



(TRANSLATION FOR REFERENCE ONLY)

March 23, 2018

To Our Shareholders:

Corporate Name: PROTO CORPORATION

Representative: Kenji Kamiya, President

Securities Code: 4298 (TSE JASDAQ)

Contact: Akito Ode, Executive Officer

Tel: +81-52-934-2000

Notice Regarding the Use of General Reserve

At the meeting of the board of directors held on March 23, 2018, 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 3,000,000,000 yen
2. Increasing surplus account and its amount
Retained earnings brought forward 3,000,000,000 yen
3. Purpose
To make it possible to carry out an agile capital management policy in response to changes in the business environment.
4. Effective date
March 31, 2018
5. Effects on business performance
This will not produce any effects on the business performance of our company.