same period in the previous fiscal year when a large project was secured. On the profit side, while the Company implemented price revisions in both businesses, profit decreased year on year due to factors including the inability to fully offset the completion of highly profitable large-scale projects in the IT-related businesses, despite the delay in project intake at a subsidiary being largely recovered, as well as reduced equipment sales and one-off costs in the Parking System Business. Furthermore, as part of company-wide initiatives, the Group continued investments in actively promoting human capital management, including wage increases, and new service development in the final year of its Medium-Term Management Plan, "Vision 2026." As a result, profit decreased year on year.

As a result, net sales for the fiscal year under review were 30,867 million yen (up 2.5% year on year), operating profit was 2,638 million yen (down 6.1% year on year), ordinary profit was 2,672 million yen (down 6.3% year on year), and net profit attributable to owners of parent was 1,861 million yen (down 2.3% year on year).

(2) Overview by division

Results by segment for the fiscal year under review are as follows.

Please note that starting from the fiscal year under review, the figures of segment profit have been changed such that corporate expenses (general and administrative expenses related to the parent company), which had previously been recorded as adjustments, are allocated to each segment.

(i) System Development Business

Although the Company secured new projects such as expansion of application maintenance for an insurance company, introduction of a cloud-based workflow system for a finance company, and the winning of application maintenance and defining of system requirements for overseas offices for a construction company, net sales were flat year on year due to the completion of multiple large-scale projects in the previous period and the Company's strategic withdrawal from some customers. On the profit side, while price negotiations with customers continued, costs increased due to employee wage increases for securing talent and appropriate responses to labor cost transfer requests from subcontractors, as well as the impact of the completion of highly profitable large-scale projects, resulting in a year-on-year profit decrease. As a result, net sales were 12,729 million yen (up 0.2% year on year) and segment profit was 942 million yen (down 8.4% year on year).

(ii) Support and Service Business

A year-on-year increase in revenue was achieved by securing projects such as a support desk for a retailing company, and infrastructure development and operation for several insurance companies. On the profit side, profit increased mainly due to increased revenue, despite increased personnel costs and a rise in external staffing expenses, similar to the System Development Business. As a result, net sales were 9,961 million yen (up 5.9% year on year) and segment profit was 631 million yen (up 7.9% year on year).

(iii) Parking System Business

Revenue from bicycle parking lot usage remained steady, thanks in part to the effect of the revision of the fees. Equipment sales also increased slightly since the acquisition of projects including equipment replacement remained steady, despite reaction from the same period in the previous fiscal year when a large project was secured. On the profit side, although the profitability of self-operated bicycle parking lots has improved, a year-on-year profit decrease was recorded. This was due to costs for network line changes following the end of a telecom provider's service and investments in next-generation bicycle parking lot development. As a result, net sales were 8,128 million yen (up 1.9% year on year) and segment profit was 1,142 million yen (down 6.1% year on year).

Sales by division

(Millions of yen, %)

Division	Term	60th term (From April 1, 2024 to March 31, 2025)		61st term (From April 1, 2025 to March 31, 2026)		Change from previous year	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Change (%)
System Development Business		12,699	42.2	12,729	41.2	29	0.2
Support and Service Business		9,409	31.2	9,961	32.3	551	5.9
Parking System Business		7,975	26.5	8,128	26.3	153	1.9
Other Businesses		22	0.1	48	0.2	26	118.6
Total		30,106	100.0	30,867	100.0	760	2.5

(3) Issues to be addressed by the corporate group

The Group announced its Medium-Term Management Plan "Vision 2029" for three years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029. Under the Plan, in order to enhance its competitive advantage and contribute to solving essential customer challenges, the Group has established as its basic policy the "Transition to High-Value Businesses through the Construction of Clearer 'Strengths' and the Creation of New Growth Areas."

Looking at the business environment surrounding the Group, in the IT-related businesses, amid continued DX investment to improve operational efficiency and strengthen competitiveness, initiatives for the application of AI and demand for the establishment of data infrastructures have expanded and demand for renewal of existing systems including cloud shift or migration has also remained at a high level, resulting in continued steady IT investments. On the other hand, personnel costs have been increasing due to rising external staffing expenses, wage hikes to secure talent, and others, and competition in the mid-career recruitment market has become increasingly severe. In this environment, the Group is focusing on developing advanced IT personnel and recruiting mid-career work-ready professionals. The Group will also seek to acquire more orders for upstream process projects by enhancing its consulting function, including contribution to the improvement of productivity and competitiveness of client companies, through the active utilization of advanced IT such as the application of AI. In addition, the Group will work to acquire new clients and expand the existing client base by strengthening the sales system and realizing more synergies within the Group.

In the Parking System Business, sales have remained steady thanks to the unattended bicycle parking lots due to labor shortages and demand for replacement of aging equipment. On the other hand, attention needs to be paid to risks of postponed or suspended urban redevelopment plans due to surging construction material prices or other factors. While the number of bicycle parking lot users has remained stable, the bicycle use environment is changing significantly due to the advent of electric scooters and other various mobility modes and the amendment of the Road Traffic Act in April 2026, which has brought more attention to bicycle traffic space. In this environment, the Group will continue to work on the expansion of sales of the ECOPOOL monthly bicycle parking management system (which addresses labor shortages), the revision of bicycle parking lot fees, and the optimization of management and operations through the utilization of IT. The Group will also develop next-generation bicycle parking systems to handle increasingly diversified mobility modes and further improve convenience, aiming to realize a society in which everyone can move around with peace of mind.

