Security code: 9759
June 2, 2021

To Our Shareholders

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

NOTICE OF CONVOCATION OF THE 52nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to notify you that the 52nd Ordinary General Meeting of Shareholders will be held as stated below.

To prevent the spread of the novel coronavirus disease (COVID-19) infection at the venue of the General Meeting of Shareholders, shareholders are advised not to attend this General Meeting of Shareholders, and instead exercise their 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:** 11:00 a.m., Thursday, June 24, 2021
   (The reception is scheduled to open at 10:00 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

   Report on business report, consolidated financial statements, non-consolidated financial statements, and audit results of consolidated financial statements by the independent auditor and the Audit & Supervisory Board for the 52nd fiscal year (from April 1, 2020 to March 31, 2021)

   Matters to be resolved

   Item 1 Election of Six (6) Directors

   Item 2 Determining Compensation for Granting Restricted Shares to Directors

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 three (3) 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	8/8 (100%)
2	Reappointment Hideshi Maekawa	Director, Senior Managing Executive Officer Chief General Manager, Corporate Service Division Chief General Manager, Corporate Planning Division	8/8 (100%)
3	Reappointment Osamu Yamoto	Director, Senior Managing Executive Officer COO, Responsible for Development Support Division	8/8 (100%)
4	Reappointment Outside Independent Atsuhiro Kawamata	Outside Director	7/7 (100%)
5	Reappointment Outside Independent Kumiko Jinnouchi	Outside Director	8/8 (100%)
6	New appointment Outside Independent Toru Takeuchi	-	-

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. Atsuhiro Kawamata was appointed as a Director at the 51st Ordinary General Meeting of Shareholders held on June 25, 2020, the number of meetings of the Board of Directors held during her term in office differs from the number for the other Directors. The number of the meetings held after her appointment is seven (7).

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)	224,700
		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		8/8 (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	88,440
		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	
		June 2020	Director, Senior Managing Executive Officer Chief General Manager, Corporate Service Division Chief General Manager, Corporate Planning Division (Present Position)	
	Attendance of the meetings of the Board of Directors		8/8 (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 our corporate service division and 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.			

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in Our Company and Principal Concurrent Positions		Number of shares of the Company Owned
3	Osamu Yamoto (February 20, 1963) [Reappointment]	April 1987	Joined NSD	56,780
		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)	
	Attendance of the meetings of the Board of Directors		8/8 (100%)	
	[Reasons for the appointment as a candidate for Director]			
	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.			

<table>
<tr><td>Candidate No.</td><td>Name
(Date of Birth)</td><td colspan="2">Resume, Position and Responsibility in Our Company
and Principal Concurrent Positions</td><td>Number of shares of the Company Owned</td></tr>
<tr><td rowspan="5">4</td><td rowspan="2">Atsuhiro Kawamata
(August 14, 1961)

[Reappointment]
[Candidate for Outside Director]
[Independent Officer]</td><td>April 1984
November 2005
July 2008
January 2015

January 2019
January 2020
June 2020</td><td>Joined Japan Tobacco Inc. (JT)
Director, Business Planning department, Food Business Division
Senior Vice President, Head of China Division, Tobacco Business Headquarters
President & CEO, TableMark Holdings Co., Ltd.
(Retired in December 2018)
President & CEO, TableMark Co., Ltd.
(Retired in December 2018)
Senior Vice President, Head of Food Business, Food Business Planning Division, JT
Advisor, Food Business (Present Position)
Outside Director, NSD (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</td><td colspan="2">Attendance of the meetings of the Board of Directors</td></tr>
<tr><td colspan="2">1 year</td><td colspan="2">7/7 (100%)</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Outside Director and outline of roles expected]</td></tr>
<tr><td colspan="4">Mr. Atsuhiro Kawamata has sufficient experience and great insight into management gained in Japan and overseas as a Senior Vice President of a manufacturing company and as a member of management of a subsidiary, and has high capability for supervision. Our Company believes that our corporate governance will be further reinforced with his advice for the Board of Directors and the Governance Committee from an objective, extensive and highly professional viewpoint leveraging his experience and expertise. Thus, Our Company proposes his 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 no business relationship with JT’s group companies (including TableMark Holdings Co., Ltd.) during the fiscal year ended March 2021. Therefore, Our Company believes that Mr. Atsuhiro Kawamata is suitable to appropriately perform his duty from an independent standpoint as an Outside Director.</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="6">5</td><td rowspan="6">Kumiko Jinnouchi
(February 16, 1967)

