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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 12, 2025

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 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
 Securities code: 4298
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 Scheduled date of annual general meeting of shareholders: June 30, 2025
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	121,325	4.9	8,610	9.1	8,780	4.2	4,912	(11.5)
March 31, 2024	115,631	9.8	7,894	11.0	8,427	26.1	5,552	32.5

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 4,882 million [(12.6) %]
 Fiscal year ended March 31, 2024: ¥ 5,589 million [39.0 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	121.91	-	10.2	12.9	7.1
March 31, 2024	137.96	-	12.4	13.3	6.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 2 million
 Fiscal year ended March 31, 2024: ¥ 2 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	69,908	50,180	71.0	1,232.16
March 31, 2024	66,156	47,244	70.9	1,164.80

(Reference) Equity: As of March 31, 2025: ¥ 49,667 million
 As of March 31, 2024: ¥ 46,896 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	6,381	(1,060)	(1,555)	29,264
March 31, 2024	4,399	(1,430)	(984)	25,485

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	17.50	-	25.00	42.50	1,713	30.8	3.8
March 31, 2025	-	25.00	-	0.00	25.00	1,010	20.5	2.1
Fiscal year ending								
March 31, 2026 (Forecast)	-	0.00	-	0.00	0.00		0.0	

(Note) The total amount of dividends includes the dividends on the shares of our company held in the trust accounts of the Employee Stock Ownership Plan (ESOP) (which amounted to 2 million yen in the fiscal year ended March 2025).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	-	-	-	-	-	-	-	-	-
Full year	-	-	-	-	-	-	-	-	-

* Notes:

(1) Significant changes in the scope of consolidation during the period:

Yes

Newly included: 2 (Company name: Kankokeizai News Corporation and YOSSYAA KOMAGANE CO., LTD.)

Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 41,925,300 shares

March 31, 2024: 41,925,300 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 1,615,894 shares

March 31, 2024: 1,663,807 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 40,296,104 shares

Fiscal Year ended March 31, 2024: 40,245,928 shares

(Note) Total number of issued shares at the end of the period includes the number of shares of our company owned by ESOP Trust (92,160 shares as of March 31, 2025). In addition, the number of treasury shares to be deducted when calculating the average number of shares outstanding during the period includes the number of shares of our company owned by ESOP Trust (93,468 in the nine months ended March 31, 2025).

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

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1. Business Performance Overview

(1) Business Performance Overview for the Current Term

① Business Performance Overview for the Current Term

In the current consolidated fiscal year, the Japanese economy showed a sign of gentle recovery, as wages and the employment situation kept improving although the growth of consumer spending was significantly sluggish due to the rise in commodity prices. On the other hand, as uncertainties are growing in the global economy due to the changes in national policies around the world, it is necessary to pay careful attention to the effects of geopolitical tensions and concerns over a recession on business.

Under such economic environment, the industry of automobile distributors, which are major clients of the PROTO Group, saw the number of new cars sold increasing from the previous year, as the number of new cars distributed improved. In addition, the number of used cars registered increased from the previous year, due to the growth of demand for discontinued models, etc.

Under such circumstances, the PROTO Group has been working to provide new products and services that contribute to DX in the mobility domain in the platform business by combining the company's master data, AI technology, and data based on the "Medium-Term Management Plan (FY 3/2023–FY 3/2025)" formulated in light of diversifying user needs and the future market environment. Furthermore, in the commerce business, we made efforts to increase our sales share by establishing our brand.

Accordingly, the sales in the consolidated fiscal year under review stood at 121,325 million yen (up 4.9% year on year). The primary factors in the sales growth are the healthy performance of the platform business, which is the mainstay, and the increase of export of used cars in the commerce business. Operating profit was 8,610 million yen (up 9.1% year on year) due to the steady expansion of products and services for DX in the platform business, and ordinary profit was 8,780 million yen (up 4.2% year on year) due to the above-mentioned sales growth, etc. Profit attributable to owners of parent was 4,912 million yen (down 11.5% year on year) due to the posting of expenses for special investigation, etc. ROE was 10.2%.

② Overview of each segment

The results of each business segment are as follows.

(Platform)

Aiming for the establishment of the No. 1 platform in the mobility industry, we strove to enhance our services contributing to DX of the mobility field alongside endeavoring to expand our market share in each business field and increase average spending per customer.

Regarding the “media” in the platform business, we made efforts to maximize the volume of content of “Goo-net” in the used car field, increase the number of affiliated maintenance shops by offering “MOTOR GATE,” a background system for “Goo-net,” and improving its functions, and support the management of used car dealers. We also strove to increase the number of shops using “Goo Inspection,” a service for appraising vehicles, and the number of appraised cars. In the car maintenance field, we engaged in the development of the network of affiliated maintenance shops by offering “MOTOR GATE PIT IN,” a system for managing cars to be repaired, and providing more clients with “Goo Failure Diagnosis,” a diagnosis service based on onboard diagnostics (OBD) devices.

Furthermore, regarding “services” in the platform business, we worked on expanding the sale of “DataLine SalesGuide,” a tool for negotiations concerning new cars, in the new car field, and of “RacroSIII,” an integration system for sheet metal in the car maintenance business, with regard to maintenance sheet metal software.

