

FACT SHEET

6 Months Ended September 30, 2008

PROTO CORPORATION

Securities Code: 4298

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Corporate Data (As of September 30, 2008)

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, Kita-Kanto, Tokyo, Hamamatsu, Nagoya, Osaka, Hiroshima, Fukuoka, Kumamoto

(47 Sales Outlets Nationwide/2 Head Offices, 10 Branch Offices, 35 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: Mitsuhiro Munehira

Director: Toru Shiraki

Director: Shigeyoshi Shimizu

Director: Kenji Kamiya

Standing Statutory Auditor: Kenichi Mizuno

Statutory Auditor: Wataru Shiomi

Statutory Auditor: Yoshio Arima

Number of Employees

Consolidated: 692 (Parent: 590)

Stock Exchange Listing

JASDAQ (Listed on September 12, 2001)

URL

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

Subsidiary

REPAIR-TECH INC.

(Publisher of information magazines for automobile repair industry; development/sale of automobile repair estimation software)

MARS FLAG Corporation

(Design/creation of Internet-related systems)

PROTO DATA CENTER

(Data processing service of information-database)

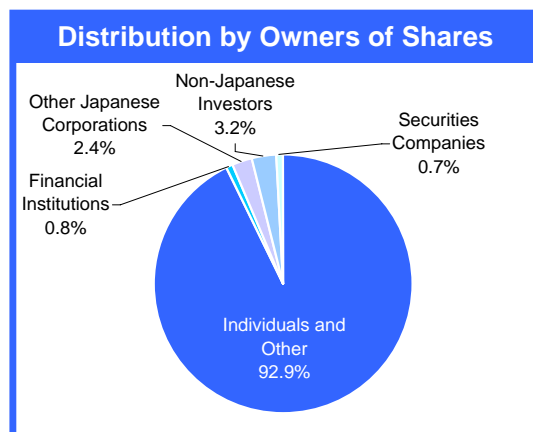
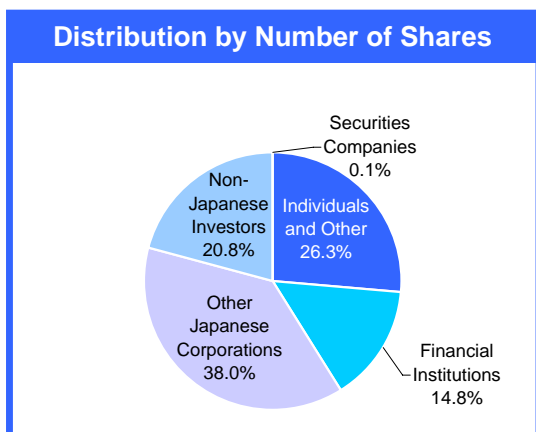
PROTO (Shanghai) ADVERTISING CO., LTD

(Market research covering automobile and Internet-related markets)

JPEX Partners Inc.

(Development/production/circulation of software; investor in company engaged in same)

