



FY2011 Consolidated Financial Results

Corporate Name: PROTO CORPORATION
 Securities Code: 4298
 Representative: Tatsuzo Irikawa, President and Chief Operating Officer
 Contact: Shigeyoshi Shimizu, Director
 General Shareholders' Meeting: June 27, 2011
 Dividends Paid: From June 6, 2011
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 Earnings supplementary explanatory documents: Yes
 Earnings presentation: Yes (for institutional investors and analysts)

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 Stock Exchange Listing: OSE
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(¥ million, rounded down)

1. Financial Results for the Fiscal Year Ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Operating Results (Consolidated)

(% of change from previous year)

	Net Sales (% change)		Operating Income (% change)		Ordinary Income (% change)		Net Income (% change)	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Year to March 31, 2011	28,779	12.1	6,111	0.2	6,375	3.4	3,197	(9.4)
Year to March 31, 2010	25,682	8.6	6,098	13.3	6,165	14.2	3,529	10.7

Note: Comprehensive income

Year to March 31, 2011: ¥3,186 million (-%) Year to March 31, 2010(%): - (-%)

	Net Income per Share (Yen)	Net Income per Share (fully diluted) (Yen)	ROE (Net Income/ Shareholders' Equity)	ROA (Ordinary Income/ Total Assets)	Operating Margin
			%	%	%
Year to March 31, 2011	305.71	—	17.0	25.3	21.2
Year to March 31, 2010	337.43	—	21.8	26.9	23.7

Reference: Equity in net income of affiliated companies

Year to March 31, 2011: - (-%) Year to March 31, 2010(%): - (-%)

(2) Financial Position (Consolidated)

(¥ million, rounded down)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
	March 31, 2011	26,163	20,034	76.6
March 31, 2010	24,223	17,700	72.7	1,683.60

Reference: Equity capital

March 31, 2011: ¥20,034 million March 31, 2010: ¥17,610 million

(3) Cash Flows (Consolidated)

(¥ million, rounded down)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, End of Period
	Year to March 31, 2011	3,896	(1,625)	(996)
Year to March 31, 2010	4,005	(1,141)	(773)	11,207

2. Cash Dividends (Consolidated)

(Date of Record)	Cash Dividends per Share					Total Annual Dividends Paid	Payout Ratio (Cons.)	Dividends on Net Assets (Cons.)
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual			
	¥	¥	¥	¥	¥			
Year to March 2010	—	35.00	—	35.00	70.00	732	20.7	4.5
Year to March 2011	—	37.50	—	37.50	75.00	784	24.5	4.2
Year to March 2012 (Est.)	—	37.50	—	37.50	75.00	—	—	—

3. Forecast for the Fiscal Year Ending March 2012

(April 1, 2011 to March 31, 2012)

(% of change from previous corresponding year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
For the 6 months ending September 30, 2011	14,603	3.4	2,485	(26.0)	2,488	(26.7)	1,389	(28.5)	132.85
Fiscal Year Ending March 31, 2012	31,000	7.7	6,300	3.1	6,318	(0.9)	3,663	14.6	350.27

4. Others

(1) Major changes in consolidated subsidiaries during period: Yes

[Newly consolidated: Bike Bros. Inc.]

[Newly excluded: MARS FLAG Corporation, PROTO (SHANGHAI) BROKERAGE CO., LTD]

(2) Major changes in principles, procedures and indication methods of accounting treatment concerning preparation of consolidated financial statements

(a) Changes to accounting standards: Yes

(b) Other: None

(3) Shares issued (common stock)

(a) At end of period (including treasury)

(b) At end of period (treasury stock)

(c) The average number of outstanding shares over period

March 31, 2011	10,470,000 shares	March 31, 2010	10,470,000 shares
March 31, 2011	9,925 shares	March 31, 2010	9,726 shares
Year to March 31, 2011	10,460,172 shares	Year to March 31, 2010	10,460,459 shares

Reference: Non-Consolidated Performance Summary

1. Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Non-Consolidated Operating Results

(% of change from previous year)

	Net Sales (% change)		Operating Income (% change)		Ordinary Income (% change)		Net Income (% change)	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Year to March 31, 2011	24,075	2.1	5,979	(0.5)	6,314	3.3	3,185	(7.3)
Year to March 31, 2010	23,577	5.6	6,010	12.3	6,113	14.0	3,436	14.3

	Net Income per Share (Yen)	Net Income per Share (fully diluted) (Yen)
Year to March 31, 2011	304.51	—
Year to March 31, 2010	328.52	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
March 31, 2011	24,492	20,437	83.4	1,953.87
March 31, 2010	22,703	18,019	79.4	1,722.69

Reference: Equity capital

March 31, 2011: ¥20,437 million March 31, 2010: ¥18,019 million

2. Non-Consolidated Forecast for the Fiscal Year Ending March 2012 (April 1, 2011 to March 31, 2012)

(% of change from previous corresponding year)

	Net Sales		Ordinary Income		Net Income		Net Income per Share (Yen)
	¥ million	%	¥ million	%	¥ million	%	¥
For the 6 months ending September 30, 2011	11,900	0.4	2,622	(21.7)	1,620	(15.1)	154.91
Year Ending March 31, 2012	25,046	4.0	6,190	(2.0)	3,744	17.6	357.98

Note: The forward-looking statements in this document are based on assumptions and estimates derived from information currently available. Actual revenue and earnings may differ materially from these estimates due to uncertainties inherent in such forecasts and changes in the operating environment. Refer to "Outlook for the Fiscal Year Ending March 31, 2012" in page 6 for assumptions and other factors related to above forecasts.

1. Operating Results

(1) Analysis of Results

(a) Performance Summary

Consolidated operating results

(Millions of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011	YoY Change (Amount)	YoY Change (%)
Net Sales	25,682	28,779	3,097	12.1
Cost of Sales	10,272	11,810	1,537	15.0
Selling, General and Administrative Expenses	9,310	10,955	1,645	17.7
Operating Income	6,098	6,111	12	0.2
Ordinary Income	6,165	6,375	210	3.4
Net Income	3,529	3,197	(331)	(9.4)

This fiscal year saw the national economy building some forward momentum as government measures to stimulate the economy raised consumption levels and exports to other Asian nations increased. In the second semester, however, the strengthening of the Yen, persistently high unemployment levels and the stagnation of individual consumption pulled the future outlook of the economy back into a state of uncertainty. In addition, concerns abound that the Great Eastern Japan Earthquake of March 11, 2011 will affect future corporate performance. The car sales industry is one of the PROTO Group's major clients, and in the midst of these circumstances, the subsidy system for ecocars expired. This has caused sales of new cars to remain below last year's levels. The number of used cars registered also remains below last year's figures, further indicating the difficulty of the current situation.

