



Summary of Quarterly Financial Results Press Conference

Fiscal Year Ended March 31, 2022

May 10, 2022

* Change in the Corporate Logo

Background for the Change

- June 2021 : The founder of the Company retired as Director and left its management to the next generation.
- April 2022 : President changed and the Company moved from the 1st Section to the Prime Market at TSE

“Second foundational period” from April, 2022



- * Design concept : **Challenger wildcard**
- * Motif : “*,” which is generally used as a wildcard character
- * Color :
 - Advance Orange for a powerful move forward
 - Trust Black for firm trust
- * Symbolic meaning : The logo symbolizes an entity contributing to the advance and growth of society by daring to think in an unconstrained manner and making a challenging attempt at unconventional development, just like a wildcard character that matches any object.



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Consolidated Results main points



(Unit: Amounts less than 1 million yen omitted)

- **Net sales:** In accordance with the “Medium-Term Management Plan 2023,” the Company.
 - strongly promoted the expansion of business mainly by reinforcing group-wide cooperation
 - included OEC Ltd. in the scope of consolidation from the second quarter ended September 30, 2021
- **Profit:** In addition to an increase in revenue, operational efficiency improved in the Group as a whole by responding to the age of new normalcy in the wake of the scourge of COVID-19.

Full year		Forecast before revision		Forecasts after revision		<Reference>	
		<Announced on May 10, 2021>		<Announced on Feb 28, 2022>		Results for the previous fiscal year	
				Amount change	Percentage change		
	Net sales	42,400	44,000	1,600	103.8%	39,706	
	Gross profit					7,199	(18.1%)
	Operating profit	3,850 (9.1%)	4,440 (10.1%)	590	115.3%	3,484	(8.8%)
	Ordinary profit	4,200 (9.9%)	4,600 (10.5%)	400	109.5%	4,101	(10.3%)
	Profit	2,850 (6.7%)	3,180 (7.2%)	330	111.6%	2,634	(6.6%)
	EPS ¥/Share	135.58	151.14	15.56		125.43	

- **Dividends:** The year-end dividend was increased by 4 yen in light of the dividend policy and the current state of operations.

	Forecast before revision		Forecasts after revision		Change	<Reference>	
	<Announced on May 10, 2021>		<Announced on Feb 28, 2022>			Results for the previous fiscal year	
Interim	20 yen					18 yen	
Year-end	20 yen		24 yen	4 yen		20 yen	
Full year	40 yen		44 yen	4 yen		38 yen	
Dividend payout ratio	29.5%		28.6%	-0.9%		30.3%	



1.2. Income statement [highlights]

(Unit: Amounts less than 1 million yen omitted)

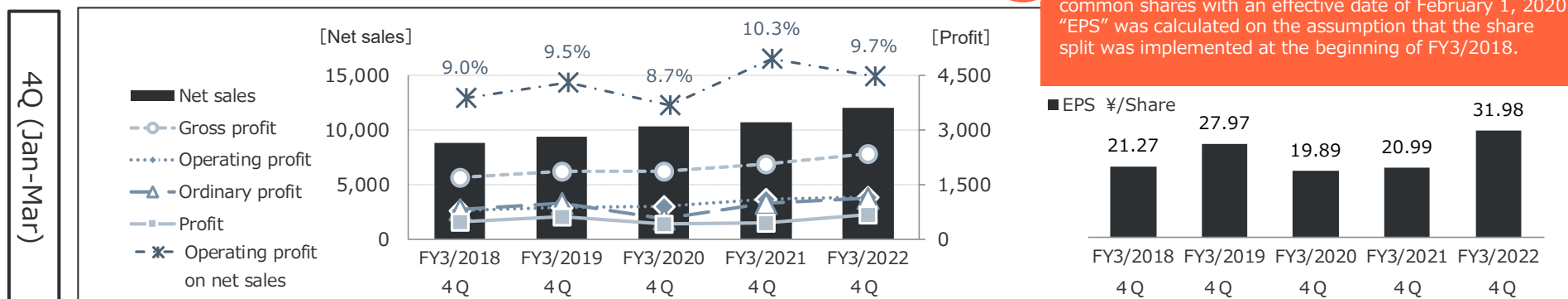
- Active moves were seen toward the normalization of economic activities. Customers' IT investment increased steadily against the backdrop of digital transformation.
- Net sales increased mainly from major customers although the extent of increase varied by industry categories: a double-digit increase of 11.9%.
- Operating profit, ordinary profit and profit increased by 27.9%, 16.6% and 22.9%, respectively, consecutively breaking the all time high.
- Mainly owing to the effect of increased revenue and underutilization of SGA expenses, the operating profit ratio was 10.0% (8.8% in the same period of the previous fiscal year), remaining above 10% target.

- Net sales**
Increased 4,744 million yen (up 11.9% year on year).
- Operating profit**
Increased 973 million yen (up 27.9% year on year).
- Ordinary profit**
Increased 681 million yen (up 16.6% year on year).
- Profit**
Increased 602 million yen (up 22.9% year on year).

	FY3/2020		FY3/2021		FY3/2022		YoY	Full-year progress	Full-year Forecast	
									<Announced on Feb 28, 2022>	YoY
Full year	Net sales	39,337	39,706		44,450		111.9%	101.0%	44,000	110.8%
	Gross profit	7,246 (18.4%)	7,199 (18.1%)		8,698 (19.6%)		120.8%			
	Operating profit	3,556 (9.0%)	3,484 (8.8%)		4,457 (10.0%)		127.9%	100.4%	4,440 (10.1%)	127.4%
	Ordinary profit	3,712 (9.4%)	4,101 (10.3%)		4,782 (10.8%)		116.6%	104.0%	4,600 (10.5%)	112.2%
	Profit	2,421 (6.2%)	2,634 (6.6%)		3,236 (7.3%)		122.9%	101.8%	3,180 (7.2%)	120.7%
	EPS ¥/Share	114.30	125.43		153.92				151.14	

Note: Respective profit ratios shown in parentheses. "Profit" is "Profit attributable to owners of parent."

