

# Financial Results for the Three Months Ended June 2024 [April 1,2024 to June 30,2024]

PROTO CORPORATION

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

August 5, 2024  
[Investor Meeting August 5, 2024]

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# Performance Summary

## [Q1 FY2025 Results ]

# CurrentMarket environment surrounding the business domain of our corporate group

## Used car field[Platform/Media]

- The cumulative number of registered used cars (passenger vehicles and kei [compact] automobiles) in the first half of 2024 exceeds that in the same period of the previous year.
- The auction prices of used cars increased year on year in all months from January to June.

## Maintenance field[Platform/Media] & Maintenance sheet metal software[Platform/Services]

- The number of designated maintenance shops in the care maintenance business decreased slightly from the previous year, and the number of certified maintenance shops increased from the previous year.
- As of the end of June, approximately 65% of all maintenance shops had completed preparation for on-board diagnostics.

## New car field[Platform/Services]

- The cumulative number of new cars sold (passenger vehicles and kei [compact] automobiles) in the first half of 2024 is smaller than that in the same period of the previous year.

## Tire and wheel sales[Commerce/Sales of goods]

- In response to the skyrocketing of raw material prices, manufacturers raised selling prices for three consecutive years.

## Used car export[Commerce/Sales of goods]

- The cumulative number of used cars exported in the period from January to May 2024 exceeds that in the same period of the previous year, hitting a record high.

## Ticket sales[Commerce/Ticket sales]

- Consumers think that commodity prices will increase, so it is forecast that consumers will become more budget-minded.
- The demand from foreign visitors to Japan is so strong that the number of foreign visitors to Japan hit a record high in June 2024.

Source: Statistical data of Japan Automobile Dealers Association, statistical data of Japan Mini Vehicle Association, statistical data of Japan Automobile Service Promotion Association, statistical data of Japan Used Motor Vehicle Exporters Association, statistical data of Japan National Tourism Organization, and our survey data

# Q1/FY March 2025: Overview of company-wide performance

Sales achieved plan in all segments, and sales increased and grew steadily.

Ordinary income and net income achieved the plan but decreased mainly due to the impact of the gain on valuation of derivatives in the tire and wheel sales recorded in the previous fiscal year.

[unit: million yen]	Plan	Result	Comparison to Plan	Actual results for the previous period	
	Q1/FY2025 Apr-Jun 2024	Q1/FY2025 Apr-Jun 2024		Q1/FY2024 Apr-Jun 2023	YoY
Net sales	27,729	29,690	+7.1%	27,220	+9.1%
Operating Income	1,769	2,277	+28.8%	2,231	+2.1%
Ordinary Income	1,768	2,323	+31.4%	2,755	(15.7%)
Net Income attributable to owners of parent	1,199	1,595	+33.0%	1,808	(11.8%)

# Q1/FY March 2025: Net Sales and Operating Income by Segment

[unit: million yen]		Plan	Result	Comparison to Plan	Actual results for the previous period	YoY
		Q1/FY2025 Apr-Jun 2024	Q1/FY2025 Apr-Jun 2024		Q1/FY2024 Apr-Jun 2023	
Platform	Net sales	7,938	8,145	+2.6%	7,767	+4.9%
	Operating Income	2,168	2,502	+15.4%	2,430	+3.0%
Media	Net sales	6,429	6,565	+2.1%	6,309	+4.1%
	Operating Income	1,780	2,041	+14.7%	2,041	+0.0%
Services	Net sales	1,508	1,579	+4.7%	1,457	+8.3%
	Operating Income	388	460	+18.6%	389	+18.3%
Commerce	Net sales	17,826	19,382	+8.7%	17,316	+11.9%
	Operating Income	100	90	(10.3%)	163	(44.7%)
Sales of goods	Net sales	7,610	8,594	+12.9%	7,166	+19.9%
	Operating Income	45	32	(29.2%)	62	(48.4%)
Ticket sales	Net sales	10,215	10,788	+5.6%	10,150	+6.3%
	Operating Income	54	57	+5.4%	100	(42.4%)
Other Business	Net sales	1,964	2,163	+10.1%	2,136	+1.3%
	Operating Income	60	229	+278.3%	137	+66.8%

### Used car field

[Media]

### **We enhanced marketing for the dealers of cars made in Japan and imported cars, and the number of affiliated dealers increased significantly.**

In the first quarter, marketing targeted at new customers was enhanced, and the number of affiliated dealers grew. Among existing affiliated dealers, more dealers adopted "AI Recommend Space," an optional product for supporting used car dealers in receiving orders, "MG Calendar," which promotes DX, and "MG AI."

### Maintenance field

[Media]

### **We concentrated on the expansion of the network of maintenance shops, and the number of affiliated maintenance shops increased.**

We enhanced the marketing targeted at enterprises planning to enter the car maintenance field, so the number of affiliated maintenance shops increased at an accelerated pace.

In order to expand the network of car maintenance shops before the adoption of on-board diagnostics in Oct., we strove to increase maintenance shops that deal with Goo Failure Diagnosis. We will make continuous efforts to expand the network.

### New car field

[Services]

### **As optional products were adopted by more clients, monthly revenue per client increased.**

Regarding "DataLine SalesGuide," the number of affiliated dealers decreased temporarily, but increased year on year, as we strengthened marketing based on the system for cooperation with Japanese automobile manufacturers and importers. We enhanced marketing targeted at car importers, and the number of importers that adopted "DataLine AI Assessment" increased. Monthly revenue per client rose steadily, as more clients adopted optional products.

