



Company Name: **CAC Holdings Corporation**
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Notice of Change of Reportable Segments

CAC Holdings Corporation announces the following plan to change its reportable segments, to take effect in the fiscal year ending December 2018. Beginning in the Summary of Financial Statements for the First Quarter of the Fiscal Year Ending December 31, 2018 (released today), reports will be based on the new segments.

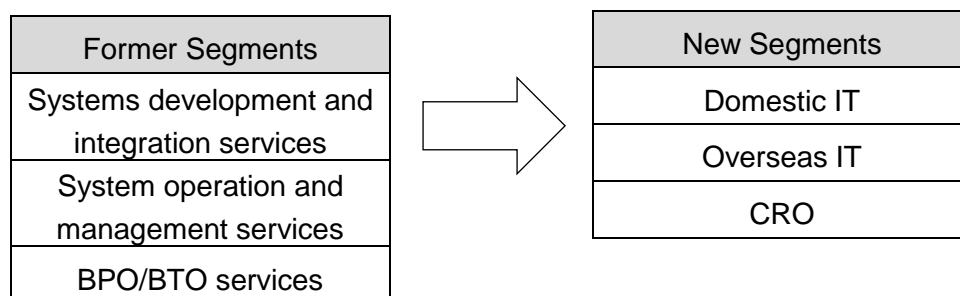
1. Reason for change

Amid the rapid digital transformation (DX), in which AI, IoT and other digital technologies dramatically transform the lives of individuals, corporate activities and society at large, the CAC Holdings Group has established a new four-year medium-term management strategy with the current fiscal year as the first year. The Group has been striving to achieve the targets in order to successfully respond to these significant changes and become a corporate group that will continue to grow.

Given changes in the targets, measures, and management divisions of performance evaluation based on this new medium-term management strategy, the Group has decided to reorganize its reportable segments.

2. Overview of changes

We will reclassify the services provided by the CAC Holdings Group into IT and Contract Research Organization (CRO) services (pharmaceutical development support) and subdivide the IT services into Domestic IT and Overseas IT based on the locations of the business companies.



Reference

Overview of New Segments

	Major Businesses	Major Companies
Domestic IT	Provides system development services, system operation and management services, human resource BPO services, etc. at domestic subsidiaries	CAC Corporation ARK Systems Co., Ltd. CAC Knowledge Co., Ltd. CAC Orbis Corporation CAC Maruha Nichiro Systems Corporation kizasi Company, Inc. CEN Solutions Corp.
Overseas IT	Provides system development services, system operation and management services, maintenance services, etc. at overseas subsidiaries	CAC America Corporation CAC Europe Limited CAC Shanghai Corporation CAC India Private Limited Accel Frontline Limited
CRO	Provides pharmaceutical companies with contract and proxy services for clinical testing (clinical development) and post-manufacturing and sales operations associated with pharmaceutical development	CAC Croit Corporation

Consolidated Net Sales and Operating Profit for Fiscal Year Ended December 2017 Based on the New Segments

[Consolidated Net Sales] (million yen)

	1 st Qtr. FY2017	2 nd Qtr. FY2017	3 rd . Qtr. FY2017	4 th . Qtr. FY2017	Full Year
Domestic IT	7,981	7,405	7,026	7,908	30,323
Overseas IT	3,414	3,913	2,285	2,129	11,743
CRO	2,793	2,668	2,805	2,934	11,201
Total	14,189	13,987	12,118	12,972	53,268

* The net sales represent sales to external customers.

[Consolidated Operating Profit] (million yen)

	1 st Qtr. FY2017	2 nd Qtr. FY2017	3 rd . Qtr. FY2017	4 th . Qtr. FY2017	Full Year
Domestic IT	293	249	171	307	1,022
Overseas IT	(146)	(0)	(219)	(235)	(600)
CRO	48	(38)	118	148	277
Total	195	210	70	221	698

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