

Translation

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September 25, 2018

To whom it may concern:

Company name: CRESCO LTD.
Representative: President, Operating Officer Hiroyuki Nemoto
(Stock code: 4674 Tokyo Stock Exchange, First Section)
Inquiries: Operating Officer, General Manager Satoshi Takaishi
of Group Business Promotion Unit
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Notice Concerning Acquisition of Shares of ARS Corporation Ltd. (for Conversion into a Subsidiary)

CRESCO LTD. (the “Company”) hereby announces the decision made at the Board of Directors meeting held on September 25, 2018 to make ARS Corporation Ltd. (“ARS”) its subsidiary by acquiring all the outstanding shares of ARS. Details are set forth below.

1. Reasons for the share acquisition

The CRESCO Group has grown into an IT conglomerate currently with ten subsidiaries and three entities accounted for using equity method under their parent company, CRESCO LTD. Leveraging the organic interconnections linking each of the companies together, we develop and provide services that meet a broad range of needs including consultation for corporate IT strategy planning, development, and operation and maintenance.

ARS specializes in designing and developing software packages related to human resources, payroll, and workflow. As a core partner certified by IBM Japan, ARS has been advancing business activities in cooperation with IBM Japan. We believe this share acquisition will help us capture software package development business, where increasing demand is anticipated, and be conducive to greater corporate value of the Group.

We remain committed to maximizing sales channels and technologies of each group company, delivering more value-added solution services that support our customers’ core businesses, and further expanding our business while demonstrating our strength of integrated capabilities.

2. Outline of ARS Corporation Ltd.

(1)	Name	ARS Corporation Ltd.	
(2)	Location of headquarters	Noah Building 22 6F, 5-25-10, Himonya, Meguro-ku, Tokyo	
(3)	Title and name of representative	Jun Fukai, President	
(4)	Major line of business	- Design/development of computer software - Development of software packages related to human resources/payroll/workflow - Business consulting	
(5)	Capital	40,000,000 yen	
(6)	Date established	March 1988	
(7)	Major shareholder and shareholding ratio	Tamiyuki Kodama 55.5%	
(8)	Relationship between the listed company and the relevant company	Capital Relationship	There are no particularly notable capital relationships between the Company and the relevant company. There are also no particularly notable capital relationships between the related persons and affiliates of the Company and related persons and affiliates of the relevant company.
		Personnel Relationship	There are no particularly notable personnel relationships between the Company and the relevant company. There are also no particularly notable personnel relationships between the related persons and affiliates of the Company and related persons and affiliates of the relevant company.
		Business Relationship	There are no particularly notable business relationships between the Company and the relevant company. There are also no particularly notable

			business relationships between the related persons and affiliates of the Company and related persons and affiliates of the relevant company.	
(9)	Operating results and financial position of the relevant company for the last three years			
Fiscal year-end	Fiscal year ended February 29, 2016	Fiscal year ended February 28, 2017	Fiscal year ended February 28, 2018	
Net assets	320 million yen	349 million yen	354 million yen	
Total assets	378 million yen	400 million yen	433 million yen	
Net assets per share	400,108 yen	437,153 yen	442,676 yen	
Net sales	595 million yen	609 million yen	609 million yen	
Operating profit	63 million yen	87 million yen	50 million yen	
Ordinary profit	70 million yen	71 million yen	102 million yen	
Profit	49 million yen	49 million yen	24 million yen	
Earnings per share	61,529 yen	62,045 yen	30,523 yen	
Dividend per share	25,000 yen	25,000 yen	25,000 yen	

3. Outline of the major counterparty for the share acquisition

(1)	Name	Tamiyuki Kodama		
(2)	Address	Setagaya-ku, Tokyo		
(3)	Relationship between the listed company and the relevant individual	Capital Relationship	There are no particularly notable capital relationships between the Company and the relevant individual. There are also no particularly notable capital relationships between the related persons and affiliates of the Company and the relevant individual.	
		Personnel Relationship	There are no particularly notable personnel relationships between the Company and the relevant individual. There are also no particularly notable personnel relationships between the related persons and affiliates of the Company and the relevant individual.	
		Business Relationship	There are no particularly notable business relationships between the Company and the relevant individual. There are also no particularly notable business relationships between the related persons and affiliates of the Company and the relevant individual.	

(1)	Name	Jun Fukai		
(2)	Address	Nakahara-ku, Kawasaki-shi, Kanagawa		
(3)	Relationship between the listed company and the relevant individual	Capital Relationship	There are no particularly notable capital relationships between the Company and the relevant individual. There are also no particularly notable capital relationships between the related persons and affiliates of the Company and the relevant individual.	
		Personnel Relationship	There are no particularly notable personnel relationships between the Company and the relevant individual. There are also no particularly notable personnel relationships between the related persons and affiliates of the Company and the relevant individual.	
		Business Relationship	There are no particularly notable business relationships between the Company and the relevant individual. There are also no particularly notable business relationships between the related	

			persons and affiliates of the Company and the relevant individual.
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4. Number of shares to be acquired and shares held before and after change

(1)	Number of shares held before change	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2)	Number of shares acquired	800 shares (Number of voting rights: 800)
(3)	Number of shares held after change	800 shares (Number of voting rights: 800) (Percentage of voting rights held: 100%)

5. Schedule

(1)	Board of Directors Meeting	Tuesday, September 25, 2018
(2)	Date of Share Transfer Agreement	Tuesday, September 25, 2018
(3)	Date of Share Transfer	Monday, October 1, 2018

6. Future outlook

This acquisition of shares is expected to have only a minimal effect on the business performance of the Company for the fiscal year ending March 2019. If an event which is required to be disclosed arises, the Company will promptly announce such event.