

Financial Results for the Nine Months Ended December 2021 (April 1, 2021 to December 31, 2021)

PROTO CORPORATION (4298)
January 31, 2022
(Investor Meeting February 2, 2022)



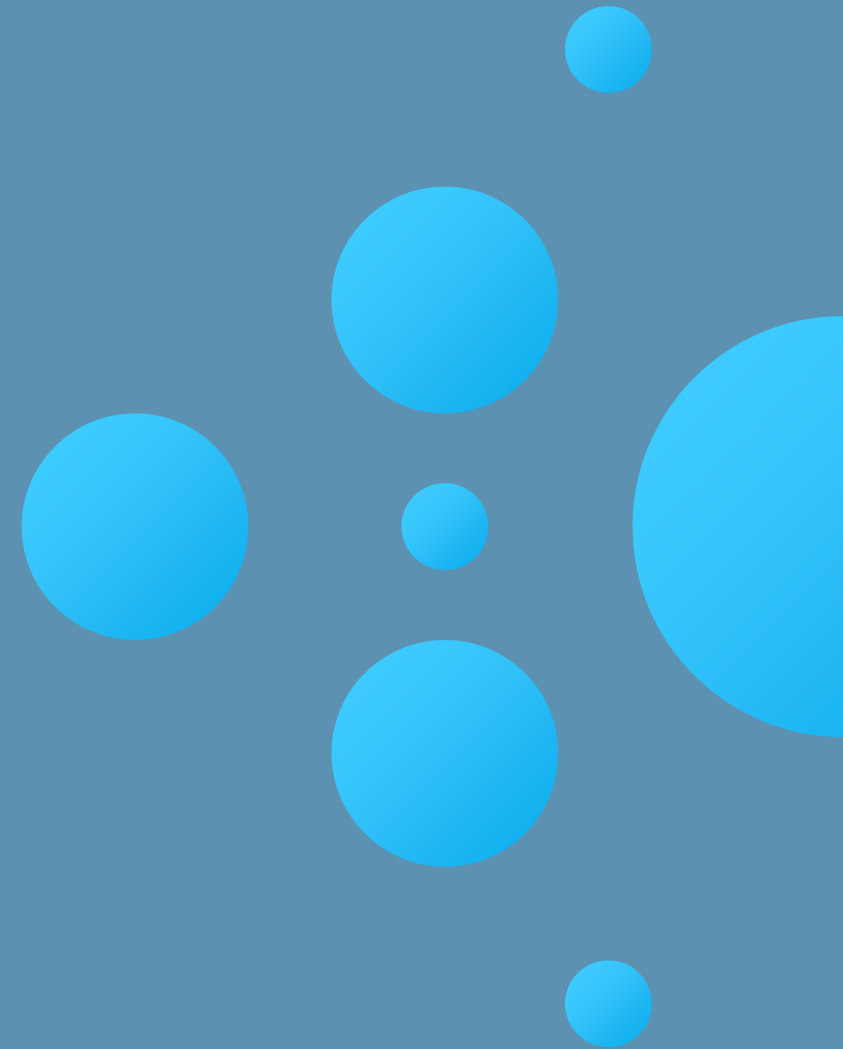
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FY2022 Q3

Oct2021 - Dec2021

1. Overview of Results
2. Topics
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Overview of Results



Q3(Apr-Dec)/FY March 2022 Highlights

Both sales and profit increased due to steady growth in the used car and new car fields*1

Business Results

- **Net sales: 42,692 million yen YoY +2.3% *1**
- **Operating income: 5,141 million yen YoY +4.4%*1**

Ad-related

- **Net sales: 16,926 million yen YoY +5.9% *1**
- Sales of MOTOR GATE and MG Calendar were strong
Strengthen promotion of Goo-net

Information and Service

- **Net sales: 4,318 million yen YoY +10.9% *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: 18,367 million yen YoY +7.5% *1**
- **Mainly due to steady sales of tires**

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

Q3(Apr-Dec)/FY March 2022: Operating Results

[unit: million yen]	Q3/FY2021 *1 Apr-Dec 2020		Q3/FY2022 *1 Apr-Dec 2021		YoY		Q3/FY2022 Apr-Dec 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
Net Sales	41,717	100.0%	42,692	100.0%	975	+2.3%	44,834	100.0%	(2,141)	(4.8%)
Gross Profit	18,528	44.4%	18,589	43.5%	61	+0.3%	18,863	42.1%	(274)	(1.5%)
EBITDA	5,914	14.2%	6,068	14.2%	154	+2.6%	5,787	12.9%	281	+4.9%
Operating Income	4,926	11.8%	5,141	12.0%	215	+4.4%	4,799	10.7%	342	+7.1%
Ordinary Income	4,872	11.7%	5,294	12.4%	422	+8.7%	4,786	10.7%	508	+10.6%
Net Income	3,228	7.7%	5,049	11.8%	1,821	+56.4%	4,758	10.6%	290	+6.1%

[unit: million yen]	Q3/FY2021 *1 Apr-Dec 2020		Q3/FY2022 *1 Apr-Dec 2021		YoY		Q3/FY2022 Apr-Dec 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
SG&A Expenses	13,601	32.6%	13,447	31.5%	(154)	(1.1%)	14,063	31.4%	(616)	(4.4%)
Employment Cost	5,641	13.5%	5,127	12.0%	(514)	(9.1%)	5,422	12.1%	(295)	(5.4%)
Advertising Cost	3,267	7.8%	3,618	8.5%	350	+10.7%	3,372	7.5%	245	+7.3%
Other Expenses	4,692	11.2%	4,701	11.0%	9	+0.2%	5,268	11.8%	(566)	(10.8%)

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

Q3(Apr-Dec)/FY March 2022: Operating Results by Segment

Net Sales [unit: million yen]	Q3/FY2021 *1 Apr-Dec 2020		Q3/FY2022 *1 Apr-Dec 2021		YoY		Q3/FY2022 Apr-Dec 2021		Achievement rate	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Forecast(c)	Sales ratio	(b)-(c)	%
Automobile-related	36,971	88.6%	39,612	92.8%	2,640	+7.1%	39,117	87.2%	495	+1.3%
Ad-related	15,986	38.3%	16,926	39.6%	939	+5.9%	16,394	36.6%	531	+3.2%
Information and services	3,894	9.3%	4,318	10.1%	424	+10.9%	4,094	9.1%	224	+5.5%
Sales of goods	17,090	41.0%	18,367	43.0%	1,276	+7.5%	18,628	41.5%	(260)	(1.4%)
Lifestyle-related	2,913	7.0%	790	1.9%	(2,122)	(72.9%)	799	1.8%	(8)	(1.1%)
Real Estate	106	0.3%	111	0.3%	4	+3.9%	90	0.2%	20	+22.6%
Other Business	1,724	4.1%	2,178	5.1%	453	+26.3%	4,827	10.8%	(2,648)	(54.9%)
Total	41,717	100.0%	42,692	100.0%	975	+2.3%	44,834	100.0%	(2,141)	(4.8%)

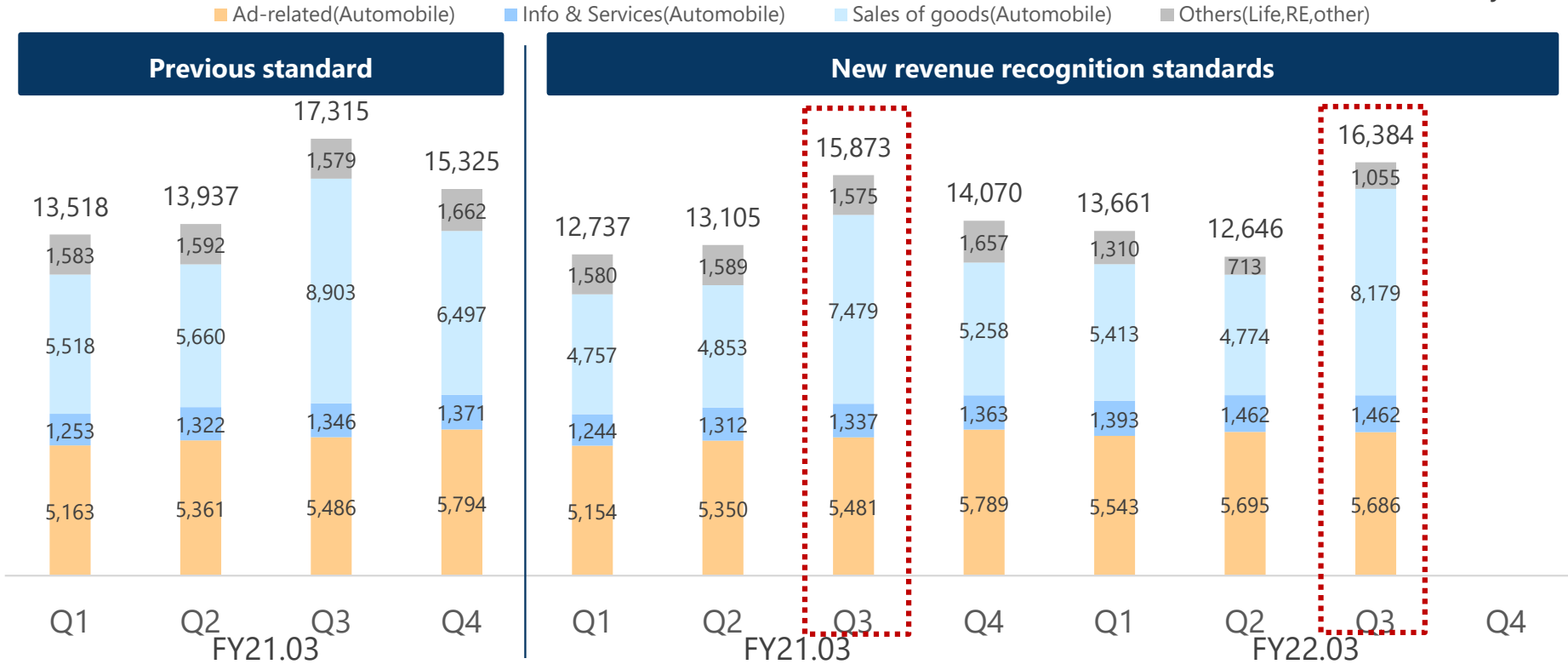
Operating Income [unit: million yen]	Q3/FY2021 *1 Apr-Dec 2020		Q3/FY2022 *1 Apr-Dec 2021		YoY		Q3/FY2022 Apr-Dec 2021		Achievement rate	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%	Forecast(c)	Profit Margin	(b)-(c)	%
Automobile-related	5,730	15.5%	6,244	15.8%	513	+9.0%	5,932	15.2%	311	+5.3%
Lifestyle-related	222	7.6%	64	8.2%	(157)	(70.9%)	49	6.1%	15	+32.0%
Real Estate	102	95.9%	105	94.9%	2	+2.8%	75	83.9%	29	+38.8%
Other Business	110	6.4%	173	8.0%	63	+57.0%	233	4.8%	(60)	(25.7%)
Management Division	(1,240)	-	(1,446)	-	(205)	-	(1,491)	-	45	-
Total	4,926	11.8%	5,141	12.0%	215	+4.4%	4,799	10.7%	342	+7.1%

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

Quarterly Results

Consolidated sales: 16,384 million yen YoY: +3.2% *1
Sales in the Used Car Business (MOTOR GATE) and New Car Business were strong.
And tire sales were strong.

