



# Financial Results for the Year Ended March 2024

PROTO CORPORATION

Tokyo Stock Exchange Prime Market  
Nagoya Stock Exchange Premier Market  
Securities Code: 4298

May 10, 2024  
[Investor Meeting May 10, 2024]

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**Corporate goals,  
management philosophy,  
our group business**

# Corporate goals, management philosophy

## Corporate Goal

Create change by continuing to challenge itself.

**CHANGING COMPANY**

## Corporate Ideology

**To turn challenges into future power and contribute to society with dreams, inspirations, and joy.**



President Kenji Kamiya

神谷健司

“To turn challenges into future power”  
We, PROTO CORPORATION, think that this means the creation of unprecedented value in the world by recognizing things with new ideas and frameworks.

Accordingly, we hope to take on challenges so as to solve social issues, realize dreams, and inspire people rather than pursuing near-term benefits.

We will pursue “dreams, inspirations, and joy,” to create new value in the world and aim to become a partner for the future society” that will be chosen by society.

## Corporate Profile

### Corporate Name

PROTO CORPORATION

### Founded

October 1, 1977

### Established

June 1, 1979

### Common Stock

1,849.21 million yen

### Head Offices

1-23-14 Aoi, Naka-ku, Nagoya-shi, Aichi 460-0006 Japan

### Number of Employees

Consolidated: 1,520persons

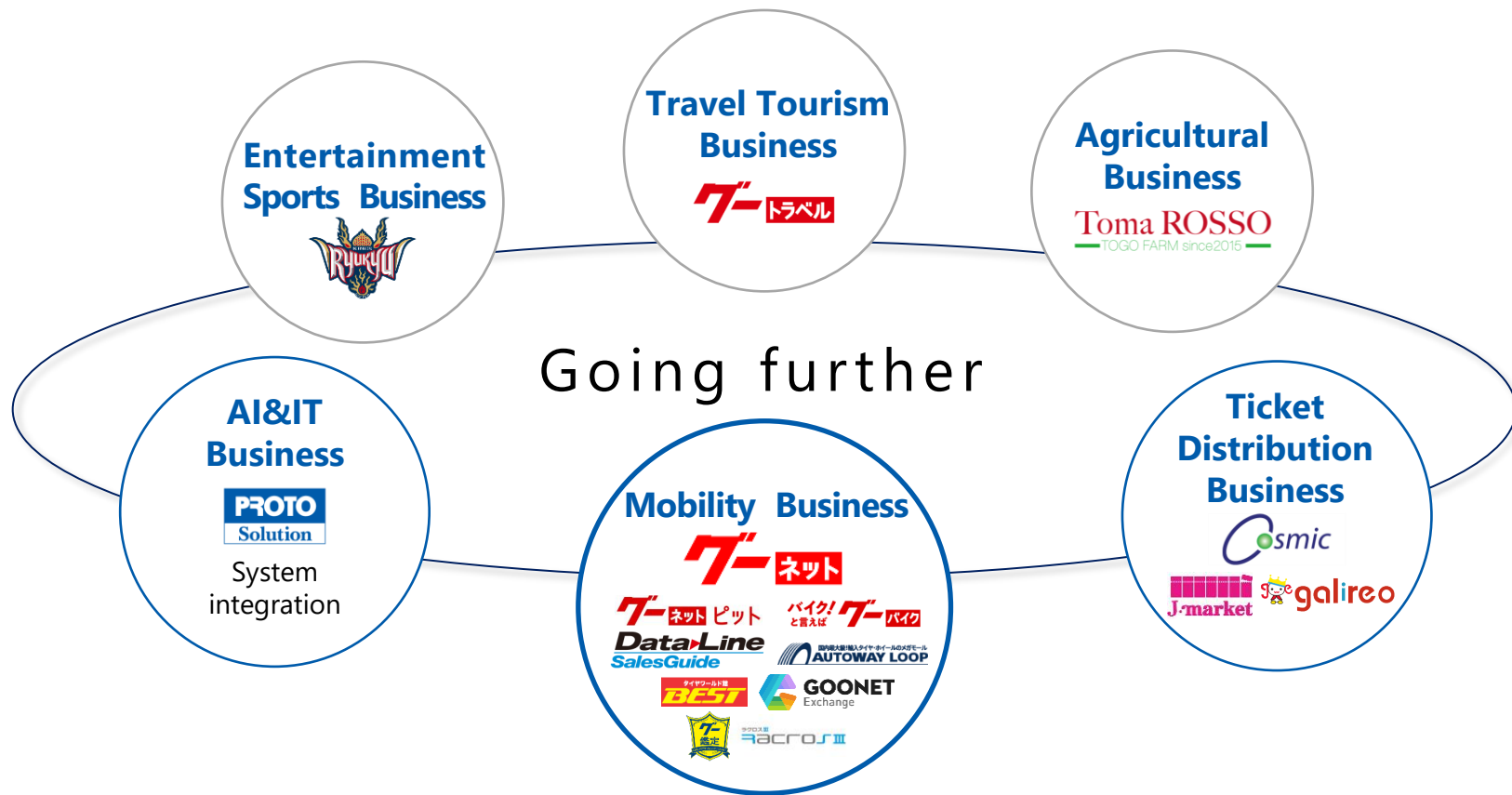
Parent: 536persons

### Stock Exchange Listing

Tokyo Stock Exchange Prime Market

Nagoya Stock Exchange Premier Market

(As of March 31,2024)



“Dreams, Inspirations, and Joy,” ! **PROTO**

# Performance summary for the fiscal year ending March 2024

# Company-wide results for the fiscal year ending March 2024

[unit: million yen]	FY March 2024 [forecast]	FY March 2024 [results]	Comparison to Plan	FY March 2023 [results]	YoY
Net sales	112,538	115,548	+2.7%	105,596	+9.4%
Operating Income	8,164	7,704	(5.6%)	7,336	+5.0%
Ordinary Income	8,707	8,274	(5.0%)	6,963	+18.8%
Net Income attributable to owners of parent	5,886	5,471	(7.0%)	4,424	+23.7%
E P S	146.26円	135.96円	(7.0%)	110.05円	+23.5%
D P S	35.00円	42.50円	—	35.00円	—

\* "Plan" in this document means the revised plan announced on Oct. 31, 2023.

We reviewed and revised the timing of recording sales of specific after-sales services as part of the annual account closing procedures for some of our subsidiaries. Consequently, sales and operating income declined temporarily in the fourth quarter.

# Results by segment for the fiscal year ending March 2024

[unit: million yen]		FY March 2024 [forecast]	FY March 2024 [results]	Comparison to Plan	FY March 2023 [results]	YoY
<b>Platform</b>	Net sales	31,981	31,467	(1.6%)	30,305	+3.8%
	Operating Income	9,208	8,917	(3.2%)	8,565	+4.1%
Media	Net sales	26,010	25,671	(1.3%)	24,431	+5.1%
	Operating Income	7,631	7,553	(1.0%)	7,100	+6.4%
Services	Net sales	5,971	5,796	(2.9%)	5,873	(1.3%)
	Operating Income	1,576	1,364	(13.4%)	1,465	(6.9%)
<b>Commerce</b>	Net sales	72,769	75,529	+3.8%	68,548	+10.2%
	Operating Income	841	623	(25.9%)	417	+49.5%
Sales of goods	Net sales	32,051	31,885	(0.5%)	29,573	+7.8%
	Operating Income	538	343	(36.2%)	193	+77.9%
Ticket sales	Net sales	40,718	43,644	+7.2%	38,974	+12.0%
	Operating Income	302	279	(7.5%)	223	+25.0%
<b>Other Business</b>	Net sales	7,787	8,550	+9.8%	6,742	+26.8%
	Operating Income	230	303	+31.5%	378	(19.9%)



### Used car field

[Media]

**As more existing affiliated stores adopted the optional product, average spending per client per month increased.**

Although consumers became distrustful of the used car industry, more stores adopted "AI Recommend Space," an optional product for supporting used car dealers in receiving orders from customers, "MG Calendar," which promotes DX, and "MG AI." In FY 3/2025, we will increase the production of Goo Failure Diagnosis equipment, strengthen the diagnostic system, and then actively disclose information on the used car field.

### Maintenance field

[Media]

**The network of Maintenance Shops expanded steadily, before the adoption of on-board diagnostics (OBD) in October.**

Before the introduction of OBD, we concentrated on the expansion of the network of maintenance shops that can offer "Goo Failure Diagnosis" and "Goo Maintenance Pack." As Goo Failure Diagnosis equipment was certified as a "scanning tool for inspection" that satisfies the standards for on-board diagnostics (OBD), we will enhance marketing targeted at corporations and accelerate the pace of increasing affiliated car maintenance shops in FY 3/2025.

### New car field

[Services]

**Through the enhancement of the system for cooperation with makers, business partners increased stably.**

"DataLine SalesGuide" and "DataLine AI Assessment" were adopted by more dealers, to support the improvement measures of domestic car makers and car importers and promote DX for improving productivity, and we started offering our database, including the data on the residual value of each automobile, to many makers. In FY 3/2025, we will concentrate on new car advertisement services, with the aim of improving monthly revenue per client by upselling optional products.

### Maintenance sheet metal software

[Services]

**We increased new clients, and will keep increasing the number of clients.**

Through the efforts to increase new clients, the number of new clients grew from the previous year, but fell below the target number, and sales did not reach the forecast. In fiscal year ending March 2025, we will strive to increase the number of clients with our existing systems and new cloud systems.

### Tire and wheel sales

[Sales of goods]

#### **Sales reached the forecast, thanks to the increase of distribution bases and the revision of selling prices.**

Sales reached the forecast, as we enriched the product lineup and increased exclusive products through the increase of distribution bases and revised selling prices intermittently although the market environment was harsh due to the weakening of the yen and the decline in demand for winter tires due to the warm winter. We will make continuous efforts to expand our sales share while maintaining the balance between the market and prices.

### Used car export

[Sales of goods]

#### **The sale of used cars to Malaysia was healthy, contributing to overall performance.**

The number of vehicles exported to Malaysia, which is a major destination of export, exceeded the forecast significantly, and sales reached the forecast. Regarding the securing of space in each vessel for exporting vehicles, there was no significant stagnation. From now on, we will strive to expand this business by cultivating new major markets following Malaysia and Hong Kong.