Distribution of Shareholders



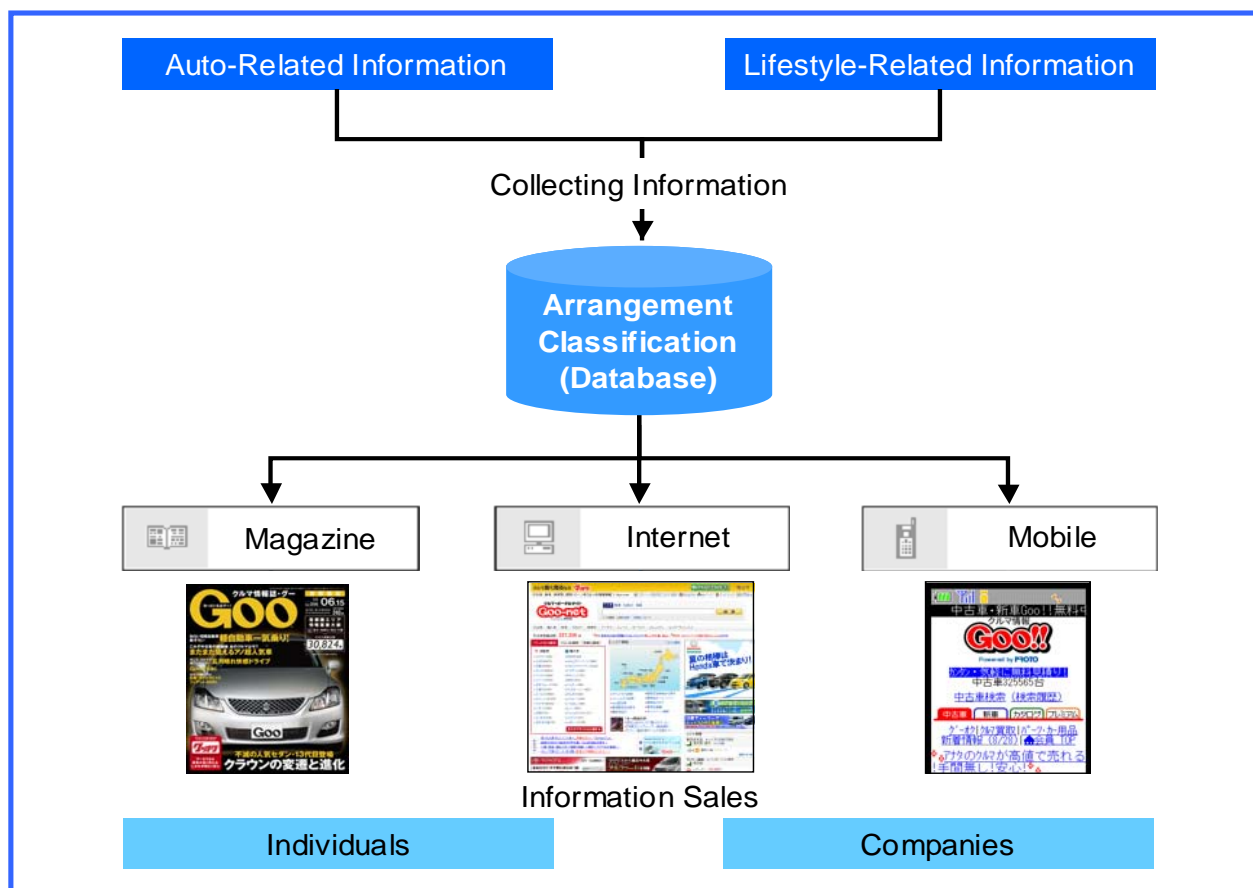
Major Shareholders

Shareholder	Number of Shares Held (Thousand)	Ownership(%)
(1) Mugen Corporation	3,330	31.81
(2) Japan Trustee Services Bank, Ltd. (Trust Account)	891	8.51
(3) Hiroichi Yokoyama	822	7.85
(4) Yoshihiro Yokoyama	486	4.64
(5) JPMCB Omnibus US Pension Treaty Jasdec 380052	396	3.78
(6) JP Morgan Chase Bank 385065	279	2.66
(7) CBHK Gogent Hunterhall GL Ethic	223	2.13
(8) The Master Trust Bank of Japan, Ltd. (Trust Account)	193	1.85
(9) Minoru Saito	168	1.61
(10) Mellon Bank, N.A. as Agent for Its Client Mellon Omnibus US Pension	159	1.52

