

Q1

**Financial Results for the Three Months Ended June 2016
(April 1, 2016 to June 30, 2016)**

PROTO CORPORATION

July 29, 2016



Financial Data (Consolidated)

Shares outstanding (million)	20.9
Market capitalization (¥ billion, June 2016)	24.9
DPS (¥, FY March 2017, Forecast)	50.0
EPS (¥, FY March 2017, Forecast)	72.35
BPS (¥, FY March 2016)	1,286.93
ROE (% , FY March 2016, Net income basis)	(1.5)
ROA (% , FY March 2016, Ordinary income basis)	10.1
Equity ratio (% , March 2016)	63.6
Potential share dilution (million)	-
Foreign ownership (% , June 2016)	30.7

Major Shareholders

	(Thousands)
1) Mugen Corporation	6,807 (32.50%)
2) JPMCC CLIENT SAFEKEEPING ACCOUNT	1,323 (6.31%)
3) PROTO CORPORATION	881 (4.20%)
4) BNYM TREATY DTT 10	587 (2.80%)
5) JP MORGAN CHASE BANK 385632	562 (2.68%)
6) CLEARSTREAM BANKING S.A	472 (2.25%)
7) Hiroichi Yokoyama	440 (2.10%)
8) Yoshihiro Yokoyama	394 (1.88%)
9) BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	390 (1.86%)
10) NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	349 (1.66%)

(As of June 30, 2016)

Q1/FY March 2017 : Operating Results (1)

Consolidated Statements of Income [unit: million yen]	Q1/FY2016 March		Q1/FY2017 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
Net Sales	13,209	100.0%	13,493	100.0%	13,228	100.0%	19	100.1%	(265)	98.0%
Cost of Sales	7,938	60.1%	8,206	60.8%	7,989	60.4%	50	100.6%	(217)	97.4%
Gross Profit	5,270	39.9%	5,286	39.2%	5,239	39.6%	(31)	99.4%	(47)	99.1%
SG&A Expenses	4,211	31.9%	4,662	34.6%	4,340	32.8%	129	103.1%	(322)	93.1%
EBITDA	1,553	11.8%	1,056	7.8%	1,321	10.0%	(232)	85.1%	265	125.2%
Operating Income	1,059	8.0%	624	4.6%	898	6.8%	(160)	84.8%	274	144.0%
Ordinary Income	1,095	8.3%	628	4.7%	852	6.4%	(242)	77.8%	223	135.5%
Net Income	572	4.3%	347	2.6%	500	3.8%	(72)	87.3%	153	144.1%
Net Income per Share(Yen)	28.19	-	17.18	-	24.84	-	(3.35)	88.1%	7.66	144.6%

*1 The planned values for the term ended Mar. 2017 were announced on May 13, 2016.

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

[unit: million yen]	Q1/FY2016 March		Q1/FY2017 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
SG&A Expenses	4,211	31.9%	4,662	34.6%	4,340	32.8%	129	103.1%	(322)	93.1%
Employment Cost	1,964	14.9%	2,169	16.1%	2,022	15.3%	58	103.0%	(147)	93.2%
Advertising Cost	601	4.6%	855	6.3%	768	5.8%	166	127.6%	(87)	89.8%
Other Expenses	1,645	12.5%	1,637	12.1%	1,549	11.7%	(95)	94.2%	(87)	94.6%
Number of Employees	1,514	-	1,681	-	1,600	-	86	105.7%	(81)	95.2%

**"Advertisement-related" means "advertisement expenses + sales promotion cost."

Q1/FY March 2017 : Operating Results (2)

Net Sales	Same level as the previous year (100.1% year on year) Target sales not achieved (ratio of sales to the target: 98.0%) Sales grew 19 million yen (100.1%) year on year, mainly because the business partners of Goo-net (MOTOR GATE) operated by PROTO CORPORATION expanded steadily, although the unit price and sales volume of tires of AUTOWAY Co., Ltd. declined from the previous year. The ratio of sales to the target value was 98.0%, mainly because the sales volume and unit price of tires of AUTOWAY Co., Ltd. were less than the target values and the EC sales of motorbike parts and goods of Bike Bros. Inc. were smaller than the target value.
Gross Profit	Same level as the previous year (99.4% year on year) Target gross profit not achieved (ratio of gross profit to the target: 99.1%) Gross profit decreased 31 million yen (99.4%) year on year, as AUTOWAY Co., Ltd. increased its profit through cost reduction, improvement in the exchange environment, etc. and PROTO CORPORATION implemented measures for increasing the number of cars that underwent Goo-inspection, etc. The ratio of gross profit to the target value was 99.1%.
SG&A Expenses	Increased (103.1% year on year) Lower than the estimated (ratio to the estimated: 93.1%) SG&A expenses augmented 129 million yen (103.1%) year on year, because the advertisement and sales promotion expenses for "Goo-inspection" of PROTO CORPORATION increased although goodwill amortization declined from the previous year and the personnel cost, etc. grew due to the increase of inspectors (under training) of CAR CREDO Co., Ltd. On the other hand, the ratio of SG&A to the estimated was 93.1%, mainly because the personnel cost and other expenses of PROTO CORPORATION, CAR CREDO Co., Ltd., and PROTO MEDICAL CARE were lower than the estimated values.
Operating Income	Decreased (84.8% year on year) Higher than the estimated (ratio to the estimated: 144.0%) Operating income dropped 160 million yen (84.8%) year on year, mainly because PROTO CORPORATION increased the advertisement and sales promotion expenses for "Goo-inspection." The ratio of operating income to the estimated value was 144.0%, mainly because personnel cost and other expenses were lower than the estimated values as mentioned above.
Net Income	Decreased (87.3% year on year) Higher than the estimated (ratio to the estimated: 144.1%) Net income dropped 72 million yen (87.3%) year on year, because of the exchange loss in AUTOWAY Co., Ltd. in addition to the above-mentioned factors. The ratio of net income to the estimated value was 144.1%.