[Reappointment]
[Candidate for Outside Director]
[Independent Officer]</td><td>April 1989</td><td>Joined The Sanwa Bank, Limited.
(now MUFG Bank, Ltd.)</td><td rowspan="6">400</td></tr>
<tr><td></td><td>(Retired in June 1995)</td></tr>
<tr><td>January 2002</td><td>Registered as an attorney-at-law (Dai-ni Tokyo Bar Association)</td></tr>
<tr><td>January 2014</td><td>Established Jinnouchi Law Offices
Representative Attorney-at-law
(Present Position)</td></tr>
<tr><td>October 2014</td><td>Outside Audit & Supervisory Board Member, Birth 47 CO., LTD.
(Present Position)</td></tr>
<tr><td>June 2019</td><td>Outside Director, NSD
(Present Position)</td></tr>
<tr><td colspan="3">Term of office as Outside Director at the close of this Ordinary General Meeting of Shareholders</td><td colspan="2">Attendance of the meetings of the Board of Directors</td></tr>
<tr><td colspan="3">2 years</td><td colspan="2">8/8 (100%)</td></tr>
<tr><td colspan="5">[Reasons for the appointment as a candidate for Outside Director and outline of roles expected]</td></tr>
<tr><td colspan="5">Although Ms. Kumiko Jinnouchi has not been involved in corporate management other than as an Outside Director or Outside Auditor, she has sufficient experience and expertise in overall legal affairs as an attorney-at-law. Our Company believes that our corporate governance will be further reinforced with her advice for the Board of Directors and the Governance Committee from an objective, extensive and highly professional viewpoint leveraging her experience and expertise. Thus, Our Company proposes her election as an Outside Director.</td></tr>
<tr><td colspan="5">[Supplementary explanations regarding independence]</td></tr>
<tr><td colspan="5">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 2021. Therefore, Our Company believes that Ms. Kumiko Jinnouchi is suitable to appropriately perform her duty from an independent standpoint as an Outside Director.</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="4">6</td><td>Toru Takeuchi
(January 1, 1959)

[New appointment]
[Candidate for Outside Director]
[Independent Officer]</td><td>April 1981
April 2002

June 2010

June 2011

June 2014

June 2015

June 2018</td><td>Joined Nitto Denko Corporation
General Manager of Accounting & Finance Department
Vice President, General Manager of Corporate Accounting Division
Director, Vice President, General Manager of Corporate Accounting Division
Director, Senior Vice President, General Manager of Corporate Sector
Director, Executive Vice President, General Manager of Corporate Strategy Sector
Director, Senior Executive Vice President (Retired in June 2020)</td><td>-</td></tr>
<tr><td colspan="4">[Reasons for the appointment as a candidate for Outside Director and outline of roles expected]</td></tr>
<tr><td colspan="4">Mr. Toru Takeuchi has sufficient experience and great insight into management gained in Japan and overseas as a member of management of a manufacturing company, and has high capability for supervision. Our Company believes that our corporate governance will be further reinforced with his advice for the Board of Directors and the Governance Committee from an objective, extensive and highly professional viewpoint leveraging his experience and expertise. Thus, Our Company proposes his 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 no business relationship with Nitto Denko Corporation’s group companies during the fiscal year ended March 2021. Therefore, Our Company believes that Mr. Toru Takeuchi is suitable to appropriately perform his duty from an independent standpoint as an Outside Director.</td></tr>
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[Special matters regarding candidates for Directors]
(Notes)

1. The candidates have no special interests in Our Company.

2. Mr. Atsuhiro Kawamata, Ms. Kumiko Jinnouchi, and Mr. Toru Takeuchi are candidates for Outside Directors. As of the close of this Ordinary General Meeting of Shareholders, Mr. Atsuhiro Kawamata and Ms. Kumiko Jinnouchi will have held their positions as Outside Directors for one (1) year and for two (2) years, respectively.

3. Our Company entered into liability limitation agreements with Mr. Atsuhiro Kawamata and Ms. Kumiko Jinnouchi. When each of them assumes a Director under this agenda item, such agreement will continue to be in effect. When Mr. Toru Takeuchi 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.

4. Our Company has entered into Directors and Officers Liability Insurance Agreement to insure its Directors and Audit & Supervisory Board Members. The agreement covers damages that may arise due to the insured assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. The insurance premiums are fully borne by Our Company. If election of the candidates is approved at this General Meeting of Shareholders, each candidate will be insured under the said insurance agreement. Our Company plans to renew the insurance agreement during the term of office of each candidate.

