Security code: 9759
June 5, 2017

To Our Shareholders

NSD CO., LTD.
2-101, Kanda-awajicho, Chiyoda-ku, Tokyo, Japan
Yoshikazu Imajo
President & CEO

NOTICE OF CONVOCATION OF THE 48th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to notify you that the 48th Ordinary General Meeting of Shareholders will be held as stated below. Your attendance is respectfully requested.

If you will be unable to attend the Meeting in person, you can exercise your voting rights by postal mail or via the Internet. Please take a time to examine the Reference for the Ordinary General Meeting of Shareholders on the following pages, and exercise your voting rights in accordance with the "Guidance on the Exercise of Voting Rights" (pages 3 through 4 of the Japanese original).

Particulars

1. **Date and Time:** 10:00 a.m., Tuesday, June 27, 2017
   (The reception is scheduled to open at 9:00 a.m.)

2. **Place:** sola city Hall (2F) at Ochanomizu sola city
   4-6 Kandasurugadai, Chiyoda-ku, Tokyo.

3. **Purpose of Meeting:**

   Matters to be reported

   1. Report on business report, consolidated financial statements, and audit results of consolidated financial statements by the independent auditor and the Audit & Supervisory Board for the 48th fiscal year (from April 1, 2016 to March 31, 2017)

   2. Report on non-consolidated financial statements for the 48th fiscal year (from April 1, 2016 to March 31, 2017)

   Matters to be resolved

   Item Election of Six (6) Directors

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◎ When you attend the Ordinary General Meeting of Shareholders in person, please submit the enclosed Voting Form at the reception desk of the Ordinary General Meeting of Shareholders.
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◎ Among documents that are required to be attached to the Notice of Convocation of this Ordinary General Meeting of Shareholders, the “Systems for Ensuring Appropriateness of Business Operations” and “Outline of the Status of Implementation of the Systems for Ensuring Appropriateness of Business Operations” in the Business Report, Consolidated Statements of Shareholders’ Equity, the “Notes” to Consolidated Financial Statements, Non-consolidated Statements of Shareholders’ Equity, and the “Notes” to Non-consolidated Financial Statements are referred to on our website on the Internet pursuant to relevant laws and ordinances and Article 15 of the Articles of Incorporation of Our Company, and therefore, those are not included in the documents attached to the foregoing Notice of Convocation of this Ordinary General Meeting of Shareholders. Furthermore, the documents attached to the foregoing Notice of Convocation of this Ordinary General Meeting of Shareholders formed part of the documents audited by the Audit and Supervisory Board and Accounting Auditor in the course of the preparation of their respective Audit Reports.

◎ If any modification(s) are made to any of the Reference Documents For the Ordinary General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, Our Company will post such modification(s) on our website on the Internet.

≪Website≫ http://www.nsd.co.jp/ir/oshirase.html

Reference for the Ordinary General Meeting of Shareholders

Proposal: Election of Six (6) Directors

The term of all ten (10) Directors will expire at the close of this Ordinary General Meeting of Shareholders.
In order to enhance the mobility of the Board of Directors and to strengthen the operational framework of the Executive Officers, the Company will reduce the number of Directors and newly appoint Executive Officers in office. Therefore, the Board proposes that six (6) Directors be elected.
The candidates are as follows.
The four (4) Directors to be reduced will be appointed as Managing Executive Officers.

Candidate No.	Name	Position and Responsibility in Our Company		Descriptions of Candidate
1	Yoshikazu Imajo	President & CEO		Reappointment
2	Hideshi Maekawa	Senior Managing Director	In Charge of Office of President, Human Resources Department, General Affairs Department	Reappointment
3	Akio Shinno	Managing Director	COO, Industrial Business Division, IT Services Business Division	Reappointment
4	Osamu Yamoto	Managing Director	COO, Public & Telecommunication Business Division, Senior General Manager, Business Sales Division	Reappointment
5	Shoichi Ogawa	Outside Director		Reappointment Outside Independent
6	Kimiou Yamashita			New appointment Outside Independent

New appointment: Candidate for Director to be newly appointed
Reappointment: Candidate for Director to be reappointed
Outside: Candidate for Outside Director
Independent: Independent Officer

<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th colspan="2">Resume, Position and Responsibility in Our Company
and Principal Concurrent Positions</th><th>Number of shares of the Company Owned</th></tr>
<tr><td rowspan="3">1</td><td>Yoshikazu Imajo
(October 13, 1961)

[Reappointment]</td><td>April 1984
April 2001
April 2005

June 2006

June 2007

April 2008

April 2009

April 2011</td><td>Joined NSD CO., LTD. (NSD)
General Manager, Tokyo Systems Sales Department 4
Executive Officer
Chief General Manager, Systems Division 1
Director & Executive Officer
Deputy Chief General Manager, Sales Promotion & Planning Division
Managing Director & Executive Officer
Deputy Chief General Manager, Sales Promotion & Planning Division
Senior Managing Director
Chief General Manager, Sales Promotion & Planning Division
President & COO
Chief General Manager, Sales Promotion & Planning Division
President & CEO
(Present Position)</td><td>96,600</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Director]</td></tr>
<tr><td colspan="4">Mr. Yoshikazu Imajo has sufficient experience and a proven track record as the President of Our Company. This, together with his deep insight for management, enables him to continue executing business, making decisions and supervising the activities of management appropriately.</td></tr>
<tr><td rowspan="3">2</td><td>Hideshi Maekawa
(February 16, 1962)

