

Translation

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July 22, 2019

To whom it may concern:

Company name: CRESCO LTD.
Representative: President, Executive Officer Hiroyuki Nemoto
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Notice Concerning Restructuring of Subsidiaries, etc.

CRESCO LTD. (the Company) hereby announces that it resolved at a meeting of its Board of Directors held on July 22, 2019 to integrate IOS Co., Ltd. (President: Daichi Miyamoto, Headquarters: Minato-ku, Tokyo; "IOS"), a consolidated subsidiary of the Company, and e-techno. Co., Ltd. (President: Daichi Miyamoto, Headquarters: Yokohama-shi, Kanagawa; "e-techno"), a subsidiary of IOS, effective October 1, 2019. Details are set forth below.

1. Reason for integration

Since its foundation in 1989, IOS has mainly provided industry infrastructure construction, application software development and maintenance services to a wide range of customers including financial institutions, manufacturing companies, public institutions, and social infrastructure.

In November 2018, IOS acquired e-techno as a subsidiary to 1. Reinforce human resources and 2. Expand the business domain. The integration outlined below is expected to strengthen the development capabilities and customer base of IOS, as well as to realize drastic efficiency improvement and accelerate business reform, driving further expansion of its corporate value.

Looking forward, the CRESCO Group will take on the challenge of achieving further growth by applying the principle of "selection and concentration" to its management resources.

2. Integration outline

- (1) Date of execution of contract: Monday, July 22, 2019
(2) Date of implementation of integration: Tuesday, October 1, 2019
(3) Integration method: Absorption-type merger in which IOS will be the surviving company
(4) Summary of involved companies

Table with 3 columns: Trade name, Surviving company, Absorbed company. Rows include Major lines of business, Date established, Location of headquarters, Representative, Capital, Major shareholders, and End of the fiscal year.

3. Financial results of the most recent fiscal year

(Unit: Amounts less than one million yen are rounded down)

	IOS Co., Ltd. (Surviving company) (Fiscal year ended March 31, 2019)	e-techno. Co., Ltd. (Absorbed company) (Fiscal year ended March 31, 2019)
Net assets	2,041	63
Total assets	3,017	84
Net sales	4,631	176
Operating profit	346	(3)
Ordinary profit	359	(3)
Profit	207	(3)

4. Status of integrating company after integration

There will be no change in the location of headquarters, capital, and fiscal year end date of IOS, which is the surviving company.

Trade name	IOS Co., Ltd.
Major line of business	<ul style="list-style-type: none">• Development of computer software• IT consulting• Design, development and manufacturing of information and communication equipment and facilities and peripheral equipment
Location of headquarters	Shinagawa Tokyu Building 9F, 1-6-31, Kounan, Minato-ku, Tokyo
Representative	Daichi Miyamoto, President
Capital	313,365,000 yen
End of the fiscal year	March 31

5. Outlook for the coming year

The Company considers that this matter's impact on the forecast of consolidated financial results for the fiscal year ending March 31, 2020 will be insignificant. However, if the Company recognizes any kind of matter requiring disclosure, it will make such disclosure promptly.