

[Translation]

May 21, 2020

Company Name: Prospect Co., Ltd.

Representative: President and CEO Masato Tabata

(Security Code: 3528 TSE 2<sup>nd</sup> Section)

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**Notice Regarding Partial Withdrawal of Shareholder Proposal for  
the Extraordinary General Meeting of Shareholders**

Regarding the Extraordinary General Meeting of Shareholders (hereinafter the “EGM”), which is scheduled to be convened by the Company's largest shareholders, Shinwa Industry Co., Ltd. and Hiroshi Nishimura (hereinafter the “Shareholders”), Takujiro Hamada (hereinafter “Hamada”), who was a candidate for director of the Audit and Supervisory Committee, has not accepted becoming such a candidate, and the Company has received written notice that he has no intention of assuming the position of a director who is a member of the Audit and Supervisory Committee of the Company should he be elected (for details, please refer to “Notice Concerning Receipt of Decline Notification from Candidate for Director at the Extraordinary General Meeting of Shareholders of the Company” dated May 15, 2020). We hereby inform you that we have recently received notice from the Shareholders that Hamada's nomination has been withdrawn from Proposal No.3 of the EGM (matter of the election of 6 directors who are Audit and Supervisory Committee members).

Despite the fact that Hamada had not consented to nomination for appointment as a director who is an Audit and Supervisory Committee member, the Shareholders did not state such in their reference documents for the EGM. The Company therefore considers the EGM convocation procedures to be in violation of laws and regulations, and to be extremely unfair. For details, please refer to “Notice Regarding Petition by the Company's Audit and Supervisory Committee Members for Provisional Disposition to Prohibit Holding an Extraordinary General Meeting of Shareholders” dated today.

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