[Reappointment]</td><td>April 1982
April 2000
April 2006

June 2006

April 2013

April 2014

April 2016

June 2016

</td><td>Joined NSD
General Manager, Tokyo Systems Sales Department 6
Executive Officer
Chief General Manager, Corporate Staffs Division
Director & Executive Officer
Chief General Manager, Corporate Staffs Division
Director & Senior Executive Officer
COO, Public & Telecommunication Business Division
Senior General Manager, IT Services Business Division
Responsible for Industrial Business Division
Managing Director
COO, IT Services Business Division
Responsible for Industrial Business Division
Responsible for Public & Telecommunication Business Division
Senior Managing Director
COO, Industrial Business Division
Senior Managing Director
In Charge of Office of President, Human Resources Department, General Affairs Department
(Present Position)</td><td>34,620</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Director]</td></tr>
<tr><td colspan="4">Mr. Hideshi Maekawa has sufficient experience and a proven track record with respect to the business execution of corporate staffs division, system development division, and affiliated companies. This, together with his insight for management as a Director, enables him to continue executing business, making decisions, and supervising the activities of management appropriately.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th colspan="2">Resume, Position and Responsibility in Our Company
and Principal Concurrent Positions</th><th>Number of shares of the Company Owned</th></tr>
<tr><td rowspan="3">3</td><td rowspan="2">Akio Shinno
(July 4, 1964)

[Reappointment]</td><td>April 1987
October 2003
April 2009

April 2013

June 2013

June 2016

</td><td>Joined NSD
General Manager, Systems Sales Division 3
Department 2
Executive Officer
Chief General Manager, Financial Systems Division 2
Senior Executive Officer
COO, Financial Business Division
Director & Senior Executive Officer
COO, Financial Business Division
Managing Director
COO, Industrial Business Division, IT Services Business Division
(Present Position)</td><td>19,984</td></tr>
<tr><td colspan="3">[Reasons for the appointment as a candidate for Director]</td></tr>
<tr><td colspan="3">Mr. Akio Shinno has sufficient experience and a proven track record with respect to the business execution of our system development division. This, together with his insight for management as a Director, enables him to continue executing business, making decisions, and supervising the activities of management appropriately.</td></tr>
<tr><td rowspan="3">4</td><td rowspan="2">Osamu Yamoto
(February 20, 1963)

[Reappointment]</td><td>April 1987
February 2004
September 2007

April 2014

June 2014

June 2016

</td><td>Joined NSD
General Manager, Systems Sales Division 5
Department 1
Executive Officer
Chief General Manager, Systems Division 5
Senior Executive Officer
COO, Public & Telecommunication Business Division
Director & Senior Executive Officer
COO, Public & Telecommunication Business Division
Managing Director
COO, Public & Telecommunication Business Division
Senior General Manager, Business Sales Division
(Present Position)</td><td>18,690</td></tr>
<tr><td colspan="3">[Reasons for the appointment as a candidate for Director]</td></tr>
<tr><td colspan="3">Mr. Osamu Yamoto has sufficient experience and a proven track record with respect to the business execution of our system development division and sales division. This, together with his insight for management as a Director, enables him to continue executing business, making decisions and supervising the activities of management appropriately.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of Birth)</th><th colspan="2">Resume, Position and Responsibility in Our Company
and Principal Concurrent Positions</th><th>Number of shares of the Company Owned</th></tr>
<tr><td rowspan="6">5</td><td rowspan="2">Shoichi Ogawa
(May 16, 1945)

[Reappointment]
[Candidate for Outside Director]
[Independent Officer]</td><td>April 1968
June 1995

