

To Our Shareholders

We are pleased to notify you that the 56th Ordinary General Meeting of Shareholders will be held on Wednesday, June 25, 2025.

We hope that you will find this notice informative.

June 2025

Yoshikazu Imajo  
President & CEO, NSD Co., Ltd.

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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.

Security code: 9759

(Date sent) June 4, 2025

(Start date of measures for electronic provision) June 2, 2025

To Our Shareholders

NSD Co., Ltd.

2-101, Kanda-awajicho, Chiyoda-ku, Tokyo, Japan

Yoshikazu Imajo

President & CEO

NOTICE OF CONVOCATION OF  
THE 56th ORDINARY GENERAL MEETING OF  
SHAREHOLDERS

We are pleased to notify you that the 56th Ordinary General Meeting of Shareholders will be held as stated below.

The Company takes measures for electronic provision on the information contained in the Reference for the Ordinary General Meeting of Shareholders, etc. (the items subject to measures for electronic provision), and we post them on the Company's website on the Internet. Please access the following website to check the details.

The Company's website:

[https://www.nsd.co.jp/ir/kabu\\_material/oshirase.html](https://www.nsd.co.jp/ir/kabu_material/oshirase.html) (Full text of measures for electronic provision is available only in Japanese language)

In addition to the above, the items subject to measures for electronic provision are also posted on the Tokyo Stock Exchange (TSE) website. Access the "Listed Company Search" below, enter "NSD" in "Issue name (company name)" or "9759" in "Code" and select "Basic information" and "Documents for public inspection/PR information" in order to view.

"Listed Company Search"

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (Full text of measures for electronic provision is available only in Japanese language)

In the event that you exercise your voting rights in writing, or via the Internet, please take a time to examine the "Reference for the Ordinary General Meeting of Shareholders" (pages 4 through 17), 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., Wednesday, June 25, 2025  
(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** Report on business report, consolidated financial statements, non-consolidated financial statements, and audit results of consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 56th fiscal year (from April 1, 2024 to March 31, 2025)

### **Matters to be resolved**

- Proposal 1:** Election of Eight (8) Directors  
**Proposal 2:** Revision of Remuneration for Outside Directors

## 4. **Decisions on the Convocation**

The following items among the items subject to measures for electronic provision are not included in the document to be delivered to shareholders who have requested delivery of the document (document stating the items subject to measures for electronic provision) pursuant to the provisions of laws and regulations and the Articles of Incorporation of the Company. The subject documents that were audited by the Audit & Supervisory Board Members and Accounting Auditor included the following items.

### (i) Business Report

#### Matters Concerning the Current Status of the Group

- Issues to be Addressed
- Changes in Assets and Profit and Loss
- Principal Businesses
- Principal Offices
- Status of Employees
- Status of Principal Lenders
- Matters Concerning the Company's Stock

#### Matters Concerning the Company's Directors and Audit & Supervisory Board Members

- Matters concerning Outside Directors and Outside Audit & Supervisory Board Members
- Matters concerning Directors, Audit & Supervisory Board Members and Officers
- Liability Insurance Agreement
- Status of Accounting Auditors

- Corporate Structure and Policies
- (ii) Consolidated Financial Statements
  - Consolidated Statement of Changes in Equity
  - Notes on Consolidated Financial Statements
- (iii) Financial Statements
- (iv) Audit Report
  - Audit Report on Consolidated Financial Statements
  - Audit Report on Financial Statements

- In the event of any modifications to the items subject to measures for electronic provision, the Company will post such modifications on the Company's website and the TSE's website.

## Reference for the Ordinary General Meeting of Shareholders

### Proposals and References

#### Proposal 1: Election of Eight (8) Directors

The term of all eight (8) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Therefore, the Board proposes that eight (8) Directors including four (4) Outside Directors be elected.

The candidates are as follows.


Candidate No.	Name	Gender	Position and Responsibility in the Company	Attendance of the meetings of the Board of Directors
1	Yoshikazu Imajo 【Reappointment】	Male	President & CEO	15/15 (100%)
2	Osamu Yamoto 【Reappointment】	Male	Director, Senior Managing Executive Officer COO	15/15 (100%)
3	Hidetaka Kikawada 【Reappointment】	Male	Director, Managing Executive Officer Head of Innovation Strategy Business Unit In charge of Consulting Business Unit	15/15 (100%)
4	Mayuko Miike 【New appointment】	Female	Executive Officer Corporate Service Division In charge of Human Resources Department, General Affairs Department	—
5	Yuriko Kajiwara 【Reappointment】 【Outside】 【Independent】	Female	Outside Director	11/11 (100%)
6	Atsuhiro Kawamata 【Reappointment】 【Outside】 【Independent】	Male	Outside Director	15/15 (100%)
7	Kumiko Jinnouchi 【Reappointment】 【Outside】 【Independent】	Female	Outside Director	15/15 (100%)
8	Toru Takeuchi 【Reappointment】 【Outside】 【Independent】	Male	Outside Director	15/15 (100%)

