

[Translation]

May 26, 2021

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

Shareholders' Committee for the Better Corporate Governance of TENMA

**Press Release by Members of the Audit and Supervisory Committee of
Tenma Corporation**

Tsukasa Enterprise Corporation (the "Company") that constitutes the "Shareholders' Committee for the Better Corporate Governance of TENMA" (the "Shareholders' Committee"), holds over 8% of the common shares of Tenma Corporation ("TENMA"; listed on the First Section of Tokyo Stock Exchange, Inc. under securities code 7958), and in order to normalize TENMA's governance, has made a shareholders' proposal for the appointment of outside directors at TENMA's annual shareholders' meeting scheduled to be held in June 2021.

Presently, members of TENMA's Audit and Supervisory Committee have sent to the press club of Tokyo Stock Exchange, Inc. a press release related material which presents the Audit and Supervisory Committee's opinions on the "Notice Regarding the Director Candidates to Be Proposed to the 73rd Annual Shareholders' Meeting and Notice Regarding the Opinions of the Company's Board of Directors on the Demands from the Audit and Supervisory Committee and the Shareholders' Proposal" disclosed by TENMA on May 21, 2021.

Since the Shareholders' Committee acquired the press release related material above, we would like to disclose the same on the Shareholders' Committee's homepage.

End

Contact for inquiries for news media

Shareholders' Committee for the Better Corporate Governance of TENMA

Administrative Office: Tel. 81-3-6721-5099

(Business trustee for media support: Pathfind Co., Ltd.)

Homepage: <http://tsukasanews.com>

Note: This document is not to solicit the exercise of voting rights by persons who constitute the Shareholders' Committee for the Better Corporate Governance of TENMA or third parties for both the proposal by the company and the proposal by the shareholders at the Meeting scheduled to be held in June 2021.

[Translation]

May 26, 2021

To whom it may concern,

Tenma Corporation

Jiro Kitano, Outside Director & Member of the Audit and Supervisory Committee

Yoshimasa Kataoka, Outside Director & Member of the Audit and Supervisory Committee

(Code: 7958, Tokyo Stock Exchange, First Section)

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Opinions of the Audit and Supervisory Committee on “Notice Regarding the Director Candidates to Be Proposed to the 73rd Annual Shareholders’ Meeting and Notice Regarding the Opinions of the Company’s Board of Directors on the Demands from the Audit and Supervisory Committee and the Shareholders’ Proposal” Issued by Tenma Corporation, and Other Matters

Tenma Corporation (the “Company”) has issued a “Notice Regarding the Director Candidates to Be Proposed to the 73rd Annual Shareholders’ Meeting and Notice Regarding the Opinions of the Company’s Board of Directors on the Demands from the Audit and Supervisory Committee and the Shareholders’ Proposal” dated May 21, as a timely disclosure before the formal disclosure of a notice convening a shareholders’ meeting. We would like to announce that the Audit and Supervisory Committee reported its opinions to the Company’s Board of Directors as specified in I and II below, with respect to the items for resolution regarding the appointment of directors who are members of the Audit and Supervisory Committee and the appointment of directors other than the directors who are members of the Audit and Supervisory Committee, as a unanimous opinion of the Audit and Supervisory Committee, pursuant to Article 342-2 of the Companies Act.

In addition, together with the above, with regard to the Company's current governance system, we would like to announce the opinions of Mr. Jiro Kitano, a member of the Audit and Supervisory Committee and Mr. Yoshimasa Kataoka, a member of the Audit and Supervisory Committee, in III.

I. Opinions on the Appointment of Directors Who are Members of the Audit and Supervisory Committee and the Appointment of Directors Other Than Directors Who are Members of the Audit and Supervisory Committee

1. Proposal for the Appointment of Directors (Excluding Directors Who are Members of the Audit and Supervisory Committee)

Persons Who Decided on the Proposal:

the Company's Board of Directors

Names of Candidates: Mr. Hirohiko Hirono, Mr. Yuichi Nagai, Mr. Masaru Noritake, Mr. Kenichi Hoshi, Mr. Shiro Hayashi, Mr. Hirofumi Kurahashi, and Mr. Shoji Matsuyama

The Audit and Supervisory Committee submitted its opinions to the Company's Board of Directors to the effect that four director candidates, i.e., Mr. Hirohiko Hirono, Mr. Yuichi Nagai, Mr. Shiro Hayashi, and Mr. Shoji Matsuyama, are inappropriate director candidates.

[Opinions That the Four Director Candidates are Inappropriate]

- Mr. Hirohiko Hirono

In light of legal compliance and the pressing issue facing the Company, which is to realize the recovery of trust in our internal controls, both within and outside of the Company, Mr. Hirohiko Hirono is an inappropriate director candidate for the following reasons:

- 1) The Fact That He did not Engage Proactively in Legal Compliance and Rebuilding of Internal Control Systems by Taking Initiative as a Person Responsible for Management.

