



**Summary of FY March 2017 Third Quarter Consolidated Financial Results [Japan GAAP]
(April 1, 2016 to December 31, 2016)**

Corporate Name: PROTO CORPORATION
Securities Code: 4298
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January 31, 2017
Stock Exchange Listing: TSE
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Scheduled dates:
Scheduled date of filing of quarterly report: February 10, 2017
Scheduled date for dividend payment: -

Quarterly earnings supplementary explanatory documents: Yes
Quarterly earnings presentation: None

(Figures are rounded down to million yen.)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2016
(April 1, 2016 to December 31, 2016)**

(1) Consolidated Operating Results

(Percentage represents change to the corresponding previous quarterly period.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net income attributable to owners of parent | |
|-------------------------------------|-------------|------|------------------|--------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended December 31, 2016 | 42,390 | 4.0 | 2,503 | (26.0) | 2,567 | (26.6) | 1,459 | (24.5) |
| Nine months ended December 31, 2015 | 40,763 | 11.6 | 3,382 | (10.5) | 3,498 | (13.7) | 1,934 | (24.0) |

Note: Comprehensive income

As of December 31, 2016: 1,395 million yen; 3.5% As of December 31, 2015: 1,349 million yen; (45.9%)

| | Net Income per Share | Net Income per Share (fully diluted) |
|-------------------------------------|----------------------|--------------------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2016 | 72.66 | — |
| Nine months ended December 31, 2015 | 95.46 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity Ratio |
|-------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of December 31, 2016 | 43,047 | 26,292 | 61.1 |
| As of March 31, 2016 | 40,885 | 26,001 | 63.6 |

Reference: Equity capital

As of December 31, 2016: 26,292 million yen As of March 31, 2016: 26,001 million yen

2. Cash Dividends

| | Cash Dividends per Share | | | | |
|-----------------------------------|--------------------------|--------|--------|----------|--------|
| | Q1 End | Q2 End | Q3 End | Year-End | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Year Ended March 2016 | — | 19.00 | — | 20.00 | 39.00 |
| Year Ending March 2017 | — | 25.00 | — | | |
| Year Ending March 2017 (Forecast) | | | | 25.00 | 50.00 |

Note: Revisions to the forecast of cash dividends for the current quarter: None

3. Forecast of the Consolidated Results for the Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Percentage represents change to the corresponding previous period.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net income attributable to owners of parent | | Net Income per Share |
|----------------------------|-------------|-----|------------------|--------|-----------------|--------|---|---|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Year Ending March 31, 2017 | 58,251 | 7.3 | 2,413 | (40.7) | 2,431 | (42.0) | 1,453 | — | 72.35 |

Note: Revisions to the forecast of consolidated results for the current quarter: None

*** Note**

- (1) Major changes in consolidated subsidiaries during the nine months ended December 31, 2016: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
- 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
 - 2) Other changes in accounting policies: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of corrections: None

(4) Numbers of shares issued (common stock)

| | | | | |
|---|-------------------------------------|-------------------|-------------------------------------|-------------------|
| 1) Numbers of shares issued (including treasury stock) | As of December 31, 2016 | 20,940,000 shares | As of March 31, 2016 | 20,940,000 shares |
| 2) Number of treasury stock | As of December 31, 2016 | 881,430 shares | As of March 31, 2016 | 735,930 shares |
| 3) The average number of outstanding shares over period (cumulative term) | Nine months ended December 31, 2016 | 20,090,320 shares | Nine months ended December 31, 2015 | 20,263,330 shares |

*** Indication regarding the implementation status of the quarterly review procedure**

This summary of financial results is exempt from quarterly review procedure based on the Financial Instruments and Exchange Act, and the review procedure of the quarterly financial statement based on the Financial Instruments and Exchange Act is not completed at the time of disclosure of this summary of financial results.

*** 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.