



May 15, 2019

Company Name: Prospect Co., Ltd.

Representative: President and CEO Masato Tabata

(Security Code: 3528 TSE 2nd Section)

Contact: Chief of General Affairs Jiro Taketani

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Notice Concerning Dissolution and Liquidation of an Overseas Consolidated Subsidiary

At the Board of Director's Meeting held on May 15, 2019, the Company adopted a resolution to dissolve and liquidate the Prospect Japan Fund Limited (hereinafter referred to as "TPJF"), currently a consolidated subsidiary of the Company as follows.

Note

1. Reasons for Dissolution

The Company acquired all the shares of TPJF as of July 27, 2017 at which time TPJF became a wholly-owned subsidiary of the Company (hereinafter, the transaction shall be referred to as "Making TPJF a Subsidiary"). The acquisition was done with consideration of collaborating with companies held by TPJF (hereinafter referred to as "TPJF investment target companies"). TPJF owned shares in those companies (hereinafter referred to as "TPJF investment target companies shares"). The purpose of the acquisition included collaboration with TPJF Investment target companies, reinvestment of the funds from sales of TPJF investment target companies shares, as well as the strengthening of the Company's financial structure through Making TPJF a Subsidiary, as TPJF was a debt-free business. Although Making TPJF a Subsidiary has accomplished some of these goals, we no longer plan to carry out managing TPJF investment target companies through TPJF. In Making TPJF a Subsidiary, its assets including TPJF-invested company shares (hereinafter referred to as "TPJF-owned assets") were held in a subsidiary of the Company. Through the transferring TPJF investment target companies shares to the Company, the Company will directly hold TPJF-owned assets, and we can then expect efficiency in the decision making process regarding these assets.

Based on the above, the Company has determined that it is necessary to dissolve and liquidate TPJF.

2. Future Policy

The Company aims to recover our business performance by focusing management resources on the renewable energy business.

With regard to the assets held by TPJF, we will consider effective utilization in implementation of strategic measures mainly in reinvestment in such business. Based thereon, we believe this liquidation of TPJF is significant in terms of speed and efficiency.

3. Profile of the Subsidiary to be Dissolved

(1) Name	The Prospect Japan Fund Limited	
(2) Address	Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, U.K.	
(3) Grounds for Incorporation	The Companies Law of Guernsey, a Crown dependency	
(4) Purpose of Composition	A company-type investment fund the purpose of which is investment in stocks, etc.	
(5) Date of Composition	November 18, 1994	
(6) Capital Amount	US\$92,452	
(7) Investing Company	Prospect Co., Ltd.: Investment ratio: 100%	
(8) Relationships Between the Listed Company and the Company	Capital relationship	It is a wholly-owned consolidated subsidiary of the Company.
	Personnel relationship	Director & CIO of the Company concurrently serves as a Director of the company.
	Transactional relationship	N/A
	Status of falling under the related parties	As it is a consolidated subsidiary of the Company, which falls under a related party.
(9) Most Recent Business Results and Financial Conditions	Settlement of accounts	December 2018
	Investment securities	US\$65,865,850
	Net current liabilities	(US\$7,685,859)
	Total assets	US\$58,179,991
	Total revenues	US\$1,816,233

	Total expenditures	(US\$3,818,592)
	Net loss	(US\$2,293,224)

4. Schedule of Dissolution

May 15, 2019: Resolution of the Board of Directors of the Company

May ● 2019 (Schedule): TPJF General Meeting of Shareholders? (Dissolution resolution, commencement of liquidation proceedings)

As soon as the necessary procedures have been completed in accordance with the local laws and regulations, etc., liquidation will be completed.

5. Future Prospect

An evaluation loss of ¥895 million of new treasury share subscription rights has already been recorded for the subsidiary. However, additional income/loss, etc., may accrue in a future dissolution and liquidation process. Impact on consolidated business results in the year ending March 31, 2020 is currently being calculated and if significant impact is recognized including other factors, we will promptly disclose such matters.

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