



[Translation]

July 8, 2020

Company Name: Prospect Co., Ltd.

Representative: Chairman and Representative
Director Nobuyoshi Fujisawa

(Security Code: 3528 TSE 2nd Section)

Contact: Chief of General Affairs Jiro Taketani

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

**Notice regarding the recording of an extraordinary loss
(investment securities valuation loss)**

Prospect Co., Ltd. (the "Company") posted an extraordinary loss (investment securities valuation loss) during the first quarter of the fiscal year ending March 2021.

Note

1. Details of the extraordinary loss (investment securities valuation loss)

A valuation loss of 1,952 million yen was recorded as the market value of the Company's investment securities has dropped significantly compared to its acquisition price.

2. Overview of the investment securities

- Name: Pinnacle Renewable Energy Inc.
- Market: Toronto Stock Exchange, Canada
- Number of shares owned: 4,249,269 shares (12.74% of total outstanding shares)

3. Impact on consolidated business results

The above valuation loss of investment securities was recorded as an extraordinary loss in the first quarter consolidated business results for the year ending March 2021. Regarding the business forecast for the fiscal year ending March 2021, it is challenging to properly and reasonably forecast the impact caused by the coronavirus pandemic at current stage. The Company will provide guidance once the economic trajectory can be better understood.

End