(million yen)



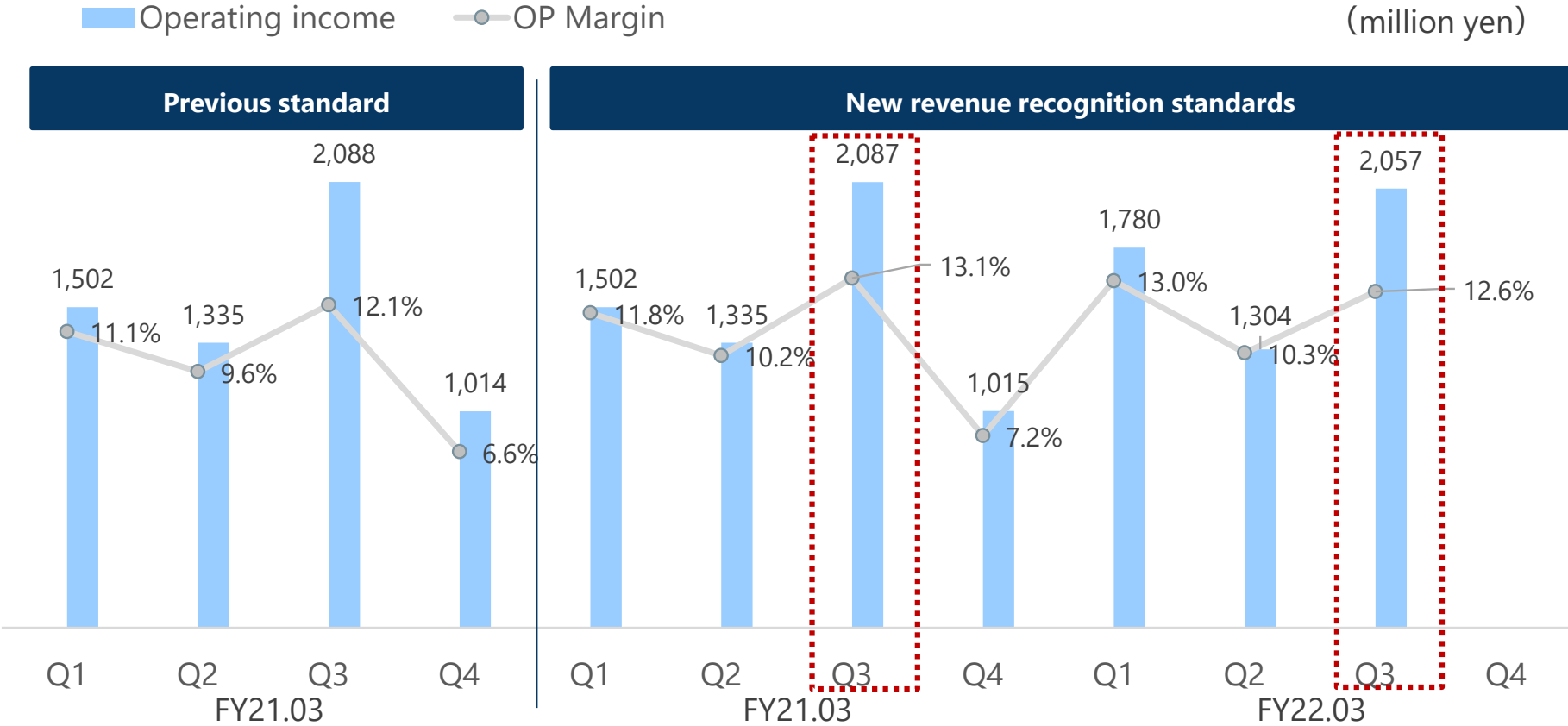
PROTO *1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Quarterly Results

Consolidated operating income: 2,057 million yen YoY: (1.4%)

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

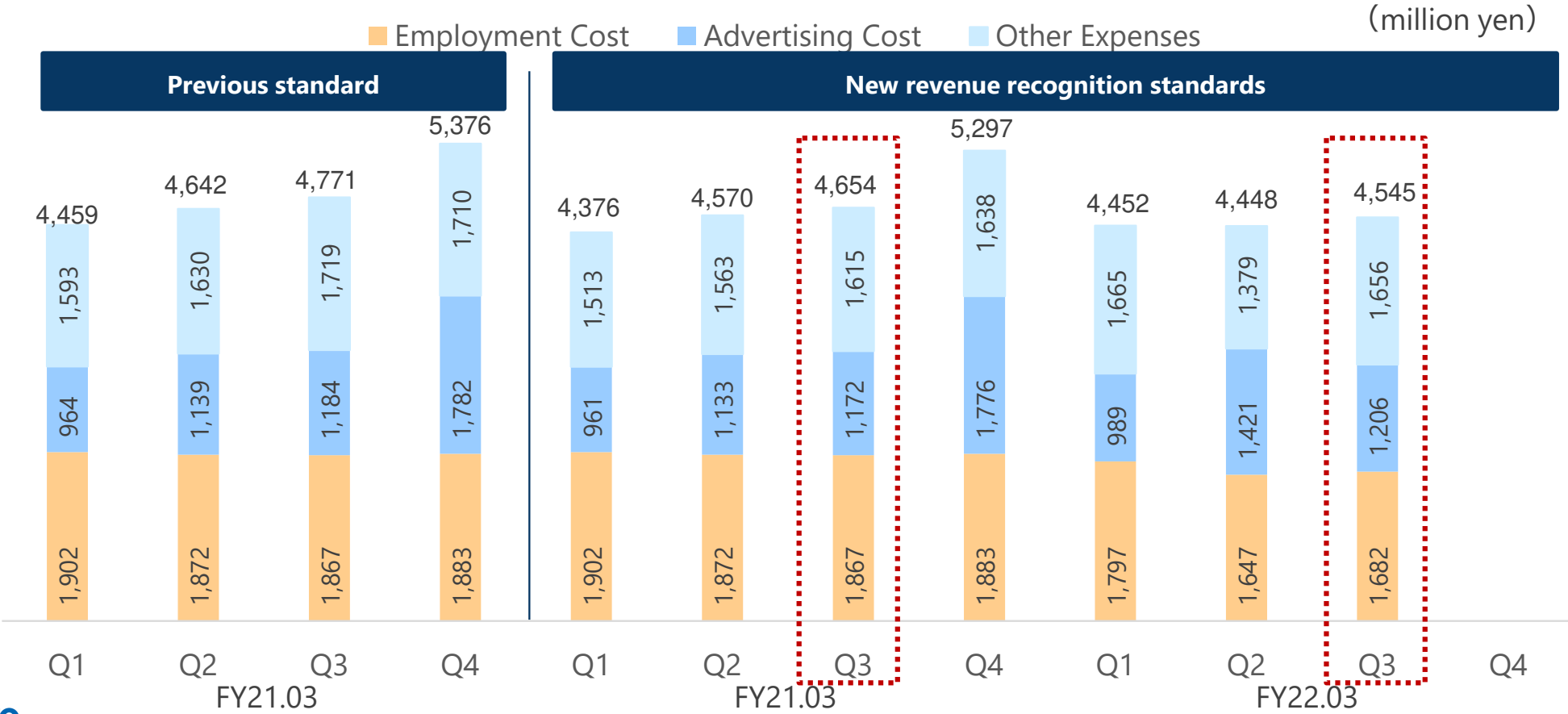
On the other hand, due to the impact of the transfer of shares in PROTO MEDICAL CARE



Quarterly Results

SG&A Expenses: 4,545 million yen YoY: (2.3%)*1

Mainly 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]	Q3/FY2021 *1 Oct-Dec 2020		Q3/FY2022 *1 Oct-Dec 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Net Sales	15,873	100.0%	16,384	100.0%	510	+3.2%
Gross Profit	6,742	42.5%	6,603	40.3%	(139)	(2.1%)
EBITDA	2,417	15.2%	2,366	14.4%	(51)	(2.1%)
Operating Income	2,087	13.1%	2,057	12.6%	(29)	(1.4%)
Ordinary Income	2,044	12.9%	2,064	12.6%	19	+1.0%
Net Income	1,436	9.0%	1,426	8.7%	(9)	(0.7%)

Sales increased 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: (896) million yen, operating income: (57) million yen

[unit: million yen]	Q3/FY2021 *1 Oct-Dec 2020		Q3/FY2022 *1 Oct-Dec 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	4,654	29.3%	4,545	27.7%	(109)	(2.3%)
Employment Cost	1,867	11.8%	1,682	10.3%	(185)	(9.9%)
Advertising Cost	1,172	7.4%	1,206	7.4%	34	+3.0%
Other Expenses	1,615	10.2%	1,656	10.1%	41	+2.6%

 *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]	Q3/FY2021 *1 Oct-Dec 2020		Q3/FY2022 *1 Oct-Dec 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Automobile-related	14,298	90.1%	15,328	93.6%	1,029	+7.2%
Ad-related	5,481	34.5%	5,686	34.7%	204	+3.7%
Information and services	1,337	8.4%	1,462	8.9%	124	+9.3%
Sales of goods	7,479	47.1%	8,179	49.9%	699	+9.4%
Lifestyle-related	954	6.0%	63	0.4%	(891)	(93.4%)
Real Estate	36	0.2%	38	0.2%	1	+4.9%
Other Business	584	3.7%	954	5.8%	370	+63.4%
Total	15,873	100.0%	16,384	100.0%	510	+3.2%