As a result, sales were 33,257 million yen (up 5.4% year on year). The primary factor in the sales growth is the healthy performance of “Goo Inspection” in the “media” of the platform business. Operating profit was 9,887 million yen (up 8.6% year on year) due to the above-mentioned growth in the platform business.

(Commerce)

Regarding “sales of goods” in the commerce business, we strove to increase opportunities for sale by pursuing synergy with our “Goo-net,” “Goo-net Pit,” “MOTOR GATE Shopping,” etc., while working on enhancing the sale of main brands of tires, wheels, etc. Regarding used car export, the number of cars exported to Malaysia, a major export destination, exceeded the forecast.

Moreover, with regard to “ticket sales” in the commerce business, we endeavored to extend opportunities for the sale of gift certificates, gift vouchers, etc. by providing our know-how for the Internet business.

As a result of the aforementioned, sales reached 78,824 million yen (up 4.4% year on year). The primary factor in the sales growth is the healthy export of used cars in the “sales of goods” in the commerce business. Operating profit stood at 534 million yen (down 14.2% year on year) as the ratio of costs augmented due to the rises in procurement costs of imported tires caused by the yen depreciation, the rise in distribution costs, etc.

(Other Business)

In the other businesses segment, sales were 9,242 million (up 8.1% year on year), and operating profit was 616 million (up 103.2% year on year), mainly due to the steady performance of business operations of okinawa basketball inc.

(2) Financial Standing Overview for the Current Term

Total assets at the end of the consolidated fiscal year under review were 69,908 million yen, up 3,751 million yen from the end of the previous consolidated fiscal year. The situation concerning assets, liabilities and net assets is as described below.

i . Assets

Current assets increased 4,473 million yen from the end of the previous fiscal year to 48,945 million yen, as the products of TIRE WORLD KAN BEST CO., LTD. decreased, but cash & deposits grew thanks to the increase in sales of our company. Fixed assets decreased 721 million yen from the end of the previous fiscal year to 20,962 million yen, due to the decrease in investment securities in PROTO Ventures 2 Investment Limited Partnership, etc.

ii . Liabilities

Current liabilities were 18,409 million yen, up 852 million yen from the end of the previous consolidated fiscal year due to the increase in short-term borrowings of AUTOWAY Co., Ltd., etc. Fixed liabilities were 1,318 million yen, down 36 million yen from the end of the previous consolidated fiscal year due to the decrease in long-term borrowings of AUTOWAY Co., Ltd., etc.

iii . Net assets

Net assets stood at 50,180 million yen, up 2,935 million yen from the end of the previous consolidated fiscal year due to recording profit attributable to owners of parent of 4,912 million yen, etc., despite a payment of dividends from surplus of 2,019 million yen.

(3) Cash Flows Overview for the Current Term

Cash and cash equivalents in the consolidated fiscal year under review reached 29,264 million yen, up 3,778 million yen from the end of the previous consolidated fiscal year. Major causes of the augmentation of cash and cash equivalents are as follows.

i . Cash flow from operating activities

There was a cash inflow from operating activities of 6,381 million yen, up 1,981 million yen year on year. This is mainly because inventories declined 1,559 million yen and notes and accounts receivable-trade decreased 830 million yen.

ii . Cash flow from investment activities

There was a cash outflow from investment activities of 1,060 million yen, down 370 million yen year on year. This is mainly because the proceeds from sale of investment securities rose 599 million yen and the proceeds from redemption of investment securities increased 500 million yen.

iii . Cash flow from financial activities

Regarding cash flows from financing activities, there was a cash outflow of 1,555 million yen, up 571 million yen year on year. This is mainly because the dividends paid grew 611 million yen.

(For Reference) Changes in indices related to cash flows

	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2025
Equity ratio (%)	72.4	73.7	70.8	70.9	71.0
Market value-based equity ratio (%)	95.4	76.4	78.8	87.2	120.5
Ratio of interest-bearing liabilities to cash flow (years)	0.5	0.7	1.1	1.1	0.9
Interest coverage ratio (times)	533.5	438.3	251.5	403.1	216.4

Equity ratio : equity/total assets

Market value-based equity ratio : market capitalization/total assets

Ratio of interest-bearing liabilities to cash flow : interest-bearing liabilities/cash flow

Interest coverage ratio : cash flow/interest payments

(Notes) 1 All indices were calculated using the consolidated financial data.

2 Market capitalization was calculated as the share price at the end of the period multiplied by the number of shares outstanding (excluding treasury stock).

3 Cash flow from operating activities” and “amount of interest payments” recorded on the consolidated statement of cash flows have been used for cash flow and interest payments.

4 Interest-bearing liabilities include all liabilities where interests have been paid out of liabilities recorded on the consolidated balance sheet.

(4) Future outlook

The external environment surrounding the Company Group is changing significantly due to the following factors, among others: diversification of car user needs and lifestyles; MaaS (Note); car sharing; development of automated driving technology and electric vehicles; mutual entry among used car distributors, maintenance shops, new car dealers, and gasoline stations; and entry by major IT companies into the mobility-related industry in sync with the development of information technologies.

