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Start date of electronic provision measures: May 27, 2026

**The 61st Ordinary General Meeting of Shareholders
Other Matters Subject to the Electronic Provision Measures
(Matters Omitted from Documents to Be Delivered)**

[Business Report]

Matters Concerning Company Officers

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Non-consolidated Statement of Changes in Equity

Notes to Non-consolidated Financial Statements

(From April 1, 2025 to March 31, 2026)

NCD Co., Ltd.

Matters Concerning Company Officers

- Summary of Details of Liability Limitation Agreements

Pursuant to Article 427, paragraph (1) of the Companies Act, the Company stipulates in its Articles of Incorporation that it may enter into an agreement to limit liability for damages under Article 423, paragraph (1) of the said Act, and has concluded liability limitation agreements with non-executive Directors. The maximum amount of liability for damages under the agreements is the amount stipulated by laws and regulations.

- Summary of Details of Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement, as stipulated in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The scope of the insured under the said agreement is directors (including directors serving as Audit and Supervisory Committee members), company auditors, executive officers and important employees of the Company and its subsidiaries. The insured does not bear insurance premiums. The agreement will cover legal expenses and damages for claims brought against the insured during the insurance period.

However, to ensure that it does not impair the insured's proper execution of his/her duties, certain exclusions apply, such as coverage not being available in the case of damage caused by an act committed by the insured with knowledge that the act was in violation of the law.

- Matters Concerning Outside Officers

(i) Relationship between the Company and the entities where they hold significant concurrent positions
Not applicable.

(ii) Relationship with parties with important business relationships such as major business partners
Not applicable.

(iii) Major activities during the fiscal year under review

Classification	Name	Major activities
Outside Director	Haruo Miyata	Haruo Miyata attended the meetings of the Board of Directors (13 out of 14 meetings) and other important meetings held during the fiscal year under review and provided advice and recommendations mainly based on his extensive experience as a corporate executive.
Outside Director	Toshiya Koyama	After taking office in June 2025, Toshiya Koyama attended the meetings of the Board of Directors (11 out of 11 meetings) and other important meetings held during the fiscal year under review and provided advice and recommendations mainly based on his extensive experience as a corporate executive.
Outside Director (Audit and Supervisory Committee Member)	Katsuo Nakayama	Katsuo Nakayama attended the meetings of the Board of Directors (14 out of 14 meetings), those of the Audit and Supervisory Committee (12 out of 12 meetings) and other important meetings held during the fiscal year under review and provided advice and recommendations mainly from his professional perspective as a certified public accountant.
Outside Director (Audit and Supervisory Committee Member)	Shigeru Okuno	Shigeru Okuno attended the meetings of the Board of Directors (14 out of 14 meetings) and those of the Audit and Supervisory Committee (12 out of 12 meetings) held during the fiscal year under review and provided advice and recommendations mainly from his professional perspective as an attorney.
Outside Director (Audit and Supervisory Committee Member)	Masaaki Yasuoka	Masaaki Yasuoka attended the meetings of the Board of Directors (14 out of 14 meetings), those of the Audit and Supervisory Committee held after his appointment as an Audit and Supervisory Committee Member in June 2025 (9 out of 9 meetings), and other important meetings held during the fiscal year under review and provided advice and recommendations mainly based on his extensive experience as a corporate executive.

Matters Concerning the Accounting Auditor

(1) Name of the Accounting Auditor

Crowe Toyo & Co.

(2) Amount of compensation, etc., of the Accounting Auditor

Classification	Amount of compensation, etc.
(i) Amount of compensation, etc., as the Accounting Auditor for the fiscal year under review	48 million yen
(ii) Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	48 million yen

(Notes) 1. The audit contract between the Company and the Accounting Auditor does not distinguish between the amount of compensation, etc., for audits under the Companies Act and the amount of compensation, etc., for audits under the Financial Instruments and Exchange Act, and it is not practicable to do so. Therefore, the amount in (i) above is the sum of those amounts.

2. In light of the “Practical Guidelines for Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee reviewed actual audit hours and changes in the amount of compensation by audit item and by audit tier in the audit plans for the past fiscal years and the status of the execution of duties by the Accounting Auditor, and examined the reasonableness of the audit plan and amount of compensation for the fiscal year under review. As a result, it gave consent under Article 399, paragraph (1) of the Companies Act to the compensation, etc., of the Accounting Auditor.

(3) Non-audit services

Not applicable.

(4) Policy on dismissal or non-reappointment of the Accounting Auditor

If the Company deems it necessary, such as when there is a hindrance in the execution of duties by the Accounting Auditor, it shall decide, by a resolution of the Audit and Supervisory Committee, to take up the dismissal or non-reappointment of the Accounting Auditor as the purpose of a general meeting of shareholders. In the event that the Accounting Auditor is deemed to fall under any of the items of Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee will dismiss the Accounting Auditor with the unanimous consent of the Audit and Supervisory Committee Members. In such case, an Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee will report the dismissal of the Accounting Auditor and the reasons therefor at the first general meeting of shareholders convened after the dismissal.

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

The Company’s system for ensuring that the execution of duties by Directors complies with laws and regulations and its Articles of Incorporation and other systems for ensuring the appropriateness of the Company’s operations, as well as the status of operation of such systems, are as follows.

(1) Details of the system to ensure the appropriateness of business operations

[Internal control system]

1. Basic Policy for Establishment of Internal Control System

(1) In developing its internal control system, the Company shall take various measures to ensure compliance with laws and regulations, management of risk of losses, and proper and efficient business operations.

(2) The Board of Directors shall establish a Compliance Committee, a Risk Management Committee, and an Internal Control Committee to develop and operate the internal control system, establish regulations and systems, and implement necessary improvements after evaluating the effectiveness of the internal control

system.

