

To Our Shareholders:

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Notice Regarding a Revision to the Earnings Forecasts

PROTO CORPORATION ("the Company") hereby announces that the Company has revised the consolidated earnings forecast for the cumulative second quarter of the term ending March 2020 (April 1 to September 30, 2019) and the full-year earnings forecast for that term, which were announced on May 14, 2019, as follows, considering the recent business performance.

1. Regarding a revision to the earnings forecasts

Revision of Consolidated Earnings Forecast for the Six Months Ending September 30, 2019
 (April 1, 2019 - September 30, 2019)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of parent	Net Income per Share
Previous Forecast (A) (announced on May 14, 2019)	Million yen 29,516	Million yen 2,105	Million yen 2,114	Million yen 1,362	Yen 33.95
Revised Forecast (B)	29,516	2,105	2,114	2,600	64.83
Amount of Change (B) – (A)	—	—	—	1,238	—
Percentage of Change (%)	—	—	—	91.0	—
(Reference) Results for the Six Months Ended September 30, 2018	30,591	2,218	2,422	1,515	37.79

The Company carried out a 2-for-1 split of common shares on July 1, 2019. Net income per share was calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

Revision of Consolidated Earnings Forecast for the fiscal year ending March 2020
 (April 1, 2019 - March 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of parent	Net Income per Share
Previous Forecast (A) (announced on May 14, 2019)	Million yen 62,431	Million yen 4,916	Million yen 4,942	Million yen 3,274	Yen 88.61
Revised Forecast (B)	62,431	4,916	4,942	4,512	112.49
Amount of Change (B) – (A)	—	—	—	1,238	—
Percentage of Change (%)	—	—	—	37.8	—
(Reference) Results for the previous fiscal year Ended March 31, 2019	62,251	4,565	5,004	3,159	78.75

The Company carried out a 2-for-1 split of common shares on July 1, 2019. Net income per share was calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

2. Reason for the revision

As mentioned in “Notice of Transfer of Noncurrent Assets and Recording of Extraordinary Gain” announced on June 26, 2019, an extraordinary gain due to sale of noncurrent assets will be posted in the consolidated financial report for the second quarter of the term ending March 2020, so profit attributable to owners of parent is estimated to exceed the previously announced forecast. Accordingly, the Company will revise the earnings forecasts for the cumulative second quarter and the full year of the term ending March 2020.

In addition, the Company will integrate offices dotted in Tokyo into a new office located in Nishi-shinjuku, Shinjuku-ku, Tokyo (relocation scheduled in November 2019), to cement the cooperation among the group companies, streamline the business operations, and improve the productivity.

Note: The forecasted values written in this document were produced based on the available information as of the release date of this document, and so actual business performance may be different from the forecasted values due to various factors.