

[Translation]

June 17, 2020

To shareholders, the press, and whom it may concern,

Shareholders' Committee for the Better Corporate Governance of TENMA

**Revise in the ISS Report to Recommend Voting for Mr. Tateno and Mr. Haruyama, and the Report Published as of June 16, 2020 by Proxy-Advisory Firm Glass Lewis**

In “Exercise of Shareholders’ Proposal Right over TENMA CORPORATION” dated May 20, 2020, the “Shareholders’ Committee for the Better Corporate Governance of TENMA” (the “Shareholders’ Committee”) made a shareholders’ proposal to TENMA CORPORATION (“TENMA”; listed on the First Section of Tokyo Stock Exchange, Inc. under securities code 7958) to change the current directors completely and establish a new lineup of directors to be appointed at the annual shareholders’ meeting (the “Meeting”) scheduled to be held on June 26, 2020 (this “Proposal”) (proposal No. 5 at the Meeting, which was stated on pages 22 to 26 of the convocation notice of the Meeting). We would like to inform you of some new information we have learned concerning the reports by prominent proxy-advisory firms, Institutional Shareholder Services Inc. (“ISS”) and Glass Lewis & Co., LLC (“Glass Lewis”).

1. Revise in the ISS Report to Recommend Voting for Mr. Tateno and Mr. Haruyama

As the Shareholders’ Committee announced on June 15, 2020, we learned at that time that ISS’s report, published as of June 12, 2020 (“ISS Report”), stated that it recommends voting AGAINST the appointment of Mr. Kazuharu Tateno and Mr. Yukio Haruyama as director, because they may have been involved in the recent bribery case in Vietnam. However, after that, we obtained new information that, **as of June 16, 2020, ISS has revised its recommendation stated in the initial report regarding the proposal on the appointment of Mr. Kazuharu Tateno and Mr. Yukio Haruyama from “recommend voting AGAINST” to “recommend voting**

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**FOR,” following the Shareholders’ Committee’s statement explaining that that the belief that these two director candidates may have been involved in the bribery case in Vietnam is a complete misunderstanding. As a result of this clarification, at present, ISS recommends voting FOR all six directors who have agreed to assume the position of director, among the directors proposed in this Proposal.**

## 2. Glass Lewis’s Report

In addition, the Shareholders’ Committee learned that **as three persons, Executive Director Hiroshi Kaneda, Director Takashi Sudo, and Mr. Akira Yosano,** who are related to the proposal from the management, **may have been involved in the bribery case in Vietnam, Glass Lewis would “recommend voting AGAINST” the proposal for their appointment as directors** in the report by Glass Lewis, which was issued as of June 16, 2020 (the “Glass Lewis Report”). We believe that such statement was made because, in addition to ISS, Glass Lewis also understood the Shareholders’ Committee’s assertions.

Further, the Shareholders’ Committee has included in this Proposal a request to appoint eight director candidates, i.e., Mr. Yukio Haruyama (Executive Officer), Mr. Kazuharu Tateno (Managing Executive Officer), Mr. Yoshiyuki Yanagisawa (Executive Officer), Mr. Ichiro Sakai (Executive Officer), Mr. Shuji Kawamura (Managing Executive Officer), Mr. Nobunoshin Tsutsuno (Executive Officer), Mr. Tomohisa Egawa (Executive Officer), and Mr. Keisuke Fuchigami (Executive Officer), as Insider Directors of TENMA (a non-member of the Audit and Supervisory Committee). We learned that the Glass Lewis Report states that, among the six persons who have agreed to assume the position of director (out of the eight director candidates mentioned above), **it recommends voting FOR three director candidates, i.e., Mr. Yukio Haruyama, Mr. Kazuharu Tateno, and Mr. Ichiro Sakai.**

On the other hand, we learned that, among the candidates for Insider Directors of TENMA (a non-member of the Audit and Supervisory Committee) in this Proposal, the Glass Lewis Report states that, because the percentage of outside directors out of the entire board of directors will decrease if the number of the directors appointed from the candidates for Insider Directors

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of TENMA (a non-member of the Audit and Supervisory Committee) in this Proposal is not limited to three persons, Glass Lewis recommends voting AGAINST three candidates, i.e., Mr. Yoshiyuki Yanagisawa, Mr. Nobunoshin Tsutsuno, and Mr. Tomohisa Egawa, taking into account their experiences and other factors.

However, we believe that there may be a misunderstanding of the relevant facts regarding this point. Therefore, today, the Shareholders' Committee disclosed a document explaining to that effect in the appendix.

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