Q1/FY March 2017 : Operating Results by Segment(1)

Net Sales [unit: million yen]	Q1/FY2016 March		Q1/FY2017 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
Automobile-related	12,085	91.5%	12,143	90.0%	11,868	89.7%	(216)	98.2%	(274)	97.7%
Ad-related	5,129	38.8%	5,153	38.2%	5,087	38.5%	(42)	99.2%	(66)	98.7%
Information and services	1,161	8.8%	1,270	9.4%	1,226	9.3%	64	105.6%	(44)	96.5%
Sale of goods	5,793	43.9%	5,718	42.4%	5,554	42.0%	(239)	95.9%	(163)	97.1%
Lifestyle-related	812	6.2%	1,027	7.6%	1,049	7.9%	236	129.1%	21	102.1%
Real Estate	41	0.3%	41	0.3%	41	0.3%	0	101.4%	0	100.5%
Other Business	269	2.0%	281	2.1%	269	2.0%	(0)	99.8%	(12)	95.6%
Total	13,209	100.0%	13,493	100.0%	13,228	100.0%	19	100.1%	(265)	98.0%

Operating Income [unit: million yen]	Q1/FY2016 March		Q1/FY2017 March				YoY change		Achievement rate	
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin	(c)-(a)	%	(c)-(b)	%
Automobile-related	1,371	11.3%	998	8.2%	1,157	9.8%	(213)	84.4%	159	116.0%
Lifestyle-related	81	10.1%	100	9.8%	152	14.6%	71	187.0%	52	152.1%
Real Estate	27	67.0%	23	57.4%	32	78.0%	4	118.0%	8	136.5%
Other Business	(18)	-	(51)	-	(27)	-	(9)	-	23	-
Management Division	(402)	-	(446)	-	(416)	-	(13)	-	30	-
Total	1,059	8.0%	624	4.6%	898	6.8%	(160)	84.8%	274	144.0%

Q1/FY March 2017 : Operating Results by Segment(2)

Automobile-related

Net Sales: Decline (98.2% year on year) Target sales not achieved (ratio of sales to the target: 97.7%)

Ad-related: Sales were 99.2% year on year, as the business partners of Goo-net (MOTOR GATE) increased steadily, but the income from advertisement in 2 overseas subsidiaries (in Malaysia and Taiwan) declined from the previous year. The ratio of sales to the target value was 98.7%, as the income from advertisement in overseas subsidiaries was smaller than the estimated, and the sales of Goo Purchase Service were slightly smaller than the estimated.

Information and services: Sales were 105.6% year on year, mainly thanks to the performance of products and services for new car dealers (such as DataLine SalesGuide). The ratio of sales to the target value was 96.5%, mainly because of the measures for increasing the number of cars that underwent Goo-inspection.

Sale of goods: Sales were 95.9% year on year, mainly because the unit price and sales volume of tires of AUTOWAY Co., Ltd. dropped from the previous year. The ratio of sales to the target value was 97.1%.

Operating Income: Decreased (84.4% year on year) Higher than the estimated (ratio to the estimated: 116.0%)

Operating income decreased 213 million yen (84.4%) year on year, mainly because advertisement cost augmented through the enhancement of the promotion of "Goo-inspection" by PROTO CORPORATION. Operating income was 159 million yen higher than the target value (116.0%), because the personnel cost and other expenses of PROTO CORPORATION and CAR CREDO Co., Ltd. were smaller than the estimated values and the advertisement cost of PROTO CORPORATION was smaller than the estimated value.

Lifestyle-related

Net Sales: Growth (129.1% year on year) Higher than the estimated (ratio to the estimated: 102.1%)

Sales were 129.1% year on year, mainly because of the performance of the welfare goods rental service of MARUFUJI and SILVER HEART, which became subsidiaries of PROTO MEDICAL CARE in Jan. 2016 and the healthy performance of advertisement-related business in the fields of medicine, nursing care, and welfare. The ratio of sales to the target value was as healthy as 102.1%, mainly thanks to the favorable performance of the ad-related business of PROTO MEDICAL CARE.

Operating Income: Increased (187.0% year on year) Higher than the estimated (ratio to the estimated: 152.1%)

Operating income was 187.0% year on year, as the profit of PROTO MEDICAL CARE grew and the culture information business of PROTO CORPORATION and the GooHOME business of PROTO DATA CENTER moved into the black. The ratio of operating income to the estimated value was 152.1%, mainly because the results of the ad-related business and the welfare goods rental service business of PROTO MEDICAL CARE were better than the estimated.

Other Business

Net Sales: Same level as the previous year (99.8% year on year) Lower than the estimated (ratio to the estimated: 95.6%)

Sales dropped 0 million yen (99.8%) year on year, as the BPO business (outsourcing) of PROTO DATA CENTER was healthy, but the sales of its education business declined from the previous year. Sales were 12 million yen smaller than the target value (95.6%).

