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(Stock Exchange Code 4725)  
March 7, 2017

**To Shareholders with Voting Rights:**

Akihiko Sako  
President and CEO  
CAC Holdings Corporation  
24-1, Hakozaiki-cho, Nihonbashi,  
Chuo-ku, Tokyo

**NOTICE OF  
THE 51ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 51st Annual General Meeting of Shareholders of CAC Holdings Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either procedure described below. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:30 p.m. on Wednesday, March 22, 2017, Japan time.

[Exercise of voting rights by mail]

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the exercise deadline set forth above.

[Exercise of voting rights via the Internet]

Please access to the Website to Exercise Voting Rights at <http://www.evotep.jp/>, and indicate your vote for or against the proposal following the instructions on the screen.

Please review the instructions under “Procedure for exercising your voting rights via the Internet” described in page 3 to exercise your voting rights.

**1. Date and Time:** Thursday, March 23, 2017 at 10:00 a.m. Japan time

**2. Place:** “Harumi,” 2nd Floor, Royal Park Hotel  
2-1-1, Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 51st Fiscal Year (January 1, 2016 - December 31, 2016) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 51st Fiscal Year (January 1, 2016 - December 31, 2016)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Ten (10) Directors  
**Proposal 3:** Election of Two (2) Corporate Auditors  
**Proposal 4:** Update of the Policy against Large-scale Purchases of Shares (Anti-takeover Measures)

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Revisions to the Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders will be posted on the Company's website (<http://www.cac-holdings.com/>).

## <Procedure for exercising your voting rights via the Internet>

If you exercise your voting rights via the Internet, please review the items below and exercise your voting rights.

If you intend to attend the General Meeting of Shareholders in person, you are not required to exercise the voting rights either by mail (using the Voting Rights Exercise Form) or via the Internet.

### 1. Website to exercise voting rights

- (1) Voting rights via the Internet may only be exercised by accessing the voting rights exercise website designated by the Company (<http://www.evote.jp/>) using computers, smartphones or cellular phones (i-mode, EZweb, or Yahoo! Keitai)\*. (Please note that the website is unavailable from 2:00 a.m. through 5:00 a.m. every day)  
\*i-mode, EZweb, and Yahoo! are the registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION, and Yahoo! Inc. of the United States, respectively.
- (2) Depending on your Internet connection environment, you may not be able to exercise your voting rights through your computer or smartphone. Such environment includes the case where a firewall is used for the Internet connection, any antivirus software has been installed, proxy server is used, or TLS encrypted communication has not been designated.
- (3) When you exercise voting rights using your cellular phone, please use the internet connection service of either i-mode, EZweb, or Yahoo! Keitai. For security reasons, any cellular phones incompatible with TLS encrypted communication or transmission of cellular phone information cannot be used.
- (4) Exercise of voting rights via the Internet will be accepted until 5:30 p.m. on Wednesday, March 22, 2017, Japan time. We ask you to exercise your voting rights at your earliest convenience. Please contact the help desk should you have any questions.

### 2. Method to exercise voting rights via the Internet

- (1) Please indicate your vote for or against the proposal on the website at <http://www.evote.jp/> using your Login ID and temporary password included in the Voting Rights Exercise Form to exercise your voting rights following the instructions on the screen.
- (2) Please note that you will be requested to change your temporary password on the voting rights exercise website in order to prevent any unauthorized access (“spoofing”) or alteration of your votes.
- (3) A new Login ID and temporary password will be issued each time the General Meeting of Shareholders is convened.

### 3. Handling of voting rights exercised for multiple times

- (1) If you exercised your voting rights both in writing and via the Internet, the voting rights exercised via the Internet shall be treated as the valid vote.
- (2) If you exercised your voting rights for multiple times via the Internet, the voting rights exercised last shall be treated as the valid vote. Similarly, if you exercised your voting rights for multiple times using a computer, smartphone and/or cellular phone, the voting rights exercised last shall be treated as the valid vote.

### 4. Costs incurred for accessing the voting rights exercise website

Costs incurred for accessing the voting rights exercise website (such as Internet connection charges) shall be borne by the shareholder. Packet data fees and other cellular phone charges shall also be borne by the shareholder.

### 5. To institutional investors

The electronic voting platform for institutional investors is available for institutional investors for the exercise of voting rights.

#### Inquiries about the system

Stock Transfer Agency Department (help desk), Mitsubishi UFJ Trust and Banking Corporation  
Phone: 0120-173-027 (inquiries accepted from 9:00 to 21:00, toll free (only within Japan))

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company has positioned the return of profits to shareholders as an important capital policy. The Company's basic policy is to stably and continuously deliver to its shareholders profit returns in proportion to the results of its business, while securing internal reserves in preparation for the future growth of the Company and change in the business environment. Under the policy, the Company would like to declare appropriation of surplus for the fiscal year under review as described below, taking into consideration of balance of reinforcement of the management base and stable payment of dividends over the medium to long term.