(4) Capital investment, etc.

There were no special items to be noted during the period under review.

(5) Financing

There were no special items to be noted during the period under review.

(6) Business transfer, absorption-type demerger, or incorporation-type demerger

There were no special items to be noted during the period under review.

(7) Acquisition of other companies' businesses

There were no special items to be noted during the period under review.

(8) Succession to rights and obligations in connection with the businesses of other corporations, etc., as a result of absorption-type merger or absorption-type demerger

There were no special items to be noted during the period under review.

(9) Acquisition or disposal of other companies' shares, other equity interest or stock acquisition rights, etc.

There were no special items to be noted during the period under review.

(10) Changes in the financial position and results of operations

(i) Changes in the financial position and results of operations of the corporate group

Classification		Term	58th term	59th term	60th term	61st term
			From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024	From April 1, 2024 to March 31, 2025	From April 1, 2025 to March 31, 2026
Net sales	(Millions of yen)		22,853	25,481	30,106	30,867
Operating profit	(Millions of yen)		1,195	2,115	2,809	2,638
Ordinary profit	(Millions of yen)		1,212	2,140	2,852	2,672
Profit attributable to owners of parent	(Millions of yen)		672	1,387	1,905	1,861
Basic earnings per share	(Yen)		83.31	170.38	232.95	227.73
Total assets	(Millions of yen)		12,387	14,899	16,095	16,886
Net assets	(Millions of yen)		5,045	6,403	7,854	8,549
Net assets per share	(Yen)		619.62	775.87	951.77	1,046.78

(ii) Changes in the financial position and results of operations of the Company

Classification		Term	58th term	59th term	60th term	61st term
			From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024	From April 1, 2024 to March 31, 2025	From April 1, 2025 to March 31, 2026
Net sales	(Millions of yen)		18,845	20,854	22,962	23,132
Operating profit	(Millions of yen)		974	1,710	2,205	2,020
Ordinary profit	(Millions of yen)		983	1,723	2,244	2,108
Profit	(Millions of yen)		530	1,132	1,530	1,464
Basic earnings per share	(Yen)		65.73	139.03	187.13	179.19
Total assets	(Millions of yen)		9,999	11,382	12,209	12,423
Net assets	(Millions of yen)		3,966	4,991	5,991	6,409
Net assets per share	(Yen)		491.41	610.23	732.38	792.51

(11) Significant parent company and subsidiaries

(i) Relationship with parent company

Not applicable.

(ii) Significant subsidiaries

Company name	Capital stock	The Company's equity interest (%)	Principal businesses
NCD Solutions Co., Ltd.	96 million yen	100.0%	System Development Business Support and Service Business Other
NCD Technology Co., Ltd.	40 million yen	100.0%	System Development Business Support and Service Business
Japan Computer Services, Inc.	99 million yen	100.0%	System Development Business Support and Service Business
NCD CHINA Co., Ltd.	600 thousand U.S. dollars	100.0%	System Development Business
NCD Pros Co., Ltd.	30 million yen	67.0%	Parking System Business Other
NCD EST Co., Ltd.	10 million yen	100.0%	Parking System Business

(12) Principal businesses

The Company's corporate group is primarily engaged in the system development business, support & service business, and parking system business, each of which is described below.

Name of segment by business type	Business
System Development Business (The Company) (NCD Solutions Co., Ltd.) (NCD Technology Co., Ltd.) (Japan Computer Services, Inc.) (NCD CHINA Co., Ltd.)	<ul style="list-style-type: none">• System construction solutions• Package solutions• Application maintenance and operation solutions
Support and Service Business (The Company) (NCD Solutions Co., Ltd.) (NCD Technology Co., Ltd.) (Japan Computer Services, Inc.)	<ul style="list-style-type: none">• Infrastructure construction solutions• Infrastructure maintenance and operation solutions• Operation support solutions
Parking System Business (The Company) (NCD Pros Co., Ltd.) (NCD EST Co., Ltd.)	<ul style="list-style-type: none">• Installation, operation and contract management of bicycle parking lots• Sales and operation of bicycle parking lot management systems• Comprehensive bicycle-related consulting
Other (The Company) (NCD Solutions Co., Ltd.) (NCD Pros Co., Ltd.)	<ul style="list-style-type: none">• Other services

(13) Offices

Company name	Offices	Location
The Company	Head office	Shinagawa-ku, Tokyo
	Odaiba Office	Koto-ku, Tokyo
	Koto Service Center	Koto-ku, Tokyo
	Fukuoka Office	Hakata-ku, Fukuoka City
	Nagasaki Office	Nagasaki City, Nagasaki Prefecture
	Goto Office	Goto City, Nagasaki Prefecture
NCD Solutions Co., Ltd.	Head office	Chuo-ku, Osaka
NCD Technology Co., Ltd.	Head office	Shinagawa-ku, Tokyo
Japan Computer Services, Inc.	Head office	Chiyoda-ku, Tokyo
NCD CHINA Co., Ltd.	Head office	Tianjin, China
NCD Pros Co., Ltd.	Head office	Meguro-ku, Tokyo
NCD EST Co., Ltd.	Head office	Hakata-ku, Fukuoka City

