

Translation

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February 5, 2021

To whom it may concern:

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Notice Concerning Acquisition and Cancellation of 7th Series Share Acquisition Rights Through Third Party Allotment

CRESCO LTD. (the “Company”) hereby announces the decision made at the Board of Directors meeting held on February 5, 2021 concerning the CRESCO LTD. 7th Series Share Acquisition Rights issued on January 30, 2020 (the “Share Acquisition Rights”) to purchase all the Share Acquisition Rights and immediately thereafter to cancel all the Share Acquisition Rights. The details are set forth below.

1. Details of share acquisition rights to be acquired and canceled

(1) Name of share acquisition rights to be acquired and canceled	CRESCO LTD. 7th Series Share Acquisition Rights
(2) Number of share acquisition rights to be acquired and canceled	4,470 rights (one share acquisition right corresponds to 200 shares)
(3) Aggregate purchase amount	Total of 8,144,340 yen (one share acquisition right corresponds to 1,822 yen)
(4) Acquisition date and cancellation date	February 24, 2021
(5) Number of share acquisition rights to remain after cancellation	0 rights

2. Reason for the acquisition and cancellation

The Share Acquisition Rights were issued for the purpose of procuring funds for costs relating to M&A and capital and business alliances, costs to acquire personnel and strengthen the business structure, and costs for research and development.

However, after making a comprehensive judgment of the situation, including the trend of the share price following the issuance to the Share Acquisition Rights, the Company’s capital policy, and the future market environment, the Company has decided to follow the terms of issuance of the Share Acquisition Rights and to acquire and cancel all the remaining Share Acquisition Rights.

Regarding the 517,617,260 yen in funds thus far procured through the issuance, the Company will use those funds as originally intended for costs relating to M&A and capital and business alliances. Already, the Company has appropriated those funds for the purchase of shares of companies as outlined in joint company releases “Notice Concerning Capital and Business Alliance between CRESCO LTD. and Chowa Giken Corporation” announced on February 25, 2020, “Notice Concerning Acquisition of Shares of Enisias Co., Ltd. (for Conversion into a Subsidiary)” announced on February 25, 2020, and “CRESCO LTD. and XYMAX Corporation Start Joint Venture and Conduct Merger of XYMAX Subsidiary ZXY MEQQE Corporation” announced on March 30, 2020 (Japanese only). In addition, the Company expects to cover the allocation of funds tied to the other Share Acquisition Rights by appropriating funds from cash reserves and borrowings.

3. Future impact

The Company expects that the acquisition and cancellation of the Share Acquisition Rights will have negligible impact on the Company’s consolidated financial results for the fiscal year ending March 31, 2021.