【Reappointment】 : Candidate for Director to be reappointed


【New appointment】 : Candidate for Director to be newly appointed

【Outside】 : Candidate for Outside Director


【Independent】 : Independent Officer


Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in the 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)	258,919		
		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 & CEO of the Company, as well as his deep insight for management. Accordingly, the Company expects 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 the Company and Principal Concurrent Positions		Number of shares of the Company Owned
2	  Osamu Yamoto (February 20, 1963)  [Reappointment]	April 1987	Joined NSD	71,608
		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			
April 2018	Director, Senior Managing Executive Officer Chief General Manager, Business Headquarter (Present Position)			
Attendance of the meetings of the Board of Directors			15/15 (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, as well as his insight for management as a Director. Accordingly, the Company expects 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 the Company and Principal Concurrent Positions		Number of shares of the Company Owned
3	  Hidetaka Kikawada (May 18, 1973)  [Reappointment]	April 1998	Joined NSD	29,692
		April 2011	General Manager, Industry & Distribution Systems Business Unit Department 6	
		July 2015	Chairman & CEO, Chengdu Renbenxindong Technology Ltd.	
		April 2017	Executive Officer Chief General Manager, Public & Telecommunication Business Division 1	
		April 2018	Executive Officer Chief General Manager, Advanced Technology Promotion Division	
		April 2019	President & CEO, NSD Advanced Technology Research Institute Co., Ltd. (now NSD-DX Technology Co., Ltd.) (Present Position)	
		October 2021	Managing Executive Officer Head of Advanced Technology Strategic Business Unit	
		June 2022	Director, Managing Executive Officer Head of Advanced Technology Strategic Business Unit In charge of Market Development Business Division	
		April 2024	Director, Managing Executive Officer Head of Innovation Strategy Business Unit Chief General Manager, Enterprise Business Division	
		April 2025	Director, Managing Executive Officer Head of Innovation Strategy Business Unit In charge of Consulting Business Unit (Present Position)	
Attendance of the meetings of the Board of Directors			15/15 (100%)	
[Reasons for the appointment as a candidate for Director] Mr. Hidetaka Kikawada has sufficient experience and a proven track record with respect to the business execution of our system development division, technology strategic business division focused on digital transformation (DX) and AI, as well as our affiliated companies in Japan and abroad, as well as his insight for management as a Director. Accordingly, the Company expects 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 the Company and Principal Concurrent Positions	Number of shares of the Company Owned
4	 <p>Mayuko Miike (December 3, 1981)</p> <p>[New appointment]</p>	<p>April 2004      Joined STAFF SERVICE HOLDINGS CO., LTD. (Retired in February 2013)</p> <p>March 2013      Joined NSD</p> <p>April 2022      General Manager, Human Resources Department, Corporate Service Division</p> <p>April 2023      Executive Officer General Manager, Human Resources Department, Corporate Service Division</p> <p>April 2024      Executive Officer Corporate Service Division In charge of Human Resources Department, General Affairs Department (Present Position)</p>	8,020
<p>[Reasons for the appointment as a candidate for Director]</p> <p>Ms. Mayuko Miike has sufficient experience with respect to the business execution of our human resources department, along with her insight into human capital management and compliance. She also has experience in the general affairs department and has been involved in management as a Director of the Company's subsidiary. Accordingly, the Company expects her to appropriately carry out decision-making and supervision of management based on her broad experience and insight.</p>			

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in the Company and Principal Concurrent Positions		Number of shares of the Company Owned
5	  Yuriko Kajiwara (October 13, 1963)  [Reappointment] [Candidate for Outside Director] [Independent Officer]	April 1988	Joined Japan Broadcasting Corporation	400
		June 2017	Head of Programming Division, Osaka Station	
		June 2019	Director, Chiba Station	
		June 2021	Deputy Director, Secretariat for Board of Governors (Retired in March 2023)	
		June 2024	Outside Director, DAISUE CONSTRUCTION CO., LTD. (Present Position)	
		June 2024	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
		1 year		11/11 (100%)
[Reasons for the appointment as a candidate for Outside Director and outline of roles expected] Ms. Yuriko Kajiwara has great insight into social issues and sufficient experience in governance gained in the public broadcasting corporation. The Company believes that its 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. Ms. Yuriko Kajiwara has not been involved in corporate management other than as an Outside Director, but the Company believes, for the reason above, that she is suitable to appropriately perform her duty as an Outside Director.				
[Supplementary explanations regarding independence] The Company believes that Ms. Yuriko Kajiwara is suitable to appropriately perform her duty from an independent standpoint as an Outside Director because although the Company's group has business relationship for system development with Japan Broadcasting Corporation, which she worked for, the percentage of the transaction amount in the fiscal year ended March 31, 2025 was less than 0.06% of its business revenue and the consolidated net sales of the Company's group, which is immaterial and accordingly does not affect her independence.				

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in the Company and Principal Concurrent Positions		Number of shares of the Company Owned	
6	  Atsuhiro Kawamata (August 14, 1961)  [Reappointment] [Candidate for Outside Director] [Independent Officer]	April 1984	Joined Japan Tobacco Inc. (JT)	-	
		November 2005	Director, Business Planning Department, Food Business Division		
		July 2008	Senior Vice President, Head of China Division, Tobacco Business Headquarters		
		January 2015	President & CEO, TableMark Holdings Co., Ltd. (Retired in December 2018) President & CEO, TableMark Co., Ltd. (Retired in December 2018)		
		January 2019	Senior Vice President, Head of Food Business, Food Business Planning Division, JT		
		January 2020	Advisor, Food Business (Retired in December 2024)		
		June 2020	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
		5 years			15/15 (100%)
		[Reasons for the appointment as a candidate for Outside Director and outline of roles expected] Mr. Atsuhiro Kawamata 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. The Company believes that its 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.			
[Supplementary explanations regarding independence] The Company believes that Mr. Atsuhiro Kawamata is suitable to appropriately perform his duty from an independent standpoint as an Outside Director because the Company's group had no business relationship with JT's group companies (including TableMark Co., Ltd.) during the fiscal year ended March 2025.					

