

FACT SHEET

2nd Quarter of the Year Ending March 2012

6 Months Ended September 30, 2011

PROTO CORPORATION

Securities Code: 4298

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Corporate Name

PROTO CORPORATION

Founded

October 1, 1977

Established

June 1, 1979

Common Stock

¥1,824,620 thousand

Shares Outstanding

10,470,000

Head Offices

<NAGOYA> 1-23-14, Aoi, Naka-ku, Nagoya 460-0006, Japan

<TOKYO> 2-22-2, Hongo, Bunkyo-ku, Tokyo 113-0033, Japan

Branch Offices

Sapporo, Sendai, Takasaki, Tokyo, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto (56 Sales Outlets Nationwide/2 Head Offices, 13 Branch Offices, 41 Sales Offices)

Fiscal Year-end

March 31

Board of Directors and Statutory Auditors

Chairman and Chief Executive Officer: Hiroichi Yokoyama

President and Chief Operating Officer: Tatsuzo Irikawa

Vice President: Minoru Saito

Managing Director: Motohisa Yokoyama

Managing Director: Fujio Iimura

Managing Director: Atsuya Okimura

Director: Susumu Kuramoto

Director: Kenji Kamiya

Director: Mitsuhiro Munehira

Director: Toru Shiraki

Director: Shigeyoshi Shimizu

Standing Statutory Auditor: Mitsuo Goto

Statutory Auditor: Wataru Shiomi

Statutory Auditor: Yoshio Arima

Number of Employees

Consolidated: 876 (Parent: 658)

Stock Exchange Listing

OSE JASDAQ Standard (Listed on September 12, 2001)

URL

<http://www.proto-g.co.jp/>

Subsidiary

REPAIR-TECH INC.

PROTO DATA CENTER

Goo Auto Inc.

SYSTEM-ONE Corporation

PROTO MEDICAL CARE*

Bike Bros. Inc.

PROTO (SHANGHAI) ADVERTISING CO., LTD (The company schedules dissolution in March, 2012.)

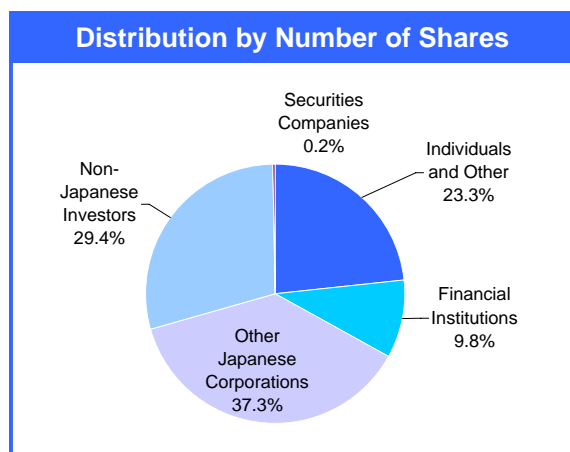
MTM Multimedia Sdn Bhd

MTM Interactive Sdn Bhd

SMT Media Pte Ltd

*Medical CUBIC Co., LTD changed its name to PROTO MEDICAL CARE on May 1, 2011.

Distribution of Shareholders



Major Shareholders

Shareholder	Number of Shares Held (Thousand)	Ownership(%)
(1) Mugen Corporation	3,403	32.50
(2) Japan Trustee Services Bank, Ltd. (Trust Account)	568	5.42
(3) Hiroichi Yokoyama	520	4.96
(4) The Chase Manhattan Bank, N.A. London	447	4.27
(5) Yoshihiro Yokoyama	310	2.96
(6) The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	247	2.36
(7) Northern Trust Co. (AVFC) Sub A/C American Clients	228	2.17
(8) Morgan Stanley & Co. LLC	187	1.79
(9) Mellon Bank ABN Amro Global Custody N.V.	175	1.67
(10) Minoru Saito	170	1.62