(14) Employees

(i) Employees of the corporate group

Number of employees	Change from the end of the previous fiscal year
1,529 (640)	Increase of 90 (Decrease of 25)

- (Notes) 1. The average number of temporary employees during the year is shown in parentheses.
2. Temporary employees include contract employees, part-time workers and employees on temporary contracts, and exclude dispatched workers.

(ii) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
836 (404)	Increase of 56 (Decrease of 17)	37.9 years old	10.6years

- (Notes) 1. The average number of temporary employees during the year is shown in parentheses.
2. Temporary employees include contract employees, part-time workers and employees on temporary contracts, and exclude dispatched workers.

(15) Major lenders

Lender	Loan balance
MUFG Bank, Ltd.	million yen 366
Mizuho Bank, Ltd.	233
Resona Bank, Limited	100
Sumitomo Mitsui Banking Corporation	100

2. Matters Concerning the Shares of the Company (as of March 31, 2026)

(1) Total number of shares authorized to be issued 14,000,000 shares

(2) Total number of shares issued 8,088,116 shares (excluding 211,884 shares of treasury shares)

Note: As a result of the cancellation of treasury shares carried out on February 13, 2026, the total number of shares issued decreased by 500,000 shares to 8,300,000 shares.

(3) Number of shareholders at the end of the current period 3,009 (Increase of 96 year on year)

(4) Major shareholders (Top 10)

Shareholder name	Number of shares held	Shareholding ratio
	Thousand shares	%
US BANK NATIONAL ASSOCIATION JP ACCTS TS	865	10.69
HIKARI TSUSHIN K.K. Investment Limited Partnership	516	6.38
Hokuto Corporation	430	5.31
NCD Employee Shareholding Association	402	4.97
Osamu Shimojo	287	3.54
Setsuko Oguro	280	3.46
NOTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	195	2.41
STICHTING DEPOSITARY ASCENDER GLOBAL VALUE FUND	182	2.25
Masakatsu Yamada	172	2.12
Custody Bank of Japan, Ltd. (Trust Account)	167	2.06

- (Notes) 1. The Company holds treasury stock (211,884 shares) but is excluded from the above major shareholders.
2. Shareholding ratios are calculated after deducting treasury stock and rounded down to two decimal places.

(5) Shares issued to company officers as compensation for the execution of their duties during the fiscal year under review

There were no special items to be noted during the period under review.

(6) Other important matters regarding shares

At the meeting of the Board of Directors held on February 6, 2026, the Company resolved matters relating to the repurchase of its own shares pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act as well as Article 39 of the Articles of Incorporation of the Company, and also resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act. The Company has implemented such measures as follows.

[1] Repurchase of Own Shares

Class of shares repurchased	Common stock
Total number of shares repurchased	160,000 shares
Total amount of share repurchase costs	480,177,700 yen
Repurchased period	From February 9, 2026 to April 30, 2026

[2] Cancellation of Treasury Shares

Class of shares cancelled	Common stock
Total number of shares cancelled	500,000 shares
Date of cancellation	February 13, 2026

The Company also resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act, at the meeting of the Board of Directors held on May 15, 2026 as follows.

Class of shares to be cancelled	Common stock
Total number of shares to be cancelled	160,000 shares
Scheduled date of cancellation	May 29, 2026

3. Matters Concerning Company Officers

(1) Names, etc., of Directors

Position	Name	Responsibilities in the Company and major concurrent positions
President and Representative Director	Osamu Shimojo	In charge of Parking System Division Director, NCD Technology Co., Ltd. Director, Japan Computer Services, Inc. Director, NCD CHINA Co., Ltd. Director, NCD EST Co., Ltd.
Director (Senior Managing Executive Officer)	Hiroshi Takagi	General Manager of IT Business Division and in charge of DX Director, NCD Solutions Co., Ltd. President and Representative Director, NCD Technology Co., Ltd. Director, Japan Computer Services, Inc. Chairperson, NCD CHINA Co., Ltd.
Director (Senior Managing Executive Officer)	Yusuke Kato	General Manager of Administration Division Director, NCD Solutions Co., Ltd. Company Auditor, NCD Technology Co., Ltd. Director, Japan Computer Services, Inc. Company Auditor, NCD Pros Co., Ltd. Company Auditor, NCD EST Co., Ltd.
Director (Executive Officer)	Noriko Goto	Deputy General Manager of Administration Division and General Manager of Human Resource Development Department
Outside Director	Haruo Miyata	
Outside Director	Toshiya Koyama	Director of Arakawa Chemical Industries Ltd.
Director (Full-time Audit and Supervisory Committee Member)	Yuki Kobayashi	Auditor, NCD CHINA Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Katsuo Nakayama	Certified public accountant Director, ITFOR Inc.
Outside Director (Audit and Supervisory Committee Member)	Shigeru Okuno	Attorney
Outside Director (Audit and Supervisory Committee Member)	Masaaki Yasuoka	Director (Audit and Supervisory Committee Member), DAISUE CONSTRUCTION CO., LTD.