### Maintenance sheet metal software

[Services]

### **We intensified our efforts to increase new clients, and will continue the efforts.**

The number of orders for our system increased year on year, and the number of clients increased. We will make continuous efforts to increase clients. The number of existing clients we approach for the renewal of contracts would increase year on year, so we will make continuous efforts to increase clients.

### Tire and wheel sales

[Sales of goods]

#### **Our sales plan was completed, as we increased distribution bases and revised unit selling prices.**

Regarding imported tires, procurement costs augmented due to the yen depreciation, but selling prices were revised intermittently and our sales plan was completed. Regarding tires made in Japan, distribution bases and inventory increased, and EC sales and group synergy were intensified, so the number of tires and wheels sold increased steadily, and then our sales and profit plans were completed.

### Used car export

[Sales of goods]

#### **The sale to Malaysia was healthy, but high market prices produced some effects on profit.**

Sales reached the forecast as the number of used cars exported to Malaysia, which is a major export destination, exceeded the forecast significantly, and the market prices of used cars skyrocketed. On the other hand, the number of used cars sold via our own site, which is profitable, did not reach the forecast. The demand for export is strong, so we continuously aim to increase sales quantity.

### Ticket sales

[Ticket sales]

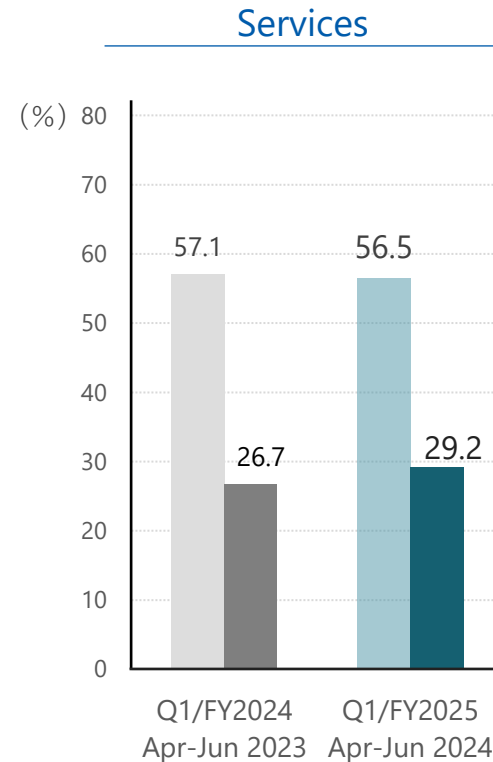
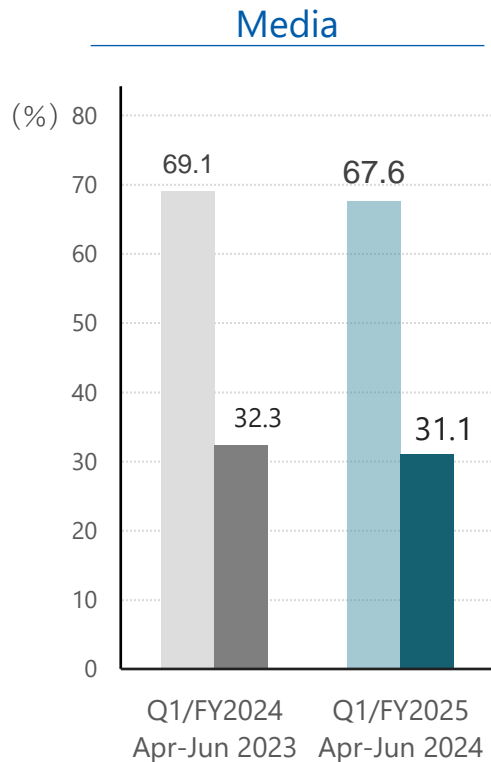
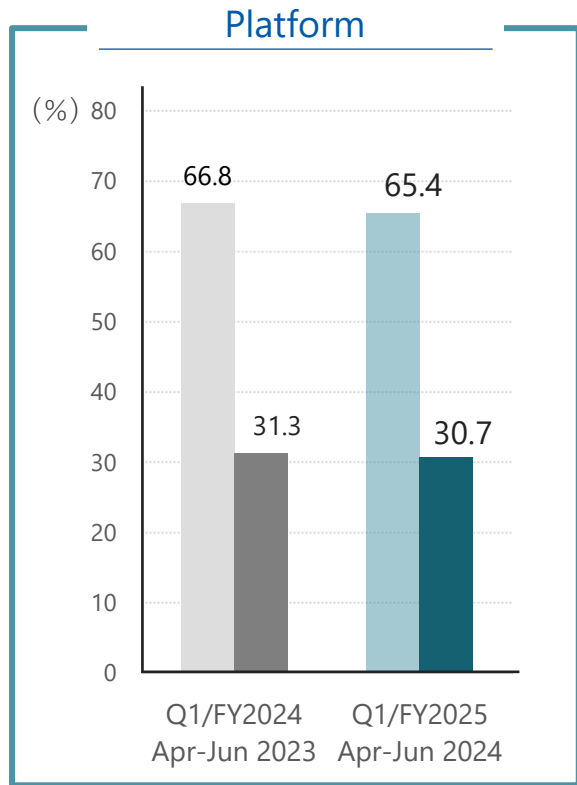
#### **Procurement for expanding our sales share went well.**

The procurement and sale of products with a high gross profit margin, such as travel/leisure tickets and beer/meal coupons, for which demand is growing, went well. We promoted the regional dominance strategy in the Tokyo Metropolitan Area, by opening new shops. The enhancement of promotion led to the increase of customers of EC, sales, and the number of tickets we purchased. We will sell the tickets we purchased in the second quarter.



