



(TRANSLATION FOR REFERENCE ONLY)

August 25, 2020

To Our Shareholders:

Corporate Name: PROTO CORPORATION  
Representative: Kenji Kamiya, President  
Securities Code: 4298  
(TSE and NSE 1st Section)  
Contact: Akito Ode, Executive Officer  
Tel: +81-52-934-2000

## Notice Regarding the (Simple Absorption-Type) Company Split

At the Board of Directors meeting held on August 25, 2020, PROTO CORPORATION (“the Company”) resolved that IID, Inc. would take over part of our business through simple absorption-type company split, and concluded a contract for absorption-type company split with IID, Inc. today.

Since the change in total assets due to the company split is less than 10% of net assets as of the last day of the previous fiscal year and the change in sales is less than 3% of the sales in the previous fiscal year, the items to be disclosed were partially omitted.

### 1. Purpose of the company split

Since August 2002, the Company has operated Goo School, a website for searching for information on schools for hobbies and qualifications, in the lifestyle-related information segment, but the Company has decided to concentrate the managerial resources into the automobile-related information segment and strengthen measures for mid/long-term sustainable growth. Accordingly, IID, Inc., which conducts the Internet media business, will take over that business, through this company split.

### 2. Outline of the company split

#### (1) Schedule

Date of the resolution by the board of directors	August 25, 2020
Date of conclusion of the contract for the company split	August 25, 2020
Date of execution (effective date)	October 1, 2020 (scheduled)

(Note) This company split falls under simple absorption-type company split described in Article 784, Paragraph 2 of the Companies Act, so the Company will execute it without a resolution for approval at a general meeting of shareholders.

#### (2) Company split method

The Company is to be split, while IID, Inc. is to take over the split business.

#### (3) Compensation for the company split

For the compensation for this company split, the Company will receive 5 million yen from IID, Inc.

#### (4) Handling of share acquisition rights and bonds with share acquisition rights for the company split

None

(5) Capital that will increase or decrease through the company split

There will be no change in capital through this company split.

(6) Rights and obligations to be transferred to the company that will take over the business

IID, Inc. will take over the assets, liabilities, rights, obligations, etc. accompany said business on the effective date of this company split, unless otherwise specified by the contract for company split. Liabilities will be fully transferred to IID, Inc.

(7) Prospect for fulfillment of obligations

After the effective date of this company split, the Company and IID, Inc. are expected to fulfill their respective obligations without any problems.

3. Compensation for the company split and how to calculate it

The amount of cash to be received by the Company split is not expected to increase or decrease significantly, but has been determined based on the results of the calculation of the amount equivalent to the market value of the assets to be transferred, after consultation and negotiation with the Company and IID, Inc.

4. Outline of the companies involved in this company split

The company to be split (the Company)

(1)	Name	PROTO CORPORATION	
(2)	Location	1-23-14 Aoi, Naka-ku, Nagoya-shi	
(3)	Post and name of the representative	Kenji Kamiya, President	
(4)	Business description	Provision of services regarding automobile-related information, including information on new cars, used cars, auto parts, and goods, and lifestyle-related information	
(5)	Capital	1,849 million yen	
(6)	Date of establishment	June 1, 1979	
(7)	No. of outstanding shares	41,925,300	
(8)	Date of account settlement	March 31	
(9)	Major shareholders and shareholding ratios (as of the end of March 2020)	Mugen Co., Ltd.	33.89%
		The Master Trust Bank of Japan, Ltd. (trustee)	7.03%
		JPLLC CLIENT SAFEKEEPING ACCOUNT	6.64%
(10)	Financial standing and business performance in the previous fiscal year		
	Accounting period	Term ended March 2020 (consolidated)	
	Net assets	31,932 million yen	
	Total assets	44,726 million yen	
	Net assets per share	794.38 yen	
	Sales	59,127 million yen	
	Operating income	5,136 million yen	
	Ordinary income	5,354 million yen	
	Profit attributable to owners of parent	4,991 million yen	
	Net income per share	124.33 yen	

The company that will take over the business (IID, Inc.)

(1)	Name	IID, Inc.	
(2)	Location	2-6-1 Nishi-shinjuku, Shinjuku-ku, Tokyo	
(3)	Post and name of the representative	Hiroshi Miyakawa, President/CEO	
(4)	Business description	Operation of media, research, and media commerce businesses	
(5)	Capital	873 million yen	
(6)	Date of establishment	April 28, 2000	
(7)	No. of outstanding shares	5,006,200	
(8)	Date of account settlement	June 30	
(9)	Major shareholders and shareholding ratios (as of the end of June 2020)	Excite Japan Co., Ltd.	14.23%
		Hakuhodo DY Media Partners Inc.	10.42%
		Mynavi Corporation	8.05%
(10)	Financial standing and business performance in the previous fiscal year		
	Accounting period	Term ended June 2020 (consolidated)	
	Net assets	2,969 million yen	
	Total assets	3,978 million yen	
	Net assets per share	583.26 yen	
	Sales	5,266 million yen	
	Operating income	315 million yen	
	Ordinary income	277 million yen	
	Profit attributable to owners of parent	104 million yen	
	Net income per share	21.35 yen	

#### 5. Outline of the business section to be separated

##### (1) Business of the section to be separated

Planning and operation of Goo School, a website for searching for information on schools for hobbies and qualifications

##### (2) Business performance of the section to be separated (Term ended March 2020)

	Results of that business (a)	(Consolidated) results of the Company (b)	Ratio (a/b)
Sales	105 million yen	59,127 million yen	0.18%

##### (3) Items and amounts of assets and liabilities to be separated (as of June 30, 2020)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	10 million yen	Current liabilities	5 million yen
Fixed assets	0 million yen	Fixed liabilities	— million yen
Total	11 million yen	Total	5 million yen

(Note) The amounts of assets and liabilities to be separated were obtained with reference to the balance sheet as of June 30, 2020. The actual amounts of assets and liabilities to be separated will be determined while taking into account the changes from the above-mentioned amounts until the effective date of this company split.

#### 6. Situations of the listed company and the company that will take over the business after the company split

This company split will not change the name, location, representative's post or name, business, capital amount, or account settlement date of either the Company or IID, Inc.

## 7. Future outlook

This company split is to be conducted on October 1, 2020. Through this company split, there will emerge a profit for transfer from business divestitures amounting to about 3 million yen in the consolidated third quarter of the term ending March 2021. The impact of this company split on the performance from the term ending March 2022 will be minor.