In addition, the volume of used cars on the market is declining along with the decline in the number of new cars sold due to the suspension of production plants, resulting from the global shortage of semiconductors and the COVID-19 pandemic, and the number of overall sales of cars is declining commensurately with the population decline. Taking this trend into account, it is expected that the volume of cars handled by used car distributors, maintenance shops, and new car dealers will also decline; thus, the Company Group recognizes that it is necessary to establish a robust business structure that can respond quickly to changes in the market environment.

We believe that in order for the Company Group to further develop over the medium to long term, to improve its corporate value, and to make efforts to create a sound material-cycle society, the Company Group must develop a management system by which it can implement the measures stated in (a) Expansion of volume base charging model in mobility sector and (b) Pursuit of economic and social value through further expansion of platform business. We believe that the Company Group must, instead of only pursuing short-term performance and high share prices, promptly implement these measures through prompt and flexible management decisions and agile allocation of management resources.

Through these initiatives, the Company believes it will be able to develop the platform business not only in the mobility business but also in a wide range of business sectors, and to evolve into a company that is at the forefront of the sound material-cycle business model, which is an issue for all industries. The expansion of these business sectors will lead to the realization of the Company's corporate goal of becoming a "changing company" that creates new value in society by venturing into new business sectors without being bound by previous ideas or frameworks; they also believe that this will lead to the creation of not only financial value but also social value through its management philosophy: "Change challenges into future power and contribute to society through dreams, emotions, and joy!."

(Note) MaaS is an abbreviation of "Mobility as a Service"; it is a type of service that conducts searches, reservations, settlements, etc. simultaneously by matching a number of public or other transportation services in an optimal way, in response to the transfer needs of local residents or travelers during individual transfers/trips. It will be an important tool that makes transfers more convenient and that resolves local issues with services other than transportation services, such as sightseeing services and medical services, at the relevant destinations.

2. Basic Principle of Selecting Accounting Standard

The PROTO Group intends to develop consolidated financial statements based on the Japanese standard for the time being, in consideration for the financial statements' comparability between periods and comparability between companies.

Appropriate actions will be taken to apply IFRS in the future based on careful consideration of various domestic and international situations

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	25,764	29,641
Notes receivable - trade	311	223
Accounts receivable - trade	6,016	6,525
Inventories	9,134	9,046
Other	3,254	3,517
Allowance for doubtful accounts	(7)	(7)
Total current assets	44,472	48,945
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,497	5,351
Land	5,590	5,730
Other, net	911	1,257
Total property, plant and equipment	12,000	12,339
Intangible assets		
Goodwill	2,146	2,065
Other	2,256	2,444
Total intangible assets	4,402	4,510
Investments and other assets		
Investment securities	2,686	1,306
Deferred tax assets	638	768
Other	2,175	2,296
Allowance for doubtful accounts	(218)	(258)
Total investments and other assets	5,280	4,112
Total non-current assets	21,684	20,962
Total assets	66,156	69,908

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,728	1,686
Electronically recorded obligations - operating	1,999	1,894
Short-term borrowings	4,300	5,000
Current portion of long-term borrowings	74	70
Accrued expenses	2,636	2,702
Income taxes payable	1,645	1,550
Contract liabilities	2,428	2,865
Provision for bonuses	238	269
Provision for share awards	22	-
Provision for merchandise warranties	14	12
Other	2,468	2,357
Total current liabilities	17,557	18,409
Non-current liabilities		
Long-term borrowings	358	287
Provision for retirement benefits for directors (and other officers)	276	293
Retirement benefit liability	158	180
Asset retirement obligations	352	356
Other	208	199
Total non-current liabilities	1,354	1,318
Total liabilities	18,911	19,728
Net assets		
Shareholders' equity		
Share capital	1,849	1,849
Capital surplus	2,149	2,172
Retained earnings	43,783	46,676
Treasury shares	(1,290)	(1,243)
Total shareholders' equity	46,491	49,454
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	428	258
Foreign currency translation adjustment	(23)	(45)
Total accumulated other comprehensive income	405	212
Non-controlling interests	348	512
Total net assets	47,244	50,180
Total liabilities and net assets	66,156	69,908

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	115,631	121,325
Cost of sales	86,538	90,620
Gross profit	29,093	30,704
Selling, general and administrative expenses	21,198	22,093
Operating profit	7,894	8,610
Non-operating income		
Interest and dividend income	12	26
Share of profit of entities accounted for using equity method	2	2
Foreign exchange gains	161	84
Gain on valuation of derivatives	366	-
Insurance claim income	-	25
Other	126	103
Total non-operating income	668	242
Non-operating expenses		
Interest expenses	10	29
Loss on investments in investment partnerships	42	4
Loss on valuation of derivatives	-	5
Provision of allowance for doubtful accounts	37	-
Donations	11	10
Other	33	22
Total non-operating expenses	136	72
Ordinary profit	8,427	8,780
Extraordinary income		
Gain on sale of non-current assets	8	2
Gain on sale of investment securities	-	164
Total extraordinary income	8	166
Extraordinary losses		
Loss on sale and retirement of non-current assets	30	11
Impairment losses	-	53
Loss on valuation of investment securities	99	579
Settlement payments	-	150
Special investigation expenses	-	368
Cancellation penalty	103	-
Other	-	6
Total extraordinary losses	233	1,169
Profit before income taxes	8,201	7,777
Income taxes - current	2,803	2,684
Income taxes - deferred	(171)	18
Total income taxes	2,632	2,702
Profit	5,569	5,074
Profit attributable to non-controlling interests	17	162
Profit attributable to owners of parent	5,552	4,912

