

[Translation]



June 26, 2019

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(Security Code: 3528 TSE 2nd Section)
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(Revision) Notice regarding additional revision of "Notice of Convening the 118th Annual General Meeting of Shareholders"

Prospect Co., Ltd. (the "Company") hereby gives notice as described below that the Company has made an additional revision of the "Notice of Convening the 118th Annual General Meeting of Shareholders", after the first revision, which was announced on June 24, 2019. We apologize sincerely for any inconvenience it may cause.

Note

1. Revised content (underlined)

Notice of Convening the 118th Annual General Meeting of Shareholders

Page 12, (6) Changes in Status of Assets and Loss and Profit

(before revision)

[1] Changes in status of assets and loss and profit of the corporate group

(Unit: Thousand yen)

Category \ Term	115th Term (FY ended March 31, 2016)	116th Term (FY ended March 31, 2017)	117th Term (FY ended March 31, 2018)	118th Term (FY ended March 31, 2019) (Current Consolidated Fiscal Year)
Sales	16,724,251	14,143,071	11,688,717	6,325,565
Operating profit or loss (Δ)	386,461	Δ43,869	Δ1,543,756	Δ6,653,531
Ordinary profit or loss (Δ)	273,251	516,457	Δ1,098,369	Δ6,780,119
Net profit attributable to owners of the parent or net loss attributable to owners of the parent (Δ)	7,458	213,029	1,483,797	Δ8,445,890
Net profit per share or net loss per share (Δ)	0 yen 05 sen	1 yen 25 sen	4 yen 46 sen	Δ19 yen 05 sen
Total assets	24,447,892	27,432,530	40,541,850	<u>31,676,580</u>
Net assets	12,209,222	12,213,875	25,218,682	<u>16,646,230</u>
Net assets per share	65 yen 96 sen	66 yen 15 sen	59 yen 89 sen	<u>36 yen 02 sen</u>

(after revision)

[1] Changes in status of assets and loss and profit of the corporate group

(Unit: Thousand yen)

Category \ Term	115th Term (FY ended March 31, 2016)	116th Term (FY ended March 31, 2017)	117th Term (FY ended March 31, 2018)	118th Term (FY ended March 31, 2019) (Current Consolidated Fiscal Year)
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Net profit per share or net loss per share (Δ)	0 yen 05 sen	1 yen 25 sen	4 yen 46 sen	Δ 19 yen 05 sen
Total assets	24,447,892	27,432,530	40,541,850	<u>31,754,801</u>
Net assets	12,209,222	12,213,875	25,218,682	<u>16,738,698</u>
Net assets per share	65 yen 96 sen	66 yen 15 sen	59 yen 89 sen	<u>36 yen 23 sen</u>

2. Revised content (underlined)

Page 27, Consolidated Balance Sheet

(before revision)

Consolidated Balance Sheet

(As of March 31, 2019)

(Unit: Thousand yen)

Item	Amount	Item	Amount
Assets	<u>31,676,580</u>	Liabilities	<u>15,030,349</u>
Current Assets	<u>17,680,419</u>	Current Liabilities	<u>3,997,090</u>
Cash and deposits	5,049,760	Notes and accounts payable	57,720
Notes and accounts receivable	130,663	Accrued construction payment	295,807
Accounts receivable for completed construction projects	21,087	Short-term borrowings	272,625
Accounts receivable for investment advisory fees	2,511	Bonds to be redeemed within a year	74,000
Securities	7,800,080	Current portion of long-term borrowings	1,823,069
Real estate for sale	1,263,907	Corporate income tax, etc., payable	35,805
Real estate for sale in process	2,409,079	Amount received for uncompleted construction projects	79,208
Real estate for development	442,074	Reserve for bonuses	34,053
Expenses for uncompleted construction projects	55,122	Reserve for officers' bonuses	10,000
Raw materials and stores	4,550	Allowance for compensation for completed construction projects	3,929
Other	502,703	Other	1,310,871
Allowance for doubtful accounts	△1,122	Fixed Liabilities	<u>11,033,259</u>
Fixed assets	<u>13,996,160</u>	Bonds	48,000
Tangible fixed assets	<u>9,876,685</u>	Long-term borrowings	10,366,761
Buildings	<u>192,591</u>	Net defined benefit liabilities	144,860
Machinery, equipment and delivery equipment	3,764,366	Reserve for retirement benefits for officers	138,571
Tools, furniture and fixtures	3,849	Asset retirement obligations	68,820
Land	994,538	Deferred tax liabilities	<u>14,247</u>
Leased assets	2,860	Other	251,998
Construction in progress	4,918,480	Net Assets	<u>16,646,230</u>
Intangible fixed assets	<u>186,554</u>	Shareholders' equity	<u>16,255,901</u>
Goodwill	4,929	Capital	12,086,958
Software	2,993	Capital surplus	10,217,645
Other	178,631	Retained earnings	△5,908,282
Investments and other assets	<u>3,932,920</u>	Treasury stock	△140,420
Investment securities	230,517	Accumulated other comprehensive income	<u>△251,387</u>
Investments in capital	1,368,009	Foreign currency translation adjustments	<u>△251,387</u>
Long-term loans	2,365,201	New share subscription rights	<u>547,293</u>
Deferred tax assets	<u>27,229</u>	Non-controlling interest	<u>94,423</u>
Other	697,622		
Allowance for doubtful accounts	△755,660		
Total Assets	<u>31,676,580</u>	Total Liabilities and Net Assets	<u>31,676,580</u>