- (Notes) 1. Director Haruo Miyata, Director Toshiya Koyama, Director (Audit and Supervisory Committee Member) Katsuo Nakayama, Director (Audit and Supervisory Committee Member) Shigeru Okuno and Director (Audit and Supervisory Committee Member) Masaaki Yasuoka are Outside Directors as defined in Article 2, item (xv) of the Companies Act.
2. The Company has notified the Tokyo Stock Exchange of Director Haruo Miyata, Director Toshiya Koyama, Director (Audit and Supervisory Committee Member) Katsuo Nakayama, Director (Audit and Supervisory Committee Member) Shigeru Okuno and Director (Audit and Supervisory Committee Member) Masaaki Yasuoka as Independent Directors.
3. Director (Audit and Supervisory Committee Member) Katsuo Nakayama is a certified public accountant and has considerable knowledge of finance and accounting.
4. The Company selects a full-time Audit and Supervisory Committee Member to ensure the effectiveness of the Audit and Supervisory Committee's activities by developing an audit environment, gathering internal information, receiving reports from the Internal Audit Office, and auditing its subsidiaries.
5. The Company has introduced an executive officer system. As of April 1, 2026, the names and responsibilities of each Executive Officer other than those who concurrently serve as Director as described above are as follows:

Name	Responsibilities in the Company
Junichi Nakane	General Manager of Parking System Division
Tsutomu Karibe	General Manager of Solution Services Division 1, IT Business Division
Toshio Andoh	General Manager of General Affairs Department, Administration Division
Takato Kikuchi	General Manager of Solution Services Division 2, IT Business Division

Name	Responsibilities in the Company
Atsuya Moroguchi	Deputy General Manager of Parking System Division and General Manager of Business Promotion Office

(2) Compensation, etc., of Directors

- (i) Matters concerning the policy for determining the details of compensation, etc., of individual Directors (excluding Directors serving as Audit and Supervisory Committee Members)

The Company's policy for determining the details of compensation, etc., for individual Directors (excluding Directors serving as Audit and Supervisory Committee Member) (the "Determination Policy") is deliberated by the voluntary Nomination and Compensation Committee, a majority of which consists of Independent Directors, in response to the Board of Directors' request for consultation, and is then resolved by the Board of Directors, as outlined below.

A Basic Policy on Executive Compensation

The Company shall determine compensation, etc., of officers in accordance with the following basic policy:

- It should strongly encourage the performance of duties in accordance with the Group's management philosophy and code of conduct, and contribute to attracting, retaining and motivating talented management team members to realize the Group's management strategy.
- It should raise awareness for contributing to sustainable growth of the Group and increased corporate value over the medium to long term, be appropriately linked to business performance, and function as a sound incentive.
- It should raise awareness for sharing interest with shareholders and enhance shareholder-oriented management.
- It should be determined through a transparent and objective process.

B Overall picture of executive compensation

The Company's executive compensation consists of base compensation as monthly fixed compensation, bonuses as short-term performance-linked compensation paid at a certain time each year, and post-delivery stock compensation as medium- to long-term performance-linked compensation. In the consideration of their roles, compensation for Directors serving as Audit and Supervisory Committee Members and Outside Directors consist of base compensation only. Specific composition of compensation by officer category is as follows.

Officer category	Base compensation (monetary)	Bonuses (monetary)	Stock compensation
Director (excluding Outside Directors)	○	○	○
Audit and Supervisory Committee Members (excluding Outside Directors)	○	—	—
Outside Director	○	—	—

- a. Base compensation is determined based on position and responsibility, and is paid monthly in cash.
- b. Bonuses are calculated for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) based on the criteria set forth in the Company's internal regulations in accordance with the Company's operating results for each fiscal year.

(Calculation method)

Director's monthly compensation × Number of months paid × Performance-based payment rate* (%)

* The performance-based payment rate ranges from 0% to 150% depending on the degree of

achievement of the targets, with the level corresponding to numerical targets (net sales and operating profit) for each Director as 100%.

- c. The performance-based stock compensation plan (the “Plan”) was introduced to further clarify the linkage between compensation of Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) 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.

(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”).

Accordingly, since monetary compensation claims for the delivery of the Company’s common stock and money to secure funds for tax payment are to be provided to Directors, etc., in accordance with the degree of achievement of the above-mentioned corporate performance targets, the Company has not determined as of the introduction of the Plan whether these will be delivered or provided to each Director, etc., as well as the number of shares of the Company’s common stock to be delivered, and the amount of monetary compensation claims for the delivery of the Company’s common stock and money to be provided.

