



Briefing on Results for the third quarter FY2023

— January to September 2023 —

Agenda

1. Overview of Financial Results for the 3rd quarter FY2023
2. Overview by Segment
3. Consolidated Forecasts for FY2023
4. Status of Medium-Term Strategy
5. Reference Materials



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Overview of Financial Results for the 3rd quarter FY2023

Overview of Consolidated Results

SG&A(Selling, General and Administrative) Expense Analysis



Overview of Consolidated Results

| (JPY mil) | 3 rd quarter FY2022 | 3 rd quarter FY2023 | YoY change | | FY2023 | |
|--------------------------------------|-----------------------------------|-----------------------------------|------------|---------|------------------------|-------|
| | | | Amount | % | Forecast* ¹ | % |
| Net sales | 35,595 | 37,555 | +1,959 | +5.5% | 50,000 | 75.1% |
| Gross profit | 8,612 | 9,035 | +422 | +4.9% | - | - |
| (Profit margin) | 24.2% | 24.1% | (0.1)pt | | - | - |
| SG & A | 5,957 | 6,699 | +742 | +12.5% | - | - |
| Operating profit | 2,655 | 2,336 | (319) | (12.0)% | 3,300 | 70.8% |
| (Profit margin) | 7.5% | 6.2% | (1.2)pt | | 6.6% | - |
| Ordinary profit | 2,525 | 2,133 | (391) | (15.5)% | 3,200 | 66.7% |
| (Profit margin) | 7.1% | 5.7% | (1.4)pt | | 6.4% | - |
| Extraordinary income | 364 | 612 | +248 | +68.3% | - | - |
| Extraordinary loss | 80 | 328 | +248 | +309.2% | - | - |
| Total extraordinary income & loss | 283 | 284 | +0 | +0.2% | - | - |
| Profit*² | 1,641 | 1,440 | (200) | (12.2)% | 2,200 | 65.5% |
| (Profit margin) | 4.6% | 3.8% | (0.8)pt | | 4.4% | - |
| Orders received | 39,060 | 42,843 | +3,782 | +9.7% | - | - |
| Order Backlog | 15,211 | 18,016 | +2,804 | +18.4% | - | - |

*1 Published on February 14, 2023 *2 Profit attributable to owners of parent

Overview of profit and loss

- Net sales increased due to a large-scale project at the Indian subsidiary and the effect of foreign exchange rates, despite the impact of a decline in net sales due to deconsolidation.
- Profit decreased mainly due to an increase in selling, general and administrative expenses related to initiatives for growth investment.
- Approximately 70% of the full-year results forecasts were achieved.

