

[Translation]

June 8, 2020

To whom it may concern,

Notice from Candidates for Directors in the Shareholders' Proposal of Tenma Corporation (listed on the First Section of Tokyo Stock Exchange, Inc. under securities code 7958)

We received inquiries regarding whether we became candidates for directors according to the instructions of Mr. Osamu Tsukasa. There may be a misunderstanding by the shareholders.

Therefore, we will tell the truth as in the Appendix.

We would appreciate it if the shareholders would understand the facts.

End

Contact for inquiries: Ichiro Sakai (81-80-6590-3731)

Inquiries will be accepted from 18:00 to 20:00 after office hours.

We will only respond to inquiries confirming matters described in the Appendix.

Thank you for your cooperation in advance.

Note: This document is not to solicit the exercise of voting rights by persons who constitute the Shareholders' Committee or third parties for either the proposal by the company or the proposal by the shareholders at the Meeting.

June 8, 2020

To the shareholders of Tenma Corporation,

### The Reasons Why We Became Director Candidates

Regarding the fact that we are listed as director candidates in the shareholders' proposal, we have heard about some opinions saying that we joined the candidates list merely because we were directed by Mr. Tsukasa, the former honorable chairman, and that we are just carrying out actions for him. However, such opinions are not at all true; therefore, we decided to explain to the shareholders of Tenma Corporation ("Tenma" or the "Company") about why we became director candidates in this document.

We have been developing a sense of crisis that the Company will be ruined under the current lineup of directors, especially as we see the recent situation of the Company. Further, since the current directors do not understand this sense of crisis, we came to think that, in order to restore the lineup of directors, we have no choice but to change the directors through a shareholders' proposal; as such, on April 18, 2020, we appealed directly to Mr. Tsukasa, the former honorable chairman who is legally authorized to make shareholders' proposals, to make a shareholders' proposal. The concerns about us taking actions under the direction of the former honorable chairman Mr. Tsukasa is a total misunderstanding, and the truth is the other way round. Even regarding the directors candidates in the shareholders' proposals, it was not decided by the former honorable chairman Mr. Tsukasa, but we executive officers decided that those candidates are the best lineup upon discussion among all of us.

All of us are executive officers of Tenma, and we are the ones who are really feeling the sense of crisis of the Company everyday while dealing with the current directors. Some of the reasons why we have become this distressed are described below.

- (1) After the establishment of the Third Party Committee for the overseas bribery was announced, we requested that the head of the Company and current directors provide an explanation; however, they declined our request saying that they will not explain until the Third Party Committee submits its investigation report.
- (2) Even after the Third Party Committee's Investigation Report was published, there was no explanation by the directors to the employees. Usually, in this type of situation, an e-mail would be sent to explain the situation, or an employee meeting will be held and the head of the company would provide an explanation there; however, unfortunately, this did not happen in this case at all.
- (3) After the Third Party Committee's Investigation Report was published, there were many inquiries from customers one after another, so we asked the directors to provide instructions on how to respond but there were no particular instructions given.
- (4) We first came to know about the measures to prevent recurrence when it was disclosed in the IR News (information for investors) on May 1, 2020, on the Company's website. We executive officers have not participated in formulating the measures to prevent recurrence at all, and we were not asked for our opinions.
- (5) Even after the newspaper reported about the overseas bribery case in Vietnam on May 11, there were no apologies, explanation, or cooperation requests made to customers from the head of the Company, which is what a normal company would naturally do in this type of situation. Since the newspaper report, we have been swamped with giving explanations to customers every day.
- (6) The Company has not held discussions with us or called on us for discussions even after it has received the shareholders' proposal in which we are listed as the director candidates. Unfortunately, we do not feel that the Company intends to share our sense of crisis and restructure our relationship of trust at all.

Speaking honestly, we wanted to avoid being listed in the shareholders' proposal as director candidates, but after seeing the series of announcements made by the Company on June 4, we were left with no choice but to ask for the shareholders' decision at the shareholders' meeting.

We have an even more increased sense of crisis after we became aware of the director candidates proposed by the Company, which was announced by the Company on May 27.

In the Company's proposal, there are no director candidates from the industrial synthetic resin products related business, which accounts for almost 80% of the Company's sales revenue. Major regular customers for industrial products are big companies; sales revenue per company is billions of yen, and 10 billion yen or more for customers with larger transactions. There are also customers who support most of the orders at certain overseas factories. If the Company loses their trust and the orders decrease, there would be serious damage to the Company.

In the current critical situation of the Company, and in the absence of corporate governance, it is now essential for Tenma to have a President who the regular customers for industrial products can trust to be able to ensure thorough compliance as well as to truly understand what the regular customers want and sincerely fulfill their wishes. This will lead to the reform and growth of Tenma desired by the shareholders.

However, the director candidates proposed by the Company not only include the three people involved in the said overseas bribery case, but also the other two inside director candidates are from the synthetic resin houseware products related business. From the perspective of the regular customers for industrial products, it may be perceived that the Company does not have any remorse for the overseas bribery case at all, and/or the Company has little regard for the industrial synthetic resin products related business, which supports most of Tenma's sales revenue. We are certainly not acting according to section groups, such as being distinguished by the department a person is from. That is why we included Mr. Shuji Kawamura and Mr. Keisuke Fuchigami, who supports the Houseware Department from both the production and sales aspect, in the director candidates of the shareholders' proposal. It is unfortunate that currently these two candidates are saying that they do not intend to assume positions as directors even if the shareholders' proposal is approved; however, we fully understand that both of them have restraints and can only say so as of now. We believe that, if the shareholders' proposal is approved and both of them are actually appointed as directors, they will endeavor to reform Tenma together with us.

We do not intend to damage the trust and honor of either the company or the current directors at all and have not done so.

The company supports our families' lives, and above all, we have devoted most of our lives to the company. Many employees also provide emotional support to us.

We dare to take a risk, from a sense of duty, to bring our dear company, which is moving toward an irreversible direction, back onto the normal track.

We would appreciate your understanding.

End

June 8, 2020

Ichiro Sakai  
\_\_\_\_\_  
/Signature/

Yukio Haruyama [seal]

Kazuharu Tateno [seal]

Yoshiyuki Yanagisawa [seal]

Nobunoshin Tsutsuno [seal]

Tomohisa Egawa [seal]