

Financial Results
for the Nine Months Ended December 2022
(April 1,2022 to December 31,2022)



DX promotion in the mobility field



**Expanding earnings through
data x AI technology**

PROTO CORPORATION

挑戦を未来の力に

PROTO

プロトコーポレーション

Securities Code:4298

January 31, 2023

(Investor Meeting February 3, 2023)

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Corporate Goals

Create change by continuing to challenge yourself.
CHANGING COMPANY

Corporate Profile

Established	June 1, 1979
Business Description	Providing mobility-related information DX promotion in the mobility field
Head Offices	23-14, Aoi 1-chome, Naka-ku, Nagoya 460-0006, Japan 6-18-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Stock Exchange Listing	Tokyo Stock Exchange Prime Market Nagoya Stock Exchange Premier Market (Securities Code : 4298)



President
Kenji Kamiya

Business Results and Indicators for the Fiscal Year Ended March 31, 2022

Net sales	57.4 billion yen	market capitalization	51.9 billion
Operating income	6.4 billion yen	PER	10.16 times
ROE	15.4%	PBR	1.19 times

As of January 30, 2023

On October 1, 2022, we celebrated the 45th anniversary of our founding. We would like to express our sincere gratitude to all of you for your support and patronage.

Since our founding, we have taken on many challenges and have evolved from being the first company in Japan to publish a used car information magazine to a company focused on DX in the mobility domain, as well as developing our business in many other areas.

We will continue to create new value in the world through the pursuit of "Dreams, Inspiration, and joy!" and become a "partner company of the future society" that is truly chosen by society. And, we will make every effort to continue to be a company that is loved by our shareholders and investors.

Features of PROTO CORPORATION



45

**YEAR OF
EXPERIENCE**

① A leading company in used car information media

- Operates the famous car information media, Goo-net
- Holds a market share of **about 60%** of used car dealers, making the company one of the best in the industry

② Provides comprehensive support for DX in the mobility area

- Promotion of DX** in the areas of used cars, maintenance, and new cars
- Expanding profit opportunities using **data and AI** technology

③ Aiming for high growth with the new medium-term management plan

- ※For details, please refer to the financial results briefing material for the fiscal year ending March 31, 2022.

Target for FY March 2025

Sales of **125 billion yen**, an operating income of **10 billion yen**, and an **ROE of 12%** or higher

Results for FY March 2022

Sales of 57.4 billion yen, an operating income of 6.4 billion yen, and an ROE of 15.4%

Performance summary

(Q3 Cumulative Results and Full-Year Forecasts)

Executive Summary for the third quarter of the fiscal year ending March 31, 2023

Both sales and operating income exceeded the previous year's results and plan.

unit: million yen	Actual results for the previous period	Plan	Result
	Q3/FY2022 Apr-Dec 2021	Q3/FY2023 Apr-Dec 2022	Q3/FY2023 Apr-Dec 2022
Net sales	42,692	73,225 YoY+71.5%	79,329 YoY+85.8% Comparison to Plan+8.3%
Operating Income	5,141	5,733 YoY+11.5%	5,976 YoY+16.2% Comparison to Plan+4.2%
Ordinary Income	5,294	5,843 YoY+10.4%	5,378 YoY+1.6% Comparison to Plan(7.9%)
Net Income	5,049	3,896 YoY(22.8%)	3,490 YoY(30.9%) Comparison to Plan(10.4%)

■ Net sales exceeded both the previous year's results and the plan, mainly due to steady sales expansion of ①DX-related products in the mobility-related field, ②an increase in sales volume at AUTOWAY, which sells imported tires and wheels, as a result of its strength in price advantage, in addition to the impact of the weak yen and high raw material prices passed on to sales prices, and ③COSMIC Group, which sells tickets, exceeding the plan in Q3 as it had done in Q2.

■ Operating income exceeded both the previous year's results and the plan, mainly due to strong sales in the high-margin platform business.

■ Loss on valuation of derivatives of 680 million yen due to fluctuations in foreign exchange rates.

■ The previous year saw a gain of 2.14 billion yen on the sale of shares in PROTO MEDICAL CARE (now: HEART MEDICAL CARE)

Segment PL for the third quarter of the fiscal year ending March 31, 2023

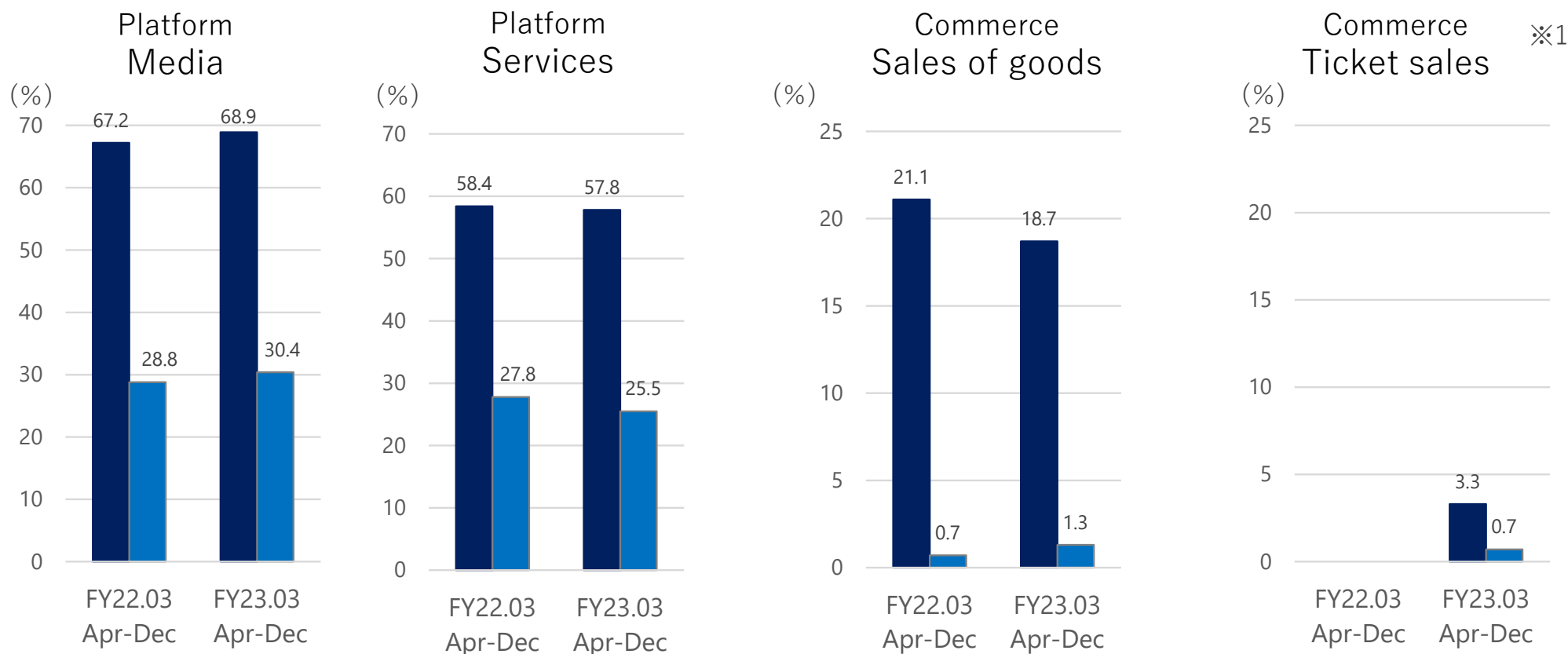
		(a)Result Q3/FY2022 Apr-Dec 2021	(b)Plan Q3/FY2023 Apr-Dec 2022	(c)Result Q3/FY2023 Apr-Dec 2022	YoY (c)-(a)	YoY (%)	Comparison to Plan (c)-(b)	Comparison to Plan (%)
[unit: million yen]								
P l a t f o r m	Net sales	21,399	22,436	22,465	+ 1,066	+5.0%	+28	+0.1%
	Operating Income	6,123	6,586	6,609	+486	+7.9%	+23	+0.4%
M e d i a	Net sales	17,157	18,088	18,106	+948	+5.5%	+17	+0.1%
	Operating Income	4,944	5,462	5,499	+554	+11.2%	+37	+0.7%
S e r v i c e s	Net sales	4,241	4,348	4,359	+117	+2.8%	+10	+0.2%
	Operating Income	1,178	1,123	1,109	(68)	(5.8%)	(14)	(1.2%)
C o m m e r c e	Net sales	18,293	46,825	51,993	+33,699	+184.2%	+5,167	+11.0%
	Operating Income	122	332	489	+367	+299.0%	+157	+47.3%
S a l e s o f g o o d s	Net sales	18,293	21,156	22,540	+4,246	+23.2%	+1,383	+6.5%
	Operating Income	122	227	294	+171	+140.1%	+66	+29.3%
T i c k e t s a l e s	Net sales	-	25,668	29,452	+29,452	-	+3,783	+14.7%
	Operating Income	-	104	195	+195	-	+90	+86.7%
O t h e r B u s i n e s s	Net sales	2,999	3,962	4,871	+1,871	+62.4%	+909	+22.9%
	Operating Income	388	252	398	+10	+2.7%	+146	+58.0%
Management Division	-	(1,492)	(1,437)	(1,521)	(29)	-	(83)	-
T o t a l	Net sales	42,692	73,225	79,329	+36,637	+85.8%	+6,104	+8.3%
	Operating Income	5,141	5,733	5,976	+834	+16.2%	+243	+4.2%