2. Development of systems related to the internal control system

- (1) System for ensuring that the execution of duties by Directors and employees complies with laws and regulations and its Articles of Incorporation
 - (i) The Group (referring to a corporate group consisting of the Company and its subsidiaries) shall establish the “NCD Group Code of Conduct” with the aim of establishing corporate ethics and ensuring compliance with laws and regulations, its Articles of Incorporation and internal rules by Directors and employees, and shall ensure that all employees are familiar with the code.
 - (ii) The Company shall establish a Compliance Committee to manage the Group’s efforts to promote compliance, the status of compliance implementation, etc., and develop a system to ensure that those activities are appropriately reported.
 - (iii) The Company shall establish an internal reporting system and promote its use for early detection of compliance violations or facts that may lead to such violations in the Group.
 - (iv) The Internal Audit Office shall conduct systematic audits of the daily activities of each division with respect to compliance with laws and regulations, and internal rules, and report to President and Representative Director and Audit and Supervisory Committee Members.
 - (v) The Company shall comprehensively gather all material information of the Group that needs to be disclosed, and disclose such information in a timely and appropriate manner in accordance with laws and regulations.
- (2) System for storing and managing information related to the execution of duties by Directors
 - (i) The Company shall properly manage, in the department in charge, important documents and information (such as minutes, approval-related documents, contracts, accounting and financial documents) related to the execution of duties by Directors in accordance with internal rules for the management of documents and information.
 - (ii) The Company shall promptly submit such documents and information to a Director upon his/her request for access thereto.
- (3) Rules and other systems for managing risk of loss
 - (i) To prepare for the risk of loss that may occur in the course of business (“risk” hereinafter), the Company shall establish the Risk Management Rules that stipulate basic matters concerning the risk management system of the Group.
 - (ii) The Company shall establish a Risk Management Committee to properly manage the Group’s risks and establish a system to ensure that those activities are properly reported.
- (4) Systems to ensure efficient execution of duties by Directors
 - (i) To ensure efficient business operations through appropriate division of responsibilities and a supervisory framework for Directors, the Company shall establish the Organizational Rules and Rules on Authorities that stipulate organizational structure and the roles of each organization.
 - (ii) The Company shall stipulate the Board of Directors Rules, make decisions on important management matters at the Board of Directors, and report the status of execution of duties.
 - (iii) The Board of Directors shall promote prompt decision-making on business operations and flexible execution of duties by appointing Executive Officers and delegating authority to them. It shall also receive reports on the execution of their duties from Executive Officers at the Executive Officers meetings.
- (5) System to ensure the appropriateness of business operations in the Group
 - (i) The Company shall provide guidance and support to subsidiaries in developing systems for subsidiaries’ legal compliance and other systems to ensure the appropriateness of their operations, as well as dispatching directors to subsidiaries and sharing information on the execution of operations based on the “NCD Group Code of Conduct.”

- (ii) The Company shall have each company in the Group implement appropriate risk management in accordance with the business conditions and risk characteristics of each company.
 - (iii) Directors of a subsidiary shall attend the Executive Officers meetings held by the Company, or the Board of Directors' meetings as needed, and report on the management activities of the subsidiary.
 - (iv) The Company shall establish the Group Company Management Rules and conduct appropriate management to grasp the management status of subsidiaries and prevent the occurrence of fraud and errors.
- (6) Matters concerning employees who are to assist the duties of Audit and Supervisory Committee Members and matters concerning the independence of such employees from Directors
- (i) If an Audit and Supervisory Committee Member requests that an employee be assigned to assist him or her in performing his/her duties, the Company shall, after consultation with the Audit and Supervisory Committee Member, designate an employee who is to assist the Audit and Supervisory Committee Member.
 - (ii) The authority to direct the designated employee shall be transferred to the Audit and Supervisory Committee Member for the period of time during which the employee is to perform the work to be assisted, and the employee shall not be subject to any other direction or order during the performance of such work.
 - (iii) The opinion of the Audit and Supervisory Committee Member shall be respected for personnel changes, evaluations, etc., of such employee.
- (7) Systems for reporting by Directors and employees to the Audit and Supervisory Committee Members and ensuring that audits by the Audit and Supervisory Committee Members are conducted effectively
- (i) Audit and Supervisory Committee Members may attend the Executive Officers meetings and the Board of Directors' meetings and request various reports.
 - (ii) When requested by an Audit and Supervisory Committee Member to report on matters concerning the execution of duties, etc., Directors and employees shall promptly report on such matters.
 - (iii) The Company shall establish a system whereby, in the event that a director, company auditor or employee of any of the Group companies discovers a serious violation of laws and regulations, or internal rules in relation to the business execution of the Group companies, or a fact that may cause significant damage to the company, such person or a person who receives a report from such person reports to an Audit and Supervisory Committee Member of the Company.
 - (iv) The Company shall prohibit any person who makes a report described in (iii) above from being treated disadvantageously by reason of making such a report at any of the Group companies.
 - (v) The Company shall pay expenses, etc., related to the execution of duties by the Audit and Supervisory Committee Members, except in cases where the Company deems that such expenses are not necessary for the execution of duties by the Audit and Supervisory Committee Members.
- (8) System to ensure the appropriateness of financial reporting
- (i) To ensure the appropriateness of the Group's financial reporting, the Company shall establish the Rules on Internal Control over Financial Reporting.
 - (ii) The Company shall establish an Internal Control Committee to develop a system for the effective functioning of the Group's internal control over financial reporting.

[Exclusion of Anti-social Forces]

1. Basic approach to the exclusion of anti-social forces

The Company shall have no relationship with any group or individual that may disrupt the order and safety of society. If it is contacted by such groups or individuals, it shall promptly report to the police or other appropriate authorities, and shall organizationally deal with violent or unreasonable demands in cooperation with outside organizations, including attorneys.

2. Development of a system for the exclusion of anti-social forces

- (1) The "NCD Group Code of Conduct" clearly states that the Company shall reject any relationship with anti-social forces or groups that threaten the order and safety of society, and the Company shall conduct educational activities for all officers and employees to exclude anti-social forces from its business activities in accordance with the "Rules on the Exclusion of Anti-social Forces."
- (2) The Company is a member of the TOKUBOREN (Federation for the Prevention of Special Violence in the Tokyo Metropolitan Police Department's Jurisdiction), and gathers various information related to anti-social forces from this organization and the administrator of the shareholders' register, etc., to keep abreast of the latest trends in preparation for unforeseen circumstances.
- (3) The General Affairs Department shall be in charge of dealing with those anti-social forces, cooperating with outside organizations such as attorneys and the police as necessary.

(2) Overview of status of operation of the system to ensure the appropriateness of business operations

The Company has established a system to ensure the appropriateness of business operations as described in the above "(1) Details of the system to ensure the appropriateness of business operations," and based on the contents of this system, the Company is working on the following initiatives.

