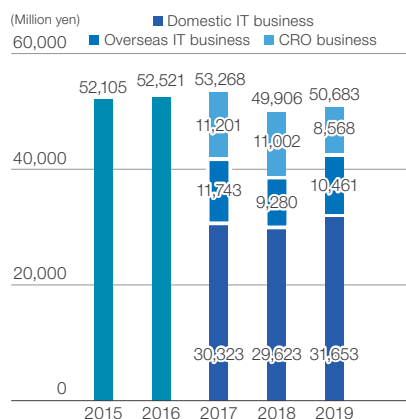


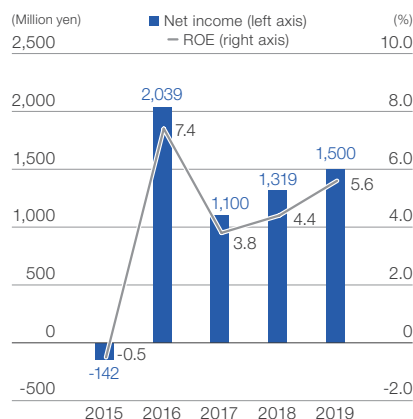
Financial highlights for the past 11 years

	44th term FY2009	45th term FY2010	46th term FY2011	47th term FY2012
Net sales (million yen)	39,842	36,614	38,882	39,545
Operating income (million yen)	1,733	1,822	2,610	2,694
Ordinary income (million yen)	1,884	2,035	2,776	2,887
Profit attributable to owners of parent (million yen)	929	1,026	39	1,194
Net assets (million yen)	19,773	20,316	19,294	20,200
Total assets (million yen)	31,004	31,781	31,363	32,233
Cash flows from operating activities (million yen)	687	2,319	(1,509)	3,077
Cash flows from investing activities (million yen)	(2,300)	488	1,076	1,419
Cash flows from financing activities (million yen)	705	(908)	(407)	(1,248)
Book value per share <BPS> (yen)	960.61	979.73	940.20	993.35
Earnings per share <EPS> (yen)	46.49	51.09	1.98	59.99
Return on equity <ROE> (%)	5.0	5.3	0.2	6.2
Return on assets <ROA> (%)	6.2	6.5	8.8	9.1
Equity ratio (%)	62.0	62.0	60.3	61.4
Price-to-earnings ratio <PER> (times)	14.3	12.3	317.9	11.4
* Based on the closing share price at the end of each fiscal year				
Amount of dividend per share (yen)	32.00	32.00	32.00	32.00
Dividend payout ratio (%)	68.8	62.6	1,614.7	53.3
Number of employees	2,150	2,070	2,057	2,166

