Translation

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November 16, 2026

To whom it may concern:

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Notice Concerning Disposal of Treasury Shares as Restricted Shares Remuneration for Employees of the Company and Employees of the Company's subsidiaries

CRESCO LTD. (head office: Minato-ku, Tokyo; President and Executive Officer: Hiroshi Tominaga; hereinafter, the "Company") hereby announces that the Board of Directors resolved today to dispose of treasury shares (hereinafter, the "Disposal of Treasury Shares" or "Disposal") as follows.

1. Summary of Disposal

(1)	Date of Disposal	December 11, 2026
(2)	Class and number of shares to be disposed of	Common shares of the Company: 28,050 shares
(3)	Disposal price	1,960 yen per share
(4)	Total Disposal amount	54,978,000 yen
(5)	Allottees and the number thereof and the number of shares to be disposed of	33 employees of the Company: 16,830 shares 22 employees of the Company's subsidiaries: 11,220 shares

2. Purposes and reasons for disposal

At the meeting of the Board of Directors held today, the Company resolved to grant restricted shares to employees of the Company and Employees of the Company's subsidiaries who meet certain conditions (hereinafter, "Eligible Employees" and "Eligible subsidiaries Employees", collectively referred to as the "Eligible Employees, etc.") based on the restricted shares remuneration system (hereinafter, "System"), whose purpose is to provide incentives to generate sustainable growth in the corporate value of the CRESCO Group, which consists of the Company, subsidiaries and associates, and to promote greater sharing of value with shareholders.
Under the System, Eligible Employees, etc. pay all of the monetary remuneration claims received from the Company as contributions in-kind and receive common shares disposed of by the Company.
In disposing of treasury shares under the System, an agreement on the allotment of shares with restriction on transfer shall be concluded between the Company and Eligible Employees, etc., and the agreement shall include provisions (i) that Eligible Employees, etc. may not transfer, hypothecate or otherwise dispose of the common shares allotted thereunder during a certain period and (ii) that the Company shall acquire the said common shares without contribution in the event that certain grounds arise.

For the purpose of further enhancing the motivation of Eligible Employees, etc., the total amount of monetary remuneration claim of 54,978,000 yen (hereinafter, the "Monetary Remuneration Claim") for 28,050 common shares was determined to be granted this time taking into consideration the purpose of the System, the business circumstances of the Company, the responsibilities of Eligible Employees, etc. and various other reasons. Furthermore, the transfer restriction period for Eligible Employees, etc. shall be approximately three years in order to achieve the sharing of shareholder value, the purpose for introducing the System.

For the Disposal of Treasury Shares, pursuant to the System, 55 Eligible Employees, etc. will make contributions in-

kind of all of the Monetary Remuneration Claim received from the Company or the Company's subsidiaries to have common shares of the Company (hereinafter, "Allotted Shares") disposed of. The outline of the agreement on the allotment of shares with restriction on transfer to be concluded between the Company and Eligible Employees, etc. for the Disposal of Treasury Shares (hereinafter, the "Allotment Agreement") is as described in 3 below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

From December 11, 2026 to December 3, 2029

(2) Conditions for lifting transfer restrictions

Restrictions on the transfer of all Allotted Shares shall be lifted upon expiration of the transfer restriction period on the condition that the Eligible Employees maintains their position (In cases where Eligible Employees, etc. are the employees of the Company's subsidiaries, the position as an employee of such subsidiary, hereinafter referred to as the "Position") as an employee of the Company throughout the transfer restriction period. If Eligible Employees, etc. ceases to be an employee of the Company before the transfer restriction period has ended because of retirement or resignation due to transfer, death or any other reason deemed justifiable by the Board of Directors, transfer restrictions shall be lifted at the time immediately after their retirement or resignation.

(3) Acquisition by the Company without contribution

The Company shall necessarily acquire without contribution such Allotted Shares whose transfer restrictions have not been lifted as of the time immediately after Eligible Employees, etc. ceases to be an employee of the Company during the transfer restriction period.

(4) Management of shares

During the transfer restriction period, Allotted Shares shall be managed under dedicated accounts that Eligible Employees opened with Nomura Securities Co., Ltd., to ensure that the restricted shares may not be transferred, hypothecated or otherwise disposed of during the transfer restriction period. The Company has concluded an agreement with Nomura Securities Co., Ltd. in relation to the management of accounts for Allotted Shares held by each Eligible Employee in order to ensure the effectiveness of transfer restrictions pertaining to Allotted Shares. Eligible Employees, etc. shall agree on the details of management of said accounts.

(5) Treatment during reorganization, etc.

If, during the transfer restriction period, a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter relating to reorganization, etc. is approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval by the General Meeting of Shareholders is not required regarding the reorganization, etc.), the Company shall lift, at the time immediately before the business day preceding the date on which the reorganization, etc. becomes effective (hereinafter, the "Effective Date of the Reorganization, Etc."), by a resolution by its Board of Directors, the transfer restriction on shares at the number of shares obtained by multiplying the number of Allotted Shares held by Eligible Employees, etc. on the Effective Date of the Reorganization, Etc. by the number obtained by dividing the number of months from the month in which the paying-in date falls to the month in which the Effective Date of the Reorganization, Etc. falls by 37 (However, any number of shares less than one unit that results from the calculation shall be rounded down.). In such a case, the Company shall necessarily acquire without contribution all of such Allotted Shares whose transfer restrictions have not been lifted as of the time immediately after said transfer restriction is lifted.

4. Basis for calculation of the amount to be paid in and specific details thereof

The Disposal of Treasury Shares to Eligible Employees, etc. is based on monetary remuneration claims paid to expected allottees as equity investment property, and in order to prevent any arbitrariness, the amount to be paid in was determined to be 1,960 yen, which was the closing price for the Company's common shares on the Prime Market of the Tokyo Stock Exchange on November 13, 2026 (the business day before the date of the resolution by the Board of Directors). This was the market share price on the day immediately before the date of the resolution by the Board of Directors, and we believe it is reasonable and does not constitute a particularly advantageous price.