

[Translation]

Company Name: Prospect Company Limited
Representative: President and CEO Curtis Freeze
(Security Code: 3528 TSE 2nd Section)
Contact: Representative Director Masato Tabata
(TEL: 03-3470-8411)

Announcement concerning the business progress

Progress (preliminary report) of condominium sales business and renewable energy business as of the end of September 2018 are as follows.

Record

1. Condominium sales business
 - (1) Contracted 62 units, JPY 2,527 million (April 2018 - September 2018)
 - (2) Sold Out Project “Gro-bel Minami-Ōtsuka” - 41 units (Toshima-Ku, Tokyo-to)
 - (3) New Project “Gro-bel Hitotsubashi Gakuen” (Kodaira-shi, Tokyo-to)
Access 3-minute walk from Seibu Tamako Line
“Hitotsubashi Gakuen” Station
Units for sale 37 units
Completion Date February 2019 (Planned)
 - (4) Acquisition of new land “Naka-Urawa Project”
(Sakura-ku, Saitama-shi, Saitama Prefecture)
10-minute walk from JR Saikyō Line, “Naka-Urawa” Station

2. Solar business
 - (1) Projects in operation Higashi Hiroshima Project started operation on July 1, 2018
7 Projects - Approx. 18.9 MW (company equity basis)
April 2018 - September-end 2018 electricity sales (ex. Tax)
JPY 365 million.

 - (2) Projects Under Development (Total: approx. 27.8 MW • company equity basis)

① Narita Kozaki Project

| | |
|---------------------|---|
| Address | Uebou, Kozakimachi Katori-gun / Saruyamahoka, Narita-shi Chiba Prefecture |
| Site Area | Approx. 540,000 m ² |
| Installed capacity | Approx. 24.00 MW (Panel Output) |
| Operation start | June 2019 (Planned) |
| Power selling price | JPY 36/kWh (excluding tax • 20 year fixed) |

② Okayama Aida Hikari Project

| | |
|---------------------|---|
| Address | Nakagouchi, Mimasaka-shi , Okayama Prefecture |
| Site Area | Approx. 606,000 m ² |
| Installed capacity | Approx. 38.00 MW (Panel Output) |
| Operation start | October 2021 (Planned) |
| Power selling price | JPY 32/kWh (excluding tax • 20 year fixed) |

③ Sanbu Minami Project

| | |
|---------------------|--|
| Address | Shiizaki, Sanmu-shi, Chiba Prefecture |
| Site Area | Approx. 44,000 m ² |
| Installed capacity | Approx. 2.00MW (Panel Output) |
| Operation start | June 2019 (Planned) |
| Power selling price | JPY 36/kWh (excluding tax • 20 year fixed) |

④ Yatsushiro Project

| | |
|---------------------|--|
| Address | Yatsushiro-shi, Kumamoto Prefecture |
| Site Area | Approx. 22,300 m ² |
| Installed capacity | Approx. 1.57 MW (Panel Output) |
| Operation start | January 2019 (Planned) |
| Power selling price | JPY 36/kWh (excluding tax • 20 year fixed) |

※The figures stated for electricity sales, etc. are preliminary figures. For the confirmed figures, please refer to the summary of financial results to be disclosed on Wednesday, November 14, 2018.

3. Wood pellet production facility project in Russia Far East (90k tons annual production)
- This is a joint investment with the Russia Forest Products Group (hereafter “RFP” *)
 - Construction on the facility started in summer 2018, with planned completion in Autumn 2019

- Latest photos of the project site (Khabarovsk Krai, Russia)



* RFP is the largest forest industry holding of the Russian Far East and one of the largest in Russia. RFP comprises a group of technologically-integrated companies from wood harvesting to wood processing. RFP holds forest lease rights for 4.1 million hectares of timberlands; annual harvesting volume exceeds 2.2 million m³ of round wood. RFP operates the Russian Far East's largest wood processing complex in Amursk, Khabarovsk region. RFP leased forests and production facilities are certified according to PEFC international standards.

4. Acquisition of shares by subsidiary

As part of the Prospect Group's (the "Company") strategy of expanding its renewable energy business, the Prospect Japan Fund Limited ("TPJF"), a wholly owned subsidiary of the Company has increased its holding in Pinnacle Renewable Holdings Inc. ("Pinnacle"**, traded in Toronto Stock Exchange under symbol PL) through purchases in the market since the previous Holding Announcement on September 3, 2018.

| | |
|---|------------|
| • Shares owned as of September 30, 2018 | 2,837,000 |
| • Total shares outstanding | 32,971,293 |
| • % owned | 8.6% |

** Pinnacle is one of the world's leading manufacturers and distributors of industrial wood pellets for use by global utilities and large-scale power generators as a renewable fuel to produce reliable baseload power.

- End of News Release -