

January 9, 2019

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Announcement concerning the business progress

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

Record

1. Condominium sales business

- (1) Contracted 62 units, JPY 2,527 million (April 2018 – September 2018)
- (2) Acquisition of new land “Okuasakusa Project”
(Taitō-ku, Tokyo, 17-minute walk from Tokyo Skytree Line “Asakusa” Station)
“Asakusa Imado Project”
(Taitō-ku, Tokyo, 18-minute walk from Tokyo Skytree Line “Asakusa” Station)

2. Solar business

- (1) Projects in operation 7 Projects - Approx. 18.9 MW (company equity basis)
April 2018 - December-end 2018 electricity sales (ex. Tax) JPY 509 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	July 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 Thursday, February 14, 2019.

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 been investing in Pinnacle Renewable Holdings Inc. ("Pinnacle"**, traded in Toronto Stock Exchange under symbol PL).

• Shares owned as of December 31, 2018	3,155,100
• Total shares outstanding	33,003,713
• % owned	9.56%

** 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.

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