



FY2024 Annual Results and FY2025 Annual Forecast

– January to December 2024 –

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Executive Summary

01

FY2024 Sales & Profit Increased

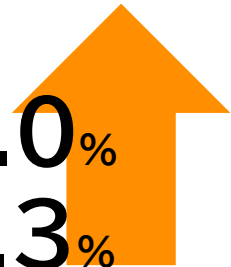
FY2024 Results

Net Sales +

3.0%

Adj. EBITDA +

10.3%



02

FY2025 Continuous Growth

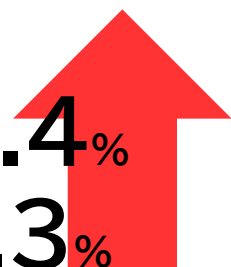
FY2025 Forecast

Net Sales +

11.4%

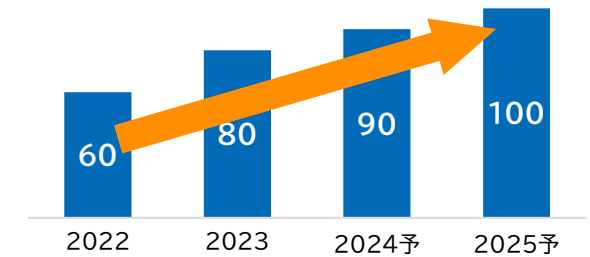
Adj. EBITDA +

20.3%



03

Consecutive Dividend Increase



04

Medium-term Mgmt Plan

Hiring
Engineers

400

New
Business
Launched

18

Growth
Investment

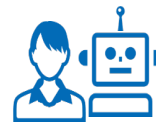
8 Bil JPY

05

AI Transformation



In-House AI
Products &
Services



Deploy
AI Agents

06

PBR KAIZEN

Reduce
Cross-Sharing

20% or less

Equity Multiple

up to **x2**





1

FY2024 Results

Overview of Consolidated Results YoY Change

(JPY mil)

	FY2023	FY2024	YoY change	
			Amount	%
Net sales	50,539	52,063	+1,523	+3.0%
Gross profit	12,285	13,571	+1,286	+10.5%
(Profit margin)	24.3%	26.1%	+1.8pt	
SG & A	8,958	10,177	+1,219	+13.6%
Operating profit	3,327	3,394	+67	+2.0%
(Profit margin)	6.6%	6.5%	(0.1)pt	
Ordinary profit	3,118	3,361	+243	+7.8%
(Profit margin)	6.2%	6.5%	0.3pt	
Extraordinary income	1,631	2,069	+437	+26.8%
Extraordinary losses	768	742	(25)	(3.3)%
Total extraordinary income & losses	863	1,326	+463	+53.7%
Profit*¹	2,473	3,096	+622	+25.2%
(Profit margin)	4.9%	5.9%	1.1pt	
Adjusted EBITDA^{※2}	4,143	4,570	+427	+10.3%
Orders received	54,650	52,982	(1,668)	(3.1)%
Order backlog	1,6839	17,920	+1,081	+6.4%

*1 Profit attributable to owners of parent

*2 Adjusted EBITDA: Operating profit + Depreciation + Goodwill amortization + Share-based payment expenses

Overview of profit and loss

- Divestiture of domestic subsidiary and large projects sales in India was recognized in previous year. However, net sales increased by domestic IT solutions and newly acquired subsidiaries, along with depreciation of the yen.
- Although investments was made in line with Mid-term Management Plan including M&A related expenses, profit increased due to margin improvement and operational efficiency.
- Profit*¹ increased mainly due to the sale of securities held which was funded for the growth investments.

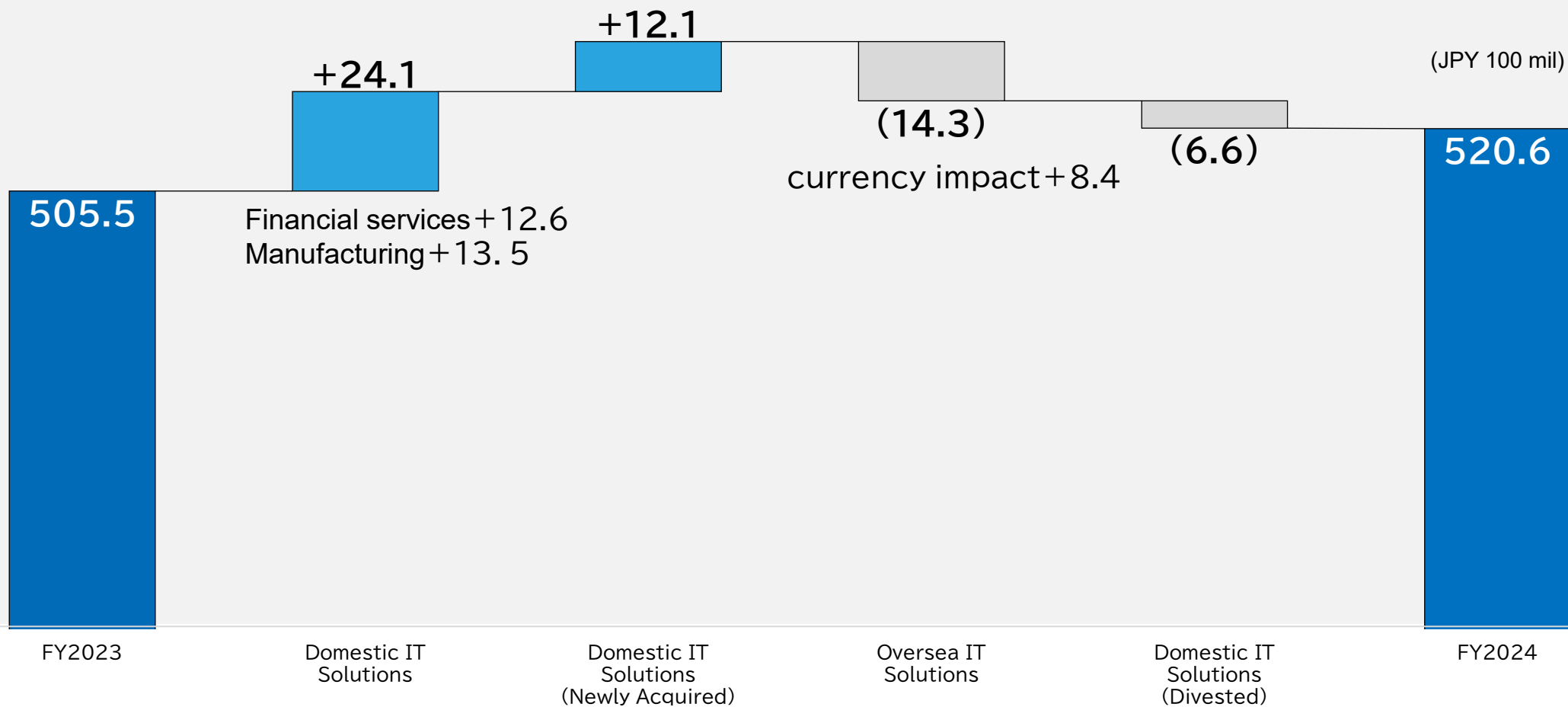
Overview of orders received and order backlogs

- Orders received decreased mainly due to a rebound decrease in large-scale projects of the Indian subsidiary in previous year.
- The order backlog increased partly due to the impact of foreign exchange.