### Ticket sales

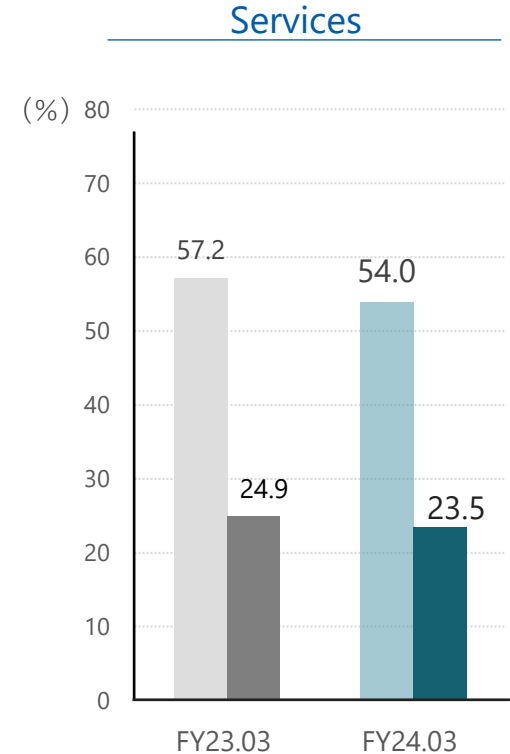
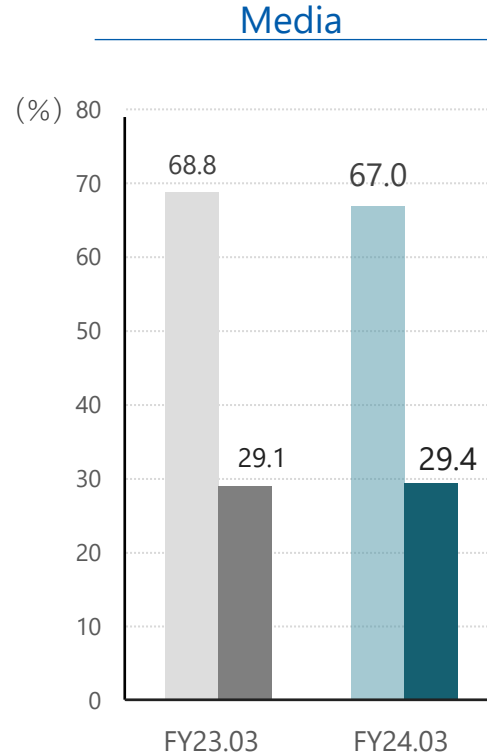
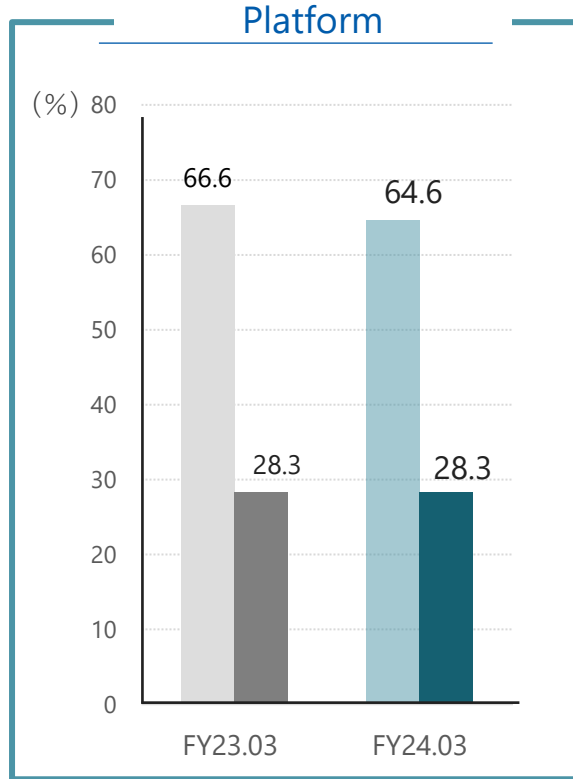
[Ticket sales]

#### **Efforts to expand our sales share and business by cultivating markets**

Sales were healthy, as the demand for product coupons, tickets for travel and leisure, etc. grew as people started going out more frequently, and we cultivated markets in Osaka and Fukuoka by opening new shops. The increase of customers of EC contributed to not only sales, but also the number of items we bought. The costs for upfront investment, including the expenses for recruitment and personnel, augmented temporarily in order to promote business expansion, but we will make continuous efforts to expand our sales share and business.

The operating income margin of the platform business was healthy.

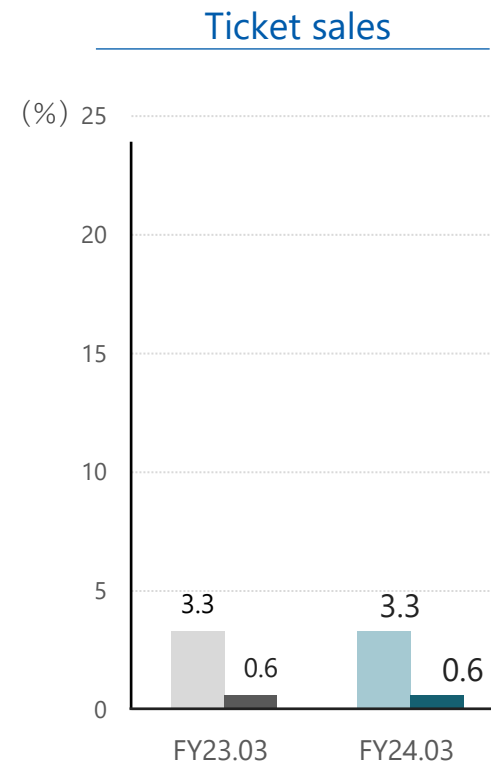
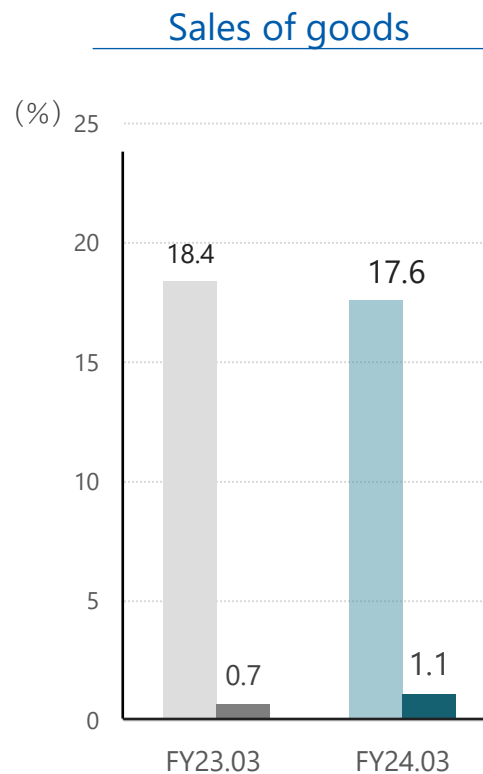
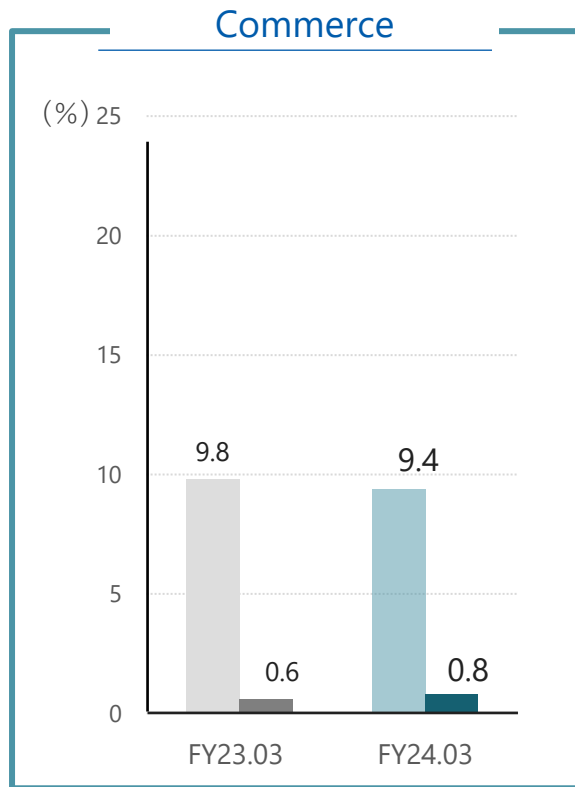
■ Gross profit margin    ■ Operating income margin



\* We reviewed and revised the timing of recording sales of specific after-sales services as part of the annual account closing procedures for some of our subsidiaries. Consequently, sales and operating income declined temporarily in the fourth quarter.

Operating income margin is improving slightly, but we will continue our efforts to improve profitability.

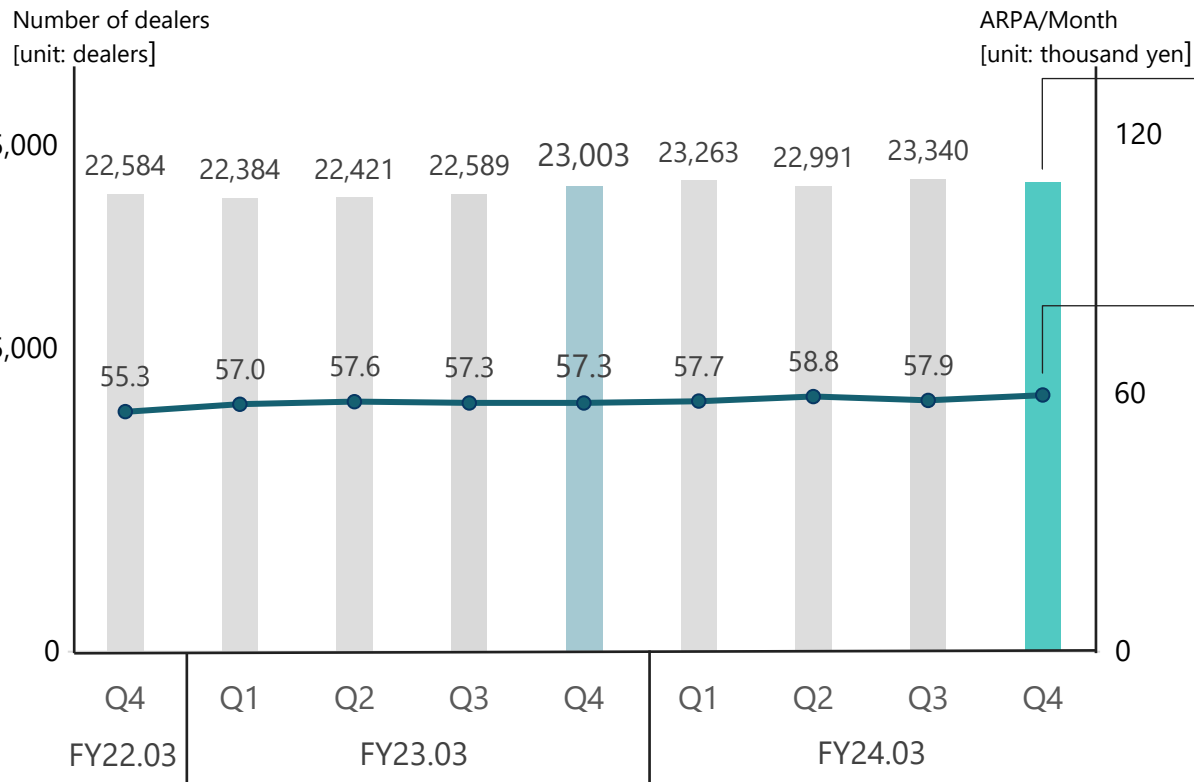
■ Gross profit margin ■ Operating income margin



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

Platform  
[Media]

Monthly revenue per client rose, as more DX products for saving labor and solving the problem of the shortage of manpower were adopted.