Note The Company implemented a 2-for-1 share split of common shares with an effective date of February 1, 2020. "EPS" was calculated on the assumption that the share split was implemented at the beginning of FY3/2018.

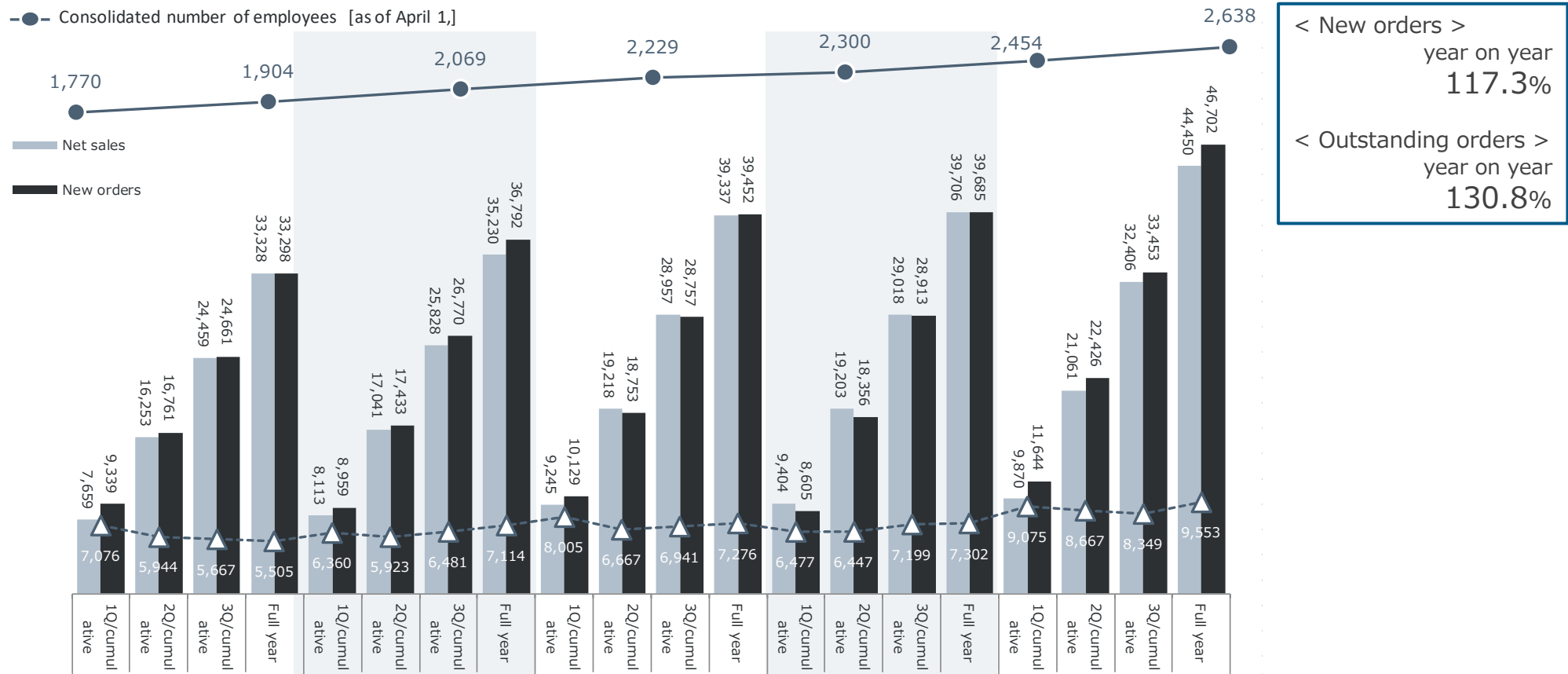




1.3. Quarterly net sales, new orders and outstanding orders

(Unit: Amounts less than 1 million yen omitted)

- Orders and order backlogs grew steadily despite the lingering scourge of COVID-19 although the extent of growth varied by industry categories.
- Reactions to inhibition of the IT investment in FY2020 and moves toward the normalization of economic activities supported digital transformation.



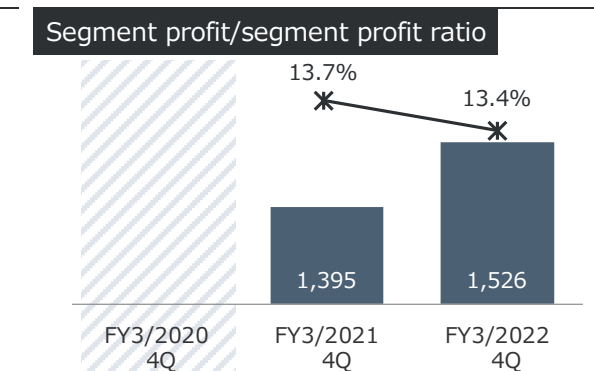
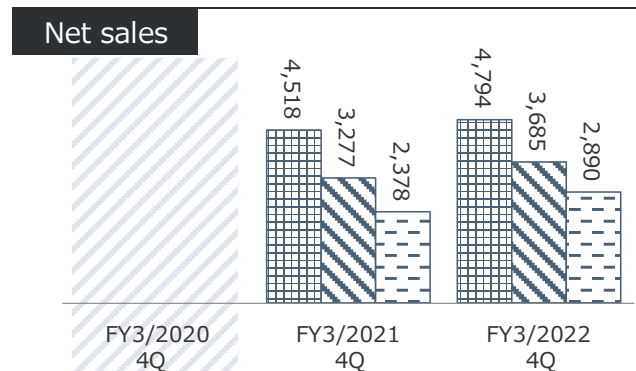
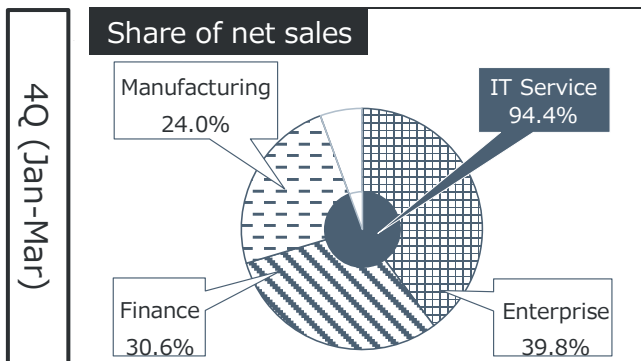
1.4. Results by segment: IT services business

(Unit: Amounts less than 1 million yen omitted)

- Net sales were 42,342 million yen, increasing by 10.7% owing to growth in all subsegments of “Enterprise,” “Finance” and “Manufacturing.”
- Segment profit increased by 23.4% owing to increased net sales, improved productivity and the minimization of unprofitable projects.

