Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

Company name: PROTO CORPORATION Stock exchange listing: Tokyo, Nagoya Code number: 4298 URL: https://www.proto-g.co.jp/ Representative: Kenji Kamiya President Contact: Takehito Suzuki Executive officer Phone: +81-52-934-2000 Scheduled date of filing quarterly securities report: August 9, 2023 Scheduled date of commencing dividend payments: -Availability of supplementary briefing material on quarterly financial results: Yes Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1,012 million [

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

					•			
(1) Consolidated Operating Re	sults			(% indic	ates changes fr	om the pre	vious correspo	nding perio
	Net sale	20	Operating	profit	Ordinary	profit	Profit attribu	itable to
	Net Salt	20	Operating	prom	Orumary	prom	owners of	parent
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	27,220	14.4	2,231	7.2	2,755	31.2	1,808	29.3
June 30, 2022	23,784	74.1	2,082	16.9	2,100	12.6	1,398	(38.7)
(Note) Comprehensive income	: Three mo	onths ende	ed June 30, 202	3:	¥ 2,	192 millio	on [116.	5%]

(Note) Comprehensive income: Three months ended June 30, 2023:

Three months ended June 30, 2022: ¥

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	44.97	-
June 30, 2022	34.80	-

(2) Consolidated Financial Position

		Total assets	Net assets	Capital adequacy ratio
As of		Millions of yen	Millions of yen	%
June 30, 2023		62,164	45,010	71.8
March 31, 2023		60,553	43,515	71.3
(Reference) Equity:	As of	June 30, 2023:	¥ 44,6	37 million
	As of	March 31, 2023:	¥ 43,1	84 million

2. Dividends

			Annual dividends	8	
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	17.50	-	17.50	35.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		17.50	-	17.50	35.00

(Note) Revision to the forecast for dividends announced most recently: No July 31, 2023

(57.1)%]

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

				-		-			
				(%	% indicates cha	anges fr	om the previou	us corres	sponding period.)
	Net sale		Omenating	masfit	Ondinamia		Profit attrib	utable	Basic earnings
	Inet sale	:5	Operating	prom	Ordinary p	bront	to owners of	parent	per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	51,400	3.2	3,350	(7.1)	3,340	(9.0)	2,290	(4.6)	56.92
Full year	109,380	3.6	7,740	5.5	7,730	11.0	5,340	20.7	132.68
(Note) Revision to the finance	ial results foreca	ast anno	ounced most r	ecently:	No				

....

• • •

))

* Notes:

(1) Changes in	significant subsidiaries	during the three r	nonths ended June 30, 2023
(1) Changes in	i biginneant baobianaireb	during the three I	

(changes in specified subsidiaries resulting New - (Company name: Exclusion: - (Company name:	
(2) Accounting policies adopted specially for t	the preparation of quarterly consolidated financial statements: No
 (3) Changes in accounting policies, changes in 1) Changes in accounting policies due to the 2) Changes in accounting policies other that 3) Changes in accounting estimates: No 4) Retrospective restatement: No 	-
(4) Total number of issued shares (common sh	
1) Total number of issued shares at the end	d of the period (including treasury shares):
June 30, 2023:	41,925,300 shares
March 31, 2023:	41,925,300 shares
2) Number of treasury shares at the end of	the period:
June 30, 2023:	1,704,307 shares
March 31, 2023:	1,704,227 shares
3) Average number of shares outstanding of	during the period:
Three months ended June 30, 2023:	40,221,033 shares
Three months ended June 30, 2022:	40,195,303 shares

* This quarterly report is not subject to quarterly review procedures by certified public accountants or an auditing firm.

* Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

		(Millions of yen)
	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	23,739	23,487
Notes and accounts receivable - trade	6,107	5,219
Inventories	7,669	8,513
Other	2,025	3,160
Allowance for doubtful accounts	(4)	(4)
Total current assets	39,537	40,374
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,729	5,683
Land	5,590	5,590
Other, net	758	758
Total property, plant and equipment	12,078	12,032
Intangible assets		
Goodwill	2,365	2,310
Other	1,858	1,882
Total intangible assets	4,224	4,193
Investments and other assets		
Investment securities	2,367	3,263
Other	2,404	2,359
Allowance for doubtful accounts	(59)	(59)
Total investments and other assets	4,712	5,563
Total non-current assets	21,016	21,789
Total assets	60,553	62,164

(Millions	of	yen)	
-----------	----	------	--

Total shareholders' equity42,79943,909Accumulated other comprehensive incomeValuation difference on available-for-sale securities396742		As of March 31, 2023	As of June 30, 2023
Notes and accounts payable - trade 3,191 3,466 Short-term borrowings 3,600 3,900 Current portion of long-term borrowings 123 99 Accrued expenses 2,693 2,729 Income taxes payable 1,160 978 Contract liabilities 37 38 Provision for bonuses 210 261 Provision for merchandise warranties 16 15 Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 15 256 261 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total non-current liabilities 1,849 1,849 Ital and non-current liabilities 1,849 1,849 Share capital 1,849 1,849 Capital surplus 2,070 2,070	Liabilities		
Short-term borrowings 3,600 3,900 Current portion of long-term borrowings 123 99 Accrude expenses 2,693 2,729 Income taxes payable 1,160 978 Contract liabilities 37 38 Provision for bonses 210 261 Provision for merchandise warranties 16 15 Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 15,538 15,662 Non-current liabilities 256 261 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total liabilities 1,7,038 17,154 Net assets 17,038 17,154 Share capital 1,849 1,849 Capital surplus 2,070 2,070 Accure tiabilities 1,260	Current liabilities		
Current portion of long-term borrowings 123 99 Accrued expenses 2,693 2,729 Income taxes payable 1,160 978 Contract liabilities 37 38 Provision for bonuses 210 261 Provision for merchandise warranties 16 15 Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 529 511 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 2,34 228 Total non-current liabilities 1,499 1,491 Total non-current liabilities 17,038 17,154 Net assets 2,070 2,070 2,070 Shareholders' equity 3,199 41,250 1,260 (1,260) Total shareholders' equity 40,139 41,250 1,260 (1,260) (1,260)	Notes and accounts payable - trade	3,191	3,466
Accrued expenses2,6932,729Income taxes payable1,160978Contract liabilities3738Provision for bonuses210261Provision for merchandise warranties1615Other4,5054,172Total current liabilities15,53815,662Non-current liabilities529511Provision for prevents529511Provision for retrement benefits for directors (and other officers)256261Retirement benefit liability135142Asset retirement obligations343348Other234228Total non-current liabilities1,4991,491Total inon-current liabilities1,4991,491Total inon-current liabilities1,4991,491Total inon-current liabilities1,4991,491Total inon-current liabilities1,4991,491Total inon-current liabilities1,4991,491Shareholders' equity2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income335727Non-controlling interests330372Total net assets	Short-term borrowings	3,600	3,900
Income taxes payable 1,160 978 Contract liabilities 37 38 Provision for bonuses 210 261 Provision for merchandise warranties 16 15 Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 15,538 15,662 Non-current liabilities 256 261 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total non-current liabilities 1,499 1,4191 Total inon-current liabilities 1,849 1,849 Share capital 1,849 1,849 Capital surplus 2,070 2,070 Total hareholders' equity 42,799 43,909 Asset retirement on available-for-sale securities 396 742 Share capital (1,260) (1,260) T	Current portion of long-term borrowings	123	99
Contract liabilities3738Provision for bonuses210261Provision for merchandise warranties1615Other4,5054,172Total current liabilities15,53815,662Non-current liabilities529511Provision for retirement benefits for directors (and other officers)256261Retirement benefit liability135142Asset retirement benefits for directors (and other officers)343348Other234228Total non-current liabilities1,4991,491Total inon-current liabilities17,03817,154Net assets2,0702,070Share capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Total shareholders' equity42,79943,099Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Non-controlling interests330372Total net assets330372	Accrued expenses	2,693	2,729
Provision for bonuses 210 261 Provision for merchandise warranties 16 15 Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 529 511 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total non-current liabilities 17,038 17,154 Net assets 17,038 17,154 Share capital 1,849 1,849 Capital surplus 2,070 2,070 Retained earnings 40,139 41,250 Treasury shares (1,260) (1,260) Total shareholders' equity 42,799 43,909 Accumulated other comprehensive income 396 742 Valuation difference on available-for-sale securities 396 742 Foreign currency translation adjustment (11) (14	Income taxes payable	1,160	978
Provision for merchandise warranties 16 15 Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 15,538 15,662 Non-current liabilities 250 261 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total non-current liabilities 1,499 1,491 Total inon-current liabilities 1,499 1,491 Total inon-current liabilities 1,849 1,849 Shareholders' equity 2,070 2,070 Share capital 1,849 1,849 Capital surplus 2,070 2,070 Teasury shares (1,260) (1,260) Total shareholders' equity 42,799 43,909 Accumulated other comprehensive income 396 742 Valuation difference on availlable-for-sale securities 396	Contract liabilities	37	38