5. Our Company has registered Mr. Atsuhiro Kawamata and Ms. Kumiko Jinnouchi as Independent Officers with Tokyo Stock Exchange, Inc. When Mr. Toru Takeuchi assumes a Director under this agenda item, Our Company will register him as an Independent Officer with the Exchange.

Proposal 2: Determining Compensation for Granting Restricted Shares to Directors

The Company proposes a compensation plan ("Proposal") granting Directors excluding outside directors ("Eligible Directors") common shares subject to certain restrictions on transfer and gratis acquisition of allotted shares by the Company ("restricted shares"). It aims to incentivize Eligible Directors to continuously improve the Company's corporate value and promote further shared value with shareholders.

The 45th Ordinary General Meeting of Shareholders on June 26, 2014 approved annual compensation for Directors of 420 million yen or less including bonuses.

We now seek approval of compensation within the present framework for allotment of restricted shares to Eligible Directors.

If Proposal 1 is approved, the number of directors will remain unchanged at six, consisting of three outside directors and three Eligible Directors.

1. Allotment and payment of restricted shares

Under the Proposal, based on a Board of Directors resolution, Eligible Directors will be provided pecuniary compensation claims as compensation for restricted shares within the amount listed above. Eligible Directors will receive an allotment of restricted shares by making in-kind contribution for all pecuniary compensation claims. However, the total pecuniary compensation claims paid as compensation for restricted shares shall not exceed 60 million yen per year.

The Board of Directors will determine the amount paid for the restricted shares based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the Board of Directors resolution (the closing price on the last transaction day if no transaction on such date) to an extent not unduly advantageous to Eligible Directors subscribing to the restricted shares.

In addition, the compensation will be paid only on condition that the Eligible Directors agree to the in-kind contribution and conclude an agreement including the details in 3 below.

2. Total number of restricted shares

The number of common shares to be allotted to Eligible Directors will be 40,000 or less per year. That number may be adjusted to a reasonable extent if necessitated by a stock split, stock consolidation or other factor.

3. Restricted Stock Allotment Agreement

The Company and Eligible Directors will conclude a Restricted Stock Allotment Agreement ("Agreement") consisting of the following terms.

(1) Transfer restriction period

An Eligible Director receiving restricted shares shall not under any circumstances dispose of the shares to a third party, including but not limited to transfers, creation of a pledge, creation of collateral rights, gifting before death, and bequests, from the day the shares are allotted until the day that the Eligible Director retires from any position of director, executive officer or the equivalent ("Executive Position").

(2) Removal of transfer restrictions

The Company will lift transfer restrictions for all restricted shares upon the expiration of the transfer restriction period, provided that the Eligible Director has remained in an Executive Position continuously throughout the transfer restriction period.

However, if the Eligible Director retires from an Executive Position during the transfer restriction period due to death or other reason deemed appropriate by the Board, the number of relevant shares and timing of the removal of restrictions may be adjusted to a reasonable extent as needed.

(3) Gratis acquisition of allotted shares

If the Eligible Director retires from an Executive Position prior to the expiration of the transfer restricted period for any reason other than the justifiable reasons listed in (2) above or for other reasons listed in the Agreement, the Company will justifiably acquire all of the allotted shares without consideration.

(4) Treatment in organizational restructuring

In the case of an organizational restructuring during the transfer restriction period that is approved at General Meeting of Shareholders (or Board of Directors meeting if shareholder approval is not required) – e.g., a merger agreement in which the Company is extinguished, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other cases – the Company will lift the transfer restrictions prior to the effective date of the reorganization, pursuant to a Board resolution, for the allotted shares in a number reasonably determined based on the period from the starting date of the restricted period to the day that the reorganization is approved. In such case, the Company will justifiably acquire the restricted shares without consideration immediately after the transfer restrictions are lifted.

(5) Other matters

The methods for indication of intention and notification in the Agreement, the method for amending the Agreement, and any other matters stipulated by the Board of Directors shall be stipulated in the Agreement.

4. Reasons for allocating restricted shares

We believe this Proposal will incentivize Eligible Directors to continuously improve corporate value and will be an effective means for sharing value with shareholders. The dilution rate is miniscule as the restricted shares to be allotted each fiscal year (maximum volume) will account for a mere 0.05% of outstanding shares (excluding treasury share). As such, we consider the allotment of restricted shares an appropriate method.

If this Proposal is approved, we intend to revise the “Policy on Director and Executive Officer Compensation” so that it is consistent with these contents, and will determine the stock compensation contents, calculation method, payment period and other details.

Reference

If the Proposal is approved at the General Meeting of Shareholders, the Company will allot similar restricted shares to executive officers and those in equivalent position along with Eligible Directors.