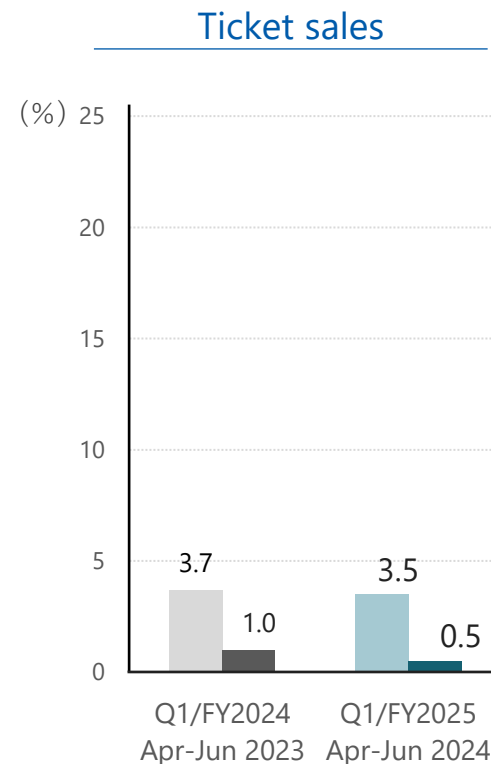
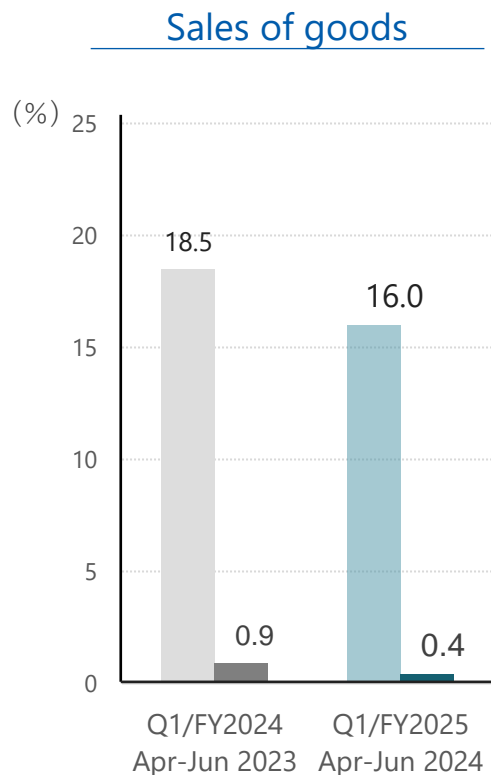
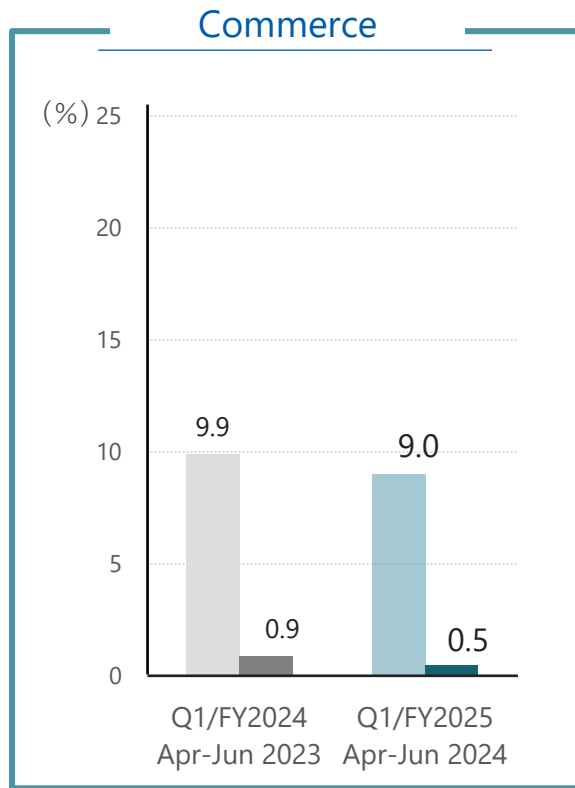
Operating margin for Services improved, we will continue to improve Media profitability.

■ Gross profit margin ■ Operating income margin



Regarding gross profit and operating income margins, we will continue efforts to improve profitability.

■ Gross profit margin ■ Operating income margin



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

Platform  
[Media]

For dealers of cars made in Japan and imported cars, we enhanced marketing targeted at new clients, and increased the number of affiliated dealers.

