



Company Name: **CAC Holdings Corporation**

Representative Ryota Nishimori President and CEO
(Prime Market of TSE, Code Number 4725)

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**Notice Regarding the Establishment of a Subsidiary through a Simple
Incorporation-type Company Split of Our Consolidated Subsidiary**

CAC Holdings Corporation hereby announces that at the Board of Directors meeting held today, we resolved to transfer the business of the New Business Development Division of our consolidated subsidiary, CAC Corporation (hereinafter referred to as "CAC"), to a newly established company, CAC identity Corporation (hereinafter referred to as "CAC identity"), through a simple incorporation-type company split. CAC identity will become a wholly owned subsidiary of our company.

Please note that this disclosure has been partially omitted, as this organizational restructuring involves a wholly owned subsidiary of our company.

1. Purpose of Establishing the Subsidiary and Implementing the Company Split

In 2022, our group formulated "CAC Vision 2030: Becoming a Corporate Group that Continuously Creates Positive Impacts on Society through Technology and Ideas." Under this vision, we aim to become a highly profitable and high-growth corporate group by creating and expanding digital solutions that generate positive impacts.

To achieve this goal, we established a specialized department within our core subsidiary, CAC, to focus on the development of new products and services.

Through this company split, we intend to promote our business strategies more flexibly and dynamically in a rapidly changing business environment, accelerating the creation and growth of digital solutions. Ultimately, this initiative aims to achieve CAC Vision 2030 and enhance the corporate value of the CAC Group.

2. Outline of the Subsidiary Establishment and Company Split

(1) Schedule for Subsidiary Establishment and Company Split

Board of Directors Approval of the Incorporation-type Company Split Plan May 14, 2025

Effective Date of the Incorporation-type Company Split and Subsidiarization Scheduled for July 1, 2025.

※This company split will be executed as a simple incorporation-type company split as defined in Article 805 of the Companies Act, without requiring approval at a shareholders' meeting.

(2) Method of Subsidiary Establishment and Company Split

This company split is an incorporation-type company split in which CAC will be the splitting company, and the newly established CAC identity will be the succeeding company.

(3) Details of Allotment Related to the Company Split

In this incorporation-type company split, the newly established company (CAC identity) will issue 100 shares of common stock, all of which will be allocated and delivered to the splitting company (CAC). Simultaneously, the splitting company will transfer all of the allocated shares, representing 100% ownership, to our company, its parent company.

- (4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Associated with the Company Split
There are no applicable matters.
- (5) Increase or Decrease in Capital Stock Resulting from the Incorporation-type Company Split
There will be no increase or decrease in our capital stock as a result of this incorporation-type company split.
- (6) Rights and Obligations to Be Succeeded by the Newly Established Company
CAC identity, the newly established company, will succeed to the assets, liabilities, contractual positions, and other rights and obligations related to the business subject to this company split from CAC, the splitting company, as of the effective date.
- (7) Prospects for the Performance of Obligations by the Succeeding Company
We have determined that there are no issues regarding the prospects for the performance of obligations.

3. Overview of the Companies Involved in the Incorporation-type Company Split

		The Splitting Company	Newly Established Company
(1)	Name	CAC Corporation	CAC identity Corporation
(2)	Headquarters Location	24-1, Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo	24-1, Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo
(3)	Title and Name of Representative	Hiroto Sabetto, President and Representative Director	Eisuke Nakanishi, President and Representative Director
(4)	Business Activities	System Development Services System Operation and Management Services BPO (Business Process Outsourcing) Services	New Business Development
(5)	Capital	400 million yen	30 million yen
(6)	Date of Establishment	April 1, 2014	July 1, 2025
(7)	Number of Issued Shares	100 shares	100 shares
(8)	Fiscal Year-End	December 31	December 31
(9)	Shareholders and Shareholding Ratio	100% owned by our company	100% owned by our company
(10)	Financial Condition and Business Performance for the Most Recent Fiscal Year (Fiscal Year Ending December 2024)		
	Net Assets	9,523 million yen	
	Total Assets	19,615 million yen	
	Net Assets per Share	88,894,311.75 yen	
	Net Sales	32,073 million yen	
	Operating Profit	2,671 million yen	
	Ordinary Profit	3,795 million yen	
	Net Income for the Current Period	2,512 million yen	
	Earnings per Share for the Current Period	25,122,402.30 yen	
(11)	Overview of the Business to Be Split		
	Business Activities of the Division to Be Split	New Business Development	
	Business Performance of the Division to Be Split (Fiscal Year Ending December 2024)	Net Sales: 129 million yen	
	Items and Amounts of Assets and Liabilities to Be Split (Note)	Assets: 164 million yen Liabilities: 9 million yen	

(Note) The amounts of assets and liabilities to be split will be finalized by adjusting the above amounts for any increases or decreases occurring until the effective date of this incorporation-type company split.

4. Status After the Incorporation-type Company Split

There will be no changes to the name, headquarters location, title and name of the representative, business activities, capital, or fiscal year of CAC as a result of this incorporation-type company split.

5. Future Outlook

Since the companies involved in this incorporation-type company split are wholly owned subsidiaries of our company, the impact on our consolidated financial results for the fiscal year ending December 2025 is expected to be minimal. However, we believe that this initiative will contribute to enhancing our corporate value in the long term.

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