- d. As for the indicators for performance-linked compensation, short-term performance-linked compensation (bonuses) and medium- to long-term performance-linked compensation (stock compensation) adopt the degree of achievement of net sales and operating profit targets for each fiscal year, and the degree of achievement of consolidated net sales and operating profit targets for the final fiscal year of the medium-term management plan, respectively. Those indicators have been selected because they are generally accepted measures of corporate performance and profitability, and their linkage to share value has been judged reasonable. Changes in business results, including the fiscal year under review, are as described in “1. (10) Changes in the financial position and results of operations.” The amount of such performance-linked compensation shall be calculated in accordance with the Company’s Rules on Officers and Rules on Stock Compensation, and be determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.
- e. The ratio of fixed compensation (base compensation) to performance-linked compensation (bonuses and stock compensation) is generally 70:30 for President and Representative Director in the standard case (payment ratio of 100%), and the payment ratio for other officers (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) is determined based on their responsibilities and compensation levels.

C Reasons why the Board of Directors has concluded that the details of compensation, etc., of individual Directors are in line with the Determination Policy

They have been determined by the Board of Directors after deliberation by the Nomination and Compensation Committee a majority of which is composed of Independent Directors, within the limit of the total amount of compensation determined by the General Meeting of Shareholders. Therefore, the Company believes that they are in line with the Determination Policy.

(ii) Matters concerning resolutions of the general meeting of shareholders regarding compensation, etc., for Directors

The 55th Ordinary General Meeting of Shareholders held on June 29, 2020 resolved that the amount of monetary compensation, etc., for Directors (excluding Directors serving as Audit and Supervisory Committee Members) be no more than 240 million yen per year (including no more than 20 million yen per year for Outside Directors). The number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) upon the conclusion of the Ordinary General Meeting of Shareholders was six (including

two Outside Directors). Further, the 55th Ordinary General Meeting of Shareholders held on June 29, 2020 resolved that the amount of monetary compensation for Directors serving as Audit and Supervisory Committee Members be no more than 36 million yen per year. The number of Directors serving as Audit and Supervisory Committee Members upon the conclusion of the Ordinary General Meeting of Shareholders was four. Separately from such monetary compensation, the 55th Ordinary General Meeting of Shareholders held on June 29, 2020 resolved that the upper limit of the total amount of monetary compensation claims and monies to be paid to Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members) and Executive Officers under the performance-based stock compensation plan be 200 million yen. The numbers of Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members) and Executive Officers upon the conclusion of the Ordinary General Meeting of Shareholders were four each.

(iii) Total amount, etc., of compensation, etc., of Directors

Classification	Total amount of compensation, etc.	Total amount of compensation, etc., by type			Number of eligible officers
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors (excluding Audit and Supervisory Committee Members) (of which Outside Directors)	166 million yen (13 million yen)	110 million yen (13 million yen)	9 million yen (—)	46 million yen (—)	7 (3)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	30 million yen (18 million yen)	30million yen (18 million yen)	—	—	5 (4)

- (Notes)
1. Performance-linked compensation, etc., represents accrued directors' bonuses to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors).
 2. Non-monetary compensation, etc., represents provision for performance-based stock compensation to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors).
 3. The compensation, etc. for the above Directors (excluding Audit and Supervisory Committee Members) and the number of Directors covered thereby include one Director who retired upon the conclusion of the 60th Ordinary General Meeting of Shareholders held on June 24, 2025.
 4. The compensation, etc. for the above Directors (Audit and Supervisory Committee Members) and the number of Directors covered thereby include one Director who retired upon the conclusion of the 60th Ordinary General Meeting of Shareholders held on June 24, 2025.

4. Policy on Determination of Dividends of Surplus, etc.

The Company regards the return of profits to shareholders as one of its highest management priorities, and its basic policy is to pay dividends on a stable and continuing basis, with a target consolidated dividend payout ratio of 50% or more as a guideline, by taking into consideration comprehensively consolidated business results, the level of retained earnings necessary for future business development and other factors. Based on such basic policy, the Company decided to pay a year-end ordinary dividend of 60 yen per share for the fiscal year under review.

As a result, annual dividends for the fiscal year under review will be 120 yen per share, including an interim dividend of 60 yen per share already paid.

At the meeting of the Board of Directors held on May 15, 2026, the Company partially revised its dividend policy and resolved to adopt a progressive dividend policy under which, in principle, dividends will be maintained or increased and not decreased, with a consolidated dividend payout ratio of 50% or more as a guideline. In addition, with regard to the acquisition of treasury shares, the Company will consider conducting flexible repurchases of its own shares as one of its shareholder return measures, taking into consideration its financial position, market trends, and other factors.

Unless otherwise specified, the figures in the Business Report are rounded down to the indicated unit for amounts and the numbers of shares, and the ratios and others are rounded to the nearest indicated unit.