Gross profit margin and operating margin by segment

Gross profit margin

Operating margin

Promote profitability improvement in each segment



※1 COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. which correspond to ticket sales, are included in the group from this fiscal year.

Summary of Business Results for the third quarter of the fiscal year ending March 31, 2023

Both platform and commerce exceeded the previous year's results and this fiscal year's plan by a wide margin.

Platform

① Used car field

Sales expansion of AI/DX-related products aimed at improving closing rates, such as a service that displays loan payment plans for used cars listed on Goo-net and an AI recommendation space, contributed to a 5.1% YoY increase in monthly unit price.

② Maintenance field

Monthly unit price increased 10.2% YoY due to steady growth in the number of fee-based transaction factories and an increase in the number of factories introducing "MOTOR GATE PIT IN" released in February 2022.

③ New car field

Despite the gradual improvement in the stagnant supply of new cars, the market environment remained challenging. However, the monthly unit price increased by 9.3% YoY due to sales expansion of optional services such as DataLine AI Assessment and RPA service that automatically creates and distributes DLSG car replacement Proposal Movie.

Commerce

① Sales of goods

In the tire and wheel sales business, both sales and operating income exceeded the plan, mainly due to the increase in sales volume at AUTOWAY, which benefited from its strength in price advantage, in addition to the impact of the weaker yen and higher raw material prices passed on to the sales price.

In the used car export business, sales and operating income both exceeded the previous year's results and the plan, mainly due to continued strong exports to Malaysia, a high unit-price market.

② Ticket sales

Both sales and operating income were significantly higher than planned due to higher demand for gift certificates resulting from the impact of foreign exchange rates, as well as stronger procurement and sales of shareholder gift certificates and other products with high gross profit margins.

Reference : Revision of Full-Year Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (Announced October 31, 2022)

Consolidated PL

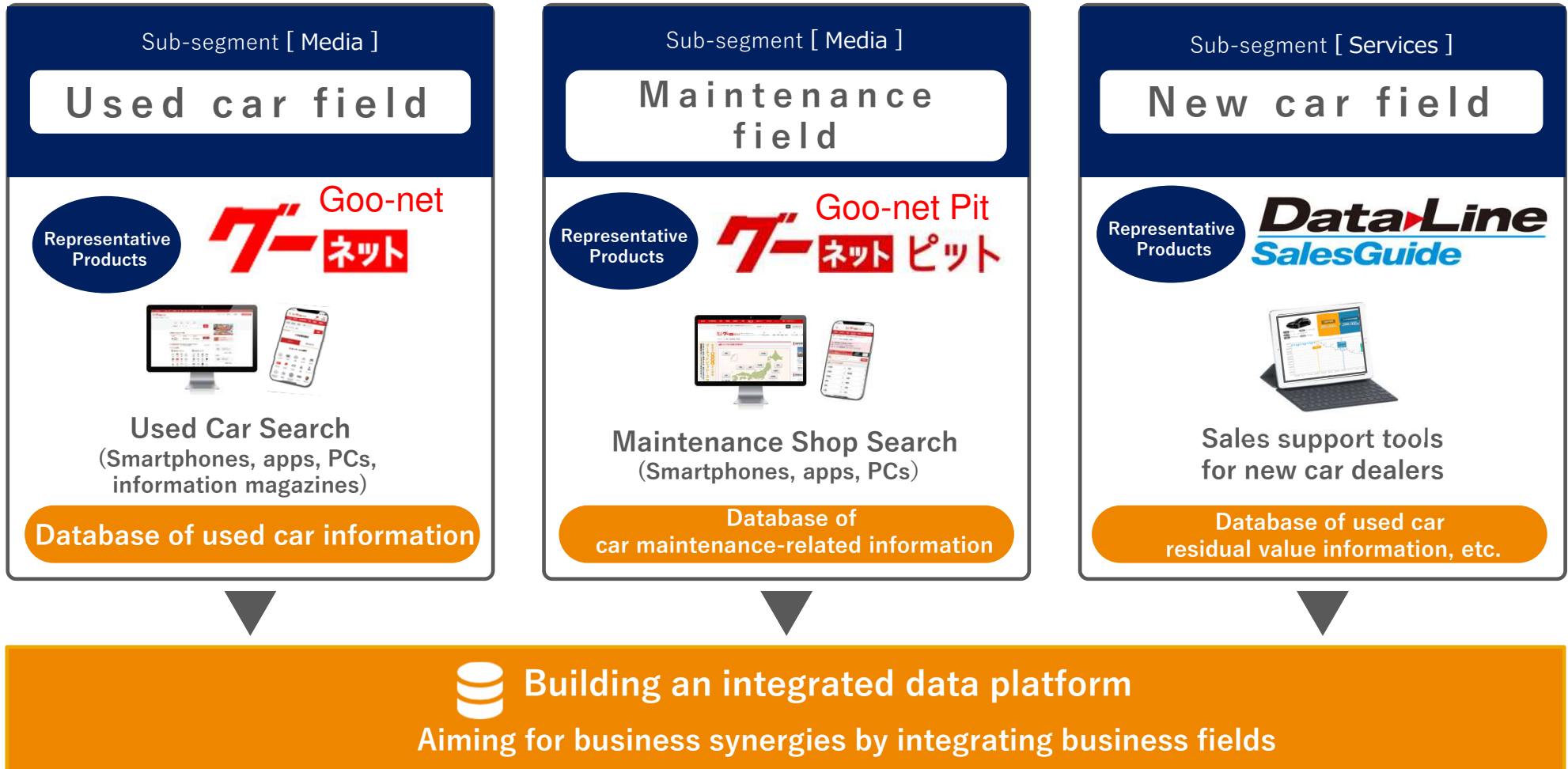
(unit::million yen)	Actual results for the previous period FY2022	Revised plan FY2023
Net sales	57,446	95,000 YoY +65.4%
Operating Income	6,422	7,200 YoY +12.1%
Ordinary Income	6,622	7,350 YoY +11.0%
Net Income	5,880	4,900 YoY(16.7%)
Capital investment	1,234	1,888
Depreciation	877	1,041
EPS	146.34yen	121.87yen
Dividend per share	35yen	35yen

