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

July 31, 2023

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended 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 months ended June 30, 2023: ¥ 2,192 million [116.5%]
Three months ended June 30, 2022: ¥ 1,012 million [(57.1)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended 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: ¥ 44,637 million

As of March 31, 2023: ¥ 43,184 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings 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 financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end 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 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)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
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		
Long-term borrowings	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		
Shareholders' equity		
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		
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
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 months)

(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