



Company Name: **CAC Holdings Corporation**
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**Notice of Disposal of Treasury Shares through Private Placement
Due to Introduction of Employee Stock Ownership Plan (J-ESOP)**

CAC Holdings Corporation (the “Company”) announces that following the introduction of an employee stock option plan (hereinafter, the “Plan”), which was announced on February 14, 2023, a meeting of the Board of Directors held today passed the following resolution to dispose of its treasury shares (hereinafter the “Disposal of Treasury Shares”) through a private placement.

1. Overview of the Disposal

(1)	Date of disposal	Monday, November 27, 2023
(2)	Type and number of shares to be disposed of	370,000 common shares
(3)	Disposal price	1,753 yen per share
(4)	Total disposal amount	648,610,000 yen
(5)	Allottee	Custody Bank of Japan (account E in trust)
(6)	Other	The Disposal of Treasury Shares shall be made on the condition that securities registration statements under the Financial Instruments and Exchange Act become effective.

2. Purpose and reasons for the disposal

At a meeting of the Board of Directors held on February 14, 2023, the Company resolved to introduce the Plan, based on which the Company’s shares are granted mainly to the Group’s employees. The purpose of the Plan is to increase employees’ motivation and morale for the improvement of stock prices and financial results by making the treatment of the Group’s employees more closely linked to the Company’s stock prices and the Group’s financial results, while also sharing economic benefits with shareholders. To realize the CAC Vision 2030, or the goal that the Group aims to achieve in 2030, it is essential that the Company’s employees including the group companies’ officers and employees (hereinafter the “Employees” collectively) have a strong willingness to take on challenges respectively. The Plan will be introduced as an incentive plan to reward what they have achieved.

In the Disposal of Treasury Shares, to ensure that the Company’s shares are held and disposed of properly for the operation of the Plan, the Company’s treasury shares will be disposed of through a private placement and transferred to the account E in a trust that will be established at the Custody Bank of Japan, Ltd., a re-trust trustee of Mizuho Trust & Banking Co., Ltd., a trustee of a trust

(hereinafter, the “Trust”) that will be established based on a trust agreement that the Company will conclude with Mizuho Trust & Banking Co., Ltd. in conjunction with the Plan.

Under the Stock Benefit Regulations, the number of shares to be disposed of shall be equivalent to the number of shares expected to be granted to the Employees during the trust period (covering two fiscal years, namely, one ending December 31, 2024 and the other ending December 31, 2025), which stands at 1.80% of 20,541,400 shares outstanding in total as of June 30, 2023 (2.17% of 170,267 voting rights as of June 30, 2023). The both percentages have been rounded to two decimal places.

3. Overview of the Trust

- (1) Name : Employee Stock Ownership Plan (J-ESOP)
- (2) Trustor : CAC Holdings Corporation
- (3) Trustee : Mizuho Trust & Banking Co., Ltd.
(Re-trust trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries : The Employees who have met the beneficiary requirements specified in the Stock Benefit Regulations
- (5) Trust administrator : Selected from the Employees of CAC Holdings Corporation
- (6) Type of trust : Pecuniary trusts other than money trusts (third party benefit trust)
- (7) Purpose of trust : Granting shares in the Company, which are the trust’s assets, to beneficiaries under the Stock Benefit Regulations.
- (8) Date of signing the Trust Agreement : November 27, 2023
- (9) Date when money is entrusted : November 27, 2023
- (10) Trust period : From November 27, 2023 to March 31, 2026
(However, the trust period shall be extended for one year unless the trustor or the trustee specifically gives notice of its intention in writing at least by one month prior to the expiration of the trust, and the same shall apply thereafter.)

4. Basis of calculation of disposal price and its details

The Company has decided that the disposal price shall be 1,753 yen, which is the closing price of the Company’s ordinary stock at Tokyo Stock Exchange on the business day immediately preceding the date of the board resolution with respect to the Disposal of Treasury Shares.

The Company has selected the closing price of its stock on the business day immediately preceding the board resolution date, based on the judgment that this price accurately indicates the Company’s corporate value and is reasonable.

Moreover, the disposal price of 1,753 yen represents the following prices: a price calculated by multiplying 1,755 yen (rounded to the nearest yen), which is the average closing share price for the one-month period immediately preceding the board resolution date, by 99.89%, a price calculated by multiplying 1,733 yen (rounded to the nearest yen), which is the averaging closing share price for the three-month period preceding the said date, by 101.15%, and a price calculated by multiplying

1,722 yen (rounded to the nearest yen), which is the average closing share price for the six-month period preceding the said date, by 101.80%. Taking the above into consideration, the Company has determined that the disposal price related to the Disposal of Treasury Shares is not particularly advantageous to any party and therefore is reasonable.

Moreover, 4 auditors who attended the meeting of the Board of Directors (including 2 outside auditors) have published an opinion to the effect of the above disposal price does not constitute a particularly favorable disposal price.

5. Matters regarding procedures pertaining to the Code of Corporate Conduct

Because the Disposal of Treasury Shares will (i) result in a dilution rate of less than 25% and (ii) not be accompanied by a change in the controlling shareholders, the procedures provided in Article 432 of the Securities Listing Regulations prescribed by Tokyo Stock Exchange, Inc. to obtain an opinion from independent third parties or to confirm the intent of shareholders are not required.