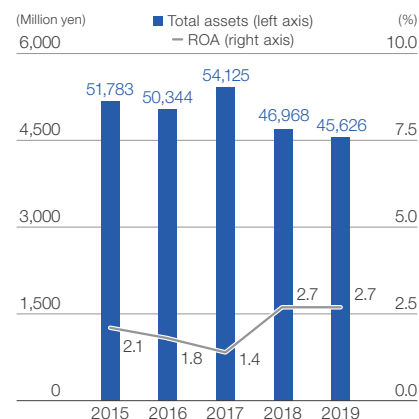
Net sales by segment



Net income/ROE

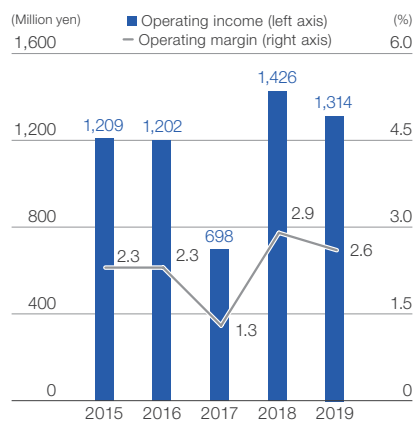


Total assets/ROA

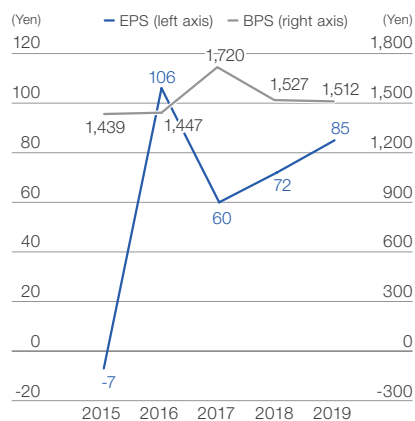


48th term FY2013	49th term FY2014	50th term FY2015	51st term FY2016	52nd term FY2017	53rd term FY2018	54th term FY2019
40,963	50,031	52,105	52,521	53,268	49,906	50,683
2,528	3,191	1,209	1,202	698	1,426	1,314
2,664	3,000	1,080	937	717	1,368	1,257
1,514	2,343	(142)	2,039	1,100	1,319	1,500
22,833	30,310	29,293	27,683	32,429	28,857	25,797
37,020	53,387	51,783	50,344	54,125	46,968	45,626
2,100	2,331	(770)	892	(1,014)	3,276	104
(2,312)	432	(2,760)	3,233	307	2,362	3,523
989	(1,388)	(796)	(1,920)	(2,196)	(2,310)	(6,324)
1,124.81	1,455.06	1,439.40	1,447.09	1,720.38	1,527.13	1,512.07
76.07	117.69	(7.21)	105.54	59.69	71.57	84.83
7.2	9.1	(0.5)	7.4	3.8	4.4	5.6
7.7	6.6	2.1	1.8	1.4	2.7	2.7
60.5	54.3	54.6	53.0	58.6	59.9	54.7
12.1	10.0	—	8.4	17.8	13.0	18.5
32.00	32.00	32.00	40.00	36.00	38.00	50.00
42.1	27.2	—	37.9	60.3	53.1	58.9
2,239	4,833	5,202	5,711	5,364	4,821	5,077

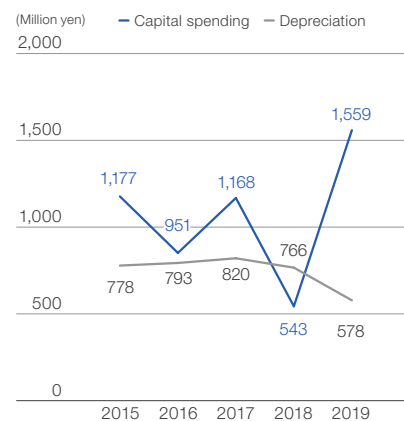
Operating income/Operating margin



EPS/BPS



Capital spending/Depreciation



CONSOLIDATED BALANCE SHEETS (Millions of yen)

Assets	December 31, 2018	December 31, 2019
Current assets:		
Cash and deposits	9,387	9,313
Notes and accounts receivable - trade	8,605	9,607
Securities	3,799	800
Merchandise and finished goods	223	255
Work in process	577	698
Supplies	11	34
Prepaid expenses	823	1,181
Other	858	867
Allowance for doubtful accounts	(323)	(288)
Total current assets	23,963	22,471
Non-current assets:		
Property and equipment:		
Buildings and structures	567	841
Machinery and vehicles	19	73
Land	124	193
Construction in progress	—	1,017
Other	516	512
Property and equipment, net	1,228	2,639
Intangible assets		
Software	622	524
Goodwill	903	623
Customer-related assets	—	673
Other	51	170
Total intangible assets	1,577	1,992
Investments and other assets:		
Investment securities	17,222	15,431
Long-term loans receivable	243	244
Long-term prepaid expenses	309	393
Guarantee deposits	663	710
Deferred tax assets	748	710
Other	1,276	1,277
Allowance for doubtful accounts	(265)	(246)
Total investments and other assets	20,199	18,522
Total non-current assets	23,005	23,155
Total assets	46,968	45,626