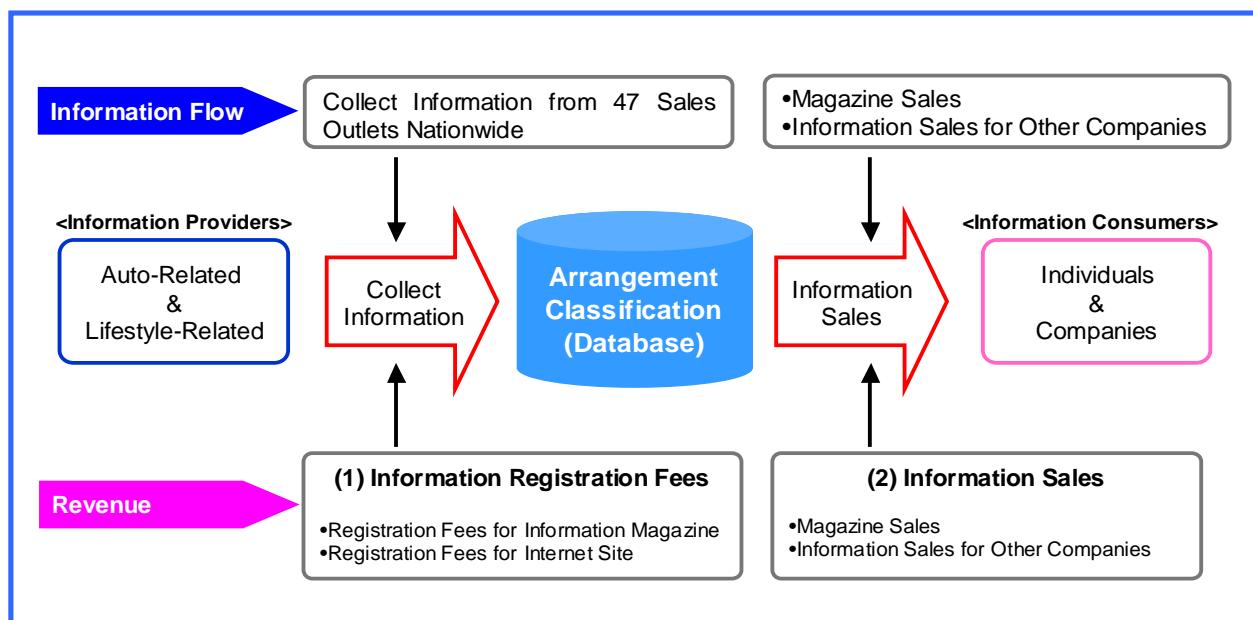
Corporate History

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

Business Overview



Business Process

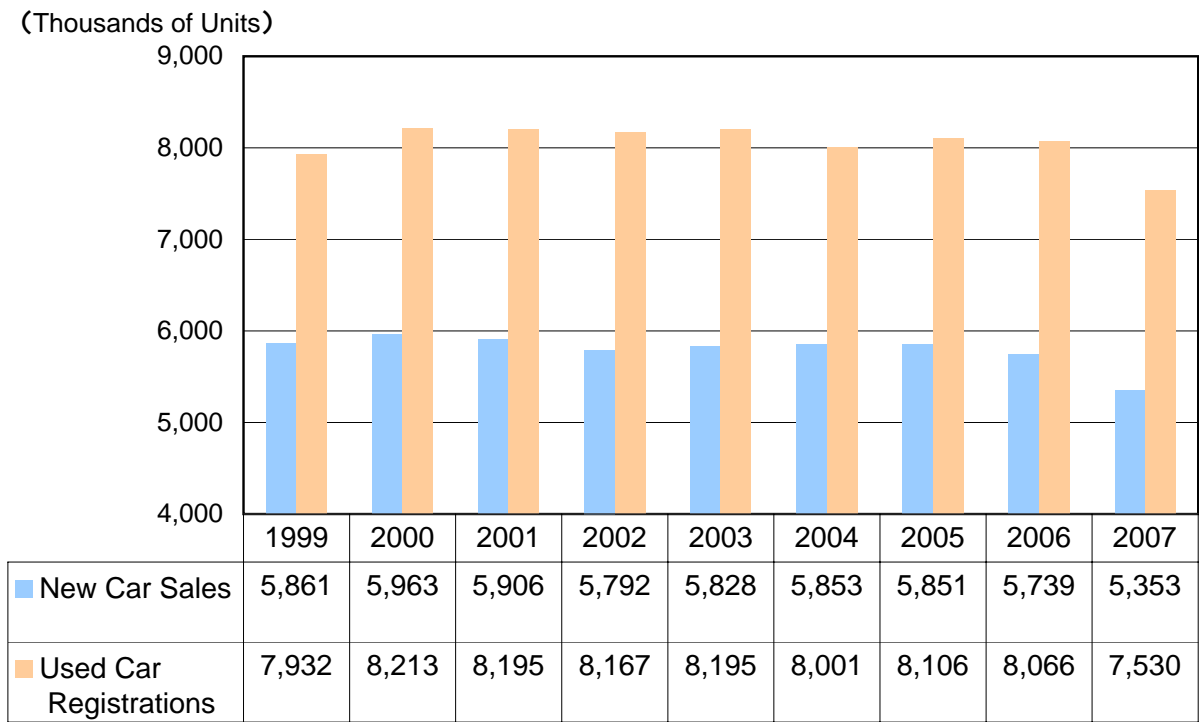


The diagram above graphically illustrates the components of PROTO's business process. First, we collect auto-and lifestyle-related information from information providers. Then, we arrange and classify this information. Finally, we provide this information to information consumers via information magazines and Internet sites.

PROTO has two revenue sources: (1) Information registration fees, and (2) Information sales. Information providers pay information registration fees for their information to appear in information magazines and on Internet sites. We earn information sales revenue by offering this information in information magazines and on Internet sites.

