

Financial Results for the Six Months Ended September 2021 (April 1, 2021 to September 30, 2021)

PROTO CORPORATION (4298)
October 29, 2021
(Investor Meeting November 2, 2021)



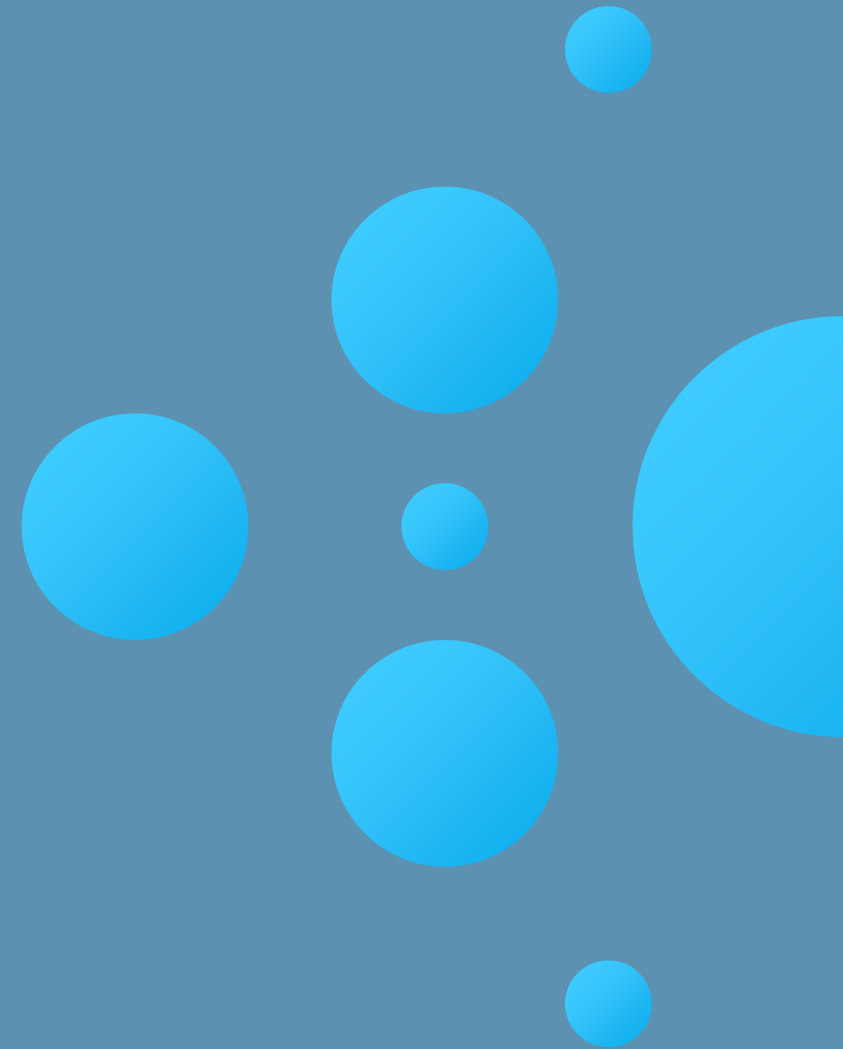
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FY2022 Q2

Jul2021 - Sep2021

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2. Our company's activities
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Overview of Results



Quarterly Results Highlights

Used car and new car business remained steady

However, sales and profits decreased due to the impact of the transfer of shares in PROTO MEDICAL CARE *1 *2

Business Results

- **Net sales: 12,646 million yen YoY (3.5%)** *1*2 Excluding the impact of PROTO MEDICAL CARE YoY+3.6%
- **Operating income: 1,304 million yen YoY (2.4%)** *2 Excluding the impact of PROTO MEDICAL CARE YoY+3.1%

Ad-related

- **Net sales: 5,695 million yen YoY +6.4%** *1
- Sales of MOTOR GATE and MG Calendar were strong
Strengthen promotion of Goo-net

Information and Service

- **Net sales: 1,462 million yen YoY +11.4%** *1
- Steady growth in new car business, progress in introduction of DataLine SalesGuide Car replacement Proposal
Movie and AI assessment

Sales of goods

- **Net sales: 4,774 million yen YoY (1.6%)** *1
- Sales of used car exports decreased due to lockdowns in destination countries.

*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

*2: Impact of the transfer of shares in PROTO MEDICAL CARE Net sales: (902) million yen, Operating income: (71) million yen

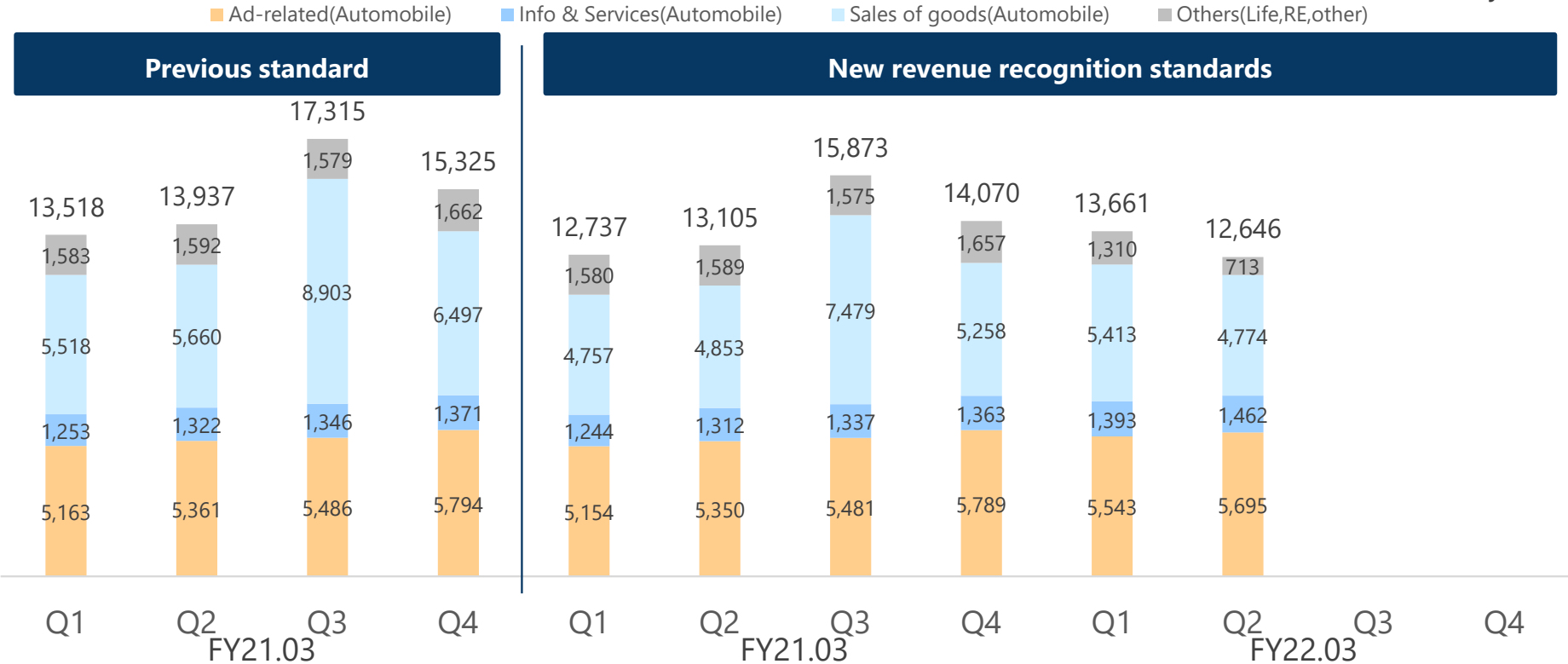
Quarterly Results

Consolidated sales: 12,646 million yen YoY: (3.5%) *1*2

Sales in the Used Car Business (MOTOR GATE) and New Car Business were strong.

On the other hand, due to the impact of the transfer of shares in PROTO MEDICAL CARE

(million yen)

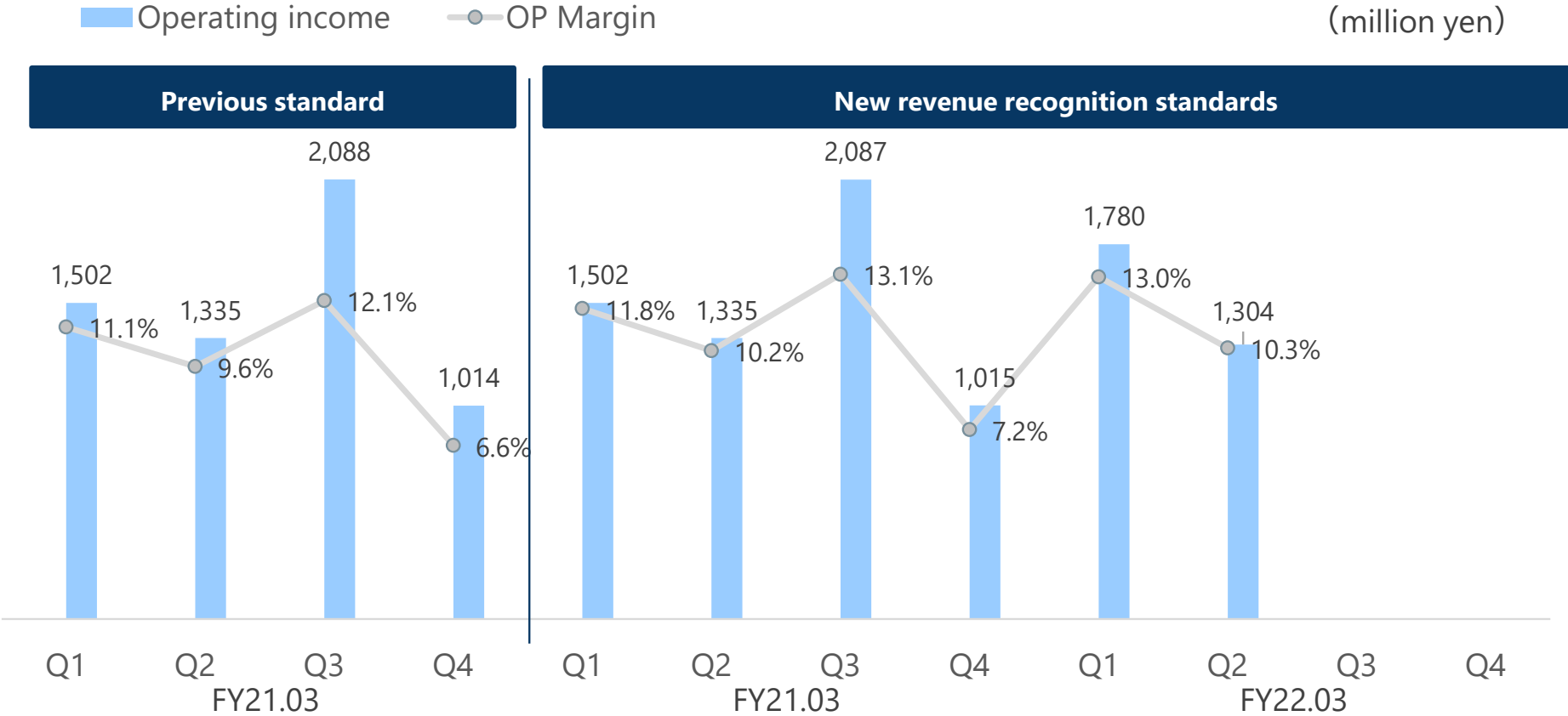


*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

*2: Impact of PROTO MEDICAL CARE, net sales: (902) million yen

Quarterly Results

Consolidated operating income: 1,304 million yen YoY: (2.4%) *1
Sales in the Used Car Business (MOTOR GATE) and New Car Business were strong.
On the other hand, due to the impact of the transfer of shares in PROTO MEDICAL CARE

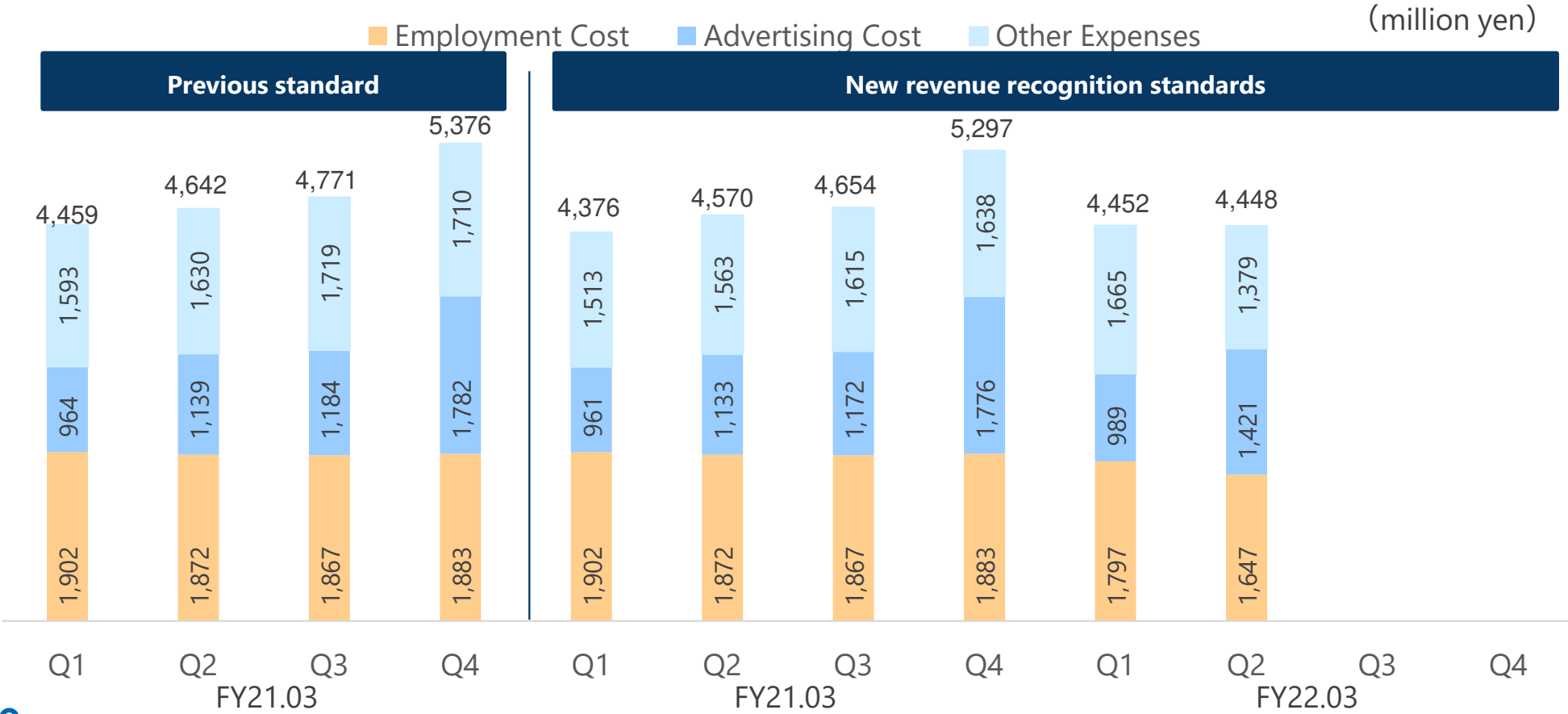


*1: Impact of PROTO MEDICAL CARE, Operating income : (71) million yen

Quarterly Results

SG&A Expenses: 4,448 million yen YoY: (2.7%)*1

Despite an increase in advertising expenses for Goo-net, SG&A expenses decreased YoY due to the impact of the transfer of shares in PROTO MEDICAL CARE



*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Quarterly Results

[unit: million yen]	Q2/FY2021 *1 Jul-Sep 2020		Q2/FY2022 *1 Jul-Sep 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Net Sales	13,105	100.0%	12,646	100.0%	(459)	(3.5%)
Gross Profit	5,906	45.1%	5,752	45.5%	(153)	(2.6%)
EBITDA	1,667	12.7%	1,606	12.7%	(61)	(3.7%)
Operating Income	1,335	10.2%	1,304	10.3%	(31)	(2.4%)
Ordinary Income	1,273	9.7%	1,365	10.8%	91	+7.2%
Net Income	774	5.9%	1,341	10.6%	567	+73.3%

Sales and income decreased due to the transfer of shares of PROTO MEDICAL CARE that took place on June 1, 2021.

