Security code: 9759
June 3, 2019

To Our Shareholders

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

NOTICE OF CONVOCATION OF THE 50th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to notify you that the 50th 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 25, 2019
   (The reception is scheduled to open at 8:30 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 50th fiscal year (from April 1, 2018 to March 31, 2019)

   2. Report on non-consolidated financial statements for the 50th fiscal year (from April 1, 2018 to March 31, 2019)

   Matters to be resolved

   Item 1 Election of Six (6) Directors
   Item 2 Election of One (1) Audit & Supervisory Board Member

Note: This is unofficial translation of the Japanese Language original version, and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of information. The Japanese original version of the report is the sole official version.

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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	15/15 (100%)
2	Reappointment Hideshi Maekawa	Director, Senior Managing Executive Officer Chief General Manager, Corporate Service Division	15/15 (100%)
3	Reappointment Osamu Yamoto	Director, Senior Managing Executive Officer COO, Responsible for Development Support Division	15/15 (100%)
4	Reappointment Masahiko Suzuki	Director & Executive Officer Chief General Manager, Corporate Planning Division	11/11 (100%)
5	New appointment Outside Independent Kumiko Jinnouchi	—	—
6	Reappointment Outside Independent Kimiou Yamashita	Outside Director	15/15 (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. Masahiko Suzuki was appointed as a Director at the 49th Ordinary General Meeting of Shareholders held on June 26, 2018, 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 eleven (11).

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)	106,200
		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)	
	Attendance of the meetings of the Board of Directors		15/15 (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 June 2018 Director, Senior Managing Executive Officer Chief General Manager, Corporate Administration Division April 2019 Director, Senior Managing Executive Officer Chief General Manager, Corporate Service Division (Present Position)	40,520
	Attendance of the meetings of the Board of Directors	15/15 (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 colspan="2">April 1987 Joined NSD
February 2004 General Manager, Systems Sales Division 5 Department 1
September 2007 Executive Officer
Chief General Manager, Systems Division 5
April 2014 Senior Executive Officer
COO, Public & Telecommunication Business Division
June 2014 Director & Senior Executive Officer
COO, Public & Telecommunication Business Division
June 2016 Managing Director
COO, Public & Telecommunication Business Division
Senior General Manager, Business Sales Division
June 2017 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
April 2018 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
April 2019 Director, Senior Managing Executive Officer
COO, Responsible for Development Support Division
(Present Position)</td><td>24,490</td></tr>
<tr><td colspan="2">Attendance of the meetings of the Board of Directors</td><td>15/15 (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="4">4</td><td rowspan="2">Masahiko Suzuki
(August 9, 1957)

[Reappointment]</td><td colspan="2">April 1982 Joined The Sanwa Bank, Limited.
(now MUFG Bank, Ltd.)
August 2011 Joined NSD
April 2012 General Manager, Corporate Planning Department, Corporate Planning Division
November 2013 Executive Officer
Chief General Manager, Corporate Planning Division
June 2018 Director & Executive Officer
Chief General Manager, Corporate Planning Division
(Present Position)</td><td>6,960</td></tr>
<tr><td colspan="2">Attendance of the meetings of the Board of Directors</td><td>11/11 (100%)</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 as a Director, enables him to continue executing business, making decisions and supervising the activities of management appropriately.</td></tr>
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<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="5">5</td><td rowspan="2">Kumiko Jinnouchi
(February 16, 1967)

[New appointment]
[Candidate for Outside Director]
[Independent Officer]</td><td>April 1989</td><td>Joined The Sanwa Bank, Limited.
(now MUFG Bank, Ltd.)
(Retired in June 1995)</td><td rowspan="2">-</td></tr>
<tr><td>January 2002
January 2014