- ▣ **Enterprise:** Net sales increased by 6.7% owing to the recovery of orders in areas of job placement and dispatching, transport, construction and real estate, and travel and hotel and an increased net sales in the area of medical and health care resulting from the consolidation of OEC Ltd. from the second quarter.
- ▣ **Finance:** Net sales increased by 10.7% owing to the reception of orders for large projects in the insurance area, an expansion of IT investment in other areas including securities and credit card business and an increase in net sales in other areas because of the effect of consolidating OEC Ltd.
- ▣ **Manufacturing:** Although net sales ended up at almost the same level year on year in the area of automotive and transport equipment because of semiconductor shortage resulting from the scourge of COVID-19, net sales in this subsegment increased by 18.4% owing to an increase in projects intended as anticipatory investment in the area of machinery and electronics and the effect of consolidating OEC Ltd.

		FY3/2020	FY3/2021	FY3/2022	YoY
Full year	IT Service	Enterprise	17,075	18,219	106.7%
		Finance	12,360	13,689	110.7%
		Manufacturing	8,809	10,433	118.4%
	Net sales	38,246	42,342	110.7%	
	Segment profit	4,635 (12.1%)	5,718 (13.5%)	123.4%	



* There is no data based on the new segment classification for the period prior to the fiscal year ended March 31, 2021.

1.5. Results by segment: Digital solutions business

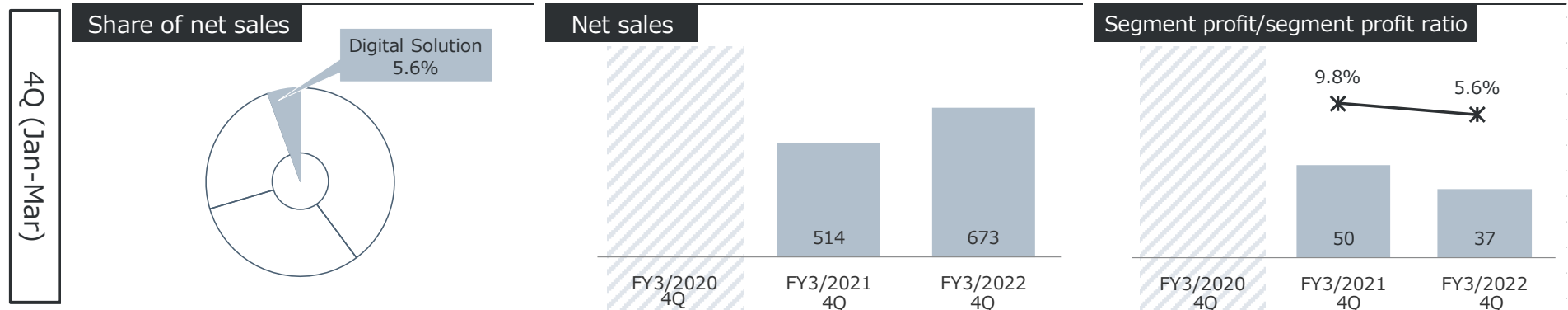
(Unit: Amounts less than 1 million yen omitted)

- Net sales were 2,107 million yen. Net sales increased by 44.4% owing to an increase in sales of Creage, a cloud service, and RPA license and, in addition, to the acquisition of large solution projects by certain consolidated subsidiaries.
- Segment profit increased by 15.1% year on year owing to the above revenue increasing effects.

<Main products and services>

- Creage** : Cloud-related service
- UiPath** : RPA-related service
- Annotation** : AI-related service
- Training and seminars** : AI, cloud, RPA, etc.

Full	Digital Solution	FY3/2020		FY3/2021		FY3/2022		YoY
		Net sales		1,459		2,107		144.4%
	Segment profit		126 (8.6%)		145 (6.9%)		115.1%	



* There is no data based on the new segment classification for the period prior to the fiscal year ended March 31, 2021.



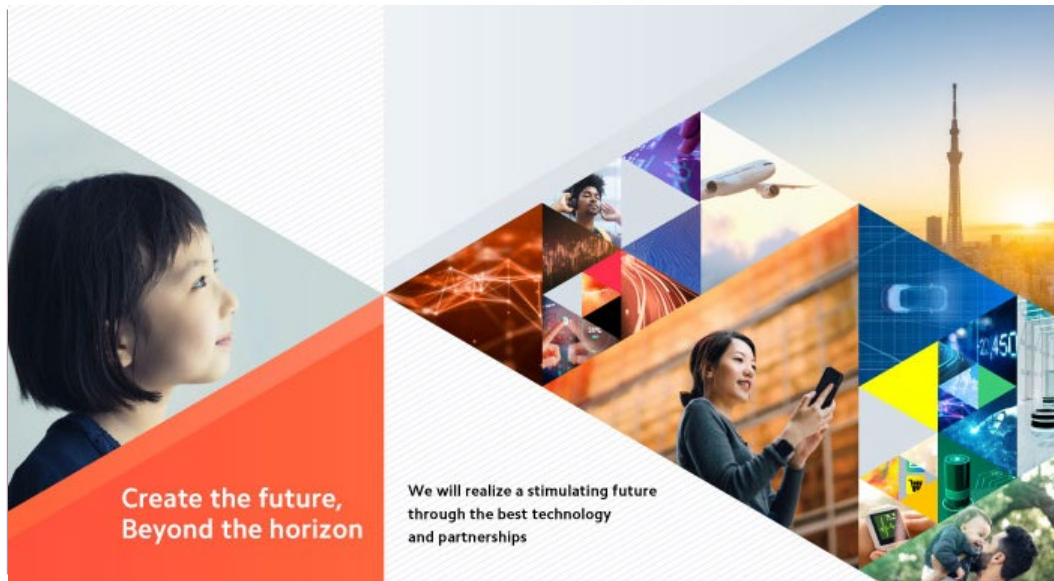
Progress of Medium-term Management Plan



Extracted from disclosure materials

CRESCO has established the Group Vision "**CRESCO Group Ambition 2030**" for the year 2030.
As a starting point for actions embodying the Group Vision, we also have set forth the "**Action Guiding Principles at CRESCO Ltd.**".