Other 4,505 4,172 Total current liabilities 15,538 15,662 Non-current liabilities 529 511 Provision for retirement benefits for directors (and other officers) 256 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total non-current liabilities 1,499 1,491 Total liabilities 17,038 17,154 Net assets 343 348 Other 2,070 2,070 Sharecholders' equity 2,070 2,070 Share capital 1,849 1,849 Capital surplus 2,070 2,070 Retained earnings 40,139 41,250 Treasury shares (1,260) (1,260) Total shareholders' equity 42,799 43,909 Accumulated other comprehensive income 396 742 Valuation difference on available-for-sale securities 396 742 Foreign currency translat	Provision for bonuses	210	261
Total current liabilities 15,538 15,662 Non-current liabilities 1	Provision for merchandise warranties	16	15
Non-current liabilitiesLong-term borrowings529511Provision for retirement benefits for directors (and other officers)256261Retirement benefit liability135142Asset retirement obligations343348Other234228Total non-current liabilities1,4991,491Total liabilities17,03817,154Net assets1,8491,849Share capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets330372	Other	4,505	4,172
Long-term borrowings529511Provision for retirement benefits for directors (and other officers)256261Retirement benefit liability135142Asset retirement obligations343348Other234228Total non-current liabilities1,4991,491Total liabilities17,03817,154Net assets12,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets330372	Total current liabilities	15,538	15,662
Provision for retirement benefits for directors (and other officers)256261Retirement benefit liability135142Asset retirement obligations343348Other234228Total non-current liabilities1,4991,491Total inon-current liabilities17,03817,154Net assets17,03817,154Share capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Non-current liabilities		
other officers) 250 261 Retirement benefit liability 135 142 Asset retirement obligations 343 348 Other 234 228 Total non-current liabilities 1,499 1,491 Total liabilities 17,038 17,154 Net assets 17,038 17,154 Share capital 1,849 1,849 Capital surplus 2,070 2,070 Retained earnings 40,139 41,250 Treasury shares (1,260) (1,260) Total shareholders' equity 42,799 43,909 Accumulated other comprehensive income 396 742 Valuation difference on available-for-sale securities 396 742 Foreign currency translation adjustment (11) (14) Total accumulated other comprehensive income 385 727 Non-controlling interests 330 372 Total net assets 43,515 45,010	Long-term borrowings	529	511
Asset retirement obligations343348Other234228Total non-current liabilities1,4991,491Total liabilities17,03817,154Net assets11,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010		256	261
Other234228Total non-current liabilities1,4991,491Total liabilities17,03817,154Net assets17,03817,154Share capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income330372Non-controlling interests330372Total net assets43,51545,010	Retirement benefit liability	135	142
Total non-current liabilities1,4991,491Total liabilities17,03817,154Net assets17,03817,154Share capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Asset retirement obligations	343	348
Total liabilities17,03817,154Net assetsShareholders' equityShare capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Other	234	228
Net assetsShareholders' equityShare capital1,849Capital surplus2,070Retained earnings40,13941,250Treasury shares(1,260)Total shareholders' equity42,799Accumulated other comprehensive incomeValuation difference on available-for-sale securities396Foreign currency translation adjustment(11)Total accumulated other comprehensive income385Non-controlling interests330Total net assets43,51545,010	Total non-current liabilities	1,499	1,491
Shareholders' equityShare capital1,849Capital surplus2,070Capital surplus2,070Retained earnings40,139Treasury shares(1,260)Total shareholders' equity42,799Accumulated other comprehensive income396Valuation difference on available-for-sale securities396Foreign currency translation adjustment(11)Total accumulated other comprehensive income385Non-controlling interests330Total net assets43,515	Total liabilities	17,038	17,154
Share capital1,8491,849Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Net assets		
Capital surplus2,0702,070Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Shareholders' equity		
Retained earnings40,13941,250Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income396742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Share capital	1,849	1,849
Treasury shares(1,260)(1,260)Total shareholders' equity42,79943,909Accumulated other comprehensive income742Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Capital surplus	2,070	2,070
Total shareholders' equity42,79943,909Accumulated other comprehensive income42,79943,909Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Retained earnings	40,139	41,250
Accumulated other comprehensive incomeValuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Treasury shares	(1,260)	(1,260)
Valuation difference on available-for-sale securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010	Total shareholders' equity	42,799	43,909
securities396742Foreign currency translation adjustment(11)(14)Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010			
Total accumulated other comprehensive income385727Non-controlling interests330372Total net assets43,51545,010		396	742
Non-controlling interests330372Total net assets43,51545,010	Foreign currency translation adjustment	(11)	(14)
Total net assets 43,515 45,010	Total accumulated other comprehensive income	385	727
	Non-controlling interests	330	372
Total liabilities and net assets60,55362,164	Total net assets	43,515	45,010
	Total liabilities and net assets	60,553	62,164

