



(TRANSLATION FOR REFERENCE ONLY)

November 26, 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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Notice Regarding the Transfer of a Consolidated Subsidiary (Transfer of Shares)

At the meeting of the board of directors held today, PROTO CORPORATION (“the Company”) has resolved to conclude a contract for the transfer of all shares of PROTO (TAIWAN) Co., Ltd. (hereinafter referred to as “PROTO (TAIWAN)”), which is a consolidated subsidiary, with Mr. Nobutaka Suzuki, who is the director and president of PROTO (TAIWAN) and one other person. Through this transfer, PROTO (TAIWAN) will be excluded from the scope of consolidation of the corporate group.

1. Reason for the transfer of shares

The Company established PROTO (TAIWAN) in 2011 for the purpose of operating the automobile-related information business globally, and has been striving to mainly establish an automobile-related ad business in Taiwan. However, a firm business foundation has not been established. Accordingly, the Company decided to transfer all shares of PROTO (TAIWAN), as part of efforts to concentrate and select items in the business portfolio.

2. Outline of the subsidiary to be transferred (PROTO (TAIWAN))

(1)	Name	PROTO (TAIWAN) Co., Ltd.
(2)	Location	99-19-2 Section 1, Xintaiwu Road, Xizhi District, New Taipei City, Taiwan
(3)	Post and name of the representative	Director and president: Nobutaka Suzuki
(4)	Business description	Operation of an automobile-related information website
(5)	Capital	263 million NTD (¥941 million) For Japanese currency conversion, the exchange rate as of October 31, 2019 (1NTD = 3.58 yen) is used.
(6)	Date of establishment	Dec. 5, 2011
(7)	Major shareholder and its shareholding ratio (as of the end of Sep. 2019)	PROTO CORPORATION 100%
(8)	Relation between the listed company and said company	Capital relation This company is a 100% consolidated subsidiary of PROTO CORPORATION
		Personal relation PROTO CORPORATION dispatched a representative director (part-time), a director (part-time), and an auditor (part-time).
		Transaction relation None

(9) Business performance and financial standing of said company in the past 3 years			
Accounting period	Term ended Dec. 2016	Term ended Dec. 2017	Term ended Dec. 2018
Net assets	¥183 million	¥172 million	¥86 million
Total assets	¥297 million	¥288 million	¥180 million
Net assets per share	¥6.99	¥6.55	¥3.29
Sales	¥304 million	¥324 million	¥243 million
Operating income	¥ (54) million	¥ (21) million	¥ (79) million
Ordinary income	¥ (52) million	¥ (20) million	¥ (78) million
Net income	¥ (84) million	¥ (20) million	¥ (78) million
Net income per share	¥ (3.22)	¥ (0.79)	¥ (2.97)

3. Outline of the person who will receive the shares

(1) Name	Nobutaka Suzuki		
(2) Address	Taipei City, Taiwan		
(3) Relation between the listed company and said individual	Capital relation	None	
	Personal relation	None	
	Transaction relation	None	
	Other	Said individual is the director and president of PROTO (TAIWAN).	

(1) Name	Seiko Suzuki		
(2) Address	Toyota City, Japan		
(3) Relation between the listed company and said individual	Capital relation	None	
	Personal relation	None	
	Transaction relation	None	
	Other	None	

4. No. of shares to be transferred, and No. of shares held before and after the transfer

(1) No. of shares held before the transfer	26,300,000 (No. of voting rights: 26,300,000) (Ratio of voting rights held: 100%)
(2) No. of shares to be transferred	26,300,000 (No. of voting rights: 26,300,000)
(3) Transfer price	1,000 yen
(4) No. of shares to be held after the transfer	— (No. of voting rights: —) (Ratio of voting rights held: — %)

5. Schedule

(1) Date of resolution by the board of directors	November 26, 2019
(2) Date of conclusion of the contract	November 27, 2019
(3) Date of transfer of shares	January 1, 2020 (scheduled)

6. Future outlook

Its effect on the consolidated performance in this fiscal year will be minor, but if there emerges any item that should be disclosed, the Company will disclose it immediately.