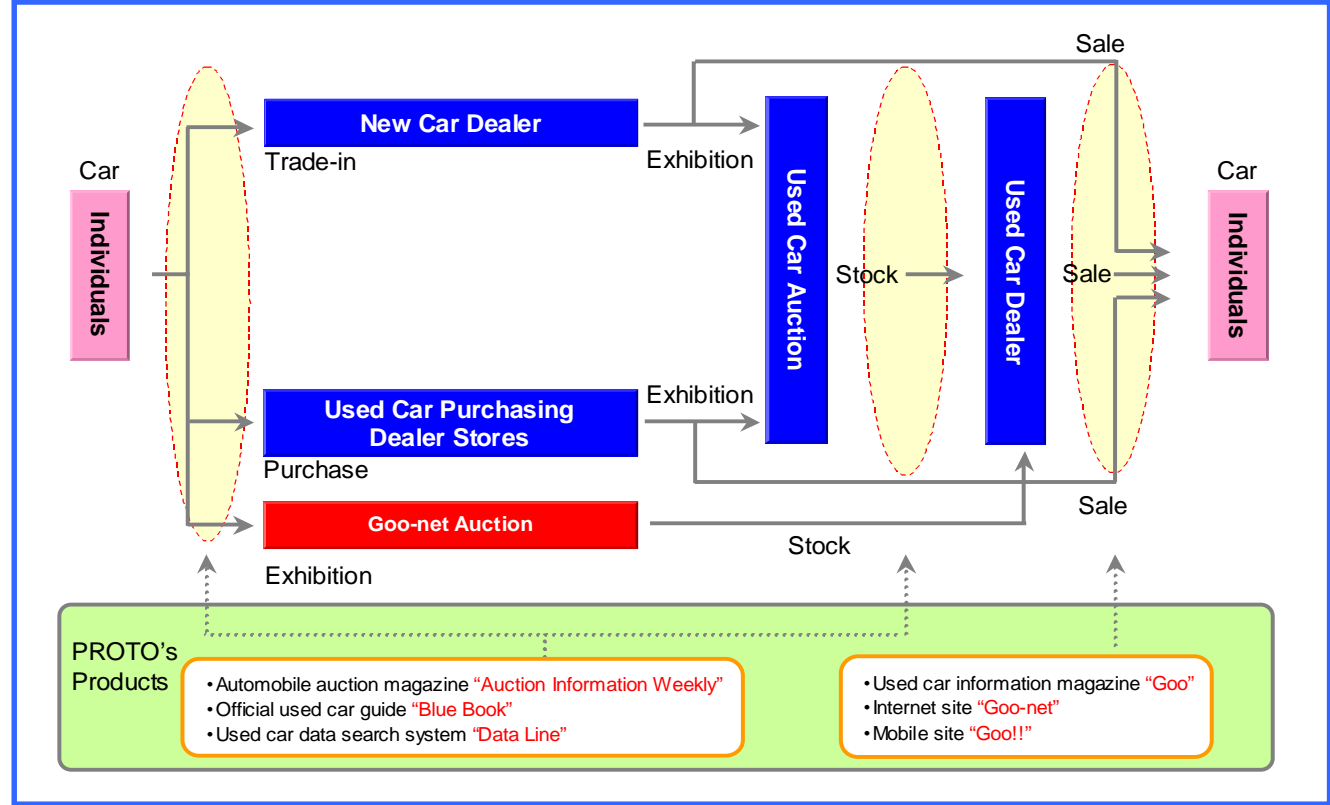
Japanese Car Market

Annual Trends in New Car Sales and Used Car Registrations (Calendar Years)



Note: Data from Japan Auto Dealers Association and Japan Mini Vehicles Association

Japanese Used Car Circulation and PROTO's Products



Financial Highlights (Consolidated)

Financial Highlights

(Thousands of Yen)

	'07/3	'08/3	'06/4-9	'07/4-9	'08/4-9
Net Sales	21,238,785	22,893,978	10,277,224	11,345,414	11,768,353
Operating Income	2,988,772	3,771,517	1,635,155	1,904,179	3,052,030
Ordinary	3,136,853	3,837,768	1,681,750	1,929,350	3,061,772
Net Income	1,766,081	1,838,008	965,995	938,720	1,836,068
Net Assets	11,305,128	12,434,185	10,661,085	12,060,599	13,938,940
Total Assets	17,924,093	19,023,424	17,204,433	18,960,021	21,014,363
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	8,725,000	10,470,000	10,470,000
Number of Employees	650	685	646	681	692