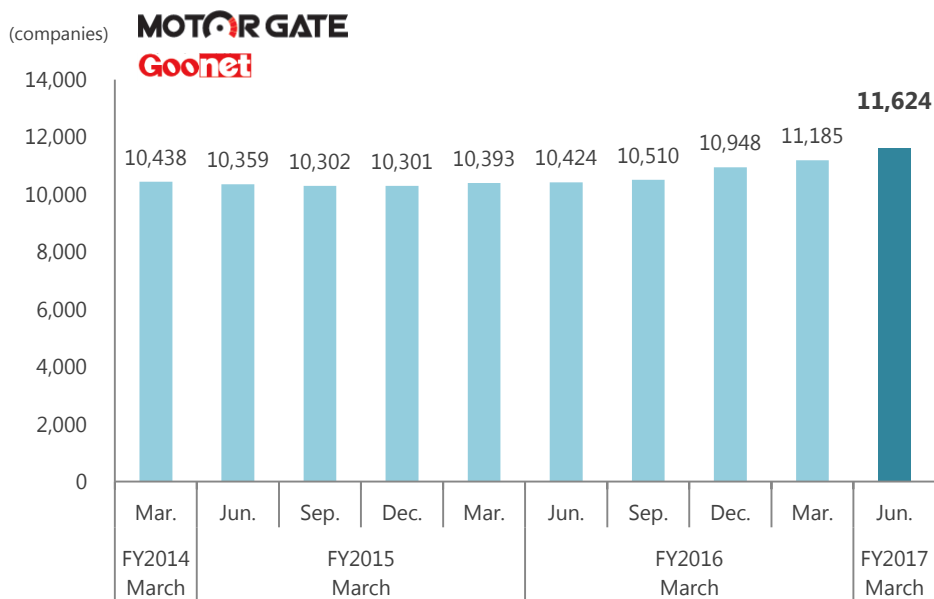
Operating Income: Decreased (-9 million yen year on year) Higher than the estimated (+23 million yen year on year)

There was an operating loss of 27 million yen (an operating loss of 18 million yen in the previous term), mainly because the profit of the education business of PROTO DATA CENTER declined from the previous year.

Operating income was 23 million yen higher than the target value, because the operating income/loss of the BPO business of PROTO DATA CENTER was higher than the target value.

Variation in the number of used car dealers as business partners

■ No. of Affiliated companies of MOTOR GATE (Goo-net)



■ No. of business partners of MOTOR GATE (used car dealers)

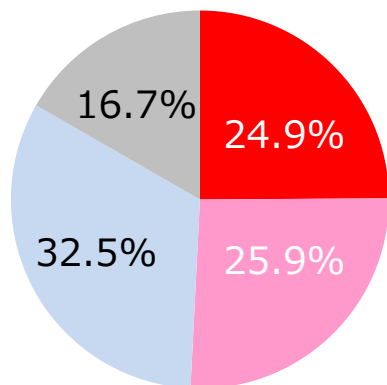
The number of business partners of MOTOR GATE as of the end of Jun. 2016 is 11,624 (+439 from the previous quarter). The market environment remained stringent, as the sales volume of new cars was 1.07 million (98.1% year on year) and the number of registered used cars was 1.61 million (99.6% year on year) in a period from Apr. to Jun. 2016, but we strived to expand the number of business partners by enlisting the cooperation of small-sized used car dealers and promoting "Goo-inspection," etc.

■ Future used car distribution market

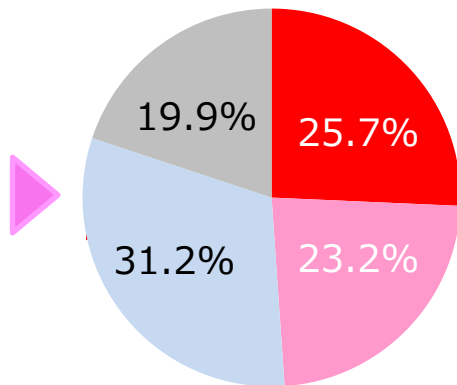
In the used car distribution market, the trade-in volume of used cars is stagnant as the sales of new cars is sluggish, but gentle recovery is expected from the second quarter, because the car inspection season will come in the 7th year after the first-phase Eco Car subsidy (Apr. 10, 2009 to Sep. 7, 2010).

■ Market Share of Goo-net

(as of the end of Mar. 2016)



(as of the end of Jun. 2016)



■ Market Share of Goo-net (used car dealers)

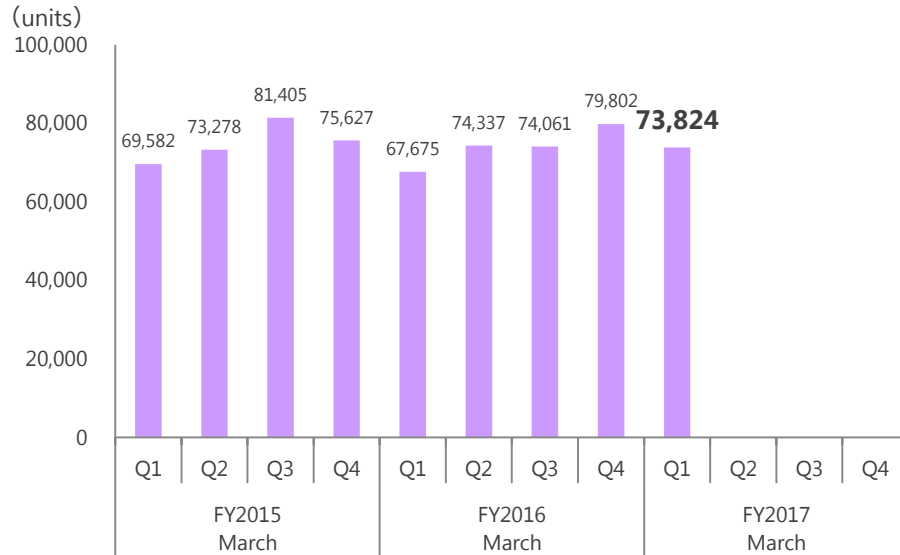
Our company accounts for 48.9% (down 1.9% from the previous quarter) of the total number of business partners in the Internet while competitors make up 54.4% (down 4.0% from the previous quarter) as of the end of Jun. 2016 as more used car dealers refrained from posting ads compared with the strong demand period of used cars from Jan. to Mar.