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in the Company and Principal Concurrent Positions		Number of shares of the Company Owned
7	  Kumiko Jinnouchi (February 16, 1967)  [Reappointment] [Candidate for Outside Director] [Independent Officer]	April 1989	Joined The Sanwa Bank, Limited. (now MUFG Bank, Ltd.)  (Retired in June 1995)	1,400
		January 2002	Registered as an attorney-at-law (Dai-ni Tokyo Bar Association)	
		January 2014	Established Jinnouchi Law Offices Representative Attorney-at-law (Present Position)	
		June 2019	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		
6 years		15/15 (100%)		
[Reasons for the appointment as a candidate for Outside Director and outline of roles expected] Ms. Kumiko Jinnouchi has sufficient experience and expertise in overall legal affairs as an attorney-at-law. The Company believes that its 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. Ms. Kumiko Jinnouchi has not been involved in corporate management other than as an Outside Director or Outside Audit & Supervisory Board Member, but the Company believes, for the reason above, that she is suitable to appropriately perform her duty as an Outside Director.				
[Supplementary explanations regarding independence] The Company believes that Ms. Kumiko Jinnouchi is suitable to appropriately perform her duty from an independent standpoint as an Outside Director because the 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 2025.				

Candidate No.	Name (Date of Birth)	Resume, Position and Responsibility in the Company and Principal Concurrent Positions		Number of shares of the Company Owned		
8	  Toru Takeuchi (January 1, 1959)  [Reappointment] [Candidate for Outside Director] [Independent Officer]	April 1981	Joined Nitto Denko Corporation	1,100		
		April 2002	General Manager of Accounting & Finance Department			
		June 2010	Vice President, General Manager of Corporate Accounting Division			
		June 2011	Director, Vice President, General Manager of Corporate Accounting Division			
		June 2014	Director, Senior Vice President, General Manager of Corporate Sector			
		June 2015	Director, Executive Vice President, General Manager of Corporate Strategy Sector			
		June 2018	Director, Senior Executive Vice President (Retired in June 2020)			
		June 2021	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	
		4 years			15/15 (100%)	
[Reasons for the appointment as a candidate for Outside Director and outline of roles expected] 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. The Company believes that its 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.						
[Supplementary explanations regarding independence] The Company believes that Mr. Toru Takeuchi is suitable to appropriately perform his duty from an independent standpoint as an Outside Director because the Company's group had no business relationship with Nitto Denko Corporation's group companies during the fiscal year ended March 2025.						

## Notes

1. The candidates have no special interests in the Company.
2. Ms. Yuriko Kajiwara, Mr. Atsuhiko Kawamata, Ms. Kumiko Jinnouchi, and Mr. Toru Takeuchi are candidates for Outside Directors. As of the close of this Ordinary General Meeting of Shareholders, Ms. Yuriko Kajiwara, Mr. Atsuhiko Kawamata, Ms. Kumiko Jinnouchi, and Mr. Toru Takeuchi will have held their positions as Outside Directors for one (1) year, five (5) years, six (6) years, and four (4) years, respectively.
3. The Company entered into liability limitation agreements with Ms. Yuriko Kajiwara, Mr. Atsuhiko Kawamata, Ms. Kumiko Jinnouchi, and Mr. Toru Takeuchi. If election of the candidates is approved at this General Meeting of Shareholders, 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 the Company and the maximum amount of potential liability will be set as the statutory amount for such purpose.
4. The Company has entered into Directors, Audit & Supervisory Board Members and Officers Liability Insurance Agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to compensate for damages, expenses arising from litigation, and other losses incurred by the insureds due to their assuming liability for their execution of duties. The insurance premiums are fully borne by the Company. If election of the candidates is approved at this General Meeting of Shareholders, each candidate will be insured under the said insurance agreement. The Company plans to renew the insurance agreement during the term of office of each candidate.
5. The Company has registered Ms. Yuriko Kajiwara, Mr. Atsuhiko Kawamata, Ms. Kumiko Jinnouchi, and Mr. Toru Takeuchi as Independent Directors with Tokyo Stock Exchange, Inc.

**Proposal 2:** Revision of Remuneration for Outside Directors

The amount of remuneration for Directors was approved at the 45th Ordinary General Meeting of Shareholders held on June 26, 2014, to be within 420 million yen per year, including bonuses (of which up to 30 million yen per year is for Outside Directors). We hereby propose to revise the remuneration for Outside Directors to be within 60 million yen per year. There will be no change to the total amount of remuneration for Directors.

This proposal is deemed appropriate in light of various circumstances, including the increase in the number of Outside Directors aimed at strengthening the Company's corporate governance.

If Proposal 1 is approved as originally proposed, the number of Directors will remain at eight (8), (including four (4) Outside Directors).

<Reference>

**Composition of the Board of Directors**

If Proposal 1 is approved as originally proposed, the composition of the Board of Directors will be as follows.