Net sales increased by 1.5 billion yen from previous year

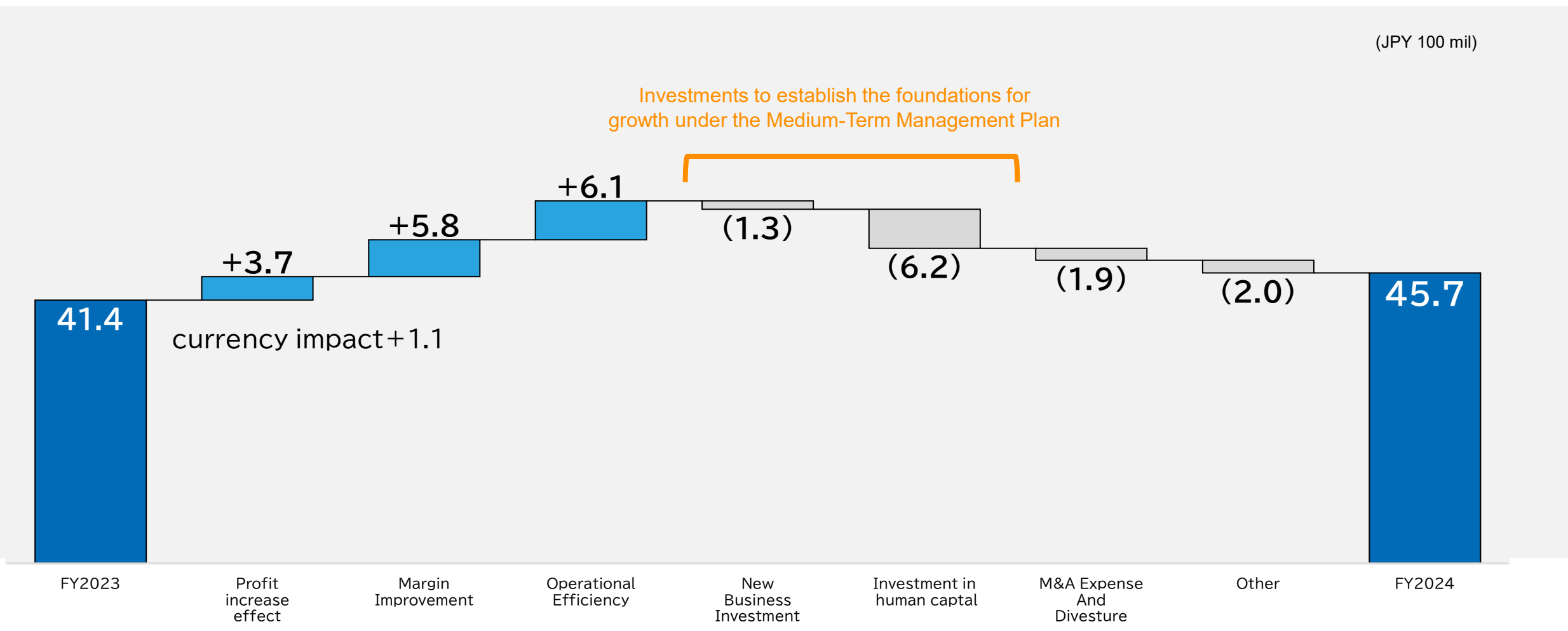
- Domestic IT solutions increased by 3 billion yen driven by domestic subsidiary and acquisition of new companies.
- Oversea IT solutions declined by 1.4 billion yen due to rebound of large-scale project sales recognized in 2023.





Adjusted EBITDA increased by 430million yen from the previous year

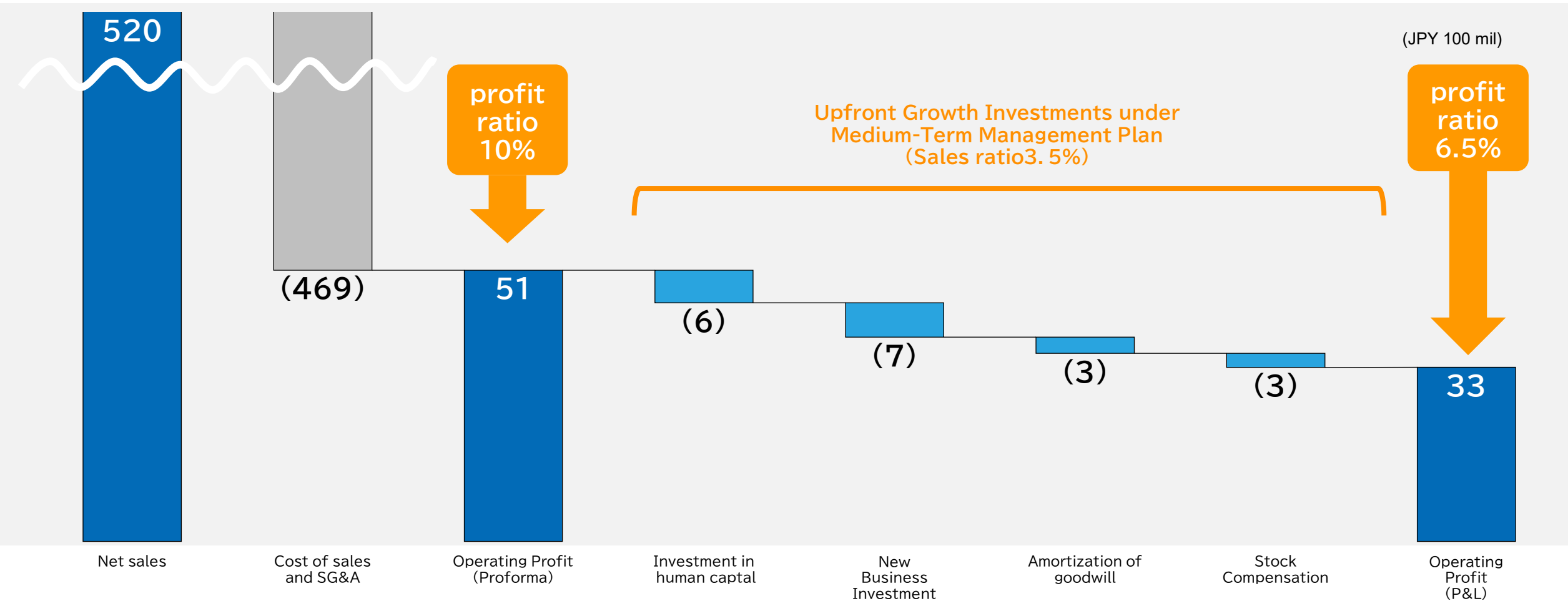
- There was a decrease in profit due to investment for growth (new business development, investment in human capital, etc.) and exclusion from consolidation. However, there was an increase of 430 million yen from the previous fiscal year due to increase in sales, improvement in cost ratio, and improvement in management efficiency.





Operating profit rate in FY2024 was 6% due to upfront investments

- Proforma Operating profit excluding upfront investments is 10%, while P&L shows 6.5% in FY2024.
- Planning to continue this Upfront Growth Investment toward CAC Vision2030.