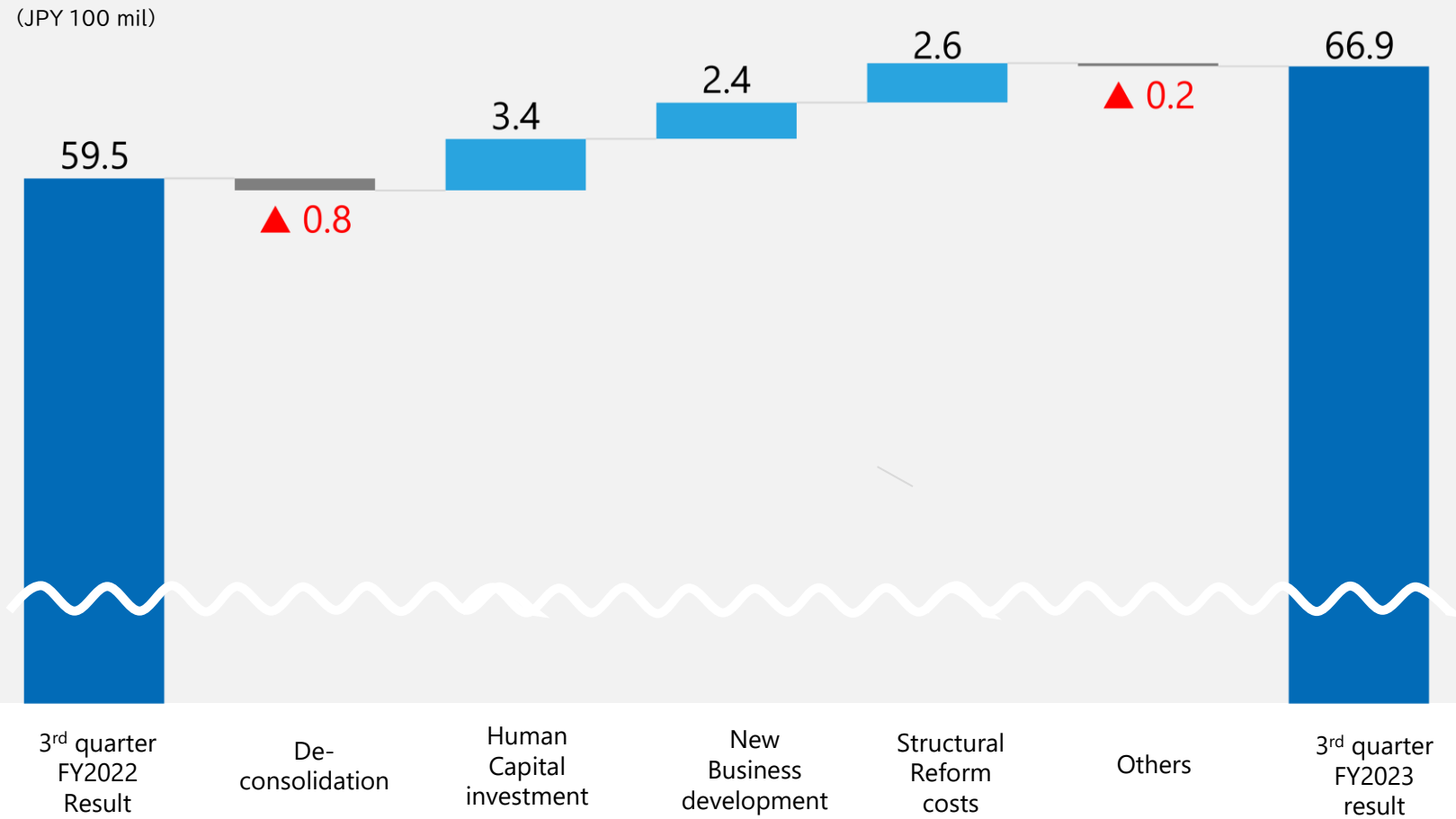
Overview of orders received and order backlogs

- As in net sales, orders received increased year on year chiefly due to the impact of large-scale projects in the overseas IT business, despite the effect of deconsolidation in the domestic IT business.



SG&A (selling, general and administrative) expense analysis

- SG&A expenses increased by approximately 700 million yen year-on-year.
In addition to investment in human capital and new business development, the main reason for the increase was the posting of restructuring costs related to the Indian subsidiary.





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Overview by Segment

Net Sales / Segment Profit

Orders Received / Order Backlog

Overview by Segment : Domestic IT

Overview by Segment : Overseas IT



Net Sales / Segment Profit

Net sales

Please refer to the segment overview for details.

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-------------|--------------------------------|--------|--------------------------------|---------------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Domestic IT | 27,004 | 75.9% | 26,635 | 70.9% | (368) | (1.4)% |
| Overseas IT | 8,591 | 24.1% | 10,919 | 29.1% | +2,328 | +27.1% |
| Total | 35,595 | 100.0% | 37,555 | 100.0% | +1,959 | +5.5% |

Segment profit

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-------------|--------------------------------|---------------|--------------------------------|---------------|------------|---------|
| | Amount | Profit margin | Amount | Profit margin | Amount | % |
| Domestic IT | 2,845 | 10.5% | 2,581 | 9.7% | (264) | (9.3)% |
| Overseas IT | 843 | 9.8% | 850 | 7.8% | +7 | +0.9% |
| Adjustment | (1,033) | — | (1,096) | — | (63) | — |
| Total | 2,655 | 7.5% | 2,336 | 6.2% | (319) | (12.0)% |

※ The Company has changed the method for calculating segment profit from the first three month of the fiscal year under review. Consequently, the amounts of adjustment reflect corporate expenses that are not allocated to individual reportable segments. The figures for the same period of the previous fiscal year also reflect the same change.



Orders Received / Order Backlog

Orders received

Please refer to the segment overview for details.