Against this background, the PROTO Group has given priority to the establishment of corporate and product brands in its business strategy. The Group has also undertaken efforts to further expand both the automobile-related information business and the lifestyle-related business, and is pursuing the "maximization of corporate value" based on the growth maintenance of enterprises. Put in more concrete terms, the Group aims to increase its domestic market share by developing and providing products and services (functions) catering to diversifying consumer behavior and consumer needs. While striving for the further enhancement of product brands such as "Goo," the Group has endeavored to establish corporate brands that communicate the message that "Leveraging information for the future."

In the realm of automobile-related information business, the PROTO Group has acquired one domestic subsidiary, accepted the business transfer of another company, strengthened the sector that deals in two-wheeled vehicles, and expanded the number of companies involved in Goo Series business. In the field of lifestyle-related business, the Group has expanded the scale of operations dealing in the medical, nursing-care, welfare, and reuse sectors. The Group has also actively promoted the ability to support next generation media in order to expand opportunities to contact users and improve convenience.

As a result of these activities and thanks to the contributions resulting from both the acquisition of the subsidiary and the acceptance of the business transfer, sales for this fiscal year came to 28,779 million yen in the PROTO Group's main enterprises of automobile-related information business and lifestyle-related business (a 12.1% increase over the same period last year). The Group's efforts to expand its business invited higher costs in labor, goodwill amortization (in the acquisition of the subsidiary and the acceptance of the business transfer) and advertising (for enhancing promotions). Nevertheless, operating income reached the figure of 6,111 million yen (a 0.2% increase over the same period last year) due to boosted sales in the highly profitable IT business, and ordinary income came to 6,375 million yen (a 3.4% increase over the same period last year). Net income in this period have totaled 3,197 million yen (a 9.4% decrease from the same period last year) due, among other things, to the impairment and loss of fixed assets in some businesses and advance goodwill amortization.

Business performance is broken down by segment below:

(b) Segment Results

Business results by segment

(Millions of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011	YoY Change (Amount)	YoY Change (%)
Net Sales				
Automobile-related Information	22,858	25,566	2,707	11.8
Lifestyle-related Information	2,286	2,616	330	14.5
Real Estate Business	205	181	(24)	(11.8)
Other Business	332	415	83	24.1
Total	25,682	28,779	3,097	12.1

Automobile-related Information

Surrounded by these difficult external circumstances, the PROTO Group adopted the business policy of engaging in comprehensive management support for used car dealers in everything from stocking inventories to selling the merchandise. The Group has also made efforts to expand the number of business partners and endeavored to maintain and increase the transaction value associated with each customer.

This fiscal year, the Group has made its transactions with a focus on pursuing group synergy. As such, the PROTO Group has promoted the further expansion of content possessed by BikeBros. Inc. concerning property information of used motorcycles. The PROTO Group has also promoted stronger EC sales of motorcycle parts and accessories. Furthermore, by enhancing the content and media of motorcycle magazines and websites published and run by BikeBros. Inc., the PROTO Group has promoted both increase in opportunities to contact users and the expansion of the client base.

Regarding pre-existing businesses, the PROTO Group has continued working for maximization of the amount of posted content and improved convenience for users. In order to be able to respond to diversifying consumer behavior and needs, the Group has made efforts to further strengthen the “Goo” brand. Concerning information magazines and media such as the car information magazine “Goo,” the Group has expanded its business area, increased the number of business partners, and launched “Goo, Koushin Edition” in June 2010.

In the realm of the internet and mobile media, the PROTO Group’s goal was to maximize opportunities to contact users. It has made efforts to improve car information search applications that run on next generation media such as the iPhone and iPad. The Group has also enhanced “Goo Books” – an electronic book providing support for car purchases. In addition, the Group has actively engaged in the development of applications for the rapidly spreading smart phones, thereby increasing opportunities to acquire new users and profits.

As a result of its efforts to both expand its business and maintain an environment in which it can respond to the many needs of its users, the PROTO Group has been able to increase the number of users who take advantage of its media and services as well as elevate their willingness to purchase products, despite the stagnating market for used car sales. These outcomes translate into increased sales opportunities for the PROTO Group’s clients.

In yet another instance of providing management support to used car dealers, the PROTO Group has promoted the sale of its “Goo-approved” car service and commenced “Goo-approved TRADE,” through which member dealers can trade Goo-approved cars and sell them to users. Through these activities, the PROTO Group has optimized the inventory turnover ratio at used car dealers and maximized their sales opportunities.

Through the aforementioned activities, the PROTO Group has pursued group synergy and enhanced the “Goo” brand by establishing its competitive advantage. The fruit of its efforts can be seen in sales of 25,566 million yen (an 11.8% increase over the same period last year). The Group’s

efforts to expand its business invited higher costs in labor, goodwill amortization (in the acquisition of the subsidiary and the acceptance of the business transfer) and advertising (for enhancing promotions). These increased costs resulted in operating income of 7,281 million yen (a 4.1% decrease from the same period last year).

PROTO (SHANGHAI) BROKERAGE CO., LTD., which provided intermediary services for the sales and purchase of used cars in China, was unable to establish a firm operating base, and was therefore liquidated in March 2011 in order to allow the Group to concentrate and streamline managerial resources.

Lifestyle-related Information

The PROTO Group has endeavored to develop and provide goods and services that accurately grasp the needs of users and clients. The Group has also engaged in efforts to strengthen media power by expanding content and services (functions).

In this consolidated fiscal year, the PROTO Group has delved into the care-related information business by attempting to expand the scale of operations of job information services for the medical, nursing-care and welfare industries. To this end, the Group has worked to increase the number of business partners and expand content on “Oasis Navi,” “Kaigo-Kyujin Navi” and “Nurse Agent.” Furthermore, the Group has expanded the business area and started running the job information website “Yakuzaishi Kyujin Agent,” which specializes in job information for pharmacists.

In the field of recycle-reuse information business, the PROTO Group has promoted the expansion of the business by increasing staff and reinforcing the operational base. In the realm of cultural information business, the Group has worked to expand the target area and increase content. Furthermore, when it comes to the leisure information business, the PROTO Group has begun operating the leisure portal site “GooStyle Leisure,” through which users can search for information on gourmet cuisine, hot springs, amusement parks, and more across the entire country. Through cooperation with the already-existing “POP SNOW & SUMMER,” which provides information on leisure and ski slopes, the PROTO Group has been working to acquire new user demographics and expand charged content.

Through engaging in the activities described above, the PROTO Group has expanded the scale of business operations, with the result that sales have totaled 2,616 million yen (a 14.5% increase over the same period last year). The expansion of business has brought higher personnel costs and increased goodwill amortization costs. Nevertheless, the sales have improved the balance of business income and expenditures, yielding operating income of 301 million yen (an 85.0% increase over the same period last year).

