Security code: 9759
June 4, 2018

To Our Shareholders

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

NOTICE OF CONVOCATION OF THE 49th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to notify you that the 49th 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 26, 2018
   (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 49th fiscal year (from April 1, 2017 to March 31, 2018)

   2. Report on non-consolidated financial statements for the 49th fiscal year (from April 1, 2017 to March 31, 2018)

   Matters to be resolved

   Item 1 Election of Six (6) Directors

   Item 2 Election of One (1) Audit & Supervisory Board Member

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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.

◎ 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,” “Outline of the Status of Implementation of the Systems for Ensuring Appropriateness of Business Operations,” and “Matters Concerning Stock Acquisition Rights, etc. of the Company” 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 1: Election of Six (6) Directors

The term of all six (6) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Therefore, the Board proposes that six (6) Directors, including two (2) Outside Directors, be elected.
The candidates are as follows.

Candidate No.	Name	Position and Responsibility in Our Company	Attendance of the meetings of the Board of Directors
1	Reappointment Yoshikazu Imajo	President & CEO	16/16 (100%)
2	Reappointment Hideshi Maekawa	Director, Senior Managing Executive Officer Chief General Manager, Corporate Administration Division, Responsible for Corporate Planning Division	16/16 (100%)
3	Reappointment Osamu Yamoto	Director, Senior Managing Executive Officer Chief General Manager, Business Headquarter, Responsible for Business Development Division, Advanced Technology Promotion Division, Global Business Division, Development Management Division	16/16 (100%)
4	New appointment Masahiko Suzuki	Executive Officer, Chief General Manager, Corporate Planning Division	—
5	Reappointment Outside Independent Shoichi Ogawa	Outside Director	16/16 (100%)
6	Reappointment Outside Independent Kimiou Yamashita	Outside Director	12/12 (100%)

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

(Note)

Since Mr. Kimiou Yamashita was appointed as a Director at the 48th Ordinary General Meeting of Shareholders held on June 27, 2017, the number of meetings of the Board of Directors held during his term in office differs from the number for the other Directors. The number of the meetings held after his appointment is twelve (12).

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in Our Company and Principal Concurrent Positions	Number of shares of the Company Owned
1	Yoshikazu Imajo (October 13, 1961) [Reappointment]	April 1984 Joined NSD CO., LTD. (NSD) April 2001 General Manager, Tokyo Systems Sales Department 4 April 2005 Executive Officer Chief General Manager, Systems Division 1 June 2006 Director & Executive Officer Deputy Chief General Manager, Sales Promotion & Planning Division June 2007 Managing Director & Executive Officer Deputy Chief General Manager, Sales Promotion & Planning Division April 2008 Senior Managing Director Chief General Manager, Sales Promotion & Planning Division April 2009 President & COO Chief General Manager, Sales Promotion & Planning Division April 2011 President & CEO (Present Position)	101,800
	Attendance of the meetings of the Board of Directors	16/16 (100%)	
	[Reasons for the appointment as a candidate for Director]		
	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.		

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in Our Company and Principal Concurrent Positions	Number of shares of the Company Owned
2	Hideshi Maekawa (February 16, 1962) [Reappointment]	April 1982 Joined NSD April 2000 General Manager, Tokyo Systems Sales Department 6 April 2006 Executive Officer Chief General Manager, Corporate Staffs Division June 2006 Director & Executive Officer Chief General Manager, Corporate Staffs Division April 2013 Director & Senior Executive Officer COO, Public & Telecommunication Business Division Senior General Manager, IT Services Business Division Responsible for Industrial Business Division April 2014 Managing Director COO, IT Services Business Division Responsible for Industrial Business Division Responsible for Public & Telecommunication Business Division April 2016 Senior Managing Director COO, Industrial Business Division June 2017 Director, Senior Managing Executive Officer In Charge of Corporate Administration and Investor Relations Office, Human Resources Department, General Affairs Department Responsible for Corporate Planning Division, Accounting & Finance Department April 2018 Director, Senior Managing Executive Officer Chief General Manager, Corporate Administration Division Responsible for Corporate Planning Division (Present Position)	37,720
	Attendance of the meetings of the Board of Directors	16/16 (100%)	
	[Reasons for the appointment as a candidate for Director]		
	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.		

<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="4">3</td><td rowspan="2">Osamu Yamoto
(February 20, 1963)

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

April 2014

June 2014

June 2016

June 2017

April 2018

</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
Director, Managing Executive Officer
COO, Public & Telecommunication Business Division
Senior General Manager, Business Sales Division
Responsible for Business Development Division, Global Business Division, Development Management Division
Director, Senior Managing Executive Officer
Chief General Manager, Business Headquarter
Responsible for Business Development Division, Advanced Technology Promotion Division, Global Business Division, Development Management Division
(Present Position)</td><td>21,790</td></tr>
<tr><td colspan="2">Attendance of the meetings of the Board of Directors</td><td>16/16 (100%)</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Director]</td></tr>
<tr><td colspan="4">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>
<tr><td rowspan="3">4</td><td rowspan="2">Masahiko Suzuki
(August 9, 1957)