#### Year-End Dividends

In regard to the year-end dividend for the 51st fiscal year, after taking into account such factors as the Company's financial results for the fiscal year ended December 31, 2016, and future business development, the following proposal has been made:

1. Type of dividend:  
Cash dividend
2. Matters related to the allocation of assets to be paid as dividends and the total amount of dividends:  
The Company proposes paying a dividend of ¥20 per common share (ordinary dividend of ¥16 and commemorative dividend of ¥4 in celebration of its 50th anniversary) for a total of ¥368,705,140.
3. Effective date of payment of dividends from surplus:  
March 24, 2017

**Proposal 2:** Election of Ten (10) Directors

The terms of office of ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders. We therefore propose that ten (10) Directors be newly elected.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Toshio Shimada (June 4, 1957)	<p>August 1992    Joined JGC Information Systems Co., Ltd.</p> <p>November 1997    Joined CAC Corporation (currently CAC Holdings Corporation)</p> <p>January 1998    General Manager, Corporate Planning Dept., Corporate Capacity Improvement Div., the Company</p> <p>March 2000    Executive Officer and General Manager, Corporate Planning Dept., the Company</p> <p>March 2002    Director and Senior Vice President, Corporate Planning Dept., the Company</p> <p>July 2003    Managing Director and Senior Vice President, Corporate Div., the Company</p> <p>March 2004    President and CEO, the Company</p> <p>January 2011    Chairman and Board of Directors, the Company</p> <p>April 2014    Chairman and Board of Directors, CAC Corporation</p> <p>March 2015    Chairman and Director, the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>• Vice Chairman, Japan Information Technology Services Industry Association</p>	12,000
2	Akihiko Sako (June 15, 1960)	<p>April 1983    Joined Computer Applications Co., Ltd. (currently CAC Holdings Corporation)</p> <p>April 1999    General Manager, 1st Section, Financial System Dept., the Company</p> <p>March 2000    Executive Officer and General Manager, 1st Section, Financial System Dept., SI Div., the Company</p> <p>March 2005    Director, Executive Officer and Senior Vice President, Corporate Div., the Company</p> <p>March 2008    Director, Managing Executive Officer and Senior Vice President, Corporate Planning Div., the Company</p> <p>April 2010    Director, Managing Executive Officer and Senior Vice President, Global Promotion Div., Head - Corporate Div., Head - Strategic Human Resource Div. and Head - Quality Assurance Dept., the Company</p> <p>January 2011    President and CEO, the Company (to present)</p> <p>April 2014    President and CEO, CAC Corporation (to present)</p> <p>[Significant concurrent positions]</p> <p>• President and CEO, CAC Corporation</p>	10,400

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Hisashi Takahashi (March 31, 1957)	<p>April 1979      Joined Computer Applications Co., Ltd. (currently CAC Holdings Corporation)</p> <p>January 1997    General Manager, NSM Business Promotion Dept., NSM Div., the Company</p> <p>March 2000      Vice President, SI Promotion Div., the Company</p> <p>March 2004      Director, Executive Officer and Senior Vice President, R&amp;D System Business Unit, the Company</p> <p>April 2011      Executive Officer and Senior Vice President, Pharmaceutical BTO Unit, the Company</p> <p>April 2012      Executive Officer and Head - Pharmaceutical BTO Strategic Collaboration, the Company</p> <p>April 2012      President and Chief Executive Officer, CAC EXICARE Corporation (currently CAC Croit Corporation) (to present)</p> <p>April 2014      Director, the Company</p> <p>April 2016      Director, Head - Pharmaceutical BTO, the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• President and Chief Executive Officer, CAC Croit Corporation</li> </ul>	16,200
4	Bin Cheng (November 12, 1962)	<p>July 1992      Joined CAC AMERICA CORPORATION</p> <p>April 2000      Joined CAC Corporation (currently CAC Holdings Corporation)</p> <p>May 2000      Director &amp; President, CAC PACIFIC CORPORATION</p> <p>July 2000      Director &amp; President, CAC SHANGHAI CORPORATION (to present)</p> <p>March 2002      Director &amp; President, GoldenTech Computer Technology (Suzhou) Co., Ltd.</p> <p>April 2012      Executive Officer and Head - Global Strategic Collaboration, the Company</p> <p>April 2014      Director, the Company</p> <p>April 2016      Director, Head - China, the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director &amp; President, CAC SHANGHAI CORPORATION</li> <li>• Director, Accel Frontline Limited</li> </ul>	-
5	Malcolm F. Mehta (June 4, 1968)	<p>January 1999    Joined Japan External Trade Organization (JETRO) Trade Advisor, JETRO Mumbai Office</p> <p>June 2005      Joined Hexaware Technologies Limited Japan Representative, Hexaware Technologies Limited</p> <p>June 2010      Joined CAC Corporation (currently CAC Holdings Corporation) General Manager, Overseas Market Development Dept., Global Promotion Div.</p> <p>April 2011      Senior Vice President, Global Business Div., the Company</p> <p>April 2012      Executive Officer and Senior Vice President, Global Business Div., the Company</p> <p>January 2014    Executive Officer and Head - Global Strategic Collaboration, the Company</p> <p>April 2014      Director, the Company</p> <p>July 2014      Executive Director, Accel Frontline Limited</p> <p>April 2016      Director, Head - India, the Company (to present)</p> <p>November 2016 Chairman and Executive Director, Accel Frontline Limited (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• President, CAC India Private Limited</li> <li>• Chairman and Executive Director, Accel Frontline Limited</li> </ul>	-