Number of dealers\*1

**23,167** dealers

[54.4 % industry share]

YoY  
**+0.7%**

ARPA/Month

**JPY59.1K**

YoY  
**+3.2%**

Churn rate\*2

**2.1%**

[12-month average]

MRR\*3

**JPY1.37Bn**

[March,2024]

\*1: Target markets [In-house research] 42,581 dealers  
Survey based on visual check in marketing activities  
[As of March 2024]

\*2: Churn rate is the value from April 2023 to March 2024.

\*3: 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 dealers and ARPA/Month in the maintenance field

Platform  
[Media]

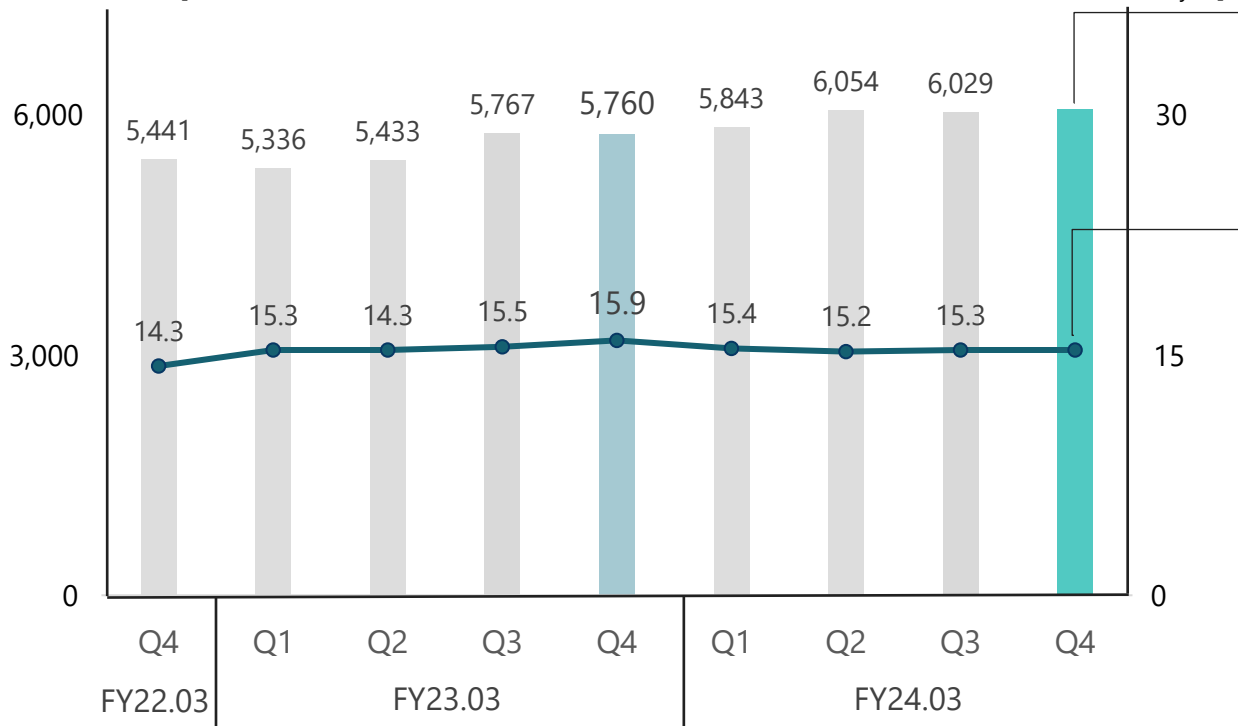
Through the enhancement of marketing targeted at corporation, we increased the transactions with enterprises that have newly entered the maintenance field.

Goo-net Pit  
7-ネットピット

MOTOR GATE

Number of dealers  
[unit: dealers]

ARPA/Month  
[unit: thousand yen]



Number of shops\*1

**6,061** shops

[6.6% industry share]

YoY  
+5.2%

ARPA/Month\*2

JPY**15.3K**

YoY  
(5.6%)

Churn rate\*3

**1.1%**

[12-month average]

MRR\*4

JPY**90Mn**

[March,2024]

\*1: Target markets [In-house research] 91,946 shops  
[Japan Automobile Service Promotion Association  
Total as of the end of March 2023]

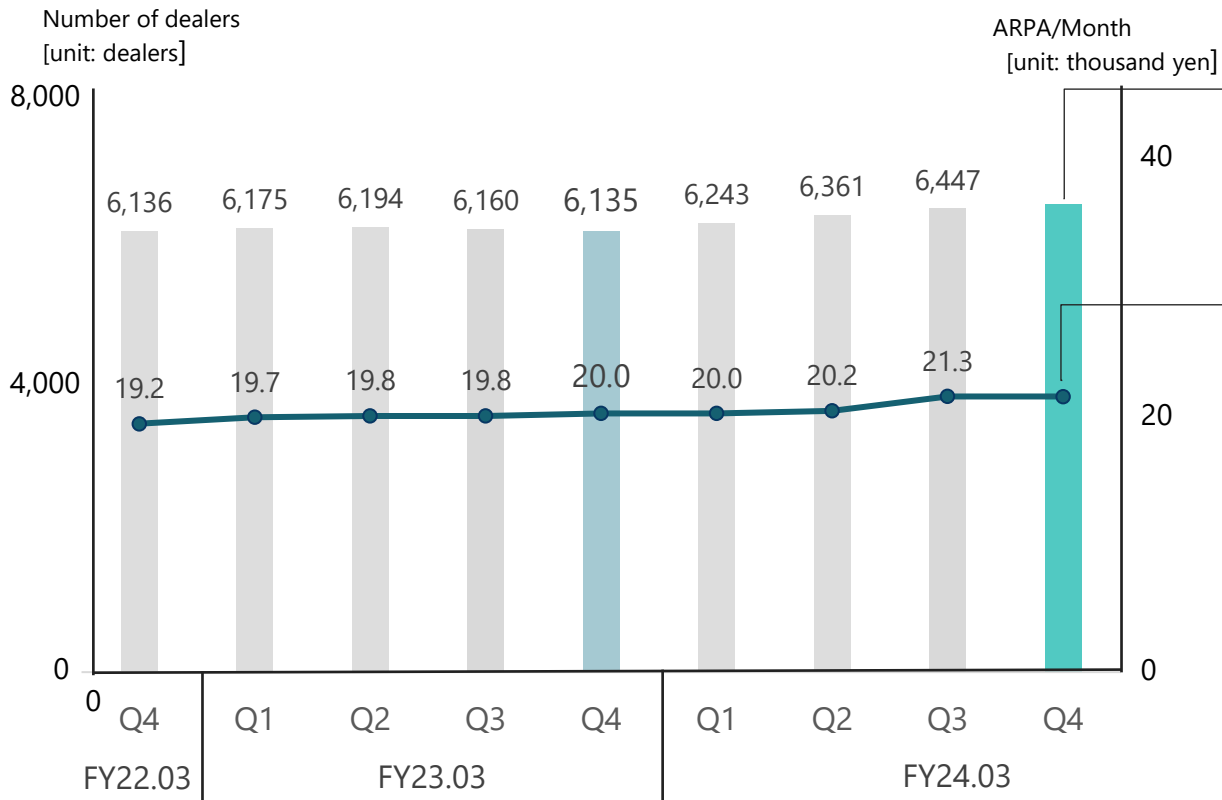
\*2: Includes monthly fee for MOTOR GATE PIT IN.

\*3: Churn rate is the value from April 2023 to March 2024.

\*4: 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 dealers and ARPA/Month in the New car field

Monthly revenue per dealer increased, as more DX products were adopted for eliminating excessive workloads of dealers.



## Number of dealers<sup>\*1</sup>

**6,514** dealers

[48.5% industry share]

YoY  
+6.2%

## ARPA/Month

**JPY21.3K**

YoY  
+6.7%

## Churn rate<sup>\*2</sup>

**0.1%**

[12-month average]

## MRR<sup>\*3</sup>

**JPY141Mn**

[March, 2024]

<sup>\*1</sup>: Target markets [In-house research] 13,435 dealers  
Calculated from the results of visual surveys in marketing activities with reference to the 2023-2024 edition of the automobile yearbook published by Nikkan Jidosha Shimbin [As of March 2024]

<sup>\*2</sup>: Churn rate is the value from April 2023 to March 2024.

<sup>\*3</sup>: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

# Progress of the medium-term three-year plan

[Fiscal year ending March 2023 to March 2025]



# Key Points of the Medium-term three-year plan

## Key point ①

### DX promotion in the mobility field

Aiming to hold the largest market share for C and B

- ① Construction of a data platform in the mobility field, including M&A
- ② Development of new products and services that make full use of data and AI technology
- ③ Increase of our market share in used cars, maintenance, and new cars  
2025 target: 24,000 dealers in the used car field, 8,000 shops in the maintenance field, 8,000 dealers in the new car field

## Key point ②

### Expansion of business field

- ① Future M&A strategy
- ② Expansion into new business fields by utilizing M&A

## Key point ③

### Numerical management targets and shareholder returns

- ① To envision the growth of sales and operating income
- ② Financial strategy and cash flow allocation

# Consolidated earnings forecast for fiscal year ending March 2025

Both sales and operating income hit a record high.