FY2024 Actual vs Forecast

(JPY mil)

	FY2024 Forecast	FY2024 Actual	Act vs Forecast (%)	FY2023 Actual
Net sales	51,500	52,063	101.1%	50,539
Adjusted EBITDA	4,500	4,570	101.6%	4,143
ROE	8.3%	8.9%		8.2%
Equity spread	1.3%	1.9%		1.2%
DOE (%)	4.7%	4.5%		4.6%
Annual dividend	80yen	90yen		80Yen

Financial Results

- Sales and adjusted EBITDA achieved Forecast

KPI

- ROE and Equity spreads exceeded earnings expectations.
- Increase dividend by 10 yen based on the dividend policy (DOE5% level)

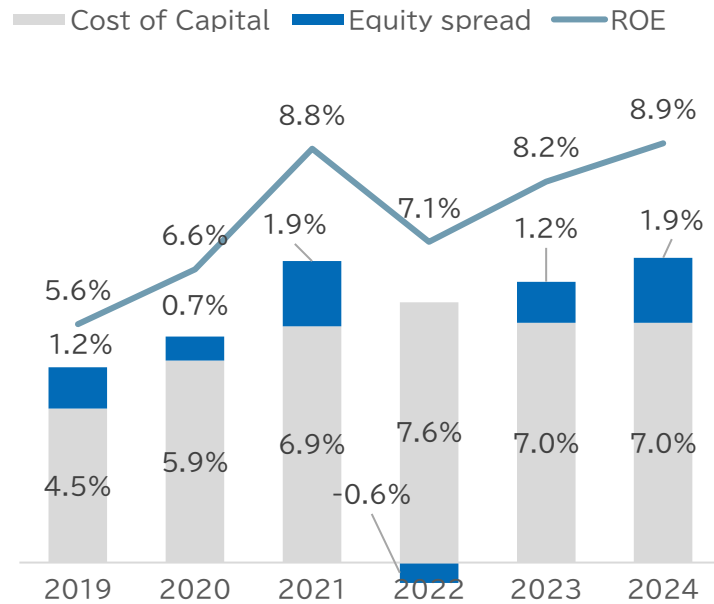




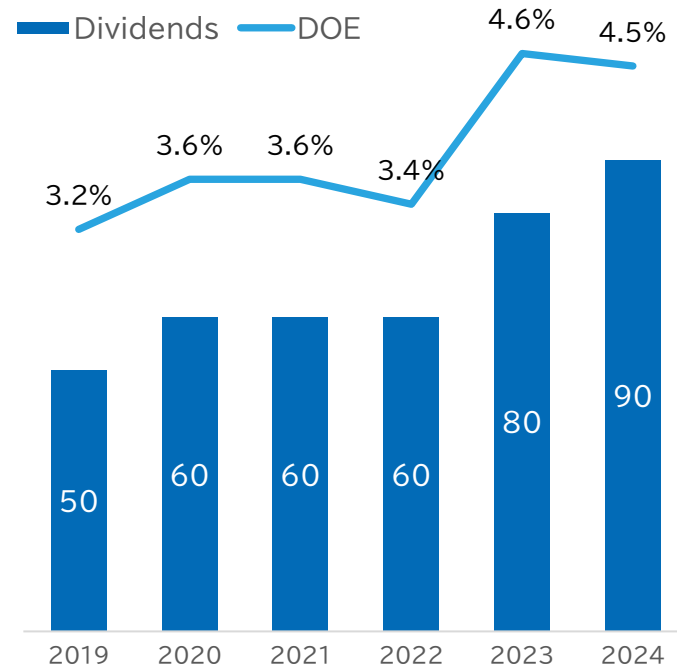
Trends in Financial Indicators

- ROE become higher, exceeded Cost of Capital.
- Based on the dividend policy, the annual dividend increased from the forecast of 80 yen to 90 yen.
- Maintain solid balance sheet with equity multiple x 1.5.

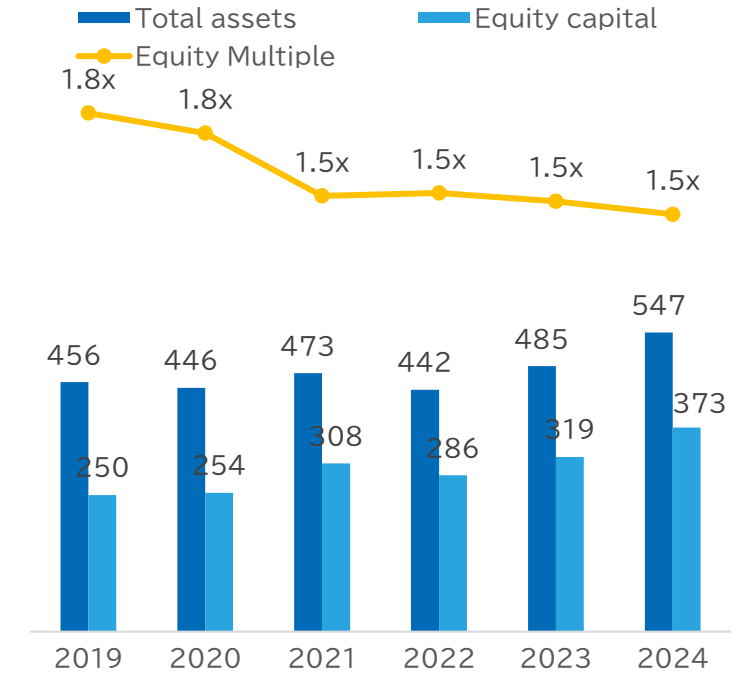
Cost of Capital & ROE



DOE & Dividends



Equity Multiple





2

FY2025 Forecast



FY2025 Forecast

- In 2025, expecting to expand our business by solid growth of System Integration and Operation Services and M&A's.

(JPY mil)	FY2022	FY2023	FY2024	FY2025 Forecast	YoY change
Net sales	47,971	50,539	52,063	58,000	11.4%
Adjusted EBITDA*	4,029	4,143	4,570	5,500	20.3%
(as % of sales)	8.4%	8.2%	8.8%	9.5%	+0.7pt
ROE	7.1%	8.2%	8.9%	10.0%	+1.1pt
Equity spread	(0.6)%	1.2%	1.9%	3.0%	+1.1pt
Annual dividend	60 yen	80 yen	90yen	100yen	+10yen
DOE	3.4%	4.6%	4.5%	4.7%	+0.2pt

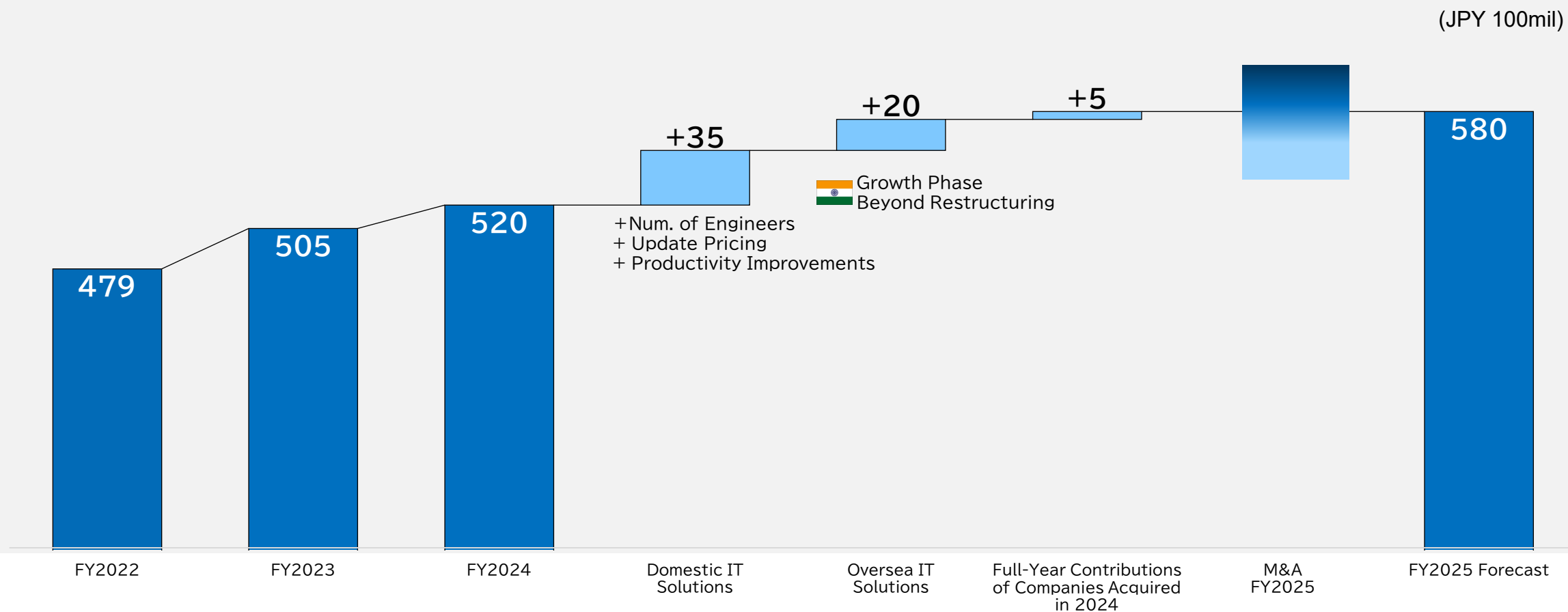
* Adjusted EBITDA: Operating profit + Depreciation + Goodwill amortization + Stock Compensation