He proposed Mr. Hiroshi Kaneda and Mr. Takashi Sudo, who were rejected as director candidates at the last year's annual shareholders' meeting, to the Board of Directors as executive officer candidates. Moreover, after Mr. Hiroshi Kaneda and Mr. Takashi Sudo were appointed as executive officers, although a lawsuit seeking damages was filed by the Audit and Supervisory Committee against former directors who were not members of the Audit and Supervisory Committee, including Mr. Hiroshi Kaneda, Mr. Takashi Sudo, and others, based on the Director Liability Investigation Committee's investigation, he continued to use Mr. Hiroshi Kaneda as a managing executive officer and General Manager of General Affairs and Mr. Takashi Sudo as an executive officer and General Manager of the Finance & Accounting Department.

- 2) Management Which Disregarded Shareholders, Investors, Stakeholders, Etc.

He disclosed neither (i) the fact that a Director Liability Investigation Committee was established pursuant to a resolution of the Audit and Supervisory Committee, nor (ii) the investigation report of the Director Liability Investigation

Committee, which the Audit and Supervisory Committee and members of the Audit and Supervisory Committee requested that he disclose. Thus, the disclosure of information was insufficient, from the viewpoint of shareholders, investors, and stakeholders.

- Mr. Yuichi Nagai

He agreed to the resolution of the Board of Directors mentioned in 1) above to the effect that Mr. Hiroshi Kaneda and Mr. Takashi Sudo, who were rejected as director candidates at the last year's annual shareholders' meeting, would be appointed as executive officers. Thus, he is an inappropriate director candidate in light of legal compliance and the pressing issue facing the Company, which is to realize the recovery of trust in our internal controls, both within and outside of the Company.

- Mr. Shiro Hayashi

He agreed to the resolution of the Board of Directors mentioned in 1) above to the effect that Mr. Hiroshi Kaneda and Mr. Takashi Sudo, who were rejected as director candidates at the last year's annual shareholders' meeting, would be appointed as executive officers. Thus, he is an inappropriate director candidate in light of legal compliance and the pressing issue facing the Company, which is to realize the recovery of trust in our internal controls, both within and outside of the Company.

- Mr. Shoji Matsuyama

He agreed to the resolution of the Board of Directors mentioned in 1) above to the effect that Mr. Hiroshi Kaneda and Mr. Takashi Sudo, who were rejected as director candidates at the last year's annual shareholders' meeting, would be appointed as executive officers. Thus, he is an inappropriate director candidate in light of legal compliance and the pressing issue

facing the Company, which is to realize the recovery of trust in our internal controls, both within and outside of the Company.

2. Appointment of Directors as Audit and Supervisory Committee Members

Persons Who Decided on the Proposal: two shareholders
(Dalton and Oasis)

Names of Candidates: Mr. Kazuhiko Hara,
Mr. Hirotaka Goto,
and Ms. Miyo
Nishida

The Audit and Supervisory Committee opposes the shareholders' proposal by Dalton and Oasis on the appointment of Audit and Supervisory Committee members of the Company, and has submitted the following information to the Board of Directors of the Company as the reasons for its opposition along with its opinion thereon.

- The Audit and Supervisory Committee's reasons for opposition

As of December 25, 2020, the Audit and Supervisory Committee filed a lawsuit for damages against Mr. Kaneto Fujino, Mr. Yasuichi Kaneda, Mr. Hiroshi Kaneda (currently an Executive Officer), Mr. Takashi Sudo (currently an Executive Officer), Mr. Hisashi Tsukasa, and Mr. Noboru Omi, former Directors who were found liable for damages in the report of the Liability Investigation Committee concerning the Vietnam Fraud Incident. This lawsuit is important for the compliance of the Company, and from the viewpoint of fulfilling this matter, the Audit and Supervisory Committee requested that Mr. Jiro Kitano, Mr. Yoshimasa Kataoka, and Mr. Ichiro Sakai, who had knowledge of the situation at the time, submit a proposal as candidates for the positions of Audit and Supervisory Committee members of the Board of Directors at the 73rd annual shareholders' meeting.

Therefore, the Audit and Supervisory Committee of the Company opposes the shareholder proposal.