Corporate History

October, 1977	"Used Vehicle Tsushin" (now "Goo") launched
June, 1979	Project Eight Corporation (now PROTO Corporation) established
August, 1985	"Auction Information Weekly" launched
October, 1992	"Used Vehicle Tsushin" name changed to "Goo"
December, 1992	"Goo Osaka Edition" launched, marking start of nationwide expansion
October, 1995	"Goo Tokyo Metropolitan Area Edition" launched
April, 1996	"Data Line" used car data search system developed, marking launch of information service
October, 1996	Used vehicle information search site "Goo-net" marks start of online information service
October, 1999	"Blue Book" guide to used vehicle prices launched
October, 1999	Starts providing automobile-related information as an official i-Mode site in collaboration with NTT DOCOMO
August, 2001	"Goo Bike" information magazine launched
March, 2002	"Goo Parts" car parts information magazine launched
August, 2002	"Vee SCHOOL" launched, marking entry to cultural-related information business
August, 2006	"Goo-net Auction" launched as a C-to-B used vehicle trading service
October, 2006	"Oasis Navi" launched as online information search site for nursing homes
July, 2007	"Kaigo Kyujin Navi" launched as recruiting/outplacement information service for nursing, medical, and welfare facilities
February, 2009	"Nurse Agent" launched as outplacement information service for nursing
June, 2009	"Goo Auto Exchange" (now "Goo-net Exchange") launched as a used car trading service for Overseas buyers and Japanese car dealers
October, 2009	Integrated reuse information website "Oikura" launched
October, 2010	"Yakuzaishi Kyujin Agent" launched as an agency for seeking pharmacists

Financial Highlights (Consolidated)

Financial Highlights

*Years ended March 31

(Thousands of Yen)

	2010*	2011*	2009/4-9	2010/4-9	2011/4-9
Net Sales	25,682,321	28,779,831	12,320,001	14,125,503	14,725,439
Operating Income	6,098,600	6,111,455	3,103,682	3,356,078	2,875,731
Ordinary Income	6,165,870	6,375,906	3,134,948	3,393,403	2,895,118
Net Income	3,529,683	3,197,778	1,852,662	1,943,661	1,642,359
Net Assets	17,700,776	20,034,506	16,381,807	19,258,960	21,313,649
Total Assets	24,223,151	26,163,513	22,859,770	26,434,422	28,061,586
Common Stock	1,824,620	1,824,620	1,824,620	1,824,620	1,824,620
Shares Outstanding at Year-End	10,470,000	10,470,000	10,470,000	10,470,000	10,470,000
Number of Employees	798	875	743	911	876

Per Share Data

*Years ended March 31

(Yen)

	2010*	2011*	2009/4-9	2010/4-9	2011/4-9
Earnings Per Share (EPS)	337.43	305.71	177.11	185.81	157.01
Book-value Per Share (BPS)	1,683.60	1,915.33	1,557.78	1,832.97	2,037.62
Annual Cash Dividends	70.00	75.00	35.00	37.50	42.50

Profitability Index

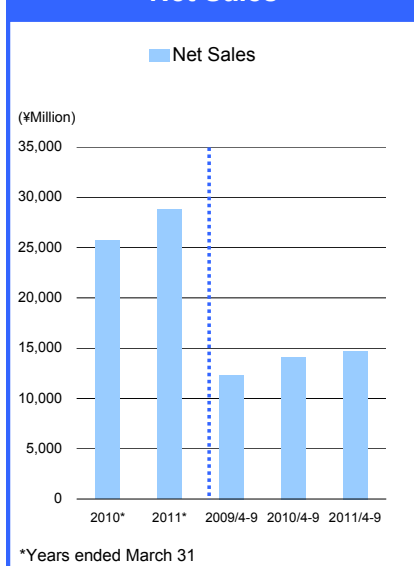
*Years ended March 31

	2010*	2011*	2009/4-9	2010/4-9	2011/4-9
Operating Income Ratio	23.7%	21.2%	25.2%	23.8%	19.5%
Return on Equity (ROE)* ¹	21.8%	17.0%	-	-	-
Return on Asset (ROA)* ²	26.9%	25.3%	-	-	-