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Ryota Nishimori (December 18, 1967)	<p>April 1994     Joined Computer Applications Co., Ltd. (currently CAC Holdings Corporation)</p> <p>January 2006     Deputy General Manager, Business Innovation Div., the Company</p> <p>April 2007     General Manager, Corporate Planning Dept., the Company</p> <p>January 2009     Executive Officer and Vice President, Financial Business Unit, the Company</p> <p>January 2011     Director &amp; President &amp; TREASURER, CAC AMERICA CORPORATION</p> <p>April 2014     Transferred to CAC Corporation</p> <p>July 2014     President Strategic Initiatives, Accel Frontline Limited</p> <p>January 2016     Executive Officer, Head - Corporate, Senior Vice President, Corporate Div. and General Manager, Corporate Planning Dept., CAC Corporation</p> <p>March 2016     Director, the Company Director &amp; Corporate Executive Officer, CAC Corporation Director &amp; Chairman &amp; Secretary, CAC AMERICA CORPORATION (to present) Director &amp; Chairman, CAC EUROPE LIMITED (to present)</p> <p>April 2016     Director, Head - Corporate Dept., Corporate Planning Dept., and Innovative Business Planning Dept. (to present) Director &amp; Executive Officer, CAC Corporation (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director &amp; Executive Officer, CAC Corporation</li> <li>• Director &amp; Chairman &amp; Secretary, CAC AMERICA CORPORATION</li> <li>• Director &amp; Chairman, CAC EUROPE LIMITED</li> </ul>	10,100
7	Mitsuyo Hanada (August 8, 1948)	<p>August 1974     Researcher, Laboratory for Organizational Research and Education, The University of Southern California</p> <p>September 1977     Lecturer, Department of Sociology, California State University, Los Angeles</p> <p>April 1986     Professor, SANNO University</p> <p>March 1990     Professor, Faculty of Policy Management, Keio University</p> <p>March 2005     Director, the Company (to present)</p> <p>April 2014     Professor Emeritus, Keio University (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Professor Emeritus, Keio University</li> <li>• Outside Director, Oisix Inc.</li> <li>• Outside Director, MITANI SANGYO Co., Ltd.</li> <li>• Representative Director, General foundation SFC Forum</li> <li>• Representative Director, Corporate University Platform, Inc.</li> </ul>	-
8	Shigeru Matsushima (October 31, 1949)	<p>April 1973     Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>April 1990     Counselor, Embassy of Japan in Germany</p> <p>June 1993     Director, Southeast Asia and Pacific Division, Ministry of International Trade and Industry</p> <p>June 1998     Deputy Director-General, Agency of Industrial Science and Technology, Ministry of International Trade and Industry</p> <p>September 1999     Director-General, Chubu Bureau of International Trade and Industry, Ministry of International Trade and Industry</p> <p>April 2001     Professor, Hosei University, Faculty of Business Administration</p> <p>March 2007     Director, the Company (to present)</p> <p>April 2008     Professor, Department of Management of Science and Technology, Graduate School of Management of Science and Technology, Tokyo University of Science</p> <p>April 2011     Professor, Department of Management of Technology, Graduate School of Innovation Studies, Tokyo University of Science (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Outside Director, Nomura Real Estate Holdings, Inc.</li> </ul>	-