- Insertion of ads into Goo-net
- Insertion of ads to competitor's website only
- Insertion of ads into both Goo-net and competitor's website
- Others

(Surveyed by our company)

Variation in the number of cars that underwent Goo-inspection

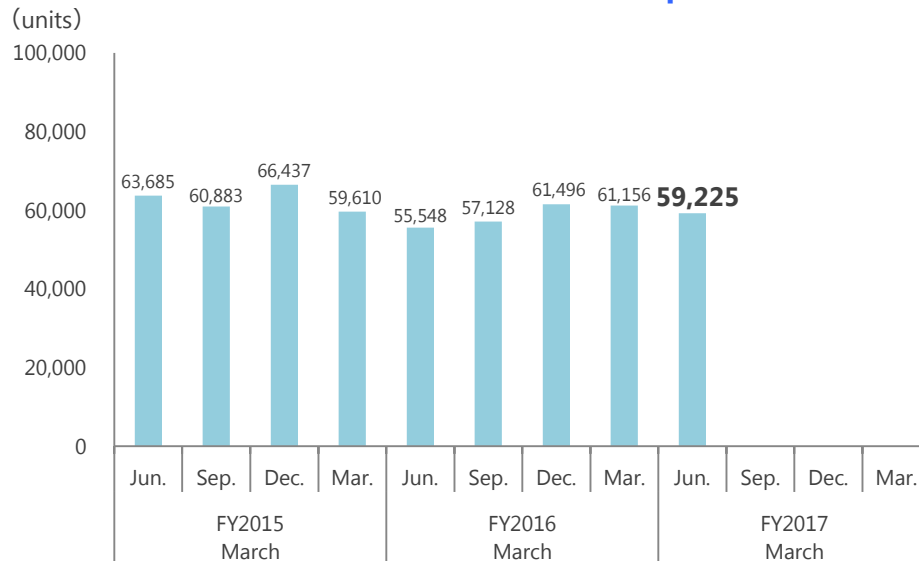
■ Number of cars that underwent Goo-inspection



■ No. of cars that underwent Goo-inspection (domestic cars)

In a period from Apr. to Jun. 2016, the number of cars that underwent Goo-inspection was 73,824 (109.1% year on year). The number was 4,824 larger than the estimated number.

■ Number of cars that indicate Goo-inspection on Goo-net

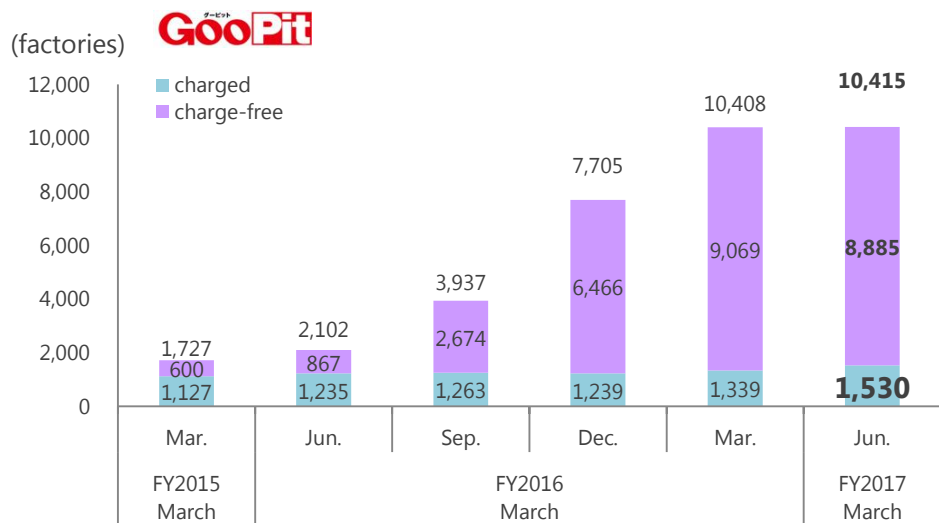


■ No. of cars that indicate Goo-inspection on Goo-net

The number of cars that indicate Goo-inspection on Goo-net as of Jun. 2016 is 59,225 (106.6% year on year).

Variation in the number of maintenance shops and new car dealers as business partners

■ No. of Affiliated factories of GooPit



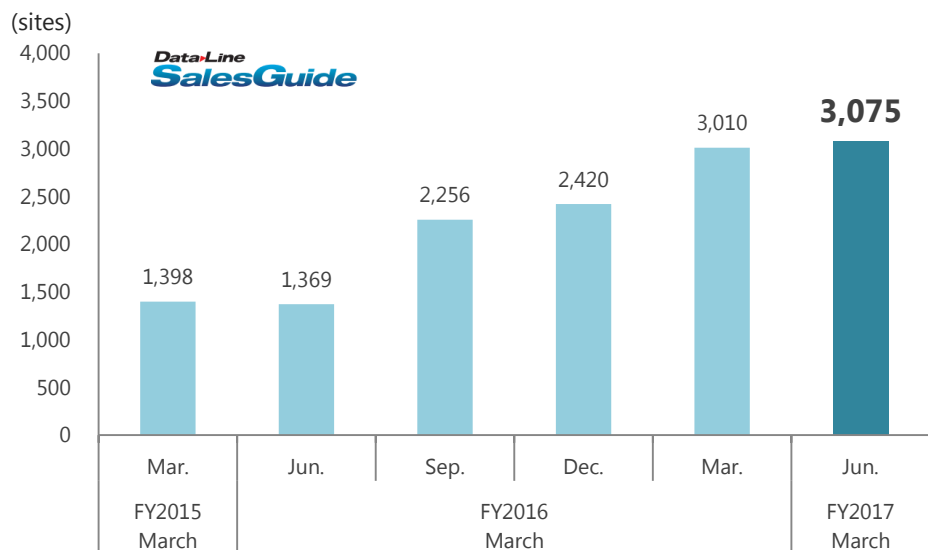
■ No. of maintenance shops that use GooPit