Goo-net **7-net**  
**MOTOR GATE**

Number of dealers  
[unit: dealers]

ARPA/Month  
[unit: thousand yen]

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

**23,463** dealers

[55.1% industry share]

YoY  
+0.9%

ARPA/Month

JPY**58.8K**

YoY  
+2.0%

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

**2.1%**

[12-month average]

MRR<sup>\*3</sup>

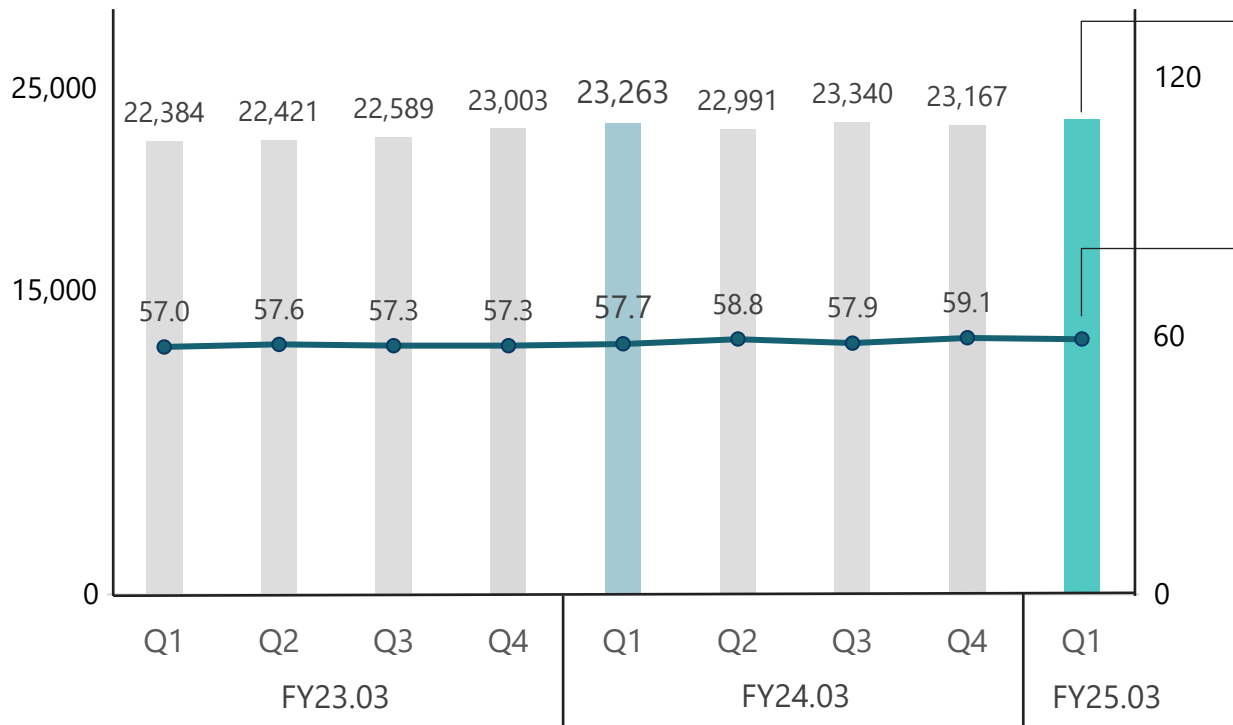
JPY**1.38Bn**

[June, 2024]

<sup>\*1</sup>: Target markets [In-house research] 42,581 dealers  
Survey based on visual check in marketing activities  
[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.



# Number of dealers and ARPA/Month in the maintenance field

Platform  
[Media]

We increased transactions with enterprises planning to enter the car maintenance field as planned.

Goo-net Pit **7-ネット** ピット

**MOTOR GATE**

Number of shops  
[unit: shops]

ARPA/Month  
[unit: thousand yen]

Number of shops\*1

**6,259**shops

[6.8% industry share]

YoY  
+7.1%

ARPA/Month\*2

JPY**15.2K**

YoY  
(1.7%)

Churn rate\*3

**1.1%**

[12-month average]

MRR\*4

JPY**90**Mn

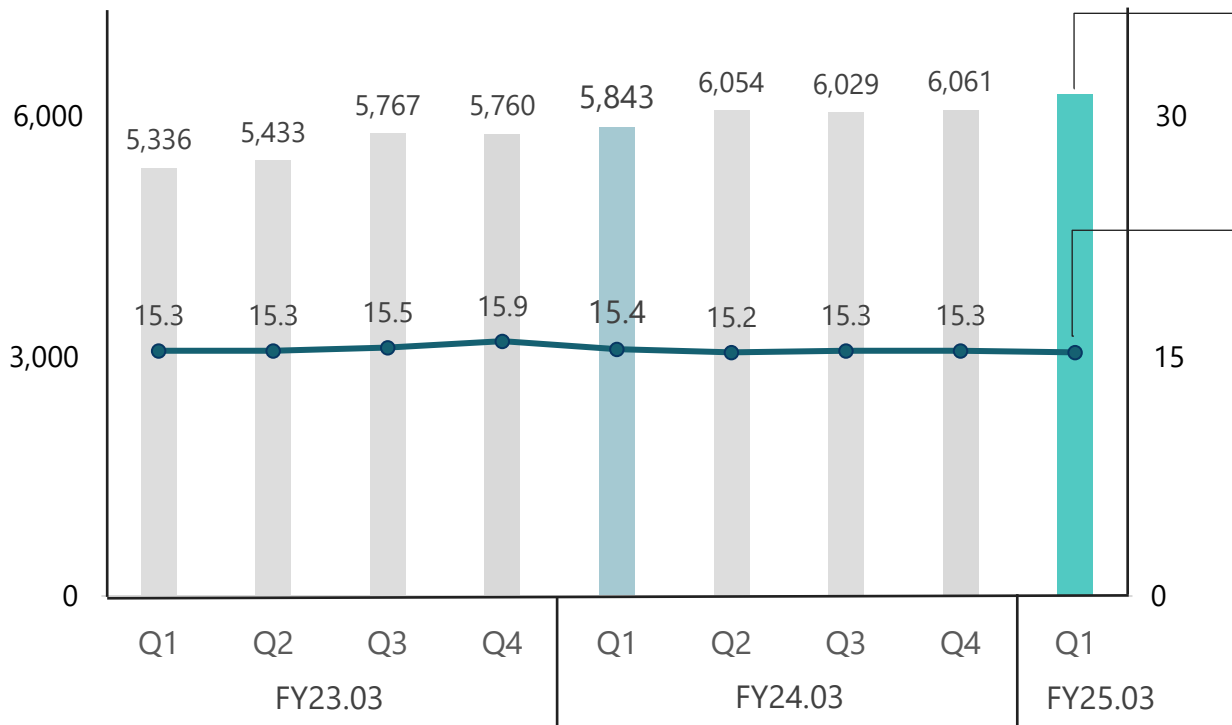
[June,2024]