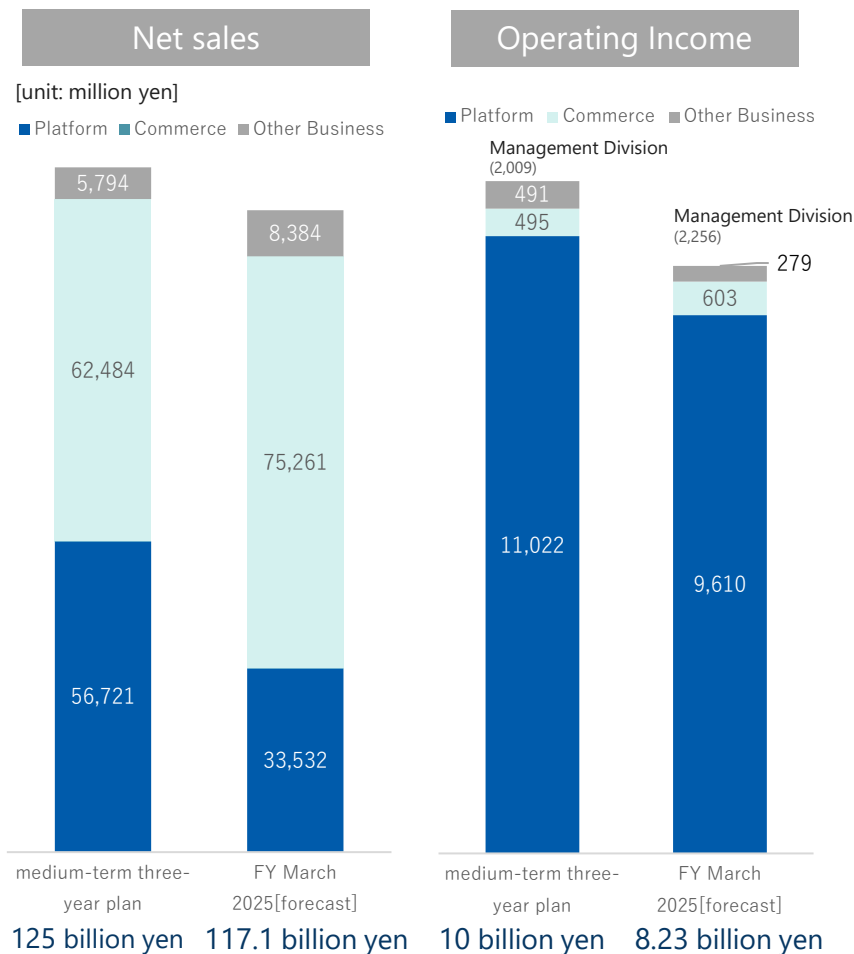
[unit: million yen]	FY March 2024 [results]	FY March 2025 [forecast]	YoY
Net sales	115,548	117,178	+1.4%
Operating Income	7,704	8,238	+6.9%
Ordinary Income	8,274	8,227	(0.6%)
Net Income attributable to owners of parent	5,471	5,571	+1.8%
Capital investment	1,886	1,729	(8.3%)
depreciation expense	1,136	1,417	+24.7%
E P S	135.96円	138.37円	+1.8%
D P S	42.50円	50.00円	—

# Sales and operating income forecast by segment

The platform segment contributed to consolidated performance.

[unit: million yen]		FY March 2024 [results]	FY March 2025 [forecast]	YoY
<b>Platform</b>	Net sales	31,467	33,532	+6.6%
	Operating Income	8,917	9,610	+7.8%
Media	Net sales	25,671	27,093	+5.5%
	Operating Income	7,553	7,844	+3.9%
Services	Net sales	5,796	6,438	+11.1%
	Operating Income	1,364	1,766	+29.5%
<b>Commerce</b>	Net sales	75,529	75,261	(0.4%)
	Operating Income	623	603	(3.2%)
Sales of goods	Net sales	31,885	32,461	+1.8%
	Operating Income	343	375	+9.2%
Ticket sales	Net sales	43,644	42,799	(1.9%)
	Operating Income	279	228	(18.4%)
<b>Other Business</b>	Net sales	8,550	8,384	(2.0%)
	Operating Income	303	279	(7.8%)

# Regarding the differences between the medium-term three-year plan and the earnings forecast for fiscal year ending March 2025



## Regarding differences in sales and operating income

At the time of announcement of the medium-term three-year plan in May 2022, we were planning to expand our business based on new products and services for promoting DX in the mobility field, while grasping significant changes in the market, such as the adoption of the obligation to indicate the total purchase price of each used car, the digitization of contracts, the invoice system, and OBD, as well as the growth of the existing business. The adoption of new products, which were expected to be adopted by dealers for streamlining their operations for digitalizing contracts, was delayed, because we were not able to meet the needs of dealers. Regarding products of OBD, we are still at the stage of promoting dealers to adopt it, so their effects on business performance will be seen later than forecast. Accordingly, there are the differences between the medium-term three-year plan and the earnings forecast for fiscal year ending March 2025.

## Regarding our measures in fiscal year ending March 2025

Firstly, we will strive to increase affiliated stores as our business foundation. While recognizing FY 3/2025 as the year for enhancing the investment for growing our business, we will actively develop products and services and improve the functions of existing products to sell more optional products for promoting DX, and fortify our revenue model.

# Progress of the medium-term three-year plan

[Fiscal year ending March 2023 to March 2025]

## ① DX promotion in the mobility field

# Expansion of two revenue models in the mobility field

While growing the existing monthly revenue model, we will strengthen a business model linked with the number of vehicles and order placement.

Pursuit of business

① Number of trading shops  
×  
Monthly unit price model



② Number of units  
×  
Pay-per-use model

### used car field

representative merchandise **MOTOR GATE**

For automobile sales and maintenance factories  
Business management platform

### maintenance field

representative merchandise **MOTOR GATE**

For automobile sales and maintenance factories  
Business management platform

### New car field

representative merchandise **DataLine SalesGuide**

New car dealer  
Management support system

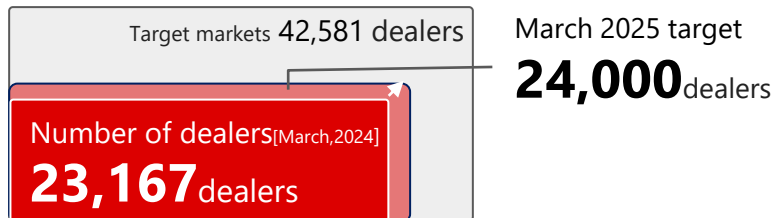
<p><b>Goo inspection</b></p>	<p>Appraisers from the Japan Automobile Appraisal Association (JAAA), a third-party organization, will appraise used cars. Each car will be checked by a professional.</p>	<p><b>Goo Failure Diagnosis</b></p>	<p>On-board diagnostics (OBD) for car dealers and Maintenance Shops</p>	<p><b>MG PITIN</b></p>	<p>Notifications on regular car maintenance from Maintenance Shops</p>
<p><b>MG Calendar</b></p>	<p>To allow customers to book visits to stores, test drives, and online business negotiations</p>	<p><b>Goo Maintenance Pack</b></p>	<p>Service package including regular car maintenance at Maintenance Shops that offer Goo Maintenance Pack</p>	<p><b>Goo Travel</b></p>	<p>In-house development of travel plans that would add spice to a car-centric life</p>

# Number of trading shops × Monthly unit price model

We aim to increase affiliated stores/maintenance shops, to occupy the largest share in the market.

## TAM (Total Addressable Market)

### used car field



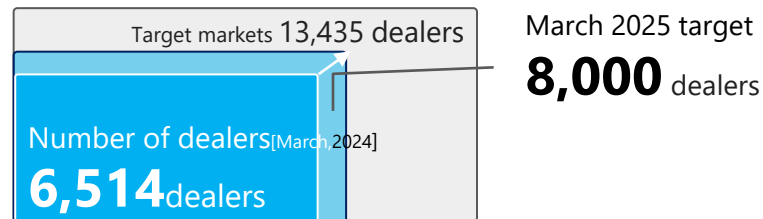
\*1: Target markets [In-house research] Survey based on visual check in marketing activities [As of March 2024]

### maintenance field



\*1: Target markets [In-house research] [Japan Automobile Service Promotion Association Total as of the end of March 2023]

### New car field



\*1: Target markets [In-house research] Calculated from the results of visual surveys in marketing activities with reference to the 2023-2024 edition of the automobile yearbook published by Nikkan Jidosha Shimbun [As of March 2024]

## Initiatives to achieve goals for March 2025

We will strive to expand our market share through the sales promotion of Goo inspection and Goo Failure Diagnosis, and propose plans that include DX products that can save the man-hours for services to car maintenance shops, gas stations, etc. that also sell used cars, as they need to secure man-hours for selling used cars.

We will keep increasing transactions with enterprises that have newly entered the maintenance field, such as gas stations. We will enhance marketing for Goo Failure Diagnosis before the introduction of on-board diagnostics (OBD). In addition, we will promote non-face-to-face marketing through digitization in order to improve the efficiency of marketing.

While increasing affiliated dealers through the sales promotion of "DataLine AI Assessment," we will enhance our activities to propose DX solutions to the headquarters of makers through labor-saving services, such as the use of "the video for proposing the switch to DataLine SalesGuide," to grasp the needs of dealers for the improvement of business operations, which are attributable to the integration or closure of their stores.

# Number of users × Pay-per-use model

To enrich information for dispelling consumers' worries about prices and vehicle conditions, and increase the number of vehicles ordered

## TAM (Total Addressable Market)

Procurement

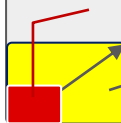


Commercialization of Used cars



**No. of vehicles owned\*1**  
**62.32 million units**

To popularize Goo Failure Diagnosis to the level of Goo inspection



No. of vehicles that have undergone Goo inspection\*2  
730,000 units/year

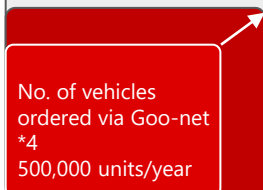
\*1 Target markets :The total number of ordinary passenger automobiles, small-sized vehicles, and light four-wheeled vehicles taken from "Statistics of the number of automobiles owned" by MLIT (as of the end of Dec. 2023)

\*2 Results of our company in the period from Apr. 2023 to Mar. 2024

Conclusion of a contract



**No. of used cars sold\*3**  
**2-2.5 million units/year**



No. of vehicles ordered via Goo-net  
\*4  
500,000 units/year

\*3 Target markets : Our estimate [As of March 2024]

\*4 Apr. 2023 – Mar. 2024: Estimate based on our survey

## Measures for expanding the number of vehicles and the market share of our pay-as-you-go model

To remove consumers' worries, we will increase vehicles whose information on the results of Goo inspection and Goo Failure Diagnosis, and make continuous efforts to improve the soundness of the used car industry.

