

[Translation]

June 15, 2020

To the shareholders in TENMA CORPORATION

Shareholders' Committee for the Better Corporate Governance of TENMA

Re: Misunderstanding of the relevant Facts lead to the “AGAINST” vote by ISS concerning the Election of Messrs. TATENO and HARUYAMA as Directors

** Please note that the following translation is NOT a word to word translation.*

As you may know, we, the Shareholders' Committee for the Better Corporate Governance of TENMA (the “Committee”), have presented to TENMA CORPORATION (the “Company”; listed on the First Section of Tokyo Stock Exchange: 7958) the shareholders' proposal (the “Proposal”) for the appointment of directors at the annual general shareholders' meeting of the Company scheduled be held on June 26, 2020 (the “AGSM”), in order to change the current directors completely and establish a new lineup of directors and thus improve its corporate governance.

The Proposal is presented to the AGSM as the 5th Item of Business and an outline of the Proposal is available on pp 22-26 of the Convocation Notice of the AGSM.

As you see in the 5th Item of Business of the AGSM, our slate of director candidates (excluding members of the Audit and Supervisory Board) consists of 8 executive officers; *i.e.*, Messrs. Yukio HARUYAMA, Kazuharu TATENO, Yoshiyuki YANAGISAWA, Ichiro SAKAI, Shuji KAWAMURA, Nobunoshin TSUTSUNO, Tomohisa EGAWA and Keisuke FUCHIGAMI. Today we learned that although Institutional Shareholder Services, Inc. (“ISS”) recommended a “FOR” vote for Messrs. Yoshiyuki YANAGISAWA, Ichiro SAKAI, Nobunoshin TSUTSUNO and Tomohisa EGAWA, from among 6 director candidates who have submitted an acceptance of office in the Proposal, ISS recommends an “AGAINST” vote for Messrs. Yukio HARUYAMA and Kazuharu TATENO, based on the ISS's understanding and analysis that they were involved in recent bribery cases in Vietnam. However, this

understanding of the relevant facts as to the alleged involvement of Messrs. HARUYAMA and TATENO in the recent bribery cases in Vietnam is totally wrong. Therefore, we hereby try to explain the truth and dispel this serious misunderstanding of ISS.

1. The case of Mr. Kazuharu TATENO

We heard that ISS recommends voting “AGAINST” Mr. TATENO, based on its understanding and analysis that he might have been involved in a recent bribery case in Vietnam, as he has served as the President of TENMA Vietnam. This understanding is, however, totally WRONG.

In Vietnam, there are two subsidiaries of the Company; TENMA Vietnam Co., Ltd. located in *Bac-ninh* Province, the northern part of Vietnam and TENMA (HCM) Vietnam Co., Ltd. located in *Dong Nai* Province, the southern part of Vietnam, each of which is operated and administered independently. The recent bribery case in Vietnam occurred in TENMA Vietnam Co., Ltd. Mr. TATENO has served as the President of TENMA (HCM) Vietnam Co., Ltd., not of TENMA Vietnam Co., Ltd. He has no authority nor obligation to administer TENMA Vietnam Co., Ltd. Therefore, Mr. TATENO was NEVER involved in the recent bribery case that occurred in TENMA Vietnam Co., Ltd. and should not be blamed for that bribery case.

As the Report of the Independent Investigation Committee (publicized ver.) only describes that the bribery case occurred in one of the foreign subsidiaries of the Company located in Country X (the “Foreign Subsidiary X”), ISS may have confused TENMA (HCM) Vietnam Co., Ltd. with TENMA Vietnam Co., Ltd., in which the bribery case occurred, and may have misunderstood that Mr. TATENO served as the President of the Foreign Subsidiary X.

In conclusion, Mr. TATENO was NEVER involved in the recent bribery case which occurred in TENMA Vietnam Co., Ltd. and had NO authority nor obligation to administer TENMA Vietnam Co., Ltd. Therefore, the understanding of ISS of the relevant facts concerning whether or not Mr. TATENO was involved in the recent bribery case in Vietnam is totally wrong. The recommendation by ISS to vote “AGAINST” Mr. TATENO has no reasonable grounds.

2. The case of Mr. Yukio HARUYAMA

We heard that ISS recommends voting “AGAINST” Mr. HARUYAMA, based on its understanding and analysis that he approved the payment of bribes to an officer at the tax authority of Vietnam, and thus he might have been involved in the recent bribery case in Vietnam. This understanding is, however, totally WRONG.

The two bribery cases in Vietnam noted in the Report of the Independent Investigation Committee (publicized ver.) occurred in June 2017 and August 2019. Mr. HARUYAMA had left Japan and flew to Indonesia in February 2015, and since then, he has served as the President of the subsidiary of the Company in Indonesia. Therefore, there was no possibility that Mr. HARUYAMA was involved in these two bribery cases which occurred in Vietnam.

In conclusion, Mr. HARUYAMA was NEVER involved in the recent bribery cases which occurred in Vietnam. Therefore, the understanding of ISS of the relevant facts concerning whether or not Mr. HARUYAMA was involved in the recent bribery cases in Vietnam is totally wrong. The recommendation by ISS to vote “AGAINST” Mr. HARUYAMA has no reasonable grounds.

End.

<p>This document is NOT intended to solicit the exercise of voting rights by Osamu Tsukasa or any other third parties for both the proposal by the Company and the proposal by the shareholders at the AGSM of the Company scheduled to be held on June 26, 2020.</p>