The number of maintenance shops that use GooPit as of the end of Jun. 2016 is 10,415. In detail, the number of maintenance shops that use charged GooPit is 1,530 (+191 from the previous quarter), while the number of maintenance shops that use charge-free GooPit is 8,885. This term, we promote the shift from charge-free to charged contracts of GooPit, to popularize charged GooPit by proposing the trial contract for charged GooPit, etc. We will fortify the linkage with "Goo Safety Inspection" to be released in Aug. 2016.

■ Goo Safety Inspection

From the Tokai area, we plan to start "Goo Safety Inspection," a service of transporting customers for car inspection, by utilizing the network of maintenance shops.

■ No. of Affiliated sites of DataLine SalesGuide



■ No. of new car dealers that installed DataLine SalesGuide

The number of new car dealers that installed DataLine SalesGuide as of the end of Jun. 2016 is 3,075 (+65 from the previous quarter). In the first quarter, we supported the dealers who installed the system in Mar. 2016 in mastering the system, and the installation in some dealers was postponed. This term, we will keep making efforts to increase the number of dealers equipped with this system, and strengthen the linkage with "Goo-net New Cars."

■ Goo-net New Cars

We will enrich the contents of "Goo-net New Cars," which specializes in the information on new cars, boost the capability of attracting customers, and promote the charged contract option.

Q1/FY March 2017 : Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2016		As of June 30, 2016		Increase /Decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	22,073	54.0%	21,859	53.9%	(214)	99.0%
Fixed Assets	18,812	46.0%	18,724	46.1%	(88)	99.5%
Current Liabilities	11,805	28.9%	11,834	29.2%	29	100.2%
Long-term Liabilities	3,079	7.5%	2,858	7.0%	(221)	92.8%
Net Assets	26,001	63.6%	25,890	63.8%	(110)	99.6%

[unit: million yen]	As of March 31, 2016		As of June 30, 2016		Increase /Decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	11,688	28.6%	11,926	29.4%	238	102.0%
Interest-bearing debt	6,618	16.2%	6,357	15.7%	(260)	96.1%
Net cash	5,069	12.4%	5,569	13.7%	499	109.9%

Current Assets

Current assets declined 214 million yen, mainly because of the decrease in inventory assets and accounts receivable of AUTOWAY Co., Ltd.

Fixed Assets

Fixed assets dropped 88 million yen, as depreciation and goodwill amortization were posted.

Current Liabilities

Current liabilities augmented 29 million yen, mainly because of the increase in short-term debts of AUTOWAY Co., Ltd.

Long-term Liabilities

Long-term liabilities decreased 221 million yen, mainly because of the decrease in long-term debts of AUTOWAY Co., Ltd.

Q1/FY March 2017 : Consolidated Statements of Cash Flow

[unit: million yen]	Q1/FY2016 March	Q1/FY2017 March	YoY change
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	599	1,451	852
Cash Flows from Investing Activities	(1,706)	(313)	1,393
Cash Flows from Financing Activities	102	(855)	(957)
Cash and Cash Equivalents at End of Term	11,009	11,525	516

[unit: million yen]	Q1/FY2016 March	Q1/FY2017 March	YoY change
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	1,834	256	(1,577)
Depreciation (Tangible/intangible fixed assets)	236	261	24
Amortization of Goodwill	257	162	(95)

Cash Flows from Operating Activities

There was an income of 1,451 million yen, as there was a net income before taxes and other adjustments of 850 million yen, depreciation and goodwill amortization, which do not cause actual expenditures, totaled up to 423 million yen, and the decrease of inventory assets of 314 million yen mainly because of the decrease of AUTOWAY Co., Ltd's merchandise inventory.

Cash Flows from Investing Activities

There was an expenditure of 313 million yen, mainly because 269 million yen was spent for acquiring fixed assets, including the warehouse of the headquarters of AUTOWAY Co., Ltd.

Cash Flows from Financing Activities

There was an expenditure of 855 million yen, as 260 million yen was posted as a net decrease in short-term and long-term debts, 394 million yen was paid as dividends, and 198 million yen was spent for acquiring treasury shares.

3-year mid-term business plan

(Term ending Mar. 2017 to Term ending Mar. 2019)

3-year mid-term business plan (managerial indices)

■ Positioning of ROE

We consider the growth potentials of sales and operating income as well as ROE as the most important indicators.

Key Performance Indicators (KPIs)	FY March 2016 Results	FY March 2017 Forecast	FY March 2018 Forecast	FY March 2019 Forecast
ROE: Return on Equity	(1.5%)	5.6%	13.3%	15.0%
ROE(Before amortization of goodwill)	2.0%	6.5%	12.7%	13.9%

■ Path for improving ROE

PROTO Group will strive to increase profitability for improving ROE.

Net income margin



Total asset turnover



Financial leverage

FY March 2019

FY March 2016

6.0%

(0.7%)



FY March 2019 1.66

FY March 2016 1.31

FY March 2019 1.50

FY March 2016 1.54

We aim to achieve the ROE of 15% in the 3 years of the mid-term plan.

