

[Translation]



February 17, 2020

Company Name: Prospect Co., Ltd.

Representative: President and CEO Masato Tabata

(Security Code: 3528 TSE 2nd Section)

Contact: Chief of General Affairs Jiro Taketani

(TEL: +81-03-3470-8411)

Notice regarding reports on major shareholders

Today, a news media reported that Mr. Hiroshi Nishimura, a major shareholder of Prospect Co., Ltd. (the "Company") is suspected of obtaining information from a former executive officer of the Company and suspected of conducting insider trading of the Company's shares. It has been reported that a search was conducted by the Securities and Exchange Surveillance Commission against Mr. Hiroshi Nishimura and Shinwa Kogyo Co., Ltd., a company operated by Mr. Hiroshi Nishimura, also a major shareholder of the Company.

The Company deeply apologizes to its customers, other shareholders, business partners and other stakeholders for their great concerns.

Regarding insider trading of the Company's shares by Mr. Hiroshi Nishimura, the Company has also been investigated by the Securities and Exchange Surveillance Committee, and the Company will continue to cooperate fully with the investigation. The former executive officer of the Company was dismissed on June 26, 2019 due to suspected information leakage. The Company will spend more effort on information management, to prevent recurrences and restore the trust of stakeholders.

The Company will promptly disclose any facts relating to this investigation in the future.

End