



(TRANSLATION FOR REFERENCE ONLY)

July 31, 2020

To Our Shareholders:

Corporate Name: PROTO CORPORATION

Representative: Kenji Kamiya, President

Securities Code: 4298

(TSE and NSE 1st Section)

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Notification Regarding Earnings Forecast

Regarding the consolidated earnings forecast for the fiscal year ending March 2021 (from April 1, 2020 to March 31, 2021), which was undetermined in the “Consolidated Financial Results for the Year Ended March 31, 2020 [Japanese GAAP]” announced on May 14, 2020, PROTO CORPORATION hereby announces the following.

1. Earnings Forecast

Revision of the consolidated earnings forecast for the cumulative second quarter of the fiscal year ending March 2021 (from April 1, 2020 to September 30, 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, 2020)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Revised Forecast (B)	28,090	2,234	2,292	1,443	35.93
Amount of Change (B) – (A)	—	—	—	—	—
Percentage of Change (%)	—	—	—	—	—
(Reference) Results for the Six Months Ended September 30, 2019	29,845	2,719	2,778	3,178	79.20

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 the full-year consolidated earnings forecast for the fiscal year ending March 2021 (from April 1, 2020 to March 31, 2021)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of parent	Net Income per Share
Previous Forecast (A) (announced on May 14, 2020)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Revised Forecast (B)	60,000	5,225	5,289	3,481	86.68
Amount of Change (B) – (A)	—	—	—	—	—
Percentage of Change (%)	—	—	—	—	—
(Reference) Results for the previous fiscal year Ended March 31, 2020	59,127	5,136	5,354	4,991	124.33

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. Reasons for the Consolidated Earnings Forecast

The earnings forecast for the fiscal year ending March 2021 was undecided because it was difficult to reasonably estimate the impact of the spread of COVID-19 on our Group's business activities. At this time, we announce our consolidated earnings forecast based on available information and estimations.

Moreover, although it remains unclear when the COVID-19 pandemic will subside, our sales have been recovering after the emergency declaration was lifted in May. Based on this and with the assumption that social restrictions, such as the issuance of another emergency declaration due to the second wave of COVID-19, will not be enforced, we have determined the earnings forecast. The above-mentioned earnings forecast was calculated based on currently available information. Thus, actual earnings may be different due to various factors such as the timing of subsiding of the COVID-19 pandemic. The dividend forecast remains unchanged from that announced on May 14, 2020 (an annual dividend of 25 yen, an interim dividend of 12.50 yen, and a year-end dividend of 12.50 yen).

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.