Consolidated Financial Statements for the 61st Fiscal Year (from April 1, 2025 to March 31, 2026)

Consolidated Balance Sheet (as of March 31, 2026)

(Thousands of yen)

Account	Amount
(Assets)	
Current assets	13,251,664
Cash and deposits	7,835,993
Notes receivable - trade	1,124
Accounts receivable - trade	4,226,205
Contract assets	284,831
Lease receivables and investments in leases	327
Merchandise and finished goods	125,636
Work in progress	159,613
Other	617,931
Non-current assets	3,634,882
Property, plant and equipment	1,351,391
Buildings and structures	377,854
Vehicles	1,082
Tools, furniture and fixtures	105,427
Land	166,823
Leased assets	534,411
Construction in progress	165,791
Intangible assets	249,529
Goodwill	31,356
Other	218,173
Investments and other assets	2,033,961
Investment securities	207,998
Deferred tax assets	1,365,547
Other	460,414
Total assets	16,886,547

Account	Amount
(Liabilities)	
Current liabilities	5,910,955
Accounts payable - trade	1,115,857
Short-term borrowings	799,868
Lease liabilities	250,850
Income taxes payable	460,957
Contract liabilities	402,865
Provision for bonuses	1,247,360
Provision for share-based payments	199,995
Provision for loss on orders received	1,205
Other	1,431,995
Non-current liabilities	2,425,866
Lease liabilities	302,750
Provision for retirement benefits for directors (and other officers)	201,629
Retirement benefit liability	1,535,794
Asset retirement obligations	350,233
Other	35,458
Total liabilities	8,336,822
(Net assets)	
Shareholders' equity	8,366,188
Share capital	438,750
Capital surplus	819,991
Retained earnings	7,433,090
Treasury shares	(325,643)
Accumulated other comprehensive income	100,303
Valuation difference on available-for-sale securities	119,136
Foreign currency translation adjustment	11,782
Remeasurements of defined benefit plans	(30,615)
Non-controlling interests	83,232
Total net assets	8,549,724
Total liabilities and net assets	16,886,547

Consolidated Statement of Income (From April 1, 2025 to March 31, 2026)

(Thousands of yen)

Account	Amount	
Net sales		30,867,394
Cost of sales		24,123,313
Gross profit		6,744,080
Selling, general and administrative expenses		4,105,149
Operating profit		2,638,931
Non-operating income		
Interest income	10,992	
Dividend income	9,139	
Subsidy income	17,675	
Rental income from buildings	8,791	
Insurance claim and dividend income	7,066	
Other	11,847	65,512
Non-operating expenses		
Interest expenses	23,991	
Other	7,551	31,543
Ordinary profit		2,672,900
Extraordinary income		
Gain on sale of investment securities	89,286	
Subsidy income	12,000	101,286
Extraordinary loss		
Impairment losses	13,604	
Loss on transition of retirement benefit plan	25,478	
Loss on tax purpose reduction entry of non-current assets	12,000	51,083
Profit before income taxes		2,723,103
Income taxes - current	890,637	
Income taxes - deferred	(43,837)	846,799
Profit		1,876,303
Profit attributable to non-controlling interests		14,889
Profit attributable to owners of parent		1,861,413

Non-consolidated Financial Statements for the 61st Fiscal Year (from April 1, 2025 to March 31, 2026)

Non-consolidated Balance Sheet (as of March 31, 2026)

(Thousands of yen)

Account	Amount
(Assets)	
Current assets	8,211,020
Cash and deposits	4,306,485
Accounts receivable - trade	2,987,325
Contract assets	284,831
Investments in leases	327
Merchandise and finished goods	124,364
Work in progress	109,139
Advance payments to suppliers	221
Prepaid expenses	281,741
Other	116,583
Non-current assets	4,212,527
Property, plant and equipment	1,146,453
Buildings	286,598
Structures	426
Tools, furniture and fixtures	80,876
Land	166,823
Leased assets	445,936
Construction in progress	165,791
Intangible assets	156,514
Software	151,110
Other	5,404
Investments and other assets	2,909,560
Investment securities	207,932
Shares of subsidiaries and associates	1,570,607
Deferred tax assets	813,963
Other	317,056
Total assets	12,423,548

Account	Amount
(Liabilities)	
Current liabilities	4,627,373
Accounts payable - trade	970,610
Short-term borrowings	799,868
Lease liabilities	211,118
Accounts payable - other	446,435
Accrued expenses	306,937
Income taxes payable	329,818
Contract liabilities	305,693
Deposits received	95,491
Provision for bonuses	784,809
Provision for share-based payments	199,995
Other	176,596
Non-current liabilities	1,386,250
Lease liabilities	246,561
Provision for retirement benefits	775,877
Asset retirement obligations	319,822
Other	43,988
Total liabilities	6,013,624
(Net assets)	
Shareholders' equity	6,290,785
Share capital	438,750
Capital surplus	903,593
Legal capital surplus	903,593
Retained earnings	5,274,085
Legal retained earnings	59,000
Other retained earnings	5,215,085
General reserve	1,000,000
Retained earnings brought forward	4,215,085
Treasury shares	(325,643)
Valuation and translation adjustments	119,138
Valuation difference on available-for-sale securities	119,138
Total net assets	6,409,923
Total liabilities and net assets	12,423,548

Non-consolidated Statement of Income (From April 1, 2025 to March 31, 2026)

(Thousands of yen)

Account	Amount	
Net sales		23,132,881
Cost of sales		18,230,569
Gross profit		4,902,311
Selling, general and administrative expenses		2,881,844
Operating profit		2,020,467
Non-operating income		
Interest and dividend income	84,812	
Other	31,707	116,520
Non-operating expenses		
Interest expenses	22,469	
Other	6,436	28,905
Ordinary profit		2,108,081
Extraordinary income		
Subsidy income	12,000	12,000
Extraordinary loss		
Impairment losses	13,604	
Loss on tax purpose reduction entry of non-current assets	12,000	25,604
Profit before income taxes		2,094,477
Income taxes - current	635,949	
Income taxes - deferred	(6,142)	629,807
Profit		1,464,670

Accounting Auditor's Audit Report on the Consolidated Financial Statements

Independent Auditor's Audit Report

May 20, 2026

To: Board of Directors of
NCD Co., Ltd.