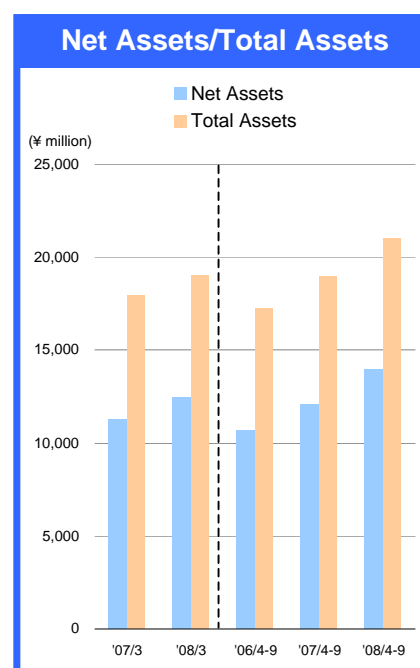
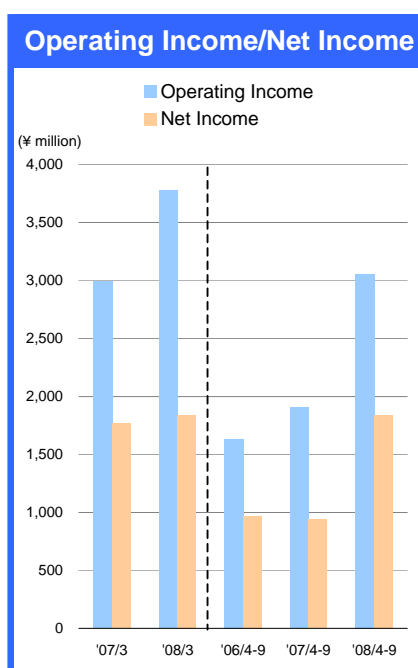
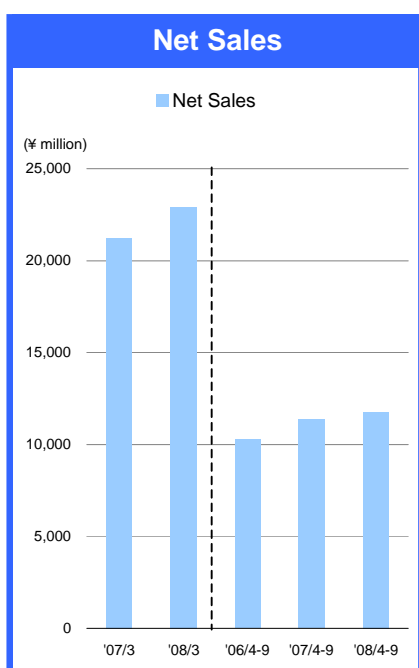
Per Share Data

(Yen)

	'07/3	'08/3	'06/4-9	'07/4-9	'08/4-9
Earnings Per Share (EPS)	168.78	175.69	110.78	89.73	175.52
Book-value Per Share (BPS)	1,042.41	1,176.24	1,173.73	1,115.59	1,322.46
Annual Cash Dividends	30	50	15	25	35

Profitability Index

	'07/3	'08/3	'06/4-9	'07/4-9	'08/4-9
Operating Income Ratio	14.1%	16.5%	15.9%	16.8%	25.9%
Return on Equity (ROE)	17.2%	15.8%	—	—	—
Return on Asset (ROA)	18.4%	20.8%	—	—	—



Consolidated Balance Sheets

	(Thousands of Yen)		
	'06/4-9	'07/4-9	'08/4-9
<Assets>			
Current Assets			
Cash	6,897,349	8,853,784	10,504,304
Notes and Accounts Receivable-Trade	2,678,906	2,792,279	2,262,340
Inventory Assets	137,907	66,023	38,821
Deferred Tax Assets	-	-	305,572
Other Current Assets	420,584	421,915	314,312
Allowance for Doubtful Accounts	(2,578)	(4,251)	(1,654)
Total Current Assets	10,132,169	12,129,751	13,423,696
Fixed Assets			
Tangible Fixed Assets			
Buildings and Structures	1,907,959	1,821,633	1,885,698
Land	2,174,459	2,174,459	3,138,392
Other Tangible Fixed Assets	177,572	145,137	119,294
Total Tangible Fixed Assets	4,259,991	4,141,230	5,143,385
Intangible Fixed Assets			
Goodwill	210,052	89,123	58,794
Other Intangible Fixed Assets	217,563	177,612	166,582
Total Intangible Fixed Assets	427,616	266,735	225,377
Investments and Other Assets			
Investments in securities	669,248	828,247	484,221
Deferred Tax Assets	-	-	429,644
Other Investments	839,929	719,764	1,333,275
Allowance for Doubtful Accounts	(24,521)	(25,707)	(25,235)
Total Investments and Other Assets	2,384,655	2,422,303	2,221,905
Total Fixed Assets	7,072,263	6,830,269	7,590,667
Total Assets	17,204,433	18,960,021	21,014,363
<Liabilities>			
Current Liabilities			
Notes and Accounts Payable-Trade	1,829,218	1,793,439	1,226,215
Accrued Expenses	1,062,294	1,261,633	1,246,981
Accrued Income Taxes	978,765	989,158	1,550,338
Advances Received	1,809,964	2,002,575	2,155,839
Allowance for Sales Returns	46,166	47,558	53,621
Allowance for Bonus Payable	30,620	30,011	37,266
Other Current Liabilities	196,510	215,558	214,187
Total Current Liabilities	5,960,031	6,339,935	6,484,449
Long-Term Liabilities			
Allowance for Employee' Retirement Benefits	24,544	26,852	30,236
Allowance for Directors' Retirement Benefits	175,352	184,333	186,825
Negative Goodwill	-	-	29,760
Other Long-Term Liabilities	383,419	348,300	344,152
Total Long-Term Liabilities	583,316	559,486	590,974
Total Liabilities	6,543,347	6,899,421	7,075,423
<Net Assets>			
Shareholders' Equity			
Common Stock	1,824,620	1,824,620	1,824,620
Capital Surplus	2,011,536	2,011,536	2,011,587
Other Surplus	6,351,173	7,802,245	10,014,529
Treasury Stock	(4,623)	(8,954)	(11,356)
Total Shareholders' Equity	10,182,705	11,629,446	13,839,379
Valuation and Translation Adjustments	52,038	41,541	(5,346)
Minority Interests	426,340	389,611	104,906
Total Net Assets	10,661,085	12,060,599	13,938,940
Total Liabilities and Net Assets	17,204,433	18,960,021	21,014,363

