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**Renewal of Policy toward Large-Scale Purchase of Share Certificates, etc.  
of the Company(Anti-Takeover Policy)**

The Company hereby announces that at the meeting of its board of directors held today it passed a resolution to propose the renewal of its **Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company** (Anti-Takeover Policy) to the 51<sup>st</sup> Ordinary General Meeting of Shareholders of the Company to be held on March 23, 2017 (hereinafter the “General Meeting”). Details are as follows.

The Company received approval for a proposal on Renewal of the **Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company** (Anti-Takeover Policy) at the 48<sup>th</sup> Ordinary General Meeting of Shareholders held on March 27, 2014, from the viewpoint that when an act of purchasing share certificates, etc. of the Company, with the intention of bringing the specified shareholder group’s (Note 1) proportion of voting rights (Note 2) to 20% or more, or an act of purchasing share certificates, etc. of the Company resulting in the specified shareholder group’s proportion of voting rights of 20% or more (excluding purchase previously approved by the Board of Directors, in both acts; hereinafter, such a purchase is referred to as a “large-scale purchase” and the specified shareholder group who conducts such a purchase is referred to as a “large-scale purchaser.”) is conducted in accordance with certain rational rules, shareholders are provided with sufficient information, preventing the Company’s financial and business policy decisions from being controlled by inappropriate takeovers and thus helping to increase corporate value. However, the effective period of the Policy will expire at the conclusion of the General Meeting.

Ahead of expiration of the effective period of the present policy, the Company therefore examined the pros and cons of renewing the policy and the need for amendment in light of factors such as changed circumstances and legal changes since introduction of the present policy. As a result of this examination, the Company decided to renew the **Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company** conditional on approval of the shareholders at the coming General Meeting upon making certain revisions aimed at clarifying wording.

Submission of the proposal to the General Meeting was unanimously approved by the 10 Directors including the four Outside Directors as well as the four Corporate Auditors including the two Outside Corporate Auditors.

As of today, the **Company has not received a specific proposal, etc. for any**

**Large-scale Purchases with regard to its Share Certificates. The “Status of Major Shareholders” as of December 31, 2016 is as shown in Appendix 2.**

Note 1: Specified shareholder group means holders (meaning holders provided in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act and including those deemed as holders based on Paragraph 3 of the same Article) of the share certificates, etc. (meaning share certificates, etc. provided in Article 27-23, Paragraph 1 of the same Act) of the Company or those who conduct purchase, etc. (meaning purchase, etc. provided in Article 27-2, Paragraph 1 of the same Act and including transactions in the Financial Instruments Exchange Markets) thereof, and their joint holders (meaning joint holders provided in Article 27-23, Paragraph 5 of the same Act and including those deemed as joint holders based on Paragraph 6 of the same Article) as well as persons in special relationships (meaning persons in special relationships provided in Article 27-2, Paragraph 7 of the same Act).

Note 2: The total number of voting rights used as the denominator when calculating the proportion of voting rights is the number of voting rights attached to the shares remaining after deduction of the number of treasury shares held stated in the most recent share buyback report from the total number of shares issued of the Company at that time.

1. Purpose of Introduction of the Policy

The Company believes that the question of whether or not to accept a large-scale purchase is a matter that should ultimately be left to the judgment of shareholders but, to enable this, shareholders need to be provided with sufficient information about the takeover bid and a suitable period of time to assess the bid. The rationale behind the Company’s approach is as follows.

The Group’s main business is the provision of IT services including IT strategy planning and the construction and operation of information systems, and the Group continually provides services that meets the specific information system needs of its corporate customers. Consequently, the Group has gained extensive experience of business operations within specific companies and the sectors to which they belong and acquired specific business knowledge and expertise, thus earning a good reputation among its corporate customers and maintaining their trust. The Group recognizes that this is its key strength when competing with other companies in the same industry and also the source of the Group’s corporate value. Accordingly, it may not be easy to judge the Group’s corporate value and the appropriateness of a takeover bid without fully understanding the Company’s relationship with each individual corporate customer.

It is, therefore, essential that appropriate and sufficient information about operating policies and measures specifically in terms of customers and/or industries in addition to future management policies and business plans that take the background of the business explained above into consideration is provided by both the purchaser and the Board of Directors of the Company to enable shareholders to judge whether or not the consideration for acquisition of the shares of the Company proposed by the purchaser is appropriate.