1. In addition to posting a summary of the "NCD Group Code of Conduct" on our website, we have distributed a compliance handbook and portable cards containing the full text of the Code of Conduct to all employees of each Group company to ensure that all employees are fully aware of the Code of Conduct.
2. The Company held Compliance Committee meetings four times to promote various measures to prevent compliance violations at the Company and each Group company.
3. The Company held theme-specific compliance training four times. In addition, through regular and flexible compliance education and general inspections, including training for new employees, training by job level, and the establishment and dissemination of compliance enhancement months, the Company strives to foster and improve awareness of compliance.
4. As a compliance consultation desk, a hotline has been established internally and externally to allow Group employees to directly report problems anonymously, so that problems are detected at an early stage and improvement measures are taken.
5. The Company summarized the risks and events that could occur in the Group by type and held Risk Management Committee meetings twice. The Committee makes decisions on risk management measures and strives to prevent the occurrence of risks and manage them appropriately. In addition, it conducted risk management training sessions four times to raise employees' awareness of risk management.
6. The Internal Audit Office conducted internal audits of the execution of operations of the Company and its Group companies in accordance with the internal audit policy and basic plan for the current fiscal year.
7. The Company held Internal Control Committee meetings four times to ensure the appropriateness of the Group's financial reporting.

Consolidated Statement of Changes in Equity (From April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the current period	438,750	1,019,556	6,365,152	(229,315)	7,594,142
Changes during period					
Dividends of surplus			(793,475)		(793,475)
Profit attributable to owners of parent			1,861,413		1,861,413
Purchase of own shares				(295,892)	(295,892)
Cancellation of treasury shares		(199,565)		199,565	—
Net changes of items other than shareholders' equity					
Total changes during period	—	(199,565)	1,067,938	(96,327)	772,045
Balance at the end of the current period	438,750	819,991	7,433,090	(325,643)	8,366,188

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income Cumulative total		
Balance at the beginning of the current period	117,949	8,255	65,346	191,551	68,343	7,854,038
Changes during period						
Dividends of surplus						(793,475)
Profit attributable to owners of parent						1,861,413
Purchase of own shares						(295,892)
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	1,187	3,526	(95,961)	(91,248)	14,889	(76,358)
Total changes during period	1,187	3,526	(95,961)	(91,248)	14,889	695,686
Balance at the end of the current period	119,136	11,782	(30,615)	100,303	83,232	8,549,724

Notes to Consolidated Financial Statements

<Notes, etc., on important matters that form the basis for the preparation of the consolidated financial statements>

1. Scope of consolidation

Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries

6 companies

Names of consolidated subsidiaries

NCD Technology Co., Ltd.

NCD Solutions Co., Ltd.

NCD CHINA Co., Ltd.

NCD Pros Co., Ltd.

NCD EST Co., Ltd.

Japan Computer Services, Inc.

2. Matters concerning application of equity method

There are no unconsolidated subsidiaries or affiliates accounted for by the equity method.

3. Fiscal year, etc., of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year of NCD CHINA Co., Ltd. ends on December 31.

In preparing consolidated financial statements, its financial statements as of the said date are used, and adjustments necessary for consolidation are made for significant transactions that have occurred between the consolidated closing date and that date.

4. Matters concerning accounting policies

(1) Valuation standards and methods for significant assets

(i) Securities

Held-to-maturity debt securities

Amortized cost method (straight-line method)

Available-for-sale securities

Other than equity securities, etc., without market prices

Fair value method

(Unrealized gains and losses are included directly in net assets, and the cost of securities sold is determined by using the moving average method)

Equity securities, etc., without market prices

Cost method based on the moving average method

(ii) Inventories

Inventories held for sale in the ordinary course of business

Stated at cost method (with carrying amounts to be written down based on any decreased profitability)

Merchandise and finished goods

Mainly weighted average method

Work in progress

Identified cost method

(2) Depreciation methods for significant depreciable assets

(i) Property, plant and equipment (excluding leased assets)

Declining balance method (however, the straight-line method is applied to buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and facilities attached to buildings and structures acquired on and after April 1, 2016)

Main useful lives are as follows:

Buildings and structures 3 to 34 years

Tools, furniture and fixtures 3 to 20 years

(ii) Intangible assets (excluding leased assets)

Straight-line method

Software for internal use is amortized over the estimated useful life (5 years) by using the straight-line method.

(iii) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

They are depreciated using the straight-line method over a lease period as the useful life with a residual value of zero.

(3) Accounting standard for significant reserves / provisions

(i) Allowance for doubtful accounts

To provide for credit losses on accounts receivable, loans receivable, etc., an estimated uncollectible amount is provided at the amount estimated by using the historical rate of credit losses for general receivables, and based on individual assessments of collectability for specific receivables such as highly doubtful receivables.

(ii) Provision for bonuses

To provide for employees' bonus payment, provision for bonuses is recorded based on the estimated payment amount.

(iii) Provision for loss on orders received

To provide for future losses on orders received, provision for loss on orders received is recorded at the estimated amount of future losses for the contracts that are expected to incur losses and the amount of such losses can be reasonably estimated.

(iv) Provision for share-based payments

To provide for the delivery of the Company's shares under the performance-based stock compensation plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) and Executive Officers, the estimated amount of shares to be delivered is recorded pursuant to the Rules on Stock Compensation.

(v) Provision for retirement benefits for directors (and other officers)

To provide for the payment of retirement benefits to officers, the amount payable at the end of the period based on internal regulations is recorded.

(4) Accounting method for retirement benefits

(i) Method of attributing estimated retirement benefits to periods

In calculating retirement benefit obligations, the estimated amount of retirement benefits is allocated equally to each service year up to the fiscal year under review.

(ii) Method of amortizing actuarial gains and losses and prior service cost

Actuarial gains and losses are amortized as a lump-sum expense in the following fiscal year.

Prior service cost is amortized using the straight-line method over a fixed number of years (5 years) within the average remaining service period of employees when prior service cost was incurred in each fiscal year.

(iii) Adoption of the simplified method for small-scale enterprises, etc.

Certain consolidated subsidiaries apply a simplified method for the calculation of liabilities for retirement benefits and retirement benefit expenses, using the amount payable for retirement for voluntary reasons at the end of the fiscal year as retirement benefit obligations.

(5) Accounting standard for recognition of significant revenues and expenses

(i) Accounting standard for recognition of revenues and expenses

Major performance obligations in the principal businesses relating to revenue arising from contracts with the Company and its consolidated subsidiaries and the usual timing at which such performance obligations are satisfied (the usual timing at which revenue is recognized) are as follows. The promised consideration for each product or service is generally paid within one year from the time the performance obligation is satisfied.