Impact of PROTO MEDICAL CARE on net sales: (902) million yen, operating income: (71) million yen

[unit: million yen]	Q2/FY2021 *1 Jul-Sep 2020		Q2/FY2022 *1 Jul-Sep 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	4,570	34.9%	4,448	35.2%	(121)	(2.7%)
Employment Cost	1,872	14.3%	1,647	13.0%	(225)	(12.0%)
Advertising Cost	1,133	8.7%	1,421	11.2%	287	+25.4%
Other Expenses	1,563	11.9%	1,379	10.9%	(184)	(11.8%)

 *1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Quarterly Results by Segment

Net Sales [unit: million yen]	Q2/FY2021 *1 Jul-Sep 2020		Q2/FY2022 *1 Jul-Sep 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Automobile-related	11,516	87.9%	11,932	94.4%	416	+3.6%
Ad-related	5,350	40.8%	5,695	45.0%	344	+6.4%
Information and services	1,312	10.0%	1,462	11.6%	149	+11.4%
Sales of goods	4,853	37.0%	4,774	37.8%	(78)	(1.6%)
Lifestyle-related	978	7.5%	60	0.5%	(918)	(93.8%)
Real Estate	35	0.3%	36	0.3%	1	+4.4%
Other Business	575	4.4%	616	4.9%	41	+7.2%
Total	13,105	100.0%	12,646	100.0%	(459)	(3.5%)

Operating Income [unit: million yen]	Q2/FY2021 *1 Jul-Sep 2020		Q2/FY2022 *1 Jul-Sep 2021		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%
Automobile-related	1,605	13.9%	1,626	13.6%	21	+1.3%
Lifestyle-related	80	8.2%	3	6.6%	(76)	(95.0%)
Real Estate	31	89.2%	35	97.8%	4	+14.5%
Other Business	37	6.6%	39	6.5%	2	+5.8%
Management Division	(418)	-	(401)	-	16	-
Total	1,335	10.2%	1,304	10.3%	(31)	(2.4%)

The decrease in revenue in the Automotive Information - Sales of goods segment was mainly due to a decrease in revenue from used car exports as a result of the lockdown of GOONET EXCHANGE.

In addition, both sales and income decreased in the Lifestyle-Related Information segment due to the transfer of shares of PROTO MEDICAL CARE on June 1, 2021.

Q2(Apr-Sep)/FY March 2022: Operating Results

[unit: million yen]	Q2/FY2021 *1 Apr-Sep 2020		Q2/FY2022 *1 Apr-Sep 2021		YoY		Q2/FY2022 Apr-Sep 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
Net Sales	25,843	100.0%	26,308	100.0%	465	+1.8%	27,528	100.0%	(1,220)	(4.4%)
Gross Profit	11,785	45.6%	11,986	45.6%	200	+1.7%	12,077	43.9%	(91)	(0.8%)
EBITDA	3,497	13.5%	3,702	14.1%	205	+5.9%	3,340	12.1%	362	+10.8%
Operating Income	2,838	11.0%	3,084	11.7%	245	+8.6%	2,683	9.7%	400	+14.9%
Ordinary Income	2,828	10.9%	3,230	12.3%	402	+14.2%	2,675	9.7%	554	+20.7%
Net Income	1,791	6.9%	3,623	13.8%	1,831	+102.2%	3,287	11.9%	335	+10.2%

[unit: million yen]	Q2/FY2021 *1 Apr-Sep 2020		Q2/FY2022 *1 Apr-Sep 2021		YoY		Q2/FY2022 Apr-Sep 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
SG&A Expenses	8,947	34.6%	8,901	33.8%	(45)	(0.5%)	9,393	34.1%	(491)	(5.2%)
Employment Cost	3,774	14.6%	3,445	13.1%	(329)	(8.7%)	3,645	13.2%	(200)	(5.5%)
Advertising Cost	2,095	8.1%	2,411	9.2%	316	+15.1%	2,282	8.3%	128	+5.6%
Other Expenses	3,077	11.9%	3,045	11.6%	(32)	(1.0%)	3,465	12.6%	(420)	(12.1%)

 *1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

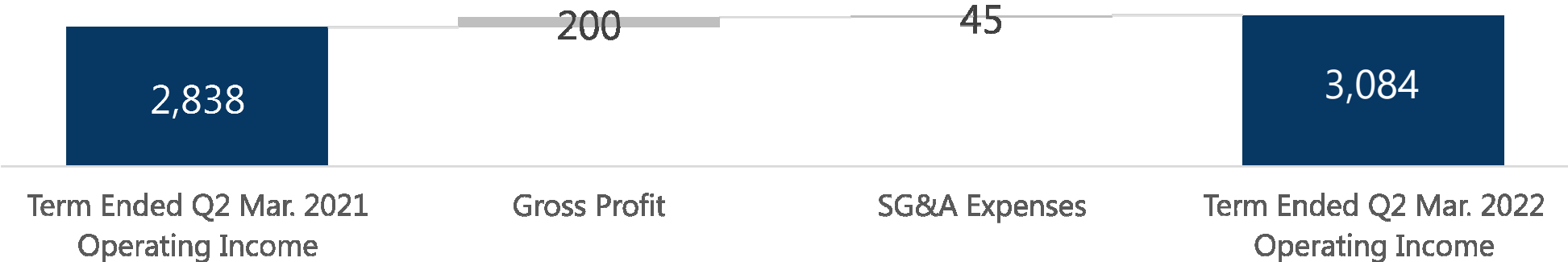
Overview of Q2(Apr-Sep)/FY March 2022

By company, PROTO CORPORATION led the way in profit growth.

Operating Income Breakdown *1

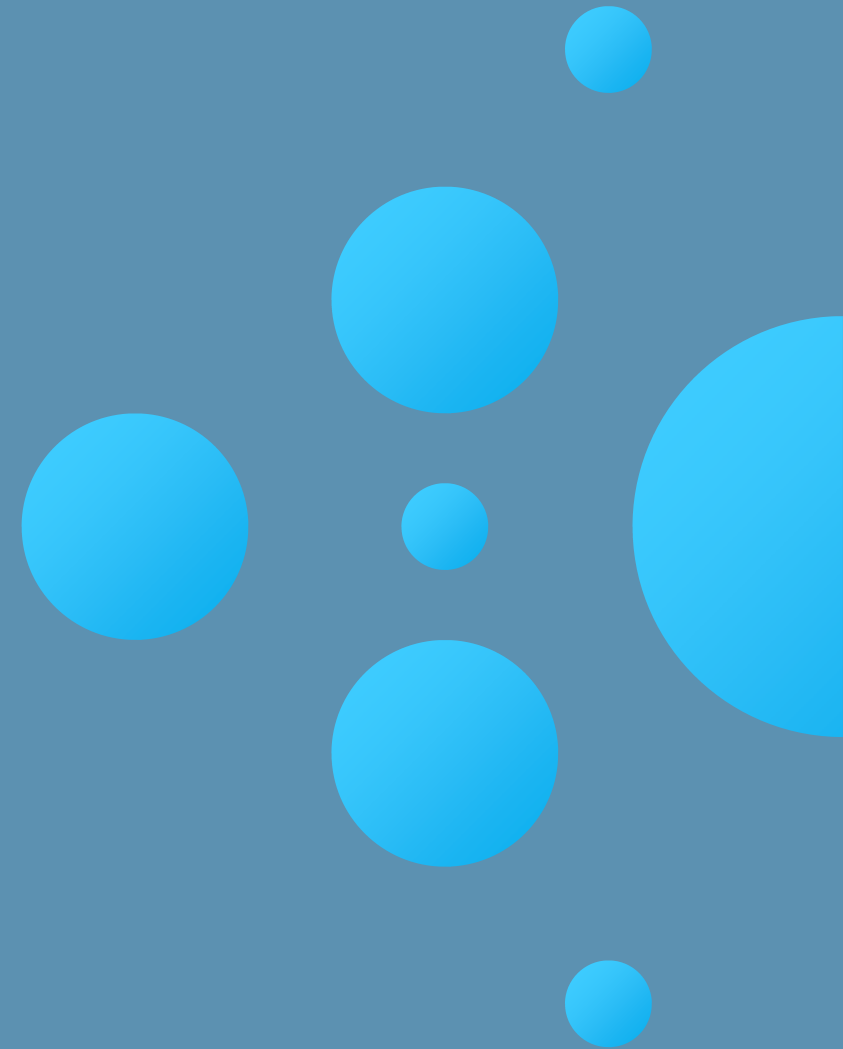
(Million yen)

Gross Profit Breakdown		SG&A Breakdown		Operating Income Breakdown	
	+200		+45		+245
PROTO CORPORATION	+ 664	PROTO CORPORATION	(369)	PROTO CORPORATION	+ 295
AUTOWAY	+35	AUTOWAY	(174)	AUTOWAY	(139)
GOONET EXCHANGE	+67	GOONET EXCHANGE	+34	GOONET EXCHANGE	+101
PROTO MEDICAL CARE	(636)	PROTO MEDICAL CARE	+ 546	PROTO MEDICAL CARE	(89)



*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Our company's activities



Position to be pursued in the future

Innovating car life through DX, aiming to build the industry's No.1 platform

Future: Total support for car life

The No. 1 platform in the automotive information industry

Total support for car life, including used cars, new cars, maintenance, and tires



Create new businesses by utilizing the resources of the automobile-related business

Current: Promotion of DX

DX promotion in each field

Used Car	SaaS - MOTOR GATE
Maintenance	
New car	SaaS - DataLine SalesGuide
Used car export	MG Alliance
Tire	MG Shopping

Past: Expansion of automobile-related information field

Maximizing the Number of Transaction Companies

Used car : Goo-net, MOTOR GATE

Maintenance : Goo-net Pit

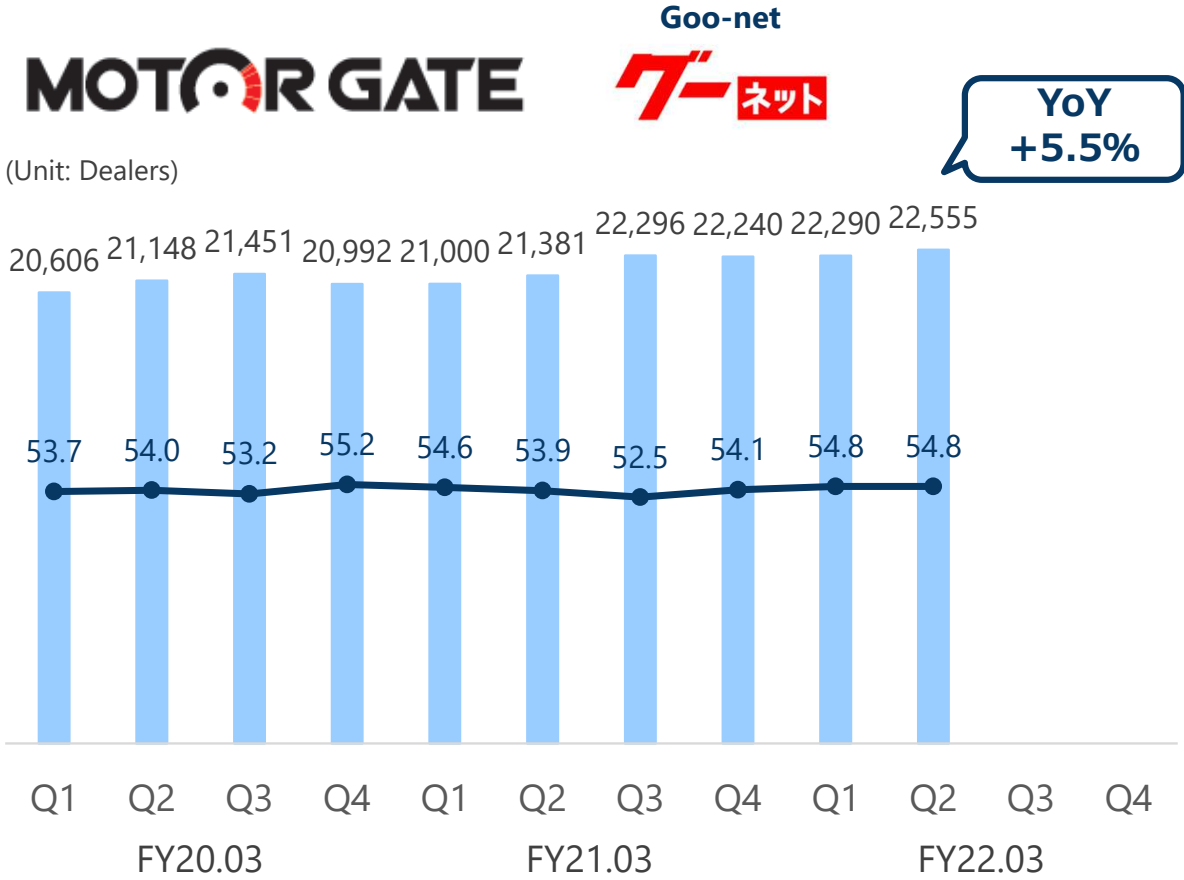
New car : DataLine SalesGuide

Used car export: Goo-net Exchange

Tire: AUTOWAY, TIRE WORLD KAN BEST

Business Strategy : SaaS - MOTOR GATE (Ad-related)

Steady increase in the number of affiliated dealers of MOTOR GATE(Goo-net)



Number of dealers
22,555

Churn rate
(12-month average)
1.9%

ARPA/Month
JPY54.8K

MRR *1
(Sep,2021)
JPY1.24Bn

The number of dealers has been steadily increasing, partly due to the brisk used car market. While the number of small dealers with low unit price is increasing, the monthly ARPA remains flat due to the increase in unit price by introducing optional products (MG Calendar, etc.). Aim to have 23,000 dealers as of the end of March 2022.