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	5,569	5,074
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(170)
Foreign currency translation adjustment	(11)	(21)
Total other comprehensive income	19	(192)
Comprehensive income	5,589	4,882
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,571	4,720
Comprehensive income attributable to non-controlling interests	17	162

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,849	2,070	39,639	(1,260)	42,298
Changes during period					
Dividends of surplus			(1,408)		(1,408)
Profit attributable to owners of parent			5,552		5,552
Purchase of treasury shares				(141)	(141)
Disposal of treasury shares		79		111	190
Net changes in items other than shareholders' equity					
Total changes during period	-	79	4,143	(30)	4,192
Balance at end of period	1,849	2,149	43,783	(1,290)	46,491

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	396	(11)	385	330	43,015
Changes during period					
Dividends of surplus					(1,408)
Profit attributable to owners of parent					5,552
Purchase of treasury shares					(141)
Disposal of treasury shares					190
Net changes in items other than shareholders' equity	31	(11)	19	17	36
Total changes during period	31	(11)	19	17	4,229
Balance at end of period	428	(23)	405	348	47,244

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,849	2,149	43,783	(1,290)	46,491
Changes during period					
Dividends of surplus			(2,019)		(2,019)
Profit attributable to owners of parent			4,912		4,912
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		23		47	71
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	22	2,893	47	2,963
Balance at end of period	1,849	2,172	46,676	(1,243)	49,454

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	428	(23)	405	348	47,244
Changes during period					
Dividends of surplus					(2,019)
Profit attributable to owners of parent					4,912
Purchase of treasury shares					(0)
Disposal of treasury shares					71
Change in ownership interest of parent due to transactions with non-controlling interests					(0)
Net changes in items other than shareholders' equity	(170)	(21)	(192)	164	(27)
Total changes during period	(170)	(21)	(192)	164	2,935
Balance at end of period	258	(45)	212	512	50,180

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	8,201	7,777
Depreciation	1,136	1,336
Impairment losses	-	53
Amortization of goodwill	219	228
Increase (decrease) in contract liabilities	36	431
Increase (decrease) in allowance for doubtful accounts	(12)	40
Increase (decrease) in provision for bonuses	27	31
Increase (decrease) in provision for share awards	22	-
Increase (decrease) in provision for merchandise warranties	(1)	(1)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	19	17
Increase (decrease) in retirement benefit liability	22	21
Loss (gain) on valuation of investment securities	99	579
Interest and dividend income	(12)	(26)
Interest expenses	10	29
Foreign exchange losses (gains)	(0)	0
Share of loss (gain) of entities accounted for using equity method	(2)	(2)
Loss (gain) on investments in investment partnerships	42	4
Loss (gain) on valuation of derivatives	(366)	5
Loss (gain) on sale and retirement of non-current assets	21	9
Decrease (increase) in trade receivables	(1,365)	(534)
Decrease (increase) in inventories	(1,464)	94
Increase (decrease) in trade payables	578	(150)
Loss (gain) on sale of investment securities	-	(157)
Increase (decrease) in accrued expenses	33	16
Other, net	(513)	(571)
Subtotal	6,735	9,232
Interest and dividends received	11	26
Interest paid	(10)	(29)
Income taxes refund (paid)	(2,336)	(2,847)
Net cash provided by (used in) operating activities	4,399	6,381

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(32)	(34)
Purchase of property, plant and equipment	(465)	(1,020)
Proceeds from sale of property, plant and equipment	12	3
Purchase of intangible assets	(484)	(424)
Purchase of long-term prepaid expenses	(7)	(106)
Purchase of investment securities	(427)	(500)
Proceeds from sale of investment securities	-	599
Payments for investments in capital	(55)	(152)
Proceeds from share of profits on investments in capital	16	124
Proceeds from redemption of investment securities	-	500
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(48)
Other, net	13	(1)
Net cash provided by (used in) investing activities	(1,430)	(1,060)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	700	674
Repayments of long-term borrowings	(219)	(189)
Dividends paid	(1,407)	(2,019)
Purchase of treasury shares	(141)	(0)
Proceeds from disposal of treasury shares	141	31
Repayments of lease liabilities	(56)	(49)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(2)
Net cash provided by (used in) financing activities	(984)	(1,555)
Effect of exchange rate change on cash and cash equivalents	7	12
Net increase (decrease) in cash and cash equivalents	1,991	3,778
Cash and cash equivalents at beginning of period	23,494	25,485
Cash and cash equivalents at end of period	25,485	29,264

(5) Notes about consolidated financial statements

(Notes on the premise of a going concern)

No applicable.

(Notes about the case where shareholders' equity changes considerably)

Based on the resolution at the meeting of the board of directors held on July 12, 2024, our company retired 33,600 treasury shares as restricted stock compensation on August 9, 2024. As a result, capital surplus increased 23 million yen and equity capital decreased 24 million yen in the consolidated fiscal year, and capital surplus stood at 2,172 million yen and equity capital was 1,243 million yen as of the end of the consolidated fiscal year under review.

