



Company Name: **CAC Holdings Corporation**
Representative Ryota Nishimori President and CEO
(First Section of TSE, Code Number 4725)
Contact: Iori Sakai, Chief Manager,
Enterprise Value Up Group
(Tel: +81-3-6667-8010)

**Notice Concerning Share Transfer Involving a Change
in a Consolidated Subsidiary**

CAC Holdings Corporation (the "Company") announces that a meeting of the Board of Directors today resolved to transfer all shares of the Company's consolidated subsidiary, CAC Croit ("CAC Croit") held by the Company to EPS Corporation ("EPS"). Details are as follows:

1. Reason for the transfer of shares

With its medium-term strategy (FY2018-FY2021) now being executed, the Group is focusing on strongly facilitating a response to digital transformation (DX) and establishing a highly profitable model while proceeding with selection and concentration. The Group's CRO business* has grown to be one of the Group's constituting businesses as a CRO with strengths in Pharmacovigilance (PV). However, the Company decided to transfer the shares of CAC Croit, which operates the CRO business, to focus management resources on the facilitation of DX in the IT business, a core business of the Group going forward.

The Company considered the harsh environment surrounding the CRO industry, including the intensification of competition due to a string of foreign players entering the Japanese market and the diversification of customer needs associated with an increase in global clinical trials. As a result, the Company determined that EPS, which is one of the largest players in the CRO business in Japan, is extensively engaged in individual CRO operations and has strong expertise in global projects, is the most suitable transferee able to fully make use of CAC Croit's strengths.

*CRO business: Contract Research Organization operations/agency services for clinical trials and after-manufacturing/sales operations in pharmaceutical companies' development of pharmaceuticals.

2. Overview of the subsidiary whose shares are being transferred

(1)	Name	CAC Croit Corporation		
(2)	Address	24-1 Nihonbashi-Hakozakicho, Chuo-ku, Tokyo		
(3)	Name and title of representative	Hajimu Kato		
(4)	Description of business	Contracted operations in the development of pharmaceuticals and medical instruments and related IT services		
(5)	Capital	90 million yen		
(6)	Date of establishment	April 2012		
(7)	Major shareholders and their shareholding ratios	CAC Holdings Corporation 100%		
(8)	Relationship between the listed company and the company whose share are being transferred	Capital relationship	The Company holds 100% of the outstanding shares of the company whose share are being transferred.	
		Personal relationship	A corporate officer of the Company also serves a director of the company whose share are being transferred and the Company dispatches an employee of the Company to be the director of the company whose share are being transferred. In addition, two of the Company's auditors are dispatched to be auditors of the company whose share are being transferred.	
		Business relationship	There are transactions with the Company such as the consignment of business, equipment leasing, etc. Moreover, the Company has loaned funds to the company whose share are being transferred and is a joint guarantor of the monetary obligations of the company whose share are being transferred.	
(9)	Consolidated operating results and consolidated financial position of the company whose share are being transferred for the past three years (Unit: million yen)			
	Fiscal period	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
	Net assets	2,947	2,430	1,889
	Total assets	4,532	4,839	4,571
	Net assets per share	29	24	18
	Net sales	11,008	8,574	6,826
	Operating income	891	(66)	(262)
	Ordinary income	892	(67)	(256)
	Net income	508	(216)	(441)
	Net income per share	5	(2)	(4)
	Dividend per share	3	1	—

3. Overview of the transferee receiving the shares

(1)	Name	EPS Corporation	
(2)	Address	2-23 Shimomiyabicho, Shinjuku-ku, Tokyo	
(3)	Name and title of representative	Akira Sasa, President and Representative Director	
(4)	Description of business	Total support service in the development of pharmaceuticals and medical instruments	
(5)	Capital	100 million yen	
(6)	Date of establishment	July 2014	
(7)	Net assets	19,574 million yen (as of September 30, 2020)	
(8)	Total assets	26,948 million yen (as of September 30, 2020)	
(9)	Major shareholders and their shareholding ratios (as of September 30, 2020)	EPS Holdings, Inc. 100%	
(10)	Relationship between the listed company and the company whose share are being transferred	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable

4. Number of shares to be transferred, transfer price and status of shareholding before and after the transfer

(1)	Number of shares held before the transfer	100 shares (percentage of voting rights 100%)
(2)	Number of shares to be transferred	100 shares
(3)	Transfer price	Some 3,000 million yen
(4)	Number of shares held after the transfer	0 shares (percentage of voting rights 0%)

5. Schedule

(1)	Date of resolution at the Board of Directors meeting	April 27, 2021
(2)	Date of the signing of the share transfer agreement	April 27, 2021
(3)	Date of the execution of the share transfer agreement	June 30, 2021 (planned)

6. Future outlook

Associated with the share transfer, the Company is to record a gain on sale in the consolidated financial results of the second quarter of the fiscal year ending December 31, 2021. The details are currently being reviewed. In addition, although the impact of this share transfer is not included in the full-year consolidated earnings forecast for the fiscal year ending December 31, 2021, in the event that it is deemed necessary to revise the full-year consolidated earnings forecast after further scrutiny, the Company will promptly disclose this. CAC Croit is scheduled to be excluded from the scope of consolidation of the Company from the third quarter of the fiscal year ending December 31, 2021.