

Argyle Street Management Limited

Unit 601-2, 6th Floor, St. George's Building
2 Ice House Street, Central, Hong Kong

General: (852) 2106 0888
Fax: (852) 2868 3082

April 4, 2018

The Board of Directors
TTK Co. Ltd.
仙台市若林区新寺 1-2-23
1 Chome-2-23 Shintera,
Wakabayashi-ku,
Sendai-shi,
Miyagi-ken 984-0051,
Japan

Dear Members of the Board of TTK Co., Ltd. ("TTK"),

We write to follow up on our previous letter dated 11 September 2017 and 12 October 2017. We appreciate TTK's reply to us on 16 November 2017. Despite this, we have yet to receive a clear update if progress has been made on all the observations and proposals highlighted to the Board in our previous letters. For there to be a constructive dialogue, the board and management of TTK should be confident rather than vague and non-committal in their responses to the investors and stakeholders of TTK.

We sincerely hope that the board takes dialogue with its shareholders seriously as we would like to work together to improve TTK. One way of doing so would be for TTK, together with its investors, to think about and set the agenda for the upcoming general meeting of TTK in an open manner. We hope that you would consider tabling the below points for discussion as these are pertinent points that concern TTK's long term interest.

We would like to reiterate that:

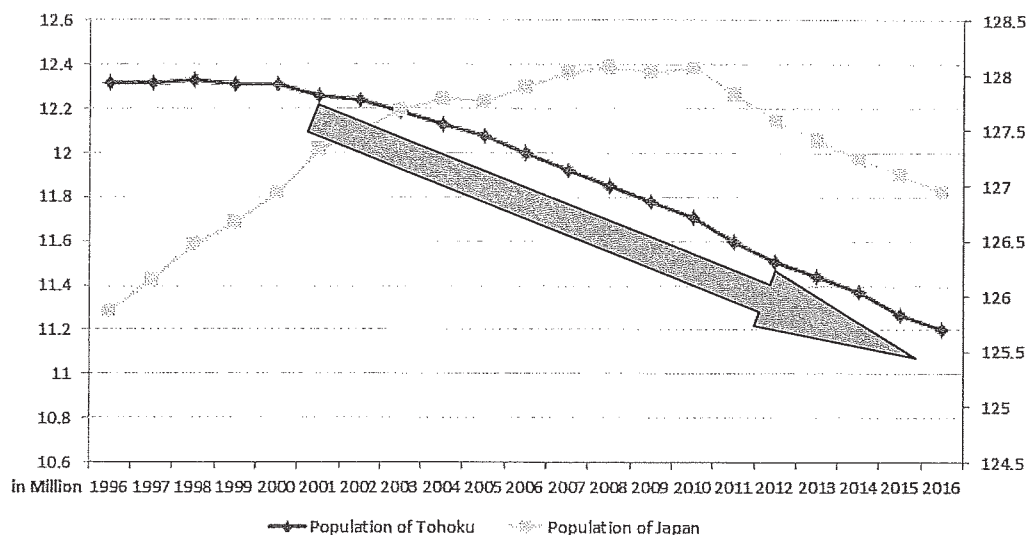
1. The capital structure of TTK remains highly inefficient and has to be improved either through deploying or returning the idle capital. We would like to kindly draw your attention to the relatively unsatisfactory circumstance we continuously find TTK in despite TTK's commitment since 2007 to balance between distribution and growth in response to shareholders' request then. Since 2007, TTK's cash balance has doubled and the payout ratio has dropped from 69% to 59%. The higher distributions should be made if idle capital is not effectively utilized.
2. While we applaud the appointment of a female independent director, we note that she, along with a large majority of the existing directors of TTK, previously worked at the Nippon Telegraph and Telephone Corporation ("NTT"). To improve board diversity and deliberations, we recommend that an independent director without links to NTT be appointed. Again, we would like to recommend Mr. Kin Chan, who would be happy to serve **without a fee**.
3. TTK's current business plan is vague with no clear milestones or defined goals. Accountability to stakeholders can only be achieved by setting definite goals upon which progress can be measured. We hope to see TTK set definite goals for the future. This is particularly pertinent given that the status quo TTK is currently enjoying cannot be expected to endure given the

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current demographics of TTK's key market. The population in Tohoku, an important market for TTK, is decreasing at an accelerating rate (see attached chart). Inaction and passiveness will lead to sure demise. TTK has a good product and needs to develop a sustainable growth strategy, which would ideally include overseas expansion.



4. We appreciate that TTK has established a new core business in 2017. Looking forward to the rest of 2018 and beyond, to secure the sustainability and future of TTK, for the reasons previously mentioned in our prior letters, TTK should target to expand its operations overseas soon. We have extensive business networks in Asia and have a list of partners who we would like to introduce to you for collaboration. TTK is in good shape to embark on this expansion and should consider utilizing the budget of JPY4billion set out in TTK' business plan for such a purpose. Idle capital not utilized should be returned to shareholders for re-investment into other active parts of the Japanese Economy.

We hope that TTK will be able to make progress on the above concerns as soon as possible and that we would not need to send a strong signal by proposing shareholders resolutions at the next general meeting and rally other TTK shareholders to vote to address the mentioned concerns. We want to operate through consensus and support the board in every way we can.

We are committed to TTK. Kindly contact me at _____ or via email at _____ should you have any questions. We look forward to further discussions with you.

Yours sincerely,

Kin Chan
Argyle Street Management Limited