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-------------|--------------------------------|--------|--------------------------------|---------------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Domestic IT | 29,609 | 75.8% | 29,278 | 68.3% | (330) | (1.1)% |
| Overseas IT | 9,451 | 24.2% | 13,564 | 31.7% | +4,113 | +43.5% |
| Total | 39,060 | 100.0% | 42,843 | 100.0% | +3,782 | +9.7% |

Order Backlog

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-------------|--------------------------------|--------|--------------------------------|---------------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Domestic IT | 10,921 | 71.8% | 11,535 | 64.0% | +613 | +5.6% |
| Overseas IT | 4,289 | 28.2% | 6,480 | 36.0% | +2,190 | +51.1% |
| Total | 15,211 | 100.0% | 18,016 | 100.0% | +2,804 | +18.4% |





Overview by Segment : Domestic IT

| (JPY mil) | 3 rd quarter FY2022 | 3 rd quarter FY2023 | YoY change | |
|-----------------|-----------------------------------|-----------------------------------|------------|--------|
| Orders received | 29,609 | 29,278 | (330) | (1.1)% |
| Net sales | 27,004 | 26,635 | (368) | (1.4)% |
| Segment profit | 2,845 | 2,581 | (264) | (9.3)% |
| Profit margin | 10.5% | 9.7% | — | (0.8)% |
| Order backlog | 10,921 | 11,535 | +613 | +5.6% |

※ We started to post, from the beginning of the first three months of the consolidated fiscal year, our general and administrative expenses in the segment profit adjustment as corporate expenses instead of allocating them to each reportable segment. The figures for the same period of the previous year have also been changed and displayed.

Summary

- Although existing businesses were generally solid, orders and net sales decreased due to the impact of deconsolidation.
- Segment profit decreased, due also to the effects of deconsolidation, and an increase in SG&A expenses due to investments in human capital and new business development.





Overview by Segment : Overseas IT

| (JPY mil) | 3 rd quarter FY2022 | 3 rd quarter FY2023 | YoY change | |
|-----------------|-----------------------------------|-----------------------------------|------------|--------|
| Orders received | 9,451 | 13,564 | +4,113 | +43.5% |
| Net sales | 8,591 | 10,919 | +2,328 | +27.1% |
| Segment profit | 843 | 850 | +7 | +0.9% |
| Profit margin | 9.8% | 7.8% | — | (2.0)% |
| Order backlog | 4,289 | 6,480 | +2,190 | +51.1% |

※ We started to post, from the beginning of the first three months of the consolidated fiscal year, our general and administrative expenses in the segment profit adjustment as corporate expenses instead of allocating them to each reportable segment. The figures for the same period of the previous year have also been changed and displayed.

Summary

- Orders, net sales and order backlogs rose significantly mainly due to the posting of sales from a large-scale financial institution-related projects at the Indian subsidiary and foreign exchange effects.
- Segment profit remained at the year-ago level, chiefly due to an increase in expenses including those for the dissolution of an unprofitable facility of the Indian subsidiary (Dubai), as well as a rise in personnel expenses at the Indonesian subsidiary.



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Consolidated Forecasts for FY2023

Consolidated Forecasts for FY2023



Consolidated Forecasts for FY2023

- No change has been made to the full-year results forecast. Efforts will continue to be made to improve profitability.
- The dividend forecast also remains unchanged (Year-end: 40 yen, Annual: 80 yen).

| (JPY mil) | FY2023 | | | FY2022 |
|-------------------|--------------------------------|-----------|-------|--------|
| | 3 rd quarter result | Forecasts | % | Result |
| Net sales | 37,555 | 50,000 | 75.1% | 47,971 |
| Operating profit | 2,336 | 3,300 | 70.8% | 3,187 |
| (Profit margin) | 6.2% | 6.6% | — | 6.6% |
| Ordinary profit | 2,133 | 3,200 | 66.7% | 3,158 |
| (Profit margin) | 5.7% | 6.4% | — | 6.6% |
| Profit | 1,440 | 2,200 | 65.5% | 2,093 |
| (Profit margin) | 3.8% | 4.4% | — | 4.4% |
| Dividend forecast | | 80 yen | | 60 yen |