Consolidated Statements of Income

	(Thousands of Yen)		
	'06/4-9	'07/4-9	'08/4-9
Net Sales	10,277,224	11,345,414	11,768,353
Cost of Sales	4,620,893	5,046,439	4,458,643
Gross Profit	5,656,331	6,298,975	7,309,710
Selling, General and Administrative Expenses	4,021,175	4,394,795	4,257,679
Operating Income	1,635,155	1,904,179	3,052,030
Non-Operating Income	66,694	42,259	48,733
Non-Operating Expenses	20,100	17,087	38,990
Ordinary Income	1,681,750	1,929,350	3,061,772
Extraordinary Income	375,859	90,899	63,977
Extraordinary Losses	314,266	38,012	22,689
Income before Income Taxes	1,743,343	1,982,238	3,103,060
Income Taxes	958,881	970,874	1,524,107
Income Taxes Adjustments	(157,228)	70,470	(232,929)
Minority Interest in Earnings/Losses	(24,306)	2,173	(24,185)
Net Income	965,995	938,720	1,836,068

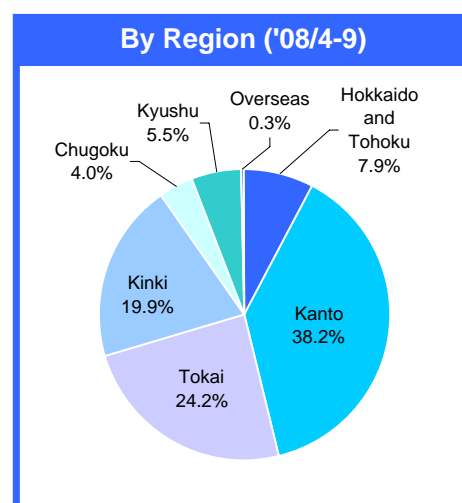
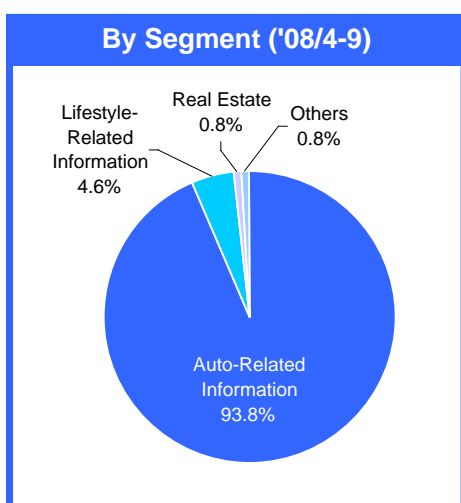
Consolidated Cash Flows