	Name	Gender	Present Position
Directors	Yoshikazu Imajo	Male	President & CEO
	Osamu Yamoto	Male	Director, Senior Managing Executive Officer
	Hidetaka Kikawada	Male	Director, Managing Executive Officer
	Mayuko Miike	Female	Executive Officer
	Yuriko Kajiwara      【Outside】 【Independent】	Female	Outside Director
	Atsuhiro Kawamata      【Outside】 【Independent】	Male	Outside Director
	Kumiko Jinnouchi      【Outside】 【Independent】	Female	Outside Director
	Toru Takeuchi      【Outside】 【Independent】	Male	Outside Director
Audit & Supervisory Board Members	Kiyokimi Yagi	Male	Full-Time Audit & Supervisory Board Member
	Kunio Kawa      【Outside】 【Independent】	Male	Outside Audit & Supervisory Board Member
	Chieko Nishiura      【Outside】 【Independent】	Female	Outside Audit & Supervisory Board Member



<Reference>

**Major Areas of Experience and Expertise of the Members of the Board of Directors (Skills Matrix)**

The followings are the expected expertise as the members of the Board of Directors.

	Name	Basic Skills				Operational Skills	
		Corporate management	Legal & Compliance	Finance & Accounting	Global business	Technology	Operational expertise
Directors	Yoshikazu Imajo	○	○			○	○
	Osamu Yamoto	○				○	○
	Hidetaka Kikawada	○				○	○
	Mayuko Miike	○	○				
	Yuriko Kajiwara	○	○				
	Atsuhiko Kawamata	○		○	○		
	Kumiko Jinnouchi	○	○				
	Toru Takeuchi	○		○	○		
Audit & Supervisory Board Members	Kiyokimi Yagi	○	○	○			
	Kunio Kawa	○	○	○			
	Chieko Nishiura	○	○	○			

\*The table above indicates the main categories of skills (up to four) of ones each person holds.

Skill categories, reasons for selection, and skill requirements are shown on the next page.

■ Skill categories and reasons for selection

In implementing the management strategy, the Company has categorized the skills that the members of the Board of Directors of the Company should possess into “basic skills” and “operational skills.”

For the basic skills, we have selected four general skills that are necessary for effective supervision of management: corporate management, legal & compliance, finance & accounting, and global business.

For the operational skills, we have selected the skills required in consideration of the Company’s management strategy and business characteristics. Our mission is to propose and provide customers and society with IT solutions that are truly needed. For this purpose, we believe that we must have advanced technical skills to give shape to customers’ needs and a deep understanding of their business operations, and we have selected technology and operational expertise based on this belief.

■ Skill requirements

Skill		Requirements
Basic skills	Corporate management	Experience as a director of a listed company or equivalent
	Legal & Compliance	Experience as an attorney-at-law, experience as an auditor of a listed company, or experience working in a legal or compliance department
	Finance & Accounting	Experience working as a certified public accountant or in a finance or accounting department
	Global business	Experience working overseas
Operational skills	Technology	Expertise in IT or experience in system development in an IT company or department
	Operational expertise	Extensive insight into the business, products, etc. of customers or experience in system design and consulting

Note: “Experience” refers to three or more years in basic skills and five or more years in operational skills.

## Business Report (April 1, 2024 - March 31, 2025)

### ■ Current Situation of Corporate Group

#### □ Operating Results

##### 【Business Environment】

During the fiscal year under review, the Japanese economy gradually recovered, supported by strong corporate performance leading to an increase in capital investment, as well as improvements in employment and income environment to secure labor force. However, there remains risks of downward pressure on the Japanese economy regarding future trends, due to U.S. economic policies and economic stagnation in China.

Under these circumstances, in the information service industry, where the NSD Group operates, the order environment remained favorable, with the ongoing IT investment in DX (digital transformation) and needs for core system renewal, supported by strong corporate performance.

##### 【Measures and Initiatives】

The NSD Group has been conducting activities to meet the DX needs and expanding its business through M&A, with the aim of achieving the target under its five-year Medium-term Management Plan of posting consolidated net sales of more than 100.0 billion yen by the final fiscal year ending March 31, 2026. As a result, the Group succeeded in achieving this target two years ahead of schedule in the fiscal year ended March 31, 2024. In the remaining two years of the plan, the Group has been continuing to steadily implement the measures set out in the plan and has been working on various initiatives during the fiscal year under review to further expand its business.

In the System Development Business, the Group is pursuing the sustainable expansion of the business by focusing on system development related to new technologies and DX, for which there are ever-increasing social needs, as a growth driver, and by strengthening consulting capabilities in upstream processes.

In the Solution Business, the Group is creating new solutions that meet the needs of the market and bolstering its sales capabilities to make the business into its second earnings pillar.

Based on the measures above, in April 2024, the Group established the Innovation Strategy Business Unit and strengthened its capabilities to create solutions by seamlessly handling all processes from planning to development and sales of products and services. In July 2024, the Group established the Consulting Business Unit and absorbed Trigger Inc., acquired as a subsidiary in October 2022, to strengthen its consulting capability. Also, in January 2025, the Group established the Cross-Industry IT Business Unit to respond flexibly and agilely to customer needs by sharing information and knowledge across businesses.

On the other hand, the Group reached a basic agreement on a business alliance with Hitachi, Ltd. in December 2024, regarding collaboration in the fields of DX and generative AI. By doing so, the Group will provide more value-added services and solutions, with the focus on collaboration to raising the technical standards and utilizing overseas resources.