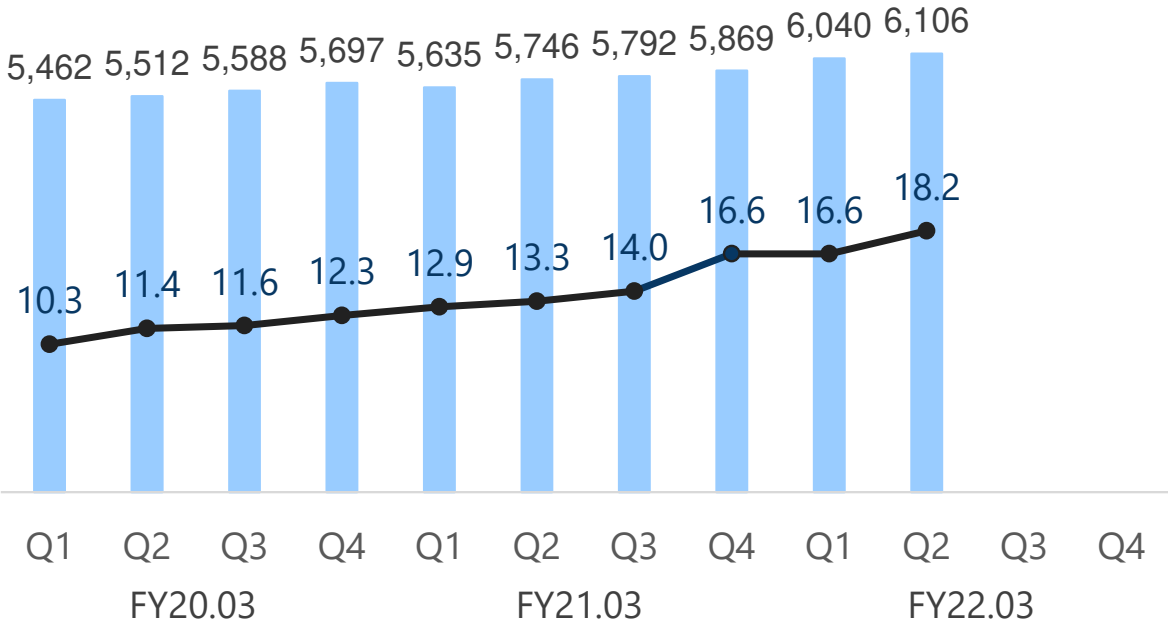
*1: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

Business Strategy : SaaS – DataLine SalesGuide (Info and Service)

DataLine SalesGuide Car replacement Proposal Movie and AI assessments are being introduced, and monthly ARPA is increasing.



(Unit: Dealers)



Number of dealers
6,106

Churn rate
(12-month average)
0.6%

YoY
+6.3%

ARPA/Month
JPY18.2K

MRR *1
(Sep,2021)
JPY0.11Bn

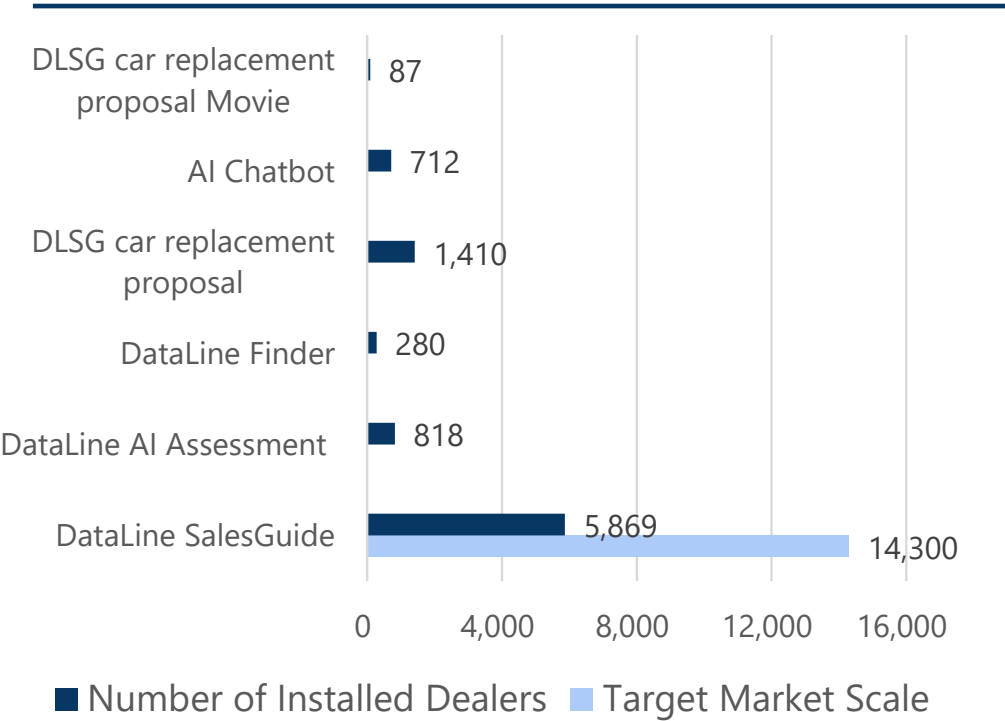
Steady increase in the number of dealers who have installed these products. As for the monthly ARPA, the introduction of optional products (Car replacement Proposal Movie , AI assessment) is progressing, and the monthly ARPA is increasing. Aim to have 6,500 installed locations by the end of March 2022.

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

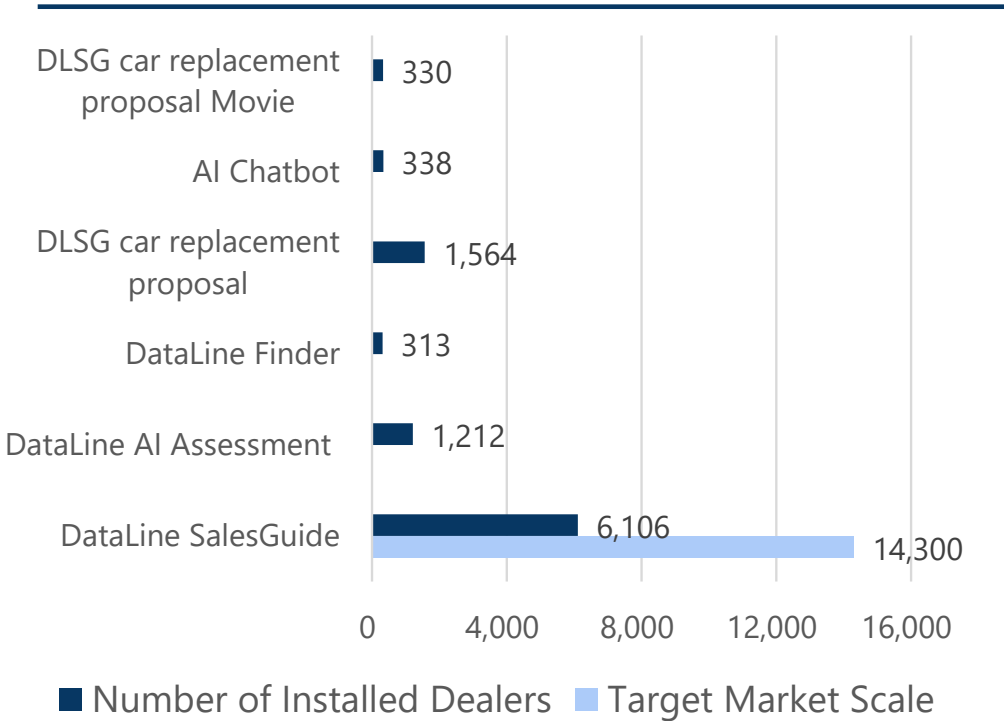
Business Strategy : SaaS – DataLine SalesGuide (Info and Service)

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

March 2021 (Results)

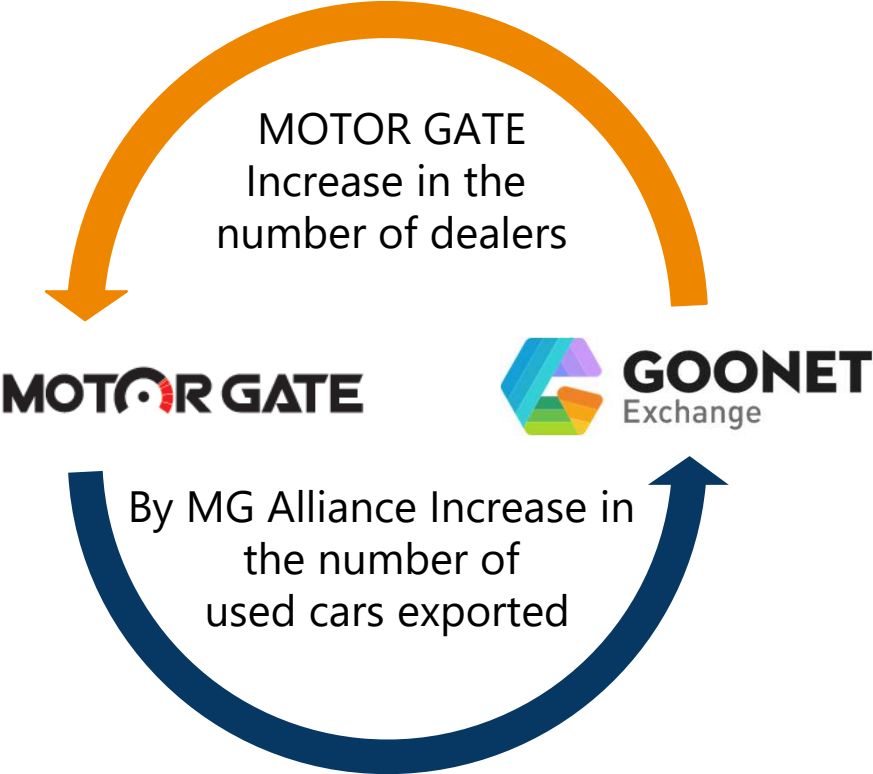


Sep 2021 (Results)



Business Strategy :Strengthening the MOTOR GATE through the MG Alliance

Improve customer inventory turnover to stabilize and expand the number of MOTOR GATE transaction dealers.



Creation of inventory sales opportunities through the MG Alliance
Differentiation through Goo Inspection (used car inspection information)



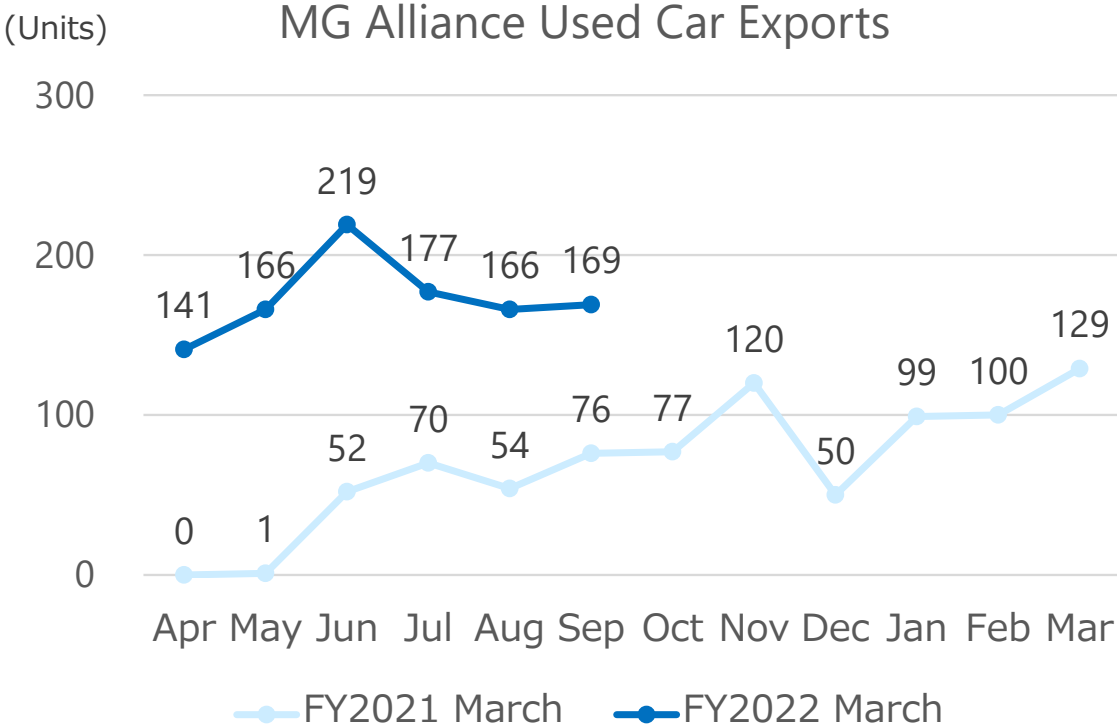
Strengthen sales support for used car dealers
Promote expansion of sales channels to overseas markets to differentiate ourselves from our competitors and improve inventory turnover



Stabilization and Expansion of the Number of MOTOR GATE Dealers
Stabilize customer base of MOTOR GATE trading dealers
Expansion of the number of MOTOR GATE trading dealers

Business Strategy : Progress of the MG Alliance

Promote expansion of used car export volume by realizing group synergies



**Export of used vehicles in Japan (2020):
1,251,000 units**

Business Model of MG Alliance
Intermediary commission model for used car export

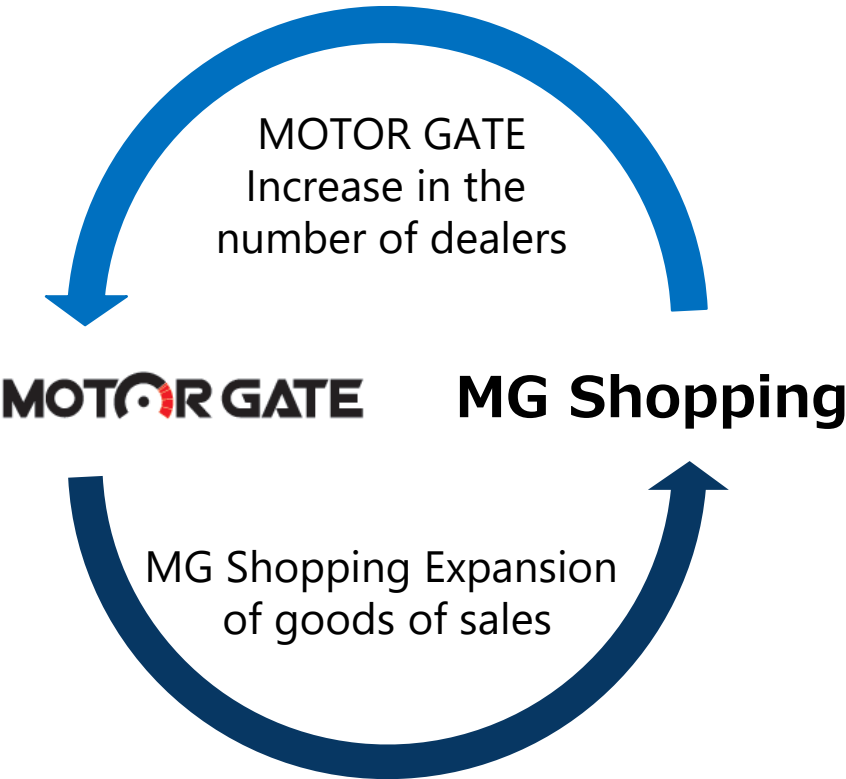
- Used car export transactions using MOTOR GATE
- Targeting vehicles registered with MOTOR GATE that can be sold by overseas dealers (approx. 90,000 vehicles in Sep 2021)

Trends in the Used Car Export Market

- Strong demand for used car exports of over 1.2 million units per year (approx. 50% of annual used car retail volume) *our survey
- In the future, we will work to improve operations and increase the number of used car exports.