(after revision)

Consolidated Balance Sheet

(As of March 31, 2019)

(Unit: Thousand yen)

Item	Amount	Item	Amount
Assets	<u>31,754,801</u>	Liabilities	<u>15,016,102</u>
Current Assets	<u>17,680,419</u>	Current Liabilities	<u>3,997,090</u>
Cash and deposits	5,049,760	Notes and accounts payable	57,720
Notes and accounts receivable	130,663	Accrued construction payment	295,807
Accounts receivable for completed construction projects	21,087	Short-term borrowings	272,625
Accounts receivable for investment advisory fees	2,511	Bonds to be redeemed within a year	74,000
Securities	7,800,080	Current portion of long-term borrowings	1,823,069
Real estate for sale	1,263,907	Corporate income tax, etc., payable	35,805
Real estate for sale in process	2,409,079	Amount received for uncompleted construction projects	79,208
Real estate for development	442,074	Reserve for bonuses	34,053
Expenses for uncompleted construction projects	55,122	Reserve for officers' bonuses	10,000
Raw materials and stores	4,550	Allowance for compensation for completed construction projects	3,929
Other	502,703	Other	1,310,871
Allowance for doubtful accounts	△1,122	Fixed Liabilities	<u>11,019,012</u>
Fixed assets	<u>14,074,381</u>	Bonds	48,000
Tangible fixed assets	<u>9,876,685</u>	Long-term borrowings	10,366,761
Buildings	192,591	Net defined benefit liabilities	144,860
Machinery, equipment and delivery equipment	3,764,366	Reserve for retirement benefits for officers	138,571
Tools, furniture and fixtures	3,849	Asset retirement obligations	68,820
Land	994,538	Other	251,998
Leased assets	2,860	Net Assets	<u>16,646,230</u>
Construction in progress	4,918,480	Shareholders' equity	<u>16,738,698</u>
Intangible fixed assets	<u>186,554</u>	Capital	12,086,958
Goodwill	4,929	Capital surplus	10,217,645
Software	2,993	Retained earnings	△5,908,282
Other	178,631	Treasury stock	△140,420
Investments and other assets	<u>4,011,141</u>	Accumulated other comprehensive income	<u>△158,919</u>
Investment securities	230,517	Foreign currency translation adjustments	△158,919
Investments in capital	1,368,009	New share subscription rights	<u>547,293</u>
Long-term loans	2,365,201	Non-controlling interest	<u>94,423</u>
Deferred tax assets	<u>105,450</u>		
Other	697,622		
Allowance for doubtful accounts	△755,660		
Total Assets	<u>31,754,801</u>	Total Liabilities and Net Assets	<u>31,754,801</u>

3. Revised content (underlined)

Page 29, Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
(before revision)

**Consolidated Statements of Changes in
Shareholders' Equity and Other Net Assets**

(From April 1, 2018
to March 31, 2019)

