



(TRANSLATION FOR REFERENCE ONLY)

October 31, 2014

To Our Shareholders:

Corporate Name: PROTO CORPORATION

Representative: Kenji Kamiya, President

Securities Code: 4298 (TSE 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 October 31, 2014, 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

- |     |   |   |
|-----|---|---|
| (1) | Class of shares to be repurchased:        | Common stock  |
| (2) | Total number of shares to be repurchased: | Up to 150 thousand shares<br>(Ratio to the number of outstanding shares: 0.73%) |
| (3) | Aggregate repurchase amount:              | Up to 200 million yen   |
| (4) | Period for repurchases:                   | November 4, 2014 to December 22, 2014   |

(For reference) Number of treasury stock (as of September 30, 2014)

Number of outstanding shares (excluding treasury stock): 20,445,110 shares

Number of treasury stock: 494,890 shares