

Translation

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

May 27, 2019

To whom it may concern:

Company name: CRESCO LTD.
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Notice Concerning Changes in Dividend Policy

CRESCO LTD. (the “Company”) hereby announces that, at the meeting held on May 27, 2019, the Board of Directors decided to make changes in dividend policy as follows.

1. Reason for changes in dividend policy

The Company considers the return of its profits to shareholders as an important managerial issue, and has paid consistent dividends every fiscal year. The Company intends to adhere to this basic policy and continue returning its profits to shareholders as determined on the basis of its business results while maintaining financial soundness.

The Group has grown its size to the Company, 11 consolidated subsidiaries, and three affiliates and as a result of reviewing the current dividend policy, the Company resolved to change the indicator serving as the basis for the dividend from the non-consolidated ordinary profit to the consolidated ordinary profit of the Company.

2. Details of dividend policy (changes are underlined)

Before changes	After changes
<p>The Company considers the return of its profits to shareholders as an important managerial issue. The Company’s basic dividend policy is to maintain payouts that are appropriate in light of its financial results, while increasing shareholders’ equity and keeping long-term and stable earning power.</p> <p>As for dividends, in principle the Company aims to continually pay out about 40% of profit for each fiscal year, which is calculated from <u>non-consolidated</u> ordinary profit and assuming extraordinary income and losses are zero.</p>	<p>The Company considers the return of its profits to shareholders as an important managerial issue. The Company’s basic dividend policy is to maintain payouts that are appropriate in light of its financial results, while increasing shareholders’ equity and keeping long-term and stable earning power.</p> <p>As for dividends, in principle the Company aims to continually pay out about 30% of profit <u>attributable to owners of parent</u> for each fiscal year, which is calculated from <u>consolidated</u> ordinary profit and assuming extraordinary income and losses are zero.</p>

3. Change period

The changes will be effective from an interim dividend of the fiscal year ending March 31, 2020 (the year-end dividend of the fiscal year ended March 31, 2019 will be paid in accordance with the dividend policy before the changes).

4. Forecast of cash dividends

Regarding the forecast of cash dividend per share for the fiscal year ending March 31, 2020, the forecasted annual dividend remains unchanged from the 68 yen per share stated in “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019” disclosed on May 9, 2019.

Note: The above information in the forecast of year-end cash dividends is based on information currently available to the Company, and actual business and other results may differ due to various factors.