Real Estate Business

PROTO CORPORATION and REPAIR-TECH INC. focused on the rental management of their own properties, resulting in sales of 181 million yen (an 11.8% decrease over from same period last year) and operating income of 104 million yen (a 1.0% decrease from the same period last year).

Other Business

Regarding the BPO (business process outsourcing) business engaged in by PROTO Data Center Inc., the expansion of transactions with corporations outside the Group has contributed to sales of 415 million yen (a 25.1% increase over the same period last year). Concerning the operating income, business costs at PROTO Data Center Inc. increased, leading to losses of 91 million yen (in the same period of last year, losses came to 35 million yen).

In March 2011, the PROTO Group accepted the transfer of all shares owned by MARS FLAG Co., Ltd., which handles development and sales for the search portal site “MARS FLAG” and the internal site search system “MARS FINDER.”

(c) Outlook for the Year Ending March 31, 2012

The domestic used car sales industry constitutes one of the PROTO Group's primary businesses. Market conditions in this field are expected to remain quite harsh for the time being. Nevertheless, the Group will develop its primary commodity – the “Goo” series – in Niigata, Shikoku and the Okinawa area, in addition to the areas in which the services already exist. The business policy of providing comprehensive management support to used car dealers from stocking inventories to selling the merchandise will continue, and further expansion of the number of business partners is planned. In addition, through its consolidated subsidiaries, the PROTO Group aims to expand services to the automobile maintenance industry and the sheet metal, repair and painting industries. It is also planning to enhance EC businesses selling motorcycle parts and accessories. In the mid-to-long term, the PROTO Group intends to further expand the automobile-related information business, with expansion overseas being considered a possibility.

Regarding the lifestyle-related businesses, the PROTO Group aims to actively expand the area of business and expand its client base in the next period. The cultural information business and recycle-reuse information business will serve as axes for this development. In addition, the job information services and recruitment services of the medical, nursing-care and welfare businesses will be consolidated in PROTO MEDICAL CARE. The objective is to speedily move ahead with the expansion of businesses in this field.

Estimated sales costs and general management costs have taken all of the following into account: increased personnel costs following expansions of each business area; increased promotion costs in the medical, nursing-care and welfare business; and increased research costs accompanying plans for overseas expansion of the automobile-related information business.

Taking all of the aforementioned factors into consideration, consolidated business performance for the next fiscal year (ending in March 2012) is expected to reach the following figures: 31,000 million yen in sales (a 7.7% increase over the same period in the previous year), 6,300 million yen in operating income (a 3.1% increase over the same period in the previous year), 6,318 million Yen in ordinary income (a 0.9% decrease from the same period in the previous year), and 3,663 million yen in net income (a 14.6% increase over the same period in the previous year).

(2) Analysis of Financial Position

(a) Assets, Liabilities and Net Assets

Total assets at the end of this consolidated fiscal year increased by 8.0% from the end of the previous consolidated fiscal year to ¥26,163 million (an increase of ¥1,940 million from the previous period).

Regarding current assets, cash increased to ¥16,061 million, an increase of ¥1,877 million in comparison with the end of the previous consolidated fiscal year, due to the acquisition of operating cash flow that exceeded expenses despite the fact that there were payments for the purchase of shares accompanying the acquisition of BikeBros. Inc., payments related to the acquisition of the "Mj" business, expenses related to the acquisitions of tangible fixed assets related to the reconstruction of branch office facilities and the like, as well as payment of corporate and other taxes. (For details about cash and deposits, please see the consolidated statements of cash flows on pages 22-23.)

Fixed assets were ¥10,102 million, an increase of ¥63 million from the end of the previous year, due to the posting of goodwill from the acquisition of the "Mj" business as well as the acquisition of BikeBros. Inc. even though accelerated amortization of goodwill occurred in connection with the acquisition of SYSTEM-ONE Corporation and the impairment loss was posted for fixed assets in certain businesses.

Liabilities were ¥6,129 million, a decrease of ¥393 million compared to the end of the previous consolidated fiscal year, as a result of decreases in accrued income taxes as well as advances received.

Despite payments of dividends totaling ¥758 million yen, because retained earnings increased by ¥2,439 million as a result of recording net income of ¥3,197 million, net assets increased by ¥2,333 million, to ¥20,034 million.

(b) Consolidated Cash Flows

Cash and cash equivalents at the end of the current consolidated fiscal year stood at ¥12,476 million, an increase of ¥1,269 million from the previous fiscal year. Major factors for this increase were as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥3,896 million, down 2.7% from the previous fiscal year. This was mainly due to a decrease in income before income taxes and an increase in income taxes paid, and occurred despite an increase in impairment loss, the amortization of goodwill, and costs not accompanied by expenses such as the temporary amortization of goodwill.

Cash flows from investing activities

Net cash used in investing activities totaled ¥1,625 million. This was mainly due to an outlay of ¥621 million for acquiring the new subsidiary BikeBros. Inc., an outlay of ¥380 million for the acquisition of the "Mj" business, and an outlay of ¥438 million for the acquisitions of tangible fixed assets related to the reconstruction of branch office facilities and the like.

Cash flows from financing activities

Net cash used in financing activities was ¥996 million. This was due to an outlay of ¥759 million in payments of dividends and an outlay of ¥286 for the repayment of long-term borrowings.

(Reference) Cash Flow Indicators

	Year Ended March 31, 2007	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011
Equity ratio (%)	60.8	64.7	68.4	72.7	76.6
Equity ratio based on market value (%)	134.8	132.0	96.4	136.9	120.7
Debt coverage (%)	0.3	---	---	4.0	3.5
Interest coverage ratio (times)	1,716.4	8,557.7	---	1,855.5	631.2

Equity ratio:

Equity capital/Total assets

Equity ratio based on market value:

Total stock based on market/Total assets

Debt coverage:

Interest-bearing debt/Operating cash flow

Interest coverage ratio:

Operating cash flow/Interest paid

Notes:

1. Each index is calculated based on consolidated financial figures.
2. Market value of total stock is calculated by multiplying the closing stock price at the end of the year by the number of shares outstanding at the end of the year (after deduction of treasury stock).
3. Cash flow and interest paid are calculated using operating cash flow and interest payment amounts recorded in Consolidated Statement of Cash Flows.
4. Interest-bearing debt refers to all debt that incurs interest (listed in the Consolidated Balance Sheets).
5. Because the Company did not have interest-bearing debt in the year ended March 2008, a figure for debt coverage is not shown for that year.
6. Because the Company did not have interest-bearing debt in the year ended March 2009, figures for debt coverage and interest coverage ratio are not shown for that year.