- CRESCO Group Ambition 2030 -



- Action Guiding Principles at CRESCO Ltd. -

Further our goals.

We put the client first to co-create the future together.
We actively seek to enhance our technology and quality.

Advance courageously.

We trust in our potential and challenge for innovation.
We persevere in the face of challenges.

Enjoy the challenges.

We inspire society with creativity and professional expertise.
We cherish growth to maximize our potential as a team.

[Note] The image has been changed due to the change in the corporate logo. There is no change in the content.



Details of "Medium-Term Management Plan 2023"
https://www.cresco.co.jp/cresco_e/ir/plan.html

Extracted from disclosure materials

To achieve the group's vision, "Medium-Term Management Plan 2023", a three-year medium-term corporate plan, has been developed for the period from 2021 to 2023.

Under the "Medium-Term Management Plan 2023", we will **strengthen the foundations of our business through three basic strategies** to promote our core businesses. We will also work on **three key strategies to create new business pillars**.

Key strategy to create new business pillars

Strengthening digital solutions

- Doubled digital solution sales
- Expansion of new digital solutions

Evolution of agile management

- "DX Stocks" Certification.
- Strengthen group collaboration to expand business

Deepening of human-centered management

- Become a top-tier company in Corporate Health evaluation
- Developing the next generation of human resources

Basic strategy to strength core business

Expansion of IT services

- Business expansion based on measures defined for Enterprise, Finance and Manufacturing segments

Enhancing quality

- Continuous improvement and practice of management processes in response to new technologies/ changing needs

Strengthening skills

- Business growth through new and focused technologies (AI, Cloud, Agile)

CRESCO perceives and pursues ESG as an "expectation from society to the company" that all companies should be mindful of CRESCO's views on ESG and the status of its initiatives: https://www.cresco.co.jp/ir/group_business/esg.html



Key strategy

To create new business pillars

Enhancement of digital solutions	1Q	<ul style="list-style-type: none"> The Business Enablement Service Unit was established as the division to promote digital solutions. Started to reorganize Cresco's digital solutions brand.
	2Q	<ul style="list-style-type: none"> Launched Digital Solutions Website Upgraded the Cloud Managed Service to support Azure
	3Q	<ul style="list-style-type: none"> Concluded a distributorship agreement for an IaaS-based cloud service "SOROBAN." The Company's employee was certified as a "UiPath Japan MVP 2021" two years in a row. Held an exhibition booth and lectures at "UiPath Reboot Work Festival Japan 2021."
	4Q	<ul style="list-style-type: none"> Released "Operation+ Automation Plan" and "Account+ Cloud Health Option", which facilitate operational optimization in a cloud environment.
Further development of flexible management	1Q	<ul style="list-style-type: none"> Obtained certification as a "DX Certified Business" under the Ministry of Economy, Trade and Industry's DX Certification System. OEC Ltd. became a subsidiary.
	2Q	–
	3Q	<ul style="list-style-type: none"> Choose to be listed on the Prime Market of the new market segments of Tokyo Stock Exchange, and was selected. Announced the appointment of new President effective April 2022.
	4Q	<ul style="list-style-type: none"> Issued a press release on a change in corporate brand logo, etc. on February 28, 2022.
Advancement of people-centered management	1Q	<ul style="list-style-type: none"> Promoted work style reforms in the COVID-19 crisis (promotion of teleworking, improvement of workplace, introduction of vaccine leave) Received the "Excellent Examination Receiving Organization for 2020" award as a company promoting taking examination for certification.
	2Q	<ul style="list-style-type: none"> A multipurpose studio has been set up as a "new normal social interaction hub" Participated in an initiative to support the use of digital technology in metropolitan public elementary and junior high schools
	3Q	<ul style="list-style-type: none"> Held online events "Cresco Fair 2021" and "Cresco Adventcalendar 2021." The Company's employee won a prize in the "AI Contest on Ophthalmology at the 2nd Annual Meeting of the Japanese Society of Artificial Intelligence in Ophthalmology." The Company's employee gave a talk at "ET & IoT 2021" held by the Japan Embedded Systems Technology Association.
	4Q	<ul style="list-style-type: none"> Recognized as a "2022 Certified Health & Productivity Management Outstanding Organizations" (ranking between 801st and 850th place among 2869 companies) on March 16, 2022.



Basic strategy To strength core business

Expansion of IT services	1Q	<ul style="list-style-type: none"> Increased the number of sales staff to develop new business partners.
	2Q	–
	3Q	<ul style="list-style-type: none"> Strengthened the development system at CRESCO VIETNAM CO., LTD. (number of engineers in operation: 60 in 2Q to 90 in 3Q).
	4Q	<ul style="list-style-type: none"> Promoted new proposals utilizing solutioning processes.
Enhancement of quality	1Q	<ul style="list-style-type: none"> One of our employees made a presentation at the "PMI Japan Forum 2021" hosted by the PMI Japan Chapter. The Company was selected as a managing company of the Automotive Embedded System Industry Forum (ASIF).
	2Q	–
	3Q	<ul style="list-style-type: none"> Renewed the educational programs for quality/project management.
	4Q	<ul style="list-style-type: none"> ISMS Certification upon reassessment and extended assessment.
Enhancement of technologies	1Q	<ul style="list-style-type: none"> Strengthened cooperation with Hokkaido University in "supporting the development of human resources for the next generation and promoting research on AI technology." Obtained a "Gold Competency" from Microsoft Partner Network
	2Q	<ul style="list-style-type: none"> Obtained a patent for a method to reduce the annotation workload when creating data for image processing AI training
	3Q	<ul style="list-style-type: none"> Started a joint research project with Nagoya University on embedded security. Published several papers on the classification of corneal topography images using machine learning.
	4Q	<ul style="list-style-type: none"> An employee of the Company participated in the Japanese translation of <i>The EXIN Handbook for Scrum Masters and Product Owners</i> as a technical reviewer. An employee of the Company was selected as a 2022 IBM Champion in the area of Data & AI of the IBM Champions Program.