\*1: Target markets [In-house research] 92,329 shops  
[Japan Automobile Service Promotion Association  
Total as of the end of March 2024]

\*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

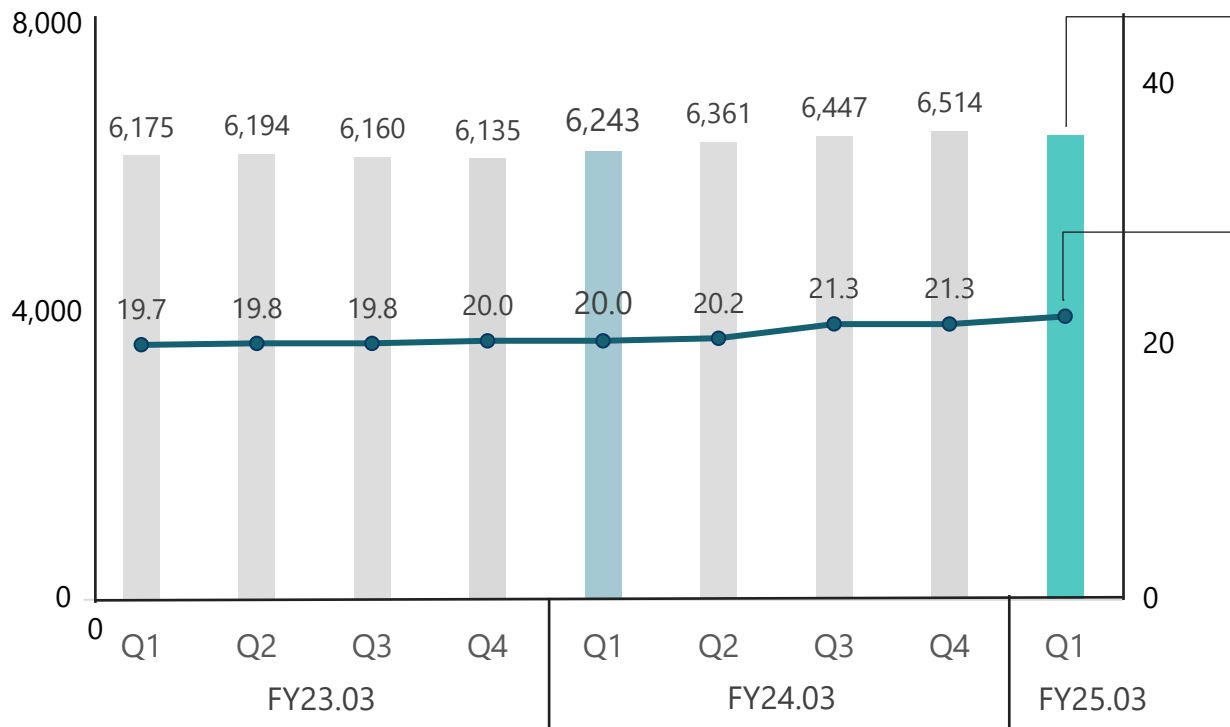
Platform  
[Services]

**DataLine**  
SalesGuide

Thanks to the system for cooperation with manufacturers, more clients adopted our optional products, and monthly revenue per client rose.

Number of dealers  
[unit: dealers]

ARPA/Month  
[unit: thousand yen]



## Number of dealers \*1

**6,457** dealers

[48.1% industry share]

YoY  
+3.4%

## ARPA/Month

JPY**21.9K**

YoY  
+9.6%

## Churn rate \*2

**0.1%**

[12-month average]

## MRR \*3

JPY**141**Mn

[June, 2024]

1: 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 Shimbun [As of March 2024]