Segment PL

(unit::million yen)		Actual results for the previous Period FY2022	Revised plan FY2023
P l a t f o r m	Net sales	28,775	30,114
	Operating Income	7,835	8,493
M e d i a	Net sales	23,032	24,291
	Operating Income	6,258	6,954
S e r v i c e s	Net sales	5,742	5,823
	Operating Income	1,576	1,538
C o m m e r c e	Net sales	24,492	59,760
	Operating Income	66	230
Sales of goods	Net sales	24,492	26,947
	Operating Income	66	116
T i c k e t s a l e s	Net sales	-	32,812
	Operating Income	-	113
O t h e r B u s i n e s s	Net sales	4,178	5,124
	Operating Income	437	368
Management Division	-	(1,917)	(1,892)
T o t a l	Net sales	57,446	95,000
	Operating Income	6,422	7,200

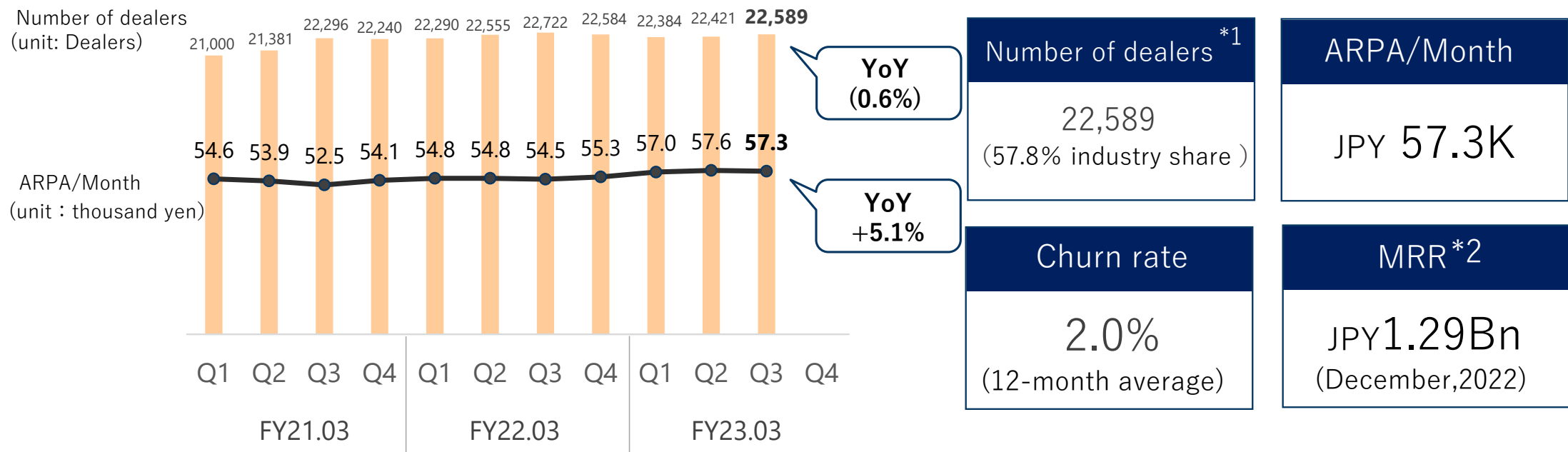
Overview of Platform Business

Overview of the Platform Business



Number of dealers and ARPA/Month in the used car field

Sales expansion of AI/DX-related products aimed at improving closing rates, such as a service that displays loan payment plans for used car properties and an AI recommendation space, contributed to higher monthly unit prices.



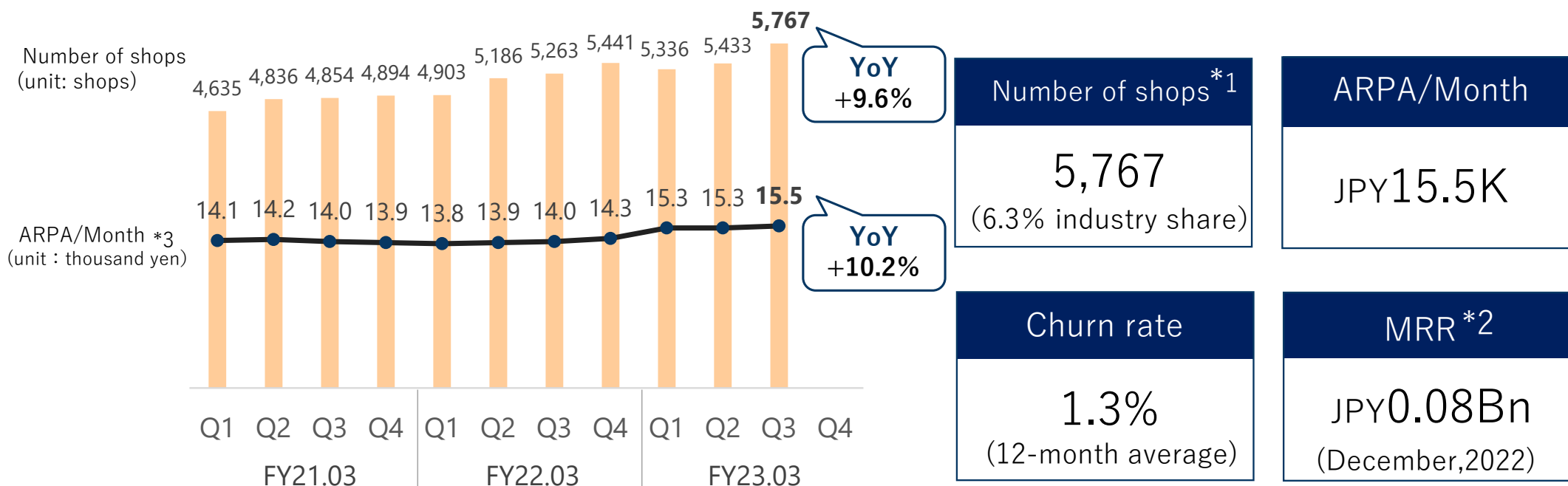
*1: Target markets 39,081 dealers

*2: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

Number of shops and ARPA/Month in the maintenance field

Monthly unit price increased due to an increase in the number of factories installing "MOTOR GATE PIT IN" released in February 2022.

Sales expansion of "Goo Fault Diagnosis" and "Goo Maintenance Pack," released in October, also remained steady.