The Group believes that rules to prevent shareholders from suffering **unexpected** disadvantage as a result of a large-scale purchase or, depending on the case, to allow the Board of Directors to ask the purchaser to improve the purchase proposal in the interests of shareholders or to present an alternative proposal are necessary.

Based on this basic approach, the Company establishes Rules for Large-Scale Purchases (hereinafter “Large-Scale Purchase Rules”) as follows.

## 2. Content of Large-Scale Purchase Rules

(1) Before implementing a large-scale purchase, the purchaser shall provide the Board of Directors with sufficient information to enable the shareholders and the Board of Directors to make a judgment (hereinafter “necessary information.” The content of such information is as follows.

- ① Profile of the purchaser (including the purchaser’s business activities and experience in business that is similar to the Company’s business)
- ② Purpose and details of the large-scale purchase
- ③ Basis for calculation of the consideration for acquisition of the shares of the Company
- ④ Materials evidencing existence of funds for purchase
- ⑤ Management plan, business plan, financial plan, capital policy, dividend policy and asset utilization policy, etc. for five years following participation in the Company’s management

As the concrete details of the necessary information may vary based on the details of large-scale purchase, before implementing the large-scale purchase, the purchaser first shall submit a letter of intent addressed to the Representative Director of the Company specifying the name and address of the purchaser, the law governing its incorporation, the name of its representative, contact details in Japan and the details of the proposed large-scale purchase and stating to the effect that the purchaser will adhere to the Large-Scale Purchase Rules.

Within ten (10) business days of receiving the letter of intent, the Company shall deliver to the purchaser a list of the necessary information that must be initially provided by the purchaser. If after carefully examining the initially provided information, the Company deems that this information alone is insufficient, the Company may request provision of additional information until the necessary information is sufficiently complete.

The fact that there has been a large-scale purchase and the necessary information provided to the Board of Directors of the Company shall be disclosed in full or in part at a time judged appropriate by the Board of Directors if it is deemed necessary for the Company’s shareholders to make a judgment.

(2) The Board of Directors shall set aside a period not exceeding 60 days (in the case of the purchase of all the shares of the Company through a public tender offer only for cash (yen) consideration) or 90 days (in the case of other large-scale purchases) reckoned from the day after the Company received all the necessary information it requested, as the period necessary for assessment, examination, negotiation, and formation of opinion on the large-scale purchase (hereinafter referred to as the “Board of Directors’ examination period”), and the purchaser shall not commence the large-scale purchase within the Board of Directors’ examination period.

During the Board of Directors’ examination period, the Board of Directors shall examine the necessary information submitted by the purchaser and publish a report on the Board of Directors’ opinion.

## 3. Action Taken in the Event of a large-Scale Purchase

(1) If the purchaser complies with the Large-Scale Purchase Rules

If the purchaser complies with the Large-Scale Purchase Rules, the Board of Directors may issue an opinion opposing the purchase proposal, persuade shareholders by presenting an alternative proposal, or take other lawful and appropriate action but it will not take the countermeasures described in 3(2)① or 3(2)②, in principle. However, if the Board of Directors judges that even though the Large-Scale Purchase Rules are upheld, the large-scale purchase will be severely harmful to the interests of shareholders (for example, ①the share purchase conducted without any real intention to join the management of the Company, but rather to temporarily drive up the stock price and resell

the shares at an inflated price, ② the share purchase conducted for the purpose of so-called “scorched earth management,” whereby the customer base and other management resources of the Company are transferred to the purchaser, and ③ the share purchase conducted for the purpose of selling management resources to pay a one-time high dividend, thus temporarily driving up the stock price and then reselling the shares at an inflated price), the Company may take the countermeasures described in 3(2) ① or 3(2)② to protect the interests of shareholders.

(2) If the purchaser does not comply with the Large-Scale Purchase Rules

If the purchaser does not comply with the Large-Scale Purchase Rules, the Board of Directors may take measures it judges appropriate from the following concrete countermeasures, for the purpose of protecting the interests of shareholders. If the Company actually issues subscription rights to shares, the Company may establish an exercise period and exercise conditions that take effectiveness as a countermeasure into consideration, for example, making it a condition of exercise that shareholders do not belong to a specified shareholder group that holds more than a certain percentage of the share certificates etc. of the Company.

