



Company Name: **CAC Holdings Corporation**
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Notice of Disposal of Treasury Shares as Restricted Stock Compensation

CAC Holdings Corporation (hereinafter the “Company”) hereby announces that at the meeting of its Board of Directors held today, it passed a resolution to dispose of its treasury shares (hereinafter the “Disposal of Treasury Shares” or “Disposal”). Details are as follows.

1. Overview of the Disposal

The Company's directors and executive officers (excluding those who also serve as a director and those who do not have an employment contract)

(1)	Date of disposal	April 28, 2023
(2)	Type and number of shares to be disposed of	42,814 shares of common stock of the Company
(3)	Disposal price	1,646 yen per share
(4)	Total disposal amount	70,471,844 yen
(5)	Allottees, number thereof, and number of shares to be disposed of	Three directors of the Company (excluding outside directors) 27,019 shares Five executive officers of the Company (excluding those who also serve as a director and those who do not have an employment contract) 15,795 shares
(6)	Other	The Company will submit an extraordinary report on the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the Disposal

At the meeting of the Board of Directors held on February 14, 2019, the Company resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”) for the purpose of giving the directors of the Company excluding outside directors (hereinafter the “Subject Directors”) an incentive to sustainably enhance the corporate value of the Company, and sharing the shareholder value with them. In addition, at the 53rd Annual General Meeting of Shareholders held on March 27, 2019, the Company

was approved to grant monetary compensation claims of up to 50 million yen per year to the Subject Directors to use as the property contributed to acquiring the shares with restrictions on transfer based on the Plan and set the period specified by the Company's Board of Directors between three and five years as the transfer restriction period for the shares with restrictions on transfer.

In addition, thinking that it is also important for the directors of the Company's subsidiaries and the executive officers and employees of the Company and its subsidiaries who do not concurrently serve as a director of the Company or its subsidiaries to share the benefits and risks of fluctuations in the share price with the shareholders in order to achieve the enhancement of the corporate value of the Group, the Company has decided to introduce a similar plan to the Plan for the Subject Directors for these executive directors.

The following is an overview of the Plan.

[Overview of the Plan]

The Subject Directors of the Company, the executive officers and employees of the Company who do not concurrently serve as a director of the Company, the directors of the Company's subsidiaries, and the executive officers and employees of the subsidiaries who do not concurrently serve as a director of the subsidiaries (hereinafter collectively referred to as the "Subjects") will receive the issuance or the Disposal of common stock of the Company by paying all the monetary compensation claims or monetary claims granted by the Company or its subsidiaries based on the Plan as the property contributed in kind. The total number of shares of the common stock that the Company will issue or dispose of to the Subject Directors based on the Plan will be 50,000 shares or less per year, and the amount to be paid per share will be determined by the Board of Directors to the extent that the amount to be paid will not be particularly favorable to the Subject Directors who will subscribe to the common stock, based on the closing price of the Company's common stock in the Tokyo Stock Exchange on the business day preceding the date of resolution of the Board of Directors (if the trade is not concluded on that day, the closing price on the trading day immediately prior to that day).

In addition, when the Company's common stock is issued or disposed of based on the Plan, an allotment agreement of shares with restrictions on transfer will be concluded between the Company and the Subjects, and its contents will include the following: (1) The Subjects shall not transfer, create a security interest or dispose of the Company's common stock the allotment of which they received based on the allotment agreement of shares with restrictions on transfer for a certain period of time; and (2) if certain circumstances have arisen, the Company shall acquire the common stock without consideration.

Taking into consideration the purpose of the Plan, the business condition of the Company, the scope of work responsibilities of the Subjects and a variety of circumstances, the Company has decided to grant monetary compensation claims and monetary claims of a total of 70,471,844 yen (hereinafter the "Monetary Claims") and 42,814 shares of its common stock for the purpose of further increasing the motivation of the Subjects. The transfer restriction period is three years.

