

[Translation]

May 29, 2020

Company Name: Prospect Co., Ltd.

Representative: President and CEO Masato Tabata

(Security Code: 3528 TSE 2nd Section)

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Notice regarding recording gain on sale of investment securities (extraordinary income)

Prospect Co., Ltd. (the “Company”) sold a portion of the shares, which were transferred from its consolidated subsidiary, The Prospect Japan Fund Limited, on September 26, 2019 (the “Transfer Date”). As a result, the Company is expecting to record a gain on sales of investment securities as extraordinary income.

Note

1. Investment securities sold

A listed security held by the Company

2. Timing of gain on sale of investment securities

May 29, 2020

3. Gain on sale of investment securities

84 million Japanese yen

4. Impact on future performance

The Company expects to record 84 million yen in the consolidated financial statements for the fiscal year ending March 2021 and 28 million yen in the individual financial statements as extraordinary income as gains on sales of investment securities.

(Note) The acquisition price in the consolidated financial statements is based on May 15, 2019 when the purpose of holding the shares was changed. And the acquisition price in individual financial statements is based on the Transfer Date when the Company acquired the shares.

5. Future outlook

The proceeds from the sale of the shares will be used for land acquisition for the real estate business, the solar power generation business, the promotion of existing businesses and future growth capital of the Company.

Please note that the business forecast for the fiscal year ending March 2021 is under review.

End