

## Translation

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November 13, 2023

To whom it may concern:

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### Notice Concerning Disposal of Treasury Shares as Restricted Shares Remuneration for Employees of the Company

CRESCO LTD. (the “Company”) hereby announces that the Board of Directors resolved on November 13, 2023 to dispose of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares” or “Disposal”) as follows.

#### 1. Summary of Disposal

(1) Date of Disposal	December 15, 2023
(2) Class and number of shares to be disposed of	Common shares of the Company 15,486 shares
(3) Disposal price	1,870 yen per share
(4) Total Disposal amount	28,958,820 yen
(5) Allottees and the number thereof and the number of shares to be disposed of	29 employees of the Company 15,486 shares
(6) Other	Regarding the Disposal of Treasury Shares, the Company has submitted a securities notification statement in accordance with the Financial Instruments and Exchange Act.

#### 2. Purposes and reasons for Disposal

At the meeting of the Board of Directors held on November 13, 2023, the Company resolved to grant restricted shares to employees of the Company who fulfill certain requirements (hereinafter referred to as “Eligible Employees”) based on the restricted shares remuneration system for the employees (hereinafter referred to as “System”), whose purpose is to provide incentives to generate sustainable growth in the corporate value of the CRESCO Group, which consists of the Company, subsidiaries and associates, and to promote greater sharing of value with all shareholders.

Under the System, Eligible Employees pay all of the monetary remuneration claims received from the Company as contributions in-kind and receive common shares disposed of by the Company.

In disposing of treasury shares under the System, an agreement on the allotment of shares with restriction on transfer shall be concluded between the Company and Eligible Employees and the agreement shall include provisions (i) that Eligible Employees may not transfer, hypothecate or otherwise dispose of the common shares allotted thereunder during a certain period and (ii) that the Company shall acquire the said common shares without contribution in the event that certain grounds arise.

For the purpose of further enhancing the motivation of Eligible Employees, the total amount of monetary remuneration claims of 28,958,820 yen (hereinafter referred to as the “Monetary Remuneration Claims”) for 15,486 common shares was determined to be granted this time taking into consideration the purpose of the System, the business circumstances of the Company, the responsibilities of Eligible Employees and various other reasons. Furthermore, in order to realize sharing of shareholder value, which is one of the purposes for introducing the System, the transfer restriction period for Eligible Employees was determined to be approximately 3 years.

For the Disposal of Treasury Shares, pursuant to the System, 29 Eligible Employees will make contributions in-kind of all of the Monetary Remuneration Claims received from the Company to have common shares of the Company (hereinafter referred to as “Allotted Shares”) disposed of. The outline of the agreement on the allotment of shares with restriction on transfer to be concluded between the Company and Eligible Employees for the Disposal of Treasury Shares (hereinafter referred to as the “Allotment Agreement”) is as described in 3 below.

### **3. Outline of the Allotment Agreement**

(1) Transfer restriction period

From December 15, 2023 to December 1, 2026

(2) Conditions for lifting transfer restrictions

The Company shall lift the transfer restriction of all of Allotted Shares upon expiration of the transfer restriction period, on the condition that Eligible Employees are in the position of employee of the Company throughout the transfer restriction period. However, if an Eligible Employee loses his or her position as employee of the Company before the expiration of the transfer restriction period due to retirement, appointment as a Director, transfer, retirement due to death, or any other reason deemed justifiable by the Board of Directors of the Company, the transfer restriction shall be lifted for the Allotted Shares immediately after the said outcome.

(3) Acquisition by the Company without contribution

The Company shall necessarily acquire without contribution the Allotted Shares for which the transfer restriction has not been lifted as of the time immediately after the respective person loses his or her status as employee of the Company during the transfer restriction period.

(4) Management of shares

During the transfer restriction period, Allotted Shares shall be managed under dedicated accounts that Eligible Employees opened with Nomura Securities Co., Ltd., to ensure that the restricted shares may not be transferred, hypothecated or otherwise disposed of during the transfer restriction period. The Company has concluded an agreement with Nomura Securities Co., Ltd. in relation to the management of accounts for Allotted Shares held by Eligible Employees in order to ensure the effectiveness of transfer restrictions pertaining to Allotted Shares. Eligible Employees shall agree on the details of management of said accounts.

(5) Treatment during reorganization, etc.

If, during the transfer restriction period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift, at the time immediately before the business day preceding the date on which the reorganization, etc. becomes effective, by a resolution by its Board of Directors, the transfer restriction on the Allotted Shares at the number of the shares held by the Eligible Employees at the time multiplied by the quotient obtained by dividing the number of months from the month in which the date of payment falls to the month in which the date of the said approval of the reorganization, etc. falls by 37. (However, any number of shares less than one unit that results from the calculation shall be rounded down.) In such an event, the Company shall necessarily acquire without contribution the Allotted Shares whose transfer restrictions has not been lifted as of the time immediately after said transfer restriction is lifted.

### **4. Basis for calculation of the amount to be paid in and specific details thereof**

The Disposal of Treasury Shares to be allotted to the Eligible Employees is treated as a contribution in-kind for the monetary remuneration claims paid to the allottees, and in order to prevent any arbitrariness in the price, the price of payment was determined to be 1,870 yen, which was the closing price for the Company's common share on the Prime Market of the Tokyo Stock Exchange on November 10, 2023 (the business day before the date of the resolution by the Board of Directors). This was the market share price on the day immediately before the date of the resolution by the Board of Directors, and we believe it is reasonable and does not fall under a particularly advantageous price.