

Prospect is very pleased to inform you that today GRO-BELS Co., Ltd. (3528:JP), a Japanese publically listed real estate developer, announced it is acquiring the Prospect Group. GRO-BELS is purchasing 100% of Prospect Co., Ltd., the Japanese parent of the group through a share exchange to take place on August 1, 2013, making Prospect a wholly owned subsidiary.

The deal will bring stability of earnings and add strength to GRO-BELS's consolidated balance sheet. This acquisition is a continuation of GRO-BELS' efforts to lower its business risk through diversification. Last year, GRO-BELS acquired a Yamagata prefecture home builder, Sasaki House, as part of its diversification. In addition to a stronger balance sheet with less risk and improved cash-flow, the addition of Prospect will give the combined company greater strength in operations. Prospect's network and knowledge of the real estate market, the JREIT market, and real estate related companies will give added sources of information for real estate acquisition. In addition, Prospect's equity research expands that network and universe through its knowledge of undervalued asset rich companies, where there is a great opportunity for accessing land for redevelopment.

Other than becoming a wholly owned subsidiary, Prospect's operations will continue as before. The merger will give Prospect greater visibility and strength in the market, and also add to its research capabilities, especially in the real estate and related sectors.

We look forward to this merger and are excited by the opportunities it will bring.

Sincerely yours,

Kaori Matsumoto
President