

[Translation]

May 15, 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 differences between the full-year results of the fiscal year ending
March 2020 and the full-year results of the previous fiscal year**

Please see below for information regarding differences between the full-year results of Prospect Co., Ltd. (the “Company”) for the fiscal year ending March 31, 2020 (hereinafter as “current term”) and the full-year results for the fiscal year ending March 31, 2019 (hereinafter as “previous term”). Please note that the Company did not disclose its earnings forecast for the fiscal year ending March 31, 2020.

Note

1. Differences between results of the current and the previous term

(1) Differences between the consolidated results of the current and the previous term

	Sales	Operating profit	Ordinary profit	Net profit attributable to owners of the parent	Net profit per share
The previous term (A)	(million yen) 6,325	(million yen) △6,653	(million yen) △6,780	(million yen) △8,445	(yen, sen) △19.05
The current term (B)	6,731	△1,281	△435	237	0.54
Amount of change (B-A)	405	5,372	6,341	8,683	—
Rate of change (%)	6.4	—	—	—	—

(2) Differences between non-consolidated results of the current and the previous term

	Sales	Operating profit	Ordinary profit	Net profit	Net profit per share
The previous term (A)	(million yen)	(million yen)	(million yen)	(million yen)	(yen, sen)
	3,985	△751	△1,522	△8,190	△18.47
The current term (B)	4,605	△508	1,505	1,348	3.04
Amount of change (B-A)	620	243	3,028	9,539	—
Rate of change (%)	15.6	—	—	—	—

2. Reason for the differences

In terms of consolidated results, sales increased compared to the previous term due in large part to the withdrawal from the asset management business during the current fiscal year, as the valuation loss caused by the decline in the market capitalization of securities held by the asset management business subsidiary resulted in lower negative revenue reported. As a result, the operating loss was lower than the previous term. Ordinary loss was also lower due the recovery of investment in some overseas projects led to gains on reversal of allowance for doubtful accounts. In addition, the gain on sale of investment securities transferred from the dissolved asset management subsidiary and the profitable sale of investments in affiliated companies (solar power generation developments) were recorded as extraordinary profits. With regard to net income attributable to owners of the parent, the Company returned to profitability in the current term compared to previous term's large loss.

As for non-consolidated results, the condominium sales business and the sale of land and buildings were strong, and sales increased year on year. Operating loss decreased comparing to previous term. In addition, positive Ordinary income and Net income were recorded due to gains of reversal of allowance for doubtful accounts in non-operating income, and gains on sales of investment securities and investments in affiliated companies (solar power generation developments) as extraordinary profits as described above.

End