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Michitaka Hirose (May 7, 1954)	<p>May 1999 Professor, Department of Mechano-Informatics, Graduate School of Engineering, The University of Tokyo</p> <p>July 1999 Professor, Research Center for Advanced Science and Technology, The University of Tokyo</p> <p>April 2006 Professor, Department of Mechano-Informatics, Graduate School of Information Science and Technology, The University of Tokyo (to present)</p> <p>April 2007 Part-time Lecturer, Graduate School of Media and Governance, Keio University (to present)</p> <p>April 2008 Program Coordinator, National Institute of Information and Communications Technology</p> <p>April 2010 Chairman, The Virtual Reality Society of Japan</p> <p>March 2011 Director, the Company (to present)</p> <p>April 2011 R&amp;D Advisor, National Institute of Information and Communications Technology (to present)</p> <p>April 2012 Special Adviser, The Virtual Reality Society of Japan (to present)</p> <p>April 2014 Auditor, The Virtual Reality Society of Japan (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Professor, Department of Mechano-Informatics, Graduate School of Information Science and Technology, The University of Tokyo</li> </ul>	-
10	Yukiko Kuroda (September 24, 1963)	<p>April 1986 Joined Sony Corporation</p> <p>January 1991 Representative Director, People Focus Consulting Co., Ltd.</p> <p>August 1991 Joined Gemini Consulting Japan</p> <p>August 1996 Director, CICOM BRAINS Inc.</p> <p>January 2010 Trustee, Non-Governmental Organization JEN</p> <p>February 2010 Director, Specified Non-Profit Organization Japan Association for UNHCR</p> <p>June 2010 Outside Corporate Auditor, Astellas Pharma Inc.</p> <p>March 2011 Director, the Company (to present)</p> <p>April 2012 Founder and Director, People Focus Consulting Co., Ltd. (to present)</p> <p>June 2013 Outside Director, Marubeni Corporation (to present)</p> <p>June 2015 Outside Director, Mitsui Chemicals, Inc. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Founder and Director, People Focus Consulting Co., Ltd.</li> <li>• Outside Director, Marubeni Corporation</li> <li>• Outside Director, Mitsui Chemicals, Inc.</li> </ul>	-

(Notes)

1. Ms. Yukiko Kuroda's name on her family register is Ms. Yukiko Matsumoto.
2. There are no special interests between each candidate for Director and the Company.
3. Messrs. Mitsuyo Hanada, Shigeru Matsushima and Michitaka Hirose and Ms. Yukiko Kuroda are candidates for Outside Directors.
4. The Company recommends that Mr. Mitsuyo Hanada be elected as Outside Director based on the fact that he has been fulfilling his role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors mainly from the perspective of an expert in organizational economics. The term of office of Mr. Mitsuyo Hanada as Outside Director will be twelve (12) years at the conclusion of this General Meeting of Shareholders.
5. The Company recommends that Mr. Shigeru Matsushima be elected as Outside Director based on the fact that he has been fulfilling his role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors mainly from the perspective of an expert in business administration. The term of office of Mr. Shigeru Matsushima as Outside Director will be ten (10) years at the conclusion of this General Meeting of Shareholders.
6. The Company recommends that Mr. Michitaka Hirose be elected as Outside Director based on the fact that he has been fulfilling his role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors mainly based on his deep insight as an expert in advanced technologies. The term of office of Mr. Michitaka Hirose as Outside Director will be six (6) years at the conclusion of this General Meeting of Shareholders.
7. Ms. Yukiko Kuroda possesses abundant experience in activities from a global perspective in addition to experience in



company management. The Company recommends that Ms. Yukiko Kuroda be elected as Outside Director based on the fact that she has been fulfilling her role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors. The term of office of Ms. Yukiko Kuroda as Outside Director will be six (6) years at the conclusion of this General Meeting of Shareholders

8. The Company has entered into an agreement with Messrs. Mitsuyo Hanada, Shigeru Matsushima and Michitaka Hirose and Ms. Yukiko Kuroda to limit their liability pursuant to Article 427, Paragraph 1 of the Companies Act. Subject to the approval of their reelection, the Company intends to continue the above-mentioned agreement with each Outside Director. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act.
9. The Company has designated Messrs. Mitsuyo Hanada, Shigeru Matsushima and Michitaka Hirose and Ms. Yukiko Kuroda as independent officers prescribed by the Tokyo Stock Exchange, Inc. and registered them as such at the Tokyo Stock Exchange, Inc. Subject to the approval of their reelection, the Company will reappoint them as independent officers.

**Proposal 3:** Election of Two (2) Corporate Auditors

The terms of office of two (2) Corporate Auditors will expire at the conclusion of this General Meeting of Shareholders. We therefore propose that two (2) Corporate Auditors be newly elected. The Board of Corporate Auditors has previously given its approval to this proposal. The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1*	Masaaki Yoshida (May 10, 1959)	<p>April 1990      Joined Nippon Kangyo Kakumaru Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)</p> <p>October 2005    Joined CAC Corporation (currently CAC Holdings Corporation)</p> <p>January 2012    Vice President, Corporate Div. and General Manager, Corporate Planning Dept., the Company</p> <p>April 2014      Transferred to CAC Corporation Temporary transfer to the Company General Manager, Corporate Administration Dept., the Company</p> <p>January 2015    General Manager, Corporate Dept., the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Corporate Auditor, CAC Corporation (planned)</li> <li>• Corporate Auditor, CAC Croit Corporation (planned)</li> </ul>	-
2*	Hirokazu Honda (May 5, 1970)	<p>April 1997      Admitted to the Bar Joined ABE, IKUBO &amp; KATAYAMA</p> <p>March 2004      Admitted to the New York Bar</p> <p>August 2004     Partner, ABE, IKUBO &amp; KATAYAMA (to present)</p> <p>June 2007       Outside Corporate Auditor, Uoriki Co., Ltd.</p> <p>June 2015       Outside Director, Uoriki Co., Ltd. (to present) Senior Director, International Association for the Protection of Intellectual Property of Japan (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Partner, ABE, IKUBO &amp; KATAYAMA</li> <li>• Outside Director, Uoriki Co., Ltd.</li> <li>• Senior Director, International Association for the Protection of Intellectual Property of Japan</li> </ul>	-