As part of the Group's efforts to solve social issues by leveraging its development track record, the Group is identifying issues and considering taking measures regarding the "DX platform for the next-generation water supply operation" initiative, which is being responded by water utilities. In March 2025, the Group concluded a cooperation agreement with Matsumoto City Waterworks and

Sewerage Bureau on promoting DX, following the agreement with the Sendai City Waterworks Bureau in March 2024. The Group will provide IT support for the safe and stable operation of water lifelines through this initiative.

### 【Operating Results】

Under the favorable order environment, the operating results are as follows.

Net sales increased by 6.4% year on year to 107,791 million yen as a result of a significant increase in orders in Social Infrastructure IT, in addition to a steady increase in orders in Financial IT and Industry IT in System Development Business. Net sales of DAS Business\*, which the Group focuses on, increased by 12.4% year on year to 49,702 million yen as a result of a significant growth of System Development Business related to DX utilizing cloud technologies.

Operating income increased by 11.0% year on year to 16,849 million yen after absorbing increased selling, general and administrative expenses due to pay raise, increased research & development expenses, and one-time expenses related to the 55th anniversary.

As a result, ordinary income increased by 11.1% year on year to 17,038 million yen and net income attributable to owners of the parent company increased by 14.9% year on year to 11,795 million yen.

In the Medium-term Management Plan (revised upward in May 2023), the Group achieved its goal two years ahead of schedule, as mentioned above. In terms of profitability indicators, operating income margin was 15.6% against the target of 14.6%, EBITDA margin was 18.1% against the target of 17.2%, and ROE was 18.2% against the target of 15.9%, showing the results of profitability indicators exceeding the targets.

\* DAS Business consists of System Development Business related to DX, System Development Business utilizing new technologies such as AI, and Solution Business. (Formerly New Core Business. DAS is the abbreviation of DX, AI, and Solution.)

(Unit: Millions of yen)

	FY ended March, 2024	FY ended March, 2025	YoY	
System Development Business	86,721	92,392	5,671	6.5%
Solution Business	14,542	15,398	856	5.9%
Net sales	101,263	107,791	6,528	6.4%
DAS Business	44,209	49,702	5,492	12.4%
Operating income	15,180	16,849	1,669	11.0%
Ordinary income	15,340	17,038	1,697	11.1%
Net income attributable to owners of the parent	10,262	11,795	1,532	14.9%
EBITDA	17,751	19,472	1,721	9.7%
EBITDA margin	17.5%	18.1%	0.5 points	—

Note: EBITDA is calculated by operating income + depreciation + amortization of goodwill

# 【Operating Results by Segment】

Operating Results by Segment are as below.

(Net Sales by Segment)

(Unit: Millions of yen)

		FY ended March, 2024	FY ended March, 2025	YoY	
System Development Business	Financial IT	30,921	32,487	1,565	5.1%
	Industry IT	23,939	25,635	1,696	7.1%
	Social Infrastructure IT	20,306	22,441	2,135	10.5%
	IT Infrastructure Construction	11,870	12,403	533	4.5%
Solution Business		14,555	15,411	855	5.9%
Adjustment		(330)	(588)	(257)	—
Total		101,263	107,791	6,528	6.4%

(Operating Income by Segment)

(Unit: Millions of yen)

		FY ended March, 2024	FY ended March, 2025	YoY	
System Development Business	Financial IT	5,739	6,326	586	10.2%
	Industry IT	2,931	3,746	815	27.8%
	Social Infrastructure IT	3,963	4,552	588	14.8%
	IT Infrastructure Construction	2,055	2,167	111	5.4%
Solution Business		870	772	(98)	—
Adjustment		(380)	(715)	(334)	—
Total		15,180	16,849	1,669	11.0%

\* Numbers are written including inter-segment sales and incomes.

\* Adjustments are the total of inter-segment sales eliminations and costs of whole company (mainly G&A costs which do not attribute to the segments).

## <System Development Business (Financial IT)>

Net sales increased by 5.1% year on year to 32,487 million yen and operating income increased by 10.2% to 6,326 million yen due to a steady increase in order from major banks caused by expansion of existing projects including core system renewal as well as an increase in orders from local banks and securities companies.

<System Development Business (Industry IT)>

Net sales increased by 7.1% year on year at 25,635 million yen due to a steady increase in orders in the transportation sector such as logistics companies and manufacturing sector. Operating income increased by 27.8% to 3,746 million yen due to the improvement of profit margins.

<System Development Business (Social Infrastructure IT)>

Net sales increased by 10.5% year on year to 22,441 million yen and operating income increased by 14.8% to 4,552 million yen due to a significant increase in orders from public sector driven by expansion of existing projects, and a steady increase in orders from telecommunication and electricity, gas, and water sectors.

<System Development Business (IT Infrastructure Construction)>

Net sales increased by 4.5% year on year to 12,403 million yen and operating income increased by 5.4% to 2,167 million yen due to a steady increase in orders of infrastructure construction projects from the financial sector, such as banks and public sector.

<Solution Business>

Net sales increased by 5.9% year on year to 15,411 million yen due to an expansion of orders of security products, RFID related solutions, and shareholder relation services. Operating income decreased 98 million yen to 772 million yen due to deterioration of profit margin of certain solutions.

☐ The parent company and significant subsidiaries

■ The parent company  
Not applicable.