Goo Failure Diagnosis is increasingly adopted by leading dealers and stores affiliated with Goo inspection for supporting the improvement of business operations, so we will establish and strengthen the diagnosis agency system for diagnosing failure at the time of Goo inspection on a priority basis, and support the improvement in operations of dealers that inspect automobiles in house.

We will strengthen our system for marketing this maintenance package while targeting small and medium-sized used car dealers, which cannot offer maintenance services, to distribute this product.

We will cooperate with more consumer credit companies so that an automobile loan can be arranged while including the fee for Goo Maintenance Pack at the time of negotiation for selling a used car, and develop an environment in which dealers can readily introduce it to customers at the time of negotiation.



# Progress of the medium-term three-year plan

[Fiscal year ending March 2023 to March 2025]

## ② Expansion of business field

# Expansion of the business domain through the utilization of M&A

## M&A target fields

### Promoting M&A targeting the leading companies in the industry

- ① Business fields to enhance the foundation of existing businesses
- ② New business fields utilizing the assets of existing businesses
- ③ Business fields utilizing our cutting-edge technology and know-how

2024  
Apr.

## Acquisition of shares of Kankokeizai News

### Reason for the acquisition of shares

We acquired the shares of Travel Code, while considering that it would be possible to (1) strengthen the foundation for our existing business, (2) operate business in new business fields by utilizing the assets of our existing business, and (3) induce synergy with the Cosmic Group, by combining our automobile and motorcycle media for consumers and the business assets of Travel Code, which possesses strong connections in the travel and sightseeing industries, through the alliance in marketing.

**First issue** April 1, 1950

**Establishment** November 4, 1960

### Groups to which they belong

Japan Specialized Newspapers  
Association

Traffic/transportation Press club of MLIT

### Outline of business

[Media business]

- Kankokeizai Shimbun
- Kankokeizai.com

<https://www.kankokeizai.com/>




[Certification projects we organize]

- 100 selected hot springs in Japan  
Ranking of hot springs selected by “professionals in travel,” such as the employees of travel agencies
- 250 selected popular hot-spring inns or hotels  
250 hot-spring inns selected by “professionals in travel,” such as the employees of travel agencies
- Five-star inns



2023  
Oct.

## Nationwide operation of Travel Code of Goo Travel

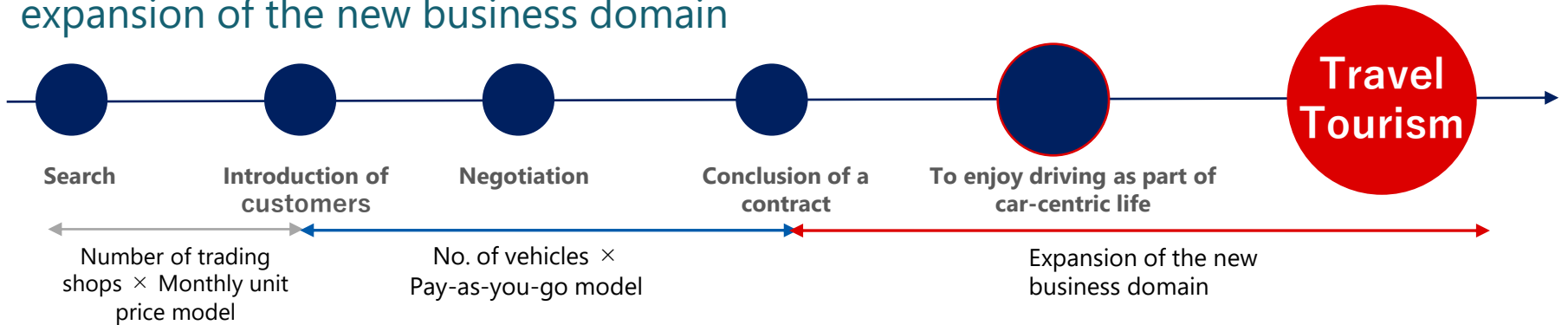
We enlisted cooperation from Kankokeizai News in the inclusion of Five-star Inns  in Travel Code.

2022  
Apr.

We acquired the shares of Cosmic Ryutsuu Sangyo Co., Ltd. and Cosmic Gift Card System Co., Ltd.


# Enhancement of the mobility business and foray into new business fields by Travel Code

Travel Code contributes to the enhancement of the existing business and the expansion of the new business domain



## 7-トラベル Travel Code of Goo Travel



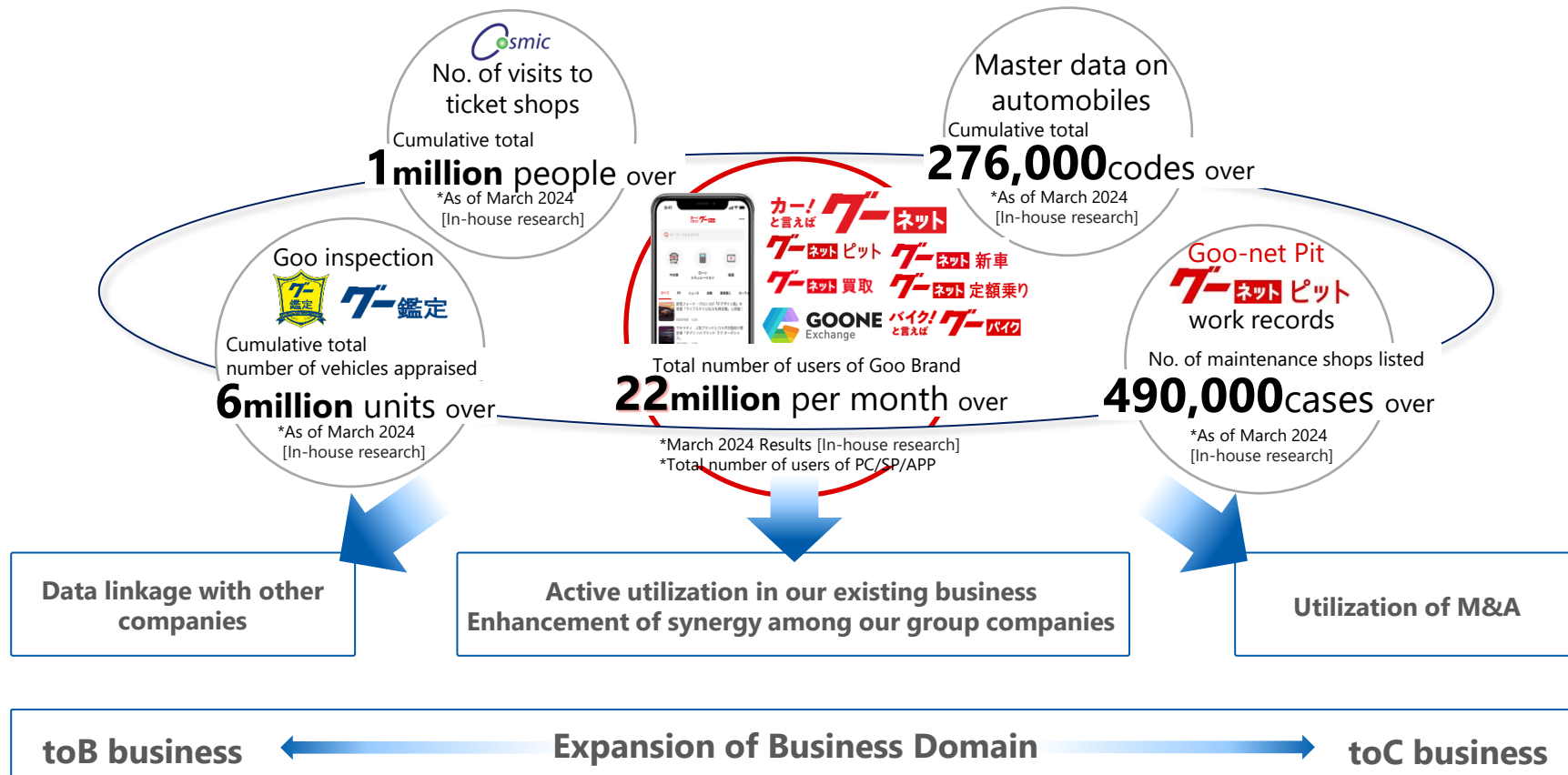
- Over 100 high-class Japanese-style inns with the title "Five-star Inn"  are introduced.
- Social gifts that can be browsed with the Internet and can be sent to anyone anytime
- We linked a travel gift catalogue with the inventory management system of each Japanese-style inn for the first time in history. It became possible to check whether there are vacant rooms and book a room anytime 24 hours a day on the website.

Released in October 2022 resulting in the placement of a cumulative total of over 1,000 orders

- The dealers of makers adopted it for providing customers with special benefits during the campaign for new orders.
- Used car dealers adopted it for proving customers with special benefits in order to make their customers lifelong ones.

# Foray into new business fields through the utilization of data

We aim to operate business while utilizing our unique data.



# Progress of the medium-term three-year plan

[Fiscal year ending March 2023 to March 2025]

## ③ Numerical management targets and shareholder returns

The Group promotes management that is conscious of the cost of capital, and aims to continuously generate returns that exceed the cost of capital.

To achieve this goal, we will strive for business growth based on a balance between promoting investment in growth, ensuring financial soundness, and strengthening returns to our stakeholders.

### Financial Policy

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Sustainable enhancement of corporate value	Realization of ROE of 12% or more (excluding extraordinary gains and losses)
Promoting investment in growth	Promote ROIC-conscious growth and business investment
Ensuring financial soundness	Cash and deposits of approximately 3 months of monthly sales Capital adequacy ratio of 50% or more
Strengthening returns to our stakeholders	Strengthen returns to customers, employees, and shareholders

## Cash allocation in fiscal year ending March 2025 (single year)

We will conduct investment for business growth and human resources and return profit to shareholders in a balanced manner.

### cash in

Operating cash flow 4 billion to 5 billion yen

### cash out

shareholder return

We make efforts to return profit to shareholders while pursuing continuous, stable dividends and comprehensively considering the enrichment of internal reserve, etc. for future growth.

Strategic business investment (including M&A)

To flexibly utilize cash according to the progress of the plan while keeping a balance among the promotion of growth investment, the securing of financial soundness, and the enhancement of return to stakeholders

human investment

We adopted a plan for giving incentives to employees "Employee Stock Ownership Plan (ESOP)" for the purpose of realizing "stakeholder-oriented business administration" by fostering employees' sense of involvement in management and motivation to increase share value in the medium/long term and then improving our corporate value in a sustainable manner.