(Notes)

1. \* indicates a new candidate for Corporate Auditor.
2. Mr. Masaaki Yoshida is scheduled to finish the temporary transfer to the Company and resign from the employee of CAC Corporation at the conclusion of this General Meeting of Shareholders. And he is to be appointed as the Corporate Auditor of CAC Corporation and CAC Croit Corporation by the date of this General Meeting of Shareholders.
3. There are no special interests between each candidate for Corporate Auditor and the Company.
4. Mr. Hirokazu Honda is a candidate for Outside Corporate Auditor. Subject to his election, the Company intends to designate him as an independent officer prescribed by the Tokyo Stock Exchange, Inc., and register him as such at the Tokyo Stock Exchange, Inc.
5. The Company recommends that Mr. Hirokazu Honda be elected as Outside Corporate Auditor as he is expected to provide opinions and advice mainly from the expertise perspective of an attorney to ensure the appropriateness of decision-making by the Board of Directors.
6. Subject to the approval of the election of Mr. Hirokazu Honda, a candidate for Outside Corporate Auditor, the Company intends to enter into an agreement with him to limit his liability pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act.

#### **Proposal 4:** Update of the Policy against Large-scale Purchases of Shares (Anti-takeover Measures)

The Company obtained shareholder approval at the 48th Annual General Meeting of Shareholders held on March 27, 2014, for the “Update of the Policy against Large-scale Purchases Shares in CAC Corporation (currently CAC Holdings Corporation)(Anti-takeover Measures),” which was introduced to enforce certain reasonable rules regarding purchases of the Company’s shares that aim to obtain a voting rights percentage (Note 2) of 20% or more of a specific shareholder group (Note 1), or purchases of the Company’s shares that will result in obtaining a voting rights percentage of 20% or more of a specific shareholder group (both instances exclude cases to which the Board of Directors of the Company has agreed in advance. Hereinafter, such a purchasing act is referred to as a “Large-scale Purchase Action,” and the specific shareholder group that conducts such a Large-scale Purchase Action is referred to as a “Large-scale Purchaser”). Under the Policy, the Company intends to provide sufficient information to shareholders and to prevent an inappropriate purchase of the Company’s shares that enforces control over decisions on the Company’s financial and operational policies, with a view towards enhancing the Company’s corporate value. The updated Policy (hereinafter referred to as the “Policy”), however, is to expire at the conclusion of this General Meeting of Shareholders.

Prior to the expiry of the Policy, the Company discussed the pros and cons of updates, as well as the need to revise the Policy, in consideration of the changes in situations, amendments to laws and regulations, and other factors subsequent to the implementation of the Policy. As a result, the Company proposes a revision to the Policy to articulate its definitions.

This Proposal, which is to be resolved at this General Meeting of Shareholders, has obtained the consent of all ten (10) Directors, including four (4) Outside Directors, and all four (4) Corporate Auditors, including two (2) Outside Corporate Auditors.

Note 1: A specific shareholder group means a holder (a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including a party deemed to be a holder in accordance with Article 27-23, Paragraph 3 of the Act) of share certificates, etc. of the Company (share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Act), or a party conducting a purchase, etc. (a purchase, etc. as defined in Article 27-2, Paragraph 1 of the Act, including a purchase conducted in the financial instruments exchange markets) and its joint holders (a joint holder as defined in Article 27-23, Paragraph 5 of the Act, including a party deemed to be a joint holder in accordance with Article 27-23, Paragraph 6 of the Act), as well as a person in a special relationship (a person in a special relationship as defined in Article 27-2, Paragraph 7 of the Act).

Note 2: In the calculation of the voting rights percentage, the denominator shall be the number of total voting rights of the issued shares of the Company at the time of calculation, less the number of treasury shares held by the Company as listed in the most recent share buyback report.

#### **1. Purpose of the Introduction of the Policy**

While we believe that whether or not to accept a proposal associated with a Large-scale Purchase Action should depend on a decision that is ultimately made by shareholders, we also believe that the shareholders must be provided with adequate information regarding such a proposal, along with a reasonable amount of time necessary for the evaluation thereof. This belief is supported by the following reasons.

The Group’s principal line of business is the provision of IT services, including the development of information strategies, construction of systems, and operation and management of systems, and we are continuously providing services that meet the information system-related needs of each corporate customer. As a result, we have accumulated extensive operational experience regarding specific companies and the business sectors in which they operate, along with special expertise and know-how, receiving high evaluations from our corporate customers and maintaining reliable relationships. This cycle is believed to provide the Group with significant competitive strength against our peers, and to constitute a source of the Group’s corporate value. Accordingly, it may not be straightforward to determine the Group’s corporate value, or to judge the validity of a proposal associated with a Large-scale Purchase, without fully understanding the importance of such relationships between the Company and each of its corporate customers.