(Basic items used for producing consolidated financial statements)

1 Items about the scope of consolidation

All subsidiaries are included in the scope of consolidation.

No. of consolidated subsidiaries: 19

COSMIC RYUTSUU SANGYO CO., LTD.

AUTOWAY Co., Ltd.

PROTO SOLUTION Co., Ltd.

TIRE WORLD KAN BEST CO., LTD.

GOONET EXCHANGE

CAR CREDO Co., Ltd.

PROTO RIOS INC.

PROTO Ventures

11 other companies

In the current consolidated fiscal year, shares of Kankokeizai News Corporation and all shares of YOSSYAA KOMAGANE CO., LTD. were acquired, including both companies in the scope of consolidation.

2 Items about the application of the equity method

(1) No. of affiliated companies to which the equity method is applied: 1

UB Datatech, Inc.

3 Items about the fiscal years, etc. of consolidated subsidiaries

The account closing date of okinawa basketball inc., which is a consolidated subsidiary, is June 30. For producing consolidated financial statements, we used the financial statements based on the provisional settlement of accounts conducted on the consolidated account closing date.

The account closing date of CAR CREDO (Thailand) Co., Ltd. is December 31. For producing consolidated financial statements, we used the financial statements as of said date, and for important transactions during the period from said date to the consolidated account closing date, we conducted necessary adjustments for consolidated financial statements.

4 Items about the accounting policy

(1) Standards and methods for evaluating important assets

① Securities

Other securities

a Items other than shares, etc. that have no market price

Market value method based on the market prices, etc. as of the last day of the accounting period (Evaluation difference is reported as a component of shareholders' equity, while cost of products sold is calculated with the moving-average method)

b Shares, etc. that have no market price

Cost accounting with the moving-average method

Investment amount

a Investments, etc. with no market price

Cost accounting with the moving-average method

b Investments in investment limited partnerships or the like (deemed as securities in accordance with Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

Method of including the net amount of equity with reference to the latest financial statements available with respect to the financial results reporting date specified in the partnership contract

② Inventory assets

The assets were evaluated with the cost method (writing down the book value to reflect the decline in profitability).

a Merchandise

The specified identification method and the moving-average method

b Finished goods

The specific identification method

c Goods in process

The specific identification method

d Raw materials

The specific identification method

e Stored goods

The last cost method

③ Derivatives

The market value method

(2) Methods for depreciation of important depreciable assets

① Tangible fixed assets (excluding leased assets)

Buildings (excluding accompanying facilities)

a Those acquired on or before March 31, 1998

Former declining-balance method

b Those acquired from April 1, 1998 to March 31, 2007

Former straight-line method

c Those acquired on or after April 1, 2007

Straight-line method

Assets other than buildings

a Those acquired on or before March 31, 2007

Former declining-balance method

b Those acquired on or after April 1, 2007

Declining-balance method

However, the straight-line method was applied to equipment attached to buildings and structures acquired on or after April 1, 2016.

The service lives of major assets are as follows.

Buildings and structures	6-50 years
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Petty sum depreciable assets acquired in the price range from 100,000 yen to 199,999 yen are depreciated equally for 3 years.

② Intangible fixed assets (excluding leased assets)

The software used in house is amortized on a straight-line basis under the assumption that the in-house usable period is 5 years. The software for sale in the market is amortized by posting the amortization based on the forecast sales quantity or the equally divided amount based on the remaining usable period (within 3 years), whichever is larger.

③ Leased assets

Leased assets for financing lease transactions without the transfer of ownership

The straight-line method with the lease period of an asset being the service life of said asset and residual value being zero.

(3) Standards for posting important allowances

① Allowance for doubtful accounts

In preparation for losses due to bad debts, uncollectible amounts were estimated with loan loss ratio for general accounts receivable and individually for specific receivables, such as doubtful accounts receivable.

② Provision for bonuses

For some consolidated subsidiaries, the estimated expenses for bonuses for employees in the consolidated fiscal year under review were posted.

③ Provision for share-based remuneration

In order to prepare for providing employees with shares of our company or money in accordance with the regulations for share issuance, we have estimated and recorded a necessary amount for the end of the consolidated fiscal year under review. We calculated the necessary amount by multiplying the total quantity of reward points given to the employees according to the level of our corporate performance and each employee's individual business achievements by the share price at the time of the acquisition of the shares of our company via the ESOP.

④ Provision for product warranties

In preparation for the expenditure for replacement of recalled products of AUTOWAY Co., Ltd., refunds on them, etc., estimated expenses were posted.

⑤ Provision for executives' retirement benefits

In preparation for the expenditure for retirement benefits for executives, the payments at the end of the consolidated fiscal year were posted in accordance with our internal regulations.

(4) Accounting method for retirement benefits

For some consolidated subsidiaries, liabilities and expenses for retirement benefits are calculated with a simplified method in which the year-end payments of voluntary retirement benefits are handled as retirement benefit obligations.

(5) Standards for converting important foreign-currency-denominated assets or liabilities into yen-denominated ones

Foreign-currency-denominated receivables and payables are converted into yen-denominated ones with spot exchange rates on the consolidated account closing date, and translation adjustments are posted as profits or losses. The assets and liabilities of subsidiaries, etc. outside Japan are converted into yen-denominated ones with spot exchange rates on the account closing date of each company, and their revenues and expenses are converted into yen-denominated ones with the average exchange rates during the fiscal year, and translation adjustments are included in the section of net assets.