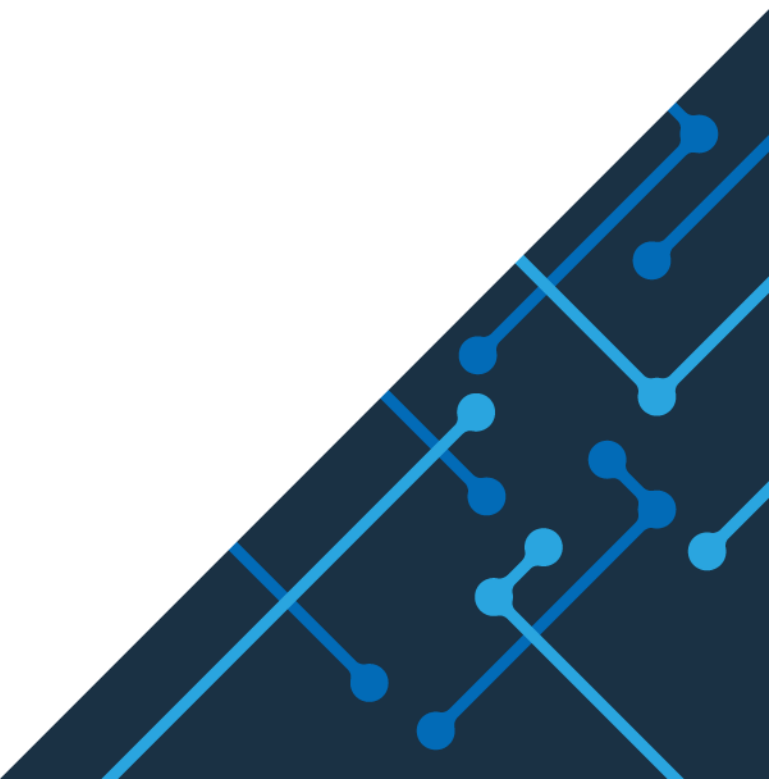




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Status of the Medium-Term Strategy

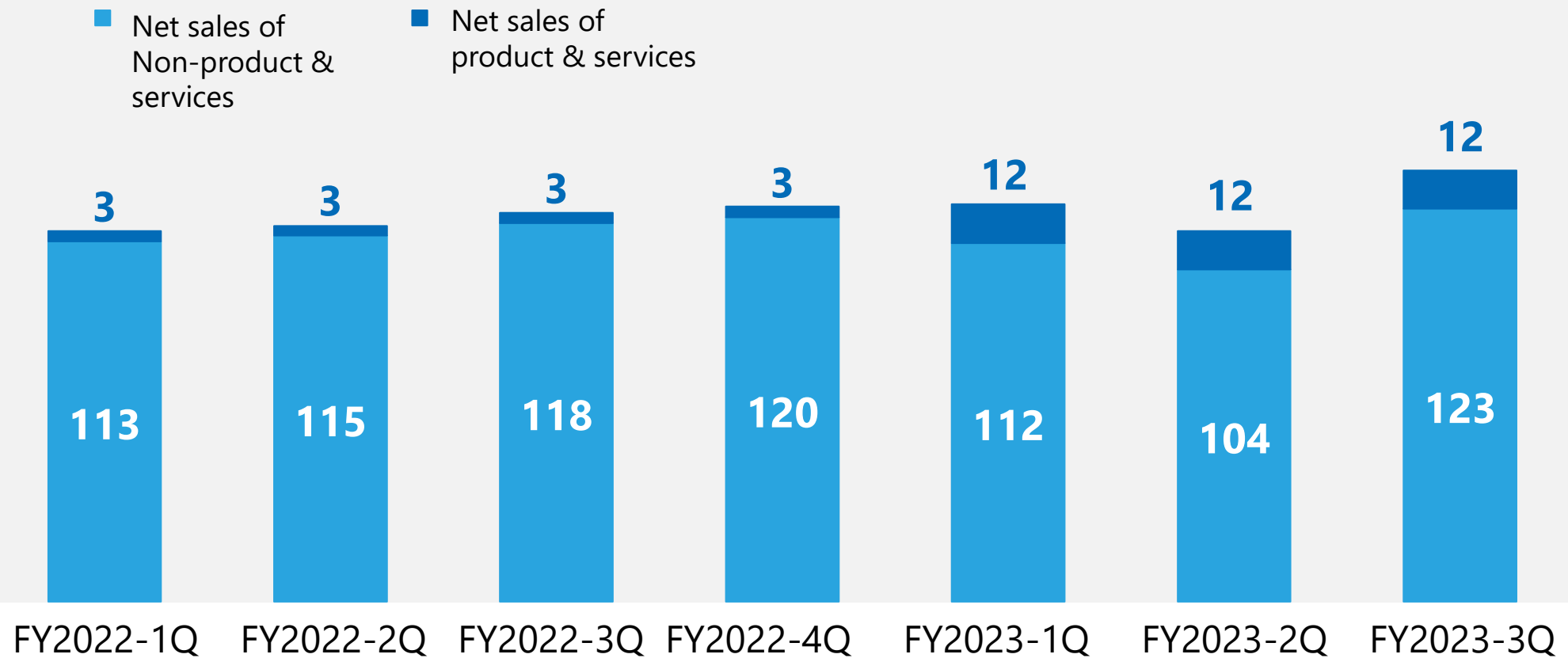
Product & Services (P&S) business trends
Status of investments for growth
Other topics