Liabilities	December 31, 2018	December 31, 2019
Current liabilities:		
Notes and accounts payable - trade	2,928	3,440
Short-term loans payable	1,997	1,140
Current portion of long-term loans payable	37	2,020
Lease obligations	146	148
Accrued expenses	1,440	1,464
Income taxes payable	1,528	1,258
Consumption taxes payable	437	431
Provision for bonuses	330	398
Provision for loss on order received	30	—
Other	1,884	2,252
Total current liabilities	10,760	12,554
Non-current liabilities:		
Long-term loans payable	2,016	17
Lease obligations	282	416
Provision for loss on business of subsidiaries and associates	—	1,224
Provision for directors' retirement benefits	27	32
Net defined benefit liability	3,746	3,243
Deferred tax liabilities	1,124	756
Other	153	1,584
Total non-current liabilities	7,350	7,275
Total liabilities	18,111	19,829
Net assets		
Shareholders' equity		
Common stock	3,702	3,702
Capital surplus	3,725	3,692
Retained earnings	16,474	17,185
Treasury shares	(1,972)	(4,874)
Total shareholders' equity	21,929	19,705
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	6,280	5,150
Foreign currency translation adjustments	(72)	(78)
Remeasurements of defined benefit plans	15	199
Total accumulated other comprehensive income	6,223	5,271
Non-controlling interests	704	821
Total net assets	28,857	25,797
Total liabilities and net assets	46,968	45,626

CONSOLIDATED STATEMENTS OF OPERATIONS (Millions of yen)

	Year ended December 31, 2018	Year ended December 31, 2019
Net sales	49,906	50,683
Cost of sales	39,425	40,124
Gross profit	10,481	10,558
Selling, general and administrative expenses	9,054	9,243
Operating income	1,426	1,314
Non-operating income	406	432
Non-operating expenses	465	489
Ordinary income	1,368	1,257
Extraordinary income	3,479	5,300
Extraordinary losses	2,496	3,199
Profit before income taxes	2,351	3,358
Income taxes - Current	1,609	1,810
Income taxes - Deferred	(585)	(21)
Total income taxes	1,023	1,788
Profit	1,327	1,570
Profit attributable to non-controlling interests	7	70
Profit attributable to owners of parent	1,319	1,500

CONSOLIDATED STATEMENTS OF CASH FLOWS (Millions of yen)

	Year ended December 31, 2018	Year ended December 31, 2019
Cash flow from operating activities	3,276	104
Cash flow from investing activities	2,362	3,523
Cash flow from financing activities	(2,310)	(6,324)
Net increase (decrease) in cash and cash equivalents	3,336	(2,747)
Cash and cash equivalents at beginning of year	8,389	11,725
Cash and cash equivalents at end of year	11,725	8,978

General Information (as of December 31, 2019)

Number of Shares Authorized	86,284,000
Number of Shares Issued and Outstanding	20,541,400
Unit Share	100
Number of Shareholders	4,476
Fiscal Year End	December 31
Annual General Shareholders Meeting	End of March
Record Date	Annual General Shareholders Meeting Year-end Dividend: December 31 Interim Dividend: June 30
Administrator of the Register of Shareholders	Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikko-cho, Fuchu-shi, Tokyo, Japan
Stock Exchange Listing	Tokyo Stock Exchange, 1st Section (Date of Listing: October 2000) (Securities Code: 4725)

Primary Shareholders (as of December 31, 2019)

Name of Shareholders	Number of Shares Held (Thousands)	Percentage of Total Issued Shares
SHOGAKUKAN Inc.	3,102	18.78%
The Master Trust Bank of Japan, Ltd. (Trust account)	712	4.31%
CAC Employee Shareholding Association	639	3.87%
Japan Trustee Services Bank, Ltd. (Trust account)	528	3.20%
Sumitomo Mitsui Banking Corporation	484	2.93%
Mitsubishi Tanabe Pharma Corporation	431	2.61%
KLab Inc.	300	1.81%
Maruha Nichiro Corporation	300	1.81%
GOVERNMENT OF NORWAY	261	1.58%
Japan Trustee Services Bank, Ltd. (Trust account 5)	256	1.55%

* Treasury stocks (4,023 thousand shares as of December 31, 2019) are not included in the above.