A. IT-related Business (System Development Business, Support and Service Business)

For system development contracts, the Company mainly provides made-to-order production of software and system development and implementation support based on contracts with customers.

For service contracts by which the Company will assume the responsibility for deliverables, such as all-in contracts, the Company recognizes revenue over the service period by estimating the degree of progress toward satisfying such performance obligations, since the outcomes are transferred to customers as the work progresses. Where the period between the transaction start date and the point in time when performance obligations in a contract is expected to be fully satisfied is short and the amount is immaterial, revenue is recognized at the point of acceptance by the customer. The Company uses the input method based on the cost incurred to estimate the degree of progress in satisfying performance obligations.

In addition, for a service contract that provides services on an ongoing basis, the Company recognizes as revenue the amount promised in the contract with the customer over the period in which the services are rendered, since we consider that performance obligations are satisfied over time as we generally provide a certain level of services over the term of the contract.

B. Parking System Business

In the Parking System Business, the Company mainly engages in the sale of bicycle parking lot-related equipment, and manages and operates bicycle parking facilities on consignment.

In the sales of bicycle parking lot-related equipment, performance obligations are satisfied at the time of customer acceptance, and revenue is recognized at that timing.

Bicycle parking lot usage fees and management service contract fees for the management and operation of bicycle parking facilities are recognized as revenue when services are provided, considering that performance obligations are satisfied based on customer usage. Further, the Company deducts from net sales the consideration paid to customers and variable consideration for certain service contracts for the management and operation of bicycle parking facilities.

(ii) Accounting standard for recognition of income related to finance lease transactions

The Company recognizes income by recording net sales and cost of sales at the time of receipt of lease payments.

(6) Amortization method and period of goodwill

Goodwill is amortized over the period of three years by the straight-line method.

<Notes on Accounting Estimates>

Impairment of non-current assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Property, plant and equipment: 1,351,391 thousand yen

Impairment losses: 13,604 thousand yen (Parking System Business 13,604 thousand yen)

(2) Information on significant accounting estimates for identified items

(i) Calculation method

The Group considers a business division based on the business classification for management accounting purpose as the smallest unit that generates cash flows except for the Parking System Division, and in the Parking System Division, each bicycle parking facility is considered as such unit. As for idle assets that are not expected to be used in the future, each asset is treated as the smallest unit.

For an asset group for which there is an indication of impairment, the Group compares the undiscounted future cash flows to the carrying amount of the asset group, and if the total undiscounted future cash flows from the asset group are less than the carrying amount of the asset group and it is determined that an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount and the amount of the reduction is recognized as an impairment loss.

In recognizing and measuring impairment losses on non-current assets for which there are indications of impairment, such as a continuing loss from operating activities after the allocation of head office expenses, the Group determines the recoverable amount of the asset group based on its net realizable value or value in use.

(ii) Major assumptions

Future cash flows for the Parking System Business are estimated primarily based on the figures assumed in the business plan approved by management and by taking into account past performance and other factors. The major assumption is the growth rate of net sales by asset group, which is the basis for the estimated future profit and loss.

(iii) Effect on the consolidated financial statements for the following fiscal year

Future cash flows may be affected by uncertain future economic conditions and changes in the external environment, and if it becomes necessary to revise estimates of future cash flows, this may affect the financial position and operating results in the following fiscal year.

<Notes to Consolidated Balance Sheet>

Accumulated depreciation of property, plant and equipment 1,639,008 thousand yen

<Notes to Consolidated Statement of Income>

Impairment losses

During the fiscal year under review, the Group recorded impairment losses on the following asset groups.

(Thousands of yen)

Location	Use	Classification	Impairment losses
Tokyo, etc.	Bicycle parking lots (4)	Leased assets	7,858
		Tools, furniture and fixtures	4,003
		Future lease payments	1,742
Total			13,604

The Group considers a business division based on the business classification for management accounting purpose as the smallest unit that generates cash flows, and in the Parking System Division, each bicycle parking facility is considered as such unit.

The carrying value of business assets was reduced to the recoverable amount because the initially expected earnings could no longer be expected, and the amount of the reduction was recorded as an impairment loss (13,604 thousand yen) in extraordinary losses.

The recoverable amount of those assets is measured by its value in use, which is calculated by discounting future cash flows at a rate of 8.82%.

<Notes to Consolidated Statement of Changes in Equity>

1. Total number of shares issued at the end of the fiscal year under review 8,300,000 shares

2. Matters concerning dividends of surplus

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date
Board of Directors on May 13, 2025	Common stock	302,665 thousand yen	37.00 yen	March 31, 2025	June 25, 2025
Board of Directors on November 7, 2025	Common stock	490,809 thousand yen	60.00 yen	September 30, 2025	December 2, 2025

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends	Dividend per share	Record date	Effective date
Board of Directors on May 15, 2026	Common stock	Retained earnings	485,286 thousand yen	60.00 yen	March 31, 2026	June 26, 2026

<Notes on Financial Instruments>

1. Matters concerning the status of financial instruments

(1) Policy for financial instruments

The Group limits fund investment to short-term deposits, etc., and raises funds mainly through borrowings from banks and other financial institutions. The Group's policy is not to engage in speculative transactions.

(2) Information on financial instruments and their risks

Notes receivable - trade and accounts receivable - trade, which are trade receivables, are exposed to credit risk of customers.

Lease receivables and investments in leases are mainly related to sublease contracts and are exposed to credit risk of the sublessors.

Equity securities, which are investment securities, are exposed to the risk of fluctuations in market prices.

Accounts payable - trade, which is trade payables, is all due within one year.

Short-term borrowings are mainly for financing operating transactions, and lease liabilities are mainly for financing capital expenditures. Of which, borrowings with floating interest rates are exposed to interest rate fluctuation risk.

In addition, trade payables and borrowings are exposed to liquidity risk.

(3) Risk management system for financial instruments

(i) Management of credit risk (risk related to nonperformance, etc., by counterparties)

In accordance with its Credit Management Rules, the Company sets credit limits for each counterparty based on credit checks, etc., manages due dates and outstanding balances of individual trade receivables, and strives to early identify and mitigate concerns about collection due to deterioration of financial conditions, etc.

Our consolidated subsidiaries also manage such risk in the same manner in accordance with the Credit Management Rules of the Company.

(ii) Management of market risk (risk of fluctuations in foreign exchange rates, interest rates, etc.)

