



(TRANSLATION FOR REFERENCE ONLY)

October 30, 2017

To Our Shareholders:

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Notice on the Revision of Earnings Forecast

PROTO CORPORATION (the “Company”) has revised its consolidated forecast that was announced on May 10, 2017, as follows based on a review of current trends in results of operations.

1. Revision to Earnings Forecast

Revision to the consolidated forecast for the fiscal year ending March 31, 2018 (April 1, 2017 - March 31, 2018)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to owners of parent	Net Income per Share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A)	65,570	4,500	4,532	2,982	148.66
Revised Forecast (B)	62,650	3,700	3,859	2,120	105.69
Amount of Change (B) – (A)	(2,920)	(800)	(673)	(862)	
Percentage of Change (%)	(4.5)	(17.8)	(14.8)	(28.9)	
(Reference) Results for the previous fiscal year Ended March 31, 2017	56,717	2,795	2,883	1,506	75.02

2. Reason of the Revision

(1) Net Sales

Net sales are expected to be lower than the estimates announced on May 10, 2017, mainly due to delay of charging the services of the GooPit business targeting maintenance shops into fee-based one and delay of increasing new customers for Goo Checkup.

(2) Operating Income / Ordinary Income

As described earlier, because net sales mainly concerning GooPit business are expected to be lower than the previously announced estimate, gross profit from said business is also expected to fall below the estimate. Furthermore, gross profit for a part of subsidiary companies is also expected to fall below the estimate. In addition, operating and ordinary incomes are expected to be lower than the estimates announced on May 10, 2017, because SG&A expenses are expected to turn out as estimated.

(3) Net income attributable to owners of parent

Profit attributable to owners of parent is expected to be lower than the estimate announced on May 10, 2017. This is because, as described earlier, operating and ordinary incomes are expected to be below the estimate as well as an impairment loss of fixed assets related to experimentally operating agricultural business amounting to 336 million yen was included in extraordinary losses in the segment of other businesses.

Note: The forecasted values written in this document were produced based on the available information as of the release date of this document, and so actual business performance may be different from the forecasted values due to various factors.