In the Disposal of Treasury Shares, the eight Subjects who are the scheduled recipients of the allotment will pay all the Monetary Claims to the Company as the property contributed in kind and receive

the Disposal of the Company's common stock (hereinafter the "Allotted Shares") based on the Plan. The overview of the allotment agreement of shares with restrictions on transfer to be concluded between the Company and the Subjects in the Disposal of Treasury Shares (hereinafter the "Allotment Agreement") is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

The Company's directors and executive officers (excluding those who also serve as a director and those who do not have an employment contract):

From April 28, 2023, to April 27, 2026

(2) Conditions for lifting the restrictions on transfer

The restrictions on transfer will be lifted for all the Allotted Shares at the time when the transfer restriction period expires on the condition that the Subjects hold either the position of director, executive officer, executive officer who does not concurrently serve as a director, corporate auditor, employee, consultant, or advisor in the Company or its subsidiary or the position equivalent to these on a continuing basis during the transfer restriction period.

(3) Handling in cases where the Subjects left office during the transfer restriction period due to the expiration of their term of office, mandatory retirement age or any other due cause

(i) Time when transfer restrictions are lifted

i. In the case of leaving office or retiring due to death

Time that the Company's Board of Directors separately determines after the death of the Subjects

ii. In the case of leaving office or retiring due to the expiration of their term of office or the mandatory retirement age

Time immediately after the Subjects left office or retired

(ii) Number of shares subject to the lifting of transfer restrictions

This will be the number of shares obtained by multiplying the number of the Allotted Shares owned by the Subjects at the time when they leave office or retire by the number obtained by dividing the term of office or the period of service (in months) of the Subjects during the transfer restriction period by the number of months during the transfer restriction period set forth in (1) (the number of months is 12 for the Subject Directors; if the result of the division exceeds 1, it will be 1) (however, if a fraction less than one share arises as a result of calculation, this will be truncated).

(4) Acquisition of the Allotted Shares by the Company without consideration

The Company will automatically acquire the Allotted Shares for which the restriction on transfer is not lifted at the time when the transfer restriction period expires or when the restriction on transfer is lifted as specified in (3) above without consideration.

(5) Management of shares

The Allotted Shares are managed in a dedicated account opened by the Subjects at Nomura Securities Co., Ltd. during the transfer restriction period so that the Subjects will be unable to

execute a transfer, create a security interest or dispose of them during the transfer restriction period. The Company has entered into a contract with Nomura Securities Co., Ltd. for the management of the account of the Allotted Shares owned by the Subjects to ensure the effectiveness of the restriction on transfer of the Allotted Shares. The Subjects shall agree on the content of the management of the account.

(6) Measures to be taken in relation to reorganization, etc.

If a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary or any other matter concerning organizational restructuring is approved at a general meeting of shareholders of the Company (however, if approval at a general meeting of shareholders of the Company is not needed, the Board of Directors of the Company), the restriction on transfer will be lifted by the resolution of the Board of Directors just before the business day preceding the day when the organizational restructuring goes into effect for the number of shares obtained by multiplying the Allotted Shares owned at that point in time by the number obtained by dividing the number of months from the month when the transfer restriction period begins to the month that includes the date of the approval by the number of months during the transfer restriction period in (1) (the number of months is 12 for the Subject Directors; if the result of the division exceeds 1, it will be 1) (however, if a fraction of less than one share arises as a result of calculation, this will be truncated). In addition, the Company will automatically acquire all the Allotted Shares for which the restriction on transfer is not lifted immediately after the restriction on transfer was lifted without consideration.

4. Calculation basis of payment amounts and relevant details

The Disposal of Treasury Shares to the scheduled recipients is conducted by using the monetary compensation claims or monetary claims granted as the restricted stock compensation for the 58th fiscal year based on the Plan as the property contributed. The disposal price is set at 1,646 yen, which is the closing price of the Company's common stock in the Prime Market of the Tokyo Stock Exchange on March 28, 2023 (business day preceding the date of resolution of the Board of Directors), to make the disposal price a price that eliminates arbitrariness. This is the market share price immediately before the date of resolution of the Board of Directors, and the Company believes that it is reasonable and does not fall under a price that is particularly favorable.

End.