The Company manages the market risk of equity securities which are investment securities, by periodically monitoring their market value and the financial conditions of the issuers.

Borrowings with floating interest rates are used primarily as a short-term financing instrument.

(iii) Management of liquidity risk related to financing (risk of becoming unable to make payments on due dates)

The Company manages liquidity risk by preparing and updating monthly cash management plans for trade payables and borrowings.

(4) Supplementary explanation on matters concerning fair value, etc., of financial instruments

Since variable factors are incorporated in determining fair value of financial instruments, such value may change due to the adoption of different assumptions and others.

2. Matters concerning fair value, etc., of financial instruments

Carrying values on the consolidated balance sheet, fair value and their differences as of March 31, 2026 are as follows.

(Thousands of yen)

	Carrying value on the consolidated balance sheet	Fair value	Difference
(1) Accounts receivable - trade	4,226,205	4,225,987	(217)
(2) Investment securities			
Available-for-sale securities	207,798	207,798	-
(3) Lease receivables and investments in leases	327	326	(1)
Total Assets	4,434,331	4,434,112	(218)
Lease liabilities	553,600	545,688	(7,912)
Total liabilities	553,600	545,688	(7,912)

- (Note 1) Information on “Cash and deposits,” “Notes receivable - trade,” “Accounts payable - trade” and “Short-term borrowings” are omitted because they are in cash and their fair value approximates their book value due to short maturities.
- (Note 2) Equity securities, etc., without market prices are not included in “(2) Investment securities.” The carrying values of such financial instruments in the consolidated balance sheet are as follows.

(Thousands of yen)	
Classification	Carrying value on the consolidated balance sheet
Unlisted equity securities	200

3. Matters concerning breakdown, etc., of financial instruments by level of fair value

Fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used in determining fair value.

Level 1 fair value: Fair value determined using quoted market prices in an actively traded market of assets or liabilities for which such fair value is to be determined, among observable inputs for the determination of fair value

Level 2 fair value: Fair value determined using observable inputs for the determination of fair value, other than Level 1 inputs

Level 3 fair value: Fair value determined using unobservable inputs for the determination of fair value

When multiple inputs that have a significant impact on the determination of fair value are used, fair value is classified into the level with the lowest priority in the determination of fair value among the levels to which each of those inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

(Thousands of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	207,798	-	-	207,798
Assets total	207,798	-	-	207,798

(2) Financial instruments other than financial instruments recorded on the consolidated balance sheet at fair value

(Thousands of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Accounts receivable - trade	-	4,225,987	-	4,225,987
Lease receivables and investments in leases	-	326	-	326
Assets total	-	4,226,314	-	4,226,314
Lease liabilities	-	545,688	-	545,688
Liabilities total	-	545,688	-	545,688

- (Note) Explanation of valuation techniques used in the determination of fair value and inputs for the determination of fair value

Accounts receivable - trade

Since their fair value is almost equal to their book value due to short maturities, they are recorded at book value. Since a portion of accounts receivable - trade is collected in installments, it is calculated by reference to information on municipal bond yields for each category based on the period of collection of accounts receivable - trade.

Investment securities

Fair value of equity securities is based on prices on securities exchanges, and that of bonds is based on prices on securities exchanges or prices quoted by financial institutions with which the Company has transactions. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value. On the other hand, bonds are classified as Level 2 fair value because they are not considered to have quoted prices in an active market.

Lease receivables and investments in leases, and lease liabilities

Fair value of these items is based on the present value of future cash flows for each lease receivable discounted at an interest rate that takes into account the period to maturity and credit risk, and such fair value is classified as Level 2 fair value.

<Notes on Revenue Recognition>

1. Information on breakdown of revenue from contracts with customers

(Thousands of yen)

	Reportable segment				Other	Total
	System Development Business	Support and Service Business	Parking System Business	Total		
Revenue from contracts with customers	12,729,259	9,961,364	8,109,695	30,800,319	48,322	30,848,641
Other revenue	-	-	18,752	18,752	-	18,752
Sales to external customers	12,729,259	9,961,364	8,128,447	30,819,071	48,322	30,867,394

(Note) "Other" is a business segment not included in the reportable segments.

2. Information that provides a basis for understanding revenue from contracts with customers

Information that provides a basis for understanding revenue is stated in "(Notes) 4. Matters concerning accounting policies, (5) Accounting standard for recognition of significant revenues and expenses."

3. Information to understand the amount of revenue for the current and subsequent fiscal years

(i) Balance of contract assets and contract liabilities, etc.

(Thousands of yen)

	Current Fiscal Year	
	Balance at the beginning of the period	Balance at the end of the period
Claims arising from contracts with customers	4,068,967	4,227,329
Contract assets	26,898	284,831
Contract liabilities	278,638	402,865

Contract assets consist primarily of unbilled accounts receivable for revenue recognized based on the measurement of progress in the development of systems under contract and other contracts.

Contract assets are transferred to receivables arising from contracts with customers upon customer acceptance.

Contract liabilities mainly consist of advances received from customers under outsourcing service contracts and maintenance service contracts, etc., and are reversed as revenue is recognized.

The amount of revenue that was included in the balance of contract liabilities at the beginning of the fiscal year under review out of revenue recognized in the fiscal year is 241,128 thousand yen. The increase in contract assets of 257,933 thousand yen in the fiscal year under review was mainly due to an increase in contracts subject to the input method of accounting based on incurred costs.

(ii) Transaction price allocated to remaining performance obligations

Information on the transaction price allocated to remaining performance obligations is omitted, because there are no material contracts with an initially expected contract term of more than one year and the practical expedient method is applied.

<Notes to Per Share Information>

1. Net assets per share	1,046.78 yen
2. Basic earnings per share	227.73 yen

<Notes on Significant Subsequent Events >

1. Repurchase of own shares

At a meeting of its Board of Directors held on February 6, 2026, the Company resolved matters related to 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. The Company has implemented such measures as follows.

(1) Reason for repurchase of own shares and cancellation of treasury shares

The Company will repurchase its own shares and cancel its treasury shares to further improve capital efficiency, enhance shareholder returns, and enable the flexible execution of a capital strategy.