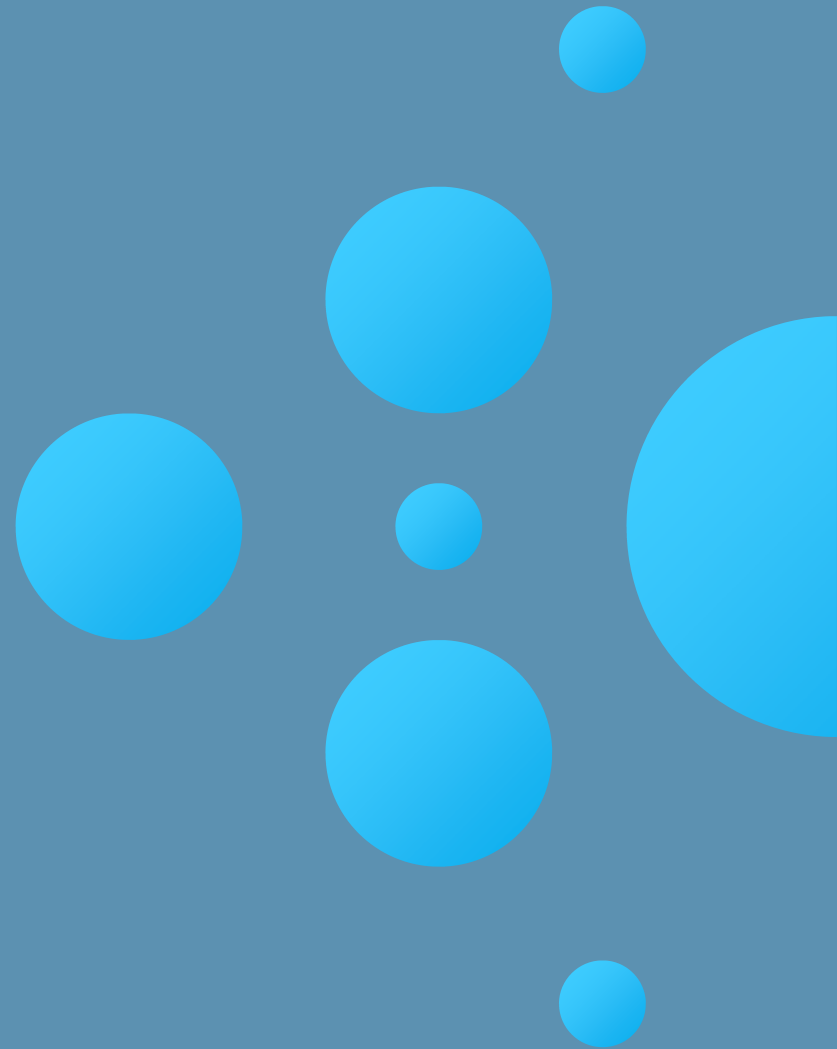
Operating Income [unit: million yen]	Q3/FY2021 *1 Oct-Dec 2020		Q3/FY2022 *1 Oct-Dec 2021		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%
Automobile-related	2,339	16.4%	2,407	15.7%	68	+2.9%
Lifestyle-related	60	6.4%	5	8.3%	(55)	(91.4%)
Real Estate	38	104.4%	33	86.5%	(4)	(13.0%)
Other Business	50	8.7%	74	7.8%	23	+46.7%
Management Division	(402)	-	(463)	-	(61)	-
Total	2,087	13.1%	2,057	12.6%	(29)	(1.4%)

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.

Impact of PROTO MEDICAL CARE on net sales: (896) million yen, operating income: (57) million yen

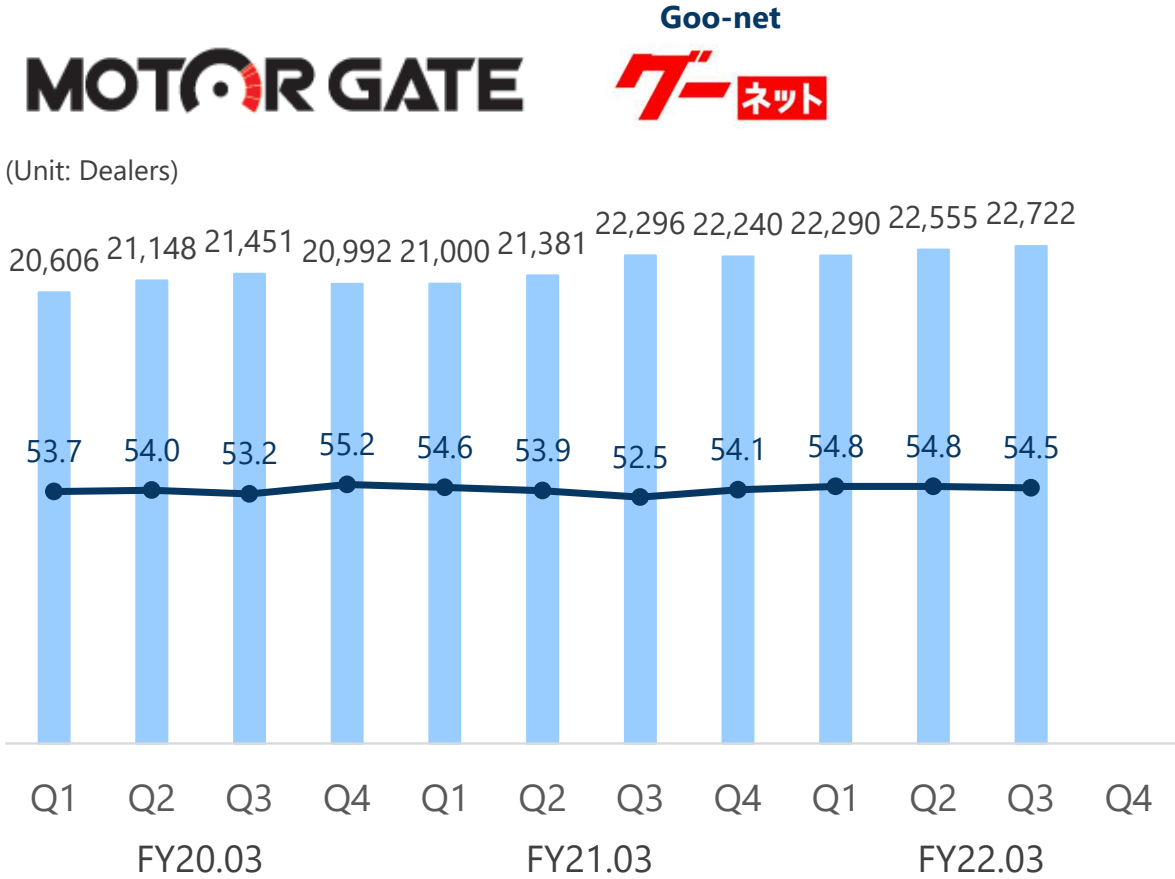
*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Topics



TOPICS(1): 1) Status of SaaS-type business for B

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



<p>Number of dealers 22,722 YoY+1.9%</p>	<p>Churn rate (12-month average) 1.9%</p>
<p>ARPA/Month JPY54.5K YoY+3.9%</p>	<p>MRR *1 (Dec,2021) JPY1.23Bn</p>

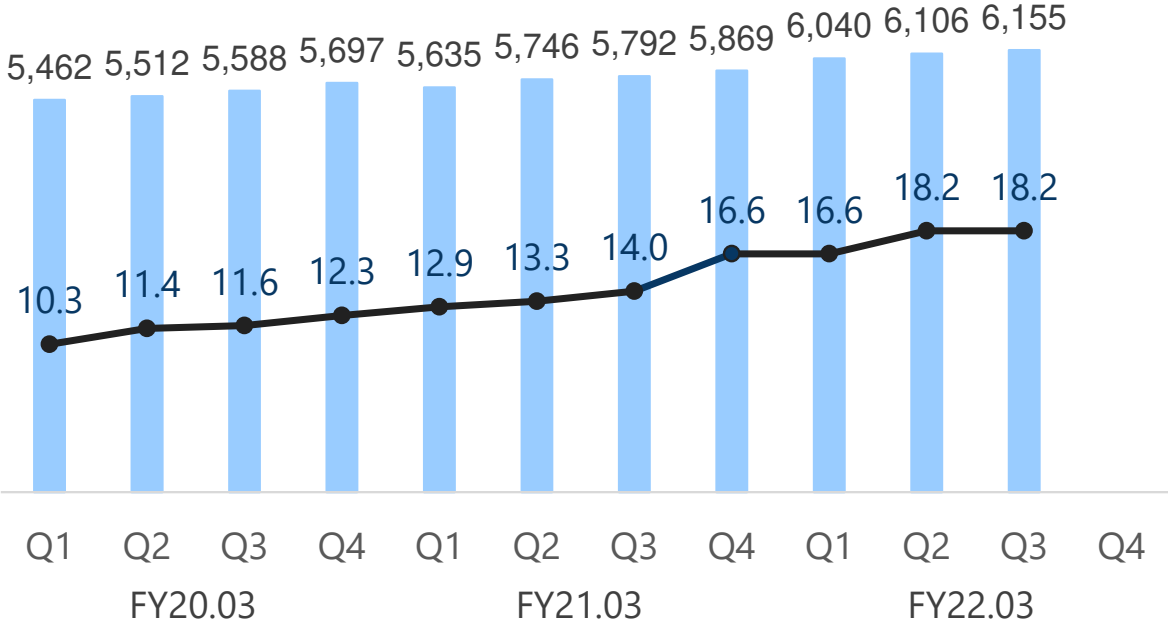
*1: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

TOPICS(1): 2) Status of SaaS-type business for B

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



(Unit: Dealers)