Breakdown of Shareholding by Investor Type (as of December 31, 2019)

Investor Type	Number of Shareholders	Number of Shares Held (Thousands)	Percentage of Total Issued Shares
Japanese Financial Institutions	23	3,153	15.36%
Japanese Securities Companies	15	279	1.36%
Other Japanese Companies	36	5,185	25.25%
Foreign Companies, etc.	102	3,226	15.72%
Japanese Individuals and Others	3,624	8,689	42.32%
Total	3,800	20,534	100.00%

* Treasury stocks (4,023 thousand shares as of December 31, 2019) are included in "Japanese Individuals and Others."

Corporate profile

Name	CAC Holdings Corporation
Head office	24-1, Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo 103-0015, Japan Phone: +81-3-6667-8001
Representative	Akihiko Sako, President and CEO
Founded	August 8, 1966
Common stock	¥3,702 million
Consolidated sales	¥50,683 million (for the fiscal year ended December 31, 2019)
Number of group employees (as of December 31, 2019)	5,077
Main services offered	Formulation of the CAC Group's business strategy and business administration of the Group
Main financing banks	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Sumitomo Mitsui Trust Bank, Limited

CAC Group

■ CAC Corporation

Location	Chuo-ku, Tokyo, Japan
Main services	Systems development and integration services Systems operation and management services BPO/BTO services

■ CAC Croit Corporation

Location	Chuo-ku, Tokyo, Japan
Main services	Drug development support service (as a contract research organization (CRO))

■ ARK Systems Co., Ltd.

Location	Chuo-ku, Tokyo, Japan
Main services	Mainframe solutions Open system solutions Web-based system solutions IT management solutions

■ CAC Knowledge Co., Ltd.

Location	Chuo-ku, Tokyo, Japan
Main services	System development, maintenance, and operation management Packaged software development and sales

■ CAC ORBIS CORPORATION

Location	Nishi-ku, Osaka-shi, Osaka, Japan
Main services	System consulting services Software planning and development Specialized equipment (development of different kinds of hardware and software for factories) Systems maintenance and operation

■ CAC MARUHA NICHIRO SYSTEMS CORPORATION

Location	Chuo-ku, Tokyo, Japan
Main services	System planning and design Software development System operation, maintenance and other services

■ Hitec Systems Corporation

Location	Shimonoseki-shi, Yamaguchi, Japan
Main services	Systems development, maintenance and operation Packaged software development and sales

■ CAC AMERICA CORPORATION [CAC AMERICA]

Location	New York, United States
Main services	System consulting services System integration Helpdesk services

■ CAC EUROPE LIMITED [CAC EUROPE]

Location	London, United Kingdom
Main services	System consulting services System integration

■ CAC SHANGHAI CORPORATION

Location	Shanghai, China
Main services	System consulting services System integration Offshore system development center (for Japan and for the United States) System operation (helpdesk services and area services)

■ GoldenTech Computer Technology (Suzhou) Co., Ltd.

Location	Suzhou, China
Main services	System development Contracted software development

■ CAC India Private Limited [CAC India]

Location	Mumbai, India
Main services	System development and operation management BPO services

■ Inspirisys Solutions Limited

Location	Chennai, India
Main services	IT infrastructure services Software services Warranty management services

■ Mitrais Pte. Ltd.

