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Securities code: 3794

June 8, 2018

To our shareholders:

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

NOTICE OF THE 39TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 39th 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, 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. on Monday, June 25, 2018 (Japan Standard Time).

1. Date and Time: Tuesday, June 26, 2018 at 10:00 a.m. (Japan Standard Time)

2. Venue: ND Software Head Office
3369 Wada, Nanyo-shi, Yamagata Prefecture

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 39th Term (from April 1, 2017 to March 31, 2018), and the results of an audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. Non-Consolidated Financial Statements for the 39th Term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

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

Matters related to year-end dividends

The Company proposes the year-end dividends for the 39th Term as follows, taking into consideration the financial results for the Term, future business expansion, and other factors:

Furthermore, the Company marked the 40th anniversary from the foundation of its predecessor, Nitto Denshi Co., Ltd.

The Company decided to pay a commemorative dividend to express our appreciation to our shareholders.

(1) Type of dividend property:

Cash

(2) Allocation of dividend property and the total amount distributed:

12.5 yen per share of common stock (including the ordinary dividend of 10 yen and the 40th anniversary commemorative dividend of 2.5 yen)

Total amount: 220,407,925 yen

(3) Effective date of distribution:

June 27, 2018

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

The Company proposes that the purpose of businesses be added to the current Article 2 (Purpose) of the Articles of Incorporation in order to prepare for the business expansion and future business development.

In addition, we will establish a new title of “Director and Advisor” and make necessary amendments to the current Article 22 (Representative Directors and Directors with Special Titles), paragraph 2 of the Articles of Incorporation, in order to strengthen the group management system of the Company.

2. Details of the amendments

The details of the amendments are as follows:

This proposal will become effective at the conclusion of this Ordinary General Meeting of Shareholders.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
(Trade Name)	(Trade Name)
Article 1. (Omitted)	Article 1. (Unchanged)
(Purpose)	(Purpose)
Article 2.	Article 2.
The purpose of the Company shall be to engage in the following businesses:	The purpose of the Company shall be to engage in the following businesses:
(1) to (7) (Omitted)	(1) to (7) (Unchanged)
(Newly established)	<u>(8) Antique dealing</u>
<u>(8) to (12)</u> (Omitted)	<u>(9) to (13)</u> (Unchanged)
(Newly established)	<u>(14) Production, processing, and sales of plants and agricultural products; research, study and development that are related to production of plants and agricultural products; and sales of factory facilities, know-how and system</u>
<u>(13) to (15)</u> (Omitted)	<u>(15) to (17)</u> (Unchanged)
Article 3. to Article 21. (Omitted)	Article 3. to Article 21. (Unchanged)
(Representative Directors and Directors with Special Titles)	(Representative Directors and Directors with Special Titles)
Article 22.	Article 22.
1. The Board of Directors shall elect representative Directors by its resolution from Directors who are not Audit and Supervisory Committee Members.	1. The Board of Directors shall elect representative Directors by its resolution from Directors who are not Audit and Supervisory Committee Members.
2. The Board of Directors shall elect, by its resolution, one Director and President, one or a small number of Senior Managing Directors and Managing Directors from Directors who are not Audit and Supervisory Committee Members.	2. The Board of Directors shall elect, by its resolution, one Director and President, one or a small number of Senior Managing Directors, Managing Directors, <u>and Director and Advisors</u> from Directors who are not Audit and Supervisory Committee Members.
Article 23. to Article 39. (Omitted)	Article 23. to Article 39. (Unchanged)

Proposal 3: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The opinion of the Audit and Supervisory Committee concerning this proposal is as follows:

The Audit and Supervisory Committee discussed with Representative Director in regard to supervisory, execution and future direction of the Board of Directors, as well as the execution status of operations of candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members), etc., and accordingly gave consideration to the appointment of Directors (excluding Directors who are Audit and Supervisory Committee Members). Based on the composition of the Board of Directors, expertise, experience and track record of each candidate, the Audit and Supervisory Committee concluded that there was no particular objection to the selection of the candidates in this proposal.