(6) Goodwill amortization method and period

The period in which investment effects are exerted is estimated reasonably, and goodwill is amortized equally for the reasonable period, which is not longer than 20 years.

(7) Range of funds in consolidated cash flow statements

The funds (cash and cash equivalents) in our consolidated cash flow statements include cash on hand, demand deposits, and short-term investments that can be easily converted into cash, has a minor risk of value change, and will mature in 3 months after the date of acquisition.

(8) Standards for posting important revenues and expenses

The PROTO Group recognizes revenues through the following five steps.

Step 1: To identify contracts with customers

Step 2: To identify performance obligations specified in contracts

Step 3: To calculate transaction prices

Step 4: To allocate transaction prices to the performance obligations specified in contracts

Step 5: To recognize revenues when the performance obligations are fulfilled

The major performance obligations in the primary business regarding the revenues arising out of contracts with the customers of the PROTO Group and the timing of fulfillment of said performance obligations (timing of revenue recognition) are as follows.

①Media

By providing consumers with merchandise inventory data owned by used car dealers, etc., which are our clients, through our media for distributing information, we expand opportunities to sell products to clients and collect service usage fees. Our company has the obligation to offer services during the period specified by each contract. Said performance obligation is fulfilled as time passes, and monthly fees specified by each contract are recognized as revenues.

②Services

By providing clients with mainly marketing support tools for new car dealers, we collect service usage fees from the clients. Our company has the obligation to offer services during the period specified by each contract. Said performance obligation is fulfilled as time passes, and monthly fees specified by each contract are recognized as revenues.

③Sales of goods

We sell tires, wheels, etc. mainly through the Internet site operated by the PROTO Group or directly managed stores, and recognize revenues when products are shipped to customers.

Regarding the sale of products for which our company or consolidated subsidiary is considered as a sales agency, we recognize the net amount calculated by deducting the payments to the other party from the amounts received in exchange for the products supplied by the other party as revenue.

④Ticket sales

We sell product coupons, gift certificates, etc. mainly through the Internet site operated by the PROTO Group or directly managed stores, and recognize revenues when products are shipped or delivered to customers.

(Segment information, etc.)

(Segment information)

1 Outline of segments to be reported

The segments to be reported for the PROTO Group can acquire separate financial information for individual components of the PROTO Group, and is the target of periodic evaluations so that the board of directors can determine allocation of management resources and evaluate results.

The PROTO Group designated “Platform,” and “Commerce,” as segments to be reported. The major items included in each segment are as follows.

Segment to be reported	Major items, etc.
Platform	Car information media “Goo-net” Car information magazine “Goo”, Imported car information magazine “Goo World” Website specializing in car maintenance “Goo-net Pit” General media on motorcycles “Goo Bike” Information magazine on auction prices of used cars “Auction Information” Platform for supporting new car dealers in management “DataLine” “Monthly Body Shop Report,” and the system for estimating the fees for sheet-metal working and coating “MorenonIII” General sheet-metal working system for the car maintenance industry “RacroSIH” Real estate information website “Goo Home” Automobile appraisal business
Commerce	Sale of tires, wheels, etc. Used car export business Sale of tickets

2 Methods for calculating the sales, profit/loss, assets, liabilities, and other items in each segment to be reported

The accounting method for the reported business segments is almost the same as the one described in “Important items for producing consolidated financial statements.”

3 Information on the amounts of sales, profit/loss, assets, and other items, and the breakdown of revenues

For the fiscal year ended March 31, 2024

(Millions of yen)

	Segment to be reported			Other Business (Note)1	Total	Adjustment (Note)2	Amount posted in the consolidated statements of income (Note)3
	Platform	Commerce	Total				
Net sales							
Media	25,449	—	25,449	—	25,449	—	25,449
Services	6,101	—	6,101	—	6,101	—	6,101
Sales of goods	—	31,885	31,885	—	31,885	—	31,885
Ticket sales	—	43,644	43,644	—	43,644	—	43,644
Other Business	—	—	—	8,388	8,388	—	8,388
Revenue arising out of contracts with customers	31,551	75,529	107,081	8,388	115,469	—	115,469
Other revenues (Note)4	—	—	—	162	162	—	162
Sales to external customers	31,551	75,529	107,081	8,550	115,631	—	115,631
Internal sales or transfer between segments	80	3	84	2,061	2,146	(2,146)	—
Total	31,632	75,533	107,165	10,612	117,778	(2,146)	115,631
Segment profit	9,107	623	9,731	303	10,034	(2,140)	7,894
Segment assets	12,687	24,029	36,716	11,469	48,186	17,970	66,156
Other items							
Depreciation	450	428	879	193	1,073	63	1,136
Goodwill amortization	—	74	74	145	219	—	219
Increases in tangible and intangible fixed assets	322	468	791	161	953	7	960

(Notes) 1 The details of the adjustment are as follows.