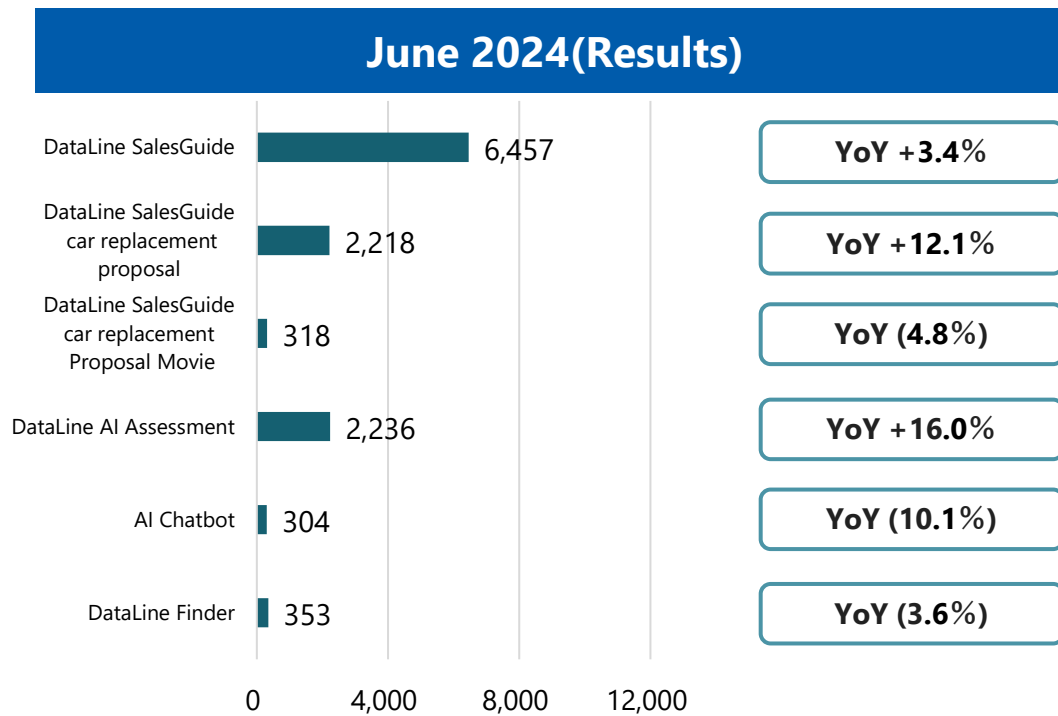
\*2: Churn rate is the value from April 2023 to March 2024.

\*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.

# Appendix

## —KPI・Results—

We fortified the system for cooperation with Japanese car manufacturers and importers, and received more orders for optional services.



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

# Q1/FY March 2025: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2024		As of June 30, 2024		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	44,539	66.9%	43,266	65.5%	(1,273)	97.1%
Non-Current Assets	22,065	33.1%	22,826	34.5%	761	103.4%
Current Liabilities	17,586	26.4%	16,492	25.0%	(1,093)	93.8%
Non-Current Liabilities	1,353	2.0%	1,329	2.0%	(24)	98.2%
Net Assets	47,664	71.6%	48,270	73.0%	605	101.3%
Total Assets	66,604	100.0%	66,092	100.0%	(512)	99.2%

[unit: million yen]	As of March 31, 2024		As of June 30, 2024		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	25,764	38.7%	24,935	37.7%	(828)	96.8%
Interest-bearing debt	4,910	7.4%	5,081	7.7%	170	103.5%
Net cash	20,853	31.3%	19,853	30.0%	(999)	95.2%



# Q1/FY March 2025: Consolidated Statements of Cash Flows

[unit: million yen]	Q1/FY March 2024	Q1/FY March 2025	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	897	1,193	295
Cash Flows from Investing Activities	(742)	(1,291)	(548)
Cash Flows from Financing Activities	(459)	(809)	(349)
Cash and Cash Equivalents at End of Term	23,228	24,580	1,351

[unit: million yen]	Q1/FY March 2024	Q1/FY March 2025	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets)	261	1,248	987
Depreciation	254	309	54
Amortization of Goodwill	54	56	1

# Consolidated Earnings (quarterly transition)

[unit: million yen]	FY2022 March,Q1	FY2022 March,Q2	FY2022 March,Q3	FY2022 March,Q4	FY2023 March,Q1	FY2023 March,Q2	FY2023 March,Q3	FY2023 March,Q4	FY2024 March,Q1	FY2024 March,Q2	FY2024 March,Q3	FY2024 March,Q4	FY2025 March,Q1
Net Sales	13,661	12,646	16,384	14,753	23,784	26,027	29,518	26,310	27,220	27,337	32,299	28,690	29,690
Gross Profit	6,233	5,752	6,603	6,037	6,709	6,554	7,688	6,991	7,317	6,850	7,772	6,824	7,591
EBITDA*	2,096	1,606	2,366	1,591	2,415	1,907	2,760	1,763	2,541	1,872	2,902	1,743	2,643
Operating Income	1,780	1,304	2,057	1,280	2,082	1,525	2,368	1,360	2,231	1,542	2,554	1,376	2,277
Ordinary Income	1,865	1,365	2,064	1,327	2,100	1,568	1,709	1,584	2,755	1,562	2,501	1,455	2,323
Net Income	2,281	1,341	1,426	830	1,398	1,002	1,089	933	1,808	1,027	1,716	918	1,595

SG&A Expenses	4,452	4,448	4,545	4,757	4,627	5,028	5,319	5,631	5,085	5,308	5,218	5,447	5,314
Employment Cost	1,797	1,647	1,682	1,722	1,808	1,828	1,913	1,906	1,942	1,936	1,977	2,018	2,067
Advertising Cost	989	1,421	1,206	1,535	1,132	1,409	1,396	1,690	1,315	1,493	1,203	1,469	1,325
Other Expenses	1,665	1,379	1,656	1,500	1,687	1,790	2,010	2,033	1,827	1,878	2,037	1,960	1,921

