

April 13, 2018

[Translation]

Company Name: Prospect Company Limited  
Representative: President and CEO Curtis Freeze  
(Security Code: 3528 TSE 2<sup>nd</sup> Section)  
Contact: Representative Director Masato Tabata  
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### Regarding Subsidiary Sale of Stock Acquisition Rights of Parent Company

The Company announces approval of the partial sale the 3rd stock acquisition rights of the parent company (Company) held by The Prospect Japan Fund Limited ("TPJF"), a wholly owned subsidiary of the Company.

#### Record

#### 1. Subsidiary company name

The Prospect Japan Fund Limited

#### 2. Summary of sale

Sale date	April 23, 2018 (planned)
Stock Acquisition Right to be sold	The Company's 3rd Stock Acquisition Right (hereinafter referred to as "SAR")
Number of SARs to be sold	325 units (1 unit gives the right to acquire 109,756 shares)
Sale amount	JPY 307,316.80 per unit (JPY 2.8 per share)
Number of potential shares related to SARs to be sold	35,670,700 shares
Total sale amount	JPY 99,877,960
Exercise price	JPY 49.2 per share
Total exercise amount	JPY 1,754,998,440
Method of sale	Sale to single investor in the overseas market (hereinafter referred to as "the Buyer")
Buyer	Arrowsmith Fund, Ltd. (Located in British Virgin Islands) There is no business relationship between the Company and the Buyer.
Other	Agreed by written document on April 13, 2018 (planned) (1) the Buyer must not exercise the rights to have a voting right holding ratio of 20% or more or to become an "other affiliated company" of the Company, (2) the Buyer will make all reasonable effort not to exercise the right to hold the voting right holding ratio of 10% or more. The Company assumes that we receive a statement from the seller in the same manner that there is no intention of affecting management control of the Company through holding of shares. The Company has confirmed that the Buyer is not connected with any anti-social forces.

#### 3. Reason for sale

Under the provisions of Article 135 of the Companies Act (Prohibition of Acquisition of Parent Company's Shares), TPJF, a subsidiary, will dispose of the Stock Acquisition Rights as it cannot acquire parent company shares (Company shares) through the exercise of the Stock Acquisition Rights.

4. Future forecasts

There is no serious impact on our business results from this transaction.

End