October 1995
May 2000
June 2005
October 2009
May 2010

June 2011

June 2015

June 2016
</td><td>Joined Bank of Japan
Director, The Bank of Ikeda, Ltd.
(now The Senshu Ikeda Bank, Ltd.)
Managing Director
Senior Managing Director
Representative Director and Deputy President
Director, Senshu Ikeda Holdings, Inc.
Representative Director and Deputy President,
The Senshu Ikeda Bank, Ltd.
Retired Director, Senshu Ikeda Holdings, Inc.
Retired Representative Director and Deputy President,
The Senshu Ikeda Bank, Ltd.
Outside Director, NSD
(Present Position)
Outside Director, FIDEA Holdings Co. Ltd.
(Present Position)</td><td>-</td></tr>
<tr><td colspan="2">Term of office as Outside Director at the close of this Ordinary General Meeting of Shareholders
2 years</td><td colspan="2">Attendance of the meetings of the Board of Directors
16/16 (100%)</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Outside Director]
Mr. Shoichi Ogawa has sufficient experience and knowledge as a member of management of financial institutions and has great insight and capability for supervision so that he can render high-quality advice on Our Company’s business and management on the Board of Directors.</td></tr>
<tr><td colspan="4">[Supplementary explanations regarding independence]
Our Company believes that Mr. Shoichi Ogawa is suitable to appropriately perform his duty from independent standpoint as an Outside Director for the following reasons:
(1) Mr. Shoichi Ogawa retired from the Director of Senshu Ikeda Holdings, Inc. and the Representative Director and Deputy President of The Senshu Ikeda Bank, Ltd. six (6) years ago. Furthermore, during the fiscal year ended March 2017, the sales from Our Company’s group accounts for an extremely small portion of sales (less than 0.1%) in the consolidated sales results of Senshu Ikeda Holdings, Inc.
(2) Our Company’s group did not have any transactions with FIDEA Holdings Co. Ltd. for which Mr. Shoichi Ogawa serves as an Outside Director.</td></tr>
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Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in Our Company and Principal Concurrent Positions	Number of shares of the Company Owned
6	Kimiou Yamashita (February 18, 1951) [New appointment] [Candidate for Outside Director] [Independent Officer]	April 1974 Joined The Sanwa Bank, Limited. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) July 2004 Executive Officer, In Charge of Risk Management Division, Compliance Division, UFJ Holdings, Inc. (now Mitsubishi UFJ Financial Group, Inc.) May 2005 Retired Executive Officer, In Charge of Risk Management Division, Compliance Division, UFJ Holdings, Inc. June 2005 Outside Director (Chairman and Director), Kabu.com Securities Co., Ltd. June 2010 Retired Outside Director (Chairman and Director), Kabu.com Securities Co., Ltd. Outside Corporate Auditor, YUYO STEAMSHIP CO., LTD. (now JX Ocean Co., Ltd.) Outside Corporate Auditor, Osaka Securities Finance Co., Ltd. (now Japan Securities Finance Co., Ltd.) March 2012 Retired Outside Corporate Auditor, YUYO STEAMSHIP CO., LTD. June 2012 Outside Corporate Auditor, The Midori Kai Co., Ltd. (scheduled to reire on June 15, 2017) Outside Corporate Auditor, Sanshin Co., Limited July 2013 Retired Outside Corporate Auditor, Osaka Securities Finance Co., Ltd. June 2014 Outside Corporate Auditor, Namura Shipbuilding Co., Ltd. (Present Position) June 2016 Retired Outside Corporate Auditor, Sanshin Co., Limited	-
	[Reasons for the appointment as a candidate for Outside Director]		
	Mr. Kimiou Yamashita has sufficient experience and knowledge gained through his career as an Executive Officer in charge of risk management and compliance at a financial institution and as an Outside Corporate Auditor of manufacturing companies, etc., and has great insight and capability for supervision so that he can render high-quality advice on Our Company's business and management on the Board of Directors.		
	[Supplementary explanations regarding independence]		
	Our Company believes that Mr. Kimiou Yamashita is suitable to appropriately perform his duty from independent standpoint as an Outside Director for the following reasons: (1) Mr. Kimiou Yamashita retired from the Executive Officer of Mitsubishi UFJ Financial Group, Inc. twelve (12) years ago. (2) Our Company's group did not have any transactions with Kabu.com Securities Co., Ltd., JX Ocean Co., Ltd., Japan Securities Finance Co., Ltd. and Sanshin Co., Limited for which Mr. Kimiou Yamashita previously served as an Outside Director or Outside Corporate Auditor, or with Namura Shipbuilding Co., Ltd. for which Mr. Kimiou Yamashita currently serves as an Outside Corporate Auditor. (3) During the fiscal year ended March 2017, the sales from Our Company's group accounts for an extremely small portion of sales (less than 0.2%) in the sales results of The Midori Kai Co., Ltd. for which Mr. Kimiou Yamashita currently serves as an Outside Corporate Auditor.		

(Notes)

1. None of the candidates have any special interests in Our Company.

2. Mr. Shoichi Ogawa and Mr. Kimiou Yamashita are candidates for Outside Directors.

3. As of the close of this Ordinary General Meeting of Shareholders, Mr. Shoichi Ogawa will have held his position as an Outside Director for two (2) years.

4. Our Company entered into a liability limitation agreement with Mr. Shoichi Ogawa. When Mr. Shoichi Ogawa assumes a Director under this agenda item, such agreement will continue to be in effect. In addition, when Mr. Kimiou Yamashita assumes a Director under this agenda item, our Company will enter into a liability limitation agreement with him. The summary of the contents of the agreement is pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of Our Company and the maximum amount of potential liability will be set as the statutory amount for such purpose.

5. Our Company has registered Mr. Shoichi Ogawa as an Independent Officer with Tokyo Stock Exchange, Inc. When Mr. Kimiou Yamashita assumes a Director under this agenda item, our Company will register him as an Independent Officer with the Exchange.

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