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

# Consolidated Earnings by Segment (quarterly transition)

[unit: million yen]		Q1/FY'23 March	Q2	Q3	Q4	Q1/FY'24 March	Q2	Q3	Q4	Q1/FY'25 March
Platform	Net sales	7,364	7,478	7,622	7,839	7,767	7,904	8,044	7,750	8,145
	Operating Income	2,328	2,038	2,243	1,956	2,430	2,125	2,529	1,831	2,502
Media	Net sales	5,925	6,043	6,137	6,325	6,309	6,352	6,452	6,556	6,565
	Operating Income	1,937	1,694	1,867	1,600	2,041	1,639	2,110	1,762	2,041
Services	Net sales	1,439	1,434	1,485	1,514	1,457	1,552	1,592	1,194	1,579
	Operating Income	390	343	375	355	389	486	419	68	460
Commerce	Net sales	15,233	16,888	19,870	16,555	17,316	17,658	22,077	18,477	19,382
	Operating Income	107	(52)	434	(72)	163	(0)	490	(30)	90
Sales of goods	Net sales	6,544	6,324	9,671	7,033	7,166	6,665	10,392	7,661	8,594
	Operating Income	79	(137)	352	(101)	62	(68)	419	(70)	32
Ticket sales	Net sales	8,688	10,564	10,198	9,522	10,150	10,992	11,685	10,816	10,788
	Operating Income	28	85	81	28	100	67	70	40	57
Other Business	Net sales	1,186	1,659	2,025	1,871	2,136	1,774	2,176	2,463	2,163
	Operating Income	123	38	237	(19)	137	(47)	82	130	229
Management Division	Operating Income	(477)	(498)	(546)	(503)	(499)	(535)	(549)	(555)	(544)
Total	Net sales	23,784	26,027	29,518	26,266	27,220	27,337	32,299	28,690	29,690
	Operating Income	2,082	1,525	2,368	1,360	2,231	1,542	2,554	1,376	2,277

# Appendix

## —business overview—

## 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.**

“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.

President Kenji Kamiya

神谷健司

# Transition of Net Sales and Operating Income

Net Sales  
[billion yen]

