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Securities identification code: 3794

June 8, 2016

To our shareholders:

Hiroshi Sato  
Representative Director and President  
**ND Software Co., Ltd.**  
3369 Wada, Nanyo, Yamagata Prefecture

## **NOTICE OF THE 37TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 37th Ordinary General Meeting of Shareholders of ND Software Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail.

Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 6 p.m., Thursday, June 23, 2016 (Japan Standard Time).

### **Meeting Details**

- 1. Date and time:** Friday, June 24, 2016 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Headquarters conference room, ND Software Co., Ltd.  
3369 Wada, Nanyo, Yamagata Prefecture
- 3. Purposes:**
  - Items to be reported:**
    1. Business Report and Consolidated Financial Statements for the 37th Term (from April 1, 2015 to March 31, 2016), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
    2. Non-Consolidated Financial Statements for the 37th Term (from April 1, 2015 to March 31, 2016)
  - Items to be resolved:**
    - Proposal 1:** Appropriation of surplus
    - Proposal 2:** Partial amendments to the Articles of Incorporation
    - Proposal 3:** Election of eight (8) Directors
    - Proposal 4:** Election of one (1) Audit & Supervisory Board Member
    - Proposal 5:** Payment of retirement benefits to the retiring Director
    - Proposal 6:** Payment of bonuses to Directors and Audit & Supervisory Board Member

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

The Company proposes that surplus be appropriated in the manner stated below.

Matters related to year-end dividends

The Company proposes the year-end dividends for the 37th Term as follows, taking into consideration the financial results for the Term, business development going forward, and other factors:

- (1) Type of dividend property  
Cash
- (2) Allocation of dividend property and total amount thereof  
10 yen per common share of the Company  
Total amount of dividends: 175,888,340 yen
- (3) Effective date of distribution of dividends of surplus  
June 27, 2016

### Proposal 2: Partial amendments to the Articles of Incorporation

#### 1. Reason for the proposal

The Company proposes that service businesses be added to the current Article 2 of the Articles of Incorporation in order to clarify the nature of the Company's businesses in line with their status and allow for business diversification.

#### 2. Details of the amendments

The details of the changes are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses:	(Purpose) Article 2. (Unchanged)
(1) to (5) (Omitted)	(1) to (5) (Unchanged)
(6) Welfare service business for persons with disabilities and transportation support business pursuant to the <u>Services and Supports for Persons with Disabilities Act</u> ;	(6) Welfare service business for persons with disabilities and transportation support business pursuant to the <u>Act on Comprehensive Support for Persons with Disabilities</u> ;
(7) (Omitted)	(7) (Unchanged)
(8) <u>Nonlife insurance agency business</u> ;	(8) <u>Agency business handling nonlife insurance and business related to selling life insurance</u> ;
(9) to (11) (Omitted)	(9) to (11) (Unchanged)
(Newly established)	(12) <u>Sale of food, beverages, pharmaceuticals, household supplies, and other items</u> ;
(Newly established)	(13) <u>Online information services using the Internet and other technologies</u> ;
(Newly established)	(14) <u>Online shopping business, as well as online market research, promotion, advertising, and such, using the Internet and other technologies</u> ;
(12) (Omitted)	(15) (Unchanged)

### Proposal 3: Election of eight (8) Directors

Director Shunji Yamashina has recently resigned and, at the conclusion of this meeting, the terms of office will expire for Directors Hiroshi Sato, Seiji Aoki, Shigemi Taira, Satoshi Ono, Noboru Tsukada, Kiyoteru Kobayashi, Yoshihiro Inukai, and Hiroshi Sasaki. Accordingly, the Company proposes that eight (8) Directors be elected.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hiroshi Sato (March 24, 1948)	<p>September 1979 Founded Nitto Denshi Co., Ltd. (presently the Company) as Representative Director (present position).</p> <p>November 1983 Founded the former ND Software Co., Ltd. as Representative Director.</p> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director and Chairman, Nippon Care Communications Co., Ltd.</p> <p>Representative Director and Chairman, Nippon Computer Systems Corporation</p> <p>Representative Director, Medipass Inc.</p> <p>Representative Director, Knowledge Management for Care Institute Co., Ltd.</p> <p>[Reason for selection as candidate for Director]</p> <p>Hiroshi Sato has demonstrated outstanding leadership as the Company's cofounder and chief executive, drawing on his wealth of management experience and broad expertise. He is also familiar with many divisions including sales. Based on these and other factors, the Company believes that he has the experience and competence required of a Director.</p>	500,000

