

Translation

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December 28, 2017

To whom it may concern:

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Notice Concerning the Completion of the Payment for the Issuance through Third-Party Allotment of 4th Series Subscription Rights to Shares with Exercise Price Amendment Clause (Subject to Exercise Restrictions) and 5th and 6th Series Subscription Rights to Shares with Exercise Price Amendment Options (Subject to Exercise Restrictions)

Concerning the previous announcement that CRESCO LTD. (the "Company") resolved at a meeting of its Board of Directors held on December 13, 2017 to issue through third-party allotment to CREDIT SUISSE SECURITIES (JAPAN) LIMITED of the 4th Series Subscription Rights to Shares, the 5th Series Subscription Rights to Shares, and the 6th Series Subscription Rights to Shares (which are hereinafter respectively referred to as the "4th Series Subscription Rights to Shares," the "5th Series Subscription Rights to Shares" and the "6th Series Subscription Rights to Shares," and individually or collectively as the "Subscription Rights to Shares"), the Company has confirmed and hereby announces the completion of payment of the total amount of the issue price (23,114,000 yen) for the Subscription Rights to Shares on December 28, 2017.

For the details of the issuance of Subscription Rights to Shares, please refer to the press release "Notice Concerning the Issuance through Third-Party Allotment of 4th Series Subscription Rights to Shares with Exercise Price Amendment Clause (Subject to Exercise Restrictions) and 5th and 6th Series Subscription Rights to Shares with Exercise Price Amendment Options (Subject to Exercise Restrictions)" dated December 13, 2017.

(Reference)

Overview of Subscription Rights to Shares

(1) Allotment date	December 28, 2017
(2) Total number of subscription rights to shares	6,000 units 4th Series Subscription Rights to Shares: 2,000 units 5th Series Subscription Rights to Shares: 2,000 units 6th Series Subscription Rights to Shares: 2,000 units
(3) Issue price	23,114,000 yen in total (3,165 yen per 4th Series Subscription Rights to Shares, 4,268 yen per 5th Series Subscription Rights to Shares, and 4,124 yen per 6th Series Subscription Rights to Shares)
(4) Number of potential shares arising from the issuance	Number of potential shares: 600,000 shares (100 shares per Subscription Rights to Shares) 4th Series Subscription Rights to Shares: 200,000 shares 5th Series Subscription Rights to Shares: 200,000 shares 6th Series Subscription Rights to Shares: 200,000 shares There is no maximum exercise price. The minimum exercise price is 3,357 yen for all Subscription Rights to Shares. The total number of potential shares remains to be 600,000 shares regardless of the level of exercise price including at the minimum exercise price.
(5) Amount of funds to be raised (estimated amount of net proceeds)	3,034,114,000 yen (estimated amount of net proceeds) (Note)
(6) Exercise price and amendment conditions of exercise price	Initial exercise prices 4th Series Subscription Rights to Shares: 4,316 yen 5th Series Subscription Rights to Shares: 5,035 yen 6th Series Subscription Rights to Shares: 5,754 yen The exercise price of the 4th Series Subscription Rights to Shares will be amended to an amount equivalent to 90% of the closing price (if there is no closing price on that day, the last closing price) of ordinary trading of common shares of the Company on the trading day of the Tokyo Stock Exchange immediately preceding the effective date of each exercise request for the 4th Series Subscription Rights to Shares (any fraction less than 1 yen will be