■ Significant subsidiaries (as of March 31, 2025)

Company name	Capital	Percentage of voting rights of subsidiaries held by the Company	Principal business
NSD-DX Technology Co., Ltd.	100 million yen	70.0%	Research and development of solutions utilizing DX, AI, and other technologies
ART Holdings Co., Ltd.	63 million yen	100.0%	Holding company
NHOSA Corporation	95 million yen	91.6%	Development and sales of dental receipt computers and dialysis work support systems
FSK Co., Ltd.	16 million yen	82.2%	System development business, solutions business, outsourcing business
StellaS Co., Ltd.	25 million yen	100.0%	Human resource-related solutions, business warehouse-related solutions
Shareholders Relation Service, Inc.	100 million yen	100.0%	Shareholder benefit program-related solutions, IR consulting for individual shareholders
NSD International, Inc.	2,956 million yen (US\$27.7 million)	100.0%	System development business and solutions business for Japanese companies in the United States
Chengdu Renbenxindong Technology Ltd.	33 million yen (CNY2 million)	70.0%	System development business (offshore development), system development business for Japanese companies in China

(Note) Effective July 1, 2024, the Company succeeded the rights and obligations of its subsidiary, Trigger Inc., through an absorption-type merger in which the Company was the surviving company.

☐ Capital expenditure and financing of the Group

The total amount of capital investment made by the Group during the fiscal year under review was 841 million yen. The required funds were sourced from its own funds.

The Company's subsidiaries raise funds by borrowing from financial institutions in order to secure equipment funds and working capital.

## ■ Policy to Determine Dividends of Surplus

The Company regards the return of profits to shareholders as the most important management issue, and the basic policy is to maintain total return ratio of 70% or more and payout ratio of 50% or more (both consolidated basis).

In addition, in order to strengthen growth potential and increase corporate value, a portion of profits will be retained to be used for investments to further strengthen existing businesses and pursue new growth opportunities in new businesses and new technology areas, as well as for M&A and forming alliances.

In consideration of the above basic policy and the operating results for the fiscal year under review, the Board of Directors has resolved to pay a year-end dividend per share of 87 yen (an increase of 15 yen from the previous fiscal year) for the fiscal year under review.

As a result, the payout ratio for the fiscal year under review was 56.6%, and the total return ratio was 70.8%.



■ Status of Corporate Officers

□ Status of Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Position in the Company	Name	Responsibility in the Company and principal concurrent positions
President & CEO	Yoshikazu Imajo	
Director	Hideshi Maekawa	Senior Managing Executive Officer Chief General Manager, Corporate Service Division Chief General Manager, Corporate Planning Division
Director	Osamu Yamoto	Senior Managing Executive Officer Chief General Manager, Business Headquarter
Director	Hidetaka Kikawada	Managing Executive Officer Head of Innovation Strategy Business Unit Chief General Manager, Enterprise Business Division In charge of Consulting Business Unit President & CEO, NSD-DX Technology Co., Ltd.
Outside Director	Yuriko Kajiware	Outside Director, DAISUE CONSTRUCTION CO., LTD.
Outside Director	Atsuhiko Kawamata	
Outside Director	Kumiko Jinnouchi	Representative Attorney-at-law, Jinnouchi Law Offices
Outside Director	Toru Takeuchi	
Full-Time Audit & Supervisory Board Member	Kiyokimi Yagi	
Outside Audit & Supervisory Board Member	Kunio Kawa	Outside Audit & Supervisory Board Member, Toshiba Tec Corporation
Outside Audit & Supervisory Board Member	Chieko Nishiura	Chief, Nishiura certified public accountant office Of Counsel, S&N Partners LAW AND ACCOUNTING OFFICE External Director and Full-Time Member of the Audit & Supervisory Committee, TSUKURUBA Inc.

- Notes: 1. Ms. Yuriko Kajiware, Mr. Atsuhiko Kawamata, Ms. Kumiko Jinnouchi, and Mr. Toru Takeuchi are Outside Directors. Mr. Kunio Kawa and Ms. Chieko Nishiura are Outside Audit & Supervisory Board Members. The Company has registered these six persons as Independent Officers with Tokyo Stock Exchange, Inc.
2. Mr. Kiyokimi Yagi has served as responsible for the finance and accounting department of Mitsubishi UFJ Trust and Banking Corporation for many years and has extensive knowledge in finance and accounting.
3. Mr. Kunio Kawa has served as responsible for the finance and accounting department of Mitsubishi Gas Chemical Company, Inc. for many years and has extensive knowledge in finance and accounting.
4. Ms. Chieko Nishiura is a certified public accountant and has extensive knowledge in finance and accounting.
5. There are no special interests between the Company and the principal concurrent positions held by the Outside Directors and Outside Audit & Supervisory Board Members.

Matters concerning the policy for determining the amount of remuneration, etc. for officers or the method for calculating the amount thereof

■ Policy and procedures for determining director remuneration, etc.

[Policy and details of director remuneration]

The remuneration of the Company's directors is calculated based on the roles and responsibilities of each position, while also emphasizing links with performance in order to strengthen the incentive for enhancing the Company's performance. Therefore, director remuneration consists of base remuneration as fixed remuneration, bonuses as short-term incentive-based remuneration, and stock remuneration as medium- to long-term incentive-based remuneration. The ratio of incentive-based remuneration to the total remuneration of each individual director is at least 40%.