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

		(Millions of yen)
	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	23,784	27,220
Cost of sales	17,074	19,902
Gross profit	6,709	7,317
Selling, general and administrative expenses	4,627	5,085
Operating profit	2,082	2,231
Non-operating income		
Interest and dividend income	2	2
Share of profit of entities accounted for using equity method	0	0
Foreign exchange gains	29	50
Gain on valuation of derivatives	-	418
Other	14	65
Total non-operating income	46	538
Non-operating expenses		
Interest expenses	3	2
Loss on investments in investment partnerships	11	9
Loss on valuation of derivatives	8	-
Other	3	4
Total non-operating expenses	28	15
Ordinary profit	2,100	2,755
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on bargain purchase	11	-
Total extraordinary income	12	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	21
Total extraordinary losses	1	21
Profit before income taxes	2,110	2,734
Income taxes - current	750	962
Income taxes - deferred	(38)	(78)
Total income taxes	711	884
Profit	1,399	1,850
Profit attributable to non-controlling interests	0	41
Profit attributable to owners of parent	1,398	1,808
· · _		

Quarterly Consolidated Statements of Comprehensive Income (For the three month
--

		/
		(Millions of yen)
	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	1,399	1,850
Other comprehensive income		
Valuation difference on available-for-sale securities	(379)	345
Foreign currency translation adjustment	(7)	(3)
Total other comprehensive income	(386)	342
Comprehensive income	1,012	2,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,012	2,150
Comprehensive income attributable to non-controlling interests	0	41