Candidates for election as Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

as follows:

Candidate number	Name (Date of birth)	Brief Career summaries, position and responsibility (Significant concurrent positions)	Number of the Company shares held
1	Hiroshi Sato (March 24, 1948)	Sept. 1979 Founded Nitto Denshi Co., Ltd. (presently the Company) as Representative Director (to present)	505,200
		Nov. 1983 Founded the former ND Software Co., Ltd. as Representative Director [Significant concurrent positions] Representative Director and Advisor of Nippon Care Communications Co., Ltd. Representative Director and Chairman of Nippon Computer Systems Corporation Representative Director and Chairman of Medipass Inc. Representative Director and President of Knowledge Management for Care Institute Co., Ltd. Representative Director and Chairman of Alpha Foods Co., Ltd.	
[Reason for selection as a candidate for Director] Hiroshi Sato has demonstrated outstanding leadership as the Company’s cofounder and chief executive with his wealth of management experience and broad expertise. He is also familiar with many divisions including sales. Accordingly, he is nominated to continue as a candidate for Director.			
2	Seiji Aoki (September 8, 1947)	Sept. 1979 Founded Nitto Denshi Co., Ltd. (presently the Company) as Senior Managing Director (to present)	459,600
		Nov. 1983 Founded the former ND Software Co., Ltd. as Senior Managing Director Apr. 2015 Senior Managing Director and General Manager of Nursing Care Business Department of the Company (to present)	
[Reason for selection as a candidate for Director] Seiji Aoki has demonstrated outstanding leadership as the Company’s cofounder and key executive with his broad expertise and wealth of experience in various internal divisions that include corporate planning and finance. Accordingly, he is nominated to continue as a candidate for Director.			

Candidate number	Name (Date of birth)	Brief Career summaries, position and responsibility (Significant concurrent positions)		Number of the Company shares held
3	Satoshi Ono (August 25, 1961)	Apr. 1998	Joined the former ND Software Co., Ltd.	39,600
		Jun. 2006	Director and General Manager of Systems Support Department of the Company	
		Jun. 2009	Director and General Manager of Solutions Business Department of the Company	
		Apr. 2015	Director and General Manager of ICT Business Department of the Company	
		Aug. 2015	Director and General Manager of Solutions Business Department of the Company	
		July 2016	Managing Director and General Manager of Solutions Business Department of the Company (to present)	
[Reason for selection as a 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. Accordingly, he is nominated to continue as a candidate for Director.				
4	Shigemi Taira (June 1, 1960)	Apr. 1991	Joined the former ND Software Co., Ltd.	41,200
		Jun. 2002	Director and General Manager of Sales Department of the Company	
		Jun. 2009	Director and General Manager of Systems Department of the Company	
		Apr. 2015	Director of the Company	
		July 2016	Director in charge of Medical Health Care Group, Business Partnership Office of the Company	
		May 2018	Director in charge of Medical Health Care Department of the Company (to present)	
		[Significant concurrent positions] Audit & Supervisory Board Member of Nippon Computer Systems Corporation Managing Director of Knowledge Management for Care Institute Co., Ltd.		
[Reason for selection as a candidate for Director] Shigemi Taira has a wealth of experience in the fields of product development and sales. He currently sits on the board of subsidiaries for utilizing his high-level expertise. Accordingly, he is nominated to continue as a candidate for Director.				
5	Noboru Tsukada (April 15, 1958)	Apr. 2004	Joined the Company	16,400
		Jun. 2009	Director and General Manager of Corporate Planning Department of the Company	
		Feb. 2016	Director and General Manager of Business Partnership Office of the Company	
		May 2018	Director and General Manager of Public Business Department of the Company (to present)	
		[Significant concurrent positions] Director of Nippon Computer Systems Corporation Director of Alpha Foods Co., Ltd.		
[Reason for selection as a candidate for Director] Noboru Tsukada has long been engaged in work related to corporate planning. He is currently responsible for overseeing the planning and formulation of public service business as General Manager of the Public Business Department. He has contributed to increasing the Company’s corporate value, capitalizing on his wealth of experience and knowledge in planning. Accordingly, he is nominated to continue as a candidate for Director.				

Candidate number	Name (Date of birth)	Brief Career summaries, position and responsibility (Significant concurrent positions)		Number of the Company shares held
6	Yoshihiro Inukai (April 28, 1951)	Apr. 1975	Joined Mitsubishi Corporation	
		Apr. 2003	Managing Director of Okaya Electronics Corp.	
		Nov. 2010	Joined the Company as General Manager of IT Business Department	
		Oct. 2011	Representative Director and President of Nippon Computer Systems Corporation (to present)	
		Jun. 2014	Director of the Company (to present)	
		[Significant concurrent position]		
		Representative Director and President of Nippon Computer Systems Corporation		
	[Reason for selection as a candidate for Director] Yoshihiro Inukai has a wealth of experience in the overseas operations of a trading company, and management experience in the Company’s group. Accordingly, he is nominated to continue as a candidate for Director.			

Note: There is no special interest between the candidates and the Company.