- (1) The “Other Business” category encompasses business segments which are not included in reported segments, mainly the BPO (Business Process Outsourcing) Business.
- (2) The adjustment of segment profit includes (38) million yen due to the exclusion of transactions between segments and (2,101) million yen due to group-wide expenses, which are composed of mainly general administrative expenses not attributable to the segments to be reported.
- (3) The adjustment of segment assets 17,970 million yen is group-wide assets not allocated to the segments to be reported. Group-wide assets are composed of mainly the surplus funds (cash and deposits), long-term investment funds (investment securities and investments), etc. of the parent company.
- (4) The adjustment of the increases in tangible and intangible fixed assets 7 million yen is the capital expenditure for land, etc. not allocated to the segments to be reported.

2 Segment profit was adjusted with the operating profit in the consolidated profit-and-loss statement.

3 Other revenues mean the revenues from rental, etc. based on the “accounting standards for lease transactions” (Corporate Accounting Standard No. 13).

For the fiscal year ended March 31, 2025

(Millions of yen)

	Segment to be reported			Other Business (Note)1	Total	Adjustment (Note)2	Amount posted in the consolidated statements of income (Note)3
	Platform	Commerce	Total				
Net sales							
Media	26,779	—	26,779	—	26,779	—	26,779
Services	6,478	—	6,478	—	6,478	—	6,478
Sales of goods	—	37,300	37,300	—	37,300	—	37,300
Ticket sales	—	41,523	41,523	—	41,523	—	41,523
Other Business	—	—	—	9,077	9,077	—	9,077
Revenue arising out of contracts with customers	33,257	78,824	112,082	9,077	121,160	—	121,160
Other revenues (Note)4	—	—	—	164	164	—	164
Sales to external customers	33,257	78,824	112,082	9,242	121,325	—	121,325
Internal sales or transfer between segments	75	9	85	2,106	2,191	(2,191)	—
Total	33,333	78,834	112,167	11,348	123,516	(2,191)	121,325
Segment profit	9,887	534	10,421	616	11,038	(2,427)	8,610
Segment assets	12,929	25,019	37,948	12,753	50,701	19,206	69,908
Other items							
Depreciation	551	495	1,046	233	1,280	56	1,336
Goodwill amortization	—	74	74	154	228	—	228
Increases in tangible and intangible fixed assets	842	684	1,527	546	2,073	10	2,083

(Notes) 1 The details of the adjustment are as follows.

- (1) The “Other” category encompasses business segments which are not included in reported segments, mainly the BPO (Business Process Outsourcing) Business.
- (2) The adjustment of segment profit includes (37) million yen due to the exclusion of transactions between segments and (2,390) million yen due to group-wide expenses, which are composed of mainly general administrative expenses not attributable to the segments to be reported.
- (3) The adjustment of segment assets 19,206 million yen is group-wide assets not allocated to the segments to be reported. Group-wide assets are composed of mainly the surplus funds (cash and deposits), long-term investment funds (investment securities and investments), etc. of the parent company.
- (4) The adjustment of the increases in tangible and intangible fixed assets 10 million yen is the capital expenditure for land, etc. not allocated to the segments to be reported.

2 Segment profit was adjusted with the operating profit in the consolidated profit-and-loss statement.

3 Other revenues mean the revenues from rental, etc. based on the “accounting standards for lease transactions” (Corporate Accounting Standard No. 13).

(Related information)

For the fiscal year ended March 31, 2024

1 Information on each of our products and services

Omitted, because this information has been disclosed as segment information.

2 Regional information

(1) Net sales

Omitted, because the sales to external clients in Japan exceed 90% of sales in the consolidated profit-and-loss statement.

(2) Tangible fixed assets

Omitted, because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3 Information on each major client

Not included, because no external clients accounted for 10% or more of sales in the consolidated profit-and-loss statement.

For the fiscal year ended March 31, 2025

1 Information on each of our products and services

Omitted, because this information has been disclosed as segment information.

2 Regional information

(1) Net sales

Omitted, because the sales to external clients in Japan exceed 90% of sales in the consolidated profit-and-loss statement.

(2) Tangible fixed assets

Omitted, because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3 Information on each major client

Not included, because no external clients accounted for 10% or more of sales in the consolidated profit-and-loss statement

(Information on the impairment loss of fixed assets in each segment to be reported)

For the fiscal year ended March 31, 2024

No applicable.

For the fiscal year ended March 31, 2025

Omitted due to lack of significance.

(Information on the goodwill amortization and unamortized balance in each segment to be reported)

For the fiscal year ended March 31, 2024

(Millions of yen)

	Segment to be reported			Other Business (Note)	Adjustment	Total
	Platform	Commerce	Total			
Amortized amount	—	74	74	145	—	219
Balance at the end of the fiscal year	—	945	945	1,200	—	2,146

(Notes) The amount of “Other Business” is related to the business of operating a basketball team.

For the fiscal year ended March 31, 2025

(Millions of yen)

	Segment to be reported			Other Business (Note)1,2	Adjustment	Total
	Platform	Commerce	Total			
Amortized amount	—	74	74	154	—	228
Balance at the end of the fiscal year	—	871	871	1,194	—	2,065

(Notes)1 The amount of “Other Business” is related to the business of operating a basketball team.

(Notes)2 With regard to the “Other Business” segment, we acquired shares of Kankokeizai News Corporation and all shares of YOSSYAA KOMAGANE CO., LTD., turning both companies into consolidated subsidiaries, during the current consolidated accounting period. Goodwill increased 147 million yen as a result of this event.