① Gratis allotment of subscription rights to shares

a. Shareholders eligible for allotment of subscription rights to shares and number of subscription rights to shares to be allotted

The Company shall allot subscription rights to shares to shareholders who are entered or recorded in the final register of shareholders on an allotment date to be determined separately by the Board of Directors at a ratio of one subscription right to shares for every one share held (excluding common shares of the Company held by the Company).

b. Class and number of shares to be issued upon the exercise of subscription rights to shares

The class of shares to be issued upon exercise of subscription rights to shares shall be the common shares of the Company, and the number of shares to be issued upon the exercise of subscription rights to shares shall be one share per subscription right to shares.

c. Total number of subscription rights to shares to be issued

The total number of subscription rights to shares to be allotted shall be equal to the final total number of shares issued and outstanding of the Company (excluding common shares of the Company held by the Company) as of the allotment date to be determined separately by the Board of Directors.

d. Issue price of subscription rights to shares

The subscription rights to shares shall be issued gratis.

e. Cash payment on exercise of subscription rights to shares

The property to be contributed on exercise of each subscription right to shares shall be cash in an amount determined by the Board of Directors which shall not be less than 1 yen per share and shall not be more than half the fair market value.

f. Restrictions on the transfer of subscription rights to shares

Any transfer of the subscription rights to shares shall require the approval of the Board of Directors.

g. Exercise period and conditions for exercise of the subscription rights to shares

The exercise period, conditions of exercise and conditions of acquisition of the subscription rights to shares and other necessary matters shall be determined separately by the Board of Directors.

② Other countermeasures

When the Company implements countermeasures against a large-scale purchase in the case where action in accordance with ① is judged inappropriate, the Company shall take measures deemed lawful and appropriate as countermeasures against the large-scale

purchase from measures which the Companies Act and other laws and the Company's Articles Incorporation recognize as within the Board of Director's authority.

(3) Suspension of countermeasures

Even if the Board of Directors decided to implement countermeasures against the large-scale purchase based on the Policy, if the Board of Directors judges that the requirements for implementation of the countermeasures described in 3(1)(2) cease to exist, for example, if the purchaser halts the large-scale purchase or consents to adhere to the Large-Scale Purchase Rules, the Board of Directors may decide to suspend the countermeasures, giving maximum respect to the recommendations of the special committee.

(4) Establishment of special committee

The Company will establish a special committee comprised of Outside Directors, Outside Corporate Auditors and outside experts appointed as necessary, to apply the Policy fairly and prevent arbitrary judgments being made by the Board of Directors.

The Board of Directors shall always listen to the recommendations of the special committee before making important judgments on whether or not to take the countermeasures described in 3(2)① or 3(2)②, on the suspension of countermeasures and other important matters, and shall give maximum respect to the recommendations of the special committee.

The Representative Director of the Company and each of the committee members shall have the authority to convene the special committee to ensure that the committee is properly convened. The outline of the special committee is as shown in Appendix 1.

(5) Review of the Policy and effective period of the Policy

The Board of Directors shall review the Policy as necessary in light of the development of relevant laws and regulations. The effective period of the Policy shall expire at the close of the 54<sup>th</sup> Ordinary General Meeting of the Company to be held in March 2020.

Even during the effective period, if a resolution to abolish the policy is passed at a general meeting of shareholders or a meeting of the Board of Directors, the Policy shall be abolished as of the time of such resolution.

4. Impact on shareholders and investors of implementation of countermeasures and other matters

(1) Impact on shareholders and investors of implementation of countermeasures

If the Company decides to take countermeasures against the large-scale purchase, the Company shall make timely disclosures in accordance with laws, regulations and the regulations of the financial instruments exchange on which the Company is listed and give appropriate consideration to ensure that shareholders and investors who are not the purchaser are not disadvantaged (based on the assumption that shareholders adhere to the procedures in (2) below).

As stated in 3(3), the Company may suspend implementation of the countermeasures in accordance with a resolution of the Board of Directors. After the Board of Directors passes a resolution on the gratis allotment of subscription rights to shares as a countermeasure, if the Company suspends implementation or if the Company acquires without compensation all the subscription rights to shares allotted gratis, there will be no dilution in the value per share of the Company's stock. Accordingly, shareholders and investors who sell or purchase shares of the Company on the assumption that dilution will occur may suffer considerable damage due to fluctuation in the stock price.

(2) Procedures shareholders will be required to carry out in the event of implementation of countermeasures

If the Company takes countermeasures, shareholders will be disadvantaged through the dilution of shareholders' equity if they do not carry out the following procedures.

(Case of issuance of subscription rights to shares)

The Company must have shareholders complete registration of ownership by the record date to be publicly announced separately, manifest their intention concerning subscription and carry out the exercise procedure (payment of amount equal to exercise price, etc.).

End