



November 14, 2019

[Translation]

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**Announcement regarding valuation loss (extraordinary loss) on affiliated company shares**

Prospect Co., Ltd. hereby announces that in the individual settlement of accounts for the first half of the fiscal year ending March 2020 (April 1, 2019 to September 30, 2019) a loss on the valuation of shares of an affiliated company (extraordinary loss) will be recorded as follows.

1. Details of affiliated company shares valuation loss (extraordinary loss)

As the real value of shares of The Prospect Japan Fund Limited, a consolidated subsidiary of the Company, has fallen significantly, it is subject to impairment in accordance with the "Accounting Standard for Financial Instruments" and an extraordinary loss of 1,494 million yen on the valuation of the shares will be recorded in the Company's individual account settlement.

2. Impact on consolidated financial results

Because the loss on valuation of the affiliated company shares will be eliminated in the consolidated financial statements, there will be no impact on consolidated results.

End