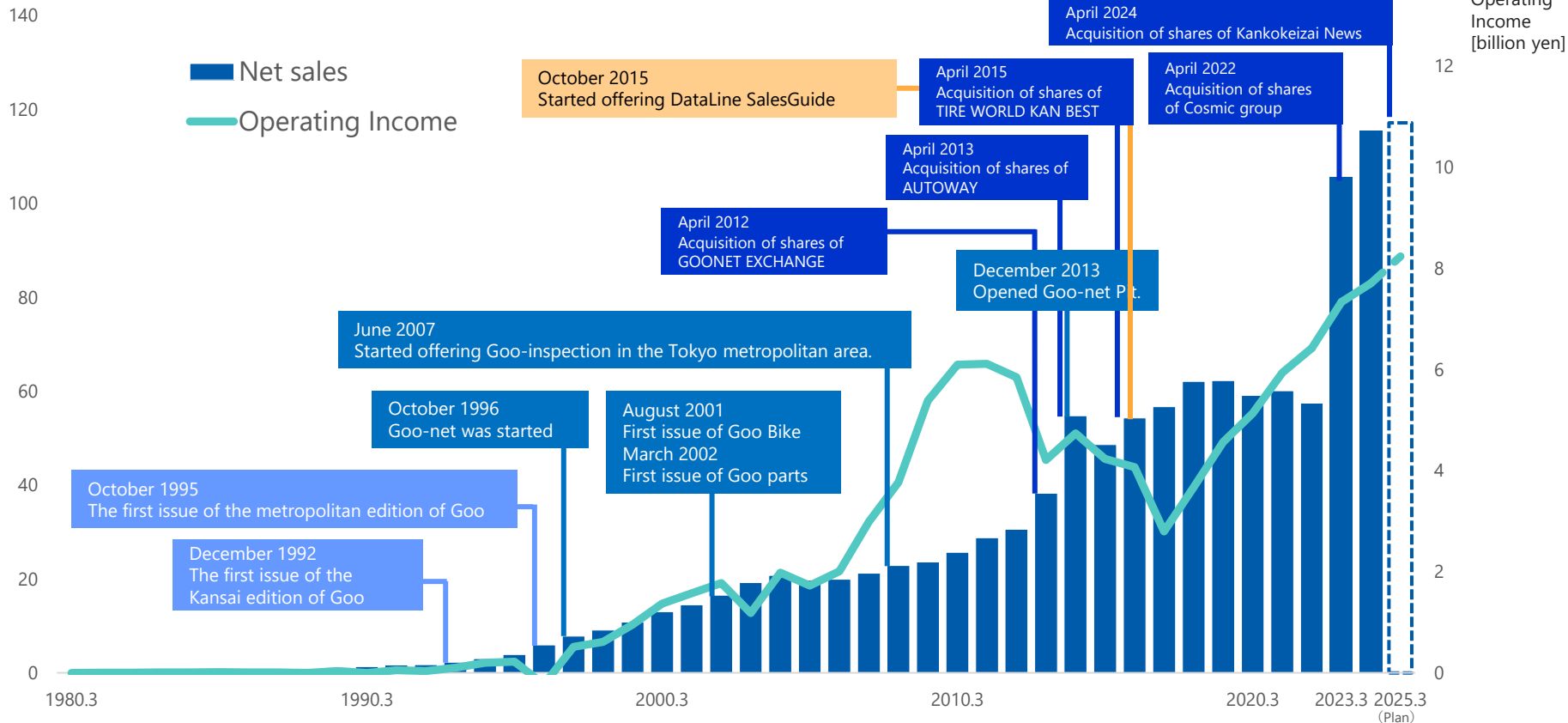
Nationwide expansion of Goo

Series development of Goo  
IT shift in services

Aggressive development of  
M&As

Selection and concentration  
of business portfolio

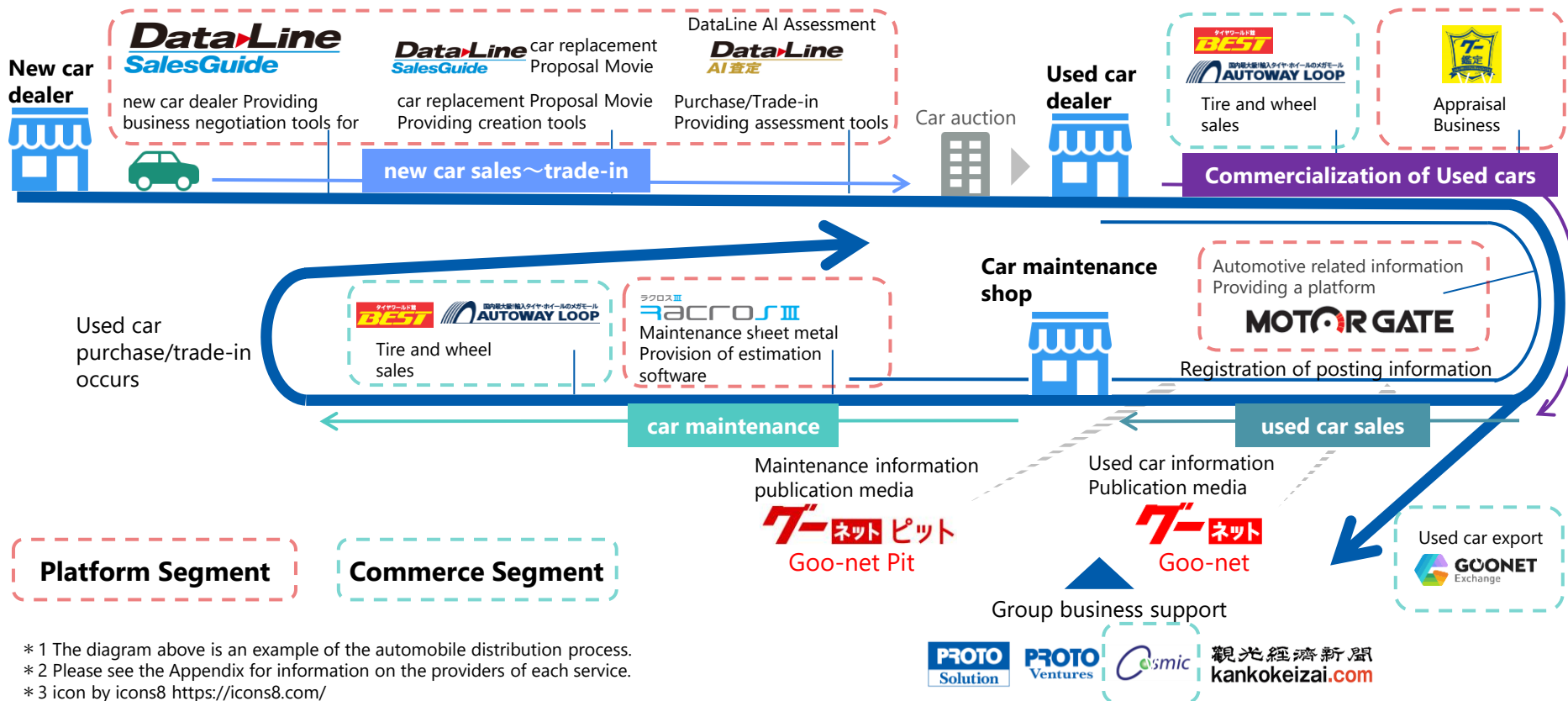
Promote data platform  
construction



\*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/>

# 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

**G-net**

Goo-net

used car search

**G-net** **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**



# Segment breakdown by major group companies

	Platform		Commerce		Other Business
	Media	Services	Sales of goods	Ticket sales	—
<b>PROTO</b>	Media: Used cars, Maintenance, Bike	New car negotiation tool	Sale of goods		Agriculture, real estate, food and beverages, Aquaculture/Others
<b>PROTO Solution</b>	Media: Used cars, Maintenance, Bike		Sale of goods		BPO
• <b>CAR CREDO</b>	Appraisal Business				
<b>PROTO RIOS</b>		Maintenance sheet metal software sales			
<b>AUTOWAY</b> 輸入タイヤ通販			Tire and wheel sales		Solar power generation
<b>BEST</b> タイヤワールド第			Tire and wheel sales		
<b>GOONET</b> Exchange	Alliance		Used car export		
<b>smic</b>				Ticket sales	
<b>PROTO Ventures</b>					Investment
<b>kankokeizai.com</b> 観光経済新聞					media business

July 2024 We acquired the shares of Yossyaa Komagane Co., LTD.

[Reason for acquisition of shares](#) We aim to increase agricultural products that can be developed as brands.

[Business description](#) Production and processing of strawberry (Sherbet, jam, and frozen strawberry) /Segment : Other Business

# 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, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto(36 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,523 (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	<div> 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. </div> <div> 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. CAR CREDO (Thailand) Co., Ltd.  18. Kankokeizai News Corporation  19. YOSSYAA KOMAGANE CO., LTD.  20. UB Datatech, Inc. (Affiliates accounted for by the equity method) </div>

(As of July 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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