

To Shareholders

Teruhiko Mouri
Representative Director, President
RAIZNEXT Corporation

Our Views regarding the Recommendation Report by ISS

We received information that Institutional Shareholder Services Inc. (“ISS”) issued a recommendation report on June 7, 2021 (the “Report”), recommending voting against the election of Ms. Keiko Suichi, candidate No. 2 in Proposal No. 3, “Election of Two (2) Directors Serving as Audit and Supervisory Committee Members” (the “Proposal”) of the 117th Annual General Meeting of Shareholders of RAIZNEXT Corporation (the “Company”) scheduled to be held on June 24, 2021.

Accordingly, we would like to take this opportunity to explain our views regarding the Report for your better understanding.

1. Recommendation by ISS

According to the Report, ISS recommends voting against the election of Ms. Suichi on the grounds that attendance rate cannot be calculated for the candidate due to inadequate disclosure. We consider that this means ISS deems our disclosure insufficient to make a judgement based on ISS’s Proxy Voting Guidelines Benchmark Policy Recommendations, which, as for a company with an audit and supervisory committee, recommends voting against the election of an outside director who attended less than 75 percent of meetings of the board of directors during the fiscal year under review and the election of an outside director serving as audit and supervisory committee member who attended less than 75 percent of meetings of the audit and supervisory committee during the fiscal year under review, in principle.

2. Our views

Regarding the above-mentioned point, we have disclosed information about Ms. Keiko Suichi’s attendance at the Board of Directors meetings and the Audit and Supervisory Committee meetings for FY2020 in our Notice of the 117th Annual General Meeting of Shareholders. The list of candidates for Directors serving as Audit and Supervisory Committee Members described in the beginning of Proposal No. 3 on page 15 has columns for the rate of attendance at the Board of Directors meetings in FY2020 and the rate of attendance at the Audit and Supervisory Committee meetings in FY2020, each describing “10/12” and “6/6” as for Ms. Keiko Suichi. This information clearly indicates that Ms. Suichi attended 10 meetings out of 12 Board of Directors meetings (rate of attendance: 83%) and 6 meetings out of 6 Audit and Supervisory Committee meetings (rate of attendance: 100%) during FY2020. As such, we have already disclosed information necessary for the calculation of the attendance rates, which we presume ISS has overlooked.

For reference, Glass, Lewis & Co., LLC, which also requires attendance rate of 75% or more in its voting standards, has recommended voting for the Proposal.

We would like you to confirm the information above and comprehend our views regarding Proposal No. 3 of the 117th Annual General Meeting of Shareholders of the Company.

Thank you very much for your attention, understanding and continued support of RAIZNEXT Corporation.

End