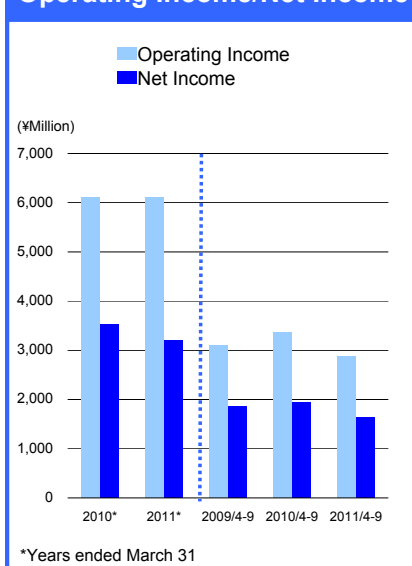
*1 ROE: Net Income/Equity Capital

*2 ROA: Ordinary Income/Net Asset

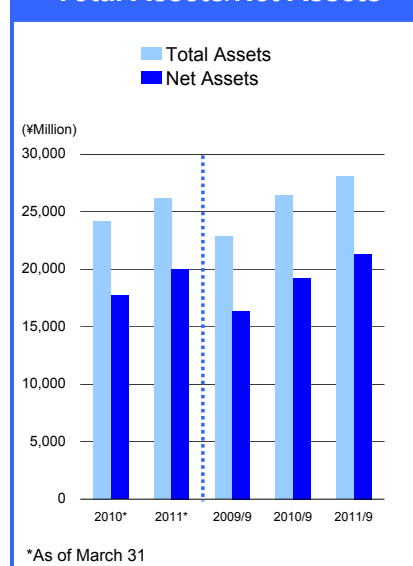
Net Sales



Operating Income/Net Income



Total Assets/Net Assets



Consolidated Balance Sheets

	(Thousands of Yen)	
	2010/9	2011/9
<Assets>		
Current Assets		
Cash	11,838,451	11,078,371
Notes and accounts receivable	2,739,818	2,876,193
Short-term investment securities	-	17,745
Goods and merchandise	20,526	67,736
Goods in process	63,265	66,819
Raw material and inventory goods	3,619	22,781
Deferred tax assets	409,374	421,748
Other current assets	489,890	531,418
Allowance for doubtful accounts	(3,537)	(23,729)
Total Current Assets	15,561,407	15,059,084
Fixed Assets		
Tangible Fixed Assets		
Buildings and structures	3,075,048	3,048,627
Land	3,900,031	4,021,355
Other tangible fixed assets	123,373	161,375
Total Tangible Fixed Assets	7,098,453	7,231,358
Intangible Fixed Assets		
Goodwill	1,481,897	3,674,117
Other intangible fixed assets	215,660	223,793
Total Intangible Fixed Assets	1,697,557	3,897,910
Investments and Other Assets		
Investments in securities	537,493	534,628
Deferred tax assets	573,127	538,404
Other investments	1,065,573	851,375
Allowance for doubtful accounts	(99,190)	(51,175)
Total Investments and Other Assets	2,077,003	1,873,232
Total Fixed Assets	10,873,014	13,002,501
Total Assets	26,434,422	28,061,586

Consolidated Balance Sheets

	(Thousands of Yen)	
	2010/9	2011/9
<Liabilities>		
Current Liabilities		
Notes and accounts payable-trade	768,379	941,830
Current portion of long-term borrowings	131,648	79,236
Accrued expenses	1,394,111	1,638,671
Accrued income taxes	1,683,535	1,416,916
Advances received	1,863,366	1,809,450
Allowance for sales returns	95,884	102,229
Allowance for bonus payable	47,348	52,308
Other current liabilities	351,583	259,707
Total Current Liabilities	6,335,858	6,300,350
Long-Term Liabilities		
Long-term borrowings	221,330	14,336
Allowance for employee' retirement benefits	882	1,138
Allowance for directors' retirement benefits	222,525	236,650
Asset retirement obligation	72,887	73,643
Negative goodwill	26,804	17,030
Other long-term liabilities	295,175	104,787
Total Long-Term Liabilities	839,604	447,586
Total Liabilities	7,175,462	6,747,936
<Net Assets>		
Shareholders' Equity		
Common stock	1,824,620	1,824,620
Capital surplus	2,011,736	2,011,736
Retained Earnings	15,374,457	17,486,425
Treasury stock	(13,320)	(13,659)
Total Shareholders' Equity	19,197,494	21,309,123
Accumulated Other Comprehensive Income/(Loss)		
Unrealized losses on other securities, net of tax	(15,292)	15,657
Foreign exchange adjustment account	(9,056)	(11,130)
Total accumulated other comprehensive income/(loss)	(24,348)	4,526
Minority Interests		
	85,814	-
Total Net Assets	19,258,960	21,313,649
Total Liabilities and Net Assets	26,434,422	28,061,586

