

[Translation]



November 10, 2017

Company Name: Prospect Co., Ltd.
Representative: President and CEO Curtis Freeze
(Security Code: 3528 TSE 2nd Section)
Contact: Representative Director Masato Tabata
TEL: 03-3470-8411

Notice on Extraordinary Gain (Gain on Bargain Purchase)

Prospect Co., Ltd (the “Company”) hereby announces the recognition of extraordinary gain (gain on bargain purchase) on a consolidated basis in the Second Quarter of fiscal year ended March 31, 2018 as follows.

1. Details of Extraordinary Gain (Gain on Bargain Purchase)

The Scheme of Arrangement for all-share offer therefore came into effect on July 27, 2017, whereby the Company acquired the entire issued share capital of The Prospect Japan Fund Limited (“TPJF”) and TPJF became a wholly-owned subsidiary of the Company. Associated with this, the gain on bargain purchase of 2,420 million yen is posted as extraordinary gain in the Second Quarter of fiscal year ended March 31, 2018. Further, this gain on bargain purchase is a temporary estimate subject to changes as the purchase price of the TPJF share has not been finalized currently.

2. Impact on the Company's Financial Results

Extraordinary gain written above is already incorporated on Second Quarter Brief Report of Financial Results the fiscal year ended March 31, 2018 (Consolidated) published on November 10, 2017.