(3) Profit Appropriation Policy, Cash Dividends

PROTO CORPORATION's basic profit appropriation policy emphasizes reinforcement of the Company's business foundation while recognizing the importance of returning profits to shareholders. Through this balanced approach, we adopt a comprehensive perspective by retaining sufficient internal reserves to finance future growth while rewarding shareholders with steady returns.

Internal reserves are used efficiently to fund existing and new businesses aimed at further reinforcing our business foundation and expanding the scope of operations.

For the current consolidated fiscal year, we paid annual cash dividends of ¥75.00 per share of common stock. This consisted of interim and year-end dividends of ¥37.50 each.

In the year ending March 2012, we intend to pay annual cash dividends of ¥75.00 per share. This will consist of interim and year-end dividends of ¥37.50 each.

(4) Business Risks

The following sets out the various items that can potentially have a serious impact on investors' decisions.

The PROTO Group does not necessarily view the items mentioned below as business risks. However, it is important to understand such items in relation to the Group's business activities when making investment decisions. Their inclusion here signifies our commitment to disclosing information to investors. Having recognized these risks, the PROTO Group endeavors to avoid them and/or adopt appropriate measures in event of their occurrence.

Items contained in the following paragraphs concerning the future are based on judgments made by the company Group as of the financial filing date, May 12, 2011.

(a) Dependence on Automobile-related Information

The PROTO Group consisted of PROTO CORPORATION and eight consolidated subsidiaries. The Group's main businesses are the provision of information services on new vehicles, used vehicles, parts, and accessories; other Automobile-related information; information on cultural, care-related, and reuse; and Lifestyle-related information services. Revenues from Automobile-related information derive from fees paid to register inventory data on used cars owned by car dealers on our databases and in our information magazines, as well as information magazine sales and sales from providing information to other companies. In the year ended March 31, 2011, 88.8% of total

Group revenue derived from sales of Automobile-related information. Fees for registering information accounted for 68.9% of these Automobile-related information sales. Accordingly, the Group depends on Automobile-related information registration fees for a substantial portion of its revenue.

Furthermore, sales of the car information magazine Goo account for 33.3% of consolidated net sales. Accordingly, the performance of Goo can significantly impact the Group's business results. Nonetheless, we intend to reduce our dependence on Goo and are currently taking steps toward this objective. For example, we are expanding sales of our various secondary products developed using our abundance of information related to automobiles, as well as our lineup of Internet-related products.

(b) Market Fluctuations in Printing Paper

Paper is required for printing and producing various publications, such as the car information magazine Goo, a core product. Purchase prices for printing paper are determined through negotiations with suppliers, while monitoring market prices. It is possible that printing costs will increase if there are significant increases in printing paper prices. Nonetheless, the PROTO Group is endeavoring to mitigate this risk by shifting from using mainly magazines to employing the Internet and mobile media to disseminate information, due to the growing popularity of that medium.

Market rates announced for the printing paper used by PROTO Group are as follows.

Market Rates for A2 Coat Paper (Distributor Wholesale Price (yen/ kg))					
	Mar. 2010	June 2010	Sept. 2010	Dec. 2010	Mar. 2011
Price	118-128	117-127	116-126	116-126	116-126

(Source: NIKKEI)

(c) Dependence on Specific Vendors

The Group consigns printing of its mainstay magazine Goo and other major publications to the Kyoritsu Printing Group. In the year ended March 31, 2011, this represented 42.4% of total outsourcing expenditure. We use Kyoritsu Printing because of its stable supply system, its high reliability in meeting delivery schedules, and its ability to meet the technological needs of the PROTO Group.

While we enjoy the stable supply system and business relationship afforded by Kyoritsu Printing, we recognize that certain circumstances could affect our dealings with that company, and that its supply of media could be impeded as a result. Therefore, we also consign printing to other companies in an effort to diversify away risks affecting our overall printing activities.

(d) Dependence on Specific Suppliers

Supply of printing paper to the PROTO Group for its mainstay Goo magazine and other major publications is sourced from Tokyo Pulp & Paper Co., Ltd. In the year ended March 2011, Tokyo Pulp & Paper supplied 45.7% of all printing paper sourced by PROTO CORPORATION. We use Tokyo Pulp & Paper because of its stable supply system, and its ability to meet the needs of the PROTO Group. We are also able to achieve cost reductions by limiting procurement to a single supplier.

We enjoy a stable supply of paper and a good relationship with Tokyo Pulp & Paper. Should there be a problem with our current arrangement for some reason or other, however, we will need to change and diversify our sources of paper, which may make it difficult to achieve the cost-reduction benefits received to date.

(e) Legal Restrictions on Content

All sorts of content appear on the Internet, including content that violates rules covering protection of privacy, public decency, and intellectual copyright. It is possible that certain legal restrictions may be implemented in the future to address these kinds of issues.

To date, the Group has addressed consumer needs by providing helpful content considered necessary by society without experiencing problems related to delivering content via the Internet. Accordingly, we believe that we would not be affected by legal restrictions covering the Internet. However, it is difficult to predict the precise effects that such implementation would have on the Group, given that the particulars and scope of such legal restrictions have yet to be made public.

(f) Computer System and Network

System Security and Risk from Network Downtime

The PROTO Group has constructed a computer system that utilizes the Internet to perform its services, and it continually invests in capacity and performances maintenance on the system while including the latest system and security technology as required. However in the event of damage or interruption of the PROTO Group's system due to hardware or software defects, sudden increases in amount of access, human error, network line problems, computer virus, power outage, natural disaster, or other unforeseeable factor, the possibility exists that such damage or interruption could have an important impact on the performance of the PROTO Group.

Protection of Personal Information

Recently, personal information leaks by a large number of companies have become a social problem. The PROTO Group endeavors to protect personal information in an appropriate manner through the implementation of its Regulations for the Protection of Personal Information. These regulations are based on the President's Policy on the Protection of Personal Information, formulated in accordance with the Personal Information Protection Law, enacted in April 2005.

However, in the event that personal information held by the Group is leaked to outside entities or used fraudulently, the Group could be subject to compensation claims and lose the confidence of the public community, which could have an adverse impact on its performance.

(g) Corporate Responsibility for Digital Content

As an information service provider that uses various forms of media, the Group believes that it is in the same position as other mass media insofar as its impact on society is concerned. Therefore, in the unlikely event that we make an error in the information content we provide, it is possible that we could inflict tangible or intangible harm on a particular person or corporation and that we could be sued for damages.

The Group strives to ensure strict control over information content through its system of carrying out multiple checks. However, in the unlikely event of an error, it is possible that we could lose the trust of society, which could have an adverse impact on the Group's performance.

