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Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]

July 30, 2021

Company name: PROTO CORPORATION

Stock exchange listing: Tokyo, Nagoya

Code number: 4298

URL: <https://www.proto-g.co.jp/>

Representative: Kenji Kamiya

President

Contact: Takehito Suzuki

Executive officer

Phone: +81-52-934-2000

Scheduled date of filing quarterly securities report: August 06, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 01, 2021 to June 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	13,661	7.3	1,780	18.5	1,865	20.0	2,281	124.2
June 30, 2020	12,737	-	1,502	3.7	1,554	8.2	1,017	(1.8)

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ 2,358 million [107.2%]
Three months ended June 30, 2020: ¥ 1,138 million [14.3%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	56.81		-	
June 30, 2020	25.34		-	

(Note) The Company has adopted the "accounting standard regarding revenue recognition" (Corporate Accounting Standards No. 29, March 31, 2020), etc. from the beginning of the current first quarter consolidated accounting period. The figures for the first quarter of the fiscal year ended March 31, 2021 are after the retroactive application of the said accounting standard. As a result, the rate of increase or decrease in net sales for the first quarter of the fiscal year ended March 31, 2021 compared to the same period of the previous fiscal year is not stated.

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of June 30, 2021	50,918		37,791		74.2	
March 31, 2021	49,388		35,934		72.7	

(Reference) Equity: As of June 30, 2021: ¥ 37,757 million
As of March 31, 2021: ¥ 35,901 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	12.50	-	12.50	25.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		17.50	-	17.50	35.00

(Note) Revision to the forecast for dividends announced most recently: Yes

For details of the dividend forecast, please refer to the "Notice Regarding the Revision of Dividend Forecast (Dividend Increase)" released today (July 30, 2021).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2021	27,528	0.3	2,683	(5.5)	2,675	(5.4)	3,287	83.5	81.86
Full year	60,000	(0.2)	6,100	2.7	6,080	(0.6)	5,615	15.7	139.82

(Note) Revision to the financial results forecast announced most recently: No

Since the company will apply the "accounting standards regarding revenue recognition"(Corporate Accounting Standards No.29, March 31, 2020), etc. from the beginning of the term ending March 2022, so the earnings forecast indicates the figures based on the new standards.

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: PROTO Ventures 2 Investment Limited Partnership)

Exclusion: 1 (Company name: PROTO MEDICAL CARE)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2021: 41,925,300 shares

March 31, 2021: 41,925,300 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 1,766,297 shares

March 31, 2021: 1,766,217 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 40,159,063 shares

Three months ended June 30, 2020: 40,159,789 shares

*** This quarterly report is not subject to quarterly review procedures by certified public accountants or an auditing firm.**

*** Explanation for appropriate use of forecasts and other notes**

The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of June 30,2021
Assets		
Current assets		
Cash and deposits	21,705	23,518
Notes and accounts receivable - trade	5,010	3,958
Inventories	3,703	3,859
Other	1,211	2,221
Allowance for doubtful accounts	(6)	(3)
Total current assets	31,623	33,554
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,756	5,615
Land	4,570	4,684
Other, net	692	661
Total property, plant and equipment	11,019	10,961
Intangible assets		
Goodwill	1,124	706
Other	1,094	1,044
Total intangible assets	2,218	1,751
Investments and other assets		
Investments and other assets	4,543	4,667
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	4,525	4,651
Total non-current assets	17,764	17,363
Total assets	49,388	50,918

(Million yen)

	As of March 31,2021	As of June 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,219	1,914
Short-term borrowings	2,400	2,400
Current portion of long-term borrowings	295	271
Accrued expenses	2,608	2,206
Income taxes payable	1,253	1,917
Provision for bonuses	158	181
Provision for merchandise warranties	25	21
Contract liabilities	32	29
Other	3,132	2,960
Total current liabilities	12,126	11,903
Non-current liabilities		
Long-term borrowings	385	326
Provision for retirement benefits for directors (and other officers)	225	224
Retirement benefit liability	8	12
Asset retirement obligations	300	273
Other	407	386
Total non-current liabilities	1,327	1,223
Total liabilities	13,453	13,127
Net assets		
Shareholders' equity		
Share capital	1,849	1,849
Capital surplus	2,036	2,036
Retained earnings	32,447	34,226
Treasury shares	(1,306)	(1,306)
Total shareholders' equity	35,026	36,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543	621
Foreign currency translation adjustment	330	329
Total accumulated other comprehensive income	874	951
Non-controlling interests	33	34
Total net assets	35,934	37,791
Total liabilities and net assets	49,388	50,918

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Net sales	12,737	13,661
Cost of sales	6,867	7,428
Gross profit	5,869	6,233
Reversal of provision for sales returns	10	-
Provision for sales returns	0	-
Gross profit - net	5,879	6,233
Selling, general and administrative expenses	4,376	4,452
Operating profit	1,502	1,780
Non-operating income		
Interest and dividend income	4	0
Foreign exchange gains	41	88
Other	26	25
Total non-operating income	71	114
Non-operating expenses		
Interest expenses	3	2
Loss on investments in investment partnerships	8	8
Miscellaneous losses	-	9
Other	8	9
Total non-operating expenses	20	29
Ordinary profit	1,554	1,865
Extraordinary income		
Gain on sale of non-current assets	-	5
Gain on sale of shares of subsidiaries and associates	-	2,146
Total extraordinary income	-	2,151
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	1,554	4,015
Income taxes - current	539	1,842
Income taxes - deferred	0	(108)
Total income taxes	540	1,733
Profit	1,014	2,282
Profit (loss) attributable to non-controlling interests	(3)	0
Profit attributable to owners of parent	1,017	2,281

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Profit	1,014	2,282
Other comprehensive income		
Valuation difference on available-for-sale securities	124	77
Foreign currency translation adjustment	(0)	(1)
Total other comprehensive income	124	76
Comprehensive income	1,138	2,358
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,139	2,358
Comprehensive income attributable to non-controlling interests	(1)	0