	(Thousands of Yen)		
	'06/4-9	'07/4-9	'08/4-9
Cash Flows from Operating Activities			
Net Cash Provided by Operating Activities	1,153,841	1,322,502	2,692,463
Cash Flows from Investing Activities			
Net Cash Used in Investing Activities	355,253	(40,972)	(1,045,382)
Cash Flows from Financing Activities			
Net Cash Provided by (Used in) Financing Activities	(167,360)	(174,490)	(262,185)
Effect of Exchange Rate Changes	(10,339)	26,810	(16,037)
Net Increase in Cash and Cash Equivalents	1,331,394	1,133,850	1,368,856
Cash and Cash Equivalents at Beginning of Year	5,413,854	7,569,934	8,985,447
Cash and Cash Equivalents at End of Year	6,745,249	8,703,784	10,354,304
Capital Expenditures (Tangible Fixed Assets)	58,164	37,422	1,134,038
Depreciation (Tangible Fixed Assets)	84,520	79,110	69,707

Sales Breakdown Information

By Segment		(Thousands of Yen)		
		'06/4-9	'07/4-9	'08/4-9
Auto-Related Information		9,807,364	10,693,176	11,030,023
Information Registration Fees		8,434,859	9,109,066	9,562,328
Information Sales		1,372,504	1,584,110	1,467,694
Lifestyle-Related Information		270,463	425,698	544,467
Real Estate		79,842	88,235	94,479
Others		119,554	138,303	99,382
Total		10,277,224	11,345,414	11,768,353

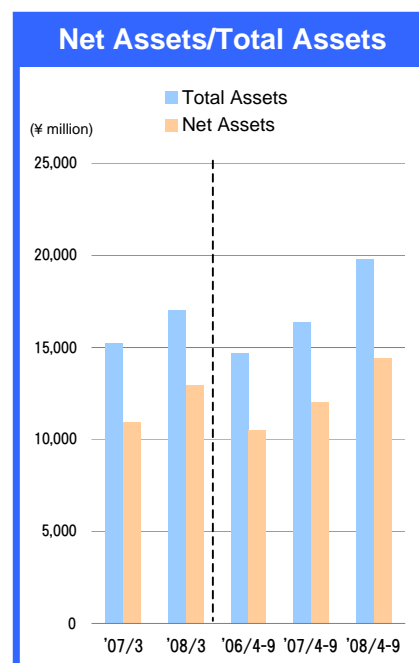
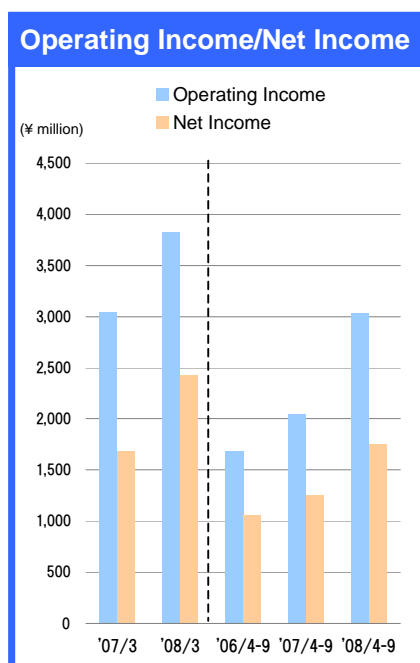
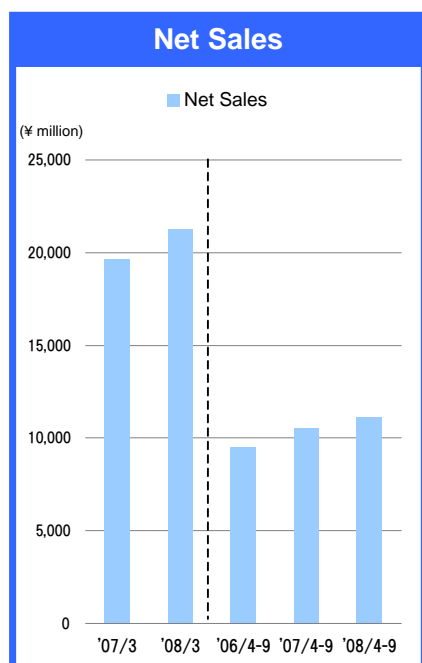
By Region		(Thousands of Yen)		
		'06/4-9	'07/4-9	'08/4-9
Hokkaido and Tohoku		820,461	913,663	930,187
Kanto		3,479,837	4,102,625	4,495,711
Tokai		2,730,415	2,911,573	2,844,450
Kinki		2,177,517	2,330,148	2,340,269
Chugoku		417,259	456,485	473,739
Kyushu		596,156	575,427	650,540
Overseas		55,575	55,491	33,454
Total		10,277,224	11,345,414	11,768,353



Financial Highlights (Non-Consolidated)

(Thousands of Yen)