2. Corporate Group

The PROTO Group consists of the PROTO CORPORATION and its seven consolidated subsidiaries. Its primary business is to collect, organize and categorize information concerning automobiles and lifestyle, process that information into useful content, and finally provide consumers and corporations with that information via the PROTO CORPORATION's media (information magazines, the internet, mobile media). In addition to these activities, the Group also provides corporations with services related to supporting their business operations. See below for descriptions of these main business activities, positioning of the relevant activities carried out by each affiliated company, and the business segments as categorized by type.

Automobile-related Information

In order to expand sales opportunities for car dealers, used car dealers and parts retailers, the Group carries out advertising activities through diverse media. Consumers who purchase used cars and parts use the information transmitted from their retailers to find and purchase the products they want.

The PROTO CORPORATION gathers data on the merchandise inventories of car dealers, used car dealers and parts retailers to use for advertising. This inventory data is organized and categorized, then fed into a database. Having been turned into useful content, the data is then provided to consumers via the PROTO CORPORATION's media (information magazines, internet and mobile media). By matching the needs of both the consumers and the retailers in this manner, the PROTO CORPORATION supports the purchasing activities of consumers and greatly contributes to creating sales opportunities for the retailers.

Furthermore, as a corporate service provided to used car dealers and others, the PROTO CORPORATION provides information that is useful in the circulation of used cars. For example, the PROTO CORPORATION first gathers information on bid prices for used cars at automobile auctions across the country. Based on this and other information on bid prices, the PROTO CORPORATION produces its own standard pricing information for used cars, and then provides this information to dealers. The PROTO CORPORATION provides further business support services that result in sales and efficient, effective purchases of inventory. One of these is the used car purchasing service "Goo Auctions," through which used car dealers can bid on cars owned by consumers. Other services include the "Goo-approved" services, by which consumers can get information on the quality of used cars, the "Goo Warranty Service," which provides repair warranty services for used cars, and "Goo-approved TRADE," by which Goo-approved cars are traded among member dealers and sold to users.

The main sources of business income can be split in two categories: advertising revenue and information sales. The former refers to the fees charged for registering and posting the used car dealers' merchandise inventory data on the PROTO CORPORATION's media. The latter refers to revenue from the sale of information magazines, the providing of information, and the providing of other related services.

BikeBros. Inc. runs the EC website "BikeBros.," which deals in motorcycle parts and accessories, and publishes motorcycle magazines such as ROAD RIDER.

REPAIR-TECH INC. and the SYSTEM-ONE Corporation provide information on automobile repair and parts. They also develop and sell business support software for the sheet metal and repair businesses.

Goo Auto Inc. is engaged in the used car export support business, aiding domestic used car dealers through the PROTO CORPORATION's medium of "Goo-net Exchange," which targets overseas users.

PROTO DATA CENTER handles design, web solutions, customer support and data entry for information that is to be posted on the PROTO CORPORATION's media.

Lifestyle-related Information

The PROTO CORPORATION provides lifestyle-related information in the cultural information business, care-related information business, and recycle-reuse information business. The PROTO CORPORATION also engages in the internet and mobile media advertising business. Regarding the cultural information business, the PROTO CORPORATION contributes to the expansion of the certification and education market by providing lesson information on certifications, skills, hobbies and schools. Regarding the care-related information business, the PROTO CORPORATION contributes to the development of the industry and the elimination of manpower shortages by providing information on fee-based nursing homes and housing for seniors, job information for the medical, nursing-care and welfare businesses, and more. Regarding the recycle-reuse information business, the PROTO CORPORATION contributes to the revitalization of the recycling market, not only by providing information on recycle shops, but also by providing services that allow people to conduct purchase assessments and place purchase orders on web sites. Just like the automobile-related information, the various types of information described above are organized and categorized so that they can easily be compared and examined, then provided to consumers and users via the internet and mobile media. In addition to all of this, the PROTO CORPORATION also utilizes its own and other companies' media to engage in internet and mobile media advertising for its clients.

As is the case with the automobile-related information business, the main source of income is advertising revenue in the form of fees paid by clients to register and post information.

Medical CUBIC Co., Ltd. provides personnel recruitment and placement services for the medical and nursing-care industries.

PROTO DATA CENTER handles design, web solutions, customer support and data entry for information that is to be posted on the PROTO CORPORATION's media.

Real Estate Business

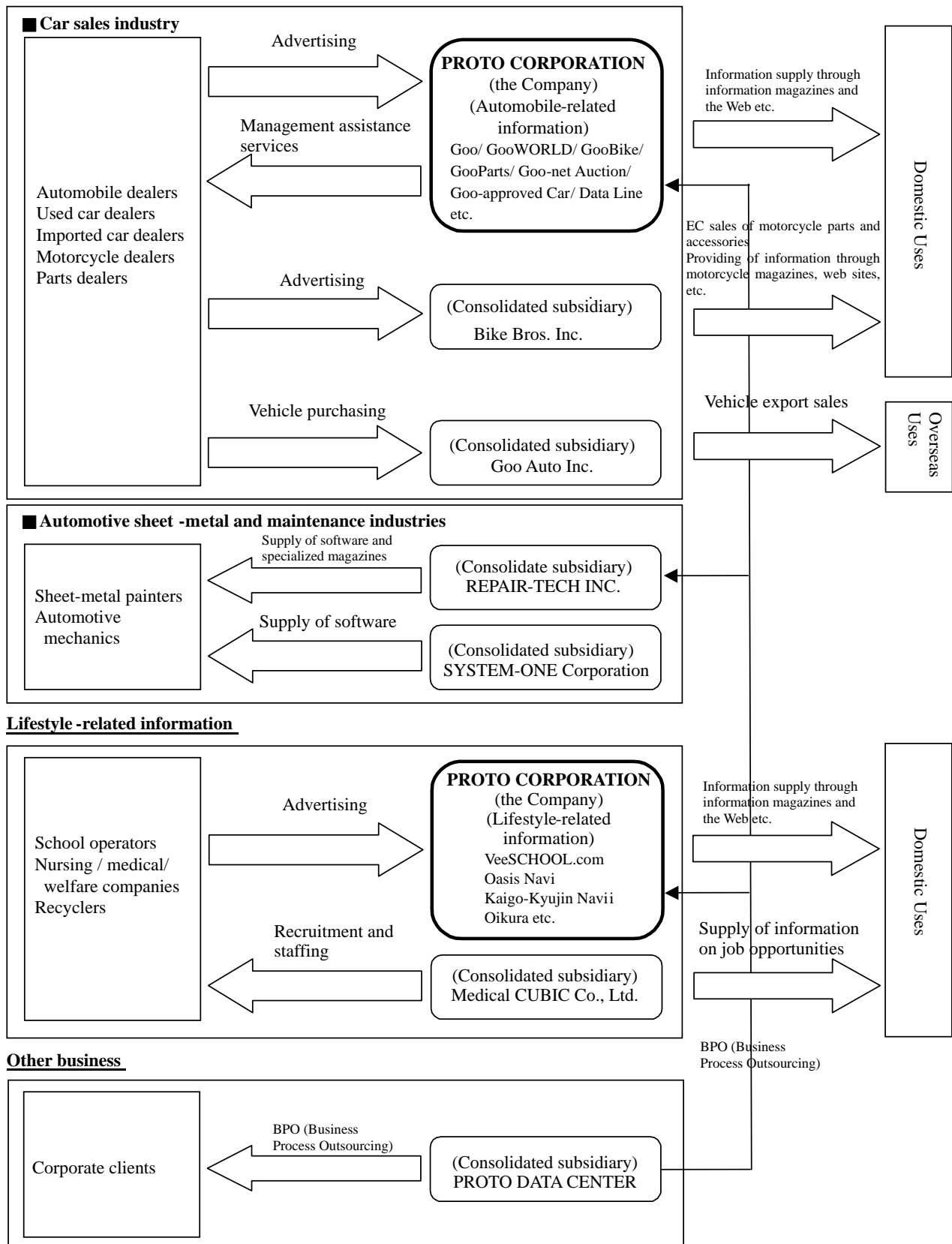
With respect to their own assets, the PROTO CORPORATION and REPAIR-TECH INC. carry out real estate management activities with management engineering as their principal goal.