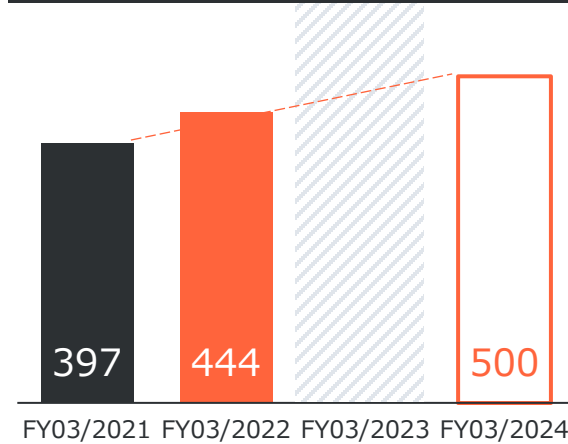


2.5. Progress of Business Objective

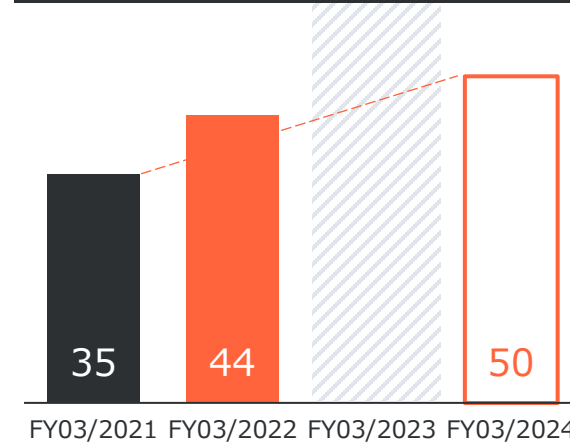
Extracted from disclosure materials

Business Objective	FY2020 Achievement	FY2023 Goal
Consolidated operating profit	39.7 billion >	50 billion
Consolidated Gross profit	3.5 billion >	5 billion
ROE	14.8% >	over 15%

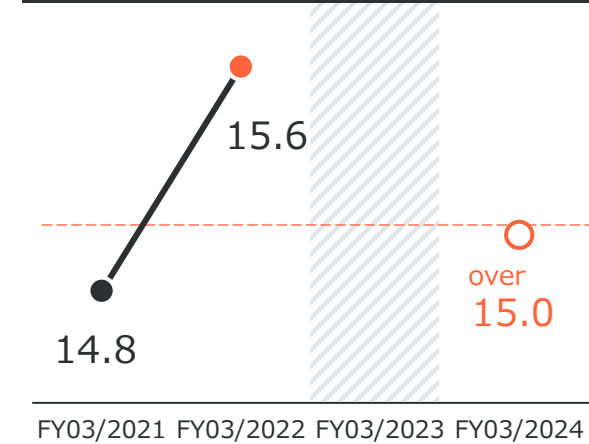
Consolidated operating profit
[Unit : billion]



Consolidated Gross profit
[Unit : billion]



ROE
[Unit : %]





3

Future outlook



Although the Russo-Ukrainian conflict and the scourge of COVID-19 are matters of concern, their impacts are limited. The trend promoting digital transformation remains unchanged, and demand remains robust for system development.

- While the number of new COVID-19 cases remains high, the industry is driven by moves toward the normalization of economic activities. Although the Russo-Ukrainian conflict will have an inevitable impact, **orders received by the Group are on an increasing trend** against the backdrop of digital transformation (DX).
- The new normal and measures to prevent infection including booster vaccination will take hold, and **there will be no disruption to business activities**
- **The development of new DX-related service and products, the development and acquisition of IT human resources, and self-innovation constitute important issues to be addressed.**

<Reference: Survey on the economic assessment>

Monthly Economic Report for April by the Japanese government [released on April 21, 2022]

The report expresses the judgment, "The Japanese economy shows movements of picking up as the severe situation due to the Novel Coronavirus is easing."

* "However, full attention should be given to the further increase in downside risks due to rising raw material prices and fluctuations in the financial and capital markets and supply-side constraints while the uncertainties surrounding the state of affairs of Ukraine.

Also attention should be given to the effects of the Novel Coronavirus."

QUICK Tankan (QUICK Short-term Economic Survey) for April, 2022 [released on April 15, 2022]

Manufacturing diffusion index (DI) was 14, improved by 1 point from the value per the previous month's survey. This is the first improvement in three months.

The diffusion index for all industries including finance was 19, improved by 4 points from the value in the previous month.

Tankan (Short-Term Economic Survey of Enterprises in Japan) for March, 2022 by the Bank of Japan [released on April 1, 2022]

The actual result diffusion index (DI) for large manufacturing enterprises, a major indicator of Tankan, was 14, deteriorating by 1 point from the value per the previous survey, and the forecast DI for them was 9, which factors in the deterioration of 5 points from the actual result DI of 14.

The actual result DI for large non-manufacturing enterprises also deteriorated by 1 point from the value per the previous survey to 9, and the forecast DI for them was 7, which factors in the deterioration of 2 points from the actual result DI of 9.

IDC Japan's Japanese IT Service Market Forecast (excerpts and summary) [released on March 3, 2022]

While the effect of the spread of COVID-19 infection lingered in some parts of the market, the market as a whole recovered without any material problem and turned to positive growth.

The Japanese IT service market in 2022 is expected to stay strong as it did in 2021 because reactionary growth is expected in areas that lagged in recovery in 2021.

The compound annual growth rate (CAGR) during the period from 2021 to 2026 is forecast to hover at 2.8%, and the market size is forecast to reach 6 trillion 741 billion yen in 2026.