Consolidated Statements of Income

	(Thousands of Yen)	
	2010/4-9	2011/4-9
Net Sales	14,125,503	14,725,439
Cost of Sales	5,715,749	6,292,455
Gross Profit	8,409,754	8,432,983
Reversal of allowance for sales returns	193,712	95,545
Provision for allowance for sales returns	95,884	84,010
Adjusted Gross Profit	8,507,582	8,444,519
Selling, General and Administrative Expenses		
Salaries for directors and employees	2,328,257	2,312,415
Provision for allowance for directors' retirement benefits	9,625	9,500
Provision for allowance for bonus payable	35,530	37,329
Advertising	590,512	938,011
Provision for allowance for doubtful accounts	5,365	17,670
Amortization of goodwill	211,303	169,224
Others	1,970,909	2,084,637
Total Selling, General and Administrative Expenses	5,151,503	5,568,788
Operating Income	3,356,078	2,875,731
Non-Operating Income		
Interest income	8,343	8,741
Dividend received	2,706	3,122
Amortization of negative goodwill	4,886	4,886
Income from sales of used paper	8,348	15,806
Reversal of allowance for doubtful accounts	-	20,073
Other income	23,635	18,455
Total Non-Operating Income	47,921	71,086
Non-Operating Expenses		
Interest expenses of loans	4,260	1,374
Foreign exchange losses	-	37,223
Other expenses	6,334	13,100
Total Non-Operating Expenses	10,595	51,698
Ordinary Income	3,393,403	2,895,118
Extraordinary Income		
Gains from sales of fixed assets	-	70
Gains from sales of securities	-	8,371
Gains from Forgiveness of Debt	6,106	-
Total Extraordinary Income	6,106	8,441
Extraordinary Losses		
Losses from sales of fixed assets	43	40
Losses from disposals of fixed assets	295	2,838
Losses from revaluation of securities	0	4,291
Impairment losses	39,765	-
Loss on adjustment for changes of accounting standard	53,517	-
Loss on disaster	-	4,418
Losses on dissolution of lease	444	2,904
Total Extraordinary Losses	94,066	14,493
Income before Income Taxes	3,305,443	2,889,066
Income Taxes	1,651,403	1,408,932
Adjustment of Corporate Income Tax	(285,588)	(162,225)
Total Taxes	1,365,815	1,246,706
Income before Minority Interests	1,939,628	1,642,359
Minority Interest in Earnings/Losses	(4,032)	-
Net Income	1,943,661	1,642,359

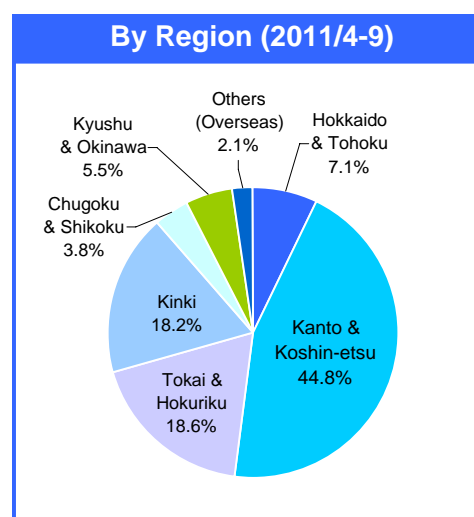
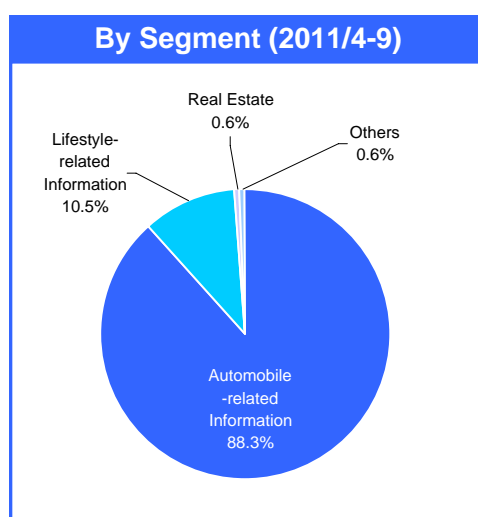
Consolidated Statements of Cash Flows

