



(TRANSLATION FOR REFERENCE ONLY)

October 31, 2022

To Our Shareholders

Corporate Name: PROTO CORPORATION
 Representative: Kenji Kamiya, President
 Securities Code: 4298
 (TSE Prime, NSE Premier)
 Contact: Takehito Suzuki, Executive Officer
 Tel: +81-52-934-2000

Notice of Regarding Difference between Consolidated Earnings Forecast and Actual Results for the Six Months (Cumulative) and Revision of Consolidated Earnings Forecast for the Full Year

PROTO CORPORATION ("the Company") announces the difference between the consolidated earnings forecast for the first half of the fiscal year ending March 31, 2023 announced on May 13, 2022 and the actual results announced today. The Company also announces the following revisions to its full-year consolidated earnings forecasts for the fiscal year ending March 31, 2023.

1. Difference between consolidated earnings forecast and actual results for the Six Months (April 1, 2022 - September 30, 2022)

	Net sales	Operating Income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous Forecast (A)	Million yen 40,586	Million yen 2,887	Million yen 2,951	Million yen 1,946	Yen 48.41
Actual results (B)	49,811	3,607	3,668	2,401	59.74
Difference (B) – (A)	9,225	719	717	455	—
Percentage of Change (%)	22.7	24.9	24.3	23.4	—
(Reference) Results for the Six Months of the previous fiscal year (Second quarter of the fiscal year ended March 31, 2022)	26,308	3,084	3,230	3,623	90.20

2. Revision of Full-year Consolidated Earnings Forecast (April 1, 2022 - March 31, 2023)

	Net sales	Operating Income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous Forecast (A)	Million yen 85,681	Million yen 6,500	Million yen 6,650	Million yen 4,450	Yen 110.71
Revised Forecast (B)	95,000	7,200	7,350	4,900	121.87
Difference (B) – (A)	9,319	700	700	450	—
Percentage of Change (%)	10.9	10.8	10.5	10.1	—
(Reference) Actual results for the previous period (Year ended March 31, 2022)	57,446	6,422	6,622	5,880	146.34

3. Reasons for differences and revisions

In the first half of the fiscal year ending March 31, 2023, sales exceeded the initial forecast mainly due to strong sales of gift certificates and gift vouchers at COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. In terms of profit, operating income, ordinary income, and net income attributable to owners of the parent exceeded the initial forecast, mainly due to strong sales in our platform business, including "MOTOR GATE".

We have also revised our full-year consolidated earnings forecast as above, taking into account the results of the first half of the fiscal year and the current market environment.

(Note) Although the forecasts contained in this document are calculated based on information available as of the date of publication of this document, actual results may differ from the above forecasts due to uncertainties inherent in the forecasts and other factors.