[New appointment]</td><td>April 1982

August 2011
April 2012
November 2013

</td><td>Joined The Sanwa Bank, Limited.
(now MUFG Bank, Ltd.)
Joined NSD
General Manager, Corporate Planning Department, Corporate Planning Division
Executive Officer
Chief General Manager, Corporate Planning Division
(Present Position)</td><td>5,760</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Director]</td></tr>
<tr><td colspan="4">Mr. Masahiko Suzuki has sufficient experience and a proven track record with respect to the business execution in our Corporate Planning Division. This, together with his insight for management, will enable him to execute business, make decisions, and supervise the activities of management as a Director 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 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.
(Retired in June 2011)
Representative Director and Deputy President,
The Senshu Ikeda Bank, Ltd.
(Retired in June 2011)
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
3 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. seven (7) years ago. Furthermore, during the fiscal year ended March 2018, Our Company’s group had no sales to 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) [Reappointment] [Candidate for Outside Director] [Independent Officer]	April 1974 Joined The Sanwa Bank, Limited. (now MUFG Bank, Ltd.) July 2004 Executive Officer, In Charge of Risk Management Division, Compliance Division, UFJ Holdings, Inc. (now Mitsubishi UFJ Financial Group, Inc.) (Retired in May 2005) June 2005 Outside Director (Chairman and Director), Kabu.com Securities Co., Ltd. (Retired in June 2010) June 2010 Outside Corporate Auditor, YUYO STEAMSHIP CO., LTD. (now JX Ocean Co., Ltd.) (Retired in March 2012) Outside Corporate Auditor, Osaka Securities Finance Co., Ltd. (now Japan Securities Finance Co., Ltd.) (Retired in July 2013) June 2012 Outside Corporate Auditor, Sanshin Co., Limited (Retired in June 2016) Outside Corporate Auditor, The Midori Kai Co., Ltd. (Retired in June 2017) June 2014 Outside Corporate Auditor, Namura Shipbuilding Co., Ltd. (Present Position) June 2017 Outside Director, NSD (Present Position)	100

Term of office as Outside Director at the close of this Ordinary General Meeting of Shareholders	Attendance of the meetings of the Board of Directors
1 year	12/12 (100%)

[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. thirteen (13) 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 2018, the sales from Our Company's group accounted for an extremely small portion of sales (less than 0.2%) in the sales results of The Midori Kai Co., Ltd., a company from which Mr. Kimiou Yamashita retired as an Outside Corporate Auditor in June 2017.

(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. As of the close of this Ordinary General Meeting of Shareholders, Mr. Shoichi Ogawa and Mr. Kimiou Yamashita will have held their positions as Outside Directors for three (3) years and one (1) year respectively.

3. Our Company entered into a liability limitation agreement with Mr. Shoichi Ogawa and Mr. Kimiou Yamashita. When Mr. Shoichi Ogawa and Mr. Kimiou Yamashita assume Directors under this agenda item, such agreement will continue to be in effect. 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.

4. Our Company has registered Mr. Shoichi Ogawa and Mr. Kimiou Yamashita as Independent Officers with Tokyo Stock Exchange, Inc.

Proposal 2: Election of One (1) Audit & Supervisory Board Member

As the term of Audit & Supervisory Board Member, Mr. Isao Ono will expire at the close of this Ordinary General Meeting of Shareholders. The Board proposes that one (1) Audit & Supervisory Board Member be elected. This proposal has already gained the consent of the Audit & Supervisory Board.

The candidate is as follows.

Name (Date of Birth)	Resume, Position and Responsibility in Our Company and Principal Concurrent Positions		Number of shares of the Company Owned
Shingo Oda (November 8 1944) [New appointment] [Candidate for Outside Audit & Supervisory Board Member] [Independent Officer]	July 1970 January 1997 May 2005 April 2008 June 2008	Joined Yokogawa-Hewlett-Packard Company (now Hewlett-Packard Japan, Ltd.) Director, Yokogawa-Hewlett-Packard Company Representative Director and President Hewlett-Packard Japan, Ltd. (Retired in October 2007) Outside Director, IT Holdings Corporation (now TIS Inc.) (Retired in June 2017) Outside Director, Internet Initiative Japan Inc. (Present Position)	-
[Reasons for the appointment as a candidate for Outside Audit & Supervisory Board Member]			
Mr. Shingo Oda has sufficient experience and knowledge as a member of management of information technology companies and has great insight and capability for supervision so that he can render high-quality advice on the auditing of Our Company's business and management as well as at the meetings of the Board of Directors.			
[Supplementary explanations regarding independence]			
Our Company believes that Mr. Shingo Oda is suitable to appropriately perform his duty from independent standpoint as an Outside Audit & Supervisory Board Member for the following reasons: (1) Mr. Shingo Oda retired from the Representative Director and President of Hewlett-Packard Japan, Ltd. eleven (11) years ago. (2) During the fiscal year ended March 2018, the sales from Our Company's group accounted for an extremely small portion of sales (less than 0.1%) in the consolidated sales results of TIS Inc., a company from which Mr. Shingo Oda retired as an Outside Director in June 2017. (3) During the fiscal year ended March 2018, the sales from Our Company's group accounts for an extremely small portion of sales (less than 0.1%) in the sales results of Internet Initiative Japan Inc. for which Mr. Shingo Oda currently serves as an Outside Director.			

(Notes)

1. Mr. Shingo Oda is a candidate for Outside Audit & Supervisory Board Member to be newly appointed. Mr. Oda has no special interests in Our Company.

2. When Mr. Shingo Oda assumes an Audit & Supervisory Board Member 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.

3. When Mr. Shingo Oda assumes an Audit & Supervisory Board Member under this agenda item, our Company will register him as an Independent Officer with Tokyo Stock Exchange, Inc.

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