Other Business

PROTO DATA CENTER provides design, web solutions, telemarketing and data entry services as BPO projects (Business Process Outsourcing).

The following diagram illustrates the business structure of the PROTO Group as described above.

Automobile -related information



- *1 PROTO CORPORATION and REPAIR-TECH INC. are also engaged in other property management businesses in addition to those listed above.
- 2. Medical CUBIC Co., Ltd. is changed its name to PROTO MEDICAL CARE on May 1, 2011.
- 3. MARS FLAG Corporation will transfer all shares in its possession on March 1, 2011, and be excluded from the consolidated group.
- 4. PROTO (SHANGHAI) BROKERAGE CO., LTD. was providing information services on the Chinese automobile market, but its business activities are now being reconsidered.
- 5. The liquidation of PROTO (SHANGHAI) BROKERAGE CO., LTD. is set to be completed on March 7, 2011.

3. Management Policies

(1) Basic Management Policies

The PROTO CORPORATION manages itself under the unchanging philosophy of “Bringing companies and people together for the benefit of society, using intelligence and information rather than simply selling commodities.” The company’s fundamental idea is that people and corporations exist in both society and the industry, and it is through being truly needed that they can discover their value. Society overflows with people and things, so in order to be truly needed, people must use their information and intelligence as weapons and open up the next generation with a vivacious, challenging spirit and quick action – even when faced with a certain amount of risk. The company believes that it is important to feel the joy of significant growth. To this end, the company strives to always undertake creative projects, aiming for continual and stable future growth and development, with the result of continuing to be an appealing corporation.

In order to realize these ideas, the PROTO CORPORATION sets corporate goals every ten years. The corporate goal from 2000 to 2009 was to become a fun company that continues to create and try out new challenges. This goal was summed up in the slogan, “An Exciting, Thrilling, and Fun Company–Joyful Company.” In order to fulfill this vision, the PROTO CORPORATION has maintained growth by creating new projects, creating markets and expanding markets. The company has also reformed its business model in order to perpetually remain a half step ahead of the times. Through these activities, the company has worked to increase its significance.

The corporate goal from 2010 to 2019 has been to maximize the company’s corporate significance under the slogan “A Company that Takes on the World Market – Global Company.” The PROTO CORPORATION aims to increase its domestic market share by developing and providing products and services catering to diversifying consumer behavior and consumer needs. The PROTO CORPORATION also seeks to actively develop its businesses with an eye towards the world market. The goal is to build up an internationally competitive company well-equipped to compete under global standards.

(2) Performance Indicators

In order to secure continual and stable profits, and in order to further expand the scale of operations, the PROTO Group has marked sales, operating income and the growth potential of ordinary income as important management indices.

(3) Medium- and Long-term Strategies

The PROTO Group is working towards the expansion of operations for its automobile-related information business – the backbone of its operations. At the same time, the PROTO Group is also working to expand operations in the lifestyle-related business in order to set up additional core operations which will serve as the Group’s second and third pillars. Expressed in more concrete terms, the PROTO Group is aiming to secure continual and stable profits. It also seeks to further expand its scale of operations by becoming a corporate group supported by its users and clients and possessing creative and absolute significance. The Group aims to accomplish these goals by continuing to provide users in each of its operations with content they can trust, while at the same providing various forms of management support services to its clients.

(4) Company Issues to Address

(a) Brand Establishment

Society is flooded with various different pieces of information. In order for the Group to expand its operations in the future, it will be important to get society to trust and value PROTO’s information – to get people to feel that “PROTO’s information is trustworthy, useful and high-quality.” The Group must, in other words, establish the corporate brand.

In order to attain this goal of establishing the corporate brand, the Group will endeavor to gain and maintain high levels of trust and value by selecting valuable information that people actually need, and use the knowledge it has built up thus far to continue providing society with information of high added value.

(b) Establishment of Comprehensive Automobile Information Services and Diversification of Revenue Sources

The car portal website “Goo-net” occupies a strategically central position among media that cater to the automobile-related information business. When it comes to used car search websites, “Goo-net” enjoys overwhelming support from consumers. Recently, however, corporations from other industries, such as retailers and net corporations, have also begun using the internet to send information on used cars to consumers. Competition between companies is expected to increase in intensity.

In response to this current situation, the PROTO Group plans to gain the support of more consumers by further expanding the content and services (functions) of the car portal website “Goo-net.” The Group will establish a car portal website “Goo-net” as a comprehensive portal website encompassing all information on cars, including but not limited to information on buying and selling. The aim is to appeal not only to the buyers of used cars, as has been the case until now, but to incorporate buyers of new cars as well.

At present, the main source of income for the PROTO Group comes in the form of advertising fees paid by used car dealers. In order to further expand business performance, it will be necessary to secure new sources of income, namely income from sources besides the advertising fees. Expressed more concretely, the plan is to utilize all the car-related websites (such as the car portal website “Goo-net”) to gain revenue in fees paid for mediation and the settling of contracts. The Group also plans to maintain and expand income from the aforementioned advertising fees by providing new internet-based services to used car dealers.

(c) Promotion of M&A and Business Alliance

In order to promote the expansion of content and services, the PROTO Group will speed up the growth of business by effectively utilizing the management resources at each member company. Concerning content and services unavailable within the Group, the Group will actively pursue M&A and alliances to handle the situations.