- | | |
|---|--|
| (2) Details of matters relating to the repurchase | |
| (i) Class of shares to be repurchased | Common stock |
| (ii) Total number of shares to be repurchased | 160,000 shares (maximum)
(Ratio to the total number of issued shares
(excluding treasury shares): 1.95%) |
| (iii) Total amount of share repurchase costs | 500,000,000 yen (maximum) |
| (iv) Repurchase period | From February 9, 2026 to April 30, 2026 |
| (v) Method of repurchase | Market purchase on the Tokyo Stock Exchange |

(3) Status of repurchase of own shares

As a result of the above market purchases, the Company repurchased 160,000 shares of its common stock at a total repurchase cost of 480,177,700 yen during the period from February 9, 2026 to April 30, 2026. The repurchase of own shares pursuant to the above resolution was completed on April 30, 2026.

2. Cancellation of treasury shares

At a meeting of its Board of Directors held on May 15, 2026, the Company resolved to cancel its treasury shares pursuant to the provisions of Article 178 of the Companies Act.

- | | |
|--------------------------------------|--|
| (1) Class of shares to be cancelled | Common stock |
| (2) Number of shares to be cancelled | 160,000 shares
(Ratio to the total number of
issued shares before cancellation: 1.92%) |
| (3) Scheduled date of cancellation | May 29, 2026 |

3. Introduction of Employee Stock Ownership Plan (ESOP) for employees of the Company and disposal of treasury shares

At a meeting of its Board of Directors held on May 15, 2026, the Company resolved to introduce an employee incentive plan (the "Plan") for management employees of the Company and its group companies who satisfy certain requirements (the "Eligible Employees"), and dispose of its treasury shares for the Plan (the "Disposal of Treasury Shares")

(1) Purpose of introducing the Plan

(i) The Company will introduce the Plan as part of its human capital management efforts, aiming to further enhance the morale of the Eligible Employees and their motivation to contribute to the business. By sharing value with our shareholders, we seek to improve mid- to long-term business performance and increase the corporate value of the Group.

(ii) The Plan adopts an arrangement known as an "Employee Stock Ownership Plan (ESOP) Trust" (the "ESOP Trust").

Under the Plan, the Company's shares and cash equivalent to the liquidation value of such shares (collectively, the "Company's Shares, etc."), acquired by the ESOP Trust, will be delivered and paid (the "Delivery, etc.") to Eligible Employees who satisfy certain requirements, in accordance with the Share Delivery Regulations established in advance.

(iii) By introducing the Plan, Eligible Employees will be able to benefit financially from the appreciation of the Company's share price. This is expected to encourage them to perform their duties with greater awareness of the share price while also enhancing their motivation to work.

Furthermore, the voting rights attached to the Company's shares held within the ESOP Trust will be exercised in a manner that reflects the will of employees who are prospective beneficiaries. As such, the Plan serves as an effective initiative to increase corporate value by encouraging Eligible Employees to participate in the management of the Company.

(2) Structure of the Plan

- (i) The Company and its group companies will establish Share Delivery Regulations upon the introduction of the Plan.
- (ii) The Company will establish the ESOP Trust by placing the funds contributed by its group companies, together with its own funds, in trust, with Eligible Employees who satisfy the beneficiary requirements as the beneficiaries.
- (iii) In accordance with the instructions of the Trust Administrator, the ESOP Trust will use the funds contributed in 2) as capital to acquire from the Company the number of the

Company's shares expected to be delivered to beneficiaries during the trust period (through the disposal of treasury shares).

- (iv) Dividends will be paid on the Company's shares held within the ESOP Trust in the same manner as other shares of the Company.
- (v) Throughout the trust period, the Trust Administrator will provide instructions on the exercise of voting rights and other shareholder rights attached to the Company's shares held within the ESOP Trust, and the ESOP Trust will exercise such shareholder rights accordingly.
- (vi) During the trust period, a certain number of points will be granted to Eligible Employees in accordance with the Share Delivery Regulations, based on the degree of achievement of performance targets set out in the Medium-Term Management Plan covering a three-year period. In principle, after the end of the three-year period covered by the Plan, Eligible Employees who satisfy certain requirements will receive delivery of the Company's shares corresponding to a certain percentage of their points. As for the Company's shares corresponding to the remaining points, they will be liquidated within the ESOP Trust in accordance with the provisions of the trust agreement, and the employees will receive the cash equivalent to the liquidation value.
- (vii) If there are residual shares upon the expiration of the trust period, the Company plans to either continue using the ESOP Trust for a new plan by amending the trust agreement and making additional contributions, or receive a gratuitous transfer of the residual shares from the ESOP Trust and cancel them pursuant to a resolution of the Board of Directors.
- (viii) Any residual dividends associated with the Company's shares within the ESOP Trust upon the expiration of the trust period will be utilized as funds to acquire shares if the ESOP Trust is continued. If the ESOP Trust is terminated upon the expiration of the trust period, the portion of such dividends exceeding the reserve for trust expenses is planned to be donated to organizations that have no conflict of interest with the Company.

Note: During the trust period, if a shortfall in the number of shares held within the ESOP Trust is expected to arise, or if there is a possibility that the funds within the trust assets will become insufficient to cover the payment of trust fees and expenses, additional funds may be entrusted to the ESOP Trust.

(3) Outline of Trust Agreement (Tentative)

(i) Type of Trust	Money trust other than a specified individually managed money trust (Third-party benefit trust)
(ii) Purpose of the Trust	Granting incentives to management employees of the Company and its group companies
(iii) Settlor	NCD Co., Ltd.
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(v) Beneficiaries	Management employees of the Company and its group companies who satisfy the beneficiary requirements
(vi) Trust Administrator	A third party (certified public accountant) who has no conflict of interest with the Company
(vii) Date of the Trust Agreement	June 1, 2026 (Tentative)
(viii) Trust Period	June 1, 2026 to July 31, 2029 (Tentative)
(ix) Plan Commencement Date	July 1, 2026 (Tentative)
(x) Exercise of Voting Rights	The Trustee will exercise the voting rights attached to the Company's shares in accordance with the instructions of the Trust Administrator, which reflect the status of the exercise of voting rights by prospective beneficiaries.
(xi) Class of Shares to be Acquired	Common stock of the Company
(xii) Total Value of Shares to be Acquired	147 million yen
(xiii) Method of Share Acquisition	Acquisition from the Company (through disposal of treasury shares)

(4) Overview of the disposal

(i) Disposal Date	June 4, 2026
(ii) Class and Number of Shares to be Disposed	61,400 shares of common stock
(iii) Disposal Price	2,410 yen per share
(iv) Total Disposal Amount	147,974,000 yen
(v) Allottee	The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan (ESOP) Trust Account)
(vi) Other	With respect to the Disposal of Treasury Shares, an extraordinary report has been filed in accordance with the Financial Instruments and Exchange Act.