Number of dealers
6,155
YoY+6.3%

Churn rate
(12-month average)
0.6%

ARPA/Month
JPY18.2K
YoY+30.0%

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

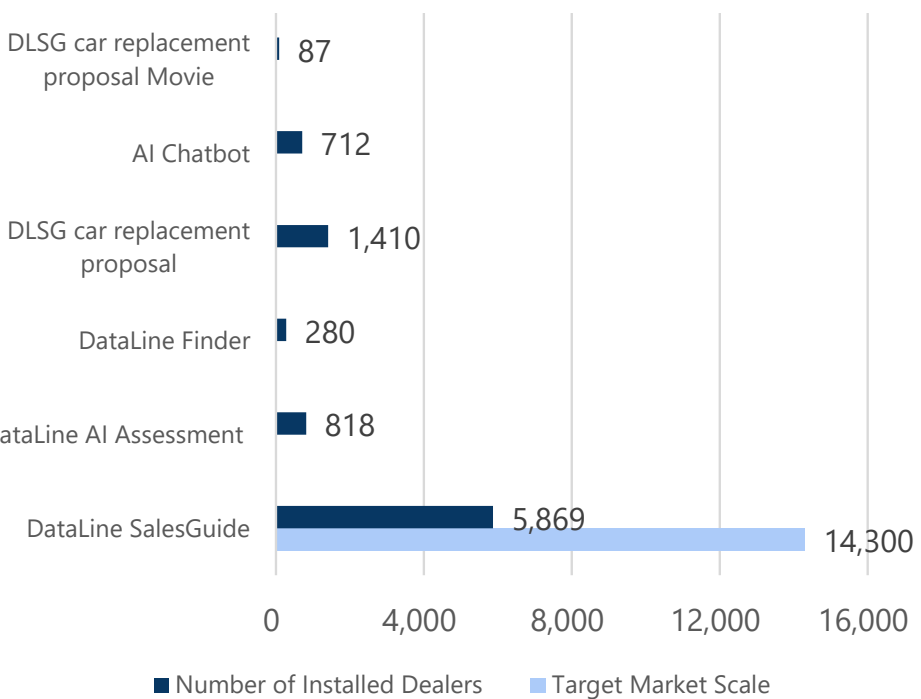


*1: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

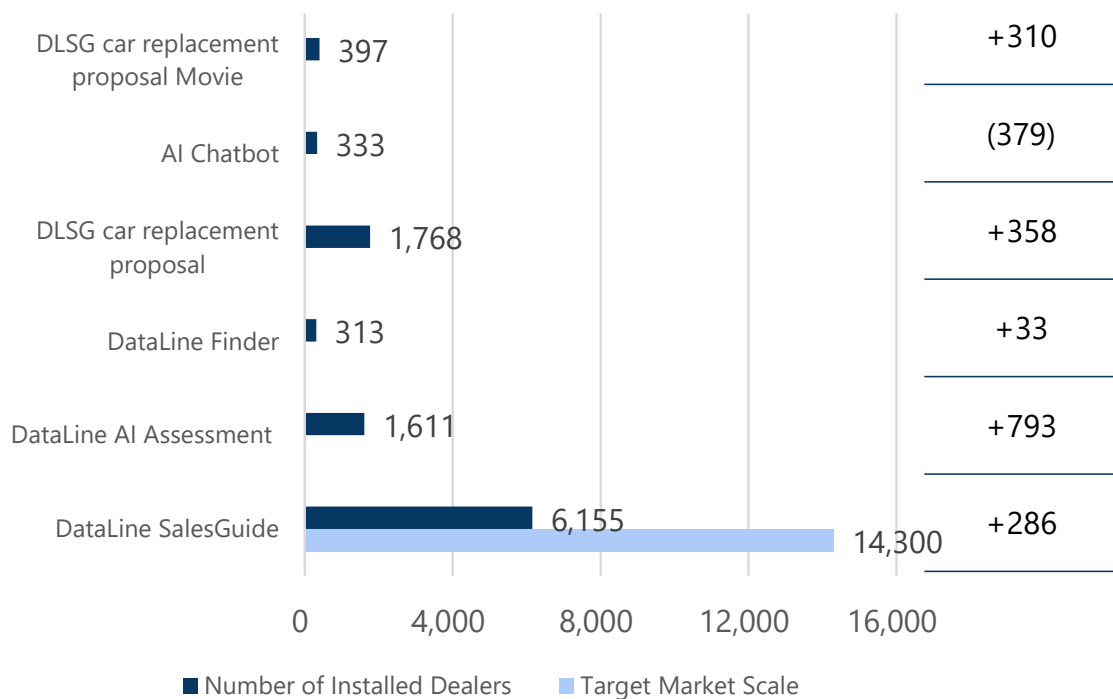
TOPICS(1): 3) Status of SaaS-type business for B

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)

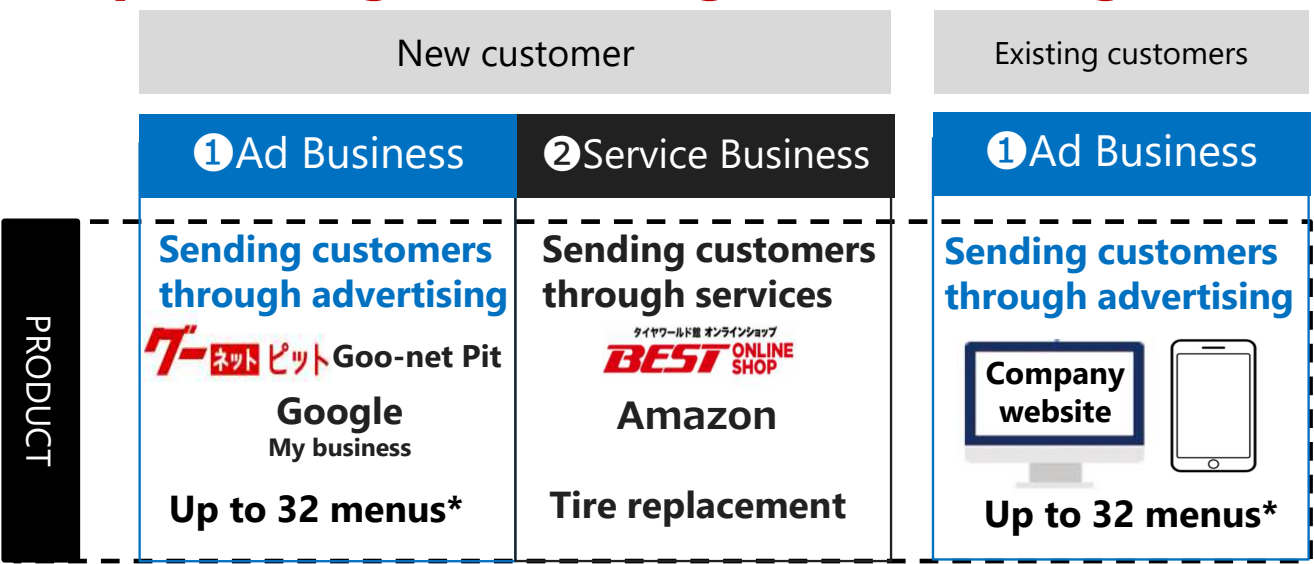


Dec 2021 (Results)



TOPICS(2): 1) Release of MOTOR GATE PIT IN

As an approach to maintenance field data Started providing a receiving order management tool (SaaS) (February 1, 2022)



Features of MOTOR GATE PIT IN

(1) Linkage with customer-attraction functions

Implemented a function to attract customers from Goo-net Pit and partner sites, etc.

*Main menu items
Wheel and tire replacement, installation of car navigation systems, ETC, and Maintenance, daily inspections, coating, electrical repairs, vehicle inspections, statutory inspections, etc.

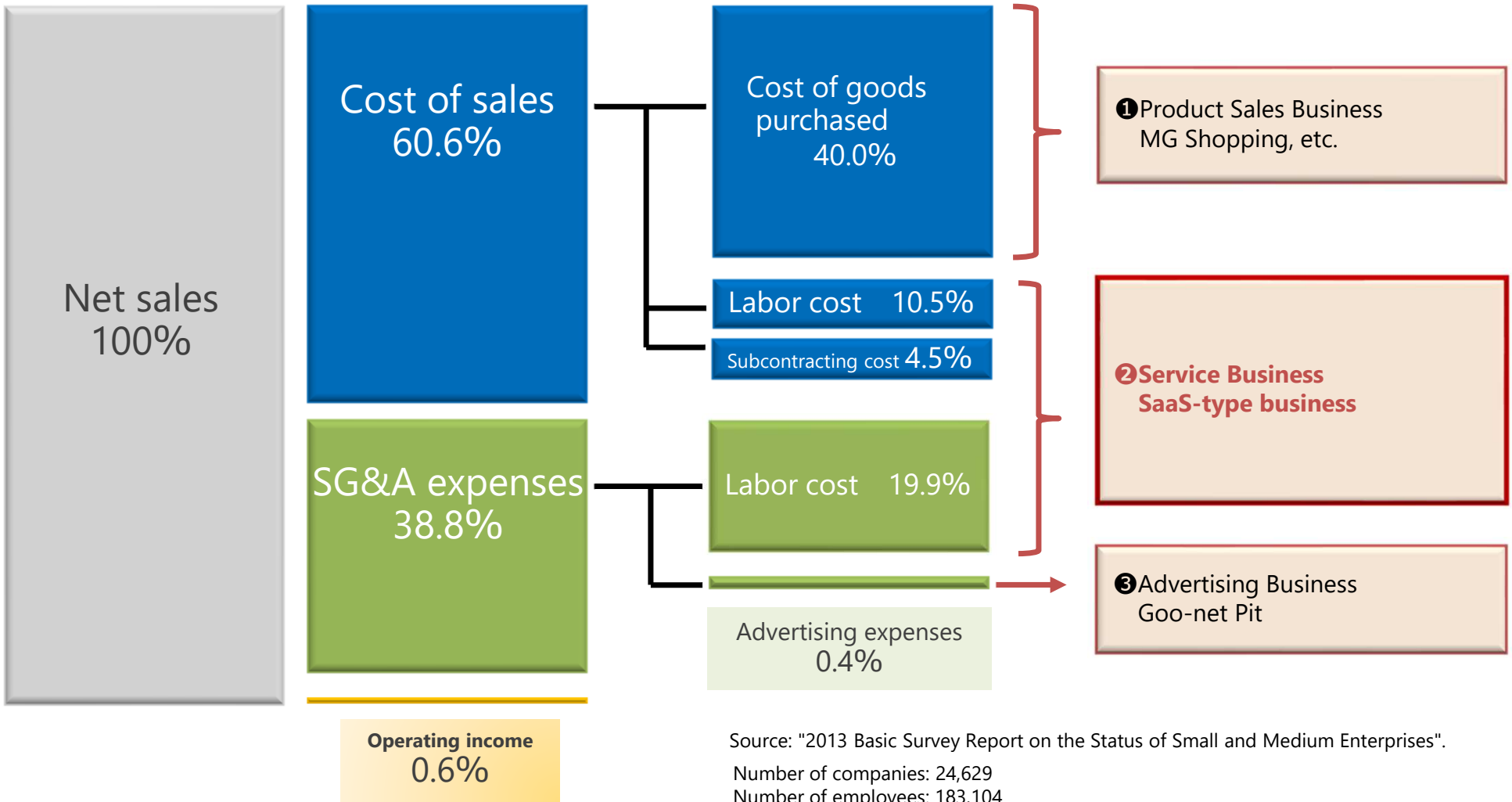
(2)DX for receiving order management

Streamlining of scheduling, smartphone support

Receiving Order management tool (MOTOR GATE PIT IN) *Centralized management tool

In the future, we will strengthen the linkage with services provided by the PROTO Group (estimates, appraisals, purchases, sales, parts orders, etc.)