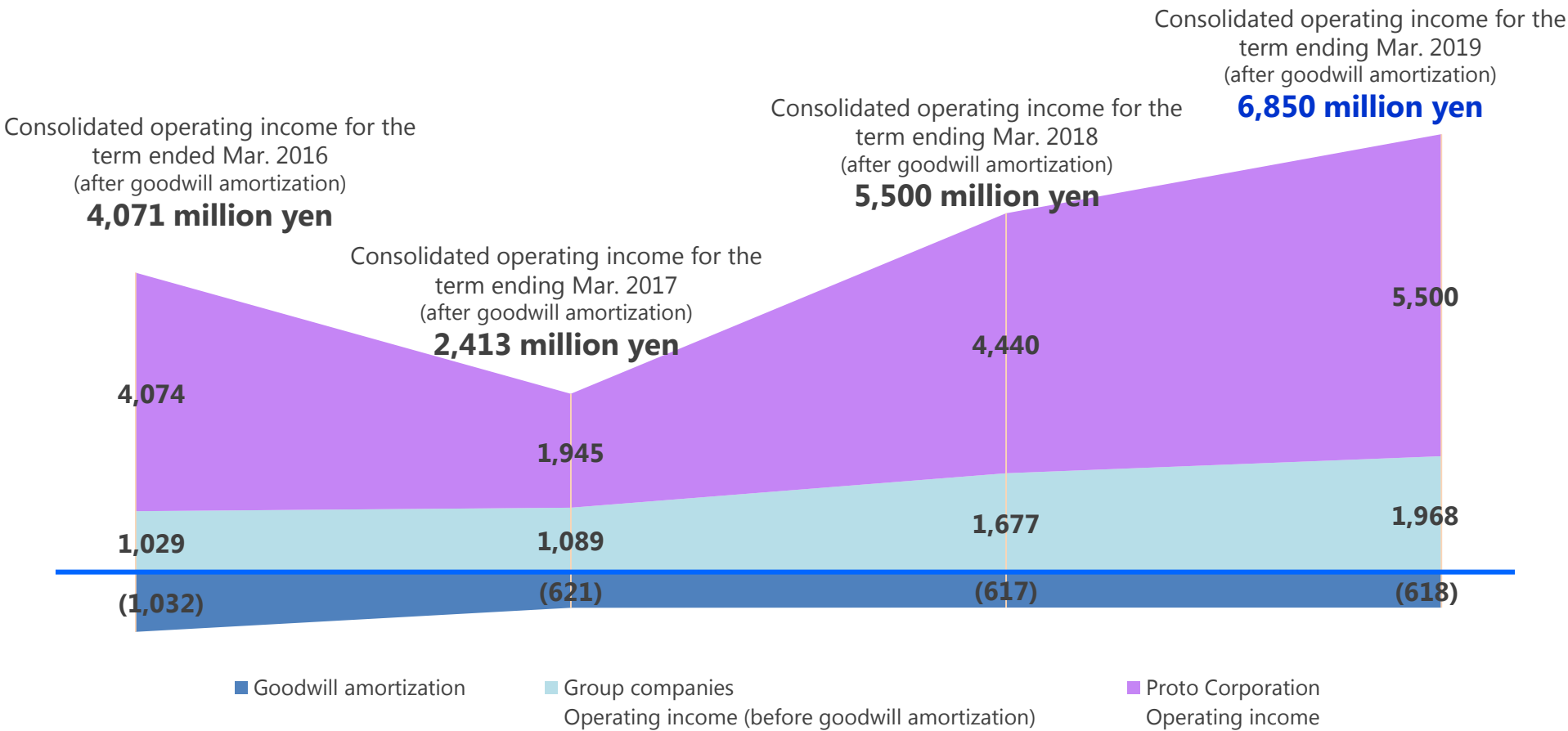
3-year mid-term business plan (Profit/loss)

[unit: million yen]	FY March 2016 Results	FY March 2017 Forecast	FY March 2018 Forecast	FY March 2019 Forecast
Net Sales	54,297	58,251	67,690	76,729
Cost of Sales	33,067	34,679	39,702	44,823
Gross Profit	21,229	23,572	27,988	31,906
SG&A Expenses	17,157	21,159	22,488	25,056
Operating Income	4,071	2,413	5,500	6,850
Profit margin(%)	7.5	4.1	8.1	8.9
Ordinary Income	4,190	2,431	5,502	6,848
Net Income	(390)	1,453	3,680	4,620
Net Income per Share(Yen)	(19.28)	72.35	183.46	230.33

*For the "Net Income per Share" of FY March 2017 and later, it reflects the impact of the acquisition of treasury stock, which was carried out in May- June 2016.

- **To reconsider the positioning of paper media and redesign the cost structure drastically, including the change of publication of Goo Series.**
- **In the term ending Mar. 2017, we will allocate the profit from the redesign of the cost structure to the investment in the "standardization of Goo-inspection."**

Variation in operating income in the 3-year mid-term plan



Consolidated operating income for the term ending Mar. 2019: 6,850 million yen

Corporate goal, Management ethos, Management policy

Corporate goal: To become a “Wonderful Company”

To create a firm demanded by society, by satisfying customers (with useful information and services), boosting the pride of employees (for their company and work), and winning the trust of shareholders (the future and results).

Management ethos

The basic policy of our business is to connect our company with people and other firms effectively through wisdom and information rather than selling goods, and contribute to society.

Management policy

Establishment of corporate and product brands

Regarding profit sharing with shareholders

■ Policy for profit sharing with shareholders

We will make efforts to return profits to shareholders while comprehensively considering continuous, stable dividends, the enrichment of internal reserve for the future growth, etc. We will use the internal reserve effectively by investing in existing and new businesses, for further fortifying the management foundation and expanding the business scale.

