

Translation

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February 5, 2024

To whom it may concern:



Company name: CRESCO LTD.
Representative: President and Executive Officer Hiroshi Tominaga
(Stock code: 4674 Tokyo Stock Exchange, Prime Market)
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Notice Concerning Changes in Dividend Policy

CRESCO LTD. (head office: Minato-ku, Tokyo; President and Executive Officer: Hiroshi Tominaga; hereinafter, “the Company”) hereby announces that, at the meeting held on February 5, 2024, the Board of Directors decided to make changes in the dividend policy. Details are set forth below.

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.

As a company listed on the Prime Market, the Company conducted a review of the current dividend policy in order to further improve capital efficiency, achieve sustainable growth and strengthen shareholder returns. As a result, the Company decided to change the dividend payout ratio as follows.

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 <u>about 30%</u> of profit attributable to owners of parent for each fiscal year, <u>which is calculated from consolidated ordinary profit and assuming extraordinary income and losses are zero.</u></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 <u>40%</u> of profit attributable to owners of parent for each fiscal year.</p> |

3. Timing of the change

The changes will be effective from an interim dividend of the fiscal year ending March 31, 2025.

(The year-end dividend of the fiscal year ending March 31, 2024 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, 2024, the forecasted annual dividend remains unchanged from the 50 yen per share stated in “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023” disclosed on May 10, 2023.

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.