Location	Singapore
Main services	Sales and maintenance of software products Contracted software development services

Corporate history

1966	Computer Applications Co., Ltd. (CAC) is established as one of Japan's first independent software companies.		
1971	CAC invests in Nippon System Service Co., Ltd. (SSK). SSK changes its business focus to outsourcing services.		
1973	System Utility Co., Ltd. (SUC), a facility management company, is established as a wholly owned subsidiary.		
1986	Formally enter the system consulting business.		
1988	Certified as "System Integrator" by the first "Registration and Certification of System Integrator" of the Ministry of International Trade and Industry (MITI).		
1989	CAC AMERICA CORPORATION, a wholly owned subsidiary, is established in New York, United States.		
1990	CAC EUROPE LIMITED, a wholly owned subsidiary, is established in London, United Kingdom.		
1994	CAC, SSK, and SUC merge to form CAC Co., Ltd.		
1995	Certified as "Provider of Special Systems Operation Services" by the first "Certification of Provider of Special Systems Operation Services" of MITI.		
1996	Enter the business for integrated management services targeting distributed systems.		
1999	Listed on the OTC market.		
2000	Acquire all the shares of ARK Systems Co., Ltd., effectively making the company a subsidiary. CAC SHANGHAI CORPORATION is established in Shanghai, China. Listed on the First Section of the Tokyo Stock Exchange.		
2002	Acquire shares of GoldenTech Computer Technology (Suzhou) Co., Ltd., making the company a subsidiary. Acquire the shares of YUASA KNOWLEDGE INDUSTRY Co., Ltd., making the company a subsidiary and renaming it CAC Knowledge Co., Ltd.		
		2003	Acquire shares of ORBIS CORPORATION (presently CAC ORBIS CORPORATION), making the company a subsidiary. Acquire shares of MARUHA SYSTEMS CORPORATION (presently CAC MARUHA NICHIRO SYSTEMS CORPORATION), making the company a subsidiary.
		2005	Relocate the head office to Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo.
		2006	Acquire shares of Arm Systex Co., Ltd., making the company and Arm Co., Ltd. subsidiaries.
		2007	Acquire all the shares of Medical Ecology Co., Ltd. (later renamed CAC ClinIT Co., Ltd.), making the company a subsidiary.
		2009	Acquire shares of clinical trust Co., Ltd., making the company a subsidiary.
		2010	Merger of CAC ClinIT Co., Ltd., Arm Systex Co., Ltd., and Arm Co., Ltd. CAC India Private Limited is established in Mumbai, India.
		2012	CAC EXICARE Corporation is established through a company split.
		2014	Acquire shares of Accel Frontline Limited (presently Inspirisys Solutions Limited), making the company a subsidiary. Change to a holding company structure, as a result of which CAC Co., Ltd. is renamed CAC Holdings Corporation. At the same time, CAC Corporation is established through a company split and takes over the operations of CAC Co., Ltd.
		2016	CAC Croit Corporation is established through the merger of CAC EXICARE Corporation and clinical trust Co., Ltd.
		2019	Acquire shares of Mitrais Pte. Ltd., making the company a subsidiary.

Editorial policy

The CAC Group began publishing the CAC REPORT in FY2015.

The aim of this report is to ensure the value-creation initiatives of the CAC Group are understood by a wide range of stakeholders, primarily by investors who view matters from a long-term perspective.

Scope of reporting

Reporting period:

January 1, 2019 to December 31, 2019 (activities in January 2020 and thereafter are also included in some sections.)

Subject organizations:

CAC Holdings Corporation and 22 CAC Group companies (as of December 31, 2019)

Caution concerning forward-looking statements

This report contains descriptions of plans and strategies for the future and forecasts and prospects of business results of CAC Holdings Corporation and CAC Group companies. These descriptions are based on judgements that were made based on currently available information. Please note that our actual business results may differ materially from these initial forecasts due to various external factors.



CAC Holdings Corporation

24-1, Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo 103-0015, Japan
Phone: +81-3-6667-8010 (Enterprise Value Up Group)

<https://www.cac-holdings.com/eng/>