(5) Purpose and reasons for the disposal

The Disposal of Treasury Shares will be conducted for the Plan to The Master Trust Bank of Japan, Ltd. (ESOP Trust Account) in connection with the introduction of the ESOP Trust, which is adopted as an arrangement under the Plan. The bank will act as the co-trustee under the stock grant ESOP trust agreement (the "Trust Agreement") to be concluded between the Company and Mitsubishi UFJ Trust and Banking Corporation. The trust established pursuant to the Trust Agreement shall be referred to as the "Trust."

The number of shares to be disposed of corresponds to the number of shares expected to be delivered to Eligible Employees during the trust period in accordance with the Share Delivery Regulations. The scale of dilution will be 0.74% of the 8,300,000 total issued shares as of March 31, 2026 (the ratio to the 80,806 total units of voting rights as of March 31, 2026, is 0.76%, rounded to two decimal places).

The Company's shares allotted through the Disposal of Treasury Shares will be delivered to Eligible Employees in accordance with the Share Delivery Regulations. Since it is not expected that shares resulting from the Disposal of Treasury Shares will flow out into the stock market all at once, the Company has determined that the impact on the stock market will be minimal and that the number of shares to be disposed of and the scale of dilution are reasonable.

(6) Basis for calculation of the disposal price and specific details thereof

In order to ensure a price free from arbitrariness, and taking into account recent stock price trends, the disposal price has been set at 2,410 yen, which was the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") on the business day immediately preceding the date of the resolution of the Board of Directors concerning the Disposal of Treasury Shares (May 14, 2026), in compliance with the "Guidelines Concerning the Handling of Allotment of New Shares to Third Party, Etc." of the Japan Securities Dealers Association. The Company has decided to adopt this price because it represents the market price immediately preceding the resolution of the Board of Directors and has determined it to be highly objective and reasonable as a basis for calculation.

Regarding the aforementioned disposal price, the Audit and Supervisory Committee of the Company has expressed the opinion that the basis for calculating the disposal price is reasonable and that the price is lawful, as it does not constitute a particularly favorable disposal price.

(7) Procedures under the code of conduct

Since the dilution rate of the shares for this matter is less than 25% and there will be no change in controlling shareholders, the procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders, as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, are not required.

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

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
					General reserve	Retained earnings brought forward	
Balance at the beginning of the current period	438,750	903,593	115,962	1,019,556	59,000	1,000,000	3,627,493
Changes during period							
Dividends of surplus							(793,475)
Profit							1,464,670
Purchase of own shares							
Cancellation of treasury shares			(199,565)	(199,565)			
Transfer from retained earnings to capital surplus			83,602	83,602			(83,602)
Net changes of items other than shareholders' equity							
Total changes during period	—	—	(115,962)	(115,962)	—	—	587,592
Balance at the end of the current period	438,750	903,593	—	903,593	59,000	1,000,000	4,215,085

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Total retained earnings				
Balance at the beginning of the current period	4,686,493	(229,315)	5,915,484	75,565	5,991,049
Changes during period					
Dividends of surplus	(793,475)		(793,475)		(793,475)
Profit	1,464,670		1,464,670		1,464,670
Purchase of own shares		(295,892)	(295,892)		(295,892)
Cancellation of treasury shares		199,565	—		—
Transfer from retained earnings to capital surplus	(83,602)		—		—
Net changes of items other than shareholders' equity				43,572	43,572
Total changes during period	587,592	(96,327)	375,301	43,572	418,874
Balance at the end of the current period	5,274,085	(325,643)	6,290,785	119,138	6,409,923

Notes to Non-consolidated Financial Statements

<Notes on Matters Related to Significant Accounting Policies>

1. Valuation standards and methods for assets

(1) Valuation standards and methods for securities

(i) Shares of subsidiaries

Cost method based on the moving average method

(ii) Available-for-sale securities

Other than equity securities, etc., without market prices

Fair value method

(Unrealized gains and losses are included directly in net assets, and the cost of securities sold is determined by using the moving average method)

Equity securities, etc., without market prices

Cost method based on the moving average method

(2) Valuation standards and methods for inventories

Inventories held for sale in the ordinary course of business

Stated at cost method (with carrying amounts to be written down based on any decreased profitability)

(i) Merchandise and finished goods

Mainly weighted average method

(ii) Work in progress

Identified cost method

2. Depreciation methods for non-current assets

(1) Property, plant and equipment (excluding leased assets)

Declining balance method (however, the straight-line method is applied to buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, and facilities attached to buildings and structures acquired on and after April 1, 2016)

Main useful lives are as follows:

Buildings	3 to 34 years
Tools, furniture and fixtures	3 to 20 years

(2) Intangible assets (excluding leased assets)

Straight-line method

Software for internal use is amortized over the estimated useful life (5 years) by using the straight-line method.

(3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

They are depreciated using the straight-line method over a lease period as the useful life with a residual value of zero.

3. Accounting standards for reserves / provisions

(1) Allowance for doubtful accounts

To provide for credit losses on accounts receivable, loans receivable, etc., an estimated uncollectible amount is provided at the amount estimated by using the historical rate of credit losses for general receivables, and based on individual assessments of collectability for specific receivables such as highly doubtful receivables.

(2) Provision for bonuses

To provide for employees' bonus payment, provision for bonuses is recorded based on the estimated payment amount.

(3) Provision for loss on orders received

To provide for future losses on orders received, provision for loss on orders received is recorded at the estimated amount of future losses for the contracts that are expected to incur losses and the amount of such losses can be reasonably estimated.

(4) Provision for share-based payments

To provide for the delivery of the Company's shares under the performance-based stock compensation plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) and Executive Officers, the estimated amount of shares to be delivered is recorded pursuant to the Rules on Stock Compensation.

(5) Provision for retirement benefits

To provide for the payment of retirement benefits to employees, provision for retirement benefits is recorded based on the estimated benefit obligations and plan assets as of the end of the fiscal year under review.

(i) Method of attributing estimated retirement benefits to periods

In calculating retirement benefit obligations, the estimated amount of retirement benefits is allocated equally to each service year up to the end of the fiscal year under review.

- (ii) Method of amortizing actuarial gains and losses and prior service cost
Actuarial gains and losses are amortized as a lump-sum expense in the following fiscal year.
Prior service cost is amortized using the straight-line method over a fixed number of years (5 years) within the average remaining service period of employees when prior service cost was incurred in each fiscal year.