Business Strategy :Strengthening the MOTOR GATE through the MG Shopping

To stabilize and expand the number of MOTOR GATE dealers by optimizing the procurement of departmental supplies for customers.



MG Shopping

- BtoB EC for department supplies required by MOTOR GATE dealers
- Enhance tire lineup (domestic tires, imported tires)
- Realization of Group synergy (AUTOWAY, TIRE WORLD KAN BEST)

Strengthen procurement support for MOTOR GATE trading dealers

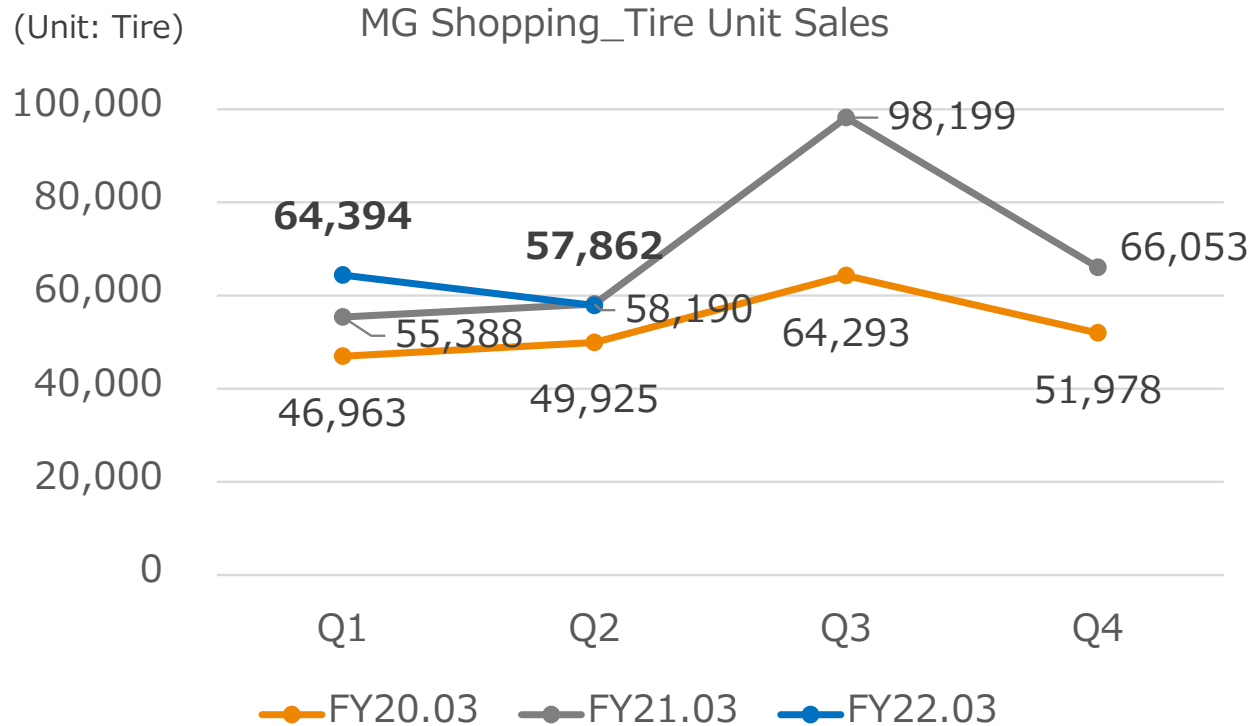
Strengthen customer retention by improving convenience and efficiency for customers through the provision of car accessories through BtoB EC transactions.

Stabilization and Expansion of the Number of MOTOR GATE Dealers

Stabilize customer base of MOTOR GATE trading dealers
Expansion of the number of MOTOR GATE trading dealers

Business Strategy : Progress of the MG Shopping

By realizing group synergy through MG shopping
Increase in tire sales volume



MG Shopping Business Model
B to B EC model for car accessories
EC transactions for car accessories using MOTOR GATE
MOTOR GATE stores (used car dealers, maintenance shops, etc.) are targeted to sell car accessories (tires, wheels, auto parts, etc.).

Financial Strategy

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

Sustainable enhancement of corporate value

Realization of ROE of 12% or more (excluding extraordinary gains and losses)

promoting investment in growth

Promote M&A and business investment with ROIC in mind

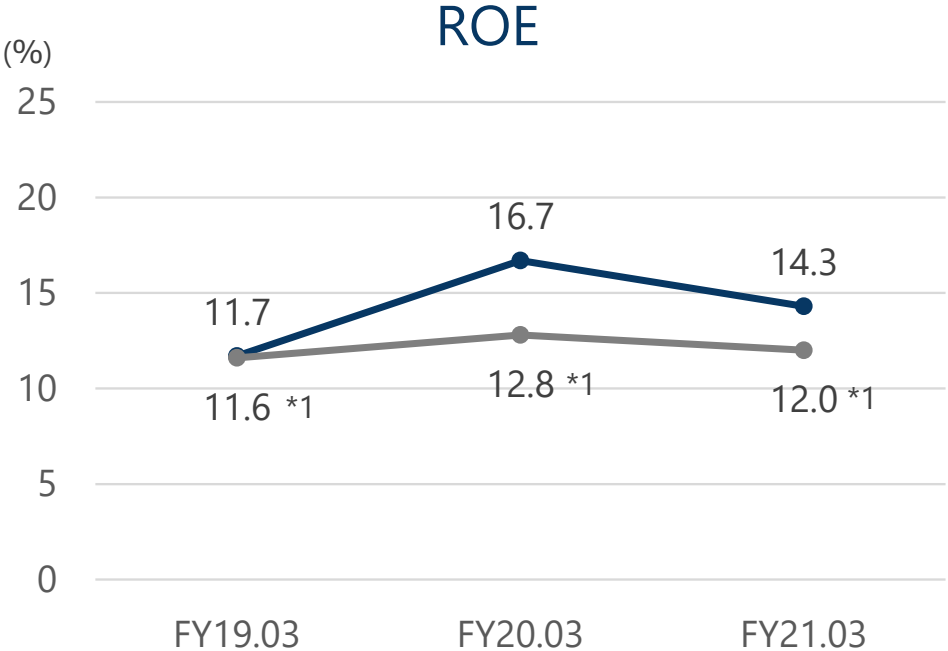
ensuring financial soundness

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

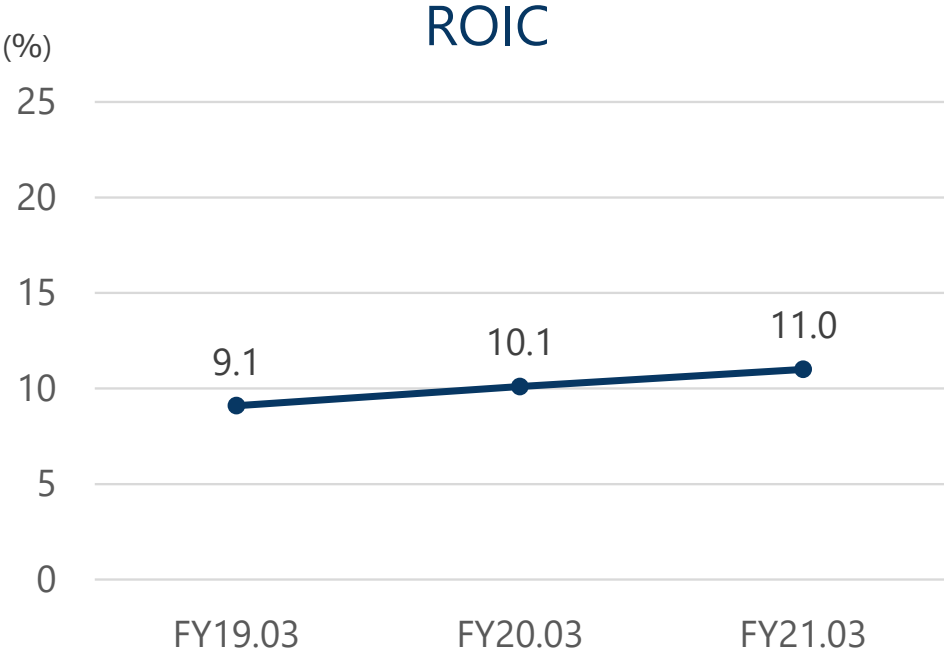
Financial Strategy : ROE and ROIC



*1: Adjusted ROE excluding extraordinary gains/losses

ROE

Improve the total asset turnover ratio through sales growth as well as improve the profit margin on sales.



ROIC

Promote M&A and business investment with ROIC in mind

Financial Strategy : Regarding profit sharing with shareholders

Strengthen returns to stakeholders based on improved profitability while ensuring financial soundness

Policy for profit sharing with shareholders

We will make efforts to return profits to shareholders while comprehensively considering continuous, stable dividends, the enrichment of internal reserve for the future growth, etc. We will use the internal reserve effectively by investing in existing and new businesses, for further fortifying the management foundation and expanding the business scale.

Cash Dividends per Share

	FY March 2020 Results	FY March 2021 Results	FY March 2022 Forecast
2 nd Quarter	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	17.5 yen
Year-End	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	17.5 yen
Annual	27.5 yen (Including commemorative dividend: 2.5 yen)	25 yen	35 yen
Consolidated dividend ratio	22.1%	20.7%	25.0%

ESG Activities

Strive to improve corporate governance, which is the basis for increasing corporate value, and build a governance structure that meets the requirements of the prime market.

Environment

Invested in a venture company engaged in renewable energy business through PROTO Ventures 2 Investment Limited Partnership.
Promote a paperless office environment

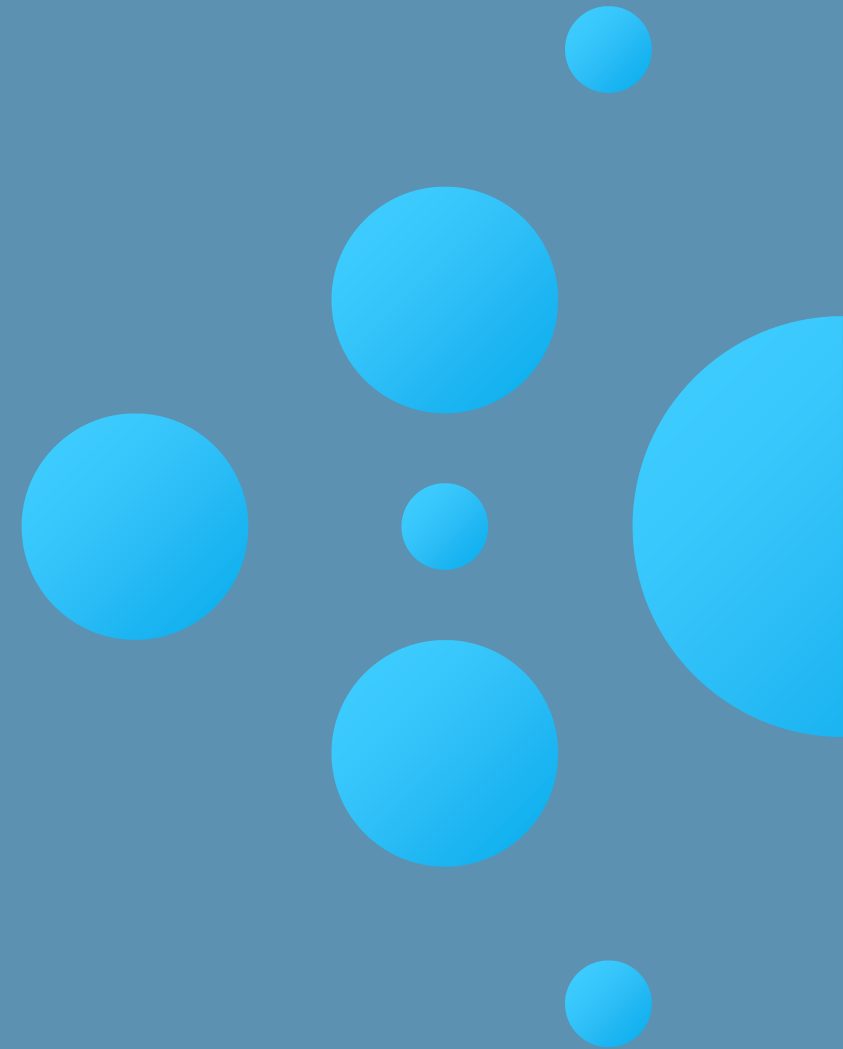
Social

Eliminate information asymmetry between buyers and sellers of used cars through the operation of the car information media "Goo-net" and the vehicle condition information disclosure service "Goo-Inspection".
Promote initiatives for diversity.

Governance

- Election of at least 1/3 of independent outside directors at the general meeting of shareholders to be held in June 2021
- The Nomination and Compensation Committee was established at the Board of Directors meeting held in July 2021.
- At a meeting of the Board of Directors held on September 14, 2021, it was resolved to select the "prime market".

