

July 5, 2019

Company Name: Prospect Co., Ltd.  
Representative: President and CEO Masato Tabata  
(Security Code: 3528 TSE 2<sup>nd</sup> Section)  
Contact: Chief of General Affairs Jiro Taketani  
(TEL: +81-03-3470-8411)

### Announcement concerning the business progress

Progress (preliminary report) of condominium sales business and renewable energy business as of the end of June 2019 are as follows.

#### Note

##### 1. Condominium sales business

- |                          |  |
|--------------------------|--|
| (1) Contracted           | 15 units, JPY 726 million (April 2019 – June 2019)   |
| (2) Sold Out Project     | Gro-bel Kokubunji Crysta<br>(Kokubunji, Tokyo / total 36 units)  |
| (3) Project goes on sale | 1). Gro-bel Okuasaya Teramachi Tori HANA<br>(Taito-ku, Tokyo / total 18 units / 17-minute walk from Asakusa station, Tobu Skytree Line / completion: May 2019)<br><br>2). Gro-bel Court Naka-Urawa (New single-family house)<br>(Sakura-ku, Saitama City, Saitama Prefecture / total 4 units / 12-minute walk from Naka-Urawa station, Saikyo Line / completion: May 2019) |

##### 2. Solar business

- |                           |   |
|---------------------------|---|
| (1) Projects in operation | 8 Projects - Approx. 20.5 MW (company equity basis)<br>April 2019 – June-end 2019 electricity sales (ex. Tax)<br>JPY 283 million. |
|---------------------------|---|

(2) Projects Under Development (Total: approx. 32.2 MW · company equity basis)

① Narita Kozaki Project

Address	Uebou, Kozakimachi Katori-gun / Saruyamahoka, Narita-shi Chiba Prefecture
Site Area	Approx. 540,000 m <sup>2</sup>
Installed capacity	Approx. 24.00 MW (Panel Output)
Operation start	July 2019 (Partial operation is scheduled to start)
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 <sup>2</sup>
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 <sup>2</sup>
Installed capacity	Approx. 2.00MW (Panel Output)
Operation start	September 2019 (Planned)
Power selling price	JPY 36/kWh (excluding tax · 20 year fixed)

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 (taken on June 13, 2019, at 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 m<sup>3</sup> 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 June 30, 2019	3,155,100
• Total shares outstanding	33,300,091
• % owned	9.47%

\*\* 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 -