October 2014

October 2018</td><td>Registered as an attorney-at-law (Dai-ni Tokyo Bar Association)
Established Jinnouchi Law Offices
Representative Attorney-at-law
(Present Position)
Outside Audit & Supervisory Board Member, Birth 47 CO., LTD.
(Present Position)
Outside Director, World Tool CO., LTD.
(Present Position)</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Outside Director]</td></tr>
<tr><td colspan="4">Although Ms. Kumiko Jinnouchi has not been involved in corporate management other than as an Outside Director or Outside Auditor, Our Company believes that, with her sufficient experience and expertise in overall legal affairs as an attorney-at-law, she can render high-quality advice on Our Company’s business and management on the Board of Directors, and thus proposes her election as an Outside Director.</td></tr>
<tr><td colspan="4">[Supplementary explanations regarding independence]</td></tr>
<tr><td colspan="4">Our Company’s group has not concluded an advisory agreement with Jinnouchi Law Offices for which Ms. Kumiko Jinnouchi herself serves as the Representative Attorney-at-law, and had no payment of fees to Jinnouchi Law Offices during the fiscal year ended March 2019. Therefore, Our Company believes that Ms. Kumiko Jinnouchi is suitable to appropriately perform her duty from independent standpoint 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.)	400
		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)	

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
2 years	15/15 (100%)

[Reasons for the appointment as a candidate for Outside Director]

Mr. Kimiou Yamashita has sufficient experience and knowledge as an Executive Officer in charge of risk management and compliance at a financial institution and has great insight and capability for supervision. Our Company believes that he can render high-quality advice on Our Company's business and management on the Board of Directors, and thus proposes his election as an Outside Director.

[Supplementary explanations regarding independence]

Mr. Kimiou Yamashita retired from the Executive Officer of Mitsubishi UFJ Financial Group, Inc.(＊) fourteen (14) years ago. In addition, he has not been involved in its management or business execution since his retirement. Therefore, Our Company believes that Mr. Kimiou Yamashita is suitable to appropriately perform his duty from independent standpoint as an Outside Director.

(＊) During the fiscal year ended March 2019, the sales from Our Company's group accounted for an extremely small portion of sales (less than 1%) in the consolidated sales results of Mitsubishi UFJ Financial Group, Inc.

(Notes)

1. Ms. Kumiko Jinnouchi and Mr. Kimiou Yamashita are candidates for Outside Directors. Ms. Kumiko Jinnouchi and Mr. Kimiou Yamashita have no special interests in Our Company.

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

3. Our Company entered into a liability limitation agreement with Mr. Kimiou Yamashita. When Mr. Kimiou Yamashita assumes a Director under this agenda item, such agreement will continue to be in effect. When Ms. Kumiko Jinnouchi assumes a Director under this agenda item, Our Company will enter into a liability limitation agreement with her. 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. Kimiou Yamashita as an Independent Officer with Tokyo Stock Exchange, Inc. When Ms. Kumiko Jinnouchi assumes a Director under this agenda item, our Company will register her as an Independent Officer with the Exchange.

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

As the term of Audit & Supervisory Board Member, Mr. Takashi Kawashima 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
Norio Hashizume (December 4, 1952) [New appointment] [Candidate for Outside Audit & Supervisory Board Member] [Independent Officer]	April 1975	Joined Nippon Kogaku K.K. (now NIKON CORPORATION)	-
	June 2003	General Manager of Financing & Accounting Department	
	June 2005	Operating Officer General Manager of Financing & Accounting Department	
	June 2009	Director, Member of the Board, Operating Officer General Manager of Financing & Accounting Department	
	June 2010	Director, Member of the Board, Executive Officer General Manager of Finance & Accounting Headquarters	
	June 2015	Standing Corporate Auditor	
	June 2016	Director Full-time Audit and Supervisory Committee Member	
	June 2017	Counselor (Present Position)	
[Reasons for the appointment as a candidate for Outside Audit & Supervisory Board Member]			
Mr. Norio Hashizume has sufficient experience and knowledge as a member of management and Corporate Auditor of a manufacturing company and has great insight and capability for supervision. Our Company believes 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, and thus proposes his election as an Outside Audit & Supervisory Board Member.			
[Supplementary explanations regarding independence]			
Mr. Norio Hashizume retired from the Director, Full-time Audit and Supervisory Committee Member of NIKON CORPORATION(＊) two (2) years ago. In addition, he has not been involved in its management or business execution since his retirement. Therefore, Our Company believes that he is suitable to appropriately perform his duty from independent standpoint as an Outside Audit & Supervisory Board Member. (＊) During the fiscal year ended March 2019, Our Company's group had no sales to NIKON CORPORATION's group.			

(Notes)

1. Mr. Norio Hashizume is a candidate for Outside Audit & Supervisory Board Member. Mr. Hashizume has no special interests in Our Company.

2. When Mr. Norio Hashizume 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. Norio Hashizume 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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