As such, in order for shareholders to make a rational judgment regarding the validity of the price offered by a Large-scale Purchaser for the acquisition of shares of the Company, appropriate and sufficient information must be provided by the Large-scale Purchaser, as well as by the Board of Directors of the Company, regarding, in particular, the marketing policies and strategies, etc. that are focused on the Company’s existing clients and the business sectors in which they operate, in addition to the management policies and business plans envisaged for the future, based on the above background of our business.

In addition, we believe that rules must be established to protect our shareholders from any unforeseen disadvantages that may result from a Large-scale Purchase Action, and to allow the Board of Directors to demand, as appropriate for the benefit of the shareholders, that the Large-scale Purchaser make an improvement to its original proposal associated with the Large-scale Purchase, or make an alternative proposal,

depending on the circumstances.

The Company shall, based on the aforementioned philosophy, hereby establish the rules concerning Large-scale Purchase Actions (hereinafter referred to as the “Large-scale Purchase Rules”) as follows.

## 2. Large-scale Purchase Rules

(1) The Large-scale Purchaser shall, prior to conducting a Large-scale Purchase Action, provide the Board of Directors with the necessary and sufficient information for shareholders and the Board of Directors to make a judgment (hereinafter referred to as the “Necessary Information”), which shall, in principle, be based on the following guidelines.

- 1) An outline of the Large-scale Purchaser (including a description of the business of the Large-scale Purchaser, experience in operations that are similar to the Company’s operations, etc.)
- 2) Objectives and details of the Large-scale Purchase Action
- 3) Basis of calculation of the amount of consideration for the acquisition of the Company’s shares
- 4) Materials that evidence the existence of the finance source for the purchase
- 5) Management policies, business plans, financial plans, capital policies, dividend policies, asset utilization policies, etc. envisaged over the next five (5) years after participating in the management of the Company

Since what specifically constitutes the Necessary Information may vary on a case by case basis for Large-scale Purchase Actions, a Large-scale Purchaser shall, prior to conducting a Large-scale Purchase Action, submit a letter of intent to the President and CEO of the Company, specifying the appellation of the Large-scale Purchaser, its address, jurisdiction over incorporation, name of its representative, and domestic contact details, as well as an outline of the proposed Large-scale Purchase Action, and stating that it will comply with the Large-scale Purchase Rules.

The Company shall, within ten (10) business days following the receipt of the letter of intent, supply a list of the Necessary Information that should be initially provided by the Large-scale Purchaser. If the information initially provided has, as a result of an examination thereof, proven to be insufficient, additional information may be required until a sufficient level of Necessary Information has been obtained.

The fact that the Large-scale Purchase Action was conducted, along with the Necessary Information provided to the Board of Directors shall be disclosed, in whole or in part, at a point in time deemed to be appropriate by the Board of Directors, if it is deemed necessary in order for our shareholders to make judgments.

(2) The Board of Directors shall establish a period of sixty (60) days (if purchasing all of the Company’s shares through a tender offer in exchange for cash (yen) only), or ninety (90) days (if otherwise), counting from the day following the receipt of all of the Necessary Information requested by the Company, as a period necessary for the Board to conduct evaluation, review, negotiation, and opinion formation regarding the Large-scale Purchase Action (hereinafter referred to as the “Board of Directors’ Evaluation Period”). The Large-scale Purchaser shall not commence the Large-scale Purchase Action during the Board of Directors’ Evaluation Period.

The Board of Directors shall, during the Board of Directors’ Evaluation Period, review the Necessary Information provided by the Large-scale Purchaser, and organize and announce an opinion thereon, as the Board of Directors.

## 3. Measures

(1) If the Large-scale Purchaser has complied with the Large-scale Purchase Rules

If the Large-scale Purchaser has duly complied with the Large-scale Purchase Rules, the Board of Directors shall, in principle, not take the countermeasures described in 3 (2) 1) and 3 (2) 2), although it may take legitimate and reasonable measures, such as announcing its opinion against the proposal associated with the Large-scale Purchase Action, or persuading shareholders by offering an alternative proposal. However, even if the Large-scale Purchase Rules have been complied with, the Board of Directors may still take the countermeasures described in 3 (2) 1) and 3 (2) 2) in order to protect the interests of the shareholders, if it determines that the Large-scale Purchase Action would significantly compromise the interests of the shareholders (including cases where: 1) the Large-scale Purchase is not intended for genuine participation in the management of the Company, but for the purpose of artificially boosting the share price temporarily, followed by sales of the shares at the top of the market; 2) the Large-scale Purchase is for the purpose of transferring to the Large-scale Purchaser the management assets of the Company, such as the client base, in a so-called “scorched earth” operation; or, 3) the Large-scale Purchase is for the purpose of selling the shares at a high price temporarily engineered via one-off high dividends realized with proceeds from the sale of management assets, etc.).

