



Company Name: **CAC Holdings Corporation**
Representative Ryota Nishimori President and CEO
(Prime Market of TSE, Code Number 4725)
Contact: Iori Sakai, Chief Manager,
Corporate Communication Group
(Tel: +81-3-6667-8010)

Notice of Introduction of Employee Stock Ownership Plan (J-ESOP)

CAC Holdings Corporation (the "Company") hereby announces that the Board of Directors at its meeting today resolved to introduce an employee stock option plan (hereinafter the "Plan," with the "Trust" to be established in accordance with the trust agreement to be concluded with Mizuho Trust & Banking Co., Ltd.), an incentive plan providing employees of the CAC Group with shares of the Company's stock to enhance the connection between the Company's stock price, the Group's business performance and the treatment of employees of the Group, and to increase the morale of employees and their motivation to improve the stock price and business performance through the sharing of economic benefits with our shareholders. Details are as follows.

1. Background behind the Introduction

The Company introduced a restricted stock compensation plan in FY2019 mainly for officers of the Group. The aim is to provide them with an incentive to enhance the Group's corporate value sustainably and share shareholder value.

To realize the CAC Vision 2030, or the goal that the Group aims to achieve in 2030, it is essential that each employee of the Group has a strong willingness to take on challenges. The Company has considered the need to reward what they have achieved and decided to introduce the Plan mainly for employees of the Group.

2. Overview of the Plan

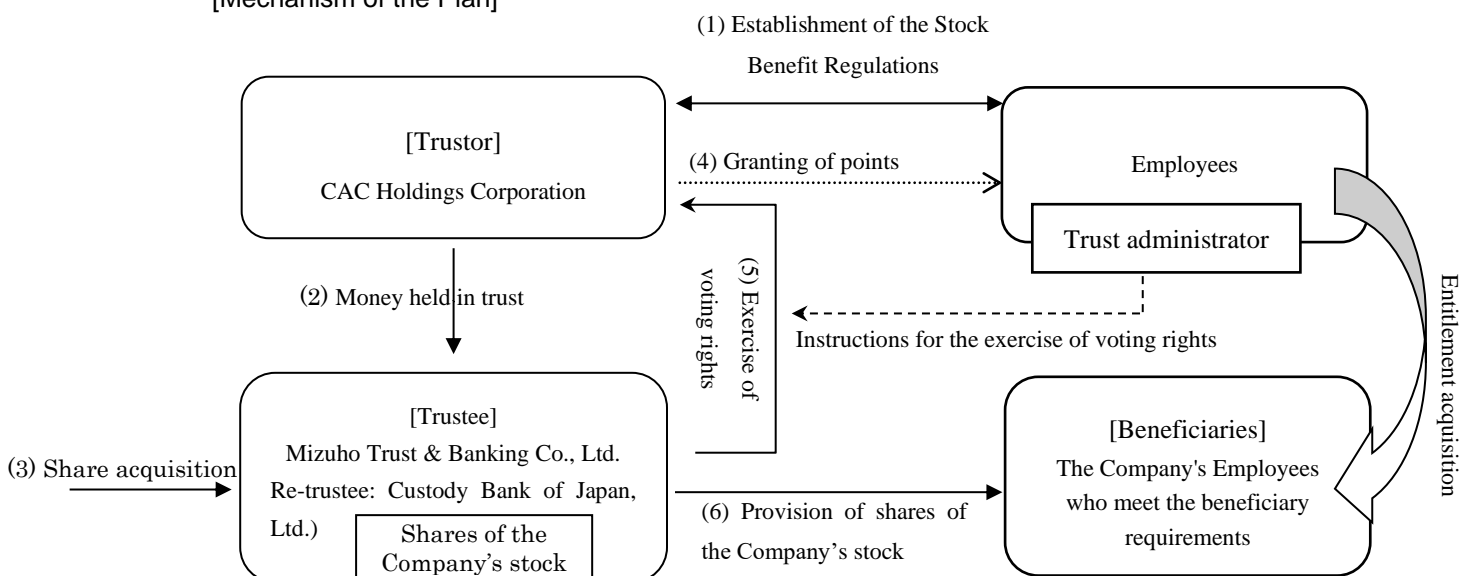
The Plan is a trust-based scheme that follows the ESOP (Employee Stock Ownership Plan) system in the United States. The scheme allows for the provision of shares of the Company's stock to the employees of the Company and officers and employees of the Group companies (hereinafter "Employees") who meet specific requirements as per the Stock Benefit Regulations of the Company and Group companies.

The Company and Group companies award points to Employees according to the Group's business performance, among other factors. If Employees meet certain conditions for receiving shares of the Company's stock, they will receive shares from the Company in relation to the points they have earned. The shares to be granted to Employees shall be acquired, including the future portion, using money set aside in advance in a trust, and shall be segregated and managed as trust assets.

The introduction of the Plan is expected to increase Employees' interest in increasing the stock price and business performance, and contribute to their motivation to work harder than ever before.

The timing of the establishment of the Trust, and the amount initially deposited in it will be announced as soon as it is determined.

[Mechanism of the Plan]



1. The Company and Group companies will establish the Stock Benefit Regulations for the introduction of the Plan.
2. The Company will place money in a trust (third-party benefit trust) with Mizuho Trust & Banking Co., Ltd. (re-trustee: Custody Bank of Japan, Ltd.) to acquire in advance the shares that will be granted to Employees in the future in accordance with the Stock Benefit Regulations.
3. The Trust will acquire shares of the Company's stock using the money entrusted in (2) above as the source of its funding, either through the stock market or by subscribing to treasury shares that are to subject to disposal.
4. The Company and Group companies will grant points to the Employees under the Stock Benefit Regulations.
5. The Trust will exercise voting rights in accordance with the instructions of the trust administrator.
6. The Trust will deliver shares of the Company's stock to the Employees who fulfill the requirements of beneficiaries (hereinafter the "Beneficiaries") as set forth in the Stock Benefit Regulations in accordance with the number of points granted to the beneficiaries.

End.