## About Policy for profit sharing with shareholders and dividends

We make efforts to return profit to shareholders while pursuing continuous, stable dividend payment and comprehensively considering the enrichment of internal reserve for future growth, etc.

We will effectively utilize internal reserve as funds for investing in existing and new businesses in order to further fortify our management foundation and expand the scale of business.

### Dividend per share status

Following the above basic policy, we plan to pay an annual dividend of 50 yen/share, up 7.5 yen/share from FY 24.03, in FY 25.03. Accordingly, the dividend amount is expected to increase for two consecutive fiscal years.

	FY March 2023 [results]	FY March 2024 [results]	FY March 2025 [forecast]
2 <sup>nd</sup> Quarter	17.5yen	17.5yen	25.0yen
Year-End	17.5yen	25.0yen	25.0yen
Annual	35.0yen	42.5yen	50.0yen
Consolidated dividend payout ratio	31.8%	31.3%	36.1%



**Regarding business  
administration conscious of  
capital cost and share price**

# Regarding initiatives to achieve ROE targets

**FY23.03**

**ROE 10.6%**



**FY24.03**

**12.1%** +1.5pt compared to previous period

Net profit margin on sales 4.19%

4.74%

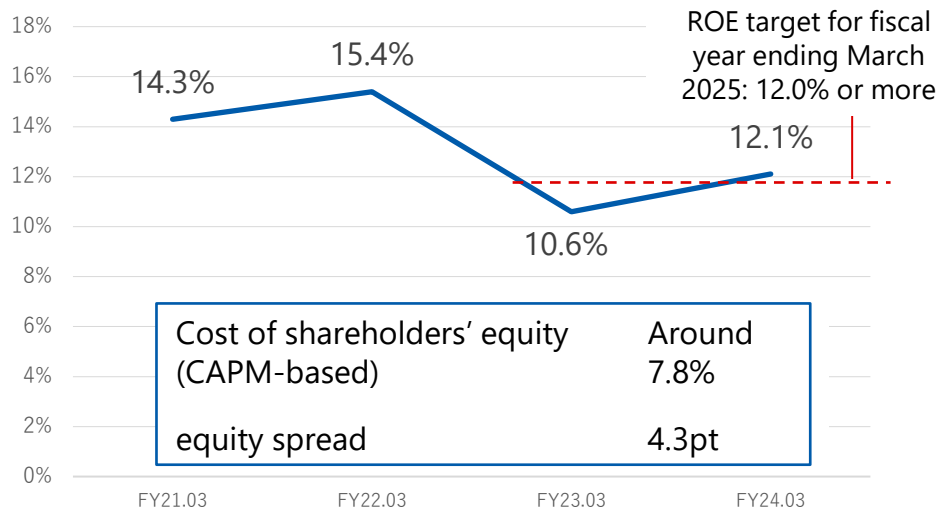
Total asset turnover rate 1.84time

1.83time

financial leverage 1.38%

1.41%

ROE trends



The ROE in fiscal year ended March 2024 was 12.1%, up 1.5 points from the previous fiscal year, exceeding the target ROE in the medium-term three-year plan (12.0%). Our company's ROE has been stably over 7.8% of cost of shareholders' equity (based on the CAPM) as of the end of March 2024.

The primary reason for the improvement in ROE is that net income margin rose as we posted a gain on evaluation of derivatives in currency option transactions, which were made for avoiding the exchange risk.

We will continue the investment for business growth and aim to further improve the efficiency of shareholders' equity, in order to improve ROE.

We will make efforts to expand equity spread, while aiming to reduce cost of shareholders' equity by disclosing our capital policy and non-financial information and taking other measures.

# ROIC trends

**FY23.03**

**ROIC 11.3%**

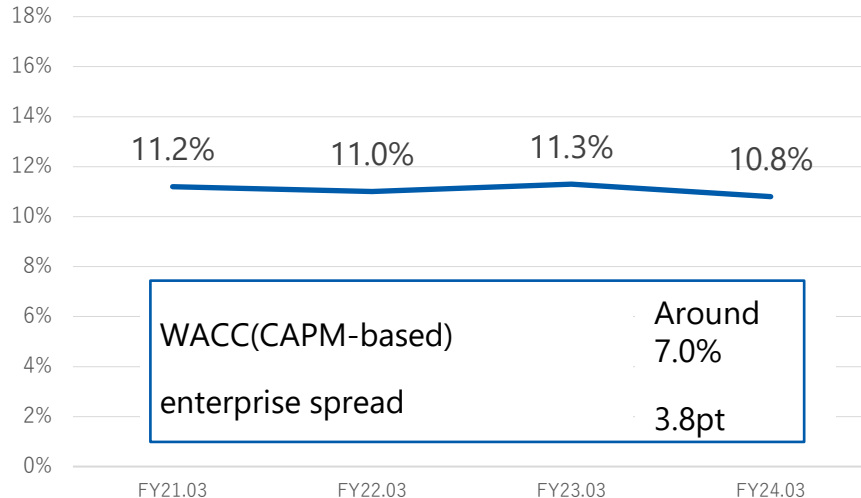


**FY24.03**

**10.8%** (0.5)pt compared to previous period

\*ROIC calculation formula  
Operating profit after tax (NOPAT) ÷ invested capital (stockholders' equity + interest-bearing debt)

ROIC trends



The ROIC in fiscal year ended March 2024 is 10.8%, down 0.5 points from the previous fiscal year. Our company's ROIC has been stably over 7.0% of WACC (based on the CAPM) as of the end of March 2024.

ROIC dropped from the previous fiscal year, mainly because shareholders' equity increased more considerably than profit although NOPAT rose.

We will continue the investment for business growth while considering investment efficiency and pursue the optimization of shareholders' equity, in order to improve ROIC.

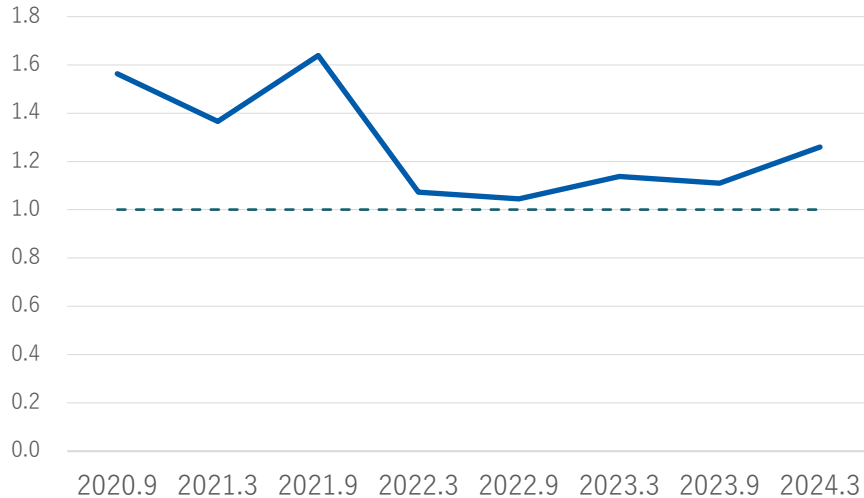
We will make efforts to expand enterprise spread by reducing WACC through the reduction of cost of shareholders' equity.

# Trends in PBR and PER

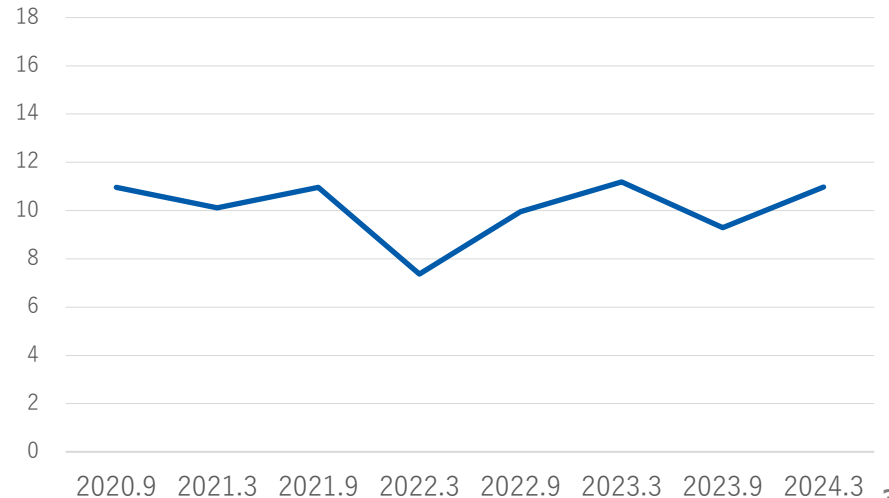
As of March 2024, the PBR remained at around 1.2x; although EPS grew from FY23.03 to FY24.03, the PBR improved only slightly as the PER remained almost flat at around 10x.

Our company will strive to improve ROE and improve our corporate value continuously, by growing our business while keeping a balance among the promotion of investment for growth, the securing of financial soundness, and the enhancement of return to stakeholders.

