

[Translation]

December 28, 2020

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

Shareholders' Committee for the Better Corporate Governance of TENMA

**Shareholders' Committee's Opinions on "Notice Regarding the Filing of a Lawsuit for Damages against Former Inside Directors of TENMA" Disclosed Today**

TENMA CORPORATION ("TENMA"; listed on the First Section of Tokyo Stock Exchange, Inc. under securities code 7958) disclosed a press release today titled "Notice Regarding the Filing of a Lawsuit for Damages against Former Inside Directors of TENMA," stating that the Audit and Supervisory Committee of TENMA filed a lawsuit with the Tokyo District Court on December 25, 2020, claiming damages from a violation of the duty of care by six former Inside Directors of TENMA (each a non-member of the Audit and Supervisory Committee; "Former Inside Directors of TENMA"), in relation to the suspicion of an inappropriate monetary distribution at an overseas subsidiary of TENMA. For details, please refer to the attached press release disclosed by TENMA.

Two of the Former Inside Directors of TENMA, Mr. Hiroshi Kaneda and Mr. Takashi Sudo, are still serving as executive officers of TENMA, even though their appointment was rejected during the proposal for appointment of directors at the annual shareholders' meeting (the "Meeting") held on June 26, 2020. Further, Mr. Hiroshi Kaneda holds an important position as the General Manager of General Affairs and Mr. Takashi Sudo holds an important position as the General Manager of the Finance & Accounting Department, which are the same positions they held as before the Meeting. In addition, Mr. Kaneto Fujino, a Former Inside Director and former President of TENMA, is serving as TENMA's advisor.

As stated above, TENMA's current management completely disregarded the results of the Meeting and appointed Mr. Hiroshi Kaneda, Mr. Takashi Sudo and Mr. Kaneto Fujino to important positions within TENMA's management, despite managerial liability being pursued against

them; accordingly, we have to say that TENMA's governance is not functioning properly.

We received opinions from many stakeholders, including shareholders, who are concerned about TENMA's governance; and as the major shareholder of TENMA, we will continue to endeavor to normalize TENMA's governance.

End

Contact for inquiries for news media

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