However, outside directors, who occupy a position of independence from business execution and who are responsible for the supervision of management, only receive base remuneration, which is fixed remuneration, because incentive-based remuneration is not suited to their roles.

Base remuneration

Base remuneration is paid monthly as fixed remuneration for the performance of duties.

It is paid according to the base remuneration table following the roles and responsibilities of each position.

Bonuses

Bonuses are paid annually as short-term incentive-based remuneration for achieving the business plan for each fiscal year.

They are calculated by reflecting the performance and qualitative evaluation results in the standard amount of bonus prescribed by position following the bonus calculation standards.

Performance evaluations use net sales, operating income, ordinary income, and net income (on a consolidated basis) as financial indicators for appropriately reflecting performance in each year under evaluation. The ratios calculated based on the rate of achievement of these targets is used as an evaluation indicator. Qualitative evaluations consider the directors' roles, implementation of responsibilities, and their activities for the year under evaluation that cannot be assessed using financial indicators.

Stock remuneration

Stock remuneration provides an incentive for continuously enhancing the Company's corporate value and promotes shared value between directors and shareholders. It comprises restricted shares delivered annually as medium- to long-term incentive-based remuneration.

<Transfer restriction period and termination of transfer restrictions>

The period from the date of delivery to the date of resignation or retirement from any position of director, executive officer, or the equivalent ("Officer, etc.") of the Company shall be the transfer restriction period, and the transfer restrictions shall be terminated upon the expiration of the transfer restriction period, provided that such person has remained in the position of Officer, etc. continuously throughout the transfer restriction period.

<Acquisition without consideration>

The Company will acquire all of the restricted shares without consideration in the event that an Officer, etc. resigns or retires from the position of officer, etc. for any reason other than the justifiable reasons or conducts an act that seriously undermines the Company's social credibility, etc. during the transfer restriction period.

However, if an Officer, etc. resigns or retires from the position of officer, etc. due to death or other reasons that the Board of Directors deems justifiable, the timing of termination of the transfer restrictions and the number of shares shall be reasonably adjusted.

The number of shares to be delivered will be calculated based on the standard amount of stock remuneration determined for each position and the closing price of the Company's common stock on the business day immediately prior to the Board of Directors' resolution concerning the allotment of shares.

However, the total number of shares to be delivered to directors shall be 40,000 or less per year (the total number of shares shall be adjusted to a reasonable extent if necessitated by a stock split, stock consolidation or other factor that requires an adjustment to the total number of shares).

[Procedures for determining director remuneration]

The details and procedures for determining director remuneration are stipulated in the Policy on Remuneration for Directors and Executive Officers. This policy is determined by the Board of Directors based upon deliberations held at meetings of the Governance Committee.

The Governance Committee, entrusted by the Board of Directors, approves the base remuneration table, bonus calculation standards and standard amount of bonus, and standard amount of stock remuneration based on this policy.

With regard to bonuses, executive directors conduct performance and qualitative evaluations of those eligible for payment through consultation, and formulate a plan for the amount of bonuses for each individual. The Governance Committee verifies the appropriateness of the individual payment amounts, and then the total payment amount is to be resolved at a meeting of the Board of Directors.

The Governance Committee verified the proposed payment of bonuses for each individual for the fiscal year under review on March 12, 2025, and the Board of Directors resolved on March 14, 2025, the total payment amount of bonuses.

As stated above, remuneration for each individual director is determined or verified by the Governance Committee from a fair and objective perspective in accordance with the Policy on Remuneration for Directors and Executive Officers, and therefore, the Board of Directors believes that it is appropriate.

The Company has established a Governance Committee to ensure fairness, transparency, and objectivity in decision-making on personnel matters and remuneration for officers, and utilizes it as an advisory body and entrusts it to approve the base remuneration table and other matters. In addition, the Governance Committee is composed mainly of independent outside directors in order to ensure the neutrality and objectivity of its decisions and verifications, as follows.

Chair	Yoshikazu Imajo	President & CEO
Member	Yuriko Kajiwara	Independent Outside Director
Member	Atsuhiko Kawamata	Independent Outside Director
Member	Kumiko Jinnouchi	Independent Outside Director
Member	Toru Takeuchi	Independent Outside Director

■ Policy and procedures for determining remuneration, etc. for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members consists only of base remuneration, which is fixed remuneration, from the viewpoint of ensuring independence and objectivity from the execution of business operations, since the Audit & Supervisory Board Members are engaged in a supervising function of management.

The amount of remuneration for each individual is discussed at the Audit & Supervisory Board and determined by unanimous consent of all Audit & Supervisory Board Members.

- ☐ Total amount of remuneration, etc., total amount by type of remuneration, etc. and number of recipients for each officer category

Category	Payment amount	Total amount by type of remuneration, etc.			Number of recipients
		Fixed remuneration	Performance- linked remuneration	Non- monetary remuneration	
	(Unit: Millions of yen)				
Directors (Outside Directors)	208 (29)	129 (29)	45 (-)	33 (-)	8 (4)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	29 (13)	29 (13)	-	-	4 (2)
Total	237	159	45	33	12