(d) Overseas Business Expansion

Through our consolidated subsidiaries, PROTO Group will promote the establishment of businesses utilizing our know-how in the collection and supply of information in global markets such as China and Asia.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	March 31, 2010	March 31, 2011
ASSETS		
Current Assets		
Cash	11,275,189	12,748,091
Notes and accounts receivable	2,456,728	2,654,846
Short-term investment securities	–	19,076
Goods and products	17,078	27,328
Goods in process	55,931	61,211
Raw material and inventory goods	3,318	2,642
Deferred tax assets	162,512	217,1743
Other current assets	216,252	334,814
Allowance for doubtful accounts	(2,709)	(3,779)
Total Current Assets	14,184,301	16,061,374
Fixed Assets		
Tangible Fixed Assets		
Buildings and structures	5,164,294	5,168,924
Accumulated depreciation	(2,003,696)	(2,202,005)
Building and structures -Net	3,160,598	2,966,919
Land	3,900,031	3,998,869
Other tangible fixed assets	282,661	440,113
Accumulated depreciation	(209,061)	(319,787)
Other tangible fixed assets -Net	73,599	120,326
Total Tangible Fixed Assets	7,134,229	7,086,115
Intangible Fixed Assets		
Goodwill	658,944	954,252
Other intangible fixed assets	211,667	154,887
Total Intangible Fixed Assets	870,612	1,109,140
Investment and Other Assets		
Investments in securities	555,969	499,156
Deferred tax assets	508,417	599,783
Other investments	1,061,657	900,979
Allowance for doubtful accounts	(92,037)	(93,035)
Total investments and other assets	2,034,007	1,906,884
Total Fixed Assets	10,038,849	10,102,139
Total Assets	24,223,151	26,163,513

(Thousands of yen)

	March 31, 2010	March 31, 2011
LIABILITIES		
Current Liabilities		
Notes and accounts payable-trade	755,423	776,034
Current portion of long-term borrowings	59,027	82,821
Accrued expenses	1,151,576	1,251,505
Accrued income taxes	1,466,687	1,333,671
Advances received	1,902,090	1,741,097
Allowance for sales returns	51,607	95,545
Allowance for bonus payable	44,075	41,813
Other current liabilities	432,043	316,622
Total Current Liabilities	5,862,531	5,639,110
Long-Term Liabilities		
Long-term borrowings	101,964	53,954
Allowance for Employee' retirement benefits	491	882
Allowance for directors' retirement benefits	212,900	232,300
Asset retirement obligation	—	73,268
Negative goodwill	31,691	21,917
Other long-term liabilities	312,796	107,573
Total Long-Term Liabilities	659,843	489,895
Total Liabilities	6,522,374	6,129,006
NET ASSETS		
Shareholder's equity		
Common stock	1,824,620	1,824,620
Capital surplus	2,011,736	2,011,736
Retained earnings	13,796,905	16,236,318
Treasury stock	(12,916)	(13,598)
Total Shareholders' Equity	17,620,346	20,059,077
Accumulated other comprehensive income/(loss)		
Net unrealized gains (losses) on securities	(5,573)	(12,252)
Foreign exchange adjustment account	(3,843)	(12,317)
Total accumulated other comprehensive income/(loss)	(9,416)	(24,570)
Minority Interests	89,847	—
Total Net Assets	17,700,776	20,034,506
Total Liabilities and Net Assets	24,223,151	26,163,513

(2) Consolidated Statements of Income

(Thousands of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Net Sales	25,682,321	28,779,831
Cost of Sales	10,272,804	11,810,257
Gross Profit	15,409,516	16,969,573
Reversal of Reserve for Returned Products	51,357	193,712
Transfer to Reserve for Returned Products	51,607	95,850
Adjusted Gross Profit	15,409,266	17,067,435
Selling, General and Administrative Expenses		
Salaries for directors and employees	4,236,619	4,670,603
Provision for allowance for directors' retirement benefits	18,300	19,400
Provision for allowance for bonus payable	28,550	30,421
Advertising	1,332,730	1,694,901
Provision for allowance for doubtful accounts	20,628	8,254
Amortization of goodwill	91,722	422,474
Others	3,582,115	4,109,923
Total Selling, General and Administrative Expenses	9,310,666	10,955,979
Operating Income	6,098,600	6,111,455
Non-Operating Income		
Interest income	13,545	15,908
Dividend income	5,235	5,254
Income from sales of used paper	12,712	—
Amortization of negative goodwill	9,773	9,773
Gain on investments in anonymous associations	25,650	186,005
Other income	22,811	66,288
Total Non-Operating Income	89,727	283,230
Non-Operating Expenses		
Interest expenses of loans	2,034	6,289
Investment losses of business association	16,742	7,245
Other expenses	3,680	5,244
Total Non-Operating Expenses	22,457	18,780
Ordinary Income	6,165,870	6,375,906

	(Thousands of yen)	
	Year Ended March 31, 2010	Year Ended March 31, 2011
Extraordinary Income		
Gains from sales of fixed assets	2,196	–
Gains from sales of securities	3,160	–
Gains from forgiveness of debt	–	6,106
Total Extraordinary Income	5,356	6,106
Extraordinary Losses		
Losses from sales of fixed assets	24	318
Losses from disposals of fixed assets	35,411	46,981
Impairment losses	–	367,337
Losses from revaluation of securities	77,001	0
Losses from sales of securities	6,322	–
Losses from sales of shares in affiliates	–	7,397
Provision of allowance for doubtful accounts	50,649	–
Loss on adjustment for the changes of accounting standard for asset retirement obligations	–	53,517
One-time amortization of goodwill	–	242,119
Other expenses	3,743	10,032
Total Extraordinary Losses	173,152	727,704
Income before Income Taxes	5,998,074	5,654,308
Income Taxes	2,495,609	2,575,038
Adjustment of Corporate Income Tax	(38,357)	(122,799)
Corporate Income Tax Total	2,457,251	2,452,239
Net Income before Adjusting for the Losses of Minority Shareholders	–	3,202,069
Minority Interest in Earnings (Losses)	11,138	4,290
Net Income	3,529,683	3,197,778

Consolidated Statement of Comprehensive Operations

	(Thousands of yen)	
	Year Ended March 31, 2010	Year Ended March 31, 2011
Net Income before Adjusting for the Losses of Minority Shareholders	–	3,202,069
Other Comprehensive Income		
Valuation difference on available-for-sale securities	–	(6,678)
Foreign currency translation adjustments	–	(8,474)
Other comprehensive income	–	(15,153)
Comprehensive Income	–	3,186,915
(Breakdown)		
Comprehensive income concerning shareholders of the parent company	–	3,182,624
Comprehensive income concerning minority shareholders	–	4,290