	(Thousands of Yen)	
	2010/4-9	2011/4-9
Cash Flows from Operating Activities	1,997,927	1,977,015
Cash Flows from Investing Activities	(1,042,672)	(3,210,570)
Cash Flows from Financing Activities	(387,125)	(437,327)
Effect of Exchange Rate Changes	(2,301)	363
Net Increase in Cash and Cash Equivalents	565,827	(1,670,519)
Cash and Cash Equivalents at Beginning of Year	11,207,424	12,476,561
Cash and Cash Equivalents at End of Year	11,773,251	10,806,041
Capital Expenditures (Tangible/intangible fixed assets)	475,722	421,655
Depreciation (Including amortization of goodwill)	264,715	239,230

Sales Breakdown Information

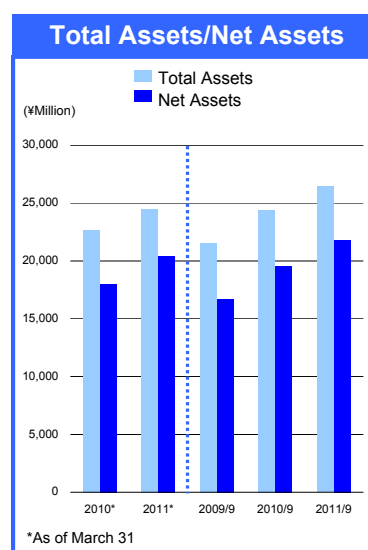
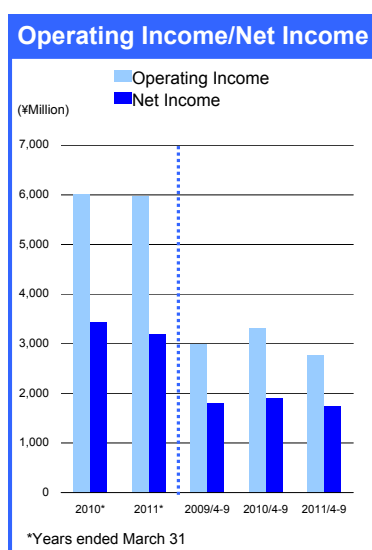
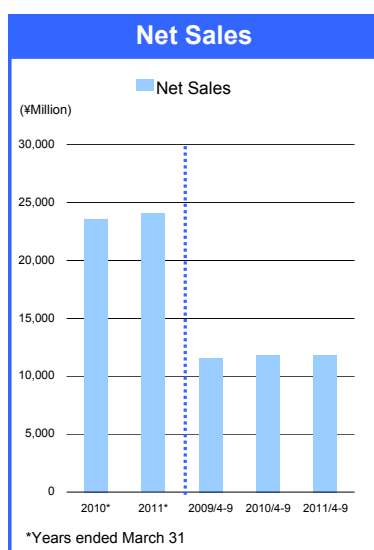
By Segment		(Thousands of Yen)	
	2010/4-9	2011/4-9	
Automobile-related Information	12,590,990	12,999,376	
Information Registration Fee	9,864,120	9,582,466	
Information Sales	2,726,869	3,416,909	
Lifestyle-related Information	1,244,260	1,548,271	
Real Estate	94,538	82,731	
Others	195,714	95,059	
Total	14,125,503	14,725,439	