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Seiji Aoki (September 8, 1947)	<p>September 1979 Founded Nitto Denshi Co., Ltd. (presently the Company) as Senior Managing Director (present position).</p> <p>November 1983 Founded the former ND Software Co., Ltd. as Senior Managing Director.</p> <p>April 2015 Senior Managing Director and General Manager of Nursing Care Business Department of the Company (present position)</p> <p>February 2016 Senior Managing Director and General Manager of Corporate Planning Department of the Company (present position)</p> <p>[Reason for selection as candidate for Director] Seiji Aoki has demonstrated outstanding leadership as the Company's cofounder and key executive, drawing on his broad expertise and wealth of experience in various internal divisions that include corporate planning and finance. Based on these and other factors, the Company believes that he has the experience and competence required of a Director.</p>	459,600
3	Shigemi Taira (June 1, 1960)	<p>April 1991 Joined the former ND Software Co., Ltd.</p> <p>June 2002 Director and General Manager of Sales Department of the Company</p> <p>June 2009 Director and General Manager of Systems Department of the Company</p> <p>April 2015 Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Audit &amp; Supervisory Board Member, Nippon Computer Systems Corporation Managing Director, Knowledge Management for Care Institute Co., Ltd.</p> <p>[Reason for selection as candidate for Director] Shigemi Taira has a wealth of experience in the fields of product development and sales, and currently performs business management duties as Director of the Company's subsidiary utilizing his high-level expertise. The Company therefore believes that he has the competence required of a Director.</p>	41,200

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Satoshi Ono (August 25, 1961)	<p>April 1998      Joined the former ND Software Co., Ltd.</p> <p>June 2006      Director and General Manager of Systems Support Department of the Company</p> <p>June 2009      Director and General Manager of Solutions Business Department of the Company</p> <p>April 2015      Director and General Manager of ICT Business Department of the Company (present position)</p> <p>August 2015    Director and General Manager of Solutions Business Department of the Company (present position)</p> <p>[Reason for selection as candidate for Director] Satoshi Ono has a wealth of experience in the fields of product development and sales. He has also demonstrated his leadership in supervising sales offices and in overseas operations. Based on these and other factors, the Company believes that he has the experience and competence required of a Director.</p>	34,400
5	Noboru Tsukada (April 15, 1958)	<p>April 2004      Joined the Company.</p> <p>June 2009      Director and General Manager of Corporate Planning Department of the Company</p> <p>February 2016   Director and General Manager of Business Partnership Office (present position)</p> <p>[Significant concurrent position outside the Company] Director, Nippon Computer Systems Corporation</p> <p>[Reason for selection as candidate for Director] Noboru Tsukada has long been engaged in work related to corporate planning and is currently responsible for overseeing the planning and formulation of new business strategies as General Manager of the Business Partnership Office. He has contributed to increasing the Company's corporate value, capitalizing on his wealth of experience and knowledge in planning. The Company therefore believes that he has the experience and competence required of a Director.</p>	11,200

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Kiyoteru Kobayashi (December 23, 1944)	<p>April 1967      Joined Sony Corporation.</p> <p>April 1998      Representative Director and President of Edutainment Co., Ltd.</p> <p>June 2004      Joined Nippon Care Communications Co., Ltd.</p> <p>June 2007      Representative Director and President of Nippon Care Communications Co., Ltd. (present position)</p> <p>June 2014      Director of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Representative Director and President, Nippon Care Communications Co., Ltd.</p> <p>[Reason for selection as candidate for Director] Kiyoteru Kobayashi has a wealth of management experience and broad expertise. The Company therefore believes that he has the experience and competence required of a Director.</p>	-
7	Yoshihiro Inukai (April 28, 1951)	<p>April 1975      Joined Mitsubishi Corporation.</p> <p>April 2003      Managing Director of Okaya Electronics Corp.</p> <p>November 2010      Joined the Company as General Manager of IT Business Department.</p> <p>October 2011      Representative Director and President of Nippon Computer Systems Corporation (present position)</p> <p>June 2014      Director of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Representative Director and President, Nippon Computer Systems Corporation</p> <p>[Reason for selection as candidate for Director] Yoshihiro Inukai has a wealth of experience in the overseas operations of a trading company, as well as management experience in the Company's group. The Company therefore believes that he has the experience and competence required of a Director.</p>	-