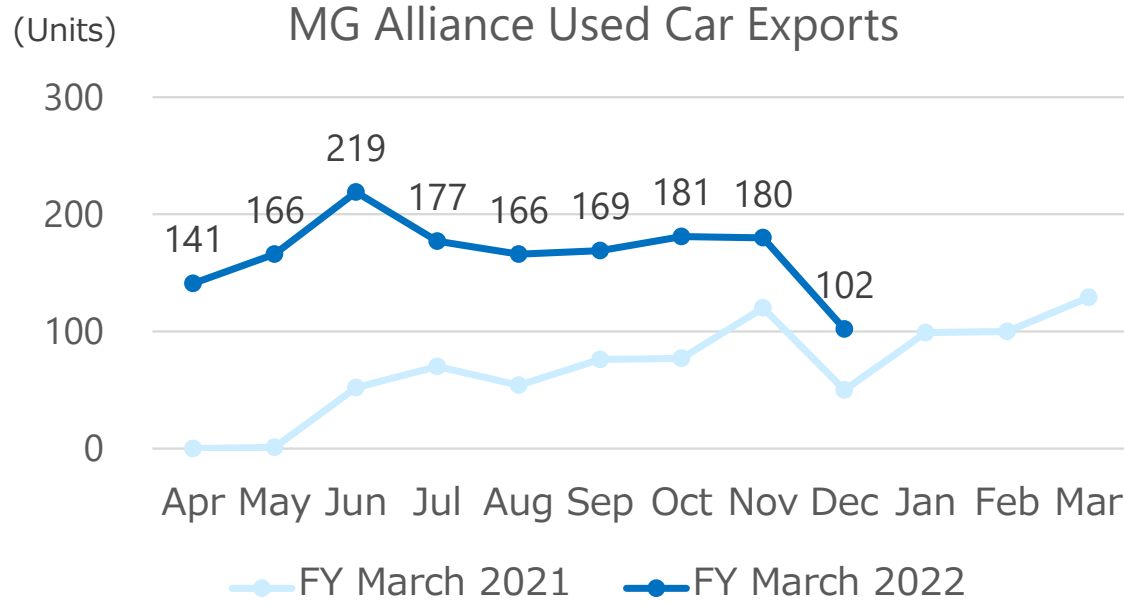
TOPICS(2): 2) Profit structure of maintenance shops



Source: "2013 Basic Survey Report on the Status of Small and Medium Enterprises".
 Number of companies: 24,629
 Number of employees: 183,104

TOPICS(3):Promoting Global Expansion through MG Alliances

Improving export support operations to increase the number of used vehicles exported



**Export of used vehicles in Japan (2021):
1,287,000 units**

1.Promote expansion of vehicles available for sale by overseas dealers
December 2021: approx. 120,000 units to 150,000 units (March)

2. Promoting the reduction of lost contract opportunities through real-time data linkage with MOTOR GATE

3. Improve the method of confirming the condition of vehicles by utilizing the appraisal information of Goo-Inspection.



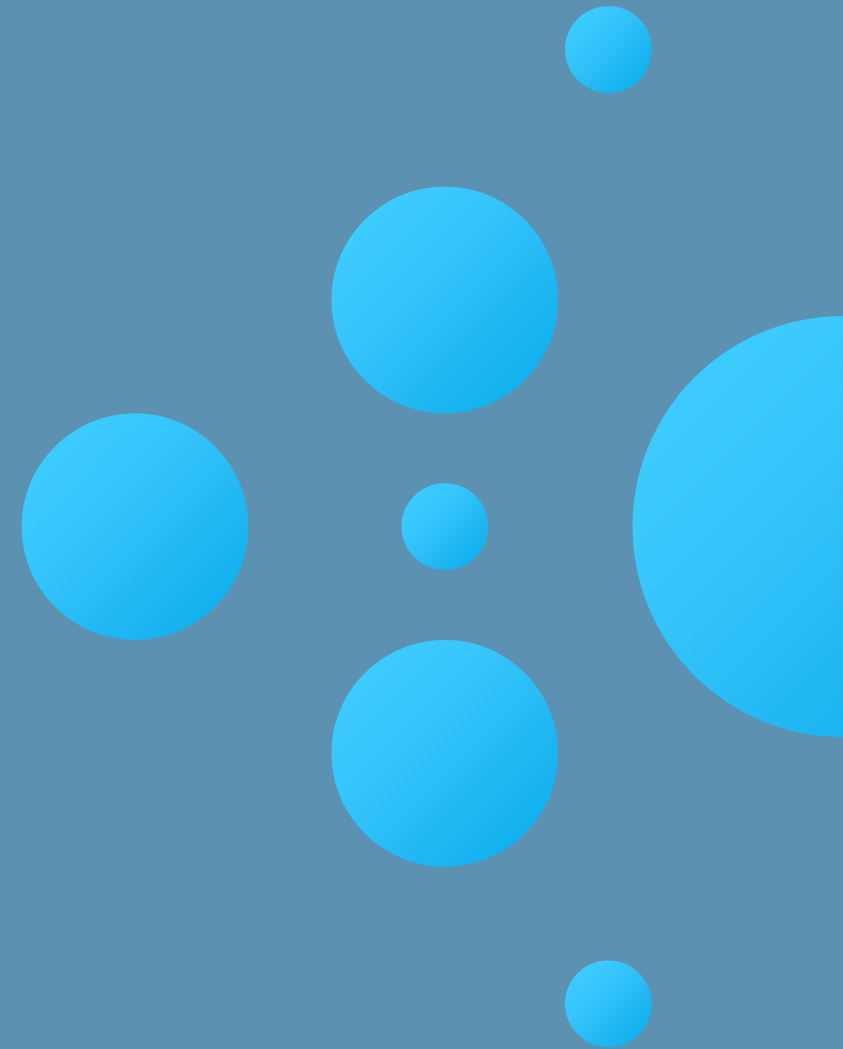
Amid a recovery in the used car export market in a weak yen environment, we will improve our operations and promote an increase in the number of used cars exported.

Strengthen the data business based on used car export data.



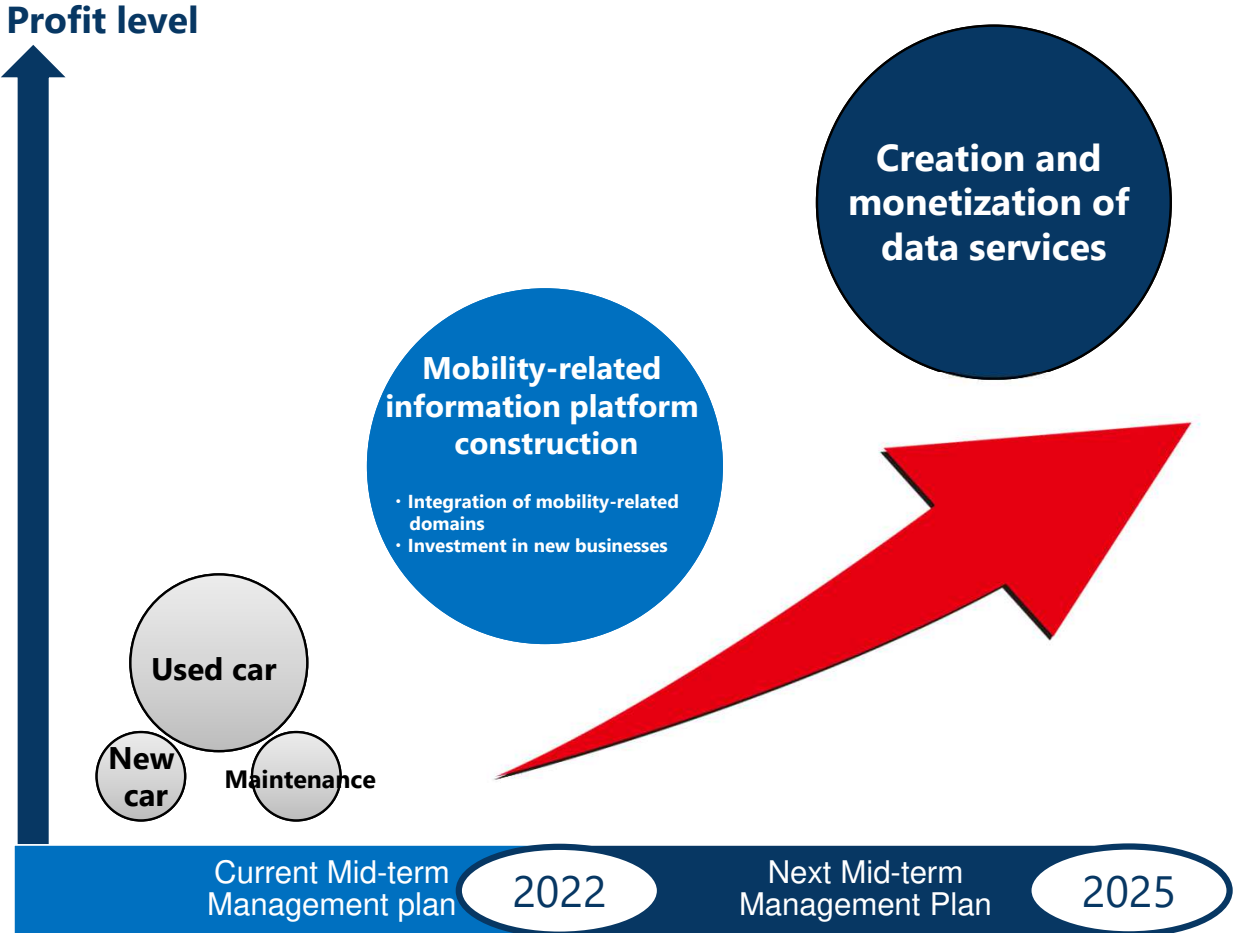
Future Growth Strategy of the Company

(Overview of the New Medium-Term Three-Year Plan
(FY March 2023 - FY March 2025))



Medium- to long-term growth image of PROTO CORPORATION (non-consolidated)

Evolution into a Data Services Company



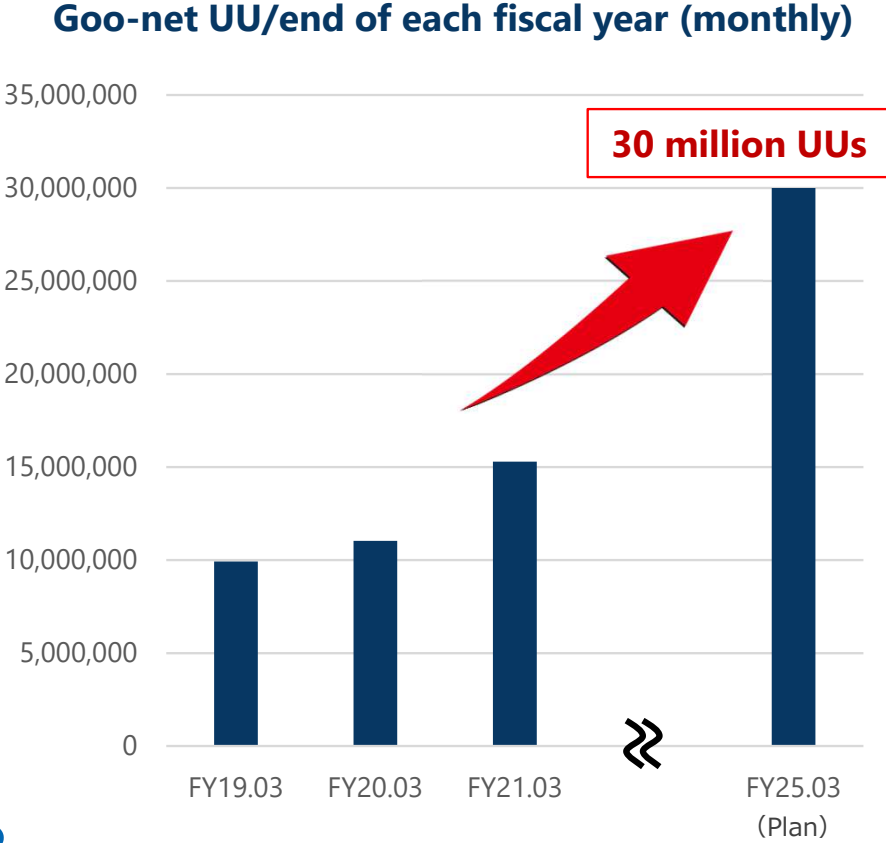
- Promoting the construction of a mobility-related information platform for the creation and monetization of data services
- Expand into new business fields in addition to mobility-related fields

Used car	New car
Maintenance	New Business M&A

*Mobility-related information: Includes information on all peripheral services related to automobiles and motorcycles.