By Region		(Thousands of Yen)	
	2010/4-9	2011/4-9	
Hokkaido and Tohoku	1,158,261	1,043,480	
Kanto and Koshin-etsu	6,121,484	6,593,695	
Tokai and Hokuriku	2,734,297	2,738,156	
Kinki	2,582,283	2,674,520	
Chugoku and Shikoku	539,449	555,368	
Kyushu and Okinawa	850,291	806,197	
Others(Overseas)	139,435	314,022	
Total	14,125,503	14,725,439	



Financial Highlights (Non-Consolidated)

	*Years ended March 31		(Thousands of Yen)		
	2010*	2011*	2009/4-9	2010/4-9	2011/4-9
Net Sales	23,577,767	24,075,053	11,565,338	11,849,468	11,849,543
Operating Income	6,010,084	5,979,363	2,999,112	3,313,170	2,778,226
Ordinary Income	6,113,519	6,314,120	3,077,033	3,347,536	2,885,923
Net Income	3,436,440	3,185,260	1,804,174	1,907,788	1,732,670
Net Assets	18,019,850	20,437,597	16,742,098	19,551,431	21,806,530
Total Assets	22,703,039	24,492,047	21,586,141	24,387,913	26,450,026
Common Stock	1,824,620	1,824,620	1,824,620	1,824,620	1,824,620
Shares Outstanding	10,470,000	10,470,000	10,470,000	10,470,000	10,470,000
Number of Employees	618	640	639	646	658



Non-Consolidated Balance Sheets

	(Thousands of Yen)	
	2010/9	2011/9
<Assets>		
Current Assets		
Cash	9,526,100	8,884,630
Notes receivable	62,159	74,795
Accounts receivable	2,032,854	2,047,611
Short-term investment securities	-	17,745
Goods and merchandise	589	780
Goods in process	14,526	20,512
Raw material and inventory goods	2,498	19,545
Prepaid expenses	99,179	118,676
Deferred tax assets	320,081	315,380
Short-term loans receivable in affiliates	15,000	-
Other current assets	296,933	345,497
Allowance for doubtful accounts	(2,721)	(6,210)
Total Current Assets	12,367,202	11,838,963
Fixed Assets		
Tangible Fixed Assets		
Buildings	2,634,037	2,762,131
Structures	130,224	123,473
Machinery and equipment	28,263	60,433
Vehicles and automotive equipment	9,626	5,671
Tools, furniture and fixtures	42,987	33,342
Land	3,648,243	3,856,764
Other tangible fixed assets	852	35,608
Total Tangible Fixed Assets	6,494,235	6,877,426
Intangible Fixed Assets		
Goodwill	570,615	371,066
Software	79,009	61,155
Telephone rights	23,818	23,818
Other intangible fixed assets	2,880	58,196
Total Intangible Fixed Assets	676,322	514,237
Investments and Other Assets		
Investments in securities	236,011	231,166
Shares in affiliates	2,700,839	5,488,326
Investments in capital	168,232	23,571
Investments in affiliates	150,990	87,900
Long-term loans receivable in affiliates	47,500	-
Bankrupt credit	24,007	29,003
Long-term prepaid expenses	14,625	14,553
Lease deposits and guarantee money	113,648	110,776
Long-term time deposits	600,000	600,000
Deferred tax assets	813,791	657,067
Other investments	68,262	19,137
Allowance for doubtful accounts	(87,756)	(42,103)
Total Investments and Other Assets	4,850,153	7,219,399
Total Fixed Assets	12,020,711	14,611,062
Total Assets	24,387,913	26,450,026