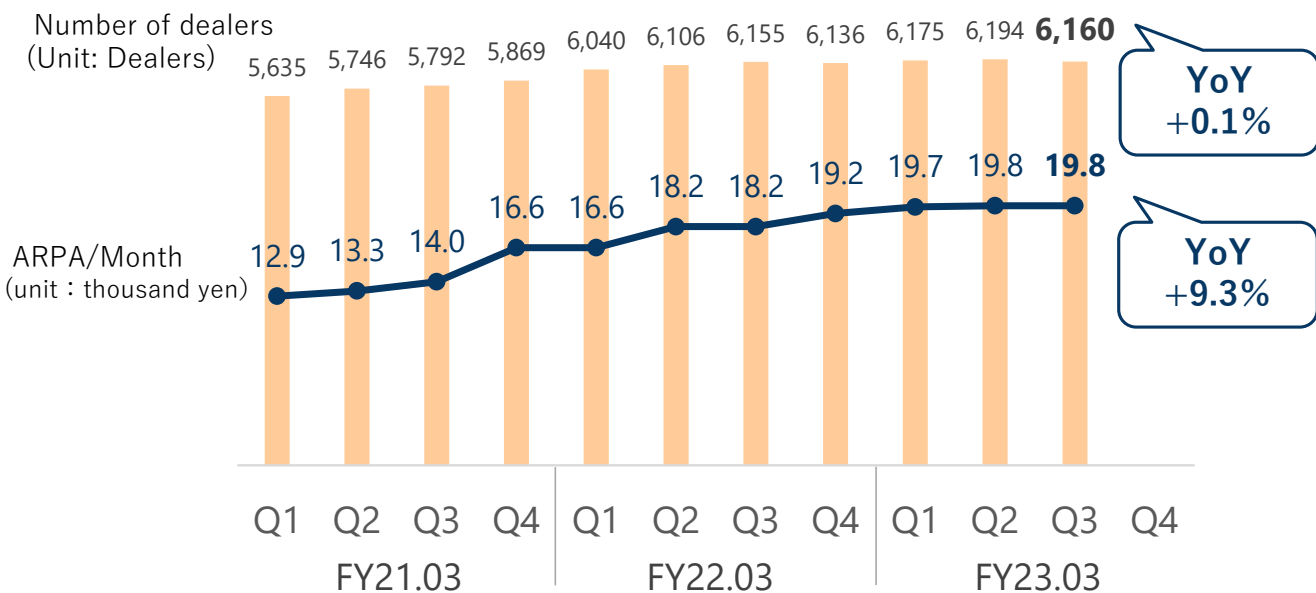
*1: Target markets 91,790 shops

*2: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

*3: Includes monthly fee for MOTOR GATE PIT IN.

Number of dealers and ARPA/Month in the New car field

Monthly unit price increased due to sales expansion of optional services such as DataLine AI Assessment and RPA service that automatically creates and distributes DLSG car replacement Proposal Movie.



Number of dealers^{*1}

6,160
(43.1% industry share)

ARPA/Month

JPY 19.8K

Churn rate

0.4%
(12-month average)

MRR^{*2}

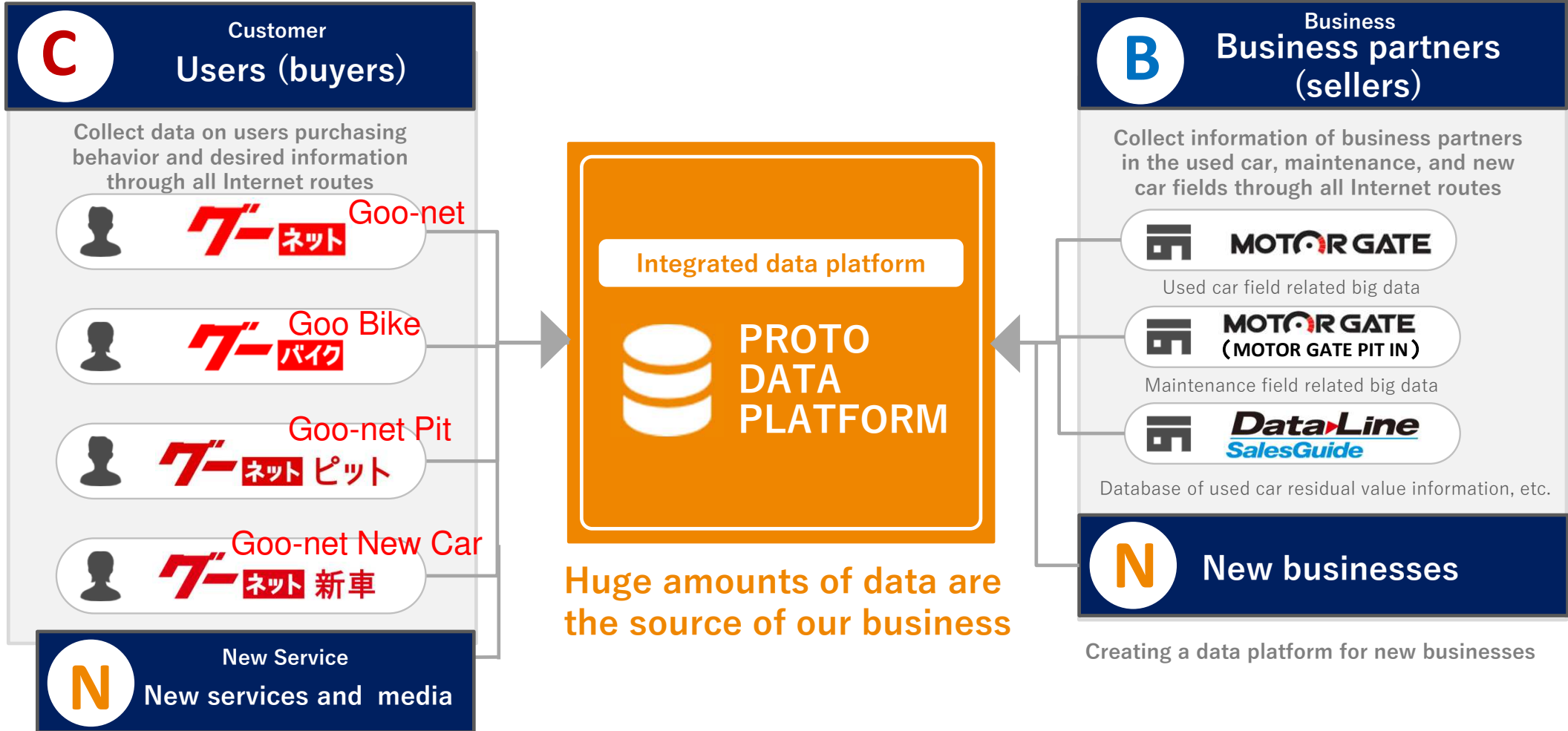
JPY 0.12Bn
(December, 2022)

