June 10, 2020

To all concerned parties


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| Name of Company: | ASANUMA CORPORATION |
| Stock Exchange Listing: | Tokyo Stock Exchange, First Section |
| Stock Code: | 1852 |
| Representative | Title: Representative President<br>Name: Makoto Asanuma |
| Contact Person | Title: Executive Officer President's Office Deputy Director and Accountants Manager and Corporate Communications Manager<br>Name: Yoshimichi Yagi |
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# Our View on the ISS Report

ASANUMA CORPORATION (Mr. Makoto Asanuma, President, hereinafter referred to as "the Company") has published a report that stated that Institutional Shareholder Services, Inc. (hereinafter referred to as "ISS") endorsed the proposal of the Company's shareholders at the 85th Ordinary General Meeting of Shareholders, "Proposal 5: Appropriation of Retained Earnings " (hereinafter referred to as "the Proposal") The report is supplemented as follows.

Our Board of Directors' opinion on Proposal 5 is as described in the Notice of Convocation of the Ordinary General Meeting of Shareholders. We would like our shareholders to understand our opinion on this Proposal by our Board of Directors meeting. We would like to explain our opinion on this Report to our shareholders as follows.

We look forward to the continued understanding of our shareholders.

## 1. Outline of ISS Report

Proposal 5, " Appropriation of Retained Earnings "

ISS recommends the Proposal that, given our holdings of cash and investment securities, additional dividend payments are feasible without affecting the financial condition of the Company.

## 2. Our view

Proposal 5, " Appropriation of Retained Earnings "

Our basic policy on shareholders’ returns is to return profits to shareholders as our most important policy. To realize this policy, we strive to maintain and strengthen the company's competitiveness while developing new technologies necessary for future business development, and to distribute profits based on business results.

Due to worsening business performance, we have not paid a dividend for three consecutive fiscal years since the fiscal year ended March 31, 2012. However, we have decided to resume dividend payments in the fiscal year ended March 31, 2015, and announced that in May 2019, we will pay a consolidated dividend payout ratio of 30% or more for the fiscal year ended March 31, 2019 and a consolidated dividend payout ratio of 40% or more for the fiscal year ended March 31, 2020, and 50% or more for the fiscal year ending March 31, 2021 as the dividend policy for the three-year medium-term plan (from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021).
In accordance with this dividend policy, the Company paid a dividend of ¥153 per share, for a consolidated payout ratio of 30.3%, for the fiscal year ended March 31, 2019. The Company will submit a proposal to the 85th Ordinary General Meeting of Shareholders to be held in June 2020, for a consolidated dividend payout ratio of 40.5% and ¥216 per share for the fiscal year ended March 31, 2020.
For the fiscal year ending March 31, 2021, we intend to maintain a consolidated dividend payout ratio of 50% or more. However, at this point in time, the impact of COVID-19 on business performance is uncertain, and the dividend per share has not been determined yet.
With regard to the utilization of funds after the payment of dividends arising from the funds we hold and our annual profits, the three-year medium-term plan states that "20 billion yen will be invested over three years in technology research, ICT-related investment, concession business and overseas expansion investment, and cash payments to partner companies." We believe that the use of these funds will contribute to the stable growth of business performance and is indispensable for continuously returning profits to shareholders.
In the fiscal year ended March 31, 2019 and the fiscal year ended March 31, 2020, we will invest approximately 15 billion yen for the purpose of using these funds. In the fiscal year ending March 31, 2021, which is the final year of the three-year medium-term plan, we will determine the amount to be invested while assessing the impact of COVID-19.

Accordingly, the Company believes that this proposal, which requires a 100% dividend of net income, is inconsistent with the basic policy for shareholder returns and measures to utilize funds indispensable for sustainable growth, and does not contribute to the enhancement of our corporate value.