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Securities Code: 4345

May 31, 2021

To our shareholders:

Taizo Yokoshima
Representative Director and President
CTS Co., Ltd.
115, Kosato, Ueda-shi, Nagano

Notice of the 31st Annual General Meeting of Shareholders

You are cordially invited to attend the 31st Annual General Meeting of Shareholders of CTS Co., Ltd. (the “Company”), which will be held as indicated below.

In view of the novel coronavirus disease (COVID-19) situation, and with the safety of our shareholders as our top priority, we would like to request that you refrain from attending this General Meeting of Shareholders in person this year and to exercise your voting rights in advance by mail or via the Internet no later than 6:00 p.m. on Thursday, June 17, 2021 (JST).

- 1. Date and Time:** Friday, June 18, 2021, at 10:00 a.m. (JST)
- 2. Place:** UEDA TOKYU REI HOTEL, 3F “Shinano”
4-24-1, Tenjin, Ueda-shi, Nagano

3. Purpose of the Meeting:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 31st fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 31st fiscal year (from April 1, 2020 to March 31, 2021)

Matter to be resolved:

- Proposal No. 1** Election of Six Directors
Proposal No. 2 Election of Two Audit & Supervisory Board Members

Information on matters posted on the Company’s website

1. Among the documents to be provided with this notice, the items below are posted on the Company’s website (<https://www.cts-h.co.jp/>) pursuant to laws and regulations, as well as Article 14 of the Articles of Incorporation.
 - (1) Consolidated Statement of Changes in Shareholders’ Equity and Notes to Consolidated Financial Statements
 - (2) Non-consolidated Statement of Changes in Shareholders’ Equity and Notes to Non-consolidated Financial StatementsIn addition, these items are included in the Consolidated Financial Statements and Non-consolidated Financial Statements, which have been audited by Audit & Supervisory Board Members to prepare the audit report and by Financial Auditor to prepare the accounting audit report.
2. Any corrections in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements will be posted on the Company’s website (<https://www.cts-h.co.jp/>).

Response to prevent the spread of COVID-19 at this General Meeting of Shareholders

<Requests to shareholders>

- In view of the COVID-19 situation, and with the safety of our shareholders as our top priority, we would like to request that you refrain from attending this General Meeting of Shareholders in person this year.
- As the right to vote at the General Meeting of Shareholders is an important right of shareholders, we request that you exercise your voting rights in advance via the Internet or by mail.

[Information on measures at the venue]

- We ask shareholders attending the General Meeting of Shareholders in person to wear a mask and use alcohol disinfectant. In addition, we will check your body temperature at the reception desk. Please note that those who appear to be unwell, etc. may be approached by the management staff and asked to refrain from entering the venue.
- Officers and management staff attending the General Meeting of Shareholders will be wearing masks. In addition, they will participate in the meeting after thoroughly checking their physical condition, which includes taking their temperature.
- The length of the General Meeting of Shareholders will be shortened to ensure smooth and efficient proceedings, so we ask for your understanding and cooperation.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Six Directors