*1 :Target markets 14,300 dealers

*2: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

Medium-term growth strategy : DX promotion in the mobility field

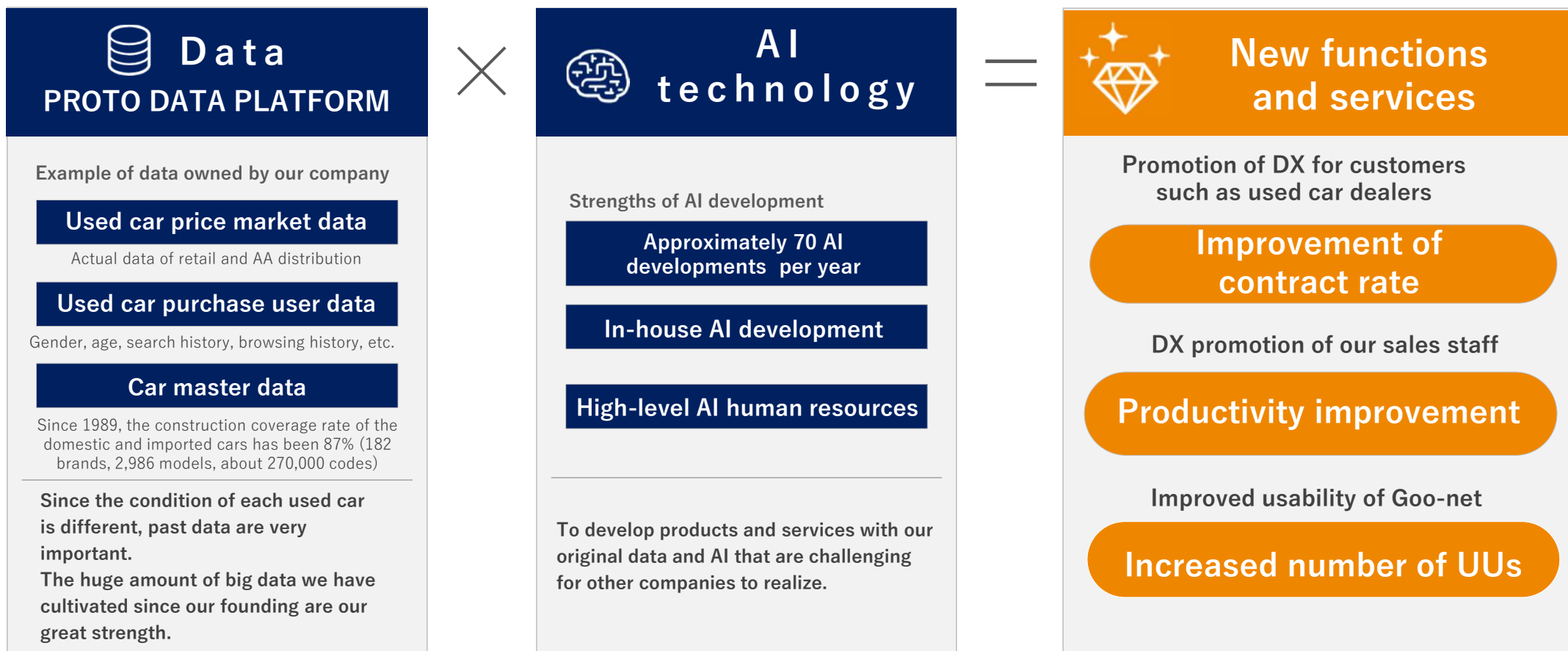
① Construction of a data platform in the mobility field, including M&A



Integrate data acquired from users and business partners into a "data platform"

Medium-term growth strategy : DX promotion in the mobility field

② Development of new products and services that make full use of data and AI technology

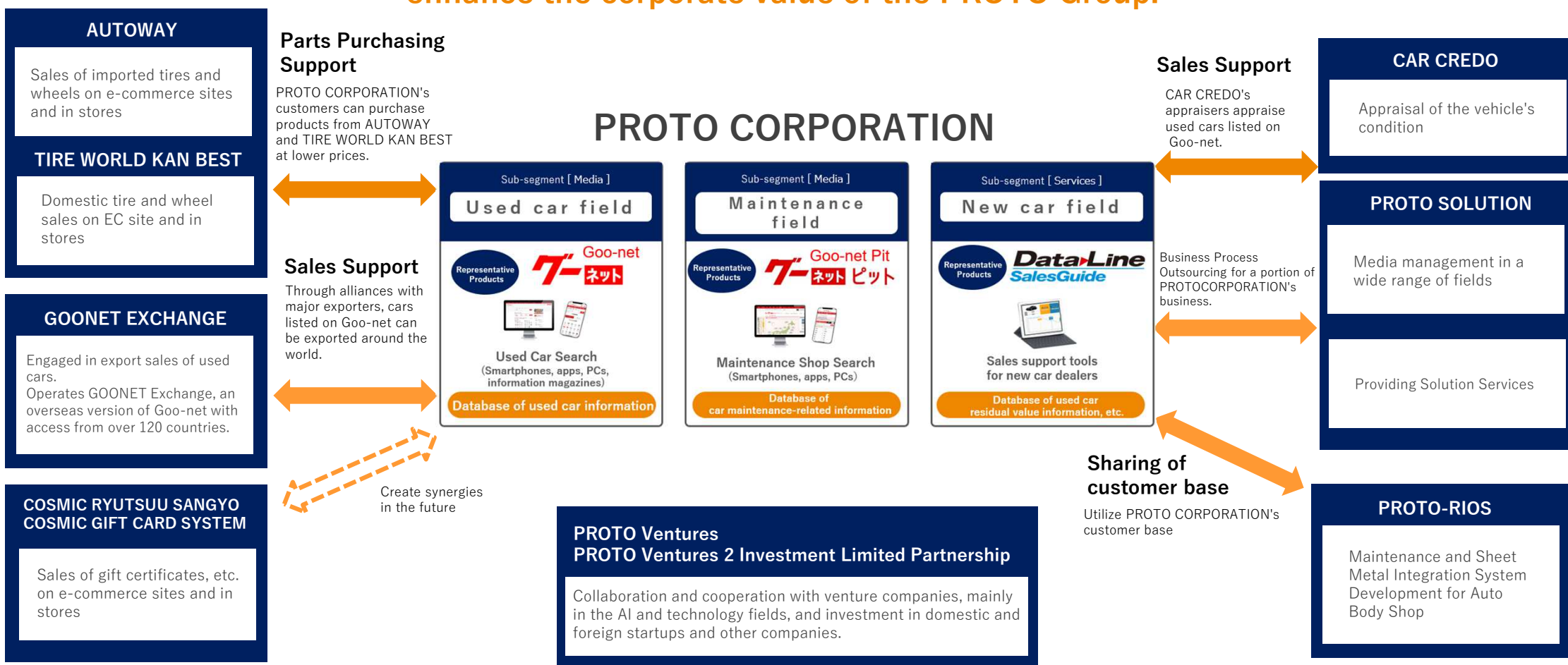


We will continue to promote service development that contributes to DX in the mobility field

