

July 3, 2018

[Translation]

To: Our Shareholders

Prospect Co., Ltd.

Apology for Wrong Procedure for Withholding on Dividends

Thank you very much for your continued support.

Regarding the 117th term year-end dividends paid to our shareholders as of the effective date of June 29, 2018, as stated in the “Information about Taxation Treatment of the 117th Year-end Dividends” (posted on the website of the Company as of June 28, 2018), all amounts to be paid from “other capital surplus,” which falls under “return of capital” under taxation and does not fall under dividend income, are not subject to withholding tax.

However, due to the delay in notification of information such as cash issued, etc., to Japan Securities Depository Center, Incorporated, it was found that income taxes and inhabitant taxes were withheld from some shareholders of “dividends to shareholders who received year-end dividends through securities companies.”

We sincerely apologize for all the trouble and worry this has caused our valued shareholders.

For shareholders subject to withholding tax, we will subsequently pay the amount equal to that amount withheld through the respective securities companies. For details, please consult your respective account-managed securities company.

There was no impact concerning the above matter on “shareholders using a transfer to bank accounts, etc.,” and “shareholders who received dividends through the receipt of year-end dividends of the Japan Post Bank.”

Sincerely,

[Referral]

(1) Referral concerning treatment of the portion withheld

Your account-managed securities company

(2) Other referral concerning the procedures for the shares

Shareholder Registry Administrator of the Company: Mizuho Trust & Banking Co., Ltd.

Contact: Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department

Tel: 0120-288-324 (Toll-free)

Hours: 9:00 a.m. - 5:00 p.m. (except for Saturdays, Sundays and holidays)