- Notes: 1. Director remuneration, etc. do not include any other remuneration that is paid to directors who have duties as employees for carrying out such duties.
2. Fixed remuneration is the amount of base remuneration paid during the fiscal year under review, performance-linked remuneration is the amount of bonus with the fiscal year as an eligible period, and non-monetary remuneration is the amount of stock remuneration that should be expensed during the fiscal year under review.
3. As of March 31, 2025, there were 8 Directors (including 4 Outside Directors) and 3 Audit & Supervisory Board Members (including 2 Outside Audit & Supervisory Board Members). The reason for the discrepancy in the number of Audit & Supervisory Board Members above is that one Audit & Supervisory Board Member retired due to the expiration of term of office at the close of the 55th Ordinary General Meeting of Shareholders held on June 26, 2024 is included.
4. The targets of the indicators for performance evaluation, which are the basis for the above performance-linked remuneration, are net sales of 107,000 million yen, operating income of 15,800 million yen, ordinary income of 15,900 million yen, and net income of 10,400 million yen, and the actual results are 107,791 million yen, 16,849 million yen, 17,038 million yen, and 11,795 million yen, respectively.
5. As for director remuneration, a resolution was passed at the 45th Ordinary General Meeting of Shareholders held on June 26, 2014 that the annual amount of remuneration, including bonuses, shall be no more than 420 million yen (of which remuneration for Outside Directors shall be no more than 30 million yen per year). As of the close of the said Ordinary General Meeting of Shareholders, the number of Directors was 8 (including 1 Outside Director). In addition, a resolution was passed at the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021 that stock remuneration shall be delivered within the above remuneration limit, with the amount of stock remuneration no more than 60 million yen per year and the number of shares no more than 40,000 per year (outside directors are not eligible for stock remuneration). As of the close of the said Ordinary General Meeting of Shareholders, the number of Directors was 3 (excluding Outside Directors).
- As for remuneration for Audit & Supervisory Board Members, a resolution was passed at the 45th Ordinary General Meeting of Shareholders held on June 26, 2014 that the annual amount of remuneration for Audit & Supervisory Board Members shall be no more than 60 million yen. As of the close of the said Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members was 4 (including 2 Outside Audit & Supervisory Board Members).

# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of March 31, 2025)

(Unit: Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>54,432</b>	<b>Current liabilities</b>	<b>14,725</b>
Cash and deposits	27,358	Accounts payable	5,381
Notes, accounts receivable, and contract assets	22,783	Short-term borrowings	400
Lease receivables and lease investment assets	20	Long-term debt scheduled to be repaid within one year	305
Securities	3,000	Income taxes payable	3,512
Merchandise and finished goods	430	Provision for bonuses	566
Work in process	5	Provision for loss on orders received	15
Raw materials and supplies	187	Provision for shareholder benefit program	68
Other current assets	713	Other current liabilities	4,475
Allowance for doubtful accounts	(66)	<b>Non-current liabilities</b>	<b>7,507</b>
<b>Non-current assets</b>	<b>36,052</b>	Long-term debt	1,152
<b>Property and equipment</b>	<b>5,308</b>	Deferred tax liabilities	4,399
Buildings and structures	1,931	Retirement benefit liabilities	1,488
Land	2,598	Other non-current liabilities	466
Other property and equipment	778	<b>Total liabilities</b>	<b>22,233</b>
<b>Intangible assets</b>	<b>18,404</b>	<b>(Net assets)</b>	
Goodwill	9,500	<b>Shareholders' equity</b>	<b>63,286</b>
Software	831	<b>Capital stock</b>	<b>7,205</b>
Customer-related assets	7,791	<b>Capital surplus</b>	<b>6,811</b>
Other intangible assets	279	<b>Retained earnings</b>	<b>62,655</b>
<b>Investments and other assets</b>	<b>12,340</b>	<b>Treasury stock</b>	<b>(13,386)</b>
Investment securities	1,785	<b>Accumulated other comprehensive income</b>	<b>4,129</b>
Retirement benefit assets	8,307	Net unrealized gains or losses on available-for-sale securities	590
Deferred tax assets	192	Revaluation reserve for land	(8)
Other assets	2,056	Foreign currency translation adjustments	504
Allowance for doubtful accounts	(1)	Remeasurements of retirement benefit plans	3,043
		<b>Non-controlling interests</b>	<b>836</b>
		<b>Total net assets</b>	<b>68,252</b>
<b>Total assets</b>	<b>90,485</b>	<b>Total liabilities and net assets</b>	<b>90,485</b>

## Consolidated Statement of Income

(April 1, 2024-March 31, 2025)

(Unit: Millions of yen)

Description	Amount	
<b>Net sales</b>		<b>107,791</b>
Cost of sales		80,257
<b>Gross profit</b>		<b>27,534</b>
Selling, general and administrative expenses		10,684
<b>Operating income</b>		<b>16,849</b>
<b>Non-operating income</b>		
Interest income	29	
Dividend income	41	
Insurance dividend income	107	
Subsidy income	42	
Other	117	338
<b>Non-operating expense</b>		
Interest expenses	26	
Settlement payments	55	
Office relocation expenses	34	
Other	33	149
<b>Ordinary income</b>		<b>17,038</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	49	
Other	1	51
<b>Extraordinary loss</b>		
Impairment losses	8	
Loss on valuation of golf club membership	1	
Other	0	9
<b>Income before income taxes</b>		<b>17,080</b>
Income taxes-current	5,544	
Income taxes-deferred	(393)	5,150
<b>Net income</b>		<b>11,929</b>
Net income attributable to non-controlling interests		134
<b>Net income attributable to owners of the parent company</b>		<b>11,795</b>