Product & Services (P&S) business trends

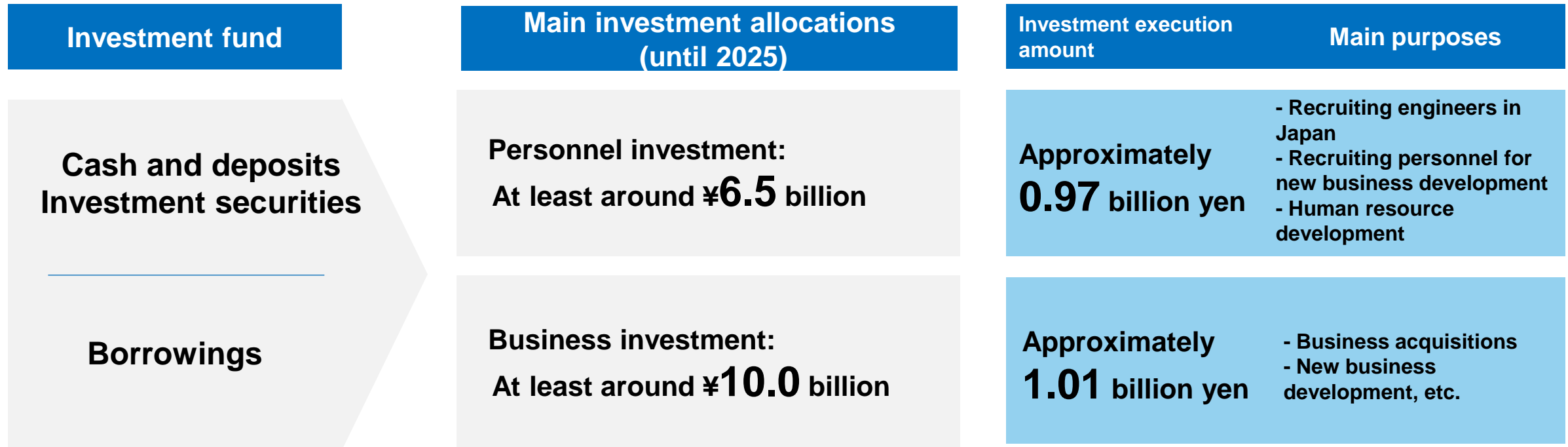
- Product and services business net sales in FY2023 are expected to be around 5.0 billion yen.





Status of investments for growth

- Approximately 2.0 billion yen was spent from 2022 through the third quarter of 2023. At the moment, all spending was within the asset portfolio.
- Company measures (recruitment and business development, etc.) were generally implemented as planned.



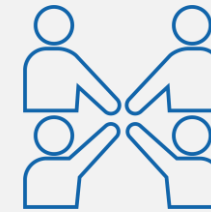


Reorganization of unprofitable business



- It was decided to dissolve a Dubai-based facility of the Indian subsidiary (second-tier subsidiary), which had remained unprofitable. The procedures are underway.

Disposal of treasury shares due to the start of the J-ESOP system



- The system aims to achieve the medium-term management plans and CAC vision while also sharing a common index, namely, the stock price, between CAC Group's employees and shareholders.
- Treasury shares will be disposed of so that they can be granted.
- 1.80% of outstanding shares will be subject to disposal.

For details, please refer to the press release.





