

October 4, 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 September 2019 are as follows.

Note

1. Condominium sales business

- | | |
|--------------------------|---|
| (1) Contracted | 26 units, JPY 1,190 million (April 2019 – September 2019) |
| (2) Sold Out Project | Gro-bel The Place Higashi Koenji
(Suginami-Ku, Tokyo / total 40 units) |
| (3) Project goes on sale | 1). Gro-bel Okuasaya Mizuki
(Taito-ku, Tokyo / total 27 units / 18-minute walk from Asakusa station, Tobu Skytree Line / completion: March 2020)

2). Gro-bel The Nakaurawa Hyuganomori
(Sakura-ku, Saitama City, Saitama Prefecture / total 31 units / 10-minute walk from Naka-Urawa station, Saikyo Line / completion: March 2020) |

2. Solar business

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|---------------------------|---|
| (1) Projects in operation | 9 Projects - Approx. 29.1 MW (company equity basis)
April 2019 – September-end 2019 electricity sales (ex. Tax) JPY 584 million. (including Narita Kozaki Project) |
|---------------------------|---|

① Narita Kozaki Project

Address	Uebou, Kozakimachi Katori-gun / Saruyamahoka, Narita-shi Chiba Prefecture
Site Area	Approx. 540,000 m ²
Installed capacity	Approx. 24.12 MW (Panel Output)
Power selling price	JPY 36/kWh (excluding tax · 20 year fixed)
Estimated Annual sales	JPY 9.840 million (excluding tax)

Test electricity sale started in April 2019; partial operation started in July.

Capacity in operation: 10.78 MW

Capacity not in operation: 13.34 MW (scheduled for completion in January 2020)

(2) Projects Under Development (Total: approx. 13.9 MW · company equity basis)

① Yorii Project

Address	Yorii-cho, Osato-gun, Saitama Prefecture
Site Area	Approx. 14,400 m ²
Installed capacity	Approx. 1.21 MW (Panel Output)
Scheduled acquisition date	October 2019 (Operation started in September 2016)
Power selling price	JPY 32/kWh (excluding tax · 20 year fixed)

Acquired in the secondary market. Transfer agreement concluded in September 2019.

② Sanbu Minami Project

Address	Shiizaki, Sanmu-shi, Chiba Prefecture
Site Area	Approx. 44,000 m ²
Installed capacity	Approx. 2.03MW (Panel Output)
Operation start	December 2019 (Planned)
Power selling price	JPY 36/kWh (excluding tax · 20 year fixed)

Test electricity sale started in June 2019 (9.67 yen including tax)

③ Okayama Aida Hikari Project

Address	Nakagouchi, Mimasaka-shi , Okayama Prefecture
Site Area	Approx. 606,000 m ²
Installed capacity	Approx. 36.97 MW (Panel Output)
Operation start	July 2021 (Planned)
Power selling price	JPY 32/kWh (excluding tax · 20 year fixed)

Construction started in August 2019

3. Wood pellet production facility project in Russia Far East (90k tons annual production)



<Latest photos of the project site, taken on September 27, 2019, at Khabarovsk Krai, Russia>

Construction on the facility started in summer 2018 at the site (Amursk, Khabarovsk region, Russia), with planned completion in autumn 2019. However, the Company expects the completion will be delayed to February next year due to unfavorable weather conditions, etc. Meanwhile, the Company is negotiating the terms of potential off-take contracts for product sales. The Company will promptly disclose once the content is finalized.

* 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. Major shareholder includes Russian Direct Investment Fund (Russian sovereign fund).

4. Asset management business

The Company has resolved to dissolve and liquidate an overseas consolidated subsidiary and withdrew from the asset management business as announced on May 15, 2019, "Notice Concerning Dissolution and Liquidation of an Overseas Consolidated Subsidiary".

In addition, as announced on September 13, 2019, "Regarding the transfer of stock acquisition rights held by a subsidiary and the transfer of shares", all transfers of securities (stocks and stock acquisition rights) held by the subsidiary (The Prospect Japan Fund Limited) have been completed.

(Note) Electricity sales are preliminary figures. Please refer to the financial statements to be disclosed on Thursday, November 14, 2019 for finalized figures.

- End of News Release -