Aiming to increase net sales by 6 billion yen in FY2025

- Achieve solid growth of both Domestic IT and oversea IT solutions and aiming further growth by leveraging M&As.

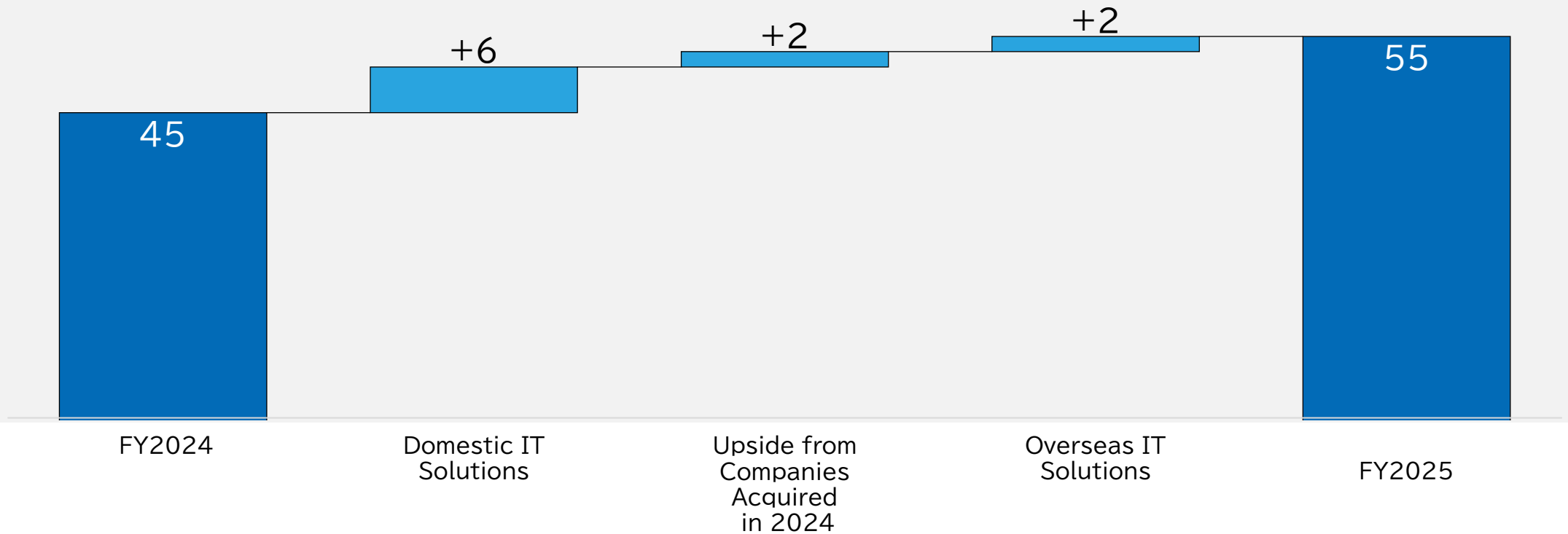




Increase Adjusted EBITDA by 1 billion yen in FY 2025

- Increase profit from incremental net sales and margin improvement by replacing current business to managed services.
- Companies acquired amid 2024 will contribute by annualizing impact.

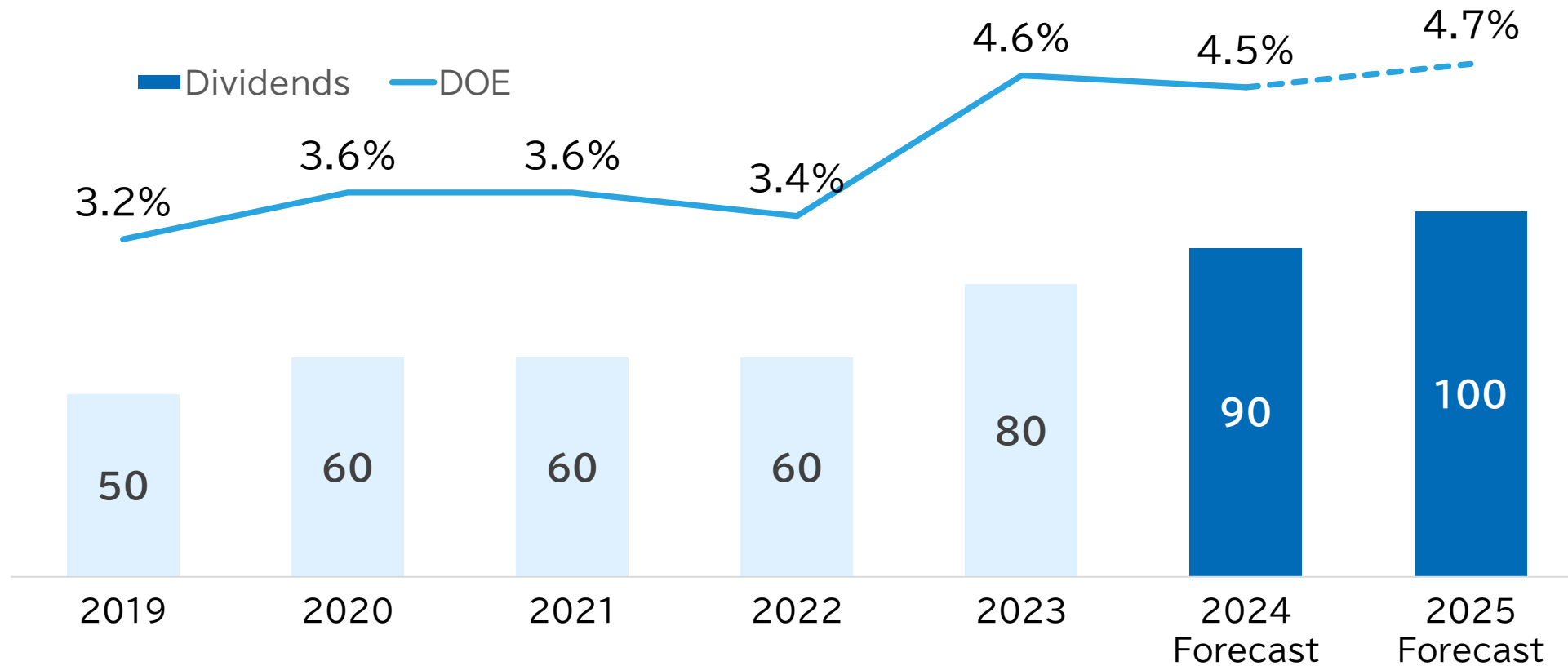
(JPY 100mil)





Increase dividend for 3 consecutive years under Dividend Policy

- In accordance with Dividend Policy of DOE5% level, planning annual dividend of 90 yen for FY2024, increase 10 yen from previous year.
- FY2025, forecast an annual dividend of 100 yen, increase 10 yen from FY2024.





