



[Translation]

September 9, 2020

Company Name: Prospect Co., Ltd.

Representative: Chairman and Representative
Director Nobuyoshi Fujisawa

(Security Code: 3528 TSE 2nd Section)

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**Notice regarding business alliance between Company's
subsidiary Keynote Co., Ltd. and Robot Home Co., Ltd.**

Prospect Co., Ltd. (hereinafter "Company") is please to announce its subsidiary Keynote Co., Ltd. (hereinafter "Keynote") entered into a business alliance agreement today with Robot Home Co., Ltd. (hereinafter "Robot Home"; headquarters: Shibuya-ku, Tokyo; Representative Director: Katsuki Matsuzono), related to the supply of IoT products (hereinafter "Business Alliance").

Note

1. Reason for the Business Alliance

The condominium market that the Company operates in is experiencing various changes, such as intensified competition for land acquisition, increasing construction costs in recent years, as well as the customers' perceptions towards homes due to the spread of the novel coronavirus.

Under such circumstances, the Company has been considering various measures in order to differentiate ourselves from competitors, including business alliances, to add value to the Company's residences.

Robot Home, the partner of this Business Alliance, is a subsidiary of TATERU Co., Ltd. (Headquarters: Shibuya-ku, Tokyo; Representative Director: Daisaku Furuki), a company listed on the First Section of the Tokyo Stock Exchange with a strong track record of implementing IoT devices into multi-family housing.

Starting with residences developed by the Company under the "Gro-Bel Mansion" brand, IoT devices developed by Robot Home will be implemented through Keynote's design to enhance convenience and crime prevention. The Company decided to enter into this Business Alliance with the expectation to provide IoT enhanced residences that promise a high-quality life style.



2. Details of the Business Alliance

The IoT products provided by Robot Home will be introduced to the residences developed by the Company, under the planning from Robot Home and Keynote. The functions and equipment of one of the IoT products "Residence kit" are described as follows.

- If a visitor rings the entrance intercom when the resident is away from home, a notification will be sent to the resident's app and the resident can respond to visitor through the app.
- With the smart lock function (remote lock system through app), the residents will never forget to lock. In addition, installing sensors or cameras where necessary will enhance the level of security, and detect dangers such as when small children are playing at the balcony, which makes the balcony a safer environment.
- It is possible to control all home appliances that operate with infrared rays such as TV and air conditioner with one app through installing a learning remote control (a device that stores operation signals from multiple remote controls and allows you to operate multiple devices with one remote control) in your living space. And IoT devices can be easily set up.

In this Business Alliance, the Company will (i) introduce IoT products to tenants of properties sold by the Company, (ii) develop IoT products for residents of properties managed by Robot Home, and (iii) implement marketing strategy by utilizing the customer base of both parties, such as sharing survey result data to customers. The Company expects great synergy will be achieved through this Business Alliance.

3. Overview of the Company's subsidiary Keynote

1. Name	Keynote Co., Ltd.
2. Head office location	1-7-12 Toranomon, Minato-ku, Tokyo
3. Title and name of representative	President, Kenichi Fujita
4. Business content	Real estate business, commercial facility construction business
5. Amount of capital	100,000 thousand yen
6. Major shareholders and shareholding ratio	Prospect Co., Ltd., 100%



4. Overview of the business partner Robot Home

1. Name	Robot Home Co., Ltd.	
2. Head office location	20F, 1-5-8, Jingumae, Shibuya-ku, Tokyo, 150-0001	
3. Title and name of representative	Representative Director, Katsuki Matsuzono	
4. Business content	<ul style="list-style-type: none"> • Development, Manufacturing, and Sales of IoT devices • Development and Sales of Smart Home Services using IoT • Development, Sales, and Operation/Maintenance of Rental Housing Management Services using IoT • Development and Operation/Maintenance of Smartphone Apps for Property Owners using IoT 	
5. Amount of capital	255,000,000 JPY	
6. Date of establishment	April 1, 2016	
7. Major shareholders and shareholding ratio	TATERU, Inc. 100%	
8. Relationship between the parties	Capital ties	No applicable matter.
	Personnel relationship	No applicable matter.
	Business relationship	No applicable matter.
	Status of related party	No applicable matter.

*Financial information, etc. is not disclosed as requested by the other party.

5. Schedule

Business Alliance agreement will be concluded on September 9, 2020

6. Outlook

The Company believes that this Business Alliance will improve the Company's business performance over the medium to long term. But at this point in time, the impact on the consolidated business results for the fiscal year ending December 2020 is expected to be minor.

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