

Securities code: 7958
June 3, 2019

To our shareholders

Kaneto Fujino
President and Representative Director
TENMA CORPORATION
63-6, 1-Chome Akabane, Kita-ku, Tokyo 115-0045,
Japan

Notice of the 71st Ordinary General Meeting of Shareholders

You are cordially invited to attend the 71st Ordinary General Meeting of Shareholders of TENMA CORPORATION (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. After having reviewed the Reference Documents for the General Meeting of Shareholders, please exercise your voting rights as per the guide for exercising voting rights by 5:30 p.m. on Wednesday, June 26, 2019 (JST).

- 1. Date and Time:** June 27, 2019 (Thursday) 10:00 a.m. (JST)
(Reception starts: 9:00 a.m. (JST))
- 2. Venue:** 11-1, 1-Chome, Oji, Kita-ku, Tokyo, Japan
Tsutsuji Hall, Floor 3, Hokutopia (the entrance is on floor 2)

3. Purpose of the Meeting:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 71st fiscal year (from April 1, 2018 to March 31, 2019), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee.
2. The Non-consolidated Financial Statements for the 71st fiscal year (from April 1, 2018 to March 31, 2019)

Matters to be resolved:

- Proposal 1** Reduction of the Capital Reserve
- Proposal 2** Appropriation of the Surplus
- Proposal 3** Election of Six (6) Directors (Excluding Directors Who are Members of the Audit and Supervisory Committee)
- Proposal 4** Election of Three (3) Directors Who are Members of the Audit and Supervisory Committee
- Proposal 5** Revision to Remuneration for Directors (Excluding Directors Who are Members of the Audit and Supervisory Committee)

If you are attending the meeting in person, please submit the enclosed voting form at the reception of the venue.

Moreover, in the event that revisions are required to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements, revised versions of these documents will be available on the Company’s website (<https://www.tenmacorp.co.jp/>). (Japanese only)

Reference Documents for the General Meeting of Shareholders

Proposal 1 Reduction of the Capital Reserve

To ensure capital for cancellation of treasury stock and ensure dynamism and flexibility of future capital policy, the Company proposes to reduce the capital reserve and transfer it to other capital surplus, pursuant to Article 448, Paragraph 1 of the Companies Act.

Moreover, on the condition that this proposal is approved, 1,000,000 treasury shares will be canceled, pursuant to the stipulations of Article 178 of the Companies Act.

1. Amount of Capital Reserve to be Reduced

A reduction of ¥14,000,000,000 will be made from the ¥18,924,500,000 of capital reserve, transferring it into other capital surplus such that the post-reduction amount of the capital reserve will be ¥4,924,500,000.

2. Effective Date of Reduction in Amount of Capital Reserve

June 28, 2019

Proposal 2 Appropriation of the Surplus

The Company has stated that the stable provision of dividends is a fundamental part of its dividend policy; however, as well as emphasizing proactive return of profit to the shareholders, to clarify and implement the continued stable provision of dividends, the Company has altered its dividend policy to use a consolidated dividend on equity ratio (DOE) indicator.

In accordance with this change to the dividend policy, the Company proposes the following with regard to the appropriation of the surplus.

1. Matters Regarding the Appropriation of the Surplus

To implement the stable provision of dividends to our shareholders, part of the general reserve will be dismantled as follows:

(1) Items of the surplus to be reduced and amount thereof

General reserve: ¥10,000,000,000

(2) Items of the surplus to be increased and amount thereof

Retained earnings brought forward: ¥10,000,000,000

2. Year-end Dividends

The Company considers enhancing the return of profits as one of its major management issues and, with the goal of maintaining a consolidated DOE of 2.5% or more. In addition, continuing the stable provision of dividends has been set as a fundamental part of its basic policy, with the aim of further improving the return of profits. Furthermore, the Company's policy includes the consideration of increasing dividends through improved performance and the achievement of management targets.

According to this dividend policy, in order to set the annual dividends for this term to ¥80 per share to obtain a consolidated DOE of 2.5% or more, the Company proposes to set the year-end dividends for the 71st term to ¥60 per share.

Through the above, together with the previous payment of interim dividends of ¥20 per share, this results in an annual dividend for this term of ¥80 per share, which is ¥30 per share greater than the previous term.

(1) Type of dividends

Cash

(2) Dividend allocation and their aggregate amount

Dividend per common share of the Company: ¥60

Total dividends: ¥1,451,908,620

(3) Effective date of dividends of surplus

June 28, 2019

Proposal 3 Election of Six (6) Directors (Excluding Directors Who are Members of the Audit and Supervisory Committee)

The terms of office of all four (4) Directors (excluding Directors who are Members of the Audit and Supervisory Committee) will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of six (6) Directors (excluding Directors who are Members of the Audit and Supervisory Committee), increasing their number by two to enhance the management structure.