■ Cash Dividends per Share

[unit: yen]	FY March 2014 Results	FY March 2015 Results	FY March 2016 Results	FY March 2017 Forecast
Q2	18.75	19.00	19.00	25.00
Year-End	18.75	19.00	20.00	25.00
Annual	37.00	38.00	39.00	50.00

■ Acquisition of treasury stocks

May 2016 - June 2016 198 million yen acquired

August 2015 198 million yen acquired

November 2014 - December 2014 198 million yen acquired

May 2013 199 million yen acquired

November 2012 - March 2013 495 million yen acquired

Total of treasury stock acquisition
1,305 million yen

**We will make efforts to return profits to shareholders
while considering continuous, stable dividends.**

FY March 2017: Consolidated Earnings Forecast (Segment)

Sales [unit: million yen]	FY2015 March		FY2016 March		FY2017 March		YoY change	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
Automobile-related	44,056	90.6%	49,486	91.1%	52,399	90.0%	2,913	105.9%
Ad-related	21,593	44.4%	21,006	38.7%	22,339	38.3%	1,332	106.3%
Information and services	4,546	9.4%	5,087	9.4%	5,396	9.3%	309	106.1%
Sale of goods	17,915	36.9%	23,392	43.1%	24,663	42.3%	1,271	105.4%
Lifestyle-related	3,393	7.0%	3,466	6.4%	4,276	7.3%	809	123.4%
Real Estate	164	0.3%	162	0.3%	170	0.3%	8	105.0%
Other Business	988	2.0%	1,182	2.2%	1,405	2.4%	222	118.8%
Total	48,602	100.0%	54,297	100.0%	58,251	100.0%	3,953	107.3%

Operating Income [unit: million yen]	FY2015 March		FY2016 March		FY2017 March		YoY change	
	Results(a)	Profit margin	Results(b)	Profit margin	Forecast(c)	Profit margin	(c)-(b)	%
Automobile-related	5,624	12.8%	5,277	10.7%	3,764	7.2%	(1,512)	71.3%
Lifestyle-related	338	10.0%	307	8.9%	485	11.3%	177	157.9%
Real Estate	96	58.6%	109	67.3%	86	51.0%	(22)	79.6%
Other Business	(94)	-	(66)	-	(140)	-	(73)	-
Management Division	(1,732)	-	(1,554)	-	(1,782)	-	(227)	-
Total	4,233	8.7%	4,071	7.5%	2,413	4.1%	(1,658)	59.3%

Reference: changes to the sub-segments of the automobile-related info business

- From the term ending Mar. 2017, we use the new sub-segments for the automobile-related info business.

Old sub-segments

(Till the term ended Mar. 2016)

Info Registration Fee

Basic advertisement fee (Package of PC, mobile and info magazines)

MOTOR GATE, IT sales

GooPit

Information Service Fee

Sale of information magazines

Subscription fee of data book

Data Line

PROTO-RIOS INC. (quotation system)

Bike Bros. Inc. (EC)

AUTOWAY Co., Ltd., TIRE WORLD KAN BEST CO., LTD. (Tires and wheels)

Kings Auto Co., Ltd. (the export of used cars)

PROTO CORPORATION (Product sales)

Goo-inspection, Goo Warranty

New sub-segments

(From the term ending Mar. 2017)

Ad-related

Basic advertisement fee (Package of PC, mobile and info magazines)

Sale of information magazines

MOTOR GATE, IT sales

GooPit

Information and services

Data Line

Subscription fee of data book

PROTO-RIOS INC. (quotation system)

Goo-inspection, Goo Warranty

Goo Safety Inspection

Sale of goods

Bike Bros. Inc. (EC)

AUTOWAY Co., Ltd., TIRE WORLD KAN BEST CO., LTD. (Tires and wheels)

Kings Auto Co., Ltd. (the export of used cars)

PROTO CORPORATION (Product sales)

Appendix

Corporate Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,824,620 thousand yen (As of June 30, 2016)
Shares Outstanding	20,940,000 shares (As of June 30, 2016)
Head Offices	23-14, Aoi 1-chome, Naka-ku, Nagoya 460-0006, Japan 22-2 , Hongo 2-chome, Bunkyo-ku, Tokyo 113-0033, Japan
Branch Offices	Sapporo, Sendai, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto (56 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,600 (As of June 30, 2016) Parent: 667 (As of June 30, 2016)
Stock Exchange Listing	Tokyo Stock Exchange JASDAQ Standard (Listed on September 12, 2001)
Subsidiary	<ol style="list-style-type: none">1. PROTO-RIOS INC. (Full subsidiary since October 2002)2. PROTO DATA CENTER (Full subsidiary, established in April 2007)3. PROTO MEDICAL CARE (Full subsidiary since October 2009)4. Bike Bros. Inc. (Full subsidiary since April 2010)5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012)6. Kings Auto Co., Ltd. (Full subsidiary since April 2012)7. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)8. iSolutions Co., Ltd. (Full subsidiary since October 2014)9. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)10. MARUFUJI (Full subsidiary since January 2016)11. SILVER HEART (Full subsidiary since January 2016)12. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011)13. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December 2011)14. CAR CREDO MALAYSIA SDN. BHD. (Full subsidiary, established in August 2015)15. PT. PROTO INDONESIA * (Full subsidiary, established in December 2012) <p>(As of June 30, 2016) *The companies are currently under liquidation.</p>