II. Outline of the Director Candidates to be Proposed at this Annual Shareholders' Meeting and the Opinions of the Audit and Supervisory Committee

	Persons Who Decided on the Proposal	Names of Candidates	Opinions of the Audit and Supervisory Committee
Proposal for the Appointment of Directors (Excluding Directors Who are Members of the Audit and Supervisory Committee)	The Company's Board of Directors	Mr. Hirohiko Hirono, Mr. Yuichi Nagai, Mr. Masaru Noritake, Mr. Kenichi Hoshi, Mr. Shiro Hayashi, Mr. Hirofumi Kurahashi, and Mr. Shoji Matsuyama	Opposed to the following four candidates: Mr. Hirohiko Hirono, Mr. Yuichi Nagai, Mr. Shiro Hayashi, and Mr. Shoji Matsuyama
	One shareholder (Tsukasa Enterprise)	Mr. Takashi Ajimura, Ms. Noriko Kondo, and Ms. Kuniko Fujiyama	—
Proposal for Appointment of Directors as Audit and Supervisory Committee Members	The Company's Audit and Supervisory Committee	Mr. Yoshimasa Kataoka, Mr. Jiro Kitano, and Mr. Ichiro Sakai	Supported
	Two shareholders (Dalton and Oasis)	Mr. Kazuhiko Hara, Mr. Hirotaka Goto, and Ms. Miyo Nishida	Opposed

III. The Company's Current Governance System

1. Corporate Governance System
 - Company with Audit and Supervisory Committee
2. Directors who are not members of the Audit and Supervisory Committee (currently five, maximum number of members is nine; term of office is one year)
 - Two directors from the Company: Mr. Hirohiko Hirono, Mr. Yuichi Nagai
 - Two outside directors: Mr. Hirofumi Kurahashi, Mr. Shoji Matsuyama
 - One Representative Director of Dalton Advisory KK, which is a group company of Dalton, a shareholder: Mr. Shiro Hayashi
3. Directors who are members of the Audit and Supervisory Committee (maximum number of members is four, currently three; term of office is two years)
 - Two directors who are members of the Audit and Supervisory Committee whose re-election period is this year: Mr. Yoshimasa Kataoka, Mr. Jiro Kitano
 - One director who is a member of the Audit and Supervisory Committee whose re-election period is next year: Mr. Koichi Kan
4. Nomination and Compensation Committee, which is an optional advisory body of the Board of Directors (established

in November 6, 2020)

- One non-independent director: Mr. Hirohiko Hirono (President)
- Two independent directors: Mr. Hirofumi Kurahashi, Mr. Shoji Matsuyama
- * Mr. Koichi Kan, who is a member of the Audit and Supervisory Committee, served as a committee member until April 23, 2021, but following his resignation as a member of the committee, Mr. Hirofumi Kurahashi was appointed instead.

5. Current Issues (Conflicts of interest between the Audit and Supervisory Committee and the Board of Directors)

- Directors who are members of the Audit and Supervisory Committee have taken action on the Vietnam Fraud Incident through deliberation and resolution in the Audit and Supervisory Committee.
- It is indicated that there is a problem with governance under the current director structure, in that Mr. Hiroshi Kaneda and others, who are regarded as having liability for damages relating to the Vietnam Fraud Incident, are allowed to remain in executive positions that are important for the Company's business operations. [Mr. Hiroshi Kaneda holds shares of the Company jointly with Kaneda Kosan Corporation, which is the second major shareholder of the Company, and thus enough shares to control the Company, together with the shares owned by an investment company, Dalton, which is a director of the Company. Therefore, he makes it virtually possible to appoint directors (including members of the Audit and Supervisory Committee) at this shareholders'

meeting of the Company.]

- The Audit and Supervisory Committee decided the next term candidates for director who are members of the Audit and Supervisory Committee, and demanded that the Board of Directors submit the appointment of these candidates to the annual shareholders' meeting as an agenda item. The appointment of these same candidates includes reappointment of the directors who are members of the Audit and Supervisory Committee who have conflicting opinions.

After this demand from the Audit and Supervisory Committee, the Nomination and Compensation Committee, which was established by the Company's Board of Directors as an optional advisory body, submitted a report indicating the inappropriateness of directors who were members of the Audit and Supervisory Committee who had conflicting opinions. The Nomination and Compensation Committee recommended director candidates who were new members of the Audit and Supervisory Committee, to replace the directors who are currently members of the Audit and Supervisory Committee. The situation is very unnatural, to the extent that the Nomination and Compensation Committee, as an optional advisory body, formulated a report recommending new candidates for directors who are members of the Audit and Supervisory Committee, and the Company disclosed the report publicly. In addition, Mr. Koichi Kan resigned as a member of the Nomination and Compensation Committee immediately after the submission of the report.

- The Company's Board of Directors has tried to put pressure on the members of the Audit and Supervisory Committee who have conflicting opinions by establishing a

“Special Investigation Committee Regarding Directors who are Members of the Audit and Supervisory Committee,” for the reason that the report above indicates matters that are considered to be violations of laws or breaches of the duty of care by directors who are members of the Audit and Supervisory Committee.

- The details of the above report have not been investigated or verified by third parties, and before the Nomination and Compensation Committee verified the details of the counterargument submitted from Kataoka and Kitano, the report above was disclosed and triggered the shareholders’ proposal by Dalton and Oasis on members of the Audit and Supervisory Committee.

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