4. Accounting standard for recognition of revenues and expenses

(i) Accounting standard for recognition of revenues and expenses

Major performance obligations in the principal businesses relating to revenue arising from contracts with the Company, and the usual timing at which such performance obligations are satisfied (the usual timing at which revenue is recognized), are as follows. The promised consideration for each product or service is generally paid within one year from the time the performance obligation is satisfied.

A. IT-related Business (System Development Business, Support and Service Business)

For system development contracts, the Company mainly provides made-to-order production of software and system development and implementation support based on contracts with customers.

For service contracts by which the Company will assume the responsibility for deliverables, such as all-in contracts, the Company recognizes revenue over the service period by estimating the degree of progress toward satisfying such performance obligations, since the outcomes are transferred to customers as the work progresses. Where the period between the transaction start date and the point in time when performance obligations in a contract is expected to be fully satisfied is short and the amount is immaterial, revenue is recognized at the point of acceptance by the customer. The Company uses the input method based on the cost incurred to estimate the degree of progress in satisfying performance obligations.

In addition, for a service contract that provides services on an ongoing basis, the Company recognizes as revenue the amount promised in the contract with the customer over the period in which the services are rendered, since we consider that performance obligations are satisfied over time as we generally provide a certain level of services over the term of the contract.

B. Parking System Business

In the Parking System Business, the Company mainly engages in the sale of bicycle parking lot-related equipment, and manages and operates bicycle parking facilities on consignment.

In the sales of bicycle parking lot-related equipment, performance obligations are satisfied at the time of customer acceptance, and revenue is recognized at that timing.

Bicycle parking lot usage fees and management service contract fees for the management and operation of bicycle parking facilities are recognized as revenue when services are provided, considering that performance obligations are satisfied based on customer usage. Further, the Company deducts from net sales the consideration paid to customers and variable consideration for certain service contracts for the management and operation of bicycle parking facilities.

(ii) Accounting standard for recognition of income related to finance lease transactions

The Company recognizes income by recording net sales and cost of sales at the time of receipt of lease payments.

5. Other important matters that form the basis for the preparation of the financial statements

Accounting for retirement benefits

The method of accounting for unrecognized actuarial gains and losses on retirement benefits differ from that on the consolidated financial statements.

<Notes on Accounting Estimates>

Impairment of non-current assets

(1) Amount recorded in the non-consolidated financial statements for the current fiscal year

Property, plant and equipment: 1,146,453 thousand yen

Impairment losses: 13,604 thousand yen (Parking System Business 13,604 thousand yen)

(2) Information on significant accounting estimates for identified items

It is the same as described in “Notes to Consolidated Financial Statements, <Notes on Accounting Estimates> Impairment of non-current assets.”

<Notes on Changes in Method of Presentation>

Non-consolidated Statement of Income

The “Rental income from buildings” (8,791 thousand yen in the current fiscal year) in Non-operating income, which had been posted separately in the previous fiscal year, was included in “Other” in the current fiscal year because the amount was insignificant.

The “Subsidy income” (10,679 thousand yen in the current fiscal year) in Non-operating income, which had been posted separately in the previous fiscal year, was included in “Other” in the current fiscal year because the amount was insignificant.

<Notes to Non-consolidated Balance Sheet>

1. Accumulated depreciation of property, plant and equipment		1,316,901 thousand yen
2. Monetary claims from and obligations to subsidiaries and affiliates	Short-term monetary claims	95,465 thousand yen
	Short-term monetary obligations	187,627 thousand yen
	Long-term monetary obligations	8,529 thousand yen

<Notes to Non-consolidated Statement of Income>

1. Transactions with subsidiaries and affiliates	Transaction volume due to operating transactions	
	Net sales	287,163 thousand yen
	Purchases	1,856,527 thousand yen
	Transaction volume due to transactions other than operating transactions	73,264 thousand yen

2. Impairment losses

During the fiscal year under review, the Company recorded impairment losses on the following asset groups.

(Thousands of yen)

Location	Use	Classification	Impairment losses
Tokyo, etc.	Bicycle parking lots (4)	Leased assets	7,858
		Tools, furniture and fixtures	4,003
		Future lease payments	1,742
Total			13,604

The Group considers a business division based on the business classification for management accounting purpose as the smallest unit that generates cash flows, and in the Parking System Division, each bicycle parking facility is considered as such unit.

The carrying value of business assets was reduced to the recoverable amount because the initially expected earnings could no longer be expected, and the amount of the reduction was recorded as an impairment loss (13,604 thousand yen) in extraordinary losses.

The recoverable amount of those assets is measured by its value in use, which is calculated by discounting future cash flows at a rate of 8.82%.

<Notes to Non-consolidated Statement of Changes in Equity>

Matters related to the class and number of treasury shares

Class of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the end of the current fiscal year
Common stock	619,838	92,046	500,000	211,884

Note:

- The increase in treasury shares was attributable to the repurchase of 92,000 shares pursuant to a resolution of the Board of Directors and the purchase of 46 shares constituting less than one unit.
- The decrease in treasury shares was attributable to the cancellation of treasury shares pursuant to a resolution of the Board of Directors.

<Notes on Tax Effect Accounting>

Significant components of deferred tax assets and liabilities

(Thousands of yen)

Deferred tax assets	
Provision for retirement benefits	404,853
Provision for bonuses	247,214
Depreciation expense of leased assets	41,416
Asset retirement obligations	100,744
Accrued social insurance premiums	55,557
Impairment losses	22,989
Provision for share-based payments	62,998
Other	119,065
Deferred tax assets subtotal	<u>1,054,839</u>
Valuation allowance	<u>(149,952)</u>
Deferred tax assets total	904,886
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(54,786)
Property, plant and equipment corresponding to asset retirement obligations	<u>(36,137)</u>
Total deferred tax liabilities	<u>(90,923)</u>
Deferred tax assets, net	<u>813,963</u>

<Notes on Revenue Recognition>

Notes are omitted because the same information is stated as information that provides a basis for understanding revenue in the Notes to Consolidated Financial Statements (Notes on Revenue Recognition).

<Notes to Per Share Information>

1. Net assets per share	792.51 yen
2. Basic earnings per share	179.19 yen

<Notes on Significant Subsequent Events >

Notes are omitted because the same information is stated in the Notes to Consolidated Financial Statements.