Appendix

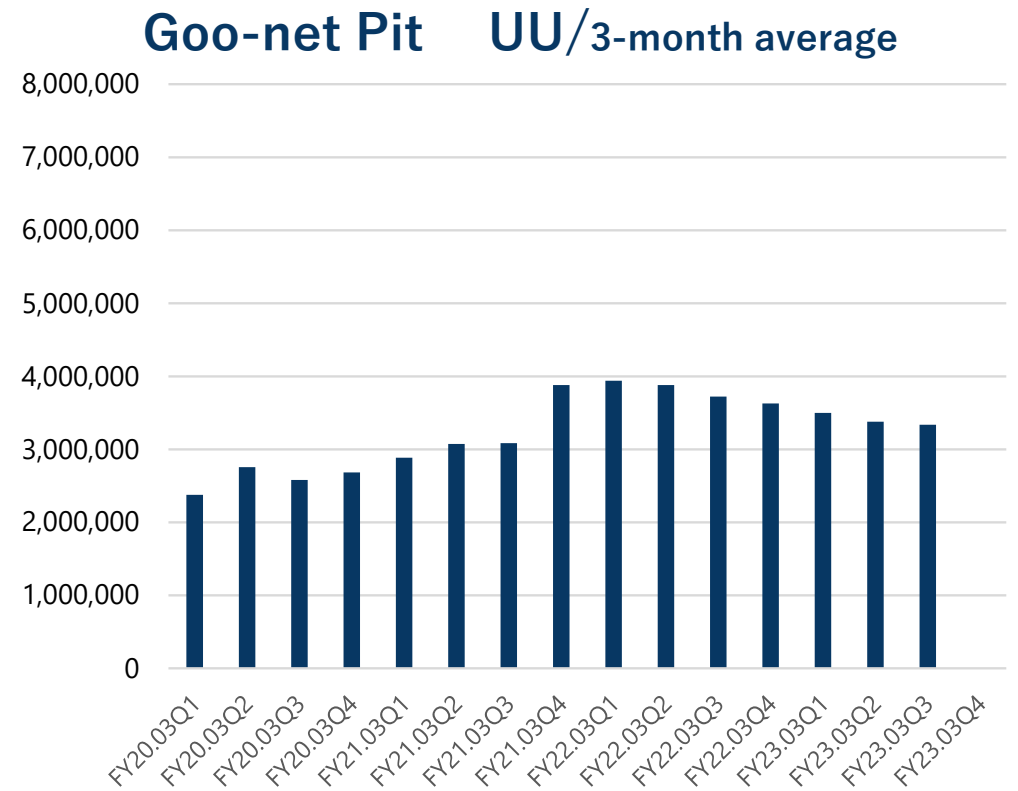
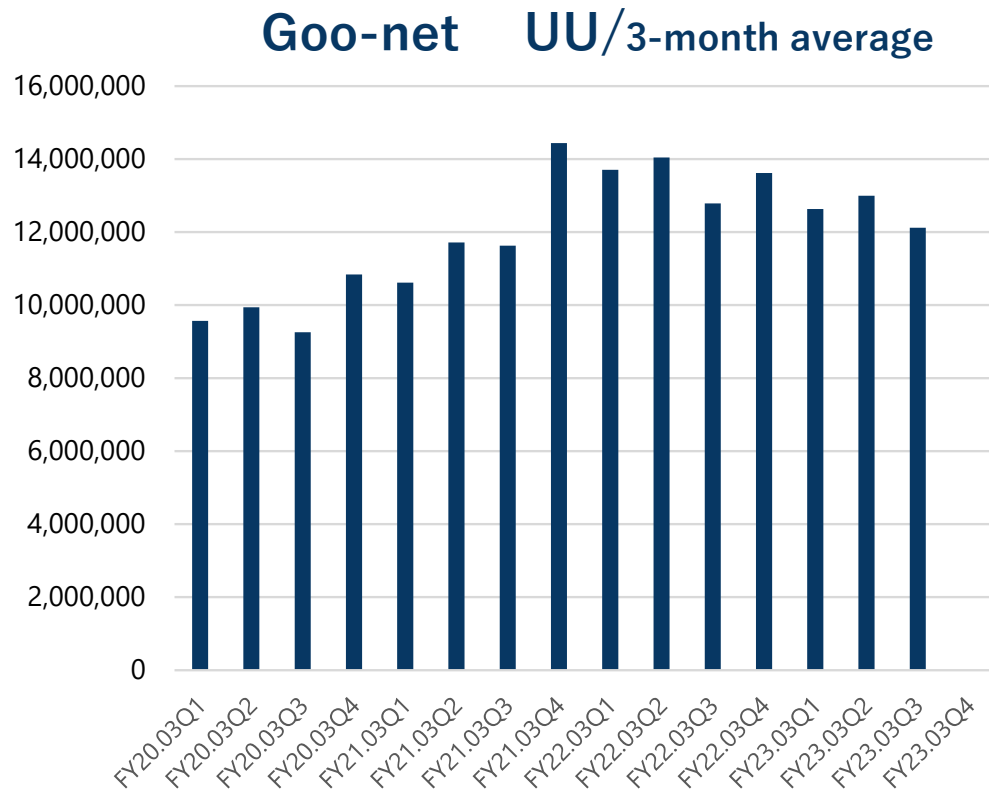
PROTO Group Correlations

Promote DX in the mobility domain to help customers improve their operational efficiency and contract completion rates, and To promote the construction of a data platform to further enhance the corporate value of the PROTO Group.



Number of unique users

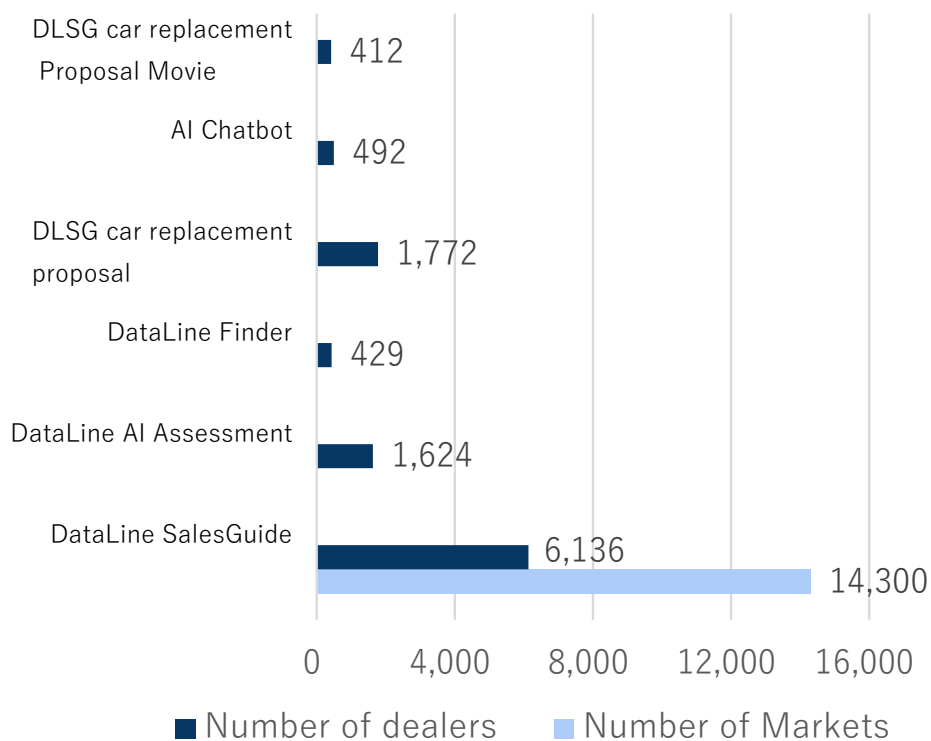
The number of UUs on Goo-net is 12 million per month, and the number of UUs on Goo-net Pit is about 3 million per month



New Car field Optional Service Number of Installed dealers

Establish an absolute position in the new car field by promoting the development of DX products and expanding the number of dealers where they are introduced.