The terms of office of all six currently serving Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of six Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Taizo Yokoshima (June 9, 1960)	Sept. 1980 Joined the Company July 1990 Director July 1995 Senior Managing Director June 2001 Representative Director and Vice President Apr. 2003 Representative Director and President (current position) Jan. 2017 Representative Director and President of Rentarise Corporation (current position) Representative Director of CTS Linetech Corporation (current position)	76,800
(Reasons for nomination) Taizo Yokoshima served as Director of the Company from 1990 and has been serving as Representative Director and President since 2003. He established the management policy which the Company is to pursue, demonstrated strong leadership and decisiveness to realize it, and expanded business operations. The Company has determined that he will be able to achieve sustainable corporate growth and increase corporate value in the medium to long term as his experience, achievements and insight can be applied to the Company's management. Accordingly, the Company nominated him as a candidate for Director.			
2	Hideki Akiyama (April 5, 1976)	July 2000 Joined the Company July 2013 General Manager of Matsumoto Branch Apr. 2017 Executive Officer (current position) Oct. 2017 General Manager of Tokai and Koshin Sales Department Jan. 2019 General Manager of Tokai Sales Department (current position) Feb. 2019 General Manager of Kinki Sales Department June 2019 Director of the Company (current position)	6,653
(Reasons for nomination) Hideki Akiyama has contributed to business expansion as the person responsible for the sales department, and currently promotes sales activities as the General Manager of the Tokai Sales Department. The Company has determined that he will be able to achieve sustainable corporate growth and increase corporate value in the medium to long term as his experience, achievements and insight can be applied to the Company's management. Accordingly, the Company nominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
3	Kazutoshi Kanai (November 29, 1977)	June 2002	Joined the Company	16,153
		June 2015	Acting General Manager of IT Infrastructure Team, Business Management Division	
		Apr. 2016	General Manager of System Business Promotion Department	
		Apr. 2017	Executive Officer (current position)	
		Sept. 2018	General Manager of System Business Management Department (current position)	
		June 2019	Director of the Company (current position)	
(Reasons for nomination) Kazutoshi Kanai has contributed to business expansion as the person responsible for the System Business, which is the mainstay business, and currently promotes revenue expansion as the General Manager of the System Business Management Department. The Company has determined that he will be able to achieve sustainable corporate growth and increase corporate value in the medium to long term as his experience, achievements and insight can be applied to the Company's management. Accordingly, the Company nominated him as a candidate for Director.				
4	Ren Yokoshima (June 6, 1987)	Jan. 2014	Joined the Company	973
		June 2017	Director of Rentarise Corporation (current position)	
		Jan. 2018	General Manager of Corporate Planning Department (currently General Manager of Corporate Planning Office) (current position)	
		Apr. 2018	Director of CTS Linetech Corporation (current position)	
		July 2018	General Manager of House Fittings Department (current position)	
		Apr. 2019	Executive Officer (current position)	
		June 2020	Director of the Company (current position)	
(Reasons for nomination) Ren Yokoshima has worked in the Corporate Planning Department since joining the Company in 2014, and has contributed to strengthening the management base in his current position as General Manager of the Corporate Planning Office. He has also worked on initiatives to improve earnings as the person responsible for the House Fittings Department. The Company has determined that he will be able to achieve sustainable corporate growth and increase corporate value in the medium to long term as his experience, achievements and insight can be applied to the Company's management. Accordingly, the Company nominated him as a candidate for Director.				
5	Akihiko Kishimoto (January 1, 1953)	Apr. 1971	Joined Honda Motor Co., Ltd.	1,168
		Apr. 2006	General Manager of Regional Operations (South America) Planning Office	
		Apr. 2008	Joined NISSIN KOGYO CO., LTD. General Manager of General Affairs Department, Accounting Department, and HR Development Department	
		June 2008	Director	
		June 2011	Managing Director and Chief Operating Officer of Corporate Planning & Business Management	
		June 2017	Director of the Company (current position)	
(Reasons for nomination) Akihiko Kishimoto has held important posts such as Director of the corporate planning & business management during his time at Honda Motor Co., Ltd. and NISSIN KOGYO CO., LTD., and has been supervising management through his objective opinions and decision making, based on his insight into corporate management, at meetings of the Board of Directors. The Company has determined that he will continue to be able to further strengthen the functions of the Board of Directors from a fair standpoint. Accordingly, the Company nominated him as a candidate for outside Director. He is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four years.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Masaharu Miyasaka (January 29, 1953)	<p>Apr. 1975 Joined SHINSHU HAM CO., LTD.</p> <p>Sept. 2006 Executive Officer and General Manager of Sales Division</p> <p>Sept. 2008 Director</p> <p>Sept. 2010 Managing Director</p> <p>Sept. 2014 Senior Managing Director and General Manager of Business Division</p> <p>Sept. 2016 Representative Director and President (current position)</p> <p>June 2019 Director of the Company (current position)</p>	—
<p>(Reasons for nomination)</p> <p>Masaharu Miyasaka is currently playing an active role as Representative Director and President of SHINSHU HAM CO., LTD., and has been supervising management through his objective opinions and decision making, based on his insight into corporate management, at meetings of the Board of Directors. The Company has determined that he will continue to be able to further strengthen the functions of the Board of Directors from a fair standpoint. Accordingly, the Company nominated him as a candidate for outside Director. He is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been two years.</p>			