Tokyo Office,
Crowe Toyo & Co.

Designated
employee
Managing
partner
Certified public accountant Shigeki Tsujimura

Designated
employee
Managing
partner
Certified public accountant Kiyofumi Miyake

Audit Opinion

In accordance with Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of NCD Co., Ltd., which comprise the balance sheet, the statements of income, changes in stockholders' equity, and the related notes to the financial statements, for the consolidated fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, and profit and loss of the corporate group consisting of NCD Co., Ltd. and its consolidated subsidiaries during the relevant period in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the rules of professional ethics in Japan, including provisions applicable to audits of financial statements of highly socially impactful entities, and meet our other ethical responsibilities as an audit corporation. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties concerning the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the course of our audit, and we also pay attention to whether there are any indications of material errors in the other information other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit & Supervisory Committee regarding the Consolidated Financial Statements

The responsibility of the Company's management is to prepare and appropriately present consolidated financial statements in accordance with corporate accounting standards that are generally accepted in Japan. This includes designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the going concern basis, and disclosing any matters related to a going concern if it is necessary to do so in accordance with corporate accounting standards that are generally accepted in Japan.

The responsibility of the Audit and Supervisory Committee is to oversee the Directors' performance of their duties concerning the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error and to express our opinion on the consolidated financial statements from an independent standpoint in the audit report, based on the audit performed by our auditors. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to affect the decision-making of users of the consolidated financial statements.

The auditors exercise professional judgment and perform the following while maintaining professional skepticism, throughout the audit process in accordance with auditing standards that are generally accepted in Japan.

- Identify and assess the risk of material misstatement due to fraud or error. In addition, design and implement audit procedures to address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. Furthermore, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, while the purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control.

- Evaluate the appropriateness of accounting policies adopted by management and their method of application, the reasonableness of the accounting estimates by management and the adequacy of the related notes.
- Conclude on the appropriateness of management's preparation of consolidated financial statements on the going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If a material uncertainty regarding the Group's ability to continue as a going concern exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are not appropriate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Group to cease to exist as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. The auditors are responsible for directing, supervising, and reviewing the audit of the consolidated financial statements. The auditors are solely responsible for the audit opinion.

The auditors report to the Audit and Supervisory Committee the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control identified during the audit, and any other matters required by auditing standards.

The auditors also communicate to the Audit and Supervisory Committee that they have complied with the rules on professional ethics in Japan regarding independence, as well as matters that may reasonably be considered to affect the auditors' independence. If any measures have been taken to eliminate obstruction factors or if safeguards are applied to reduce obstruction factors to an acceptable level, they report the details of such measures or safeguards.

Interest

There exists no interest between the Company and its consolidated subsidiaries and the audit corporation or managing partners that should be disclosed in accordance with the Certified Public Accountants Act.

Accounting Auditor's Audit Report on the Non-Consolidated Financial Statements

Independent Auditor's Audit Report

May 20, 2026

To: Board of Directors of
NCD Co., Ltd.

Tokyo Office,
Crowe Toyo & Co.

Designated
employee
Managing
partner
Certified public
accountant Shigeki Tsujimura

Designated
employee
Managing
partner
Certified public
accountant Kiyofumi Miyake

Audit Opinion

In accordance with Article 436, Paragraph 2 (1) of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet, statement of income, statement of changes in equity, notes to the financial statements, and the related supplementary schedules (hereinafter, the "Financial Statements, etc.") of NCD Co., Ltd. for its 61st fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the above non-consolidated Financial Statements, etc., present fairly, in all material respects, the assets, and profit and loss of NCD Co., Ltd. during the relevant period in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the rules of professional ethics in Japan, including provisions applicable to audits of financial statements of highly socially impactful entities, and meet our other ethical responsibilities as an audit corporation. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties concerning the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated Financial Statements, etc., does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated Financial Statements, etc., is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements or the knowledge we have gained in the course of our audit, and we also pay attention to whether there are any indications of material errors in the other information other than such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit & Supervisory Committee regarding the Non-Consolidated Financial Statements, etc.

The responsibility of the Company's management is to prepare and appropriately present non-consolidated Financial Statements, etc., in accordance with corporate accounting standards that are generally accepted in Japan. This includes designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated Financial Statements, etc., that are free from material misstatement due to fraud or error.

In preparing the non-consolidated Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated Financial Statements, etc., on the going concern basis, and disclosing any matters related to going concern if it is necessary to do so in accordance with corporate accounting standards that are generally accepted in Japan.