- The confirmation **and information gathering** of the infection status of parties concerned **and the examination and implementation of various measures** continue to be underway **through collaboration in the CRESCO Group.**
- **Promotion of teleworking, including that of our business partners.** Continuation of working from home and remote development.
- **Appropriate updates of measures** in line with government and local government requests (including declarations of a state of emergency), and **thorough implementation within the Company.**
- Employees who primarily rarily commute are **given a commuter support allowance** to reduce the physical and mental burden of commuting.
- **Introduced a special leave system for COVID-19 vaccinations and adverse reactions. Additional days of “vaccination leave” were provided in response to the third COVID-19 vaccination.**
Flexible measures were also applied to allow employees to work on a deemed basis when vaccinated during working hours.
Allowing the use of expired annual paid leave when not working due to contraction of COVID-19.
- **Promotion of DX and development of workplaces to realize diverse work styles**
Expand the use of electronic documents for internal decisions and promote digitalized workflows.

Change of office space and layout with an eye to changing work styles.
- "The Company's Measures Against COVID-19" is updated on the Company's website as needed.

[Basic Measures Policy]

- (1) Ensure the safety and health of the lives of employees and their families.
- (2) Minimize damage to the business.
- (3) Avoid adverse impact on customers, business partners, shareholders, etc.
- (4) Contribute to the early stabilization of the regional economy.
- (5) Always consider humanitarian aspects when dealing with various matters.

These measures will continue to be taken during FY2022.



- **It is difficult to grasp exactly** the impact of the COVID-19 scourge and the Russo-Ukrainian conflict on the Group's performance.
 - This outlook is based on **the recognition of the current state of affairs** and **judgment on the basis of presently available and reasonable information.**
- (1) While the timing of the abatement of the COVID-19 scourge is uncertain, **its impact is limited, posing no obstacle to the Group's business.**
 - The fact remains, however, that its abatement is difficult for the time being and that a downward risk for the economy caused by the occurrence and prevalence of a new variant can still not be eliminated.
 - Recently, however, efforts are prevailing for reverting back to daily life and economic activities with as less restriction as possible by placing greater weight on infection prevention measures including the third vaccination.
 - Online and face-to-face sales activities, remote development and working from home have become normal: the scourge of COVID-19 is recognized to have a limited impact on the Group's business during FY2022 and to pose no great obstacle to business.
 - (2) Depending on its situation, the Russo-Ukrainian conflict may have a great impact on customers' businesses and also affect IT investment.
 - The Russo-Ukrainian conflict, which has developed into a war, is an international issue involving not only those two countries but also Europe, the U.S. and China.
 - The aggravation of supply-chains caused by economic sanctions and import and export restriction by countries concerned has manifested itself to result in the situation that precludes prediction.
 - It is recognized that, depending on changes in the situation of the Russo-Ukrainian conflict, the economy can deteriorate to give a great impact on customers' businesses, resulting in a downturn in IT investment.
 - By closely monitoring the economic trend and the conflict situation and conducting flexible sales activities in advance, it is intended to cope with the said crisis always in a flexible and responsive manner.
 - (3) Regarding business confidence, despite opacity about the future, basically, **an improving trend in IT investment will continue, and orders received will increase.**
 - Despite opacity about the future in terms of business confidence, a reaction to a delay in IT investment in FY2021 and a further progress in digital transformation are expected to occur.
 - Needs to respond to new normalcy caused by the scourge of COVID-19 will be tailwind for digital transformation, which realizes business reform and competitiveness reinforcement, and orders received are expected to increase in the future also.
 - The Group will strive for acquiring orders steadily by satisfying diversifying and complicating needs and itself realizing innovation that ensures its competitive superiority.



3.4. Consolidated Forecast of financial results

(Unit: Amounts less than 1 million yen omitted)

- It is forecast to achieve **net sales of 47.5 billion yen (6.9% revenue increase), operating profit of 4.7 billion yen (6.6% profit increase), and ordinary profit of 5.1 billion yen (7.7% profit increase).**
- While the assumptions for the forecasts of financial results, including those on the situations of the scourge of COVID-19 and the Russo-Ukrainian conflict, are based on judgment based on presently available and reasonable information, it is intended to monitor transitions closely.
- If any event that should be disclosed occurs due to any error in these assumptions, the Company will promptly announce it.

2Q/cumulative	FY3/2022						FY3/2023		
	Forecast <Announced on Feb 28, 2022>		YoY	Actual		YoY	Achievement rate	Forecast <Announced on May 10, 2022>	
Net sales	20,500		106.8%	21,061		109.7%	102.7%	22,840	108.4%
Gross profit				4,071	(19.3%)	125.1%			
Operating profit	1,720	(8.4%)	125.8%	2,017	(9.6%)	147.6%	117.3%	2,090	(9.2%)
Ordinary profit	1,900	(9.3%)	103.0%	2,223	(10.6%)	120.5%	117.0%	2,340	(10.2%)
Profit	1,380	(6.7%)	105.5%	1,606	(7.6%)	122.8%	116.4%	1,420	(6.2%)
EPS ¥/Share	65.65			76.44				67.49	

Full year	FY3/2022						FY3/2023		
	Forecast <Announced on Feb 28, 2022>		YoY	Actual		YoY	Achievement rate	Forecast <Announced on May 10, 2022>	
Net sales	44,000		110.8%	44,450		111.9%	101.0%	47,500	106.9%
Gross profit				8,698	(19.6%)	120.8%			
Operating profit	4,440	(10.1%)	127.4%	4,457	(10.0%)	127.9%	100.4%	4,750	(10.0%)
Ordinary profit	4,600	(10.5%)	112.2%	4,782	(10.8%)	116.6%	104.0%	5,150	(10.8%)
Profit	3,180	(7.2%)	120.7%	3,236	(7.3%)	122.9%	101.8%	3,350	(7.1%)
EPS ¥/Share	151.14			153.92				159.22	

Note: Respective profit ratios shown in parentheses. "Profit" is "Profit attributable to owners of parent."

