

Translation

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August 26, 2019

To whom it may concern:

Company name: CRESCO LTD.
Representative: President, Executive Officer Hiroyuki Nemoto
(Stock code: 4674 Tokyo Stock Exchange, First Section)
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Notice Concerning Establishment of Local Subsidiary (Overseas) in Vietnam

CRESCO LTD. (the “Company”) hereby announces that it resolved at the meeting of the Board of Directors held on August 26, 2019 to establish CRESCO VIETNAM CO., LTD., an overseas subsidiary, in the Socialist Republic of Vietnam (hereinafter, Vietnam) in order to further strengthen software development overseas (offshore development).

1. Purpose of establishment and future development

The labor shortage related in software development in Japan is severe and personnel recruitment is becoming increasingly difficult year by year. The Company established a Vietnam Representative Office in Hanoi City, Vietnam on April 1, 2017, and working with local Vietnamese companies, made efforts to expand development capabilities in order to appropriately respond to the demand for development and cost competition.

On this occasion, the Company has decided to establish an overseas subsidiary in order to further strengthen offshore development. The Company believes that it can expect to secure outstanding personnel and high cost performance as it can be said that Vietnam has a diligent workforce and that there is an abundance of personnel who excel in the software development industry.

After establishing this subsidiary, the Company will proactively promote local personnel recruitment and human resource development, and for the future, it will develop its business so that the subsidiary can function as a central base for offshore development for the CRESCO Group.

2. Details of local subsidiary to be established (planned)

(1) Trade name	CRESCO VIETNAM CO., LTD.
(2) Location	Room No. 201, 2nd Floor, Somerset Hoa Binh Building, No. 106 Hoang Quoc Viet Street, Nghia Do Ward, Cau Giay District, Hanoi City, Vietnam
(3) Representative	Atsushi Hirasawa, General Director
(4) Date of establishment	September 13, 2019
(5) Line of business	Development and maintenance services of IT systems and software
(6) Fiscal year-end	March 31
(7) Capital	US\$ 500,000
(8) Ownership ratio	CRESCO LTD. 100%
(9) Date of business commencement	October 1, 2019

3. Impact on financial results

The impact of the establishment of this subsidiary on consolidated financial results will be insignificant. However, if the Company determines at a later date that the subsidiary will significantly impact financial results, it will promptly announce such information.