

January 16, 2018

[Translation]

Company Name: Prospect Company Limited
Representative: President and CEO Curtis Freeze
(Security Code: 3528 TSE 2nd Section)
Contact: Representative Director Masato Tabata
(TEL: 03-3470-8411)

Notice regarding Changes of Major Shareholder

Prospect Co., Ltd. (the "Company") hereby announces that there was a change of its major shareholder as of January 9, 2018.

Note

1. Background of the change

The Company has confirmed the change of a major shareholder according to a Report of Possession of Large Volume (Change Report) submitted by the following shareholder to the director-general of Kanto Finance Bureau, dated January 12, 2018. The Company is disclosing that the relevant shareholder is no longer a major shareholder on January 9, 2018. Regarding the change, the Company has not confirmed any ownership of the shares held on its shareholders' register.

2. Outline of shareholder subject to change

① Name	Lazard Asset Management LLC
② Address	30 Rockefeller Plaza, New York NY, U.S.A.
③ Representative	CEO Ashish Bhutani
④ Business	Investment Management

3. Number of voting rights (shares) owned by the relevant major shareholder and the holding ratio before and after the change

	Number of voting rights (number of shares)	Holding ratio against the aggregate voting rights
Before the change (as of July 27, 2017)	58,234 (58,234,443 shares)	14.78%
After the change	40,297 (40,297,963 shares)	9.70%

* Before the change, "Holding ratio against the aggregate voting rights" is calculated based on the aggregate voting rights (393,889 votes) which are represented by the aggregated number of outstanding shares as of March 31, 2017 (172,556,807 shares) and shares issued thereafter upon exercise of stock options during July 2017 (10,000 shares) and in the issuance of new shares on July 27, 2017 (230,881,505 shares), with deduction of 9,559,307 shares which do not carry voting rights.

After the change, "Holding ratio against the aggregate voting rights" is calculated based on the aggregate voting rights as of December 31, 2017 (411,357 votes) which are represented by the aggregated number of outstanding shares as of September 30, 2017 (403,448,312

shares) and shares issued thereafter upon exercise of stock options from October 2017 to December 2017 (10,784,260 shares), with deduction of 2,775,519 shares which do not carry voting rights.

The above list was prepared based on the Report of Possession of Large Volume (Change Report) submitted by the relevant shareholder and the Company has not confirmed any ownership of the shares held on its shareholders' register. Therefore, the Company does not state the rank of the major shareholder.

4. Business outlook

There is no serious impact on our business results from this change.

End