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Hiroshi Sasaki (June 8, 1953)	<p>April 1978      Joined Long-Term Credit Bank of Japan.</p> <p>August 2010    Joined Anabuki Construction Inc. as Acting Administrator.</p> <p>October 2011   Representative Director and President of Anabuki Construction Inc.</p> <p>April 2013      Special Adviser of J-Will Advance Co., Ltd. (present position)</p> <p>June 2014      Director of the Company (present position)</p> <p>[Significant concurrent position outside the Company] Special Adviser, J-Will Advance Co., Ltd.</p> <p>[Reason for selection as candidate for Outside Director] Hiroshi Sasaki has considerable knowledge in the finance, accounting, and international fields, having worked for a major financial institution for a long time. Since becoming the Company's Outside Director, he has provided valuable advice on its overall management, harnessing his long management experience and broad expertise. Based on these and other factors, the Company believes that he has the experience and competence required of an Outside Director.</p>	-

Notes:

1. There are no special interests between the candidates and the Company.
2. Hiroshi Sasaki is a candidate for Outside Director.
3. Hiroshi Sasaki currently serves as Outside Director of the Company and will have been in office for two years by the conclusion of this meeting.
4. To invite outside individuals who are independent of the Company and are of the highest caliber, the Company has established a rule whereby it may enter into an agreement with a Director (excluding executive Directors, etc.) to limit his or her liability for damages to the Company to a certain level. Hiroshi Sasaki has concluded a limited liability agreement with the Company in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act for the purpose of limiting his liability for damages stipulated in Article 423, Paragraph 1 of said act. If he is reelected, the Company will renew the agreement with him. The limits of liability for damages under the agreement are the minimum amounts prescribed by laws and regulations.
5. The Company has registered Hiroshi Sasaki as Independent Officer pursuant to the rules of the Tokyo Stock Exchange. If this proposal is approved and Hiroshi Sasaki takes office as Outside Director, he will continue to serve as Independent Officer.

#### Proposal 4: Election of one (1) Audit & Supervisory Board Member

At the conclusion of this meeting, the term of office for Audit & Supervisory Board Member Takashi Shibata will expire. Accordingly, the Company proposes that one (1) Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Takashi Shibata (December 16, 1946)	June 2008 Audit & Supervisory Board Member of the Company (present position)  [Significant concurrent positions outside the Company] Professor in charge of projects for Education and Student Support Department, Yamagata University Adviser, Yonezawa Shinkin Bank  [Reason for selection as candidate for Outside Audit & Supervisory Board Member] Takashi Shibata has a wealth of experience as a manager and specialized knowledge as a national university professor. The Company therefore believes that he has the experience and competence required of an Audit & Supervisory Board Member.	—

Notes:

1. There is no special interest between the candidate and the Company.
2. Takashi Shibata is a candidate for Outside Audit & Supervisory Board Member.
3. Takashi Shibata currently serves as Outside Audit & Supervisory Board Member of the Company and will have been in office for eight years by the conclusion of this meeting.
4. To invite outside individuals who are independent of the Company and are of the highest caliber, the Company has established a rule whereby it may enter into an agreement with an Audit & Supervisory Board Member to limit his or her liability for damages to the Company to a certain level. Takashi Shibata has concluded a limited liability agreement with the Company in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act for the purpose of limiting his liability for damages stipulated in Article 423, Paragraph 1 of said act. If he is reelected, the Company will renew the agreement with him. The limits of liability for damages under the agreement are the minimum amounts prescribed by laws and regulations.
5. The Company has registered Takashi Shibata as Independent Officer pursuant to the rules of the Tokyo Stock Exchange. If this proposal is approved and Takashi Shibata takes office as Outside Audit & Supervisory Board Member, he will continue to serve as Independent Officer.



**Proposal 5: Payment of retirement benefits to the retiring Director**

Director Shunji Yamashina resigned on May 31, 2016. Accordingly, the Company proposes the payment of retirement benefits to Shunji Yamashina to reward his service while in office, in accordance with the prescribed standards of the Company and within the applicable amount.

The Company requests that the specific amount, the timing of payment, the method of payment, etc., be at the discretion of the Board of Directors.

The career summary of the retiring Director is as follows:

Name	Career summary	
Shunji Yamashina	June 2014	Director of the Company
	April 2015	Managing Director of the Company
	May 2016	Resigned as Managing Director of the Company

**Proposal 6: Payment of bonuses to Directors and Audit & Supervisory Board Member**

The Company proposes that bonuses be paid to six (6) Directors (excluding the Outside Director) and one (1) Audit & Supervisory Board Member who were in office at the end of the 37th Term, in the total amount of 13.5 million yen (12.9 million yen for the Directors and 0.6 million yen for the Audit & Supervisory Board Member). This takes into account the amounts paid in the past, the financial results for the 37th Term, and other factors.