(2) In the event that the Large-scale Purchaser does not comply with the Large-scale Purchase Rules

If the Large-scale Purchaser fails to comply with the Large-scale Purchase Rules, the Board of Directors may, for the purpose of protecting the interests of the shareholders, take any of the following specific countermeasures that are considered appropriate by the Board of Directors. In the event of the actual issue of share acquisition rights, an exercise period, as well as exercise requirements, may be established in consideration of the effect of the countermeasures, such as a requirement for exercising share acquisition rights that the exerciser does not belong to a specific shareholder group that holds more than a certain percentage of share certificates, etc. of the Company.

1) Gratis allotment of share acquisition rights

a) Allottees and the number of share acquisition rights to be allotted

Share acquisition rights shall be allotted at a ratio of one (1) share acquisition right per share held (excluding the Company's common shares held by the Company) to shareholders listed or recorded in the final shareholder registry on the date of allotment prescribed separately by the Board of Directors.

b) Class and number of shares subject to share acquisition rights

The class of shares subject to share acquisition rights shall be the common stock of the Company, and the number of shares subject to share acquisition rights shall be one (1) per share acquisition right.

c) Total number of share acquisition rights to be issued

The total number of share acquisition rights to be allotted shall be equal to the total number of issued shares in the Company (excluding the Company's common shares held by the Company) at the closing date of the allotment prescribed separately by the Board of Directors.

d) Issue price of share acquisition rights

Share acquisition rights shall be gratuitous.

e) Amount to be paid when exercising share acquisition rights

The property to be contributed upon exercise of the share acquisition rights shall be cash in the amount prescribed by the Board of Directors, within a range of not less than one (1) yen per share, but not exceeding one-half (1/2) of the market price per share.

f) Restrictions on the transfer of share acquisition rights

Approval from the Board of Directors shall be required for the transfer of share acquisition rights.

g) Exercise period for share acquisition rights, etc.

The exercise period for share acquisition rights, conditions for exercise, and conditions for acquisition, as well as other necessary matters shall be prescribed separately by the Board of Directors.

2) Other countermeasures

In cases where activation of 1) is not considered reasonable, but some countermeasures against a Large-scale Purchase Action still need to be implemented, the Board of Directors shall take certain countermeasures that are considered to be legitimate and reasonable against the Large-scale Purchase Action, selecting from among the options available under the authority of the Board of Directors, to the extent permitted by the Companies Act of Japan and other relevant laws, as well as the Articles of Incorporation of the Company.

(3) Suspension of the countermeasures after their activation

The Board of Directors may, even after having resolved to implement the countermeasures against a Large-scale Purchase Action based on the Policy, decide to suspend the activation of the countermeasures, while also respecting the recommendations of the Special Committee to the greatest extent possible when the prerequisites for the activation of the countermeasures described in 3 (1) and 3 (2) are considered by the Board of Directors to have ceased to exist, as the Large-scale Purchaser has either terminated the Large-scale Purchase Action, or has agreed to comply with the Large-scale Purchase Rules, etc.

(4) Establishment of a Special Committee

To ensure adequate operation of the Policy and to prevent the Board of Directors from making arbitrary decisions, a Special Committee shall be established which comprises Outside Directors, Outside Corporate Auditors, and appropriately appointed external experts.

The Board of Directors shall, in making decisions regarding whether or not to implement the countermeasures described in 3 (2) 1) and 3 (2) 2), as well as other important decisions such as suspension of these countermeasures, always obtain recommendations from the Special Committee and give maximum respect to those recommendations.

In addition to the President and CEO of the Company, each member of the Special Committee shall also be authorized to call Special Committee meetings, so that the committee meetings can be held without fail, whenever necessary. The outline of the Special Committee is described in the Appendix.

(5) Review of the Policy and its effective period

The Board of Directors shall review the Policy, as appropriate, in view of relevant legislative developments, etc.

The effective period of the Policy shall expire at the conclusion of the 54th Annual General Meeting of Shareholders scheduled to be held in March 2020.

However, the Policy shall, even during its effective period, be terminated if and when the General Meeting of Shareholders or the Board of Directors resolves on the abolition thereof.

4. Impact on Shareholders and Investors Upon Initiation of Countermeasures, etc.

(1) Impact on shareholders and investors upon initiation of countermeasures

If decisions have been made to implement the countermeasures against a Large-scale Purchase Action, appropriate disclosure should take place in a timely and appropriate manner in accordance with laws and regulations and the stock exchange regulations, etc., while appropriate consideration shall be made to ensure that the interests of the shareholders and investors other than the Large-scale Purchaser will not be compromised (subject, however, to the shareholders' compliance with the procedures described in (2) below).