Moreover, the Audit and Supervisory Committee has provided its opinion that it has determined that the appointment of each of the candidates as Directors is appropriate given the expectation that the Board of Directors will improve corporate value.

Candidates for Director (excluding Directors who are Members of the Audit and Supervisory Committee) are as follows:

Candidate No.	Name	Current Position and Responsibilities at the Company	
1	Yasuichi Kaneda	Chairman of the Board and Representative Director	Reelection
2	Kaneto Fujino	President and Representative Director	Reelection
3	Hisashi Tsukasa	Senior Executive Director General Manager of Procurement Department and Industrial Materials Sales Department	Reelection
4	Noboru Omi	Executive Director Supervising Production and Engineering Development	Reelection
5	Hiroshi Kaneda	Managing Executive Officer Head of New Business Development	New election
6	Takashi Sudo	Executive Officer General Manager of Finance & Accounting Department	New election

Candidate No.	Name (Date of birth)	Career summary, Position and Responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yasuichi Kaneda (August 14, 1944) [Reelection]	<p>Dec. 1971 Director of the Company</p> <p>Jan. 1995 Executive Director</p> <p>Dec. 1999 Senior Executive Director, Executive General Manager of Sales Division and General Manager of Research & Development Department</p> <p>Mar. 2002 Senior Executive Director, supervising Production</p> <p>Apr. 2013 Representative Director of BK Finance Ltd. (current position)</p> <p>Jun. 2014 Chairman of the Board and Representative Director of the Company (current position)</p> <p>Mar. 2015 Chairman of Member's Council, TENMA VIETNAM CO., LTD. (current position)</p>	804,116 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>He has many years of experience in performing duties across the businesses of the Company and is knowledgeable about the business activities of the Company as a whole. Since June 2014, he has contributed to decisions on important matters and the supervision of the execution of business as Chairman of the Board and Representative Director and, having been determined that he will contribute to improvements in the corporate value of the Company, the Company proposes him as a candidate for Director.</p>			
2	Kaneto Fujino (August 24, 1952) [Reelection]	<p>Jan. 2005 Director, General Manager of Houseware Sales Department, Research & Development Department and Sales Promotion Department of the Company</p> <p>Apr. 2006 Director and Managing Executive Officer, General Manager of Houseware Sales Department, Research & Development Department and Sales Promotion Department</p> <p>Jun. 2006 Managing Executive Officer, General Manager of Houseware Sales Department, Research & Development Department and Sales Promotion Department</p> <p>Jun. 2007 Director and Managing Executive Officer, General Manager of Houseware Sales Department and Sales Promotion Department</p> <p>Jun. 2010 Executive Director and Managing Executive Officer, General Manager of Houseware Sales Department and Sales Promotion Department</p> <p>Feb. 2013 Executive Director and Managing Executive Officer, Executive General Manager of Houseware Sales Department</p> <p>Jun. 2014 Senior Executive Director, Executive General Manager of Houseware Sales Department</p> <p>Jun. 2016 President and Representative Director (current position) President and Representative Director, TENMA ASEAN HOLDINGS CO., LTD. (current position)</p>	14,000 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>He has many years of experience in performing duties, particularly with regard to the Company's houseware business, and is knowledgeable about the business activities of the Company as a whole. Since June 2016, he has contributed to decisions on important matters and the supervision of the execution of business as President and Representative Director and, having been determined that he will contribute to improvements in the corporate value of the Company, the Company proposes him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, Position and Responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned	
3	Hisashi Tsukasa (May 30, 1963) [Reelection]	Feb. 1985	Joined the Company	58,971 shares
		Mar. 1990	Representative Director, Tsukasa Enterprise Co., Ltd. (current position)	
		Dec. 2002	General Manager of Procurement Department of the Company	
		Jan. 2003	Director, General Manager of Procurement Department	