APPENDIX



Corporate Goal

Gaining “customer satisfaction (useful information and services),” “employee pride (company and work),” and “shareholder trust (future and achievements)” by creating a new society through change and innovation



Customer satisfaction



Beneficial information and services



Pride of employees



Company and work



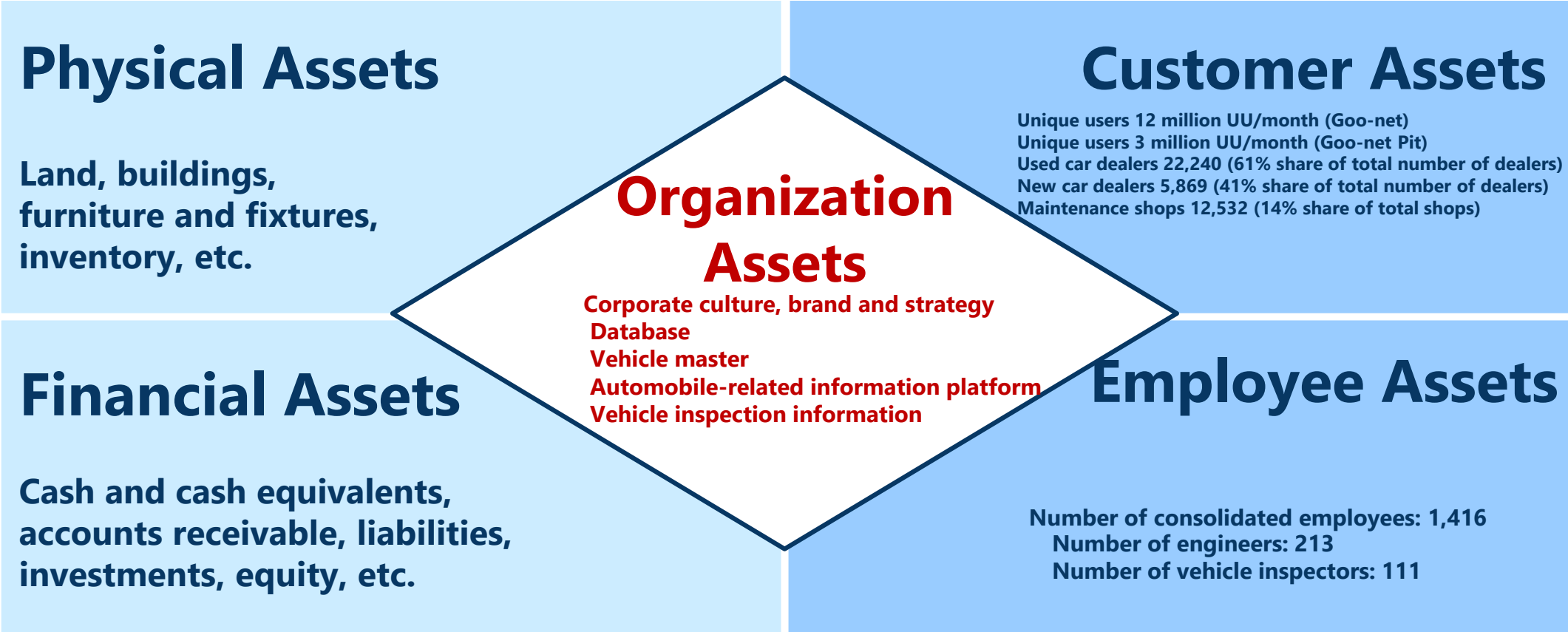
Trust from shareholders



Future and results

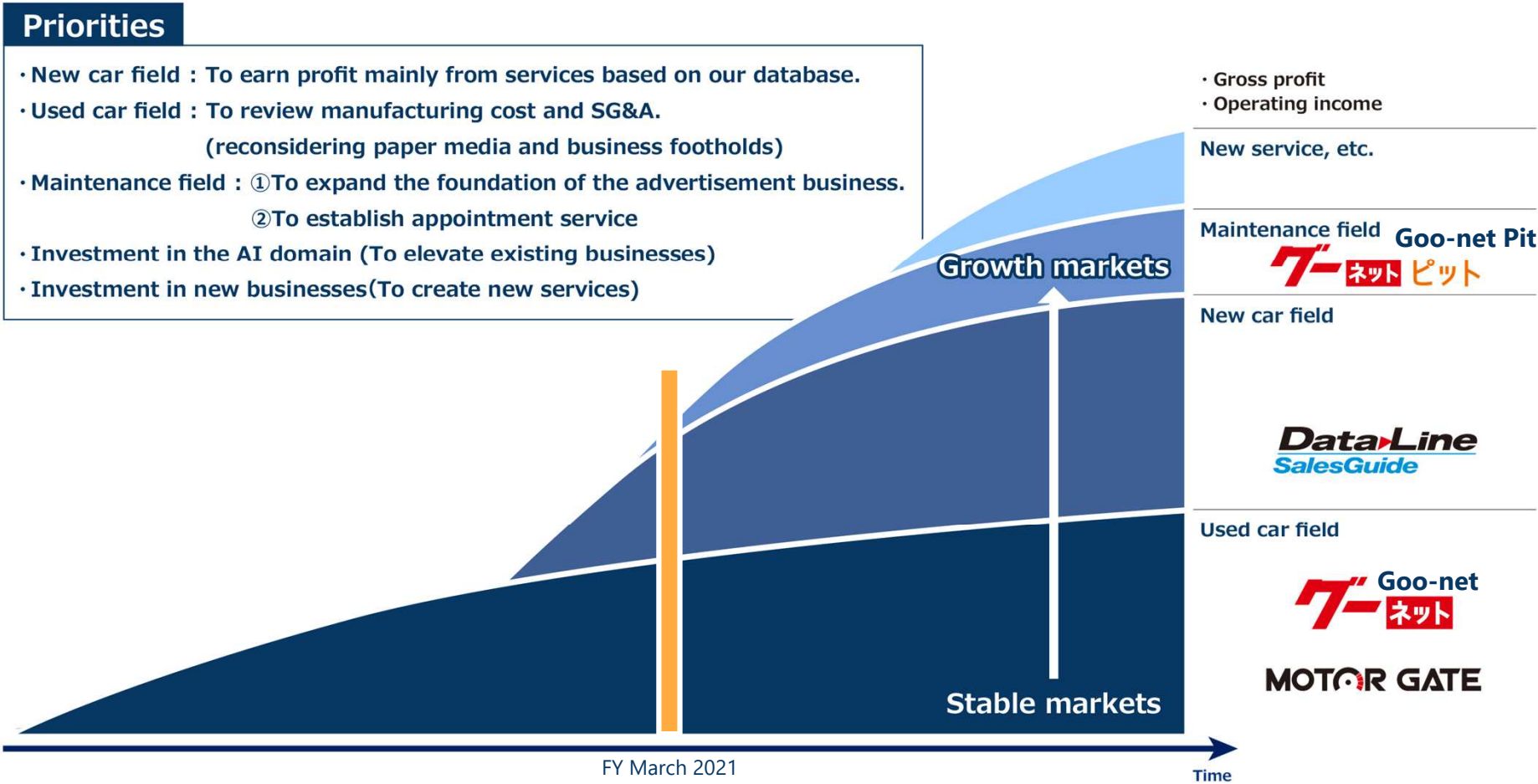
About our assets and strengths

Leveraging organization assets to drive DX in the industry

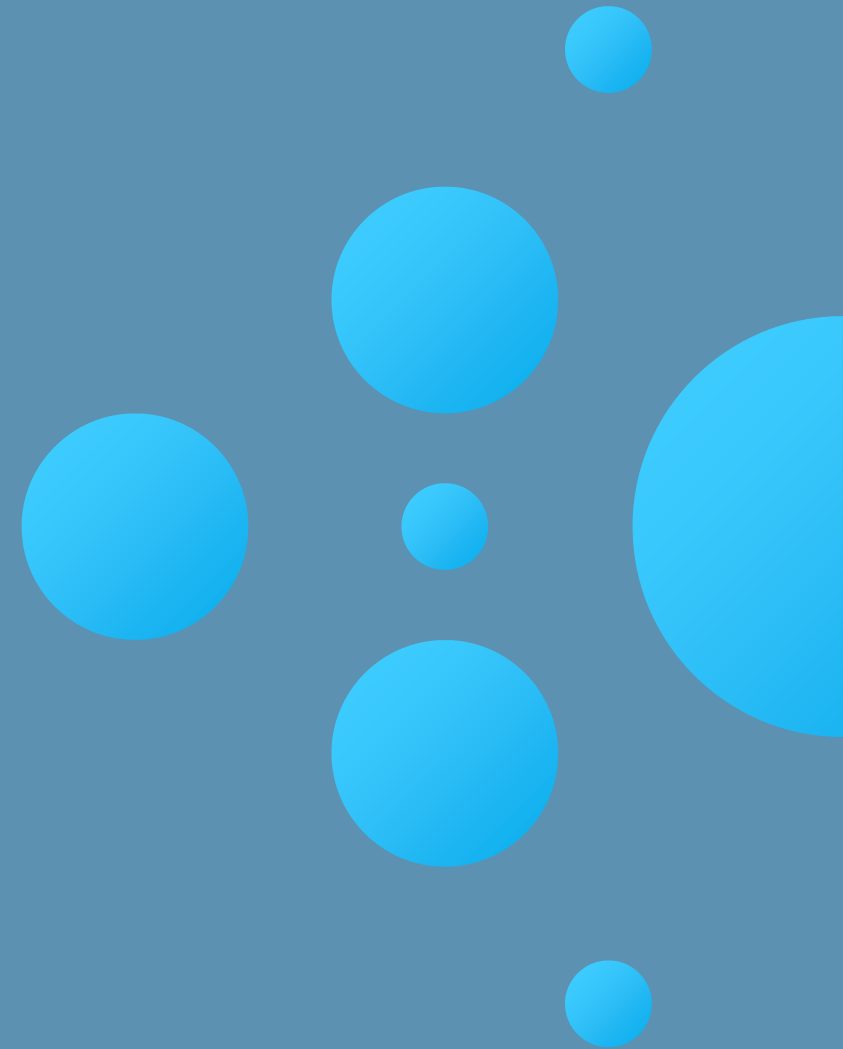


Initiatives for the Future

Promote the establishment and integration of positions in the used car, new car, and maintenance fields.



APPENDIX (Corporate Profile)



Corporate Profile

Corporate Name	PROTO CORPORATION	
Founded	October 1, 1977	
Established	June 1, 1979	
Common Stock	1,849 million yen (As of March 31, 2021)	
Shares Outstanding	41,925,300 shares (As of March 31, 2021)	
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: 1,416 (As of March 31, 2021) Parent: 553 (As of March 31, 2021)	
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya Stock Exchange, First Section	
Subsidiary	<ol style="list-style-type: none"> 1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013) 2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015) 3. GOONET EXCHANGE (Former Kings Auto) (Full subsidiary since April 2012) 4. PROTO-RIOS INC. (Full subsidiary since October 2002) 5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012) 6. CAR BRICKS Co., Ltd. (established in May 2017) 7. PROTO SOLUTION Co., Ltd. (Full subsidiary, established in April 2007) 8. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017) 9. Associe Co., Ltd (Full subsidiary since October 2019) 10. PROTO Ventures (Full subsidiary, established in April 2019) 11. PROTO Ventures 2 Investment Limited Partnership (Full subsidiary, established in April 2021) 12. Onion Inc. (Full subsidiary since in October 2021) 13. UB Datatech, Inc. (established in October 2021) 14. CAR CREDO (Thailand) Co., Ltd. (established in December 2018) (As of October 29, 2021) 	



Major Shareholders

Financial Data (Consolidated)

Shares outstanding (million, March 2021)	41.9
DPS (¥, FY March 2022, Forecast)	35.0
EPS (¥, FY March 2022, Forecast)	139.74
BPS (¥, FY March 2021)	893.97
ROE (% , FY March 2021, Net income basis)	14.3
ROA (% , FY March 2021, Ordinary income basis)	13.0
Equity ratio (% , March 2021)	72.7
Potential share dilution (million)	-
Foreign ownership (% , March 2021)	27.67

Major Shareholders

	(Shares : Thousands)	% Held
1) Mugen Corporation	13,614	32.47%
2) The Master Trust Bank of Japan, Ltd. (Trust Account)	4,606	10.98%
3) JPLLC CLIENT SAFEKEEPING ACCOUNT	1,895	4.52%
4) PROTO CORPORATION	1,729	4.12%
5) Custody Bank of Japan, Ltd.(Trust Account)	1,264	3.01%
6) JP MORGAN CHASE BANK 385632	1,137	2.71%
7) CLEARSTREAM BANKING S.A.	928	2.21%
8) Hiroichi Yokoyama	892	2.12%
9) Yoshihiro Yokoyama	724	1.72%
10) JPMBL RE NOMURA INTERNATIONAL PLC 1 COLL EQUITY	652	1.55%

(As of September 30, 2021)

Segment details

Major products in each segment

Automobile-related(Main Product)

Ad-related

Used cars Data registration fee for Goo-net, etc. (charge for using MOTOR GATE, etc.)

Maintenance Data registration fee for Goo-net Pit

Information and services

New cars DataLine SalesGuide, etc.

Maintenance Sales of software for maintenance and sheet-metal processing (PROTO-RIOS)

Sale of goods

EC: Tires and Wheels (AUTOWAY, TIRE WORLD KAN BEST)

Export of used cars (GOONET EXCHANGE)

EC: Sale of goods (PROTO CORPORATION)

Lifestyle-related Sales of ads, rental welfare goods (PROTO MEDICAL CARE *1)

Real Estate Income from the rental of real estate (PROTO CORPORATION)

Other Business BPO business, Software Development (PROTO SOLUTION)
Agricultural business (PROTO CORPORATION)
Investment (PROTO Ventures)



Ad-related    

The monthly charge for MOTOR GATE (such as Goo-net) is dominant.
The sales from ad agency business, fliers, information magazines, etc. are included.

Information and services   

The monthly charge for the cloud service "DataLine" for new car dealers and the sales of software for maintenance and sheet-metal processing are dominant. The sales from vehicle appraisal are included.

Sale of goods   

Sales are mainly from the e-commerce sales of tires and wheels and exporting used cars.

Sales are mainly from advertisement income related to nursing and welfare and rental sales of welfare equipment.

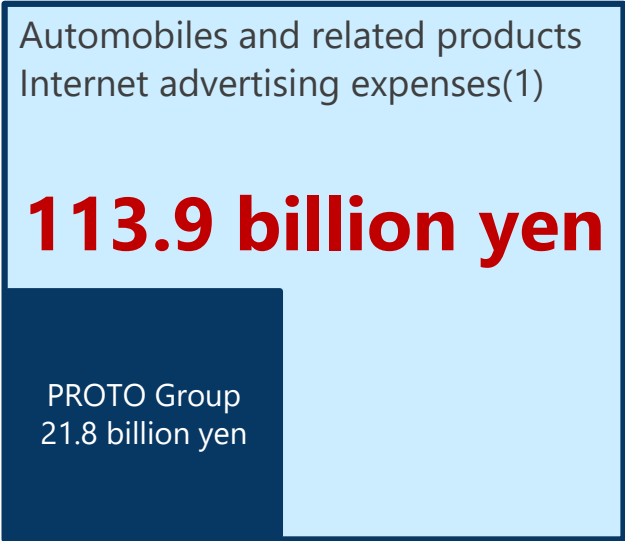
Sales are mostly from rent income of the non-operational floors of our own building.

Sales are mostly from the BPO business.

*1:Shares have already been transferred in June 2021.

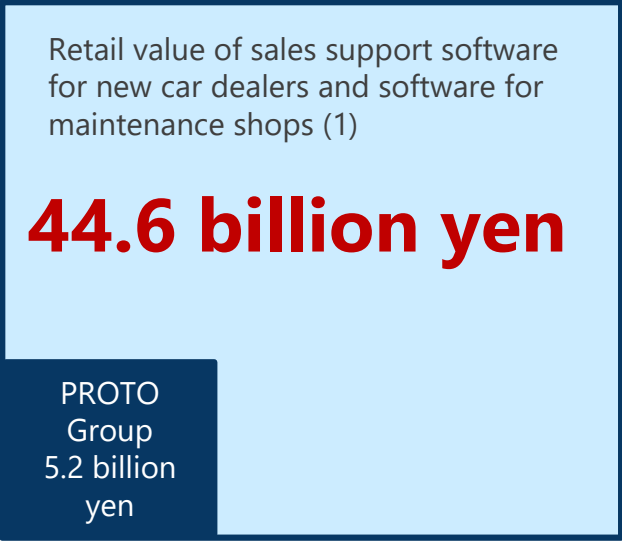
Potential market size

Ad-related(SaaS) (Internet advertising expenses)



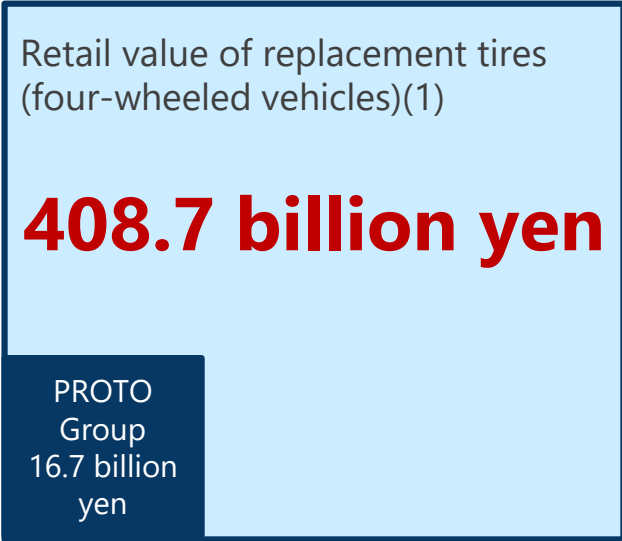
(Notes) 1. Estimated by PROTO based on "Advertising Expenditures in Japan in 2020" by Dentsu.

