



(TRANSLATION FOR REFERENCE ONLY)

October 30, 2020

To Our Shareholders

Corporate Name: PROTO CORPORATION
Representative: Kenji Kamiya, President
Securities Code: 4298
(TSE and NSE 1st Section)
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Notice Regarding Differences between Actual and Forecast Figures for the Six Months Ended September 30, 2020

PROTO CORPORATION ("the Company") hereby announces that actual financial results during the six months ended September 30, 2020, differed in some respects from the forecast announced on July 31, 2020. This difference is described below.

1. Differences between Actual and Forecast of Consolidated Financial Results for the Six Months Ended September 30, 2020(April 1, 2020 - 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 July 31, 2020)	Million yen 28,090	Million yen 2,234	Million yen 2,292	Million yen 1,443	Yen 35.93
Actual results (B)	27,456	2,838	2,828	1,791	44.62
Difference (B) – (A)	(633)	604	536	348	
Percentage of Change (%)	(2.3)	27.1	23.4	24.2	
(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.

2. Reason for the revision

Regarding consolidated sales for the second quarter of the fiscal year ending March 2021, although the sales promotion of the "MOTOR GATE Calendar," which is equipped with the online negotiation reservation function of "Goo-net," our car portal site, progressed steadily due to increased demand for online negotiations under the influence of COVID-19 pandemic, sales fell below the previously announced forecast, mainly due to port closures at each destination in the used car export business of GOONET EXCHANGE. Operating income, ordinary income, and profit attributable to owners of parent were higher than the previously announced forecasts, mainly because SG&A expenses of our company fell below the estimate, due to continuous reform of our sales system and cost review as we conducted online sales, remote work, etc.

Regarding the full-year consolidated earnings forecast, we have decided not to revise the previously released figures because the outlook for performance remains uncertain due to the impact of COVID-19. If we judge that a correction is necessary, we will release a forecast.

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.