		Jun. 2006	Managing Executive Officer, General Manager of Procurement Department	
		Feb. 2011	Managing Executive Officer, General Manager of Procurement Department and Research & Development Department	
		Oct. 2011	Managing Executive Officer, General Manager of Procurement Department	
		Apr. 2013	Managing Executive Officer, General Manager of Procurement Department and supervising Industrial Materials Sales	
		Jun. 2015	Executive Director, General Manager of Procurement Department and supervising Industrial Materials Sales	
		Jun. 2016	Senior Executive Director, General Manager of Procurement Department and supervising Industrial Materials Sales	
May 2019	Senior Executive Director, General Manager of Procurement Department and Industrial Materials Sales Department (current position)			
<p>[Reasons for nomination as candidate for Director]</p> <p>He has many years of experience in performing duties, particularly with regard to the Company's materials procurement division, and is knowledgeable about the business activities of the Company as a whole. Since June 2016, he has contributed to decisions on important matters and the supervision of the execution of business as Senior Executive Director and, having been determined that he will contribute to improvements in the corporate value of the Company, the Company proposes him as a candidate for Director.</p>				
4	Noboru Omi (May 17, 1950) [Reelection]	Apr. 1970	Joined Canon Inc.	1,200 shares
		Apr. 2004	Director, Canon Precision Inc.	
		Apr. 2006	Managing Director	
		Sep. 2009	President	
		Apr. 2014	Advisor of the Company	
		Jun. 2014	Senior Managing Executive Officer, supervising Engineering	
Jun. 2015	Executive Director, supervising Production and Engineering			
Nov. 2016	President and Director, TENMA (THAILAND) CO., LTD.			
Apr. 2017	Executive Director, supervising Production and Engineering Development (current position)			
<p>[Reasons for nomination as candidate for Director]</p> <p>He has abundant experience as a company manager and many years of experience and specialist knowledge attained through his engagement in the production and engineering division. Since June 2015, he has contributed to decisions on important matters and the supervision of the execution of business as Executive Director and, having been determined that he will contribute to improvements in the corporate value of the Company, the Company proposes him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, Position and Responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Hiroshi Kaneda (September 1, 1977) [New election]	Feb. 2006 Representative Director, Spinshell Inc. (current position)	300,771 shares
		Apr. 2010 Advisor, FON Japan Co., Ltd.	
Jun. 2013 Executive Officer and Chief Information Officer			
Jun. 2014 Representative Director and Chief Executive Officer			
Nov. 2017 General Manager attached to General Affairs Department of the Company			
Apr. 2018 Managing Executive Officer, Head of New Business Development (current position)			
Aug. 2018 Representative Director, FHL Holdings Inc. (current position)			
[Reasons for nomination as candidate for Director] He has many years of experience as a company manager and abundant experience and specialist knowledge attained through his engagement in the development of new business. Since April 2018, he has contributed to the promotion of new business as Managing Executive Officer and, having been determined that he will contribute to improvements in the corporate value of the Company, the Company proposes him as a candidate for Director.			
6	Takashi Sudo (April 22, 1972) [New election]	Mar. 1993 Joined the Company	200 shares
		Jun. 2016 General Manager attached to Finance & Accounting Department	
Feb. 2017 General Manager of Finance & Accounting Department			
Jun. 2017 Executive Officer, General Manager of Finance & Accounting Department (current position)			
[Reasons for nomination as candidate for Director] He has abundant experience and specialist knowledge attained through his engagement in the finance and accounting division, and is knowledgeable of the Company's business activities overall. Since June 2017, he has contributed to formulating financial strategies, including the capital policy as an Executive Officer and, having been determined that he will contribute to improvements in the corporate value of the Company, the Company proposes him as a candidate for Director.			

