



(TRANSLATION FOR REFERENCE ONLY)

November 13, 2019

To Our Shareholders:

Corporate Name: PROTO CORPORATION

Representative: Kenji Kamiya, President

Securities Code: 4298

(TSE and NSE 1st Section)

Contact: Akito Ode, Executive Officer

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(Delayed) Regarding the arrest of the president and others of a subsidiary

Today, the representative director and president, a managing director, and an employee of AUTOWAY Co., Ltd. (hereinafter referred to as "AUTOWAY"), which is a consolidated subsidiary of our company, were arrested by Aichi Prefectural Police on suspicion of violating the Unfair Competition Prevention Act.

AUTOWAY has fully cooperated with the investigative organization in their investigation. Our corporate group will solemnly face this situation and keep cooperating with them.

However, our corporate group does not consider that we have violated the Unfair Competition Prevention Act. As for this matter, we will wait for the judgment of Public Prosecutors' Office, and discuss how to respond.

Our corporate group is developing systems for making business judgments properly while caring for compliance, tightening the governance of subsidiaries, and strengthening the internal check function, but we will further improve risk management, to regain trust.