Information and Service(SaaS) (Sales support software for new car dealers, software for maintenance shops)



(Notes) 1: Estimated by PROTO based on the number of new car dealers, the number of maintenance shops and the unit price per customer.

Sales of goods (Domestic replacement tires)

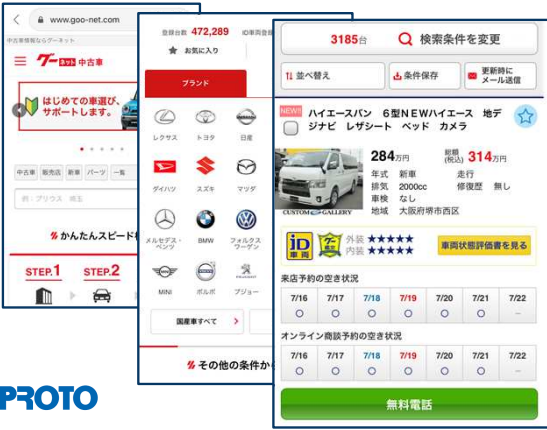


(Notes) 1: Estimated by PROTO based on "2020 Replacement Tire Sales" by THE Japan Automobile Tyre Manufacturers Association, Inc.

Used car field: Business models of Goo-net and MOTOR GATE

Users

- **Browsing of contents**
Detailed info on used cars
Info on used car dealers
Reviews of vehicles
Reviews of used car dealers
- **Inquiries to used car dealers**
Inventory check, requests for quotes, appointments, booking of a test drive, booking of online business talks, online business talk "Goo-net Live"
- **Charging system: free**



Platform



<https://www.goo-net.com/>

- Used car search (smartphones, apps, PCs, and information magazines)
- Detailed info on used cars (including Inspection info)
- Detailed info on used car dealers



- Automobile-related info platform (management system for used car dealers)
- Management of sales, customers, and inventory BtoB EC, ledger management function, etc.

Subsidiary for inspection



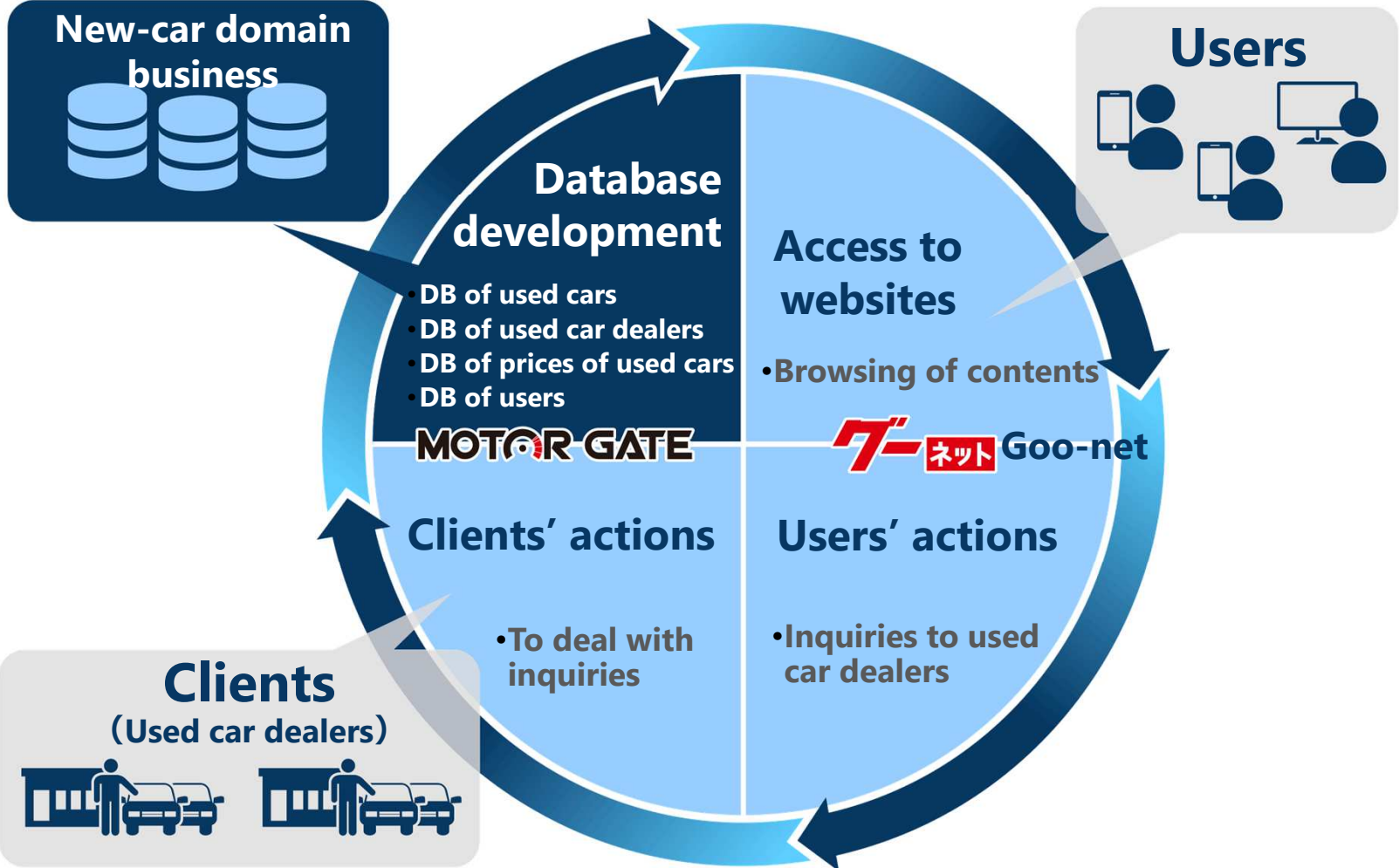
- Used car inspection service (about 610,000 vehicles per year, FY 3/2021)
- Charging system: charge per vehicle

Clients (Used car dealers)

- Used car info registration (inventory registration)
- To deal with users' inquiries
- **Charging system: Ad posting fee (MOTOR GATE charges)**
*Fixed monthly charge (linked with the number of vehicles in stock)
Charges for options of MOTOR GATE







Used car field: Business cycle of Goo-net and MOTOR GATE



Used car field: Our strengths (disclosure of information on the status of used cars)

To develop an environment where users can purchase used cars without worry.

<p>Goo-net 7-ネット</p> <p>No. of used cars listed 490,359</p>	<p>With vehicle condition information 189,722</p> <p>あんしん、まる見え。 iD 車両</p> 	<p>Goo-inspected Cars</p> 
	<p>No evaluation report on vehicle status</p>	<p>Certified Pre-Owned Cars</p> 
		

In-house production of the automobile inspection function

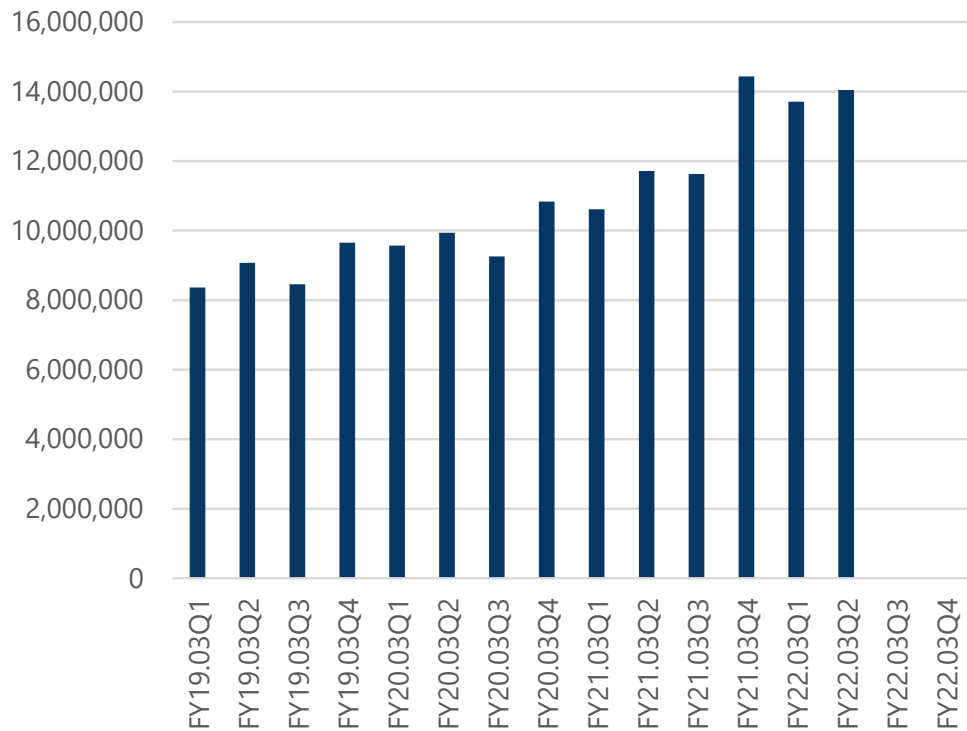
Outline and illustration of Goo-inspection (example)



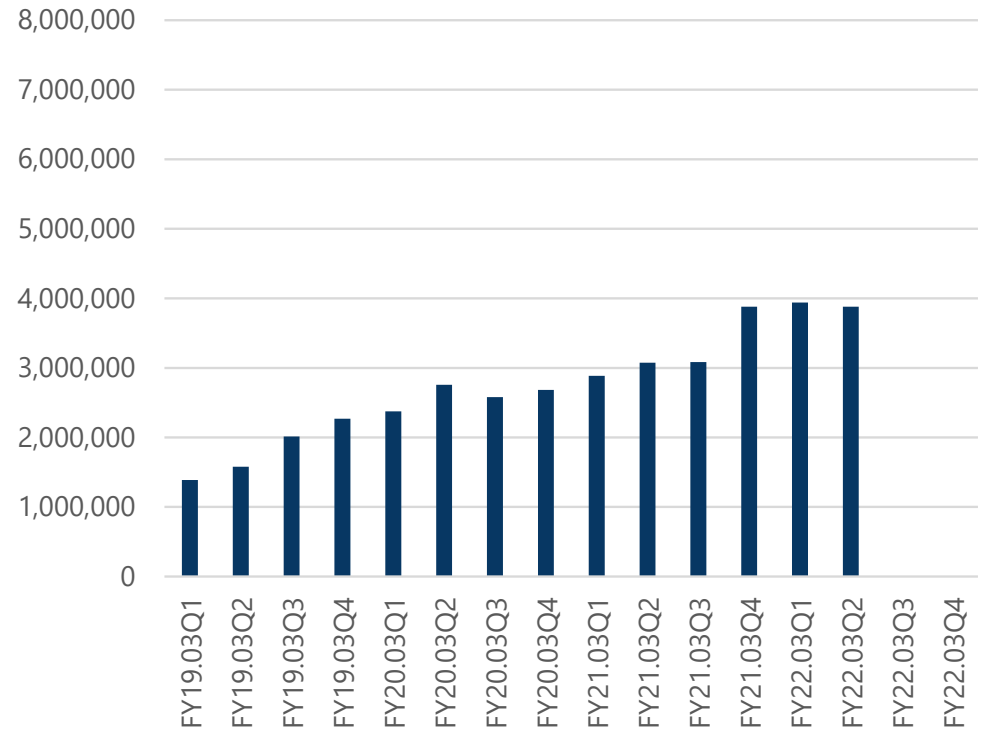
Note: For reference: No. of cars whose status info has been disclosed by competing media: 55,071 (as of October 13, 2021)