Non-Consolidated Balance Sheets

	(Thousands of Yen)	
	2010/9	2011/9
<Liabilities>		
Current Liabilities		
Accounts payable-trade	651,769	776,092
Accounts payable-other	57,964	35,300
Accrued expenses	1,189,105	1,267,689
Accrued income taxes	1,585,475	1,337,545
Accrued consumption taxes	91,995	82,116
Advances received	554,831	614,179
Deposits received	64,394	81,657
Allowance for sales returns	49,069	37,967
Other current liabilities	258	3,324
Total Current Liabilities	4,244,864	4,235,871
Long-Term Liabilities		
Allowance for directors' retirement benefits	198,500	210,450
Asset retirement obligations	72,887	73,643
Negative goodwill	26,804	17,030
Other Long-term liabilities	293,426	106,500
Total Long-Term Liabilities	591,618	407,624
Total Liabilities	4,836,482	4,643,496
<Net Assets>		
Shareholders' Equity		
Common stock	1,824,620	1,824,620
Capital surplus		
Capital reserve	2,011,536	2,011,536
Other capital surplus	200	200
Total capital surplus	2,011,736	2,011,736
Retained earnings		
Appropriation of retained earnings	254,155	254,155
Other retained earnings		
General reserve	13,500,000	15,900,000
Retained earnings brought forward	1,990,389	1,816,022
Total retained earnings	15,744,544	17,970,177
Treasury stock	(13,320)	(13,659)
Total Shareholders' Equity	19,567,580	21,792,874
Valuation and Translation Adjustments		
Unrealized losses on other securities, net of tax	(16,149)	13,655
Total Valuation and Translation Adjustments	(16,149)	13,655
Total Net Assets	19,551,431	21,806,530
Total Liabilities and Net Assets	24,387,913	26,450,026

Non-Consolidated Statements of Income

	(Thousands of Yen)	
	2010/4-9	2011/4-9
Net Sales	11,849,468	11,849,543
Cost of Sales		
Opening inventory of goods	667	279
Product cost for the term	4,399,507	4,536,068
Total	4,400,175	4,536,347
Ending inventory of goods	589	131
Cost of Sales of goods	4,399,586	4,536,216
Opening inventory of merchandise	-	912
Purchases of merchandise for the term	241,914	320,719
Total	241,914	321,632
Ending inventory of merchandise	-	648
Cost of sales of merchandise	241,914	320,983
Other calculation transfer	32,227	27,128
Total Cost of Sales	4,609,273	4,830,071
Gross Profit	7,240,195	7,019,471
Reversal of Allowance for Sales Returns	51,607	49,339
Provision for Allowance for Sales Returns	49,069	37,967
Adjusted Gross Profit	7,242,733	7,030,843
Selling, General and Administrative Expenses		
Salaries for directors	156,291	151,694
Salaries and bonuses for employees	1,675,758	1,667,464
Provision for allowance for directors' retirement benefits	7,800	7,750
Legal welfare expenses	218,001	226,536
Advertising	556,201	810,925
Provision for allowance for doubtful accounts	5,203	18,284
Sales promotion	151,426	130,046
Payable commission	160,326	143,969
Depreciation	42,937	48,153
Amortization of goodwill	70,112	55,944
Others	885,501	991,847
Total Selling, General and Administrative Expenses	3,929,562	4,252,617
Operating Income	3,313,170	2,778,226
Non-Operating Income		
Interest income	4,794	4,524
Dividend received	2,706	105,522
Income from sales of used paper	7,755	14,672
Reversal of Allowance for doubtful accounts	-	20,989
Amortization of negative goodwill	4,886	4,886
Other income	17,407	6,823
Total Non-Operating Income	37,551	157,418
Non-Operating Expenses		
Foreign exchange losses	-	37,207
Other expenses	3,185	12,514
Total Non-Operating Expenses	3,185	49,722
Ordinary Income	3,347,536	2,885,923

Non-Consolidated Statements of Income

	(Thousands of Yen)	
	2010/4-9	2011/4-9
Extraordinary Income		
Gains from sales of securities	-	8,371
Gain on transfer of business	-	44,792
Total Extraordinary Income	-	53,163
Extraordinary Losses		
Losses from disposals of fixed assets	122	325
Losses from revaluation of securities	0	4,291
Losses from revaluation of investments in affiliates	13,209	41,300
Impairment losses	39,765	-
Affected amount of asset retirement obligations	53,517	-
Other expenses	444	3,257
Total Extraordinary Losses	107,059	49,174
Income before Income Taxes	3,240,476	2,889,912
Income Taxes	1,558,000	1,333,000
Adjustment of Corporate Income Tax	(225,312)	(175,758)
Total Taxes	1,332,688	1,157,242
Net Income	1,907,788	1,732,670

For further information, Please contact:

PROTO CORPORATION

Corporate Planning Department

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