As stated in 3 (3), the countermeasures against the Large-scale Purchase may be suspended based on a resolution of the Board of Directors. If the Board of Directors suspends the activation of the gratis allotment of share acquisition rights as a countermeasure after having passed a resolution thereon, or if the Company decides to acquire, without consideration, all of the allotted share acquisition rights, the value per share of the Company will not be diluted. Thus, those shareholders and investors engaged in the trading of the Company's shares, etc. in anticipation of such a dilution may suffer a corresponding loss due to share price fluctuations, etc.

(2) Procedures that shareholders are required to follow in the event of activation of countermeasures

In the event of implementation of the countermeasures, shareholders will suffer a disadvantage in the form of dilution of their equity interest, unless they follow the procedures described below.

(In the event of the issuance of share acquisition rights)

Shareholders must complete registration of the transfer by the record date to be announced separately, express their intention concerning the subscription, and follow the exercise procedures (such as payment of the exercise price).

(Appendix)

## Outline of the Special Committee

### I. Rules for Administration of the Special Committee

#### (Establishment)

Article 1 The Special Committee shall be established based on the resolution of the Board of Directors.

#### (Composition)

Article 2 The Special Committee shall comprise three (3) or more committee members.

2. The Special Committee shall comprise the following committee members that are appointed by the Board of Directors.
  - (1) One (1) or more Outside Director(s)
  - (2) One (1) or more Outside Corporate Auditor(s)
  - (3) Outside experts independent from the executive management of the Company, nominated by the Board of Directors of the Company (in principle, professionals including attorneys, certified public accountants, academics, experts familiar with transactions of financial instruments, and those with experience as corporate managers or corporate management experts, etc.)
3. If additional committee members are required, the Board of Directors may determine the candidates at its own discretion, or based on the recommendations thereto made by the Special Committee, which shall be subject to a review thereat.
4. The Board of Directors shall appoint one (1) of the committee members as Chairperson of the Special Committee, and appoint another committee member as Deputy Chairperson of the Special Committee.

#### (Term of Office)

Article 3 The term of office for committee members shall be as follows, and reappointment shall be allowed.

- (1) Committee members who concurrently serve as an Outside Director or Outside Corporate Auditor  
The term of office of such committee members shall be equivalent to their term of office as an Outside Director or Outside Corporate Auditor.
- (2) Committee members who are outside experts  
The term of office of such committee members shall be three (3) years after appointment.

#### (Role)

Article 4 The Special Committee shall, at the request of the Board of Directors, decide and make recommendations to the Board of Directors, along with the reasons therebehind, regarding the following matters in principle. The Board of Directors shall give maximum respect to such recommendations when making final decisions.

- (1) Implementation of a gratis allotment of share acquisition rights as a countermeasure against a Large-scale Purchase
  - (2) Acquisition of issued share acquisition rights and/or suspension of the issuance of share acquisition rights, subject to ex-post negotiation with the proposer of the Large-scale Purchase
  - (3) Other important matters equivalent to the above (1) and (2)
  - (4) Other matters on which the Board of Directors may request recommendations from the Special Committee
2. The Special Committee shall, in making its decisions, make efforts to obtain sufficient information regarding the proposer of the Large-scale Purchase and the contents, etc. of the proposal.
  3. The Special Committee shall, at the expense of the Company, be able to seek the professional advice necessary to examine the case from external experts including securities companies, investment banks, attorneys, and certified public accountants.
  4. Committee members shall make decisions not for personal interests as individuals or Directors, but by judging whether such decisions can contribute to the Company's corporate value.

#### (Convocation)

Article 5 The Special Committee meeting shall be called by the President and CEO (or by a Director appointed by the Board of Directors if the President and CEO is unable to call the meeting due to an accident or other circumstance), or by any committee member.

#### (Quorum, Requirements for Resolution, Chairperson, and Observers)

Article 6 The Special Committee meeting shall be established by the attendance of all committee members, excluding persons with special interests, at which resolutions shall be passed by a majority of the committee members present (excluding persons with special interests); provided, however, that a quorum for the Special Committee meeting may, under unavoidable circumstances, be established by the attendance of at least one-half (1/2) of all of the committee members, excluding persons with special interests, at which resolutions shall be passed by a majority of the committee members present (excluding persons with special interests).

2. The Special Committee meeting shall be chaired by the Chairperson, or by the Deputy Chairperson if the Chairperson is unable to chair the meeting due to an accident or other circumstance.
3. Committee members with special interests in the Large-scale Purchase which is the subject of a resolution of the Committee shall not have votes in passing the resolution.
4. The following persons shall be able to attend the Special Committee meeting as non-voting observers.
  - (1) The President and CEO (or a Director appointed by the Board of Directors if the President and CEO is unavailable due to an accident or other circumstance)
  - (2) Any person required to attend the meeting by the President and CEO
  - (3) Any person required to attend the meeting by the Special Committee

#### (Secretariat)

Article 7 The Special Committee shall establish a Secretariat managed by the General Manager of the Corporate Department

#### (Revision)

Article 8 Any revision of the Rules for the administration of the Special Committee shall be enforced by the Board of Directors, subject to consultation by the Special Committee.