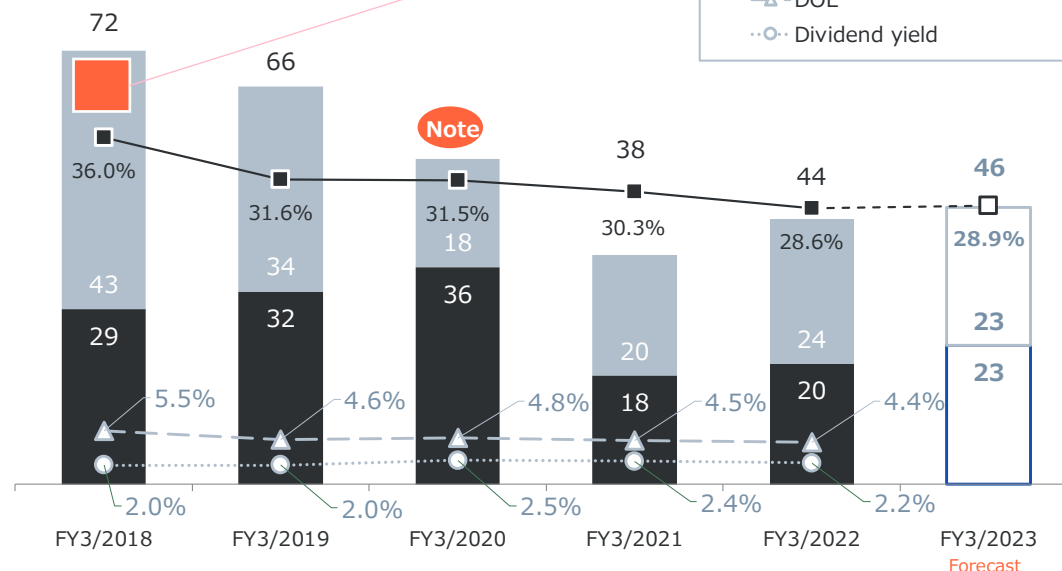
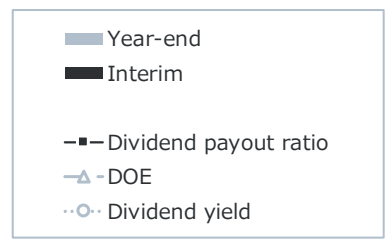


3.5. Consolidated Forecast of cash dividends

- Dividends will continue to be distributed in accordance with the Group's shareholder return policy. The targeted dividend for March, 2023 is **46 yen, up 2 yen**.

	FY3/2020	FY3/2021	FY3/2022	FY3/2023	
	Actual	Actual	Actual	Forecast <Announced on May 10, 2022>	Change
Interim	36 yen	18 yen	20 yen	23 yen	3 yen
Year-end	18 yen	20 yen	24 yen	23 yen	-1 yen
Full year	Note	38 yen	44 yen	46 yen	2 yen
Dividend payout ratio	31.5%	30.3%	28.6%	28.9%	0.3%
Dividend yield	2.5%	2.4%	2.2%		
DOE	4.8%	4.5%	4.4%		
Total dividend payments	750 Millions of yen	798 Millions of yen	925 Millions of yen		

30th anniversary commemorative dividend 10 yen



(Total dividend payment: Amounts less than 1 million yen omitted)

Shareholder return policy

- CRESCO regards the matter of returning profits to shareholders as a key management issue, and has established a basic policy of enhancing shareholders' equity, maintaining consistent profitability over the long term, while appropriately continuing to distribute profits backed by business performance.
- The Company does not offer any special shareholder benefits.
- As for dividends, in principle the Company aims to continually pay out about 30% of **profit attributable to owners of parent for each fiscal year**, which is calculated from **consolidated ordinary profit** and assuming extraordinary income and losses are zero.

Note The Company implemented a 2-for-1 share split of common shares with an effective date of February 1, 2020.

- The actual amounts of dividends before the share split are shown for the FY3/2018 interim dividend until the FY3/2020 interim dividend.
- The total amount for FY3/2020 is not shown in the table above because the implementation of the share split makes it impossible to perform a simple calculation.



1. Reinforcement of the relationship with customers and the acquisition of new customers
2. Expansion of digital solution business and research and development of new technology
3. Human resources acquisition and development structure reinforcement
4. M&A promotion and branding reinforcement
5. DX promotion and the realization of agile management
6. Reinforcement of quality that engenders peace of mind and amazement
7. ESG management promotion and sustainability related efforts
8. Promotion of health and productivity management
9. Work-style reform and the creation of a sound working environment
10. Initiatives to promote diversity

* Introduction of the new President

- * Name : **Hiroshi Tominaga**
- * Age : 55 years old
- * Career :
 - 1990 Joined the Company (as SE of communication control systems) upon graduation
 - 2006 Department Manager (Infrastructure)
 - 2009 Division Manager
 - 2013 Director
 - 2017 Director and Managing Executive Officer
 - 2021 Director and Senior Managing Executive Officer
- * Home prefecture : Yamaguchi Prefecture
- * Cherished word : Gratitude





Reference

Reference 1) Changes in the Cresco Group's consolidated subsidiaries

	FY3/2018				FY3/2019				FY3/2020				FY3/2021				FY3/2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CRESCO e-Solution Co., Ltd.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRESCO Wireless, Inc.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
IOS Co., Ltd. [*2][*6][*8][*11]	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRESCO KYUSHU Co. Ltd. [*9]	●	●	●	●	●	●	●	●	/	/	/	/	/	/	/	/	/	/	/	/
CRESCO HOKURIKU. LTD.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Cresco Shanghai Software CO., LTD. [*1]	●	●	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
C3 Co. Ltd.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRESCO Digital Technologies Ltd. [*14]	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Mexess Co., Ltd. [*4][*5]	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
N-System Corporation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Nexus Corporation [*3]	/	/	/	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
ARS Corporation Ltd. [*7]	/	/	/	/	/	/	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRESCO VIETNAM CO., LTD. [*10]	/	/	/	/	/	/	/	/	/	○	●	●	●	●	●	●	●	●	●	●
Enisias Co., Ltd. [*12]	/	/	/	/	/	/	/	/	/	/	/	/	●	●	●	●	●	●	●	●
OEC Ltd. [*13]	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	●	●	●	●
Total number of subsidiaries	10	10	9	10	10	10	11	11	10	11	11	11	12	12	12	12	12	13	13	13

[*1] Completed the liquidation of Cresco Shanghai Software CO., LTD. Effective September 25, 2017.