UUs of Goo-net and Goo-net Pit remain steady

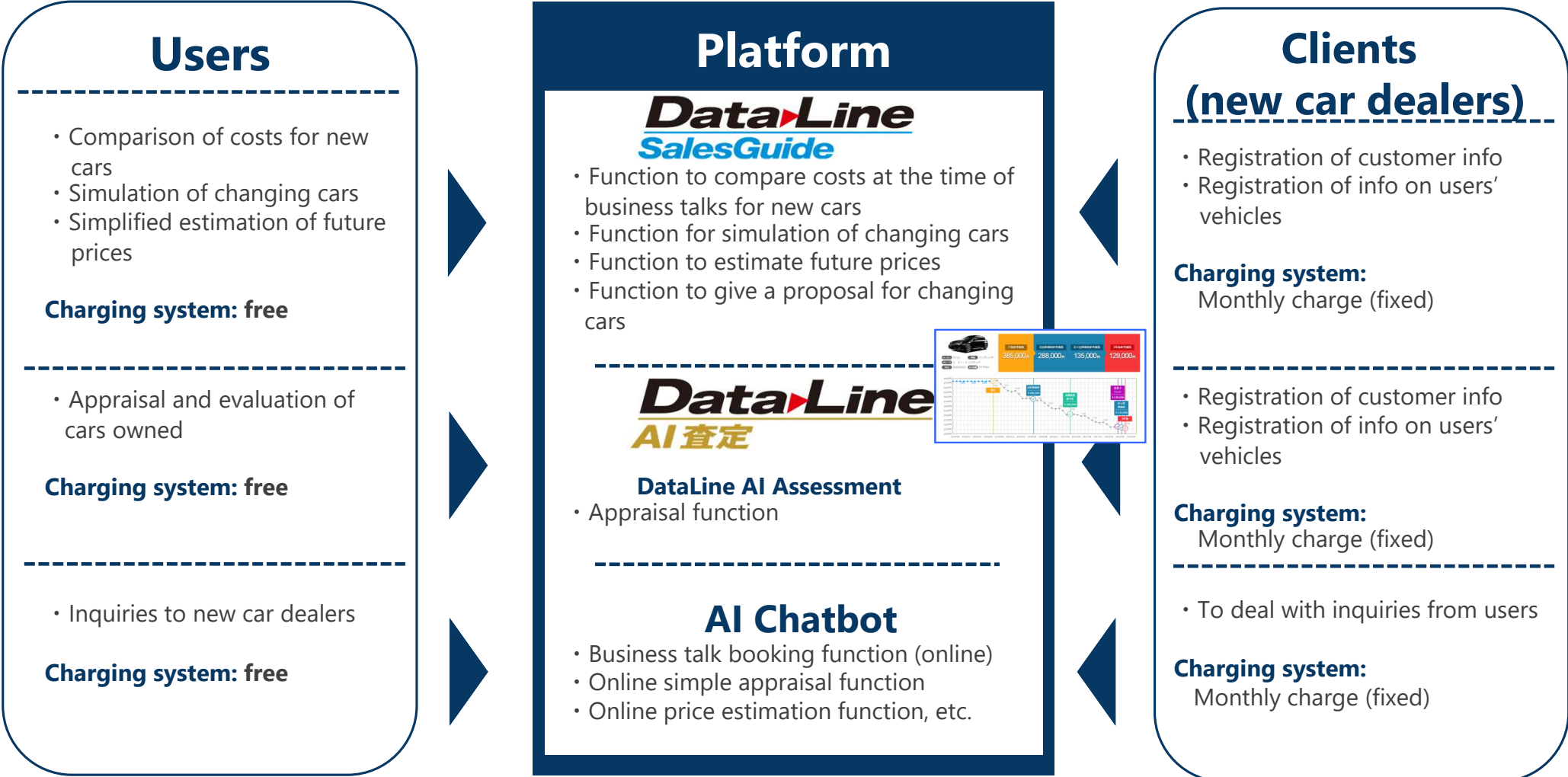
Goo-net UU/3-month average



Goo-net Pit UU/3-month average

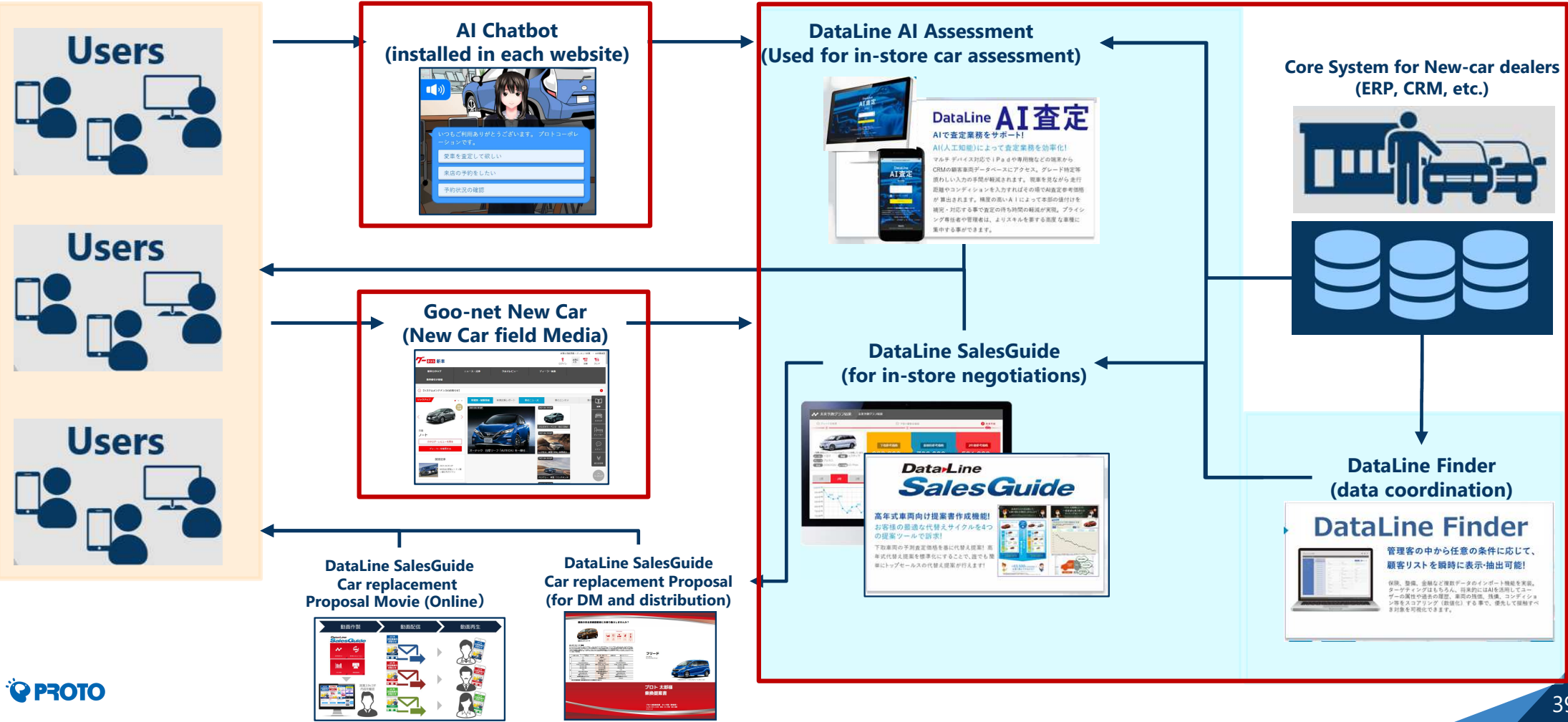


New-car field: Business models of DataLine Series



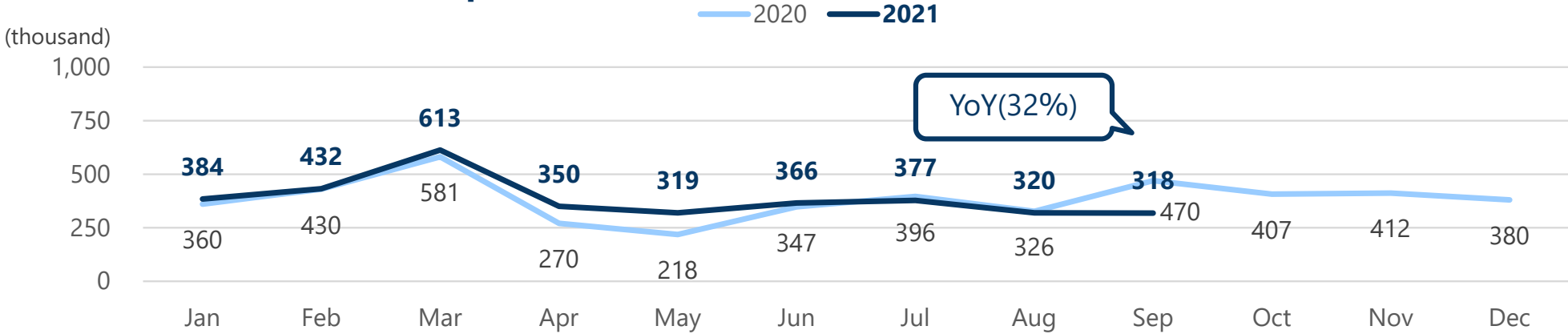
New Car Field: DataLine Series

Promote DX in New car dealers

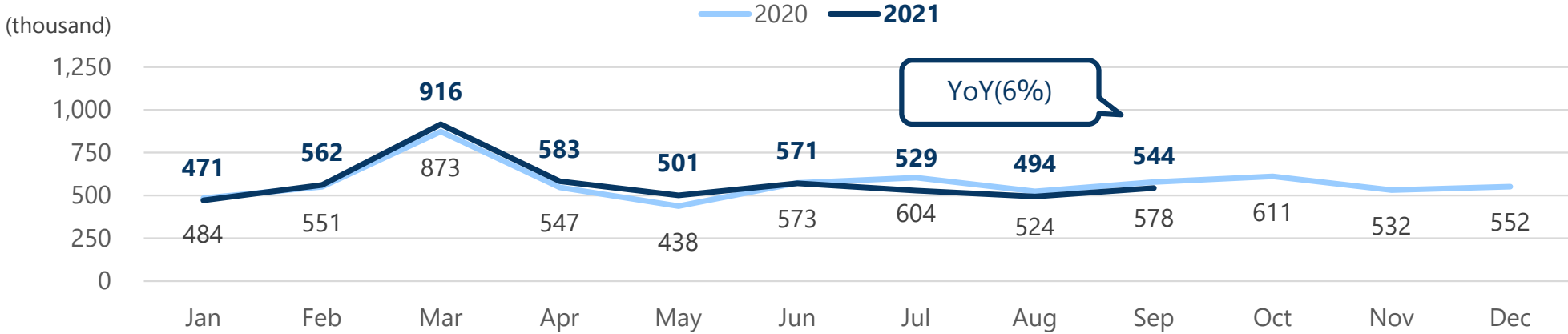


Regarding the domestic automotive market

Sales volume of new cars in Japan

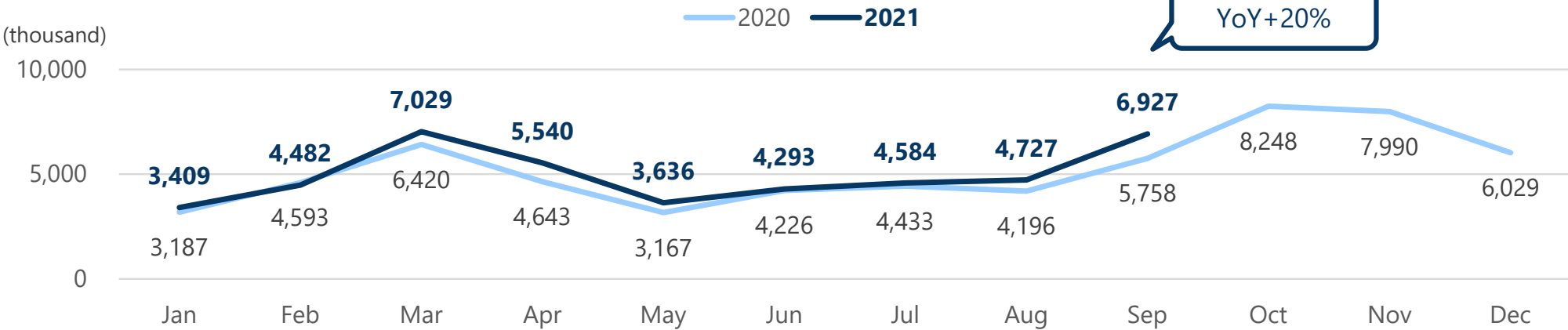


No. of registered used cars in Japan

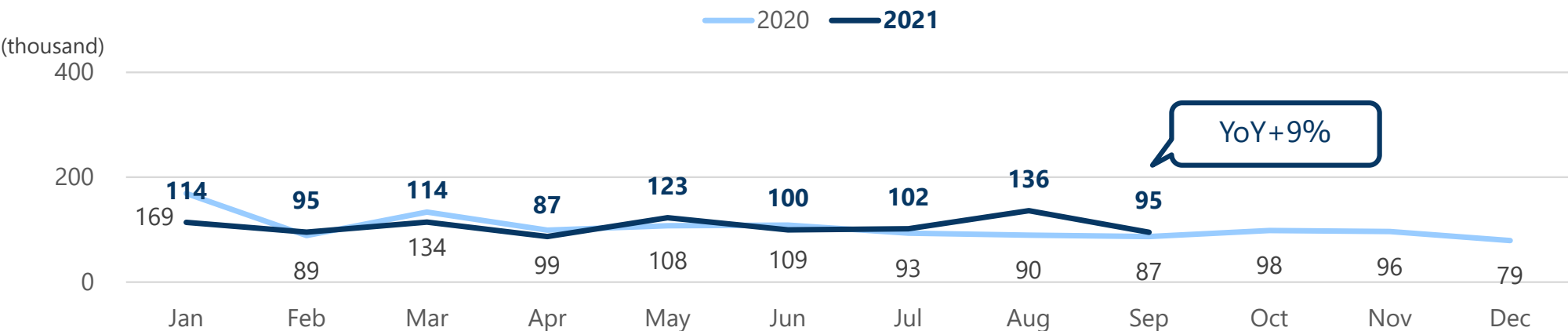


Regarding the domestic automotive market

Sales volume of tires of four-wheeled vehicles for replacement in Japan



No. of deregistered vehicles for export in Japan

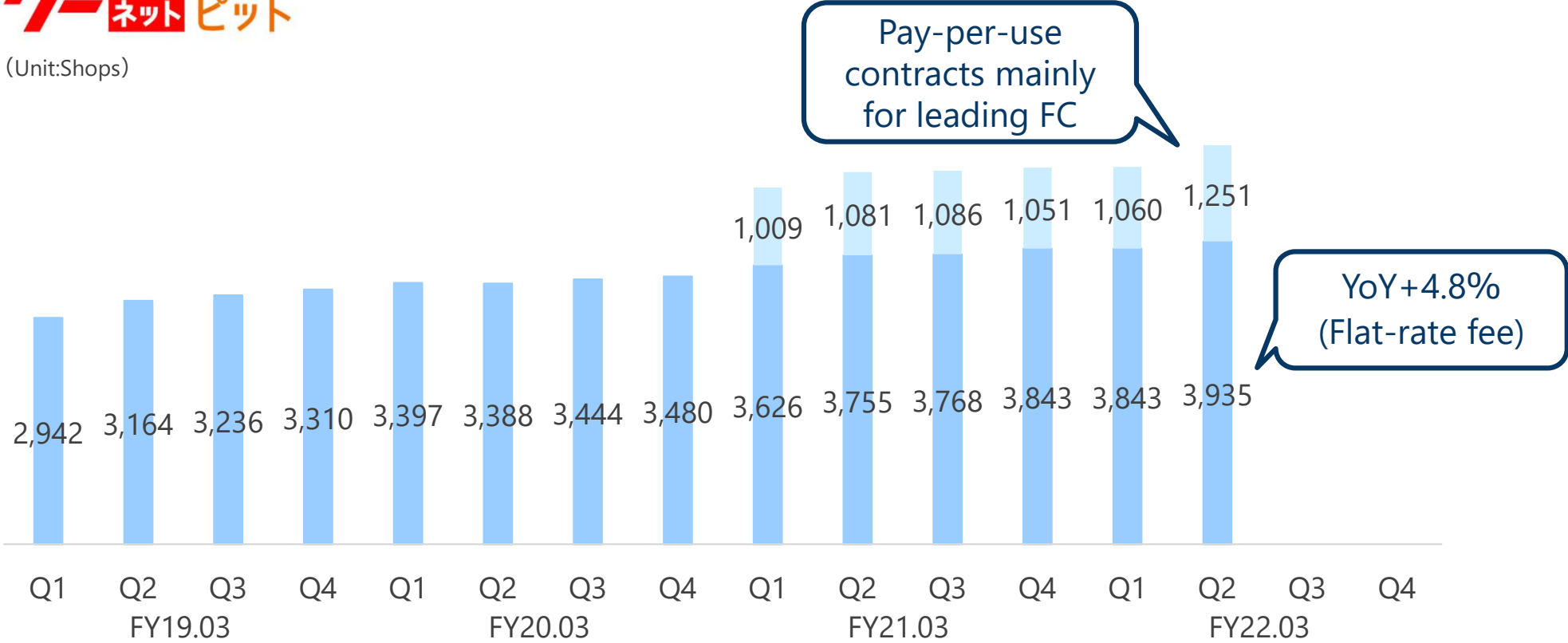


Ad-related (maintenance field)