Creation and monetization of data services

Targets for the number of UU and the number of installed bases in line with enhanced service development



Expansion of Goo-net's contents and services

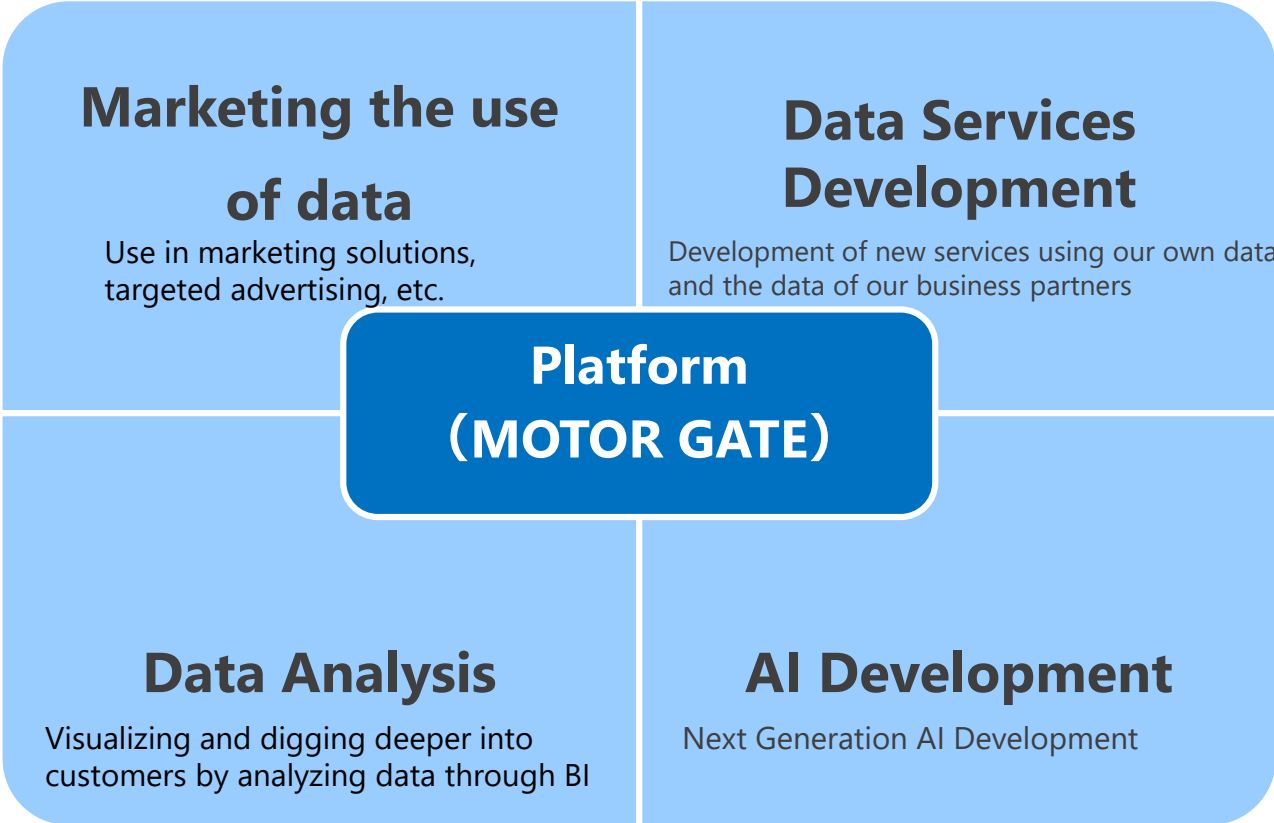
- Expansion of new car peripheral information
- Expansion of video content
- Expansion of contents and services using AI

Strengthen SaaS-type business for B

Services	Location of SaaS for B (Plan: March 2025)
MOTOR GATE(Used car) *Goo-net	24,000 dealers
MOTOR GATE(Maintenance) *Goo-net Pit	8,000 shops
DataLine SalesGuide *New car negotiation tools	8,000 dealers

Creation and monetization of data services

Development of a data service business based on a platform



Medium- to long-term growth of Group companies

Improve sales growth and profitability at each company

	Main Activities
AUTOWAY	Aiming for a 10% share of domestic tire unit sales
TIRE WORLD KAN BEST	
PROTO SOLUTION	Expansion of AI and human resource support business
CAR CREDO	Expansion of appraisal and inspection business and merchandising (yard-type and on-site) business
PROTO-RIOS	Expansion of SaaS-type business for B in the maintenance field
GOONET EXCHANGE	Expand the number of used vehicles exported through MOTOR GATE.
Promotion of M&As	Expansion of business scale of existing businesses and business development into new businesses

Medium-term growth image (net sales)

■ PROTO CORPORATION ■ Consolidated subsidiaries ■ M&A

55.7 billion yen

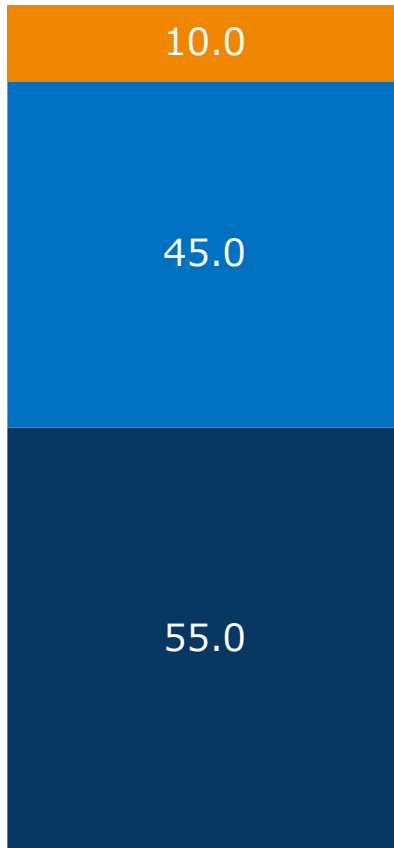


FY March 2021
New revenue recognition standards
(Including elimination of internal transactions)



**Net Sales
CAGR 15.8%**

100 billion yen



FY March 2025(Plan)
(Including elimination of internal transactions)

■ **New acquisitions through mergers and acquisitions**

■ **Business growth at group companies**

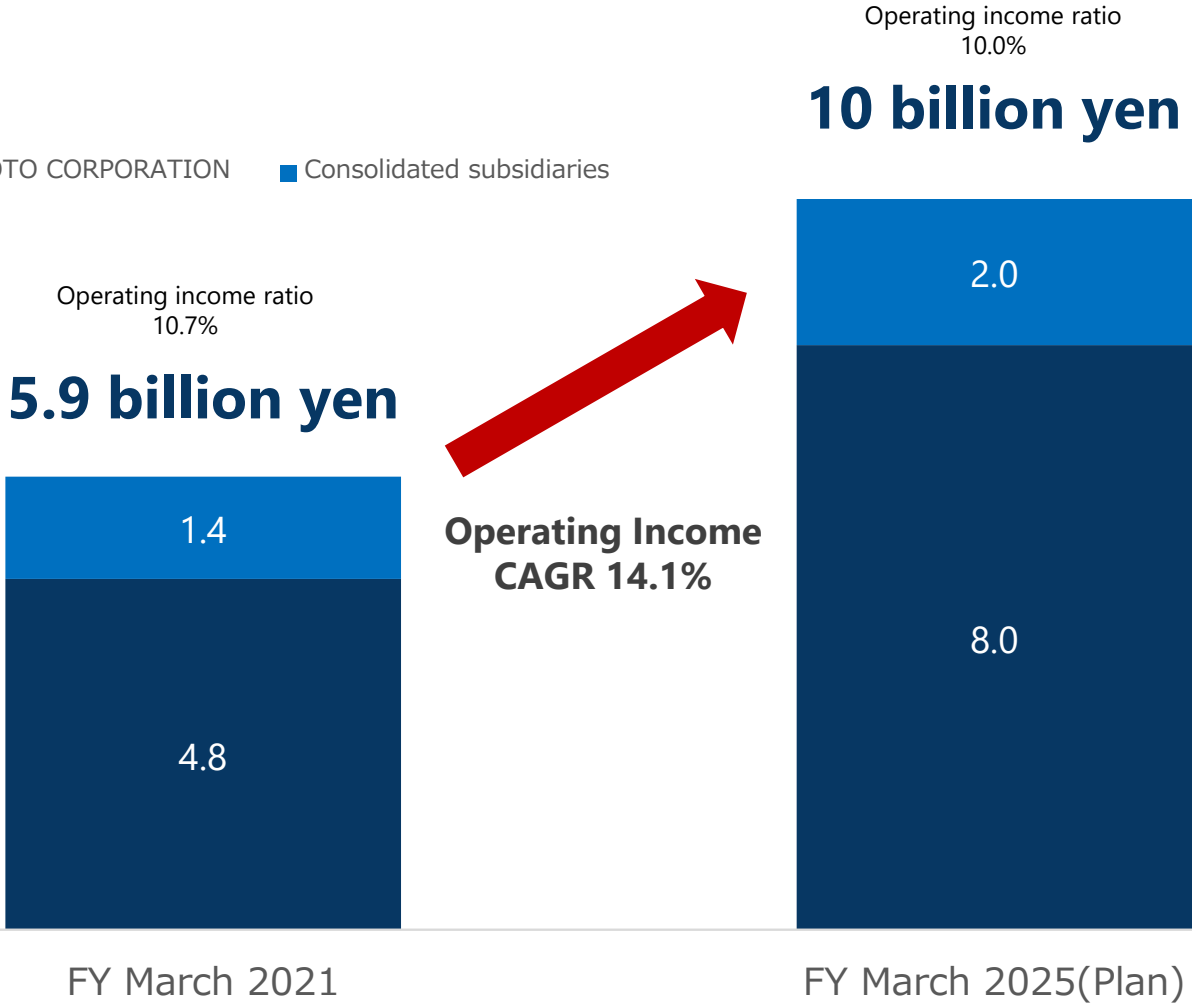
- Expand sales share of tires and wheels
- Expansion of AI and human resource support business

