

[Translation]

July 2, 2021

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

Shareholders' Committee for the Better Corporate Governance of TENMA

Result of the 73rd Annual Shareholders' Meeting of Tenma Corporation

In order to normalize TENMA's (as defined below) governance, the "Shareholders' Committee for the Better Corporate Governance of TENMA" (the "Shareholders' Committee") made a shareholders' proposal for the appointment of three outside directors who were not members of the Audit and Supervisory Committee to TENMA CORPORATION ("TENMA"; listed on the First Section of Tokyo Stock Exchange, Inc. under securities code 7958) at the 73rd annual shareholders' meeting (the "Meeting") (Proposal No. 4; this "Proposal"). Although this Proposal, and Proposal No. 3 (the company's proposal by the Audit and Supervisory Committee for the appointment of three directors who are members of the Audit and Supervisory Committee), which was supported and recommended by the Shareholders' Committee, were supported by many shareholders, unfortunately, they were not approved.

As Proposal No. 3 was rejected at the Meeting, two directors who were members of the Audit and Supervisory Committee and had been pursuing the issue of the Vietnam Fraud Incident of TENMA retired from office, and as Proposal No. 5, which was recommended by the Nomination and Compensation Committee, optionally established by TENMA's Board of Directors, and submitted as a shareholders' proposal by DALTON KIZUNA (MASTER) FUND LP and OASIS INVESTMENTS II MASTER FUND LTD., was approved, three directors who were new members of the Audit and Supervisory Committee were elected.

With regard to directors who were members of the Audit and Supervisory Committee, TENMA's Board of Directors opposed and rejected the company's proposal by the Audit and Supervisory Committee and approved the proposal submitted as a shareholders' proposal based on the recommendation from the Nomination and Compensation Committee, which

was optionally established by TENMA's Board of Directors. This evades the provision of Article 344, paragraph 2 of the Companies Act, which grants to the Audit and Supervisory Committee the right to agree to proposals for the election of directors who are members of the Audit and Supervisory Committee, as well as the right to make agendas or proposals for the election of directors who are members of the Audit and Supervisory Committee in order to ensure the independence of directors who are members of the Audit and Supervisory Committee whose duties are to audit the execution of duties by directors, and this must render ineffectual audits of the execution of duties by directors by the Audit and Supervisory Committee. In fact, given that the situation where directors who were members of the Audit and Supervisory Committee and were unfavorable for the management of TENMA were excluded and directors who were members of the Audit and Supervisory Committee and were favorable were elected should be feared considerably in terms of TENMA's governance, it is feared that the liability of former directors related to the Vietnam Fraud Incident will no longer be pursued, which has been pursued by the Audit and Supervisory Committee so far, and furthermore, there is a concern that the governance structure of TENMA will completely cease to function.

As a major TENMA shareholder, we believe continuous efforts to normalize TENMA's governance are required, and we will examine further measures carefully.

End

Contact for inquiries for news media

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