	'07/3	'08/3	'06/4-9	'07/4-9	'08/4-9
Net Sales	19,657,320	21,273,359	9,505,167	10,539,842	11,147,641
Operating Income	3,040,309	3,829,771	1,688,047	2,049,035	3,035,935
Ordinary	3,153,844	3,897,249	1,737,162	2,095,475	3,040,562
Net Income	1,680,747	2,429,452	1,057,453	1,260,503	1,756,665
Net Assets	10,964,627	12,950,564	10,502,399	12,025,742	14,410,708
Total Assets	15,219,691	17,041,396	14,656,375	16,372,397	19,800,896
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	8,725,000	10,470,000	10,470,000
Number of Employees	544	577	527	569	590



Non-Consolidated Balance Sheets

	(Thousands of Yen)		
	'06/4-9	'07/4-9	'08/4-9
<Assets>			
Current Assets			
Cash	4,857,310	6,040,716	8,635,862
Notes and Accounts Receivable-Trade	1,836,295	1,934,753	2,134,948
Other Current Assets	410,688	399,482	595,180
Allowance for Doubtful Accounts	(1,329)	(1,579)	(997)
Total Current Assets	7,102,965	8,373,373	11,364,994
Fixed Assets			
Tangible Fixed Assets			
Buildings	1,488,852	1,420,512	1,509,087
Land	1,922,671	1,922,671	2,886,604
Other Tangible Fixed Assets	93,175	85,821	91,207
Total Tangible Fixed Assets	3,504,699	3,429,005	4,486,899
Intangible Fixed Assets			
Total Intangible Fixed Assets	71,882	67,550	85,280
Investments and Other Assets			
Investments in securities	669,248	828,247	479,126
Shares in Affiliates	1,468,345	1,694,744	1,208,226
Investments in Affiliates	500,000	500,000	246,300
Long-term Time Deposits	900,000	900,000	900,000
Other Investments	456,372	601,062	1,053,746
Allowance for Doubtful Accounts	(17,138)	(21,585)	(23,677)
Total Investments and Other Assets	3,976,826	4,502,469	3,863,721
Total Fixed Assets	7,553,409	7,999,024	8,435,901
Total Assets	14,656,375	16,372,397	19,800,896
<Liabilities>			
Current Liabilities			
Notes and Accounts Payable-Trade Payable-Trade	1,210,782	1,204,922	1,314,247
Accrued Expenses	956,095	1,112,169	1,120,580
Accrued Income Taxes	911,131	909,959	1,548,793
Advances Received	656,395	670,232	636,789
Other Current Liabilities	210,819	228,534	229,238
Total Current Liabilities	3,945,224	4,125,817	4,849,648
Long-Term Liabilities			
Allowance for Directors' Retirement Benefits	151,950	159,950	168,150
Other Long-Term Liabilities	56,800	60,888	372,389
Total Long-Term Liabilities	208,750	220,838	540,539
Total Liabilities	4,153,975	4,346,655	5,390,187
<Net Assets>			
Shareholders' Equity			
Common Stock	1,824,620	1,824,620	1,824,620
Capital Surplus	2,011,536	2,011,536	2,011,587
Retained Earnings	6,615,172	8,211,234	10,613,774
Treasury Stock	(4,623)	(8,954)	(11,356)
Total Shareholders' Equity	10,446,704	12,038,435	14,438,626
Valuation and Translation Adjustments	55,695	(12,693)	(27,918)
Total Net Assets	10,502,399	12,025,742	14,410,708
Total Liabilities and Net Assets	14,656,375	16,372,397	19,800,896

Non-Consolidated Statements of Income

	(Thousands of Yen)		
	'06/4-9	'07/4-9	'08/4-9
Net Sales	9,505,167	10,539,842	11,147,641
Cost of Sales	4,487,399	4,817,554	4,390,425
Gross Profit	5,017,768	5,722,287	6,757,215
Selling, General and Administrative Expenses	3,329,720	3,673,252	3,721,279
Operating Income	1,688,047	2,049,035	3,035,935
Non-Operating Income	65,806	55,531	42,397
Non-Operating Expenses	16,691	9,091	37,769
Ordinary Income	1,737,162	2,095,475	3,040,562
Extraordinary Income	358,554	84,884	172,422
Extraordinary Losses	304,623	38,012	260,659
Income before Income Taxes	1,791,093	2,142,348	2,952,325
Income Taxes	894,000	894,000	1,523,000
Income Taxes Adjustments	(160,360)	(12,155)	(327,340)
Net Income	1,057,453	1,260,503	1,756,665

For further information, Please contact:

PROTO CORPORATION

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