

[Translation]



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
(TEL: +81-03-3470-8411)

**Notice regarding impairment loss on shares held by a subsidiary
(extraordinary loss)**

Prospect Co., Ltd. (the "Company") hereby gives notice as described below that the Company recorded an impairment loss on shares held by a subsidiary (extraordinary loss) on a non-consolidated basis in the fiscal year ending March 31, 2019 (April 1, 2018-March 31, 2019).

Note

1. Details of impairment loss on shares held by a subsidiary (extraordinary loss)

The fair market value significantly declined for shares held in The Prospect Japan Fund Limited, a consolidated subsidiary of the Company. Therefore, an impairment loss was recorded based on the "Accounting Standard for Financial Instruments". On an unconsolidated basis, the impairment loss for the subsidiary would be 7,098 million yen and this represents the extraordinary loss of the Company.

2. Impact on consolidated results

This impairment loss on shares held by a subsidiary is eliminated in consolidation, and there will be no effect on consolidated results.

End