

Translation

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To whom it may concern:



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<Changes to Disclosed Item>

Notice Concerning Basic Agreement between CRESCO, Forum Engineering, and SRM Global of India Regarding Capital Investment into Cognavi India Private Limited of India

CRESCO LTD. (head office: Minato-ku, Tokyo; President and Executive Officer: Hiroshi Tominaga; hereinafter, “the Company”), as announced in “Notice Concerning Basic Agreement between CRESCO, Forum Engineering, and SRM Global of India Regarding Capital Investment into Cognavi India Private Limited of India” released on November 24, 2022 (hereinafter the “Notice”), has concluded a basic agreement with Forum Engineering Inc. (head office: Minato-ku, Tokyo; Representative Director and President: Tsutomu Sato; hereinafter “FE”), and SRM Global Consulting Private Limited (the global business function of SRM Institute of Science and Technology, a major private university producing top engineers in the Republic of India; hereinafter “SRM Global”) regarding an alliance (hereinafter the “Alliance”) through capital investment in the form of receipt of a third-party allotment for capital increase from Cognavi India Private Limited (an overseas subsidiary of FE, hereinafter “Cognavi India”) to accelerate the business development of Cognavi India for the purpose of the global expansion of FE’s human resource service, “Cognavi,” which specializes in engineers, and after discussions and examination, resolved to enter into a shareholder agreement and a share subscription agreement (hereinafter collectively referred to as the “Agreements”) between the Company, FE, SRM Global and Cognavi India.

When the Agreements were entered into, some revisions were made to the contents of the Agreements regarding “(i) Overview of the share issuance,” “(ii) Number of shares to be acquired by FE, acquisition price, and status of shareholding before and after acquisition,” “(iii) Number of shares to be acquired by the Company (CRESCO), acquisition price, and status of shareholding before and after acquisition,” and “(iv) Number of shares to be acquired by SRM Global, acquisition price, and status of shareholding before and after acquisition” in “2. Details of the Alliance, (2) Details of the third-party allotment for capital increase by Cognavi India” of the Notice based on agreement between the Company, FE, SRM Global, and Cognavi India. Changes and additions are underlined.

Regarding the overview of the Alliance, please also refer to “1. Purpose and Background of the Alliance” and “2. Details of the Alliance, (1) Details of the basic agreement” in the Notice as there have been no changes to the contents of these sections.

1. Changes in the details of the third-party allotment for capital increase by Cognavi India

<Before changes>

(i) Overview of the share issuance

(1) Number of shares to be issued	115,000 shares
(2) Payment amount	INR10,000 per share
(3) Total payment amount	INR1,150,000,000 (JPY2,001 million) *1
(4) Payment date *2	a. February 2023 (Planned) b. December 2023 (Planned)

(ii) Number of shares to be acquired by FE, acquisition price, and status of shareholding before and after acquisition

(1) Number of shares held before change	5,000 shares (Ownership ratio 100.00%) *3
(2) Number of shares to be acquired	85,000 shares (Acquisition price INR850 million (JPY1,479 million)*1)
(3) Number of shares held after change	90,000 shares (Ownership ratio 75.00%) *3

- (iii) Number of shares to be acquired by the Company (CRESCO), acquisition price, and status of shareholding before and after acquisition

(1) Number of shares held before change	0 shares (Ownerships ratio 0.00%)
(2) Number of shares to be acquired	10,000 shares (Acquisition price INR100 million (JPY174 million) *1)
(3) Number of shares held after change	10,000 shares (Ownerships ratio 8.33%)

- (iv) Number of shares to be acquired by SRM Global, acquisition price, and status of shareholding before and after acquisition

(1) Number of shares held before change	0 shares (Ownerships ratio 0.00%)
(2) Number of shares to be acquired	20,000 shares (Acquisition price INR200 million (JPY348 million)*1)
(3) Number of shares held after change	20,000 shares (Ownerships ratio 16.67%)

*1 Japanese yen equivalents for Indian rupee amounts are calculated using the exchange rate as of November 22, 2022 (INR1= JPY1.74)

*2 The plan for payment is to pay in two installments of half the total amount each time.

*3 Include 1 share held by Teruyuki Akiyama, representative of Cognavi India serving concurrently as Managing Director of FE.

<After changes>

- (i) Overview of the share issuance

(1) Number of shares to be issued	<u>105,000</u> shares
(2) Payment amount	INR10,000 per share
(3) Total payment amount	INR <u>1,050,000,000</u> (approx. JPY <u>1,669</u> million) *1
(4) Payment date *2	a. <u>April/May 2023</u> (Planned) *4 b. December 2023 (Planned)

- (ii) Number of shares to be acquired by FE, acquisition price, and status of shareholding before and after acquisition

(1) Number of shares held before change	5,000 shares (Ownership ratio 100.00%) *3
(2) Number of shares to be acquired	85,000 shares (Acquisition price INR850 million) (approx. JPY <u>1,351</u> million) *1
(3) Number of shares held after change	90,000 shares (Ownership ratio <u>81.82%</u>) *3

- (iii) Number of shares to be acquired by the Company (CRESCO), acquisition price, and status of shareholding before and after acquisition

(1) Number of shares held before change	0 shares (Ownerships ratio 0.00%)
(2) Number of shares to be acquired	10,000 shares (Acquisition price INR100 million) (JPY <u>159</u> million) *1
(3) Number of shares held after change	10,000 shares (Ownerships ratio <u>9.09%</u>)

- (iv) Number of shares to be acquired by SRM Global, acquisition price, and status of shareholding before and after acquisition

(1) Number of shares held before change	0 shares (Ownerships ratio 0.00%)
(2) Number of shares to be acquired	<u>10,000</u> shares (Acquisition price INR <u>100</u> million) (JPY <u>159</u> million) *1
(3) Number of shares held after change	<u>10,000</u> shares (Ownerships ratio <u>9.09%</u>)

*1 Japanese yen equivalents for Indian rupee amounts are calculated using the exchange rate as of March 28, 2023 (INR1= JPY1.59)

*2 Payment will be made in two installments of half the total amount each time.

*3 Include 1 share held by Teruyuki Akiyama, Managing Director of FE.

*4 As of today, it has been confirmed that, due to technical issues with the system operated by the Ministry of Corporate Affairs in India, the system continues to have problems properly receiving submitted registration documents related to the issuance of shares. Once the technical issues of this system are resolved, the first payment is planned to be made as scheduled.

2. Outlook

While the Company expects that the Alliance will have negligible impact on the Company's financial results for the fiscal year ending March 31, 2023, if an event which is required to be disclosed arises in relation to the Alliance, the Company will promptly announce such event.