

November 22, 2017

Company Name: CAC Holdings Corporation
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**Notice of Change in Consolidated Subsidiary
(Transfer of Shares)**

CAC Holdings Corporation (hereinafter referred to as the “Company”) hereby announces that a meeting of its Board of Directors held on November 21, 2017 resolved to transfer all the shares that the Company holds in Sierra Solutions Pte. Ltd. (hereinafter, “Sierra Solutions”; Head office: Singapore). Details of the share transfer are as follows. With this share transfer, Sierra Solutions and its three subsidiaries will be excluded from the Company’s scope of consolidation.

1. Reason for share transfer

The CAC Holdings Group is currently taking steps to review and examine its overseas business while exploring business restructuring opportunities in pursuit of improved profitability in its overseas business.

Sierra Solutions is an IT service provider catering for medical institutions that are primarily based in Asia. The Company merged Sierra Solutions in December 2015 into its consolidated accounts in expectation of business synergies with the IT services and health care services provided by the Group.

Since the merger, the Company has provided support to Sierra Solutions in terms of human resources and working capital. Despite the Company’s support, Sierra Solutions has since experienced poor business results. Given this situation, the Company has determined that it would be very difficult to achieve the business synergy that the Company had initially expected, resulting in the transfer of the Company’s entire equity stake in Sierra Solutions as part of the restructuring initiatives related to overseas business.

2. Outline of the subsidiary undergoing the ownership change

(as of March 31, 2017)

(1) Name	Sierra Solutions Pte. Ltd.		
(2) Location	Republic of Singapore		
(3) Title and name of the representative	CEO Ranjan Vashi Vaswani		
(4) Description of business	Consulting, implementation, and maintenance services for SAP system introduction for medical institutions		
(5) Capital	31million of yen		
(6) Foundation	May 2, 2007		
(7) Major shareholders and shareholding ratio	CAC Holdings Corporation 70.0% Ranjan Vashi Vaswani 20.0% John Andrew Gavin Tyson 10.0%		
(8) Relationships between the Company and Sierra Solutions	Capital relationship	70.0% owned subsidiary of the Company	
	Human relationship	Three employees of the company serve as directors of Sierra Solutions	
	Business relationship	Not applicable	
	Relationship between the Company and Sierra Solutions	Subsidiary of the Company	
(9) Consolidated financial results and consolidated financial position of Sierra Solutions Pte. Ltd. for the last three years (Unit: millions of yen unless otherwise indicated)			
Fiscal year	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
Net assets	407	348	108
Total assets	603	483	512
Net Sales	976	842	565
Ordinary income	354	292	(245)
Net income attributable to owners of parent	253	275	(241)

(Note 1): Values in (5) and (9) refer to the amounts in Japanese yen (JPY) translated from Singapore dollar (SGD) at 1SGD=82.74JPY (a prevailing exchange rate as of November 20, 2017).

(Note 2): As for the fiscal year ended March 31, 2015, in (9), consolidated results are based on the Company's estimate because Sierra Solutions did not prepare consolidated accounts for its subsidiaries.

3. Outline of the transferee company

The transferee company is left unidentified due to a non-disclosure agreement.

4. Number of shares transferred, transfer price and share ownership before and after the transfer of shares

(1) Number of shares held before the transfer	224,359 shares (ownership percentage 70.0%)
(2) Number of shares to be transferred	224,359 shares (ownership percentage 70.0%)
(3) Number of shares held after the transfer	0 shares

(Note 1): Transfer price is left undisclosed due to a non-disclosure agreement.

5. Schedule

(1) Date of resolution at the board of directors meeting	November 21, 2017
(2) Date of agreement	November 21, 2017
(3) Date of execution of share transfer	November 30, 2017 (planned)

6. Future Outlook

The share transfer will have a minor impact on the Company's consolidated financial results for the current fiscal year.

End