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Capital		
Shareholder's Equity		
Balance as at end of previous period	1,824,620	1,824,620
Increase (decrease) during the year		
Total increase (decrease) during the period	—	—
Balance at end of period	1,824,620	1,824,620
Capital Surplus		
Balance at end of previous period	2,011,623	2,011,736
Increase (decrease) during the period		
Disposal of treasury stocks	112	—
Total increase (decrease) during the period	112	—
Balance at end of period	2,011,736	2,011,736
Retained earnings		
Balance at end of previous period	10,999,460	13,796,905
Increase (decrease) during the period		
Cash dividends (Note)	(732,238)	(758,365)
Net income	3,529,683	3,197,778
Total increase (decrease) during the period	2,797,445	2,439,412
Balance at end of period	13,796,905	16,236,318
Treasury stock		
Balance at end of previous period	(11,778)	(12,916)
Increase (decrease) during the period		
Acquisition of treasury stocks	(1,241)	(681)
Disposal of treasury stocks	103	—
Total increase (decrease) during the period	(1,137)	(1,137)
Balance at end of period	(12,916)	(13,598)
Total Shareholder's Equity		
Balance at end of previous period	14,823,925	17,620,346
Increase (decrease) during the period		
Cash dividends (Note)	(732,238)	(758,365)
Net income	3,529,683	3,197,778
Acquisition of treasury stocks	(1,241)	(681)
Disposal of treasury stocks	216	—
Total increase (decrease) during the period	2,796,420	2,438,730
Balance at end of period	17,620,346	20,059,077

(Thousands of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Accumulated other comprehensive income/(loss)		
Profit/Loss on Deferred Valuation of Other Securities		
Balance at end of previous period	(27,143)	(5,573)
Increase (decrease) during the period		
Net change in items excluding shareholders' equity during the period	21,569	(6,678)
Total increase (decrease) during the period	21,569	(6,678)
Balance at end of period	(5,573)	(12,252)
Profit/Loss on Deferred Exchange		
Balance at end of previous period	(10,412)	(3,843)
Increase (decrease) during the period		
Net change in items excluding shareholders' equity during the period	6,569	(8,474)
Total increase (decrease) during the period	6,569	(8,474)
Balance at end of period	(3,843)	(12,317)
Total Valuation and Exchange Difference		
Balance at end of previous period	(37,556)	(9,416)
Increase (decrease) during the period		
Net change in items excluding shareholders' equity during the period	28,139	(15,153)
Total increase (decrease) during the period	28,139	(15,153)
Balance at end of period	(9,416)	(24,570)
Minority Interests		
Balance at end of previous period	78,708	89,847
Increase (decrease) during the period		
Net change in items excluding shareholders' equity during the period	11,138	(89,847)
Total increase (decrease) during the period	11,138	(89,847)
Balance at end of period	89,847	—
Total Net Assets		
Balance at end of previous period	14,865,078	17,700,776
Increase (decrease) during the period		
Cash dividends (Note)	(732,238)	(758,365)
Net income	3,529,683	3,197,778
Acquisition of treasury stocks	(1,241)	(681)
Disposal of treasury stocks	216	—
Net change in items excluding shareholders' equity during the period	39,277	(105,000)
Total increase (decrease) during the period	2,835,698	2,333,730
Balance at end of period	17,700,776	20,034,506

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Cash Flows from Operating Activities		
Income before income taxes	5,998,074	5,654,308
Depreciation	299,744	322,563
Impairment loss	–	367,337
Amortization of goodwill	91,722	422,474
One-time amortization of goodwill	–	242,119
Amortization of negative goodwill	(9,773)	(9,773)
Increase (decrease) in reserve for directors' retirement allowances	18,300	19,400
Increase (decrease) in reserve for employees' retirement benefits	294	391
Increase (decrease) in reserve for bonuses	5,188	(14,262)
Increase (decrease) in reserve for returned products	250	(97,861)
Increase (decrease) in allowance for doubtful accounts	58,771	(9,096)
Interest and dividend income	(18,780)	(21,162)
Interest expenses	2,034	6,289
Loss (gain) on investments in business associations	16,742	(7,245)
Loss (gain) on investments in anonymous associations	(25,650)	(186,005)
Loss (gain) on sales of investment securities	3,162	–
Loss (gain) on revaluation of investment securities	77,001	0
Loss (gain) on sales of shares in affiliates	–	7,397
Loss (gain) on sales/disposal of property and equipment	33,239	47,299
Loss on adjustment for the changes of accounting standard for asset retirement obligations	–	53,517
Decrease (increase) in trade receivables	35,528	232,814
Decrease (increase) in inventories	1,815	(7,269)
Increase (decrease) in accounts payable	(62,238)	(113,937)
Increase (decrease) in accrued expenses	(119,947)	(9,831)
Increase (decrease) in advances received	(223,019)	(160,173)
Increase (decrease) in accrued consumption taxes, etc	138,870	(127,961)
Others	(45,388)	(43,121)
Subtotal	6,275,941	6,582,700
Interest and dividends received	18,336	21,162
Interest paid	(2,158)	(6,173)
Income taxes paid	(2,286,281)	(2,701,153)
Net Cash Provided by (Used in) Operating Activities	4,005,837	3,896,535

(Thousands of yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011
Cash Flows from Investing Activities		
Decrease in time deposits	(370,305)	(210,000)
Increase in time deposits	450,000	–
Proceeds from sales of property and equipment	5,063	1,716
Acquisition of property and equipment	(535,059)	(438,601)
Acquisition of intangible fixed assets	(69,075)	(58,797)
Payment of long-term prepaid expenses	(11,577)	(12,269)
Addition to investment securities	(300,000)	–
Proceeds from sales of investment securities	90,817	–
Payment for acquisition of subsidiary's shares accompanying changes in scope of consolidation	(258,093)	(621,355)
Payment for sales of subsidiary's shares accompanying changes in scope of consolidation	–	(73,895)
Investment income received from business associations	30,157	19,952
Proceeds from anonymous associations	–	130,970
Payment for acquisition of business	(181,991)	(380,000)
Others	8,579	16,867
Net Cash Provided by (Used in) Investing Activities	(1,141,484)	(1,625,413)
Cash Flows from Financing Activities		
Increase (decrease) from short-term borrowings	(7,500)	–
Proceeds from long-term borrowings	–	50,000
Payment for repaying of long-term borrowings	(32,341)	(286,642)
Acquisition of treasury stock	(1,241)	(681)
Proceeds from disposal of treasury stock	216	–
Dividends paid	(732,263)	(759,119)
Net Cash Provided by (Used in) Financing Activities	(773,129)	(996,443)
Translation Gain (Loss) Related to Cash and Cash Equivalents	8,799	(5,541)
Net Change in Cash and Cash Equivalents	2,100,022	1,269,137
Cash and Cash Equivalents at Beginning of Term	9,107,401	11,207,424
Cash and Cash Equivalents at End of Term	11,207,424	12,476,561