	<p>rounded up). However, if the amended exercise price calculated as above would be less than the minimum exercise price, the minimum exercise price shall be the exercise price after the amendment.</p> <p>The Company also has the right to amend the exercise prices of the 5th Series Subscription Rights to Shares and the 6th Series Subscription Rights to Shares by a resolution of its Board of Directors if it is deemed necessary for its capital policy on any day falling on or after June 29, 2018 until and including December 26, 2019 as the amendment date. In this case, the Company will immediately notify the holders of the subscription rights to shares to that effect and the exercise price will be amended to an amount equivalent to 90% of the closing price (if there is no closing price on that day, the last closing price) of ordinary trading of common shares of the Company on the trading day of the Tokyo Stock Exchange that falls on the date of such a resolution of the Board of Directors effective, after the following trading day of such a resolution of the Board of Directors effective (the “Amendment Date”) (any fraction less than 1 yen will be rounded up). However, if the amended exercise price calculated as above would be less than the minimum exercise price, the minimum exercise price shall be the exercise price after the amendment.</p> <p>Notwithstanding the above, the Company cannot amend the exercise price of the 5th Series Subscription Rights to Shares and the 6th Series Subscription Rights to Shares in either of the following cases:</p> <ul style="list-style-type: none"> <li>(i) There is a fact concerning the Company or any company belonging to the Company’s corporate group that is not yet publicly announced, and it could have a considerable impact on the stock price of the Company once it is publicly announced (including, but not limited to, the facts prescribed in Article 166, Paragraph 2 and Article 167, Paragraph 2 of the Financial Instruments and Exchange Act).</li> <li>(ii) Six months have not passed since the last Amendment Date.</li> </ul>
(7) Offering or allotment method (allotted party)	Third-party allotment to CREDIT SUISSE SECURITIES (JAPAN) LIMITED
(8) Restrictions on the exercise	<p>Concerning the 4th Series Subscription Rights to Shares, the Company has reached an agreement to the following effect with CREDIT SUISSE SECURITIES (JAPAN) LIMITED, the party to which the Subscription Rights to Shares are allotted (the “Allotted Party”), in the third-party allotment agreement concerning the Subscription Rights to Shares which has been concluded with the Allotted Party when the notification under the Financial Instruments and Exchange Act concerning the offering of the Subscription Rights to Shares takes effect (the “Third-party Allotment Agreement”):</p> <ul style="list-style-type: none"> <li>• Restrictions on the exercise of subscription rights to shares Except in the case of prescribed exceptions, the Allotted Party shall not exercise the 4th Series Subscription Rights to Shares in a manner that the total number of common shares of the Company to be delivered as a result of the exercise of the 4th Series Subscription Rights to Shares in any given calendar month would exceed 10% of the total number of its listed shares as of December 28, 2017 (“Exercise in Excess of Restrictions”). If the Allotted Party intends to exercise the 4th Series Subscription Rights to Shares, it shall confirm with the Company in advance whether the proposed exercise of the 4th Series Subscription Rights to Shares would constitute an Exercise in Excess of Restrictions. Upon receiving such an inquiry from the Allotted Party, the Company shall immediately provide the answer. The Company shall ensure that no Exercise in Excess of Restrictions is carried out by any party (other than the Allotted Party) that holds any subscription rights to shares, etc. issued by the Company that are linked to the market price of its shares.</li> </ul>
(9) Other	<p>The Company has reached an agreement with the Allotted Party to the following effect in the Third-party Allotment Agreement:</p> <ul style="list-style-type: none"> <li>• The Allotted Party shall request the permission from the Company for the exercise of the Subscription Rights to Shares and can exercise the Subscription Rights to Shares only if the Company gives the permission.</li> <li>• The Allotted Party can demand the purchase of the Subscription Rights to Shares by the Company by notifying the Company anytime during the period from December 13, 2019 to December 26, 2019. If such a demand is made, the Company shall purchase the Subscription Rights to Shares from the Allotted Party at the same price as the paid-in amount.</li> <li>• The Allotted Party shall not transfer the Subscription Rights to Shares without obtaining the approval of the Board of Directors of the Company.</li> </ul>

(Note) The amount of funds to be raised is the amount calculated by deducting the estimated amount of various issue costs for the Subscription Rights to Shares from the amount calculated by adding the total amount of the value of property contributed upon the exercise of the Subscription Rights to Shares to the total paid-in amount of the Subscription Rights to Shares. The total amount of value of property contributed upon the exercise of the Subscription Rights to Shares above is the amount calculated assuming that all Subscription Rights to Shares are exercised at the initial exercise prices. If the exercise prices are amended or adjusted, the amount of funds raised would increase or decrease. Furthermore, if the Subscription Rights to Shares are not exercised during the exercise period or if the Company cancels the Subscription Rights to Shares that it has acquired, the amount of funds raised would decrease.