June 7, 2021

To all concerned parties

Name of Company:	ASANUMA CORPORATION
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
Stock Code:	1852
Representative	Title: Representative President Name: Makoto Asanuma
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Our View on the ISS Report

ASANUMA CORPORATION (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 86th Annual General Meeting of Shareholders, "Proposal 7: Appropriation of Surplus " (hereinafter referred to as "the Proposal") The report is supplemented as follows.
Our Board of Directors' opinion on Proposal 7 is as described in the Notice of Convocation of the Annual 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 7, " Appropriation of Surplus "

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 7, " Appropriation of Surplus "

The Board of Directors of the Company opposes this proposal.

With respect to the appropriation of surplus, the Company, as its basic policy of shareholder return, considers the return of profits to shareholders as one of the most important initiatives, and to this end, allocates dividends in line with its business performance by developing new technologies that are necessary for the future expansion of the business, among others, while striving to sustain and reinforce the Company's competitiveness.

In the previous Three-Year Medium-Term Plan (covering the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021), the Company set the distribution policy at "30% or more consolidated dividend payout ratio in the fiscal year ended March 31, 2019, 40% or more in the fiscal year ended March 31, 2020, 50% or more in the fiscal year ended March 31, 2021." In the fiscal year ended March 31, 2019, the Company paid a dividend of 153 yen per common share (a consolidated dividend payout ratio of 30.3%) and 216 yen per common share (a consolidated dividend payout ratio of 40.5%) for the fiscal year ended March 31, 2020. At the 86th Annual General Meeting of Shareholders scheduled for June 2021, the Company will submit a proposal for a payout of 257 yen per common share (a consolidated dividend payout ratio of 50.0%) for the fiscal year ended March 31, 2021.

In addition, under the current Three-Year Medium-Term Plan announced in April 2021 (covering the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024), the Company has set a dividend policy of "maintaining a consolidated dividend payout ratio of at least 50%, which is the highest level in the construction industry," and plans to pay a dividend of 260 yen per common share (a consolidated dividend payout ratio of 50.2%) in the fiscal year ending March 31, 2022, 274 yen per common share (a consolidated dividend payout ratio of 50.2%) in the fiscal year ending March 31, 2023, and 282 yen per common share (a consolidated dividend payout ratio of 50.0%) in the fiscal year ending March 31, 2024.

With regard to the utilization of funds generated from annual profits remaining after the payment of the dividends, while maintaining the minimum required cash and deposits balance, under the previous Three-Year Medium-Term Plan, we plan to invest 18.0 billion yen over the three-year period in initiatives such as "realization of 100% cashing payments to partner companies," "expansion and renovation of technical research laboratories," "full conversion of core systems to cloud computing," and "building a new renewal brand." In the current Three Year Medium-Term Plan, we plan to invest 8.0 billion yen over the three-year period in initiatives such as "M&A of ASEAN regional renovation companies," "sophistication of productivity improvement systems," and "development of environment-related technologies."

The Company believes that such utilization of funds contributes to stable growth of the Company's business performance and is essential to ensuring stable returns to shareholders.

Therefore, the Board of Directors of the Company judges that this Proposal, which seeks a 100% dividend payout of the profit for the 86th Fiscal Year, neither conforms to the Company's basic policy of shareholder return or capital utilization policy, nor does it contribute to enhancing the Company's corporate value. Therefore, the Board of Directors of the Company opposes this Proposal.

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