The responsibility of the Audit and Supervisory Committee is to oversee the Directors' performance of their duties concerning the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated Financial Statements, etc., as a whole are free from material misstatement due to fraud or error and to express our opinion on the non-consolidated Financial Statements, etc., from an independent standpoint in the audit report, based on the audit performed by our auditors. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to affect the decision-making of users of the non-consolidated Financial Statements, etc.

The auditors exercise professional judgment and perform the following while maintaining professional skepticism, throughout the audit process in accordance with auditing standards that are generally accepted in Japan.

• Identify and assess the risk of material misstatement due to fraud or error. In addition, design and implement audit procedures to address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. Furthermore, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

- Consider, in making those risk assessments, internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, while the purpose of an audit of the non-consolidated Financial Statements, etc., is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies adopted by management and their method of application, the reasonableness of the accounting estimates by management and the adequacy of the related notes.
- Conclude on the appropriateness of management's preparation of non-consolidated Financial Statements, etc., on the going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If a material uncertainty regarding the Company's ability to continue as a going concern exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated Financial Statements, etc., or, if the notes to the non-consolidated Financial Statements, etc., on material uncertainty are not appropriate, to express a qualified opinion with exceptions on the non-consolidated Financial Statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Group to cease to exist as a going concern.
- Evaluate whether the presentation of the non-consolidated Financial Statements, etc., and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure and content of the non-consolidated Financial Statements, etc., including the related notes, and whether the non-consolidated Financial Statements, etc., fairly represent the underlying transactions and accounting events.

The auditors report to the Audit and Supervisory Committee the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control identified during the audit, and any other matters required by auditing standards.

The auditors also communicate to the Audit and Supervisory Committee that they have complied with the rules on professional ethics in Japan regarding independence, as well as matters that may reasonably be considered to affect the auditors' independence. If any measures have been taken to eliminate obstruction factors or if safeguards are applied to reduce obstruction factors to an acceptable level, they report the details of such measures or safeguards.

Interest

There exists no interest between the Company and the audit corporation or managing partners that should be disclosed in accordance with the Certified Public Accountants Act.

Audit and Supervisory Committee's Audit Report

Audit Report

The Audit and Supervisory Committee has audited the Directors' execution of their duties during the 61st fiscal year from April 1, 2025 to March 31, 2026. Methods and results thereof are reported as follows.

1. Methods and details of the audit

The Audit and Supervisory Committee periodically received reports from Directors, employees and other relevant personnel on the content of the resolutions of the Board of Directors concerning the matters set forth in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act and the status of the development and operation of a system established based on such resolutions (internal control system), requested explanations as necessary, and expressed its opinions, as well as conducting audits through the following methods.

- (i) In accordance with the audit policy, division of duties, etc., pursuant to the standards for audits by the Audit and Supervisory Committee as established by the Audit and Supervisory Committee, and in coordination with the internal control division of the Company, we attended important meetings, received reports from Directors, employees and other relevant personnel regarding the execution of their duties, requested explanations as needed, examined important approval documents, etc., and reviewed the status of operations and assets at the head office and main business offices of the Company. With respect to subsidiaries, we communicated and exchanged information with directors and corporate auditors, etc. of subsidiaries, and received reports on business from subsidiaries as needed.
- (ii) We oversaw and verified whether the Accounting Auditor maintained an independent position and conducted appropriate audits, received reports from the Accounting Auditor on the execution of its duties, and requested explanations as needed. In addition, we received notice from the Accounting Auditor that "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) had been put in place in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council) and other relevant standards, and requested explanations as needed.

Based on the above methods, we have examined the business report and its supplementary schedules, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements) and their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the fiscal year under review.

2. Audit results

(1) Audit results of the Business Report, etc.

- (i) We find that the Business Report and its supplementary schedules present fairly the status of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We do not find any misconduct nor any material fact of violation of laws, regulations, or the Articles of Incorporation in connection with the Directors' execution of their duties.
- (iii) We find that the contents of the resolution of the Board of Directors regarding the internal control system are appropriate. Further, we do not find any matters to be pointed out with respect to the statements in the Business Report and the Directors' execution of their duties in relation to the internal control system.

(2) Results of the audit of Non-consolidated Financial Statements and their supplementary schedules

We find the methods and results of the audit by the Accounting Auditor, Crowe Toyo & Co., to be appropriate.

(3) Results of the audit of Consolidated Financial Statements

We find the methods and results of the audit by the Accounting Auditor, Crowe Toyo & Co., to be appropriate.

May 22, 2026

Audit and Supervisory Committee, NCD Co., Ltd.

Full-time Audit and Supervisory Committee Member Yuki Kobayashi (Seal)

Audit and Supervisory Committee Members Katsuo Nakayama (Seal)

Audit and Supervisory Committee Members Shigeru Okuno (Seal)

Audit and Supervisory Committee Members Masaaki Yasuoka (Seal)

(Notes) Audit and Supervisory Committee Members Katsuo Nakayama, Shigeru Okuno and Masaaki Yasuoka are outside Directors as defined in Article 2, item (xv) and Article 331, paragraph 6 of the Companies Act.