

To Our Shareholders:

Corporate Name: PROTO CORPORATION

Representative: Tatsuzo Irikawa, President and COO

Securities Code: 4298 (JASDAQ)

Contact: Shigeyoshi Shimizu, Director

Tel: +81-52-934-2000

Notice Regarding Stock Repurchases
(Stock Repurchases under the Provisions of Articles of Incorporation Pursuant to
Paragraph 2, Article 165 of the Corporation Law of Japan)

PROTO CORPORATION (“the Company”) hereby announces that, at a meeting of its Board of Directors held on May 10, 2013, the Company has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Corporation Law of Japan, as applied pursuant to Paragraph 3, Article 165 of the Corporation Law, as described below.

1. Reasons for Share Repurchases

To improve capital efficiency and enable the Company to flexibly exercise its capital policy in response to the changing managerial environment.

2. Details of Repurchases

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|-----|---|---|
| (1) | Class of shares to be repurchased: | Common stock |
| (2) | Total number of shares to be repurchased: | Up to 150 thousand shares
(Ratio to the number of outstanding shares: 0.72%) |
| (3) | Aggregate repurchase amount: | Up to 200 million yen |
| (4) | Period for repurchases: | May 13, 2013 to June 28, 2013 |

(For reference) Number of treasury stock (as of March 31, 2013)

Number of outstanding shares (excluding treasury stock): 20,575,890 shares

Number of treasury stock: 364,110 shares