3

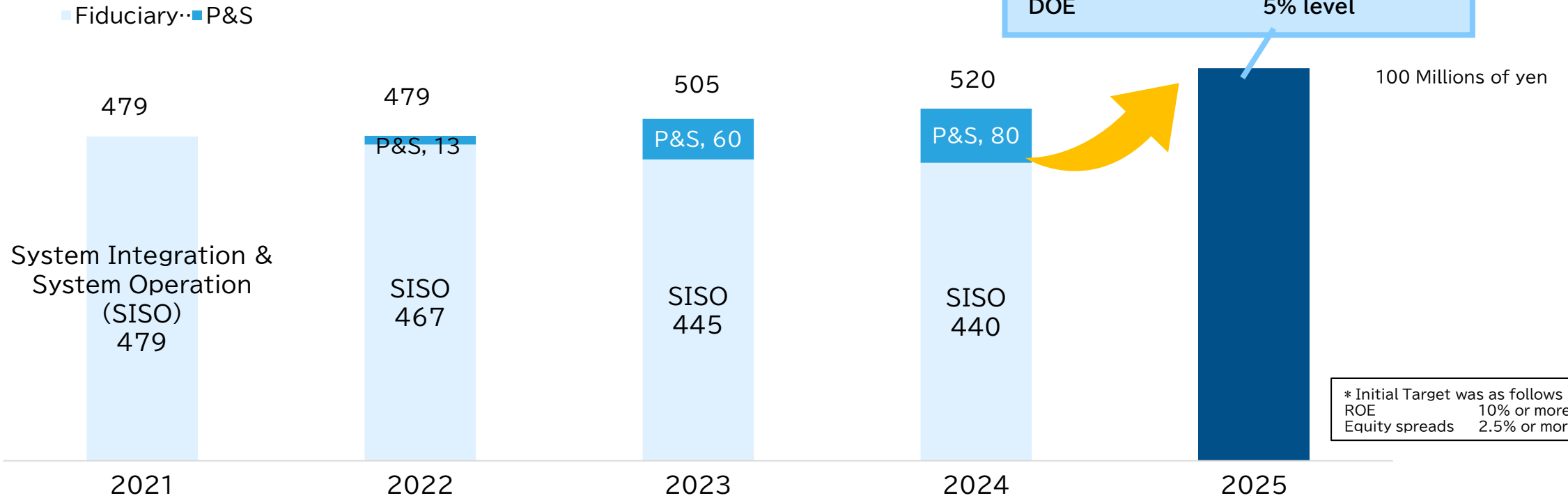
Progress of Medium-term Management Plan



Current Medium-Term Management Plan

Phase **1** Current Mid-Term Management Plan (FY 2022 to FY 2025)
Building Product & Service Infrastructure

FY 2025 Forecast	
Sales	JPY 58 billion
Adjusted EBITDA	JPY 5.5 billion
ROE *	10%
Equity spread *	3.0%
DOE	5% level



* Initial Target was as follows
 ROE 10% or more
 Equity spreads 2.5% or more





Outline of the Medium-Term Management Plan

Establish Stable Earnings from the System Integration & Operation and Acquire capability to generate New Products and Services continuously.

Progress by 2024



Growth Strategy

- [New Business: Products & Services]
 - Establish structure to launch new businesses continuously
 - Co-creation based on "Human Centered Technology"
 - Growth Investment : 15 billion yen
- [System Integration & Operation]
 - Expansion and Growth of Internal Resources



Overall, progress is on track. However, speed and execution of new business development and M&A is still challenge.



High-profit strategy

- Divest Unprofitable Businesses 1 billion yen improved
- Improve Operational Efficiencies has been achieved



Initial plan has been completed. Aiming Further improvement.



Corporate

- Review Group Governance System and Operation Methods
- Organizational Culture



Governance stru
Implementation of initiatives such as review of governance system and engagement





Growth Strategy - Establish structure to launch new businesses continuously

- Established New Business Development Department to hire hypo talent to accelerate new business.
- Elaborate selection of successful Product & Service based on biz-development experience from 2022.
- Focus on growth of the business by concentrate limited resources from this year.

Built Team

New Business

30 Talents

Product Owner

15 Product Managers

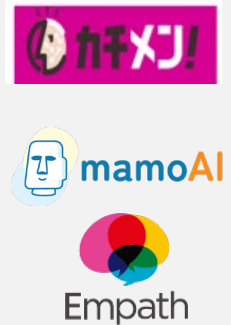
Establishment of a New Business Development Department and accelerated recruitment of experienced talent in addition to internal resource. More than 30 talents joined.

New Business

18 New Products and Services

Launched various new products and services supported by our own AI,


Introduced the curation site “CAC Innovation Hub”



Collaboration

30 and more

Promote collaboration With companies where can utilize our Tech.



※As of January 2025





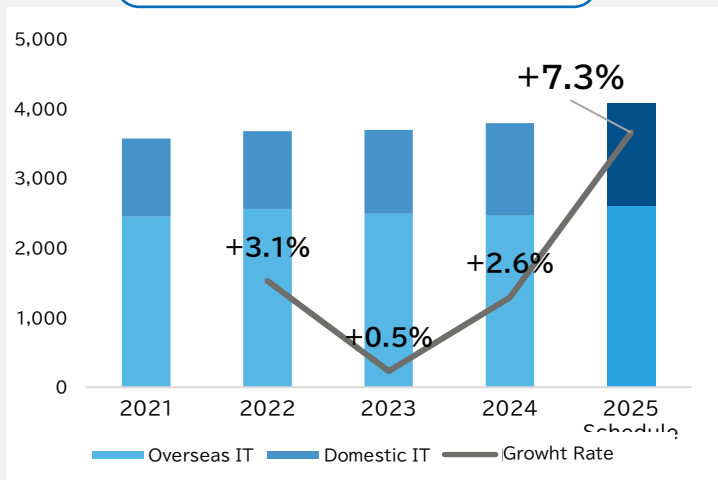
Growth Strategy – Expand System Integration & System Operation Business

- The increase in headcount is achieved as planned. Expecting to contribute our incremental sales.
- Focusing on the development of AI Transformation as a key measure in 2025

Headcount Increase

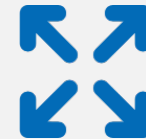
- Hired 400 new grads so far. (including planned hiring in Apr. 2025)
- Expect +7.3% increase from 2024.

CAC Group Engineers

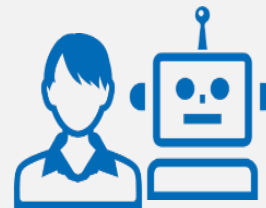


2025 Key Measures

AI Transformation



In-house AI Solution Deployment



Improving efficiency of SISO Business by AI Agent



Dedicated Team For AI Transformation

M & A

M & A

5

During 2022 to 2024

Number of M&A Sourcing in 2024

500 Cases

Build team and M&A sourcing volume dramatically increased. Aim to realize large-scale M&As.



