



(TRANSLATION FOR REFERENCE ONLY)

March 1, 2016

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 the Use of General Reserve

At the meeting of the board of directors held on March 1, 2016, our company resolved to use general reserve in accordance with the articles of incorporation based on Article 459, Section 1 of the Companies Act.

1. Decreasing surplus account and its amount
General reserve 5,000,000,000 yen

2. Increasing surplus account and its amount
Retained earnings brought forward 5,000,000,000 yen

3. Purpose
To make up for the loss of retained earnings brought forward, and enable flexible capital measures, such as the return to shareholders according to the changes in the business environment.

4. Effective date
March 31, 2016

5. Effects on business performance
This will not produce any effects on the business performance of our company.