Our magazine was first issued in 1977

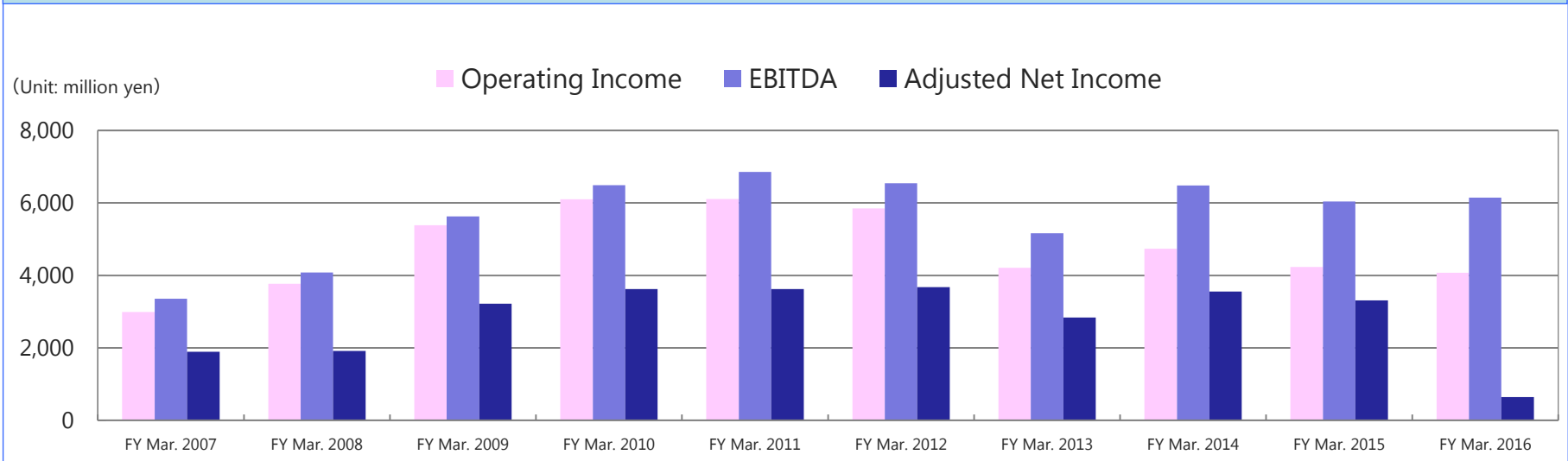
Operating Results 10-year Summary

[unit: million yen]	FY2007 March Results	FY2008 March Results	FY2009 March Results	FY2010 March Results	FY2011 March Results	FY2012 March Results	FY2013 March Results	FY2014 March Results	FY2015 March Results	FY2016 March Results
Net Sales	21,238	22,893	23,657	25,682	28,779	30,582	38,287	54,761	48,602	54,297
Operating Income	2,988	3,771	5,384	6,098	6,111	5,846	4,209	4,735	4,233	4,071
Net Income	1,766	1,838	3,187	3,529	3,197	3,275	2,290	2,627	2,381	(390)
EBITDA*1	3,360	4,078	5,628	6,490	6,856	6,540	5,161	6,483	6,039	6,149
Adjusted Net Income*2	1,890	1,915	3,223	3,621	3,620	3,680	2,836	3,555	3,308	641
Depreciation	247	230	207	299	322	288	404	819	879	1,046
Amortization of Goodwill	124	77	36	91	422	405	546	928	926	1,032

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

*2 Adjusted Net Income was calculated with the equation: net income + amortization of goodwill

Annual Transition of Operating Income/EBITDA/Adjusted Net Income



Operating Results 10-year Summary(Segment)

Sales [unit: million yen]	FY2007 March Results	FY2008 March Results	FY2009 March Results	FY2010 March Results	FY2011 March Results	FY2012 March Results	FY2013 March Results	FY2014 March Results	FY2015 March Results	FY2016 March Results
Automobile-related	20,138	21,546	21,889	22,858	25,566	26,704	33,687	50,138	44,056	49,486
Lifestyle-related	675	882	1,345	2,286	2,616	3,470	3,837	3,541	3,393	3,466
Real Estate	160	174	194	205	181	166	163	167	164	162
Other Business	263	291	227	332	415	240	597	913	988	1,182
Total	21,238	22,893	23,657	25,682	28,779	30,582	38,287	54,761	48,602	54,297

Operating Income [unit: million yen]	FY2007 March Results	FY2008 March Results	FY2009 March Results	FY2010 March Results	FY2011 March Results	FY2012 March Results	FY2013 March Results	FY2014 March Results	FY2015 March Results	FY2016 March Results
Automobile-related	5,036	5,573	7,034	7,590	7,281	7,272	5,916	6,217	5,624	5,277
Lifestyle-related	(89)	(24)	62	162	301	228	131	248	338	307
Real Estate	58	71	70	105	104	83	85	69	96	109
Other Business	(329)	(123)	(80)	(35)	(91)	(149)	(323)	(140)	(94)	(66)
Management Division	(1,687)	(1,725)	(1,701)	(1,725)	(1,484)	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)
Total	2,988	3,771	5,384	6,098	6,111	5,846	4,209	4,735	4,233	4,071

* Amounts of money described in this material are rounded down to million yen.

Future Outlook

The IR information in this document includes a future outlook.

Such information other than the past events may be influenced by the risk and uncertainty due to the competition, market, and systems in the field of our company's business. As a result, the outlook based on the assumption and estimation with available information may be different from actual results and performance in the future. We would appreciate your understanding.

For Inquiries

PROTO CORPORATION

IR staff: Takabayashi, Corporate planning department

Ichihara, Corporate planning department

Tel: +81-52-934-1519

Mail: 4298ir@proto-g.co.jp