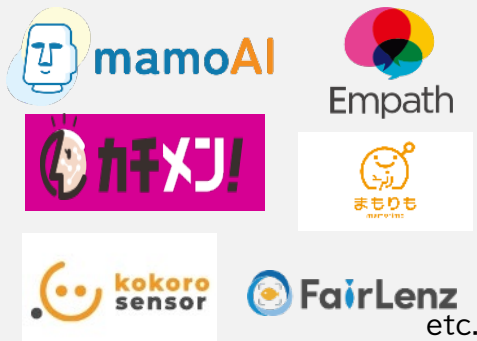
AI Transformation - Business Development of In-house AI Solutions

- In 2025, CAC Group will focus on developing IT services for specific industries that are highly effective in utilizing AI, while promoting existing Gen AI services.

Products & Services Based on In-house AI Tech

Gen AI Incorporated Products & Services in the area of both new and existing business.

Image Recognition AI
Voice Recognition AI

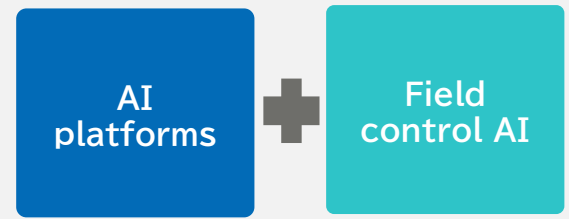


Generative AI

- Narrative Gen
- Gen AI Application Implementation service
- Gen AI RAG build Support service

AI Based Products & Services To Resolve Industry Specific Issues

Focusing on manufacturing, construction, and logistics sites that have high AI implementation demands.

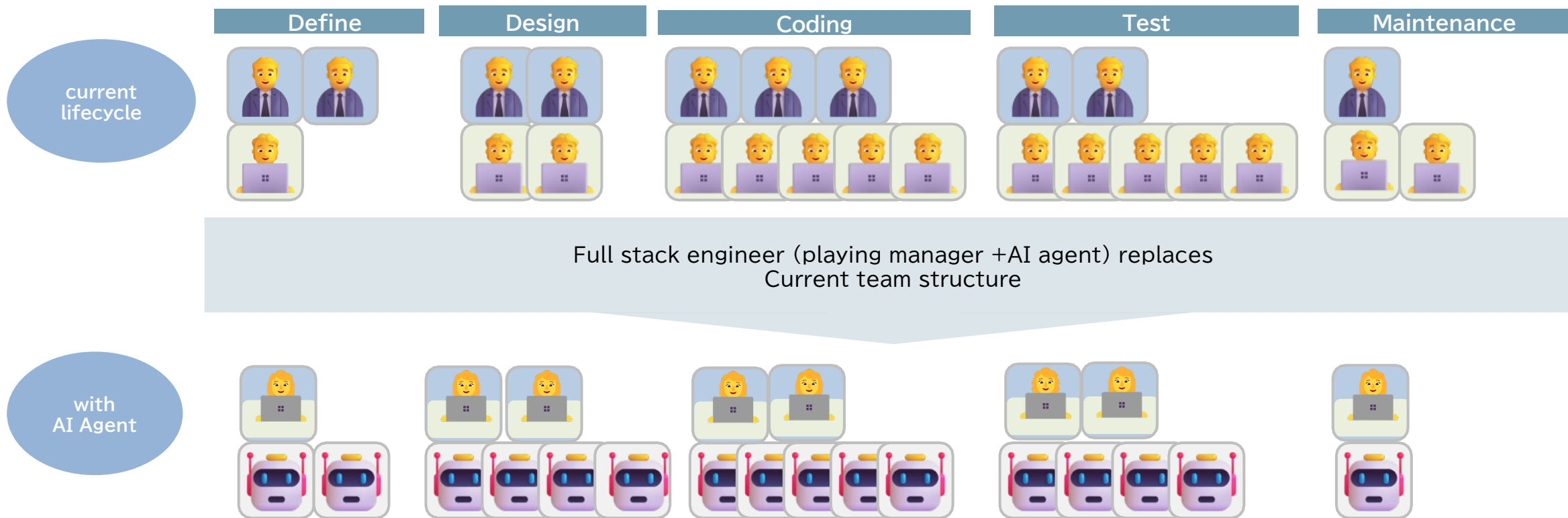


Image

AI Transformation – AI Agent maximize Customer Value of On-going Business

- Automate system integration, system operation, and BPO by introducing AI agents
Aim to improve operational efficiency and make effective use of project resources.
- Make “knowledge”, “technologies”, and “methodologies” as Assets and deploy to other services.

Example: An image of AI agent deployment in system integration





AI Transformation – Fully Dedicated Team of AI Deployment

Asset-based Business Promotion Dept.

- The Asset-based Business Promotion Department was established in January 2025 to deploy AI Transformation.
- Responsible for planning and promoting AI Transformation for the entire Group.
- Responsible for asset management and asset evolution (deepening) among CAC Group.

Advanced AI Technology Committee

- The Advanced Technology Committee as a subcommittee of the Board of Directors has been held since 2024.
- Currently, Director Harada, CTO, and internal experts gather to share and study the latest technologies.



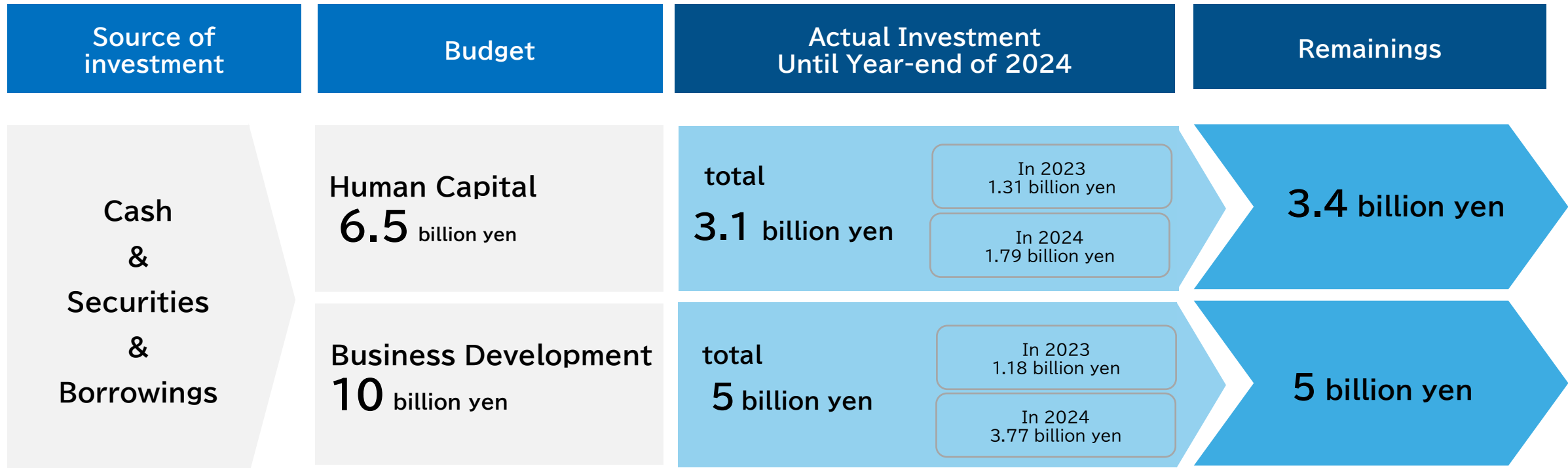
Tatsuya Harada, Director, CAC Holdings

Professor, Center for Advanced Science and Technology, The University of Tokyo
Team Leader, Center for Innovation and Intelligence Integration, RIKEN
Assistant to the President, RIKEN
Visiting Professor, Medical Big Data Research Center, National Institute of Informatics



Growth Investments – Invested over half of budget so far

- From 2022 to 2024, 8 billion yen, which is more than half of budget was invested.
- Investment was funded by sales of assets and debt.