(Unit: Thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the current consolidated fiscal year	11,803,729	11,546,845	3,049,406	△140,389	26,259,592
Cumulative amount affected by corrections	-	120,423	△511,798	-	△391,375
Balance at the beginning of period reflecting corrections	11,803,729	11,667,268	2,537,608	△140,389	25,868,217
Changes during the current consolidated fiscal year					
Issue of new shares	283,228	283,228			566,457
Dividends of surplus		△1,732,852			△1,732,852
Net loss attributable to owners of the parent			△8,445,890		△8,445,890
Acquisition of treasury stock				△30	△30
Changes in items other than shareholders' equity during the current consolidated fiscal year (net)					
Total changes during the current consolidated fiscal year	283,228	△1,449,623	△8,445,890	△30	△9,612,315
Balance at the end of the current consolidated fiscal year	12,086,958	10,217,645	△5,908,282	△140,420	16,255,901

	Accumulated other comprehensive income		New share subscription rights	Non-controlling interest	Total net assets
	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at the beginning of the current consolidated fiscal year	156,437	156,437	△975,219	209,646	25,650,456
Cumulative amount affected by corrections	△80,558	△80,558	40,159	-	△431,774
Balance at the beginning of period reflecting corrections	75,878	75,878	△935,059	209,646	25,218,682
Changes during the current consolidated fiscal year					
Issue of new shares		-			566,457
Dividends of surplus		-			△1,732,852
Net loss attributable to owners of the parent		-			△8,445,890
Acquisition of treasury stock		-			△30
Changes in items other than shareholders' equity during the current consolidated fiscal year (net)	<u>△327,265</u>	<u>△327,265</u>	1,482,353	△115,223	<u>1,039,863</u>
Total changes during the current consolidated fiscal year	<u>△327,265</u>	<u>△327,265</u>	1,482,353	△115,223	<u>△8,572,451</u>
Balance at the end of the current consolidated fiscal year	<u>△251,387</u>	<u>△251,387</u>	547,293	94,423	<u>16,646,230</u>

(after revision)

**Consolidated Statements of Changes in
Shareholders' Equity and Other Net Assets**

(From April 1, 2018
to March 31, 2019)

(Unit: Thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the current consolidated fiscal year	11,803,729	11,546,845	3,049,406	△140,389	26,259,592
Cumulative amount affected by corrections	-	120,423	△511,798	-	△391,375
Balance at the beginning of period reflecting corrections	11,803,729	11,667,268	2,537,608	△140,389	25,868,217
Changes during the current consolidated fiscal year					
Issue of new shares	283,228	283,228			566,457
Dividends of surplus		△1,732,852			△1,732,852
Net loss attributable to owners of the parent			△8,445,890		△8,445,890
Acquisition of treasury stock				△30	△30
Changes in items other than shareholders' equity during the current consolidated fiscal year (net)					
Total changes during the current consolidated fiscal year	283,228	△1,449,623	△8,445,890	△30	△9,612,315
Balance at the end of the current consolidated fiscal year	12,086,958	10,217,645	△5,908,282	△140,420	16,255,901

	Accumulated other comprehensive income		New share subscription rights	Non-controlling interest	Total net assets
	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at the beginning of the current consolidated fiscal year	156,437	156,437	△975,219	209,646	25,650,456
Cumulative amount affected by corrections	△80,558	△80,558	40,159	-	△431,774
Balance at the beginning of period reflecting corrections	75,878	75,878	△935,059	209,646	25,218,682
Changes during the current consolidated fiscal year					
Issue of new shares		-			566,457
Dividends of surplus		-			△1,732,852
Net loss attributable to owners of the parent		-			△8,445,890
Acquisition of treasury stock		-			△30
Changes in items other than shareholders' equity during the current consolidated fiscal year (net)	<u>△234,797</u>	<u>△234,797</u>	1,482,353	△115,223	<u>1,132,332</u>
Total changes during the current consolidated fiscal year	<u>△234,797</u>	<u>△234,797</u>	1,482,353	△115,223	<u>△8,479,983</u>
Balance at the end of the current consolidated fiscal year	<u>△158,919</u>	<u>△158,919</u>	547,293	94,423	<u>16,738,698</u>

4. Revised content (underlined)

Page 38, Notes to Per Share Information

(before revision)

Notes to Per Share Information

Net assets per share	36 yen <u>02</u> sen
Net loss per share	19 yen 05 sen

(after revision)

Notes to Per Share Information

Net assets per share	36 yen <u>23</u> sen
Net loss per share	19 yen 05 sen

End