- (Notes)
- There is no special interest between any of the candidates and the Company.
 - Akihiko Kishimoto and Masaharu Miyasaka are candidates for outside Director.
 - The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and the insurance policy is intended to cover amount of indemnification and litigation expenses incurred by the insured, including the Company's Directors, in the event that a claim for damages is made against the insured due to an improper act committed by the insured based on his position. However, in order to ensure that the proper performance of the insured's duties is not impaired, the policy does not cover any claims for damages made against the insured due to conduct by the insured that illegally obtained benefits or favors; the committing of crimes, illicit acts or fraud; or violations of laws and regulations or legal restrictions with the knowledge that said conduct is a violation. In the event that each candidate is elected and assumes office as a Director, he will become an insured under this insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.
 - The Company has entered into an agreement with Akihiko Kishimoto and Masaharu Miyasaka to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations. If this proposal is approved and adopted and the two candidates are reelected, the Company plans to renew this agreement with them.
 - The Company has submitted notification to the Tokyo Stock Exchange that Akihiko Kishimoto and Masaharu Miyasaka have been designated as independent officers as provided for by the aforementioned exchange. If this proposal is approved and adopted and they are reelected, the Company plans for their appointment as independent officers to continue.
 - The number of the Company's shares owned includes the candidate's holdings through CTS Officers' Shareholding Association.

Proposal No. 2 Election of Two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Hisashi Ashida will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of two Audit & Supervisory Board Members, increasing the number of Audit & Supervisory Board Member by one to enhance the audit.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Takeshi Miyazaki (August 12, 1959)	Aug. 1995 Joined the Company	114,300
		Apr. 2002 General Manager in charge of System Business Department	
June 2007 Director			
Apr. 2010 Director and General Manager of System Business Management Department			
Oct. 2015 Director and Kanto Area Manager			
Oct. 2017 Director and General Manager of Sales Planning & Promotion Department			
June 2019 Retired as Director			
Aug. 2019 General Manager of Internal Audit Office (currently in charge of Audit Office, Internal Audit) (current position)			
(Reasons for nomination) Takeshi Miyazaki has served as a Director of the Company for 12 years since 2007, and has contributed to the expansion of the Company's business through means such as taking charge of the systems business, which is the Company's main business. After retiring from the position of Director, he has worked to enhance and improve corporate governance as the person in charge of Internal Audit. He has been nominated as a candidate for Audit & Supervisory Board Member because the Company believes that his experience and knowledge will enable him to play a role in the auditing of the Company's management.			
2	Hisashi Ashida (January 21, 1950)	Apr. 1968 Joined The Hachijuni Bank, Ltd.	7,757
		Feb. 2001 General Manager of Sales Division 1, Tokyo Sales Department	
June 2003 Executive Officer and Branch Manager of Iida Branch			
June 2005 Executive Officer and General Manager of Loan Department			
June 2007 President and Representative Director of Hachijuni Credit Guarantee Co., Ltd.			
June 2013 Full-time Audit & Supervisory Board Member of the Company (current position)			
(Reasons for nomination) Hisashi Ashida has been nominated as a candidate for outside Audit & Supervisory Board Member because he has held important positions in business execution while working for The Hachijuni Bank, Ltd. and Hachijuni Credit Guarantee Co., Ltd. and can audit the execution of business by Directors from an objective and impartial standpoint based on his extensive knowledge as a manager of a financial institution. He is currently an outside Audit & Supervisory Board Member of the Company, and at the conclusion of this meeting, his tenure will have been eight years.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Hisashi Ashida is a candidate for outside Audit & Supervisory Board Member.
 3. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and the insurance policy is intended to cover the amount of indemnification and litigation expenses incurred by the insured, including the Company's Audit & Supervisory Board Members, in the event that a claim for damages is made against the insured due to an improper act committed by the insured based on his position. However, in order to ensure that the proper performance of the insured's duties is not impaired, the policy does not cover any claims for damages made against the insured due to conduct by the insured that illegally obtained benefits or favors; the committing of crimes, illicit acts or fraud; or violations of laws and regulations or legal restrictions with the knowledge that said conduct is a violation. In the event that each candidate is elected and assumes office as an Audit & Supervisory Board Member, he will become an insured

under this insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

4. The Company has entered into an agreement with Hisashi Ashida to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations. If this proposal is approved and adopted and he is reelected, the Company plans to renew this agreement with him.
5. The Company has submitted notification to the Tokyo Stock Exchange that Hisashi Ashida has been designated as an independent officer as provided for by the aforementioned exchange. If this proposal is approved and adopted and he is reelected, the Company plans for his appointment as an independent officer to continue.
6. The number of the Company's shares owned includes the candidate's holdings through CTS Officers' Shareholding Association.