[*2] Applications Co., Ltd. became a subsidiary of IOS Co., Ltd. (a sub-sub-sidiary of the Company) effective October 2, 2017.

[*3] Nexus Corporation became a subsidiary effective January 12, 2018.

[*4] Media Magic Co., Ltd. was renamed Mexess Co., Ltd. effective March 12, 2018.

[*5] The Kansai Office of IOS Co., Ltd. was integrated into Mexess Co., Ltd. Effective April 1, 2018.

[*6] Applications Co., Ltd. was integrated into IOS Co., Ltd. effective April 1, 2018.

[*7] ARS Corporation Ltd. became a subsidiary effective October 1, 2018.

[*8] e-techno. Co., Ltd. became a subsidiary of IOS Co.,Ltd. (a sub-sub-sidiary of the Company) effective November 1, 2018.

[*9] Cresco KYUSHU Co. Ltd. was integrated into the Company effective April 1, 2019.

[*10] CRESCO VIETNAM CO., LTD. was established effective September 17, 2019. (Date of business commencement: October 1, 2019)

[*11] e-techno. Co., Ltd. was integrated into IOS Co., Ltd. effective October 1, 2019.

[*12] Enisias Co., Ltd. became a subsidiary effective April 1, 2020.

[*13] OEC Ltd. became a subsidiary effective July 1, 2021.

[*14] Creative Japan, LTD. changed its name to CRESCO Digital Technologies Ltd. on May 1, 2022.

Reference 2) Changes in reportable segments

From April 2021 (fiscal year ending March 31, 2022), the reportable segments have been changed.

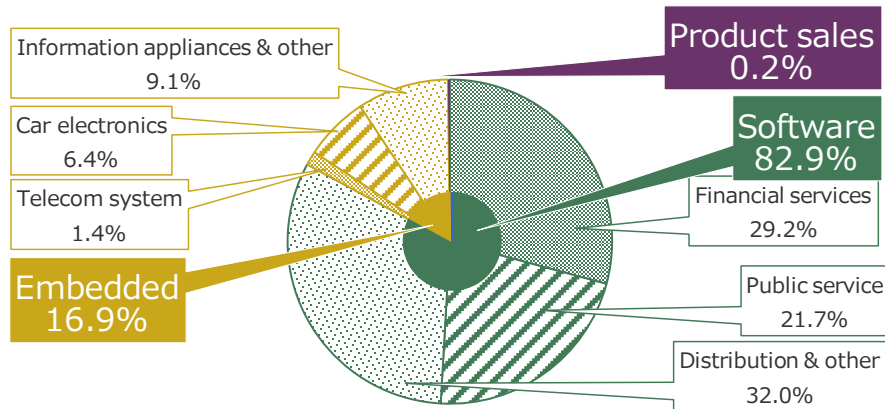


Announced on May 10, 2021

https://ssl4.eir-parts.net/doc/4674/ir_material_for_fiscal_ym5/101075/00.pdf

Old Segment : FY3/2021 4Q

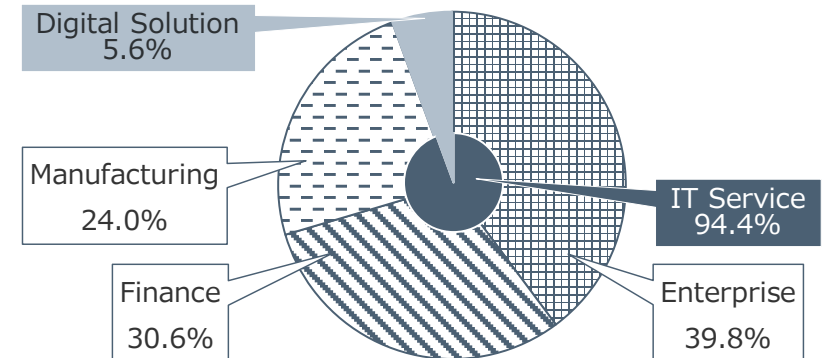
<Share of net sales by segment: 4Q (Jan~Mar)>



Segment	Business	Subsegment
Software development	<ul style="list-style-type: none"> Business application development IT infrastructure system architecture Original products and services 	<ul style="list-style-type: none"> Financial services (Banking, insurance, payment card, securities, etc.) Public services (Travel, human resources, logistics, airline, railway, electric power, broadcast, medical, etc.) Distribution & other (Retail, real estate, information and communication, manufacturing, etc.)
Embedded software development	<ul style="list-style-type: none"> Embedded software development 	<ul style="list-style-type: none"> Telecom systems (Mobile devices, etc.) Car electronics (Digital meters, center displays, etc.) Information appliances & other (Digital home appliances, medical equipment, control systems, etc.)
Product sales	<ul style="list-style-type: none"> Product sales of a subsidiary "CRESCO Wireless, Inc." 	

New Segment : FY3/2022 4Q

<Share of net sales by segment: 4Q (Jun~Mar)>



Segment	Business	Subsegment
IT Service	<ul style="list-style-type: none"> Consulting IT planning Total service of development and maintenance 	<ul style="list-style-type: none"> Enterprise (Information and communication, advertising, distribution services, transport, placement and dispatching, public services, resources and energy, construction and real estate, travel and hotels, medical and healthcare, etc.) Finance (Banking, insurance, etc.) Manufacturing (Automotive, transport equipment, machinery, electronics, etc.)
Digital Solution	<ul style="list-style-type: none"> Solution groups consisting of products and services supporting customers in realizing digital transformation (DX) 	<ul style="list-style-type: none"> "Creage", "Intelligent Folder", RPA, etc.

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[IR inquiries]
E-mail: ir@cresco.co.jp