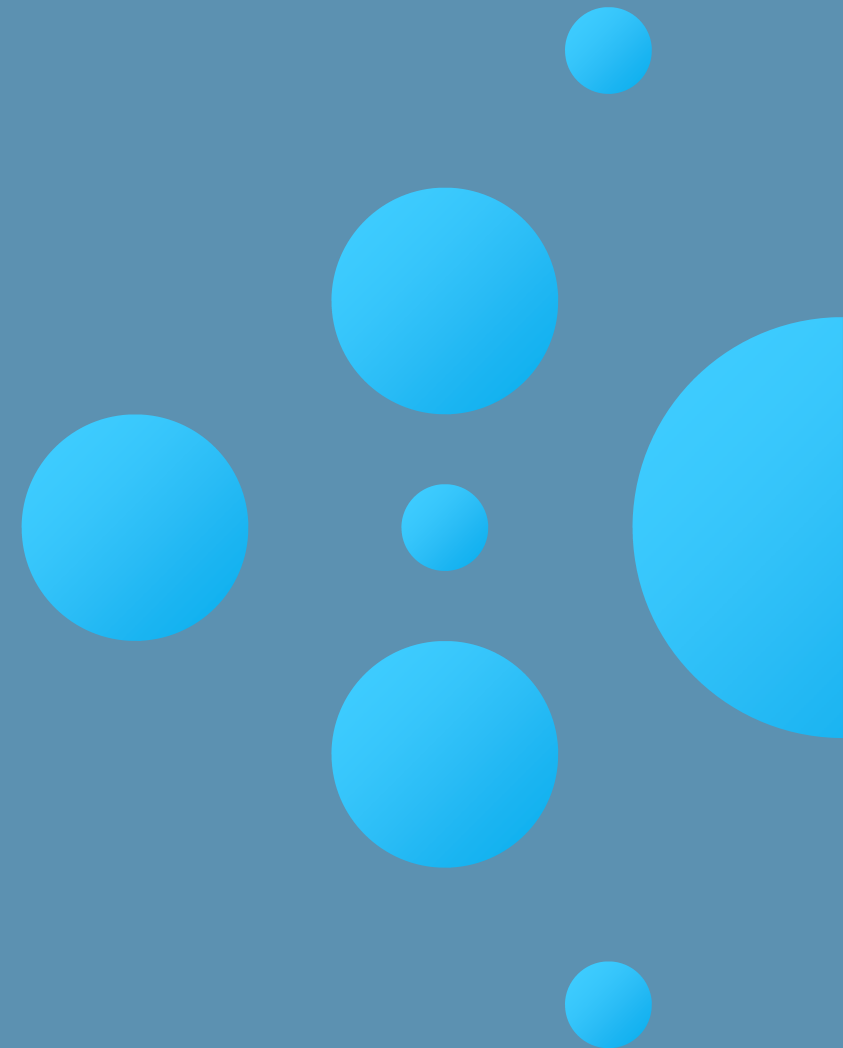
No. of fee-paying shops listed in Goo-net Pit



(Unit:Shops)



APPENDIX (Financial Data)



Q2(Apr-Sep)/FY March 2022: Operating Results by Segment

Net Sales [unit: million yen]	Q2/FY2021 *1 Apr-Sep 2020		Q2/FY2022 *1 Apr-Sep 2021		YoY		Q2/FY2022 Apr-Sep 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
Automobile-related	22,673	87.7%	24,284	92.3%	1,611	+7.1%	24,171	87.8%	112	+0.5%
Ad-related	10,504	40.6%	11,239	42.7%	734	+7.0%	10,850	39.4%	389	+3.6%
Information and services	2,556	9.9%	2,856	10.9%	299	+11.7%	2,682	9.7%	173	+6.5%
Sales of goods	9,611	37.2%	10,188	38.7%	577	+6.0%	10,638	38.6%	(450)	(4.2%)
Lifestyle-related	1,959	7.6%	727	2.8%	(1,231)	(62.9%)	737	2.7%	(9)	(1.2%)
Real Estate	70	0.3%	72	0.3%	2	+3.3%	60	0.2%	12	+21.2%
Other Business	1,139	4.4%	1,223	4.7%	83	+7.3%	2,560	9.3%	(1,336)	(52.2%)
Total	25,843	100.0%	26,308	100.0%	465	+1.8%	27,528	100.0%	(1,220)	(4.4%)

Operating Income [unit: million yen]	Q2/FY2021 *1 Apr-Sep 2020		Q2/FY2022 *1 Apr-Sep 2021		YoY		Q2/FY2022 Apr-Sep 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
Automobile-related	3,391	15.0%	3,836	15.8%	445	+13.1%	3,480	14.4%	356	+10.2%
Lifestyle-related	161	8.3%	59	8.2%	(102)	(63.2%)	44	6.0%	15	+34.8%
Real Estate	64	91.5%	72	99.3%	7	+12.2%	50	83.7%	22	+43.7%
Other Business	59	5.2%	99	8.1%	39	+65.7%	133	5.2%	(34)	(25.7%)
Management Division	(838)	-	(983)	-	(144)	-	(1,024)	-	41	-
Total	2,838	11.0%	3,084	11.7%	245	+8.6%	2,683	9.7%	400	+14.9%

*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Q2/FY March 2022: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2021		As of Sep 30, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	31,623	64.0%	35,450	67.1%	3,826	112.1%
Non-Current Assets	17,764	36.0%	17,399	32.9%	(364)	97.9%
Current Liabilities	12,126	24.6%	12,424	23.5%	298	102.5%
Non-Current Liabilities	1,327	2.7%	1,082	2.0%	(245)	81.5%
Net Assets	35,934	72.8%	39,343	74.4%	3,409	109.5%
Total Assets	49,388	100.0%	52,850	100.0%	3,461	107.0%

[unit: million yen]	As of March 31, 2021		As of Sep 30, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	21,705	43.9%	23,963	45.3%	2,258	110.4%
Interest-bearing debt	3,360	6.8%	3,348	6.3%	(11)	99.6%
Net cash	18,345	37.1%	20,615	39.0%	2,270	112.4%

Q2/FY March 2022: Consolidated Statements of Cash Flows

[unit: million yen]	Q2/FY March 2021	Q2/FY March 2022	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	1,890	860	(1,029)
Cash Flows from Investing Activities	(241)	1,907	2,148
Cash Flows from Financing Activities	(806)	(513)	292
Cash and Cash Equivalents at End of Term	18,160	23,743	5,583

[unit: million yen]	Q2/FY March 2021	Q2/FY March 2022	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	330	597	267
Depreciation (Tangible/intangible fixed assets)	442	434	(8)
Amortization of Goodwill	215	183	(31)

FY March 2022: Consolidated Earnings Forecast

Consolidated Statements of Income [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
	Net Sales	60,097	100.0%	55,787	100.0%	60,000	100.0%	4,212
Gross Profit	25,191	41.9%	24,841	44.5%	25,135	41.9%	294	+1.2%
EBITDA	7,262	12.1%	7,262	13.0%	7,438	12.4%	175	+2.4%
Operating Income	5,941	9.9%	5,941	10.7%	6,100	10.2%	158	+2.7%
Ordinary Income	6,118	10.2%	6,118	11.0%	6,080	10.1%	(38)	(0.6%)
Net Income	4,853	8.1%	4,853	8.7%	5,615	9.4%	761	+15.7%
Net Income per Share(Yen)	120.86	-	120.86	-	139.74	-	18.88	+15.6%

For the fiscal year ending March 31, 2022, the transfer of shares in PROTO MEDICAL CARE is expected to result in a decrease in revenue of approximately 3.0 billion yen, a decrease in operating income of approximately 200 million yen, and an increase in net income of approximately 1.0 billion yen.

In addition, in the Other segment, we expect net sales of approximately 4.6 billion yen to increase due to M&A, etc. at PROTO SOLUTION Co., Ltd.

[unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
	SG&A Expenses	19,250	32.0%	18,899	33.9%	19,035	31.7%	135
Employment Cost	7,525	12.5%	7,525	13.5%	7,206	12.0%	(318)	(4.2%)
Advertising Cost	5,071	8.4%	5,043	9.0%	4,831	8.1%	(212)	(4.2%)
Other Expenses	6,653	11.1%	6,330	11.3%	6,998	11.7%	667	+10.5%

*1 Due to the application of the "Accounting Standard for Revenue Recognition" and other standards from the fiscal year ending March 31, 2022, agency transactions and certain transactions that are deemed to grant options to acquire additional goods or services will be accounted for in accordance with the application of these standards.

*2 Figures are based on the new revenue recognition standard for comparability, but they are unaudited reference figures and may be subject to change as a result of accounting audits.

FY March 2022: Consolidated Earnings Forecast by Segment

Net Sales [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
Automobile-related	53,679	89.3%	49,384	88.5%	51,893	86.5%	2,509	+5.1%
Ad-related	21,806	36.3%	21,776	39.0%	22,037	36.7%	260	+1.2%
Information and services	5,292	8.8%	5,257	9.4%	5,521	9.2%	263	+5.0%
Sales of goods	26,579	44.2%	22,349	40.1%	24,335	40.6%	1,985	+8.9%
Lifestyle-related	3,914	6.5%	3,914	7.0%	865	1.4%	(3,049)	(77.9%)
Real Estate	157	0.3%	142	0.3%	121	0.2%	(21)	(14.9%)
Other Business	2,345	3.9%	2,345	4.2%	7,119	11.9%	4,773	+203.6%
Total	60,097	100.0%	55,787	100.0%	60,000	100.0%	4,212	+7.6%

In the fiscal year ending March 31, 2022, the transfer of shares in PROTO MEDICAL CARE will result in a decrease of approximately 3.0 billion yen in net sales and a decrease of approximately 200 million yen in operating income in the lifestyle-related business.

In addition, in the Other segment, we expect net sales of approximately 4.6 billion yen to increase due to M&A, etc. at PROTO SOLUTION Co., Ltd.

Operating Income [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	Forecast(c)	Profit Margin	(c)-(b)	%
Automobile-related	7,036	13.1%	7,036	14.2%	7,538	14.5%	501	+7.1%
Lifestyle-related	273	7.0%	273	7.0%	49	5.7%	(224)	(81.9%)
Real Estate	140	89.1%	140	98.3%	102	84.0%	(38)	(27.3%)
Other Business	130	5.6%	130	5.6%	362	5.1%	232	+177.8%
Management Division	(1,639)	-	(1,639)	-	(1,952)	-	(312)	-
Total	5,941	9.9%	5,941	10.7%	6,100	10.2%	158	+2.7%

*1 Due to the application of the "Accounting Standard for Revenue Recognition" and other standards from the fiscal year ending March 31, 2022, agency transactions and certain transactions that are deemed to grant options to acquire additional goods or services will be accounted for in accordance with the application of these standards.

*2 Figures are based on the new revenue recognition standard for comparability, but they are unaudited reference figures and may be subject to change as a result of accounting audits.

Consolidated Earnings (quarterly transition)

[unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	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
Net Sales	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325	13,661	12,646		
Gross Profit	5,951	6,172	6,282	6,000	5,962	5,978	6,859	6,391	6,233	5,752		
EBITDA	1,760	1,602	1,962	1,130	1,829	1,667	2,418	1,347	2,096	1,606		
Operating Income	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014	1,780	1,304		
Ordinary Income	1,436	1,341	1,806	769	1,554	1,273	2,045	1,245	1,865	1,365		
Net Income	1,035	2,142	1,390	421	1,017	774	1,437	1,624	2,281	1,341		

[unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	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
SG&A Expenses	4,502	4,901	4,660	5,205	4,459	4,642	4,771	5,376	4,452	4,448		
Employment Cost	1,917	1,922	1,938	1,942	1,902	1,872	1,867	1,883	1,797	1,647		
Advertising Cost	945	1,205	989	1,462	964	1,139	1,184	1,782	989	1,421		
Other Expenses	1,638	1,773	1,732	1,800	1,593	1,630	1,719	1,710	1,665	1,379		

*1 New Revenue Recognition Standard

Consolidated Earnings by Segment (quarterly transition)

Net Sales [unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	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
Automobile-related	13,219	13,670	13,495	12,483	11,935	12,344	15,736	13,663	12,351	11,932		
Ad-related	5,161	5,387	5,366	5,569	5,163	5,361	5,486	5,794	5,543	5,695		
Information and services	1,259	1,415	1,452	1,428	1,253	1,322	1,346	1,371	1,393	1,462		
Sales of goods	6,798	6,867	6,676	5,485	5,518	5,660	8,903	6,497	5,413	4,774		
Lifestyle-related	1,044	1,057	1,022	1,044	981	978	954	1,001	667	60		
Real Estate	46	43	35	35	37	39	40	40	36	36		
Other Business	388	375	581	583	564	575	584	620	606	616		
Total	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325	13,661	12,646		

Operating Income [unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	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
Automobile-related	1,793	1,642	1,981	1,164	1,786	1,605	2,340	1,304	2,210	1,626		
Lifestyle-related	51	43	32	42	81	80	60	51	55	3		
Real Estate	47	42	35	9	33	31	38	37	36	35		
Other Business	14	17	28	(1)	22	37	50	19	59	39		
Management Division	(457)	(474)	(456)	(420)	(420)	(418)	(402)	(399)	(581)	(401)		
Total	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014	1,780	1,304		

Operating Results 10-year Summary

[unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Net Sales	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127	60,097
Operating Income	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136	5,941
Net Income	3,275	2,290	2,627	2,381	(390)	1,506	519	3,159	4,991	4,853
EBITDA*1	6,540	5,161	6,483	6,039	6,149	4,547	5,396	5,920	6,455	7,262
Adjusted Net Income*2	3,680	2,836	3,555	3,308	641	2,145	1,151	3,596	5,420	5,275
Depreciation	288	404	819	879	1,046	1,113	1,089	916	890	898
Amortization of Goodwill	405	546	928	926	1,032	638	632	437	429	422

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

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

Operating Results 10-year Summary by Segment

Sales [unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Automobile-related	26,704	33,687	50,138	44,056	49,486	51,025	56,100	56,167	52,870	53,679
Ad-related	20,579	21,163	21,412	21,593	21,006	21,231	21,618	21,278	21,485	21,806
Information and services	3,312	3,749	4,464	4,546	5,087	4,893	5,053	5,041	5,557	5,292
Sales of goods	2,813	8,774	24,262	17,915	23,392	24,899	29,429	29,847	25,827	26,579
Lifestyle-related	3,470	3,837	3,541	3,393	3,466	4,236	4,370	4,335	4,168	3,914
Real Estate	166	163	167	164	162	187	213	195	160	157
Other Business	240	597	913	988	1,182	1,268	1,426	1,553	1,928	2,345
Total	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127	60,097
Operating Income [unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Automobile-related	7,272	5,916	6,217	5,624	5,277	3,939	4,933	5,758	6,582	7,036
Lifestyle-related	228	131	248	338	307	478	370	249	169	273
Real Estate	83	85	69	96	109	147	170	193	135	140
Other Business	(149)	(323)	(140)	(94)	(66)	(136)	(71)	57	58	130
Management Division	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)	(1,633)	(1,728)	(1,693)	(1,809)	(1,639)
Total	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136	5,941

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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