■ **Business growth at PROTO CORPORATION**

- Business in the field of used cars, new cars, and maintenance Growth and platform construction
- Strengthen SaaS-type business for B
- Creation of new businesses

Medium-term growth image (operating income)

■ PROTO CORPORATION ■ Consolidated subsidiaries



■ Consolidated subsidiaries
 • Improve profitability through business structure reforms

■ PROTO CORPORATION
 • Strengthen SaaS-type business for B
 • Development of data service business

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 : M&A and Growth Investment

Promote M&A and growth investment for business growth

Consolidated cash flow scenario for the fiscal year ending March 2023 to March 2025 (3 years)

IN	OUT
Operating Cash Flow Approx. 18 billion yen	Shareholder return Approx. 4 billion yen
	M&A Investment CVC Investment Capital Investment Business Investment Personnel investment Approx. 20 billion yen
Appropriation of cash and cash equivalents carried forward (Net cash) Approx. 21.3 billion yen As of December 31, 2021	Cash and deposits (working capital) Approx. 15.3 billion yen

ESG Activities

Promote environmental responsiveness and strengthen governance systems to achieve sustainable growth.

Environment

Formulation of the Basic Sustainability Policy (December 2021)

Started to address climate change-related risks and impacts on profit opportunities based on the TCFD framework.

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

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".

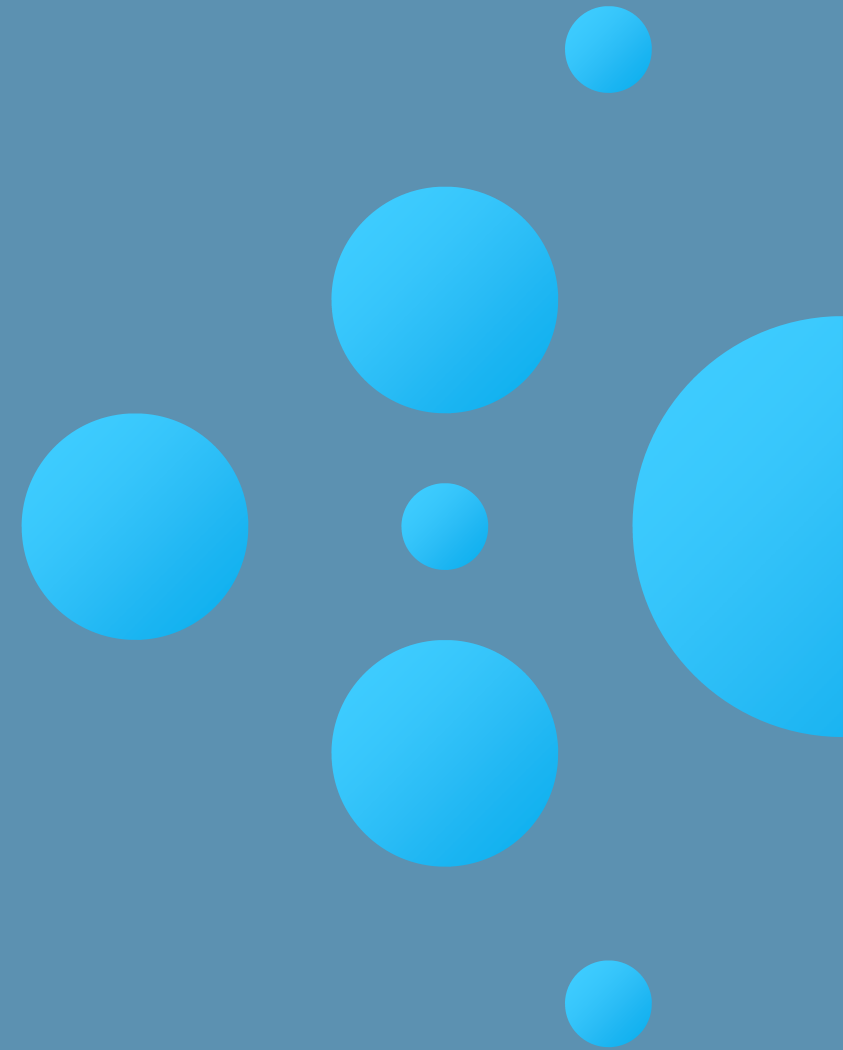
Promote initiatives for diversity.

Governance

• At a meeting of the Board of Directors held on September 14, 2021, it was resolved to select the "prime market".

• On December 14, 2021, we filed our Corporate Governance Report.