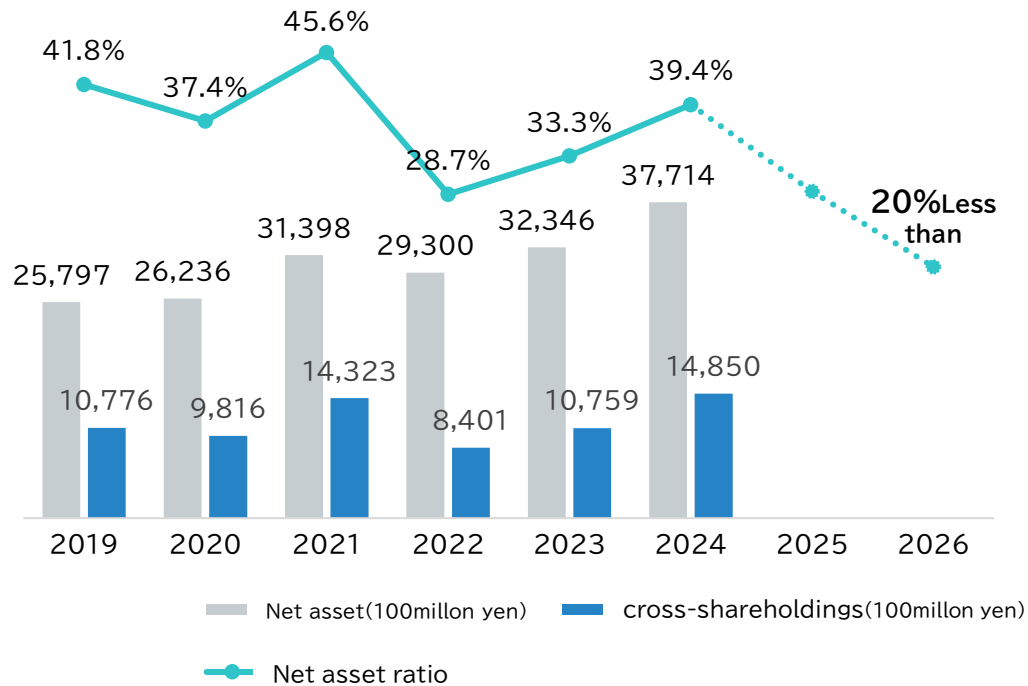


Improve Capital Efficiency: Reduce cross-shareholdings to less than 20% by 2026

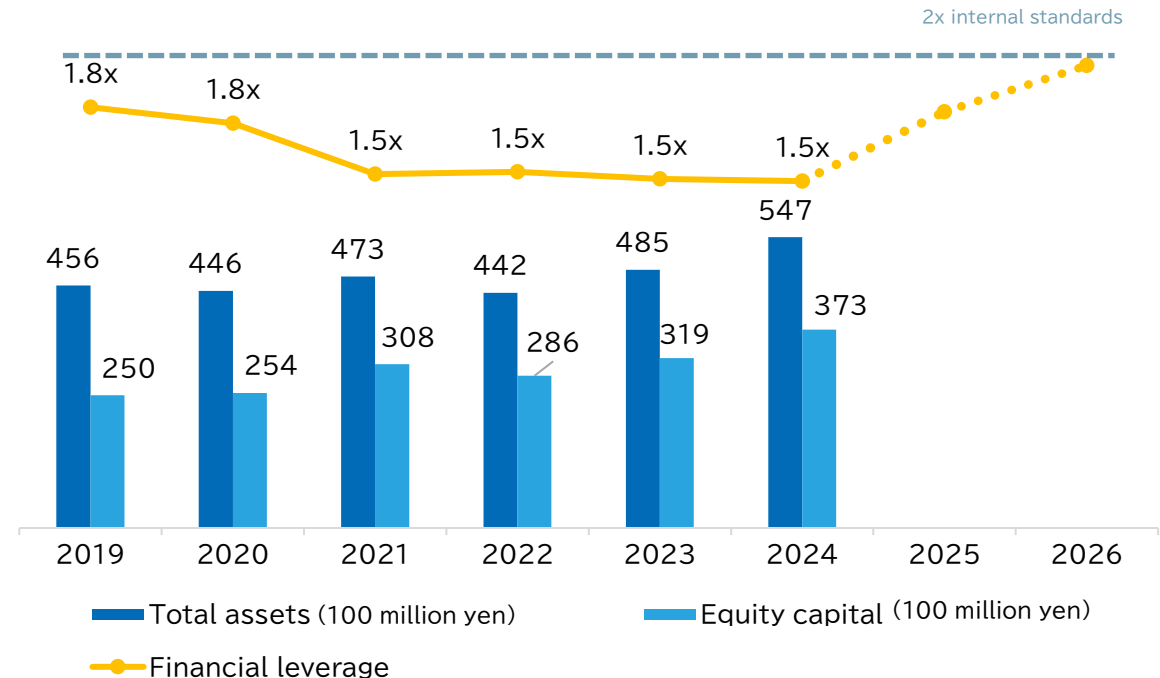
- The BoD regularly discusses capital costs and capital efficiency as critical agenda.
- Reducing the net asset ratio of cross-shareholdings lower than 20% by 2026.
- Manage equity multiple up to 2x as a limit.

Refer to the “Notice Regarding Implementation of Management with Consideration of Capital Cost and Stock Price (Update)” released today for further detail.

Cross Shareholdings: Less than 20%



Equity Multiple: Up to 2x





Visit our Web Site ! CAC Group's Services and Technologies

New Business Web Media - CAC Innovation Hub

- CAC Group operate a Web media that disseminates information on innovation and business development introducing our innovation.
- News and Updated Release of CAC Group's business development strategy and new services and products are available.

CAC Corporate Site

- Renewed website of our core subsidiary : CAC Corporation.
- Introduce AI and other tech services.



<https://innovationhub.cac.co.jp/>
* Japanese Only



<https://www.cac.co.jp/english/>





4

Reference



Net Sales / Adjusted EBITDA

Net sales

(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	35,905	71.0%	38,866	74.7%	+2,961	+8.2%
Overseas IT	14,633	29.0%	13,196	25.3%	(1,437)	(9.8)%
Total	50,539	100.0%	52,063	100.0%	+1,523	+3.0%

Adjusted EBITDA

(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	3,709	10.3%	3,889	10.0%	+180	+4.9%
Overseas IT	1,862	12.7%	1,872	14.2%	+9	+0.5%
Adjustment	(1,428)	—	(1,191)	—	+237	—
Total	4,143	8.2%	4,570	8.8%	+427	+10.3%





Orders Received Order Backlog

Orders received

(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	37,532	68.7%	37,873	71.5%	+340	+0.9%
Overseas IT	17,117	31.3%	15,108	28.5%	(2,008)	(11.7)%
Total	54,650	100.0%	52,982	100.0%	(1,668)	(3.1)%

Order backlog

(JPY mil)	FY2022		FY2023		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	10,519	62.5%	9,687	54.1%	(831)	(7.9)%
Overseas IT	6,319	37.5%	8,232	45.9%	+1,912	+30.3%
Total	16,839	100.0%	17,920	100.0%	+1,081	+6.4%





Orders Received by Industry

(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Financial services	19,928	36.5%	18,975	35.8%	(953)	(4.8)%
Pharmaceuticals	8,719	16.0%	8,095	15.3%	(623)	(7.2)%
Manufacturing	7,694	14.1%	7,696	14.5%	+2	+0.0%
Information & communications	7,998	14.6%	7,552	14.3%	(445)	(5.6)%
Services and others	10,309	18.9%	10,661	20.1%	+352	+3.4%
Total	54,650	100.0%	52,982	100.0%	(1,668)	(3.1)%





