

Translation

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February 26, 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 Acquisition of Shares of Jet Technologies Co., Ltd.
(for Conversion into a Subsidiary)**

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 26, 2024, the Board of Directors decided to acquire all of the outstanding shares of Jet Technologies Co., Ltd. to convert it into a subsidiary. Details are set forth below.

The Company does not need to disclose this share acquisition based on disclosure standards and is doing so on a voluntary basis. Accordingly, certain disclosure matters and details have been partially omitted.

1. Reasons for the share acquisition

The CRESCO Group has grown into an IT conglomerate currently with 12 subsidiaries and two entities accounted for using equity method under their parent company, the Company. Leveraging the organic interconnections linking each of the companies together, we develop and provide services that meet a broad range of needs including consultation for corporate IT strategy planning, development, and operation and maintenance.

Jet Technologies Co., Ltd. possesses professional personnel in various specialist fields related to IT infrastructure (project managers, infrastructure design and construction, middleware design and construction). Jet Technologies Co., Ltd. has been certified as a Finance Segment Platinum Partner by Hitachi, Ltd. It also has received numerous partner certifications from other companies. With its high level infrastructure design and construction capabilities and organizational capabilities, Jet Technologies Co., Ltd. has earned a strong reputation working on projects through major system integrators such as Hitachi, Ltd. and the Hitachi Group for end users that include leading Japanese financial, logistics, and manufacturing firms. It provides integrated services covering all stages from upstream processes such as project management and requirement definition to design and construction.

On the other hand, the CRESCO Group includes CRESCO Digital Technologies Ltd., which specializes in network, server, and security construction, and C3 Co. Ltd., which has an extensive record of doing business with the Hitachi Group, including Hitachi, Ltd.

This share acquisition will realize a collaborative relationship between Jet Technologies Co., Ltd. and the CRESCO Group, strengthening the Group’s IT infrastructure-related service capabilities and enabling it to expand its group account strategy. The Group therefore expects to realize a high level of synergy effects (business synergies and customer synergies).

We remain committed to maximizing sales channels and technologies of CRESCO and each group company, delivering more value-added solution services that support our customers’ core businesses, and further expanding the Group’s business while demonstrating our strength of integrated capabilities.

2. Outline of Jet Technologies Co., Ltd.

(1)	Name	Jet Technologies Co., Ltd.		
(2)	Location of headquarters	Nishi-Shinjuku Daikyo Building 6F, 7-21-3, Nishi-Shinjuku, Shinjuku-ku, Tokyo		
(3)	Title and name of representative	Tsugunori Hoshino		
(4)	Major lines of business	<ul style="list-style-type: none"> - System consulting - Infrastructure design, construction, and operation - Installation of various middleware products - Web application technology development - Business application design and development - Customization of various packages - Sales of various products, hardware and software 		
(5)	Capital	14 million yen		
(6)	Date of establishment	March 10, 2005		
(7)	Major shareholder and shareholding ratio	Tsugunori Hoshino (52.94%) Three other individual shareholders (47.06%)		
(8)	Relationship between the listed company and the relevant company	Capital relationship	There are no particularly notable capital relationships between the Company and the relevant company. There are also no particularly notable capital relationships between the related persons and affiliates of the Company and the related persons and affiliates of the relevant company.	
		Personnel relationship	There are no particularly notable personnel relationships between the Company and the relevant company. There are also no particularly notable personnel relationships between the related persons and affiliates of the Company and the related persons and affiliates of the relevant company.	
		Business relationship	There are no particularly notable business relationships between the Company and the relevant company. There are no particularly notable business relationships between the related persons of the Company and the related persons and affiliates of the relevant company.	
		Related party status	The relevant company is not a related party of the Company. Moreover, the related persons and affiliates of the relevant company are not related parties of the Company.	
(9)	Operating results and financial position of the relevant company for the last three years			
		(Millions of yen)		
	Fiscal year	FY2/2021	FY2/2022	FY2/2023
	Net assets	423	495	562
	Total assets	881	901	1,023
	Net assets per share (yen)	498,280	582,867	661,786
	Net sales	2,260	2,411	2,518
	Operating profit	136	99	98
	Ordinary profit	137	108	98
	Profit	86	71	67
	Earnings per share (yen)	101,868	84,587	78,918
	Dividend per share (yen)	–	–	–

3. Outline of the counterparty for the share acquisition

(1)	Name	Tsugunori Hoshino Three other individual shareholders	
(2)	Address	The vendor of the shares are individuals, and the Company will not disclose the persons due to a confidentiality agreement.	
(3)	Relationship between the listed company and the relevant individuals	Capital relationship	There are no particularly notable capital relationships between the Company and the relevant individuals. There are also no particularly notable capital relationships between the related persons and affiliates of the Company and the relevant individuals.
		Personnel relationship	There are no particularly notable personnel relationships between the Company and the relevant individuals. There are also no particularly notable personnel relationships between the related persons and affiliates of the Company and the relevant individuals.
		Business relationship	There are no particularly notable business relationships between the Company and the relevant individuals. There are also no particularly notable business relationships between the related persons and affiliates of the Company and the relevant individuals.

4. Number of shares to be acquired and shares held before and after change

(1)	Number of shares held before change	Common shares 0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2)	Number of shares acquired	Common shares 850 shares (Number of voting rights: 850)
(3)	Number of shares held after change	Common shares 850 shares (Number of voting rights: 850) (Percentage of voting rights held: 100%)

* The acquisition price is determined based on due diligence.

5. Schedule

(1)	Board of Directors Meeting	Monday, February 26, 2024
(2)	Date of Share Transfer Agreement	Monday, February 26, 2024
(3)	Date of Share Transfer	Monday, April 1, 2024

6. Outlook

This acquisition of shares is expected to have negligible effect on the business performance of the Company for the fiscal year ending March 2025. If an event which is required to be disclosed arises, the Company will promptly announce such event.