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Reference Materials

Orders Received by Industry

Net Sales by Industry

Orders Received by Segment and Industry

Net Sales by Segment and Industry



Orders Received by Industry

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-----------------------------|--------------------------------|--------|--------------------------------|---------------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Financials | 12,102 | 31.0% | 16,431 | 38.4% | +4,328 | +35.8% |
| Pharmaceuticals | 7,377 | 18.9% | 7,723 | 18.0% | +345 | +4.7% |
| Manufacturing | 6,446 | 16.5% | 5,758 | 13.4% | (687) | (10.7)% |
| Information & Communication | 4,958 | 12.7% | 5,237 | 12.2% | +279 | +5.6% |
| Services & Others | 8,175 | 20.9% | 7,691 | 18.0% | (483) | (5.9)% |
| Total | 39,060 | 100.0% | 42,843 | 100.0% | +3,782 | +9.7% |



Net Sales by Industry

| (JPY mil) | 3 rd quarter FY2022 | | # rd quarter FY2023 | | YoY change | |
|-----------------------------|--------------------------------|--------|--------------------------------|---------------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Financials | 11,254 | 31.6% | 13,455 | 35.8% | +2,200 | +19.6% |
| Pharmaceuticals | 6,034 | 17.0% | 6,178 | 16.5% | +143 | +2.4% |
| Manufacturing | 5,658 | 15.9% | 5,229 | 13.9% | (429) | (7.6)% |
| Information & Communication | 5,573 | 15.7% | 5,497 | 14.6% | (75) | (1.4)% |
| Services & Others | 7,073 | 19.8% | 7,194 | 19.2% | +120 | +1.7% |
| Total | 35,595 | 100.0% | 37,555 | 100.0% | +1,959 | +5.5% |





Orders Received by Segment & Industry

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-----------------------------|--------------------------------|--------|--------------------------------|---------------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Domestic IT | 29,609 | 75.8% | 29,278 | 68.4% | (330) | (1.1)% |
| Financials | 8,713 | 22.3% | 8,941 | 20.9% | +227 | +2.6% |
| Pharmaceuticals | 6,751 | 17.3% | 7,133 | 16.7% | +381 | +5.7% |
| Manufacturing | 5,386 | 13.8% | 4,453 | 10.4% | (933) | (17.3)% |
| Information & Communication | 2,646 | 6.8% | 2,492 | 5.8% | (154) | (5.8)% |
| Services & Others | 6,110 | 15.6% | 6,257 | 14.6% | +147 | +2.4% |
| Overseas IT | 9,451 | 24.2% | 13,564 | 31.6% | +4,113 | +43.5% |
| Financials | 3,389 | 8.7% | 7,490 | 17.5% | +4,101 | +121.0% |
| Pharmaceuticals | 625 | 1.6% | 589 | 1.4% | (36) | (5.8)% |
| Manufacturing | 1,059 | 2.7% | 1,305 | 3.0% | +245 | +23.2% |
| Information & Communication | 2,311 | 5.9% | 2,745 | 6.4% | +433 | +18.8% |
| Services & Others | 2,065 | 5.3% | 1,434 | 3.3% | (631) | (30.6)% |
| Total | 39,060 | 100.0% | 42,843 | 100.0% | +3,782 | +9.7% |





Net Sales by Segment & Industry

| (JPY mil) | 3 rd quarter FY2022 | | 3 rd quarter FY2023 | | YoY change | |
|-----------------------------|--------------------------------|--------|--------------------------------|---------------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Domestic IT | 27,004 | 75.9% | 26,635 | 70.9% | (368) | (1.4)% |
| Financials | 8,402 | 23.6% | 8,488 | 22.6% | +85 | +1.0% |
| Pharmaceuticals | 5,532 | 15.6% | 5,706 | 15.2% | +174 | +3.1% |
| Manufacturing | 4,672 | 13.1% | 4,064 | 10.8% | (607) | (13.0)% |
| Information & Communication | 2,696 | 7.6% | 2,550 | 6.8% | (145) | (5.4)% |
| Services & Others | 5,700 | 16.0% | 5,825 | 15.5% | +125 | +2.2% |
| Overseas IT | 8,591 | 24.1% | 10,919 | 29.1% | +2,328 | +27.1% |
| Financials | 2,852 | 8.0% | 4,967 | 13.2% | +2,114 | +74.1% |
| Pharmaceuticals | 502 | 1.4% | 471 | 1.3% | (30) | (6.1)% |
| Manufacturing | 985 | 2.8% | 1,164 | 3.1% | +178 | +18.1% |
| Information & Communication | 2,877 | 8.1% | 2,947 | 7.8% | +70 | +2.4% |
| Services & Others | 1,373 | 3.8% | 1,369 | 3.6% | (4) | (0.3)% |
| Total | 35,595 | 100.0% | 37,555 | 100.0% | +1,959 | +5.5% |



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