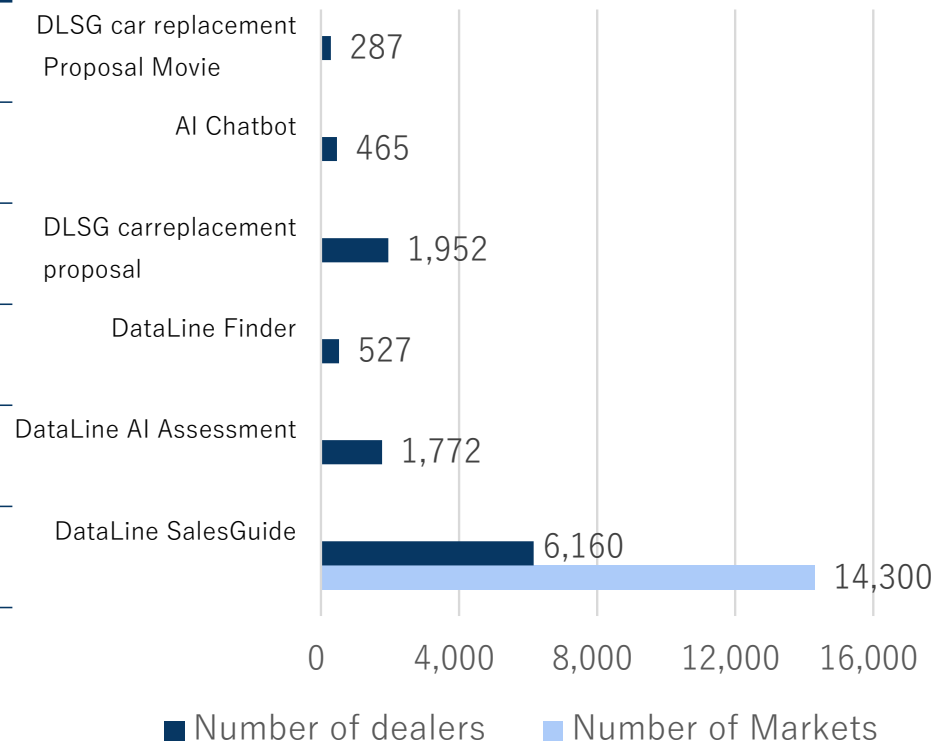
March 2022(Results)



Increase/
Decrease

(125)
(27)
+180
+98
+148
+24

December 2022(Results)



Q3/FY March 2023: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2022		As of December 31, 2022		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	37,635	69.0%	41,572	67.1%	3,937	110.5%
Non-Current Assets	16,890	31.0%	20,378	32.9%	3,488	120.7%
Current Liabilities	13,035	23.9%	17,991	29.0%	4,955	138.0%
Non-Current Liabilities	1,093	2.0%	1,503	2.4%	410	137.5%
Net Assets	40,397	74.1%	42,456	68.5%	2,059	105.1%
Total Assets	54,525	100.0%	61,951	100.0%	7,425	113.6%

[unit: million yen]	As of March 31, 2022		As of December 31, 2022		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	26,159	48.0%	24,078	38.9%	(2,081)	92.0
Interest-bearing debt	3,257	6.0%	6,977	11.3%	3,720	214.2
Net cash	22,902	42.0%	17,100	27.6%	(5,802)	74.7

Q3/FY March 2023: Consolidated Statements of Cash Flows

[unit: million yen]	Q3/FY March 2022	Q3/FY March 2023	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	2,669	1,073	(1,596)
Cash Flows from Investing Activities	1,694	(3,566)	(5,261)
Cash Flows from Financing Activities	(1,133)	378	1,512
Cash and Cash Equivalents at End of Term	24,719	23,832	(886)

[unit: million yen]	Q3/FY March 2022	Q3/FY March 2023	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets)	924	3,774	2,849
Depreciation	654	723	68
Amortization of Goodwill	272	382	110

Consolidated Earnings (quarterly transition)

[unit: million yen]	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4	FY2022 March,Q1 *1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1	FY2023 March,Q1 *1	FY2023 March,Q2 *1	FY2023 March,Q3 *1	FY2023 March,Q4 *1
Net Sales	13,518	13,937	17,315	15,325	13,661	12,646	16,384	14,753	23,784	26,027	29,518	
Gross Profit	5,962	5,978	6,859	6,391	6,233	5,752	6,603	6,037	6,709	6,554	7,688	
E B I T D A	1,829	1,667	2,418	1,347	2,096	1,606	2,366	1,591	2,415	1,907	2,760	
Operating Income	1,502	1,335	2,088	1,014	1,780	1,304	2,057	1,280	2,082	1,525	2,368	
Ordinary Income	1,554	1,273	2,045	1,245	1,865	1,365	2,064	1,327	2,100	1,568	1,709	
Net Income	1,017	774	1,437	1,624	2,281	1,341	1,426	830	1,398	1,002	1,089	

[unit: million yen]	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4	FY2022 March,Q1 *1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1	FY2023 March,Q1 *1	FY2023 March,Q2 *1	FY2023 March,Q3 *1	FY2023 March,Q4 *1
SG&A Expenses	4,459	4,642	4,771	5,376	4,452	4,448	4,545	4,757	4,627	5,028	5,319	
Employment Cost	1,902	1,872	1,867	1,883	1,797	1,647	1,682	1,722	1,808	1,828	1,913	
Advertising Cost	964	1,139	1,184	1,782	989	1,421	1,206	1,535	1,132	1,409	1,396	
Other Expenses	1,593	1,630	1,719	1,710	1,665	1,379	1,656	1,500	1,687	1,790	2,010	