Net Sales by Industry

(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Financial services	18,382	36.4%	17,717	34.0%	(664)	(3.6)%
Pharmaceuticals	8,449	16.7%	8,598	16.5%	+148	+1.8%
Manufacturing	7,027	13.9%	7,952	15.3%	+925	+13.2%
Information & communications	7,130	14.1%	7,599	14.6%	+468	+6.6%
Services and others	9,549	18.9%	10,195	19.6%	+645	+6.8%
Total	50,539	100.0%	52,063	100.0%	+1,523	+3.0%





Orders Received by Segment & Industry

(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT Solutions	37,532	68.7%	37,873	71.5%	+340	+0.9%
Financial services	12,035	22.0%	12,914	24.4%	+878	+7.3%
Pharmaceuticals	8,061	14.8%	7,418	14.0%	(643)	(8.0)%
Manufacturing	6,158	11.3%	6,183	11.7%	+25	+0.4%
Information & communications	3,268	6.0%	3,824	7.2%	+556	+17.0%
Services and others	8,008	14.6%	7,532	14.2%	(475)	(5.9)%
Overseas IT Solutions	17,117	31.3%	15,108	28.5%	(2,008)	(11.7)%
Financial services	7,892	14.4%	6,060	11.4%	(1,831)	(23.2)%
Pharmaceuticals	658	1.2%	677	1.3%	+19	+2.9%
Manufacturing	1,535	2.8%	1,512	2.9%	(22)	(1.5)%
Information & communications	4,730	8.7%	3,728	7.0%	(1,002)	(21.2)%
Services and others	2,300	4.2%	3,129	5.9%	+828	+36.0%
Total	54,650	100.0%	52,982	100.0%	(1,668)	(3.1)%





Net Sales by Segment & Industry

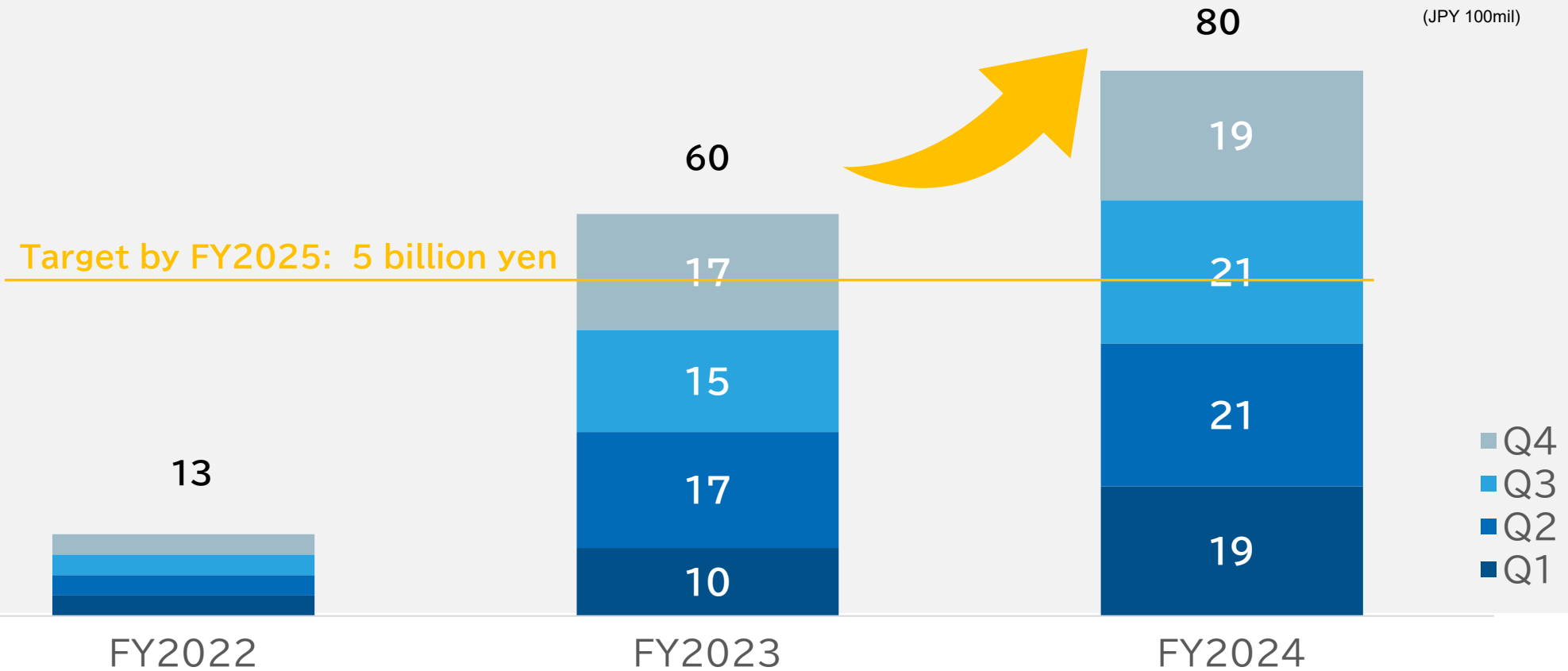
(JPY mil)	FY2023		FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT Solutions	35,905	71.0%	38,866	74.7%	+2,961	+8.2%
Financial services	11,496	22.7%	12,757	24.5%	+1,261	+11.0%
Pharmaceuticals	7,787	15.4%	7,774	14.9%	(13)	(0.2)%
Manufacturing	5,516	10.9%	6,500	12.5%	+983	+17.8%
Information & communications	3,223	6.4%	4,022	7.7%	+798	+24.8%
Services and others	7,880	15.6%	7,811	15.0%	(68)	(0.9)%
Overseas IT Solutions	14,633	29.0%	13,196	25.3%	(1,437)	(9.8)%
Financial services	6,886	13.6%	4,959	9.5%	(1,926)	(28.0)%
Pharmaceuticals	661	1.3%	824	1.6%	+162	+24.6%
Manufacturing	1,511	3.1%	1,452	2.9%	(58)	(3.9)%
Information & communications	3,906	7.7%	3,576	6.8%	(329)	(8.4)%
Services and others	1,668	3.3%	2,383	4.6%	+714	+42.8%
Total	50,539	100.0%	52,063	100.0%	+1,523	+3.0%





Product & Services (P&S) exceeded the Medium-term Management Plan

- Net sales of Product & Service Business exceeded Medium-term Management Plan's target of 5 billion yen by FY2025.





Reference : Results through FY 2025 (Actuals and Forecast)

(JPY mil)		FY2022	FY2023	FY2024	FY2025 Forecast
Net sales		47,971	50,539	52,063	58,000
Adjusted EBITDA ^{※1}		4,029	4,143	4,570	5,500
	(% of sales)	8.4%	8.2%	8.8%	9.5%
reference	Depreciation	580	555	598	600~700
	amortization of goodwill	196	146	309	300~800
	Stock compensation	65	114	269	300~400
	Operating profit	3,187	3,327	3,394	3,600~4,300
	(% of sales)	6.6%	6.6%	6.5%	6.2%~7.4%
Profit ^{*2}		2,093	2,473	3,096	3,000~3,400
	(% of sales)	4.4%	4.9%	5.9%	5.2%~5.9%

*1 Adjusted EBITDA: Operating profit + Depreciation + Goodwill amortization + Share-based payment expenses

*2 Profit attributable to owners of parent





Contact

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E-mail: prir@cac.co.jp

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