



(TRANSLATION FOR REFERENCE ONLY)

May 10, 2021

To Our Shareholders:

Corporate Name: PROTO CORPORATION  
Representative: Kenji Kamiya, President  
Securities Code: 4298  
(TSE and NSE 1st Section)  
Contact: Takehito Suzuki, Executive Officer  
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### Regarding Transfer of Shares of a Subsidiary

At the Board of Directors Meeting held today, PROTO CORPORATION (the Company) resolved to transfer all shares of PROTO MEDICAL CARE (Headquartered in Chiyoda-ku, Tokyo, President: Naoki Fujisawa; hereinafter referred to as “PROTO MEDICAL CARE”), a consolidated subsidiary of the Company, to Benesse Holdings, Inc. (Headquartered in Okayama-shi, Okayama, Representative Director and President, COO: Hitoshi Kobayashi, hereinafter referred to as “Benesse Holdings”) (hereinafter referred to as “the Share Transfer”), and a share transfer agreement was concluded. As a result of the Share Transfer, PROTO MEDICAL CARE and its wholly-owned subsidiaries MARUFUJI and SILVER HEART are excluded from the scope of the Company’s consolidated subsidiaries.

#### 1. Reasons for the Share Transfer

In the lifestyle-related information segment, the Company started the operation of the nursing care portal site “Oasis Navi” in October 2006. Since then, the Company has been operating advertising-related business, welfare equipment rental/sales business, recruitment agency business and temporary staffing business in the fields of nursing care, welfare and medical care, including the purchase of Medical CUBIC (current PROTO MEDICAL CARE) in October 2009.

Although the business performance of PROTO MEDICAL CARE has been steady since the launch of the business, it has not yet achieved significant results that contribute to the business growth of both segments as the Company pursues synergies between the automobile-related information segment and the lifestyle-related information segment, which are the core businesses of the Group. Against this backdrop, the Company has decided to transfer the shares of PROTO MEDICAL CARE to Benesse Holdings as part of the selection and concentration of its business portfolio.

#### 2. Overview of the target company

(1)	Name	PROTO MEDICAL CARE
(2)	Address	2-4 Kanda Jimbocho, Chiyoda-ku, Tokyo, Japan
(3)	Representative’s position and name	President Naoki Fujisawa
(4)	Business fields	Advertising-related business, welfare equipment rental/sales business, recruitment and temporary staffing business in the fields of nursing care, welfare and medical care
(5)	Capital	498 million yen
(6)	Year of establishment	December 7, 2004
(7)	Major shareholder and shareholding ratio (As of the end of December 2020)	PROTO CORPORATION 100%

(8)	Relationship between the listed company and the company	Capital relationships	It is a consolidated subsidiary of the Company. 100% owned by PROTO CORPORATION.	
		Human relationships	The Company's director concurrently serves as a director of the company, and 1 corporate auditor of the Company concurrently serves as a corporate auditor. In addition, 1 employees of the Company are seconded.	
		Business relationships	The Company has entered into a real estate lease agreement with the company.	
(9)	Operating results and financial position of the company and its subsidiaries over the last 3 years (consolidated)			
Closing period		FY March 2018	FY March 2019	FY March 2020
Net assets		1,705 million yen	1,822 million yen	1,894 million yen
Total assets		2,446 million yen	2,450 million yen	2,390 million yen
Net assets per share		152,307.66 yen	162,686.51 yen	169,118.52 yen
Sales		3,879 million yen	3,869 million yen	3,846 million yen
Operating income		324 million yen	220 million yen	177 million yen
Ordinary income		323 million yen	208 million yen	175 million yen
Profit attributable to owners of parent		197 million yen	116 million yen	72 million yen
Net income per share		17,641.26 yen	10,378.85 yen	6,432.01 yen
Dividend per share		- yen	- yen	- yen

\*“(9) Operating results and financial position of the company and its subsidiaries over the last 3 years (consolidated)” indicates the consolidated results of PROTO MEDICAL CARE and its wholly-owned subsidiaries, MARUFUJI and SILVER HEART.

(1)	Name	MARUFUJI		
(2)	Address	2-20-7 Minamikamata, Ota-ku, Tokyo, Japan		
(3)	Representative's position and name	President Naoki Fujisawa		
(4)	Business fields	Welfare equipment rental/sales business		
(5)	Capital	5 million yen		
(6)	Year of establishment	April 14, 1999		
(7)	Major shareholder and shareholding ratio (As of the end of December 2020)	PROTO MEDICAL CARE		100%
(8)	Relationship between the listed company and the company	Capital relationships	It is a consolidated subsidiary of the Company. 100% owned by PROTO MEDICAL CARE.	
		Human relationships	The Company's auditor concurrently serves as an auditor of the company.	
		Business relationships	N/A	

(1)	Name	SILVER HEART		
(2)	Address	740-1 Shobucho Sanga, Kuki-city, Saitama, Japan		
(3)	Representative's position and name	President Naoki Fujisawa		
(4)	Business fields	Welfare equipment rental/sales business		
(5)	Capital	10 million yen		
(6)	Year of establishment	October 3, 1994		

(7)	Major shareholder and shareholding ratio (As of the end of December 2020)	PROTO MEDICAL CARE	100%
(8)	Relationship between the listed company and the company	Capital relationships	It is a consolidated subsidiary of the Company. 100% owned by PROTO MEDICAL CARE.
		Human relationships	The Company's auditor concurrently serves as an auditor of the company.
		Business relationships	N/A

### 3. Overview of the transferee

(1)	Name	Benesse Holdings, Inc.	
(2)	Address	3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama, Japan	
(3)	Representative's position and name	Representative Director and President, COO Hitoshi Kobayashi	
(4)	Business fields	Holding company, overall Group management strategy formulation and management oversight, etc.	
(5)	Capital	13,700 million yen (As of March 31, 2020)	
(6)	Year of establishment	January 28, 1955	
(7)	Net asset	175,339 million yen (FY March 2020)	
(8)	Total asset	517,425 million yen (FY March 2020)	
(9)	Major shareholders and shareholding ratios (As of September 30, 2020)	The Master Trust Bank of Japan ,Ltd.	12.48%
		Custody Bank of Japan, Ltd.	9.61%
		efu Investment Limited	8.15%
(10)	Relationship between the listed company and the company	Capital relationships	N/A
		Human relationships	N/A
		Business relationships	N/A
		Status of related parties	N/A

### 4. Number of shares acquired, acquisition price, and status of shares held before and after acquisition

(1)	Number of shares held before transfer	11,200 (Number of voting rights: 11,200) (Ownership ratio: 100%)
(2)	Number of shares to be transferred	11,200 (Number of voting rights: 11,200)
(3)	Transfer price	4,250 million yen
(4)	Number of shares held after transfer	0 (Number of voting rights: 0) (Ownership ratio: 0%)

### 5. Schedule

Date of board resolution	May 10, 2021
Date of share transfer agreement	May 10, 2021
Date of stock transfer execution	June 1, 2021 (plan)

## 6. Future outlook

As a result of this share transfer, we expect to record an extraordinary gain in the fiscal year ending March 31, 2022. The impact of this share transfer, including this amount, on our group's business performance is currently under scrutiny and will be disclosed as soon as it is determined.