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



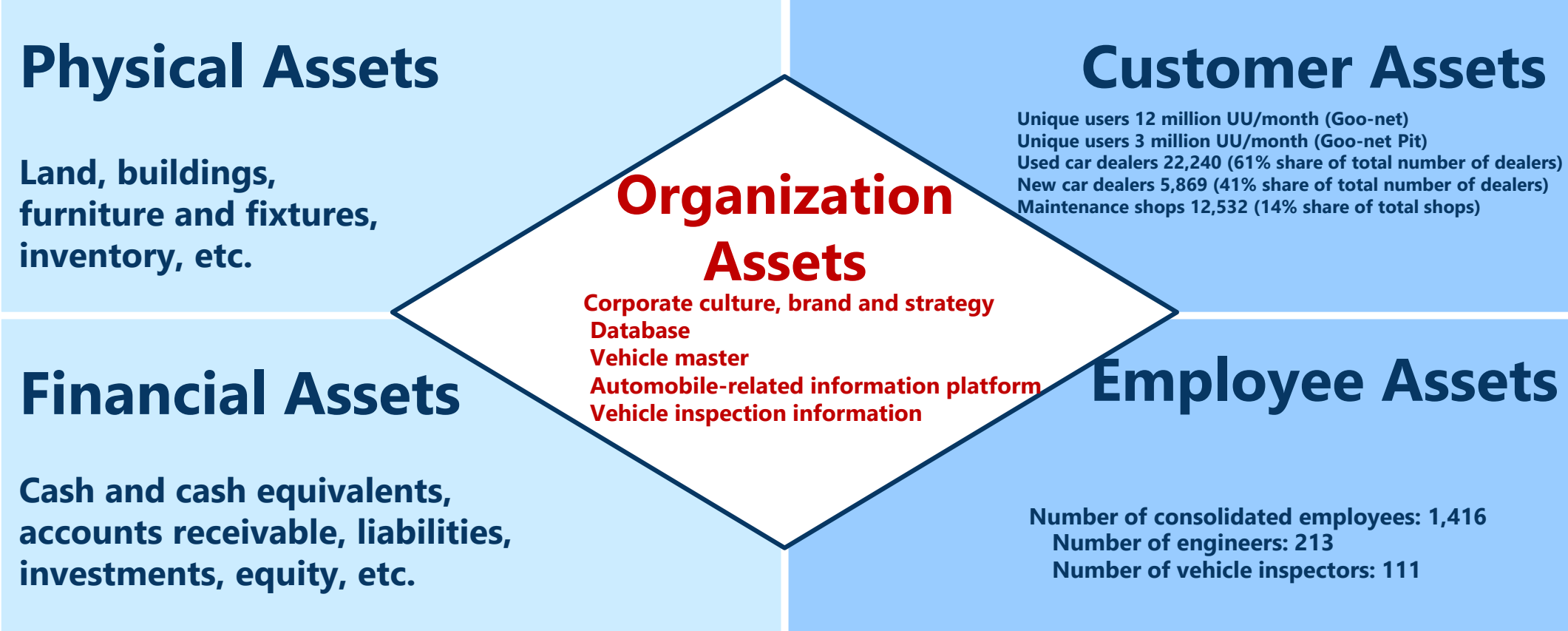
Trust from shareholders



Future and results

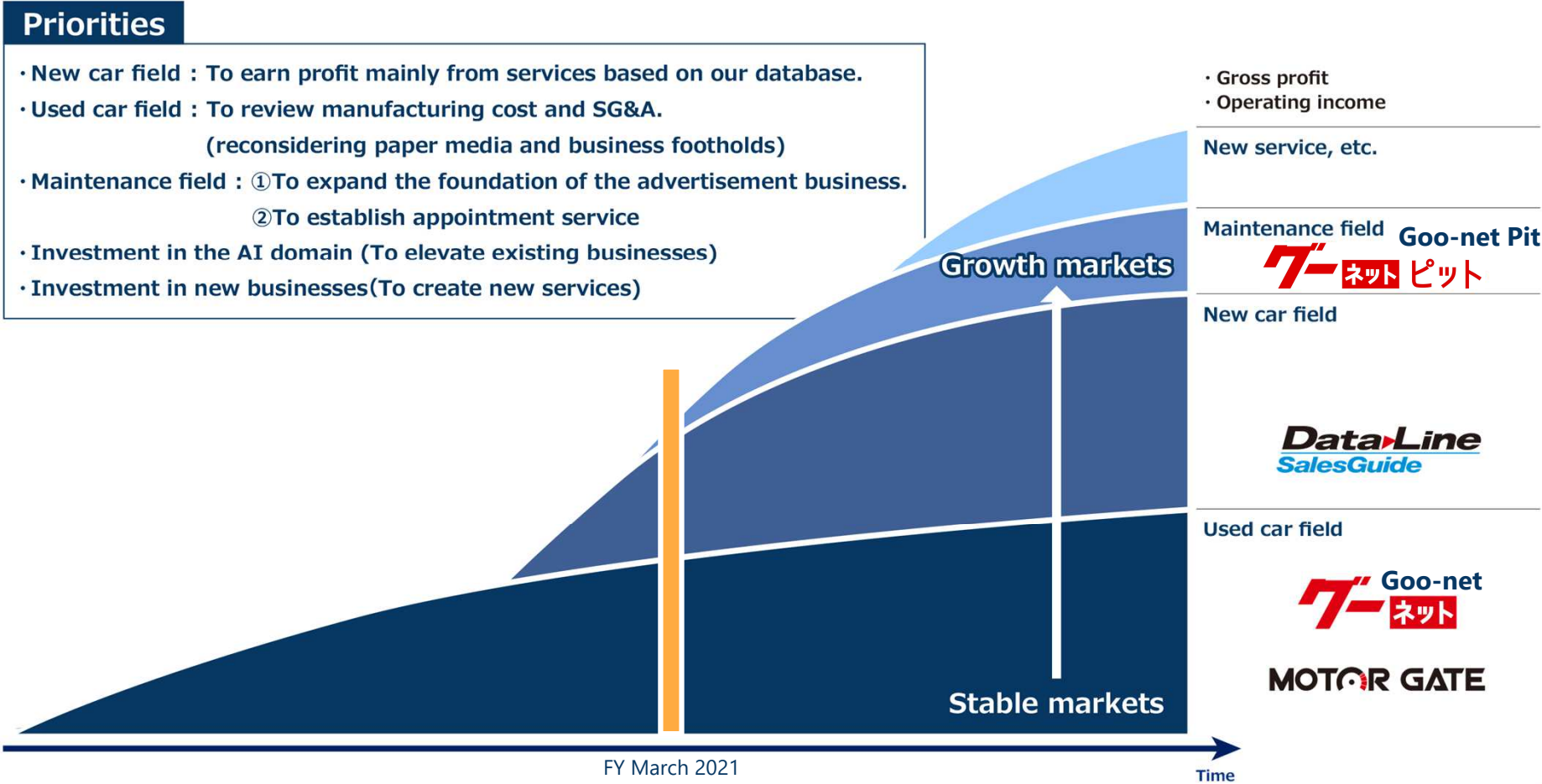
About our assets and strengths

Leveraging organization assets to drive DX in the industry

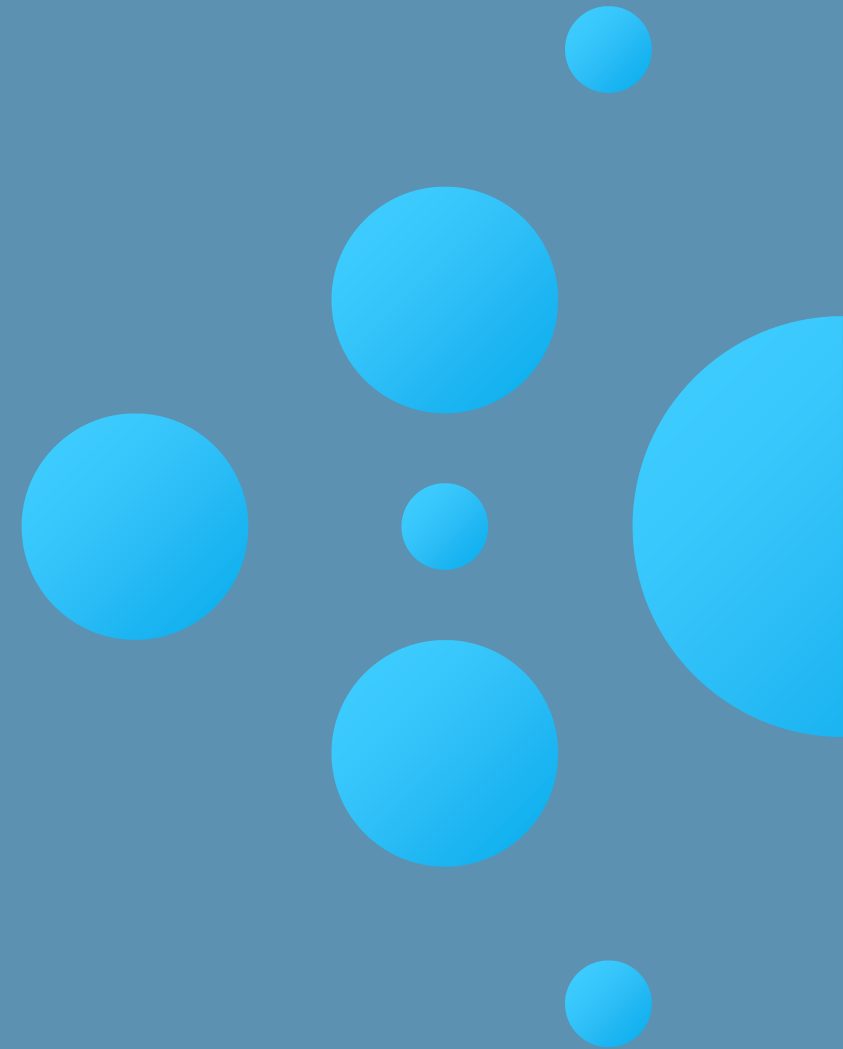


Initiatives for the Future

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 January 31, 2022) 	



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.

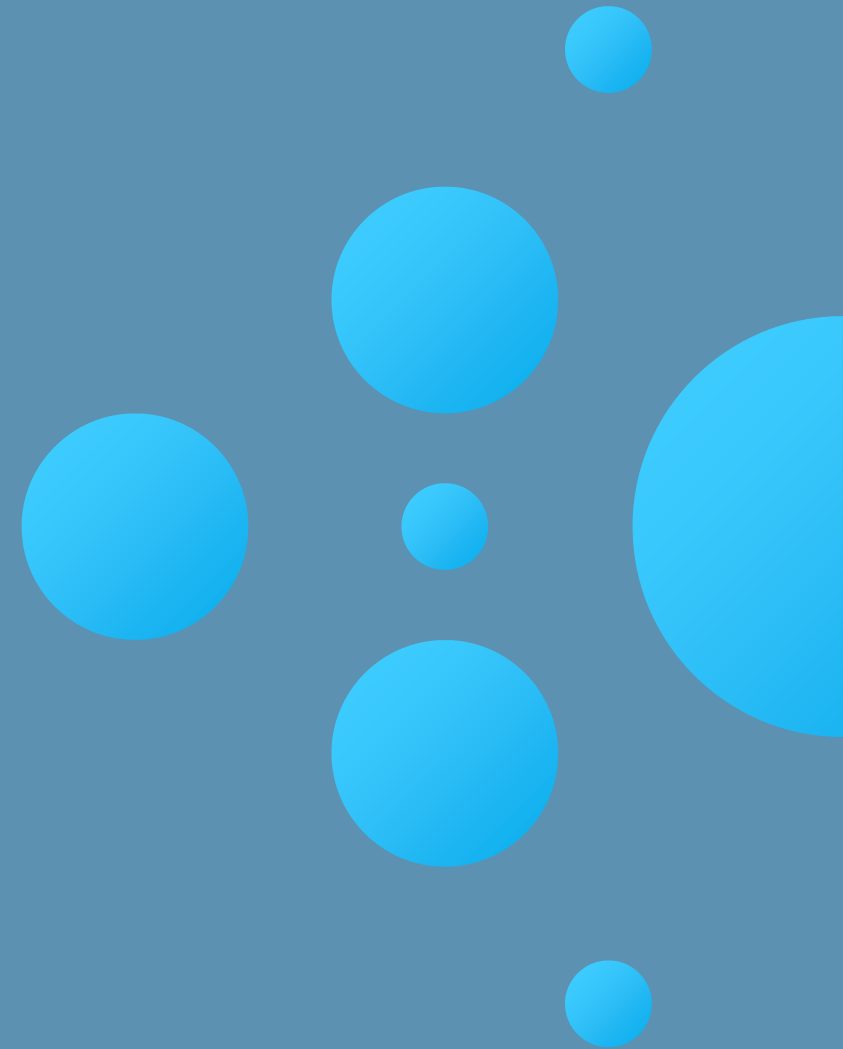
Sales are mainly from advertisement income related to nursing and welfare and rental sales of welfare equipment.

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.

APPENDIX (Financial Data)



Q3/FY March 2022: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2021		As of Dec 31, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	31,623	64.0%	36,825	67.7%	5,201	116.4%
Non-Current Assets	17,764	36.0%	17,530	32.3%	(234)	98.7%
Current Liabilities	12,126	24.6%	13,127	24.2%	1,001	108.3%
Non-Current Liabilities	1,327	2.7%	1,193	2.2%	(134)	89.9%
Net Assets	35,934	72.8%	40,034	73.7%	4,099	111.4%
Total Assets	49,388	100.0%	54,355	100.0%	4,967	110.1%

[unit: million yen]	As of March 31, 2021		As of Dec 31, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	21,705	43.9%	24,939	45.9%	3,234	114.9%
Interest-bearing debt	3,360	6.8%	3,592	6.6%	232	106.9%
Net cash	18,345	37.1%	21,347	39.3%	3,002	116.4%

Q3/FY March 2022: Consolidated Statements of Cash Flows

[unit: million yen]	Q3/FY March 2021	Q3/FY March 2022	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	4,143	2,669	(1,474)
Cash Flows from Investing Activities	(662)	1,694	2,356
Cash Flows from Financing Activities	(1,101)	(1,133)	(32)
Cash and Cash Equivalents at End of Term	19,692	24,719	5,026

[unit: million yen]	Q3/FY March 2021	Q3/FY March 2022	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	499	924	424
Depreciation (Tangible/intangible fixed assets)	669	654	(14)
Amortization of Goodwill	318	272	(46)

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	16,384	
Gross Profit	5,951	6,172	6,282	6,000	5,962	5,978	6,859	6,391	6,233	5,752	6,603	
EBITDA	1,760	1,602	1,962	1,130	1,829	1,667	2,418	1,347	2,096	1,606	2,366	
Operating Income	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014	1,780	1,304	2,057	
Ordinary Income	1,436	1,341	1,806	769	1,554	1,273	2,045	1,245	1,865	1,365	2,064	
Net Income	1,035	2,142	1,390	421	1,017	774	1,437	1,624	2,281	1,341	1,426	

[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	4,545	
Employment Cost	1,917	1,922	1,938	1,942	1,902	1,872	1,867	1,883	1,797	1,647	1,682	
Advertising Cost	945	1,205	989	1,462	964	1,139	1,184	1,782	989	1,421	1,206	
Other Expenses	1,638	1,773	1,732	1,800	1,593	1,630	1,719	1,710	1,665	1,379	1,656	

*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	15,328	
Ad-related	5,161	5,387	5,366	5,569	5,163	5,361	5,486	5,794	5,543	5,695	5,686	
Information and services	1,259	1,415	1,452	1,428	1,253	1,322	1,346	1,371	1,393	1,462	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	8,179	
Lifestyle-related	1,044	1,057	1,022	1,044	981	978	954	1,001	667	60	63	
Real Estate	46	43	35	35	37	39	40	40	36	36	38	
Other Business	388	375	581	583	564	575	584	620	606	616	954	
Total	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325	13,661	12,646	16,384	

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	2,407	
Lifestyle-related	51	43	32	42	81	80	60	51	55	3	5	
Real Estate	47	42	35	9	33	31	38	37	36	35	33	
Other Business	14	17	28	(1)	22	37	50	19	59	39	74	
Management Division	(457)	(474)	(456)	(420)	(420)	(418)	(402)	(399)	(581)	(401)	(463)	
Total	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014	1,780	1,304	2,057	

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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