(Information on gain from negative goodwill in each segment to be reported)

For the fiscal year ended March 31, 2024

No applicable.

For the fiscal year ended March 31, 2025

No applicable.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	1,164.80 yen	1,232.16 yen
Net income per share	137.96 yen	121.91 yen

(Notes) 1 Diluted net income per share is not mentioned, because there are no dilutive shares.

2 The shares of our company that remain in the ESOP Trust and have been recorded as treasury shares under the section of shareholders' equity are included in the treasury shares that are deducted in the calculation of the average number of shares during the fiscal year for calculating net income per share, and are included in the treasury shares that are deducted from the total number of shares outstanding at the end of the fiscal year for calculating net assets per share. The average number of said treasury shares deducted when calculating net income per share in the fiscal year was 110,000 in the previous fiscal year and 93,468 in the fiscal year under review. The number of said treasury shares deducted when calculating net income per share as of the end of the fiscal year is 110,000 in the previous fiscal year and 92,160 in the fiscal year under review.

3 The basis for calculating net income per share is as follows.

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent	(Millions of yen)	5,552	4,912
Amount not attributable to common shareholders	(Millions of yen)	—	—
Profit attributable to owners of parent associated with common shares	(Millions of yen)	5,552	4,912
Average number of common shares during the fiscal year	(Thousand shares)	40,245	40,296

4 The basis for calculating net assets per share is as follows.

		End of the fiscal year ended March 31, 2024	End of the fiscal year ended March 31, 2025
Total amount in the section of net assets	(Millions of yen)	47,244	50,180
Deduction from the total amount in the section of net assets	(Millions of yen)	348	512
(non-controlling shareholders' equity)	(Millions of yen)	(348)	(512)
Net assets on common shares at the end of the fiscal year	(Millions of yen)	46,896	49,667
No. of outstanding common shares	(Thousand shares)	41,925	41,925
No. of common shares for treasury	(Thousand shares)	1,663	1,615
No. of common shares at the end of the fiscal year, which was used for calculating net assets per share	(Thousand shares)	40,261	40,309

(Material Post-Balance Sheet Events)

(Completion of Tender Offer and Changes in Parent Company and Major Shareholder)

At its board of directors meeting held on February 4, 2025, the Company adopted a resolution to express an opinion in support of a tender offer (the “Tender Offer”) for common shares of the Company (the “Company Shares”) by Foresight Co., Ltd. (the “Tender Offeror”), which is to be implemented as part of a management buyout (MBO) (Note), and to recommend that the Company’s shareholders tender their shares in the Tender Offer.

The above resolution of the Company’s board of directors was adopted based on the assumption that the Company will be privatized and the Company Shares will be delisted through the Tender Offer and a series of subsequent procedures.

The Tender Offer was completed on April 4, 2025, and as a result of the Tender Offer, the total number of Company Shares tendered in the Tender Offer (12,497,499 shares) reached the lower limit of the number of shares to be purchased (11,567,000 shares) and accordingly, the Tender Offer was successfully completed. As a result, on April 11, 2025 (the Tender Offer settlement commencement date), the ratio of voting rights owned by the Tender Offeror and Mugen Co., Ltd. which constitutes a party that has a close relationship with the Tender Offeror, to the voting rights of all shareholders of the Company will be more than 50% as of April 11, 2025; therefore, the Tender Offeror will newly become the Company’s parent company and major shareholder.

For details please refer to “Announcement of Results of Tender Offer for Common Shares of the Company by Foresight Co., Ltd. and Changes in Parent Company and Major Shareholder” released by the Company on April 5, 2025.

(Note) A “management buyout (MBO)” generally refers to a transaction in which management of the target company of an acquisition contributes all or part of the funds for the acquisition and acquires shares of the target company based on the assumption that the target company’s business will be continued.

(Share Consolidation, Abolition of Provisions on Share Unit Number, and Partial Amendment to Articles Of Incorporation)

The Company adopted a resolution of its board of directors meeting held on April 25, 2025 to convene an extraordinary shareholders meeting to be held on May 29, 2025 (the “Extraordinary Shareholders Meeting”) and submit to the Extraordinary Shareholders Meeting Proposal No. 1 (share consolidation) and Proposal No. 2 (partial amendment to the articles of incorporation), respectively. The Company will conduct the share consolidation subject to the approval of shareholders at the Extraordinary Shareholders Meeting; as a result thereof, the delisting criteria established in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. will apply to the common shares of the Company Shares. Therefore, the Company Shares will be designated as securities to be delisted from May 29, 2025 to June 15, 2025 and then will be delisted as of June 16, 2025.

For details please refer to “Announcement of Share Consolidation, Abolition of Provisions on Share Unit Number, and Partial Amendment to Articles of Incorporation” released by the Company on April 25, 2025.

(Cancellation of Treasury Shares)

The Company adopted a resolution of its board of directors meeting held on April 25, 2025 to cancel its treasury shares, pursuant to Article 178 of the Companies Act, subject to the approval and adoption of the proposal regarding the share consolidation at the Extraordinary Shareholders Meeting, as proposed.

For details please refer to “Announcement of Cancellation of Treasury Shares” released by the Company on April 25, 2025.