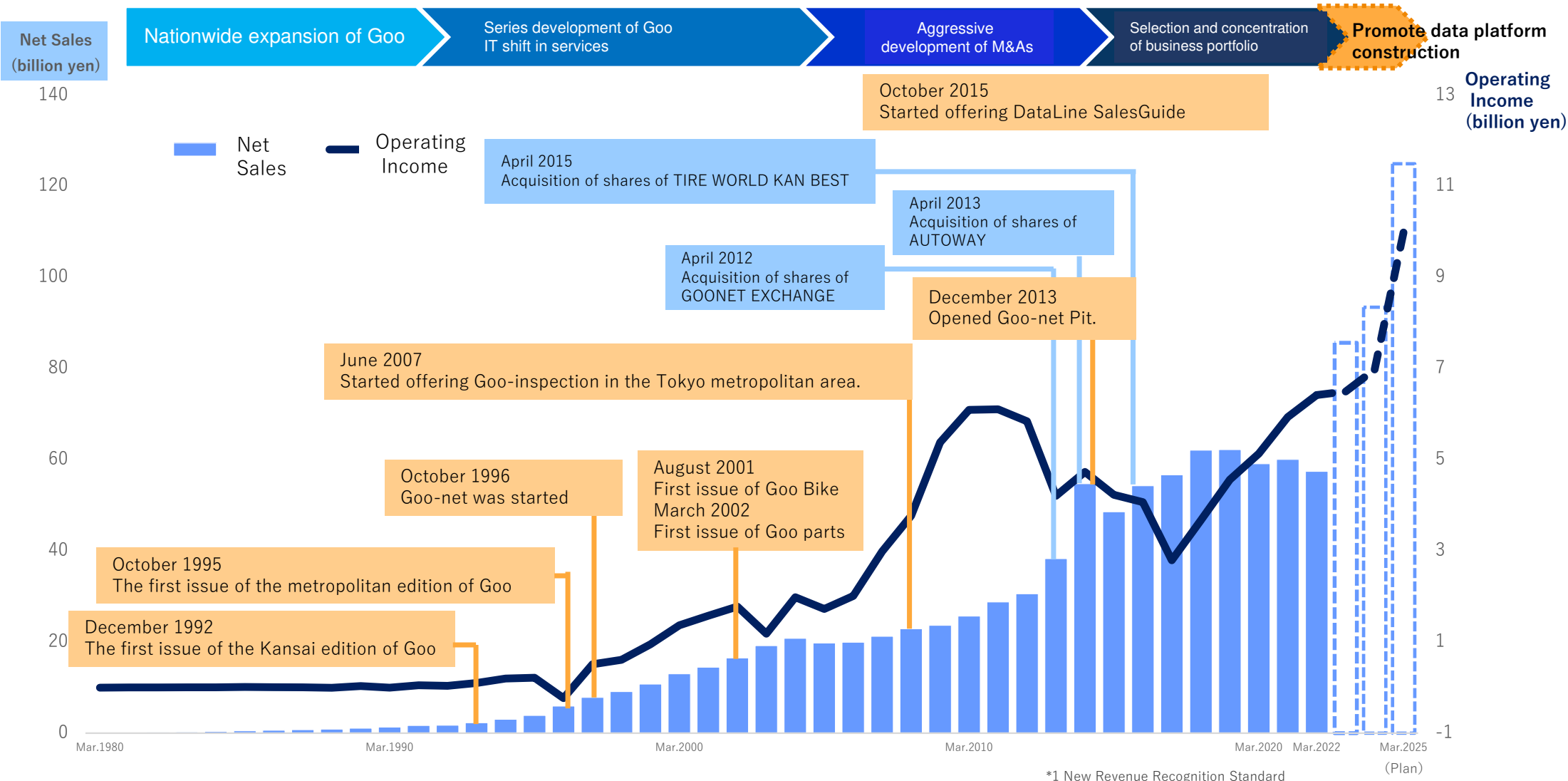
*1:New Revenue Recognition Standard

Consolidated Earnings by Segment (quarterly transition)

Net Sales [unit: million yen]	FY2022 March,Q1*1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1	FY2023 March,Q1 *1	FY2023 March,Q2 *1	FY2023 March,Q3 *1	FY2023 March,Q4 *1
P l a t f o r m	6,986	7,210	7,203	7,375	7,364	7,478	7,622	
M e d i a	5,630	5,743	5,783	5,875	5,925	6,043	6,137	
S e r v i c e s	1,355	1,466	1,420	1,500	1,439	1,434	1,485	
C o m m e r c e	5,390	4,750	8,152	6,198	15,233	16,888	19,870	
S a l e s o f g o o d s	5,390	4,750	8,152	6,198	6,544	6,324	9,671	
T i c k e t s a l e s	-	-	-	-	8,688	10,564	10,198	
O t h e r B u s i n e s s	1,285	685	1,028	1,178	1,186	1,659	2,025	
T o t a l	13,661	12,646	16,384	14,753	23,784	26,027	29,518	
Operating Income [unit: million yen]								
	FY2022 March,Q1*1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1	FY2023 March,Q1 *1	FY2023 March,Q2 *1	FY2023 March,Q3 *1	FY2023 March,Q4 *1
P l a t f o r m	2,184	1,843	2,095	1,711	2,328	2,038	2,243	
M e d i a	1,816	1,412	1,716	1,313	1,937	1,694	1,867	
S e r v i c e s	368	430	379	398	390	343	375	
C o m m e r c e	27	(212)	307	(56)	107	(52)	434	
S a l e s o f g o o d s	27	(212)	307	(56)	79	(137)	352	
T i c k e t s a l e s	-	-	-	-	28	85	81	
O t h e r B u s i n e s s	164	90	133	49	123	38	237	
Management Division	(596)	(417)	(478)	(425)	(477)	(498)	(546)	
T o t a l	1,780	1,304	2,057	1,280	2,082	1,525	2,368	

*1New Revenue Recognition Standard

Transition of Net Sales and Operating Income



*1 New Revenue Recognition Standard

*2 The figures are those announced on May 13, 2022.

Company Profile

Corporate Name	PROTO CORPORATION	
Founded	October 1, 1977	
Established	June 1, 1979	
Common Stock	1,849 million yen (As of March 31, 2022)	
Shares Outstanding	41,925,300 shares (As of March 31, 2022)	
Head Offices	1-23-14 Aoi, Naka-ku, Nagoya-shi, Aichi 460-0006 Japan 6-18-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023 Japan	
Branch Offices	Sapporo, Sendai, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto(35 Sales Outlets Nationwide)	
Fiscal Year-end	March 31	
Number of Employees	Consolidated: 1,302 (As of March 31, 2022) Parent: 534 (As of March 31, 2022)	
Stock Exchange	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market	
Listing Subsidiary	<ol style="list-style-type: none"> 1. AUTOWAY Co., Ltd. 2. TIRE WORLD KAN BEST CO., LTD. 3. GOONET EXCHANGE 4. PROTO-RIOS INC. 5. CAR CREDO Co., Ltd. 6. CAR BRICKS Co., Ltd. 7. PROTO SOLUTION Co., Ltd. 8. OKINAWA CALL STAFF SERVICE Co., LTD 9. Associe Co., Ltd 10. Onion Inc. 	<ol style="list-style-type: none"> 11. PROTO Ventures 12. PROTO Ventures 2 Investment Limited Partnership 13. COSMIC RYUTSUU SANGYO CO., LTD. 14. COSMIC GIFT CARD SYSTEM CO., LTD. 15. okinawa basketball inc. 16. okinawa arena inc. 17. okinawa sports academy inc. 18. CAR CREDO (Thailand) Co., Ltd. 19. UB Datatech, Inc. (Affiliates accounted for by the equity method)

(As of January 31, 2023)

Change in Segment Classification

Previous segment

Segment	Sub-segment
Automobile-related	Ad-related
	Information and Services
	Sales of goods
Lifestyle-related	-
Real Estate	-
Other Business	-



New segment

Segment	Sub-segment
Platform	Media
	Services
Commerce	Sales of goods
	Ticket sales
Other Business	-

By separating the mainstay automobile-related information into platform (media and services) and commerce (sales of goods), and sub-segmenting the newly added ticket sales into commerce, the current organizational structure is accurately reflected and the segment classification is changed to be clearer and easier to understand.

Change in Segment Classification

Breakdown by Major Group Companies

Segment	Sub-segment	Details
Platform	Media	PROTO CORPORATION (Media : Used cars, Maintenance, Bike) PROTO SOLUTION (Media) CAR Credo (Appraisal Business) GOONET EXCHANGE (Alliance)
	Services	PROTO CORPORATION (New car) PROTO-RIOS (Software sales)
Commerce	Sales of goods	AUTOWAY (Tire and wheel sales) TIRE WORLD KAN BEST (Tire and wheel sales) GOONET EXCHANGE (Used car export) PROTO CORPORATION (Sale of goods) PROTO SOLUTION (Sale of goods)
Other Business	Ticket sales	COSMIC RYUTSUU SANGYO CO., LTD. (Ticket sales) COSMIC GIFT CARD SYSTEM CO., LTD. (Ticket sales)
Platform	-	PROTO CORPORATION (Agriculture, Real Estate, Others) PROTO SOLUTION (BPO) PROTO Ventures ・ PROTO Ventures 2 Investment Limited Partnership (Investment) AUTOWAY (Solar power generation) okinawa basketball inc. (Basketball team management)

Future Outlook

The IR information in this document includes a future outlook.

Such information other than the past events may be influenced by the risk and uncertainty due to the competition, market, and systems in the field of our company's business.

As a result, the outlook based on the assumption and estimation with available information may be different from actual results and performance in the future. We would appreciate your understanding.

For Inquiries

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