Note: There is no special interest between the candidates and the Company.

Proposal 4 Election of Three (3) Directors Who are Members of the Audit and Supervisory Committee

The terms of office of all three (3) Directors who are Members of the Audit and Supervisory Committee will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three (3) Directors who are Members of the Audit and Supervisory Committee.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for Director who is a Member of the Audit and Supervisory Committee are as follows:

Candidate No.	Name	Position in the Company	Candidate Attributes	
1	Yoshimasa Kataoka	Outside Director & Member of the Audit and Supervisory Committee	Outside Director Independent Officer	Reelection
2	Junichi Fujimoto	Outside Director & Member of the Audit and Supervisory Committee	Outside Director Independent Officer	Reelection
3	Jiro Kitano	—	Outside Director Independent Officer	New election

Candidate No.	Name (Date of birth)	Career summary, Position and Responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshimasa Kataoka (November 1, 1958) [Reelection] Outside Independent	Oct. 1990 Tax Accountant, Yoshimasa Kataoka Tax Accountant Office (current position)	2,000 shares
		Jan. 1997 Outside Corporate Auditor of the Company Jun. 2004 Outside Auditor, JAPAN PUBLICATIONS TRADING CO., LTD. (current position) Jun. 2015 Outside Director & Member of the Audit and Supervisory Committee of the Company (current position)	
[Reasons for nomination as candidate for Outside Director] Although he has no experience of contributing directly to the management of a company, the Company has obtained significant guidance from him as an expert in taxation and accounting. It has been determined that he can appropriately fulfill his duties as an Outside Director & Member of the Audit and Supervisory Committee, and the Company proposes him as a candidate as Outside Director.			
2	Junichi Fujimoto (November 20, 1973) [Reelection] Outside Independent	Jan. 1998 Representative Director, Extreme Japan Co., Ltd.	- shares
		Jul. 2000 Representative Director, eZuz Japan K.K. May 2004 Representative Director, Willio Co., Ltd. Oct. 2006 Representative Director and Vice President, a2media corporation Jun. 2015 Outside Director & Member of the Audit and Supervisory Committee of the Company (current position) Oct. 2017 Representative Director and President, a2media corporation Jan. 2019 Advisor (current position)	
[Reasons for nomination as candidate for Outside Director] He has abundant experience and broad insight from his many years as a company manager and has provided the Company with significant guidance. It has been determined that he can appropriately fulfill his duties as an Outside Director & Member of the Audit and Supervisory Committee, and the Company proposes him as a candidate as Outside Director.			
3	Jiro Kitano (July 4, 1956) [New election] Outside Independent	Apr. 1981 Joined Nissei Sangyo	- shares
		Apr. 2003 Board Director, Hitachi High-Technologies (Singapore) Pte. Ltd. Apr. 2007 Manager of Internal Auditing Division, Hitachi High-Technologies Corporation Oct. 2008 Head of Logistics Center Apr. 2013 Board Director, Hitachi High-Tech Materials Corporation Apr. 2016 Audit & Supervisory Board Member (full time), Hitachi High-Tech Solutions Corporation Audit & Supervisory Board Member (full time), Hitachi High-Tech Fine Systems Corporation Apr. 2018 Head of Internal Audit Department, Y.A.C. HOLDINGS CO., LTD. (current position) (Scheduled to relinquish position on June 26, 2019)	
[Reasons for nomination as candidate for Outside Director] As well as having experience as a manager of companies both in Japan and overseas, he has experience as an auditor. It has been determined that he can appropriately fulfill his duties as an Outside Director & Member of the Audit and Supervisory Committee, and the Company proposes him as a candidate as Outside Director.			

- Notes: 1. There is no special interest between the candidates and the Company.
2. Yoshimasa Kataoka, Junichi Fujimoto, and Jiro Kitano are candidates for Outside Director.
3. Yoshimasa Kataoka and Junichi Fujimoto are currently Outside Directors & Members of the Audit and Supervisory Committee of the Company, and at the conclusion of this meeting, their tenure will be four (4) years. Moreover, Yoshimasa Kataoka was previously a non-executive officer (auditor) of the Company.
4. The Company has entered into a limited liability agreement with Yoshimasa Kataoka and Junichi Fujimoto for damage as stipulated by Article 423, Paragraph 1 of the Companies Act, based upon the stipulations of Article 427, Paragraph 1

of the same act. The limit of the amount of liability for damage in the aforementioned contract is the minimum liability amount prescribed by law and, if the reelection of these candidates is approved, the Company intends to roll over these contracts. In addition, if the election of Jiro Kitano is approved, the Company intends to enter into a similar limitation of liability contract with him.

5. The Company has designated Yoshimasa Kataoka and Junichi Fujimoto as independent officers in accordance with the stipulations of the Tokyo Stock Exchange, to which the Company has also submitted notification thereof. If the reelection of these candidates is approved, the Company intends for them to continue in their status as independent officers. In addition, Jiro Kitano also fulfills the independence criteria stipulated by the Tokyo Stock Exchange and, if his election is approved, the Company intends to designate him as an independent officer.

Proposal 5 Revision to Remuneration for Directors (Excluding Directors Who are Members of the Audit and Supervisory Committee)

The remuneration for Directors (excluding Directors who are Members of the Audit and Supervisory Committee) of the Company was resolved to be within ¥180 million (not including their employee salary) per year at the 67th Ordinary General Meeting of Shareholders held on June 26, 2015 and remains so to present; however, in consideration for various circumstances, such as the recent economic conditions, future expansion of the Company's areas of business and increasing responsibilities required of the Directors, the Company proposes that the annual remuneration be revised to be within ¥300 million.

Moreover, as before, this remuneration does not include the employee salaries of Directors who are concurrently employees or stock-based remuneration and the like, as per the stock-based remuneration plan (Board Benefit Trust) that was resolved in the 69th Ordinary General Meeting of Shareholders held on June 27, 2017, and no changes are made to the amount of stock-based remuneration and the like.

In addition, while there are currently four (4) Directors (excluding Directors who are Members of the Audit and Supervisory Committee), if proposal 3 is approved as proposed, there will be six (6) Directors (excluding Directors who are Members of the Audit and Supervisory Committee).

Furthermore, the Audit and Supervisory Committee has provided its opinion that it judges the details of this remuneration as appropriate with regard to the Directors (excluding Directors who are Members of the Audit and Supervisory Committee) fulfilling their responsibilities for improving the corporate value of the Company.