PBR trends



PER trends



# Regarding the dialogue with the capital market (Apr. 2023 to Mar. 2024)

## IR and SR activities conducted

Activity	No. of times	Main responders/activities
Investor Meeting	4	Quarterly briefings and question and answer sessions by the President and the executive officer in charge of accounting and finance departments
Individual interviews with institutional investors, analysts, and others	123	Individual interviews online or F2F with the president, executive officer in charge of accounting and finance departments, and IR personnel
Online briefing session for individual investors	1	Briefing session and question and answer session by the president
General meeting of shareholders	1	Attended by all directors and corporate auditors; business report and question and answer session by the president
Feedback to the board of directors	4	Feedback on Q&A content at Investor Meeting and individual interviews

## Themes and outcomes of major dialogues

Theme	Outcome
Disclosure of the details of our growth strategy	Disclosure of our scheme and strategy for business synergy and group synergy and our M&A policy
Regarding business administration conscious of capital cost and share price	Enhancement of return to shareholders, analysis of indicators, and disclosure of measures
Disclosure of more information on sustainability	Issuance of integrated reports

挑戦を未来の力に

**PROTO**  
プロト コーポレーション

# Appendix

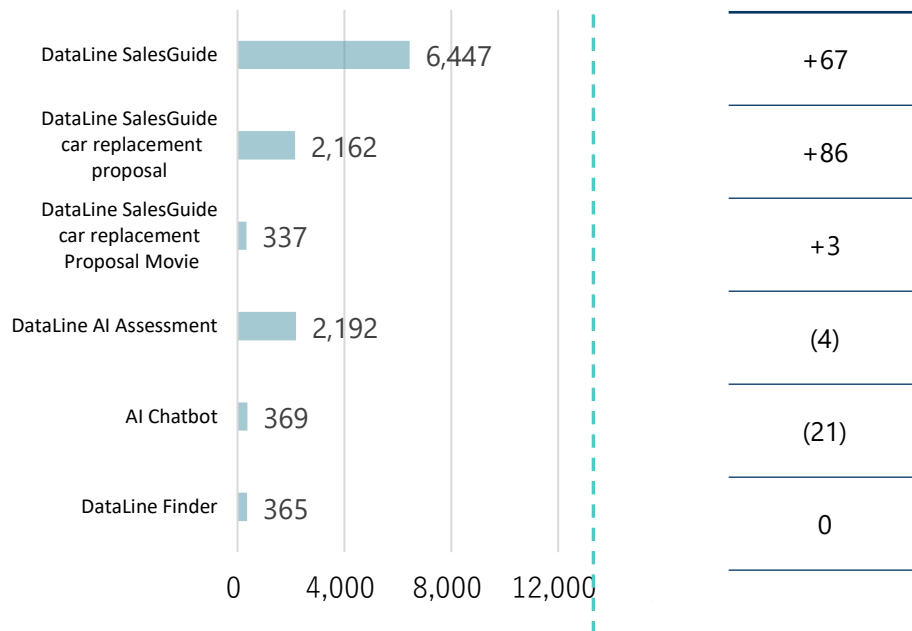
## —KPI・Results—

# New Car field Optional Service Number of Installed dealers

Platform  
[Services]

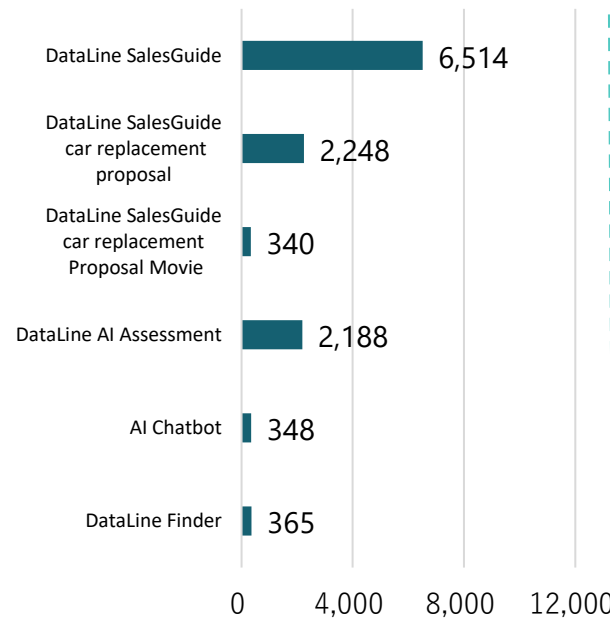
More clients adopted our optional services, as we cemented the cooperation with domestic car makers and importers.

## December 2023(Results)



Target markets (In-house research) 13,435 dealers

## March 2024(Results)



Target markets (In-house research) 13,435 dealers

# FY March 2024: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2023		As of March 31, 2024		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	39,537	65.3%	44,539	66.9%	5,001	112.7%
Non-Current Assets	21,016	34.7%	22,065	33.1%	1,048	105.0%
Current Liabilities	15,538	25.7%	17,586	22.8%	2,047	113.2%
Non-Current Liabilities	1,499	2.5%	1,353	5.6%	(145)	90.3%
Net Assets	43,515	71.9%	47,664	71.6%	4,149	109.5%
Total Assets	60,553	100.0%	66,604	100.0%	6,050	110.0%

[unit: million yen]	As of March 31, 2023		As of March 31, 2024		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	23,739	39.2%	25,764	36.6%	2,024	108.5%
Interest-bearing debt	4,446	7.3%	4,910	8.3%	463	110.4%
Net cash	19,292	31.9%	20,853	28.3%	1,560	108.1%



# FY March 2024: Consolidated Statements of Cash Flows

[unit: million yen]	As of March 31, 2023	As of March 31, 2024	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	4,330	4,537	207
Cash Flows from Investing Activities	(4,638)	(1,568)	3,070
Cash Flows from Financing Activities	(2,128)	(984)	1,144
Cash and Cash Equivalents at End of Term	23,494	25,485	1,991

[unit: million yen]	As of March 31, 2023	As of March 31, 2024	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets)	2,888	1,499	(1,002)
Depreciation	987	1,136	149
Amortization of Goodwill	521	219	(301)

# Consolidated Earnings (10-year transition)

[unit: million yen]	FY March 2015	FY March 2016	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022*1	FY March 2023*1	FY March 2024*1
Net Sales	48,602	54,297	56,717	62,111	62,251	59,127	60,097	57,446	105,596	115,548
Operating Income	4,233	4,071	2,795	3,674	4,565	5,136	5,941	6,422	7,336	7,704
Net Income	2,381	(390)	1,506	519	3,159	4,991	4,853	5,880	4,424	5,471
EBITDA*2	6,039	6,149	4,547	5,396	5,920	6,455	7,262	7,660	8,845	9,060
Adjusted Net Income*3	3,308	641	2,145	1,151	3,596	5,420	5,275	6,240	4,946	6,608
Depreciation	879	1,046	1,113	1,089	916	890	898	877	987	1,136
Amortization of Goodwill	926	1,032	638	632	437	429	422	360	521	219
SG&A Expenses	16,044	17,157	19,024	19,467	19,267	19,270	19,250	18,205	20,606	21,060
Employment Cost	7,358	7,706	7,936	8,066	7,871	7,721	7,525	6,849	7,456	7,811
Advertising Cost	2,386	2,423	4,167	4,295	4,486	4,602	5,071	5,153	5,628	5,481
Other Expenses	6,299	7,027	6,921	7,106	6,909	6,945	6,653	6,201	7,522	7,767

\*1: New Revenue Recognition Standard

\*2: EBITDA was calculated with the equation: operating income + depreciation + amortization of goodwill

\*3: Adjusted Net Income was calculated with the equation: net income + amortization of goodwill

# Consolidated Earnings (quarterly transition)

[unit: million yen]	Q4/FY'21 March	Q1/FY'22 March*1	Q2	Q3	Q4	Q1/FY'23 March*1	Q2	Q3	Q4	Q1/FY'24 March*1	Q2	Q3	Q4
Net Sales	15,325	13,661	12,646	16,384	14,753	23,784	26,027	29,518	26,310	27,220	27,337	32,299	28,690
Gross Profit	6,391	6,233	5,752	6,603	6,037	6,709	6,554	7,688	6,991	7,317	6,850	7,772	6,824
EBITDA*2	1,347	2,096	1,606	2,366	1,591	2,415	1,907	2,760	1,763	2,541	1,872	2,902	1,743
Operating Income	1,014	1,780	1,304	2,057	1,280	2,082	1,525	2,368	1,360	2,231	1,542	2,554	1,376
Ordinary Income	1,245	1,865	1,365	2,064	1,327	2,100	1,568	1,709	1,584	2,755	1,562	2,501	1,455
Net Income	1,624	2,281	1,341	1,426	830	1,398	1,002	1,089	933	1,808	1,027	1,716	918

SG&A Expenses	5,376	4,452	4,448	4,545	4,757	4,627	5,028	5,319	5,631	5,085	5,308	5,218	5,447
Employment Cost	1,883	1,797	1,647	1,682	1,722	1,808	1,828	1,913	1,906	1,942	1,936	1,977	2,018
Advertising Cost	1,782	989	1,421	1,206	1,535	1,132	1,409	1,396	1,690	1,315	1,493	1,203	1,469
Other Expenses	1,710	1,665	1,379	1,656	1,500	1,687	1,790	2,010	2,033	1,827	1,878	2,037	1,960

\*1: New Revenue Recognition Standard

\*2: EBITDA was calculated with the equation: operating income + depreciation + amortization of goodwill

# Consolidated Earnings by Segment (quarterly transition)

[unit: million yen]		Q4/FY'22 March	Q1/FY'23 March	Q2	Q3	Q4	Q1/FY'24 March,	Q2	Q3	Q4
<b>Platform</b>	Net sales	7,375	7,364	7,478	7,622	7,839	7,767	7,904	8,044	7,750
	Operating Income	1,711	2,328	2,038	2,243	1,956	2,430	2,125	2,529	1,831
Media	Net sales	5,875	5,925	6,043	6,137	6,325	6,309	6,352	6,452	6,556
	Operating Income	1,313	1,937	1,694	1,867	1,600	2,041	1,639	2,110	1,762
Services	Net sales	1,500	1,439	1,434	1,485	1,514	1,457	1,552	1,592	1,194
	Operating Income	398	390	343	375	355	389	486	419	68
<b>Commerce</b>	Net sales	6,198	15,233	16,888	19,870	16,555	17,316	17,658	22,077	18,477
	Operating Income	(56)	107	(52)	434	(72)	163	(0)	490	(30)
Sales of goods	Net sales	6,198	6,544	6,324	9,671	7,033	7,166	6,665	10,392	7,661
	Operating Income	(56)	79	(137)	352	(101)	62	(68)	419	(70)
Ticket sales	Net sales	-	8,688	10,564	10,198	9,522	10,150	10,992	11,685	10,816
	Operating Income	-	28	85	81	28	100	67	70	40
<b>Other Business</b>	Net sales	1,178	1,186	1,659	2,025	1,871	2,136	1,774	2,176	2,463
	Operating Income	49	123	38	237	(19)	137	(47)	82	130
Management Division	Operating Income	(425)	(477)	(498)	(546)	(503)	(499)	(535)	(549)	(555)
<b>Total</b>	Net sales	14,753	23,784	26,027	29,518	26,266	27,220	27,337	32,299	28,690
	Operating Income	1,280	2,082	1,525	2,368	1,360	2,231	1,542	2,554	1,376

# Appendix

—Business Overview ・ Company Overview—

# Measures for disclosing sustainability-related information

We continuously address the issues regarding sustainability and ESG in accordance with the basic policy for sustainability, and disclose their details via our website and its English version.

## Establishment of a sustainability-related webpage



\*The English webpage is scheduled to be updated in June 2024.

<https://www.proto-g.co.jp/sustainability/>

<https://www.proto-g.co.jp/sustainability/english/>

## Issuance of Integrated Report 2023



[https://www.proto-g.co.jp/wp-content/themes/proto/data/pdf/page/IR/library/annual/PROTO\\_IR2023\\_Eg.pdf](https://www.proto-g.co.jp/wp-content/themes/proto/data/pdf/page/IR/library/annual/PROTO_IR2023_Eg.pdf)

# Transition of Net Sales and Operating Income

Net Sales  
[billion yen]

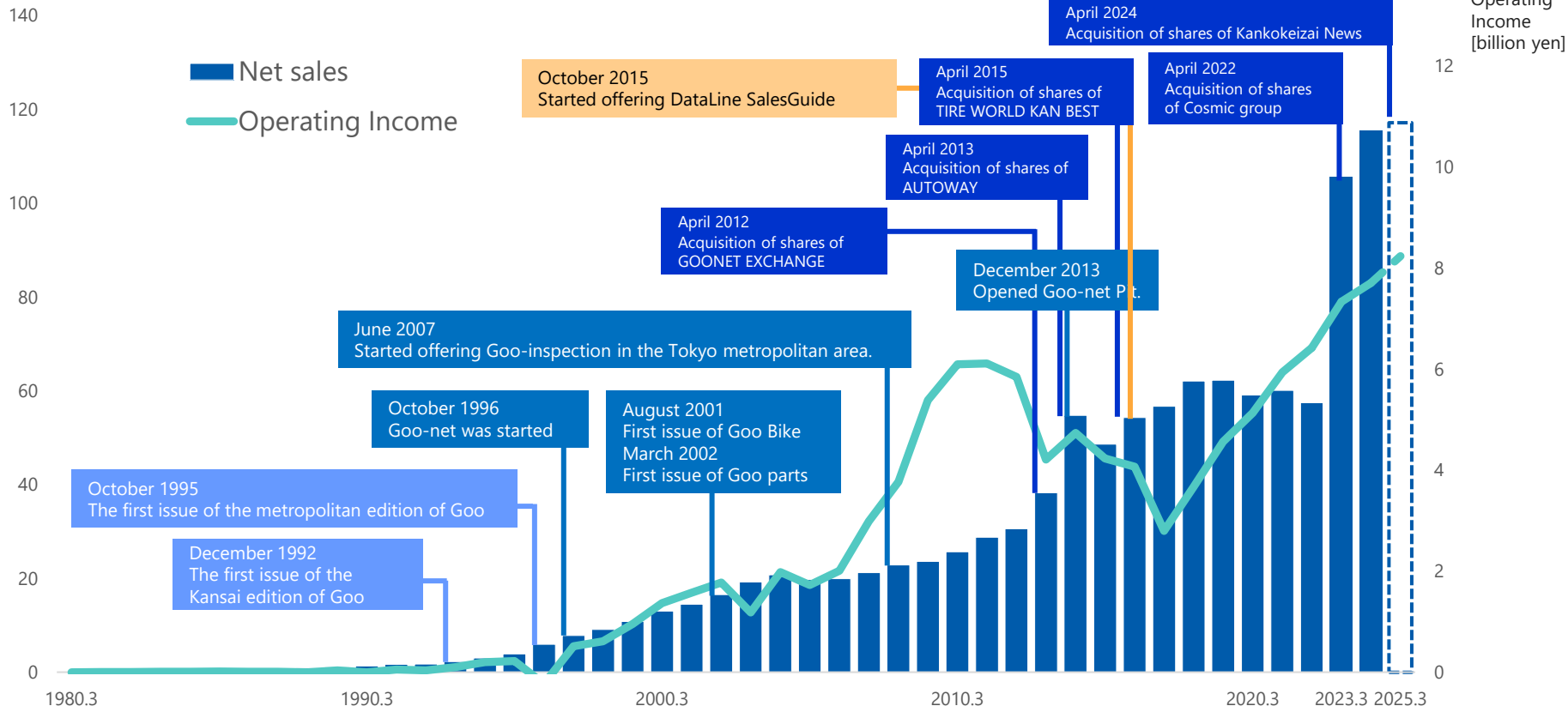
Nationwide expansion of Goo

Series development of Goo  
IT shift in services

Aggressive development of  
M&As

Selection and concentration  
of business portfolio

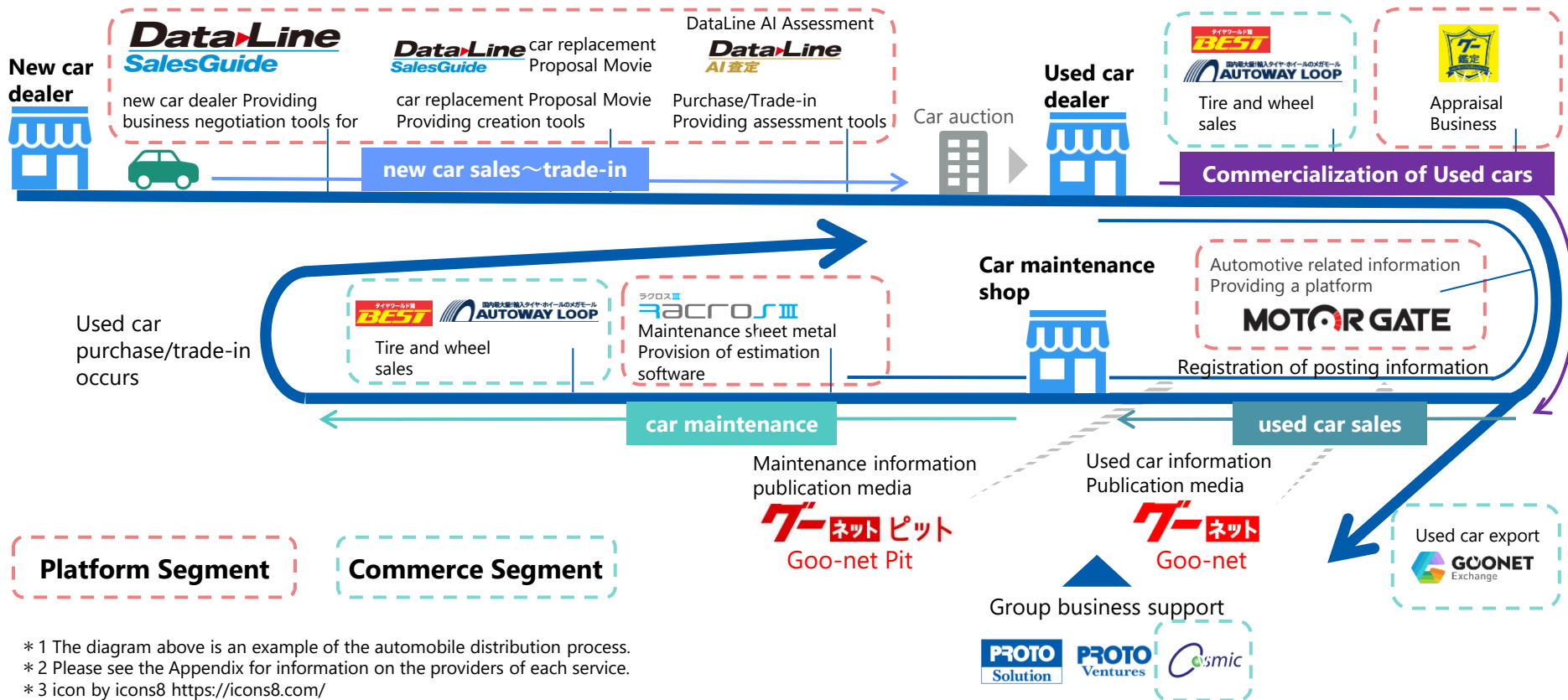
Promote data platform  
construction



\*1 The new revenue recognition standard will apply from the fiscal year ending March 2022 onwards. \*2 For the fiscal year ending March 2025, the figures will be announced on May 10, 2024.

# Management support by PROTO Group










- Proto Group provides total support for the management of automobile sales and maintenance businesses.



\* 1 The diagram above is an example of the automobile distribution process.  
 \* 2 Please see the Appendix for information on the providers of each service.  
 \* 3 icon by icons8 <https://icons8.com/>



# 主要グループ会社別のセグメント内訳

	Platform		Commerce		Other Business
	Media	Services	Sales of goods	Ticket sales	—
	Media: Used cars, Maintenance, Bike	New car negotiation tool	Sale of goods		Agriculture, Real Estate, Others
	Media: Used cars, Maintenance, Bike		Sale of goods		BPO
• 	Appraisal Business				
		Maintenance sheet metal software sales			
			Tire and wheel sales		Solar power generation
			Tire and wheel sales		
	Alliance		Used car export		
				Ticket sales	
					Investment

# Business model of our platform

## Platform[Media]

\* A business model that operates media for users and receives usage fees for the publication management platform of the media

### User

- Browsing content
- Inquiries to used car dealers/ car maintenance shops
- Visit reservation, online business meeting reservation

**Billing system: Free**

## Platform

**MOTOR GATE**

Automotive related information platform

## Media

**ジーネット**  
Goo-net

used car search

**ジーネットピット**  
Goo-net Pit

car maintenance shop search

## Client

**used car dealers/car maintenance shops**

- used car/maintenance information registration
- Responding to user inquiries

**Billing system: MOTOR GATE usage fee [fixed monthly fee/inventory linked type]+ MOTOR GATE various option fee**

## Platform[Services]

\* A business model that provides new car dealers with tools to support business negotiations, appraisals, etc., and earns fees for their use.

### User

- Receipt of information from new car dealers

## Platform

**DataLine**  
SalesGuide

- Cost comparison function for new car negotiations
- Transfer simulation function
- Future price prediction function
- Transfer proposal function

**DataLine** DataLine AI Assessment  
AI査定

- Assessment function

## Client

**new car dealers**

- Customer information registration
- Customer vehicle information registration

**Billing system: Monthly usage fee [fixed monthly amount]+ Various option fees**

# Company Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,849 million yen (As of March 31, 2024)
Shares Outstanding	41,925,300 shares (As of March 31, 2024)
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, Takaskaisaaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto(35 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,520 (As of March 31, 2024)、 Parent: 536 (As of March 31, 2024)
Stock Exchange	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Listing Subsidiary	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. 11. PROTO Ventures 12. PROTO Ventures 2 Investment Limited Partnership 13. COSMIC RYUTSUU SANGYO LTD., INC. 14. COSMIC GC SYSTEM LTD., INC. 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 March 31, 2024)

## **Future Outlook**

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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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PROTO CORPORATION

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Mail: [4298ir@proto-g.co.jp](mailto:4298ir@proto-g.co.jp)