

**Investor Meeting for the Fiscal Year  
Ended March 2016**

**Mid-term Management Plan  
(Term ending Mar. 2017 to Term ending Mar. 2019)**

**PROTO CORPORATION**

**May 13, 2016**



## Financial Data (Consolidated)

Shares outstanding (million)	20.9
Market capitalization (¥ billion, March 2016)	29.0
DPS (¥, FY March 2016)	39.0
EPS (¥, FY March 2016)	(19.28)
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 (% , March 2016)	31.0

## Major Shareholders

	(Thousands)
1) ) Mugen Corporation	6,752 (32.24%)
2) JPMCC CLIENT SAFEKEEPING ACCOUNT	1,323 ( 6.31%)
3) PROTO CORPORATION	735 ( 3.51%)
4) JP MORGAN CHASE BANK 385632	564 ( 2.69%)
5) CLEARSTREAM BANKING S.A	462 ( 2.20%)
6) BNYM TREATY DTT 10	459 ( 2.19%)
7) Hiroichi Yokoyama	440 ( 2.10%)
8) NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	433 ( 2.06%)
9) Japan Trustee Services Bank, Ltd. (Trust Account)	394 ( 1.88%)
10) Yoshihiro Yokoyama	394 ( 1.88%)

(As of March 31, 2016)

# FY March 2016: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	FY2015 March		FY2016 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
Net Sales	48,602	100.0%	56,862	100.0%	54,297	100.0%	5,694	111.7%	(2,564)	95.5%
Cost of Sales	28,324	58.3%	32,704	57.5%	33,067	60.9%	4,743	116.7%	363	101.1%
Gross Profit	20,277	41.7%	24,158	42.5%	21,229	39.1%	951	104.7%	(2,928)	87.9%
SG&A Expenses	16,044	33.0%	18,648	32.8%	17,157	31.6%	1,113	106.9%	(1,490)	92.0%
EBITDA	6,039	12.4%	7,728	13.6%	6,149	11.3%	110	101.8%	(1,578)	79.6%
Operating Income	4,233	8.7%	5,510	9.7%	4,071	7.5%	(161)	96.2%	(1,438)	73.9%
Ordinary Income	4,548	9.4%	5,574	9.8%	4,190	7.7%	(357)	92.1%	(1,383)	75.2%
Net Income	2,381	4.9%	3,457	6.1%	(390)	-	(2,772)	-	(3,847)	-
Net Income per Share(Yen)	116.76	-	170.72	-	(19.28)	-	(136.04)	-	(190.00)	-

\*1 The planned values for the term ended Mar. 2016 were announced on May 8, 2015.

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

[unit: million yen]	FY2015 March		FY2016 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
SG&A Expenses	16,044	33.0%	18,648	32.8%	17,157	31.6%	1,113	106.9%	(1,490)	92.0%
Employment Cost	7,358	15.1%	8,426	14.8%	7,706	14.2%	347	104.7%	(720)	91.5%
Advertising Cost	2,905	6.0%	3,123	5.5%	2,872	5.3%	(33)	98.9%	(250)	92.0%
Other Expenses	5,780	11.9%	7,098	12.5%	6,578	12.1%	798	113.8%	(519)	92.7%
Number of Employees	1,358	-	1,628	-	1,534	-	176	113.0%	(94)	94.2%

# FY March 2016: Operating Results (1)

## Net Sales

Sales grew 5,694 million yen (111.7%) year on year, mainly because of the favorable sales of tires and wheels by TIRE WORLD KAN BEST CO., LTD., which became a subsidiary in Apr. 2015, and the healthy sales of new car business negotiation tools for manufacturers and dealers, goods for used car dealers, etc. by PROTO CORPORATION. In addition, the ratio of actual sales to the target value was 95.5%, mainly because the unit selling price of tires at AUTOWAY Co., Ltd. was lower than the target value due to the unusually warm winter, the new business of PROTO CORPORATION (GooAUTO: business withdrawal in Oct. 2015, GooPit) did not achieve target results, and the number of business partners of MOTOR GATE was smaller than the target value.

## Gross Profit

Gross profit increased 951 million yen (104.7%) year on year, mainly because of the favorable sales of tires and wheels by TIRE WORLD KAN BEST CO., LTD. In addition, the ratio of actual gross profit to the target value was 87.9%, mainly because the gross profit of the new businesses (GooAUTO and GooPit), the Goo business, and the cultural information business of PROTO CORPORATION did not reach the target value, and also the gross profit of PROTO MALAYSIA Sdn. Bhd. (hereinafter called PROTO MALAYSIA), AUTOWAY Co., Ltd., and PROTO (TAIWAN) CO., LTD. (hereinafter called PROTO TAIWAN) was lower than the target value.

## SG&A Expenses

SG&A expenses augmented 1,113 million yen (106.9%) year on year, mainly because personnel cost and other expenses rose due to the increase of consolidated subsidiaries. In addition, the ratio of actual SG&A expenses to the estimated value was 92.0%, mainly because the personal cost and other expenses in PROTO CORPORATION and PROTO-RIOS INC. were smaller than the estimated values.

## Operating Income

Operating income declined 161 million yen (96.2%) year on year, mainly because there was the prior investment in private brand products and services, such as GooPit of PROTO CORPORATION, and the sales volume and selling prices of imported tires (studless tires) by AUTOWAY Co., Ltd. declined due to the unusually warm winter. The ratio of actual operating income to the target value was 73.9%.

## Net Income

Net income decreased 2,772 million yen year on year, because the total amount of unamortized goodwill balance, which was posted at the time of the acquisition of the shares of PROTO MALAYSIA and Kings Auto Co., Ltd. and also at the time of taking over the business of PROTO TAIWAN, was recorded as impairment loss.

# FY March 2016: Operating Results by Segment(1)

Net Sales [unit: million yen]	FY2015 March		FY2016 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
Automobile-related	44,056	90.6%	51,571	90.7%	49,486	91.1%	5,429	112.3%	(2,085)	96.0%
Info Registration Fee	21,028	43.3%	21,912	38.5%	20,556	37.9%	(471)	97.8%	(1,355)	93.8%
Information Service Fee	23,027	47.4%	29,659	52.2%	28,929	53.3%	5,901	125.6%	(730)	97.5%
Lifestyle-related	3,393	7.0%	3,810	6.7%	3,466	6.4%	73	102.2%	(344)	91.0%
Real Estate	164	0.3%	166	0.3%	162	0.3%	(2)	98.5%	(4)	97.6%
Other Business	988	2.0%	1,313	2.3%	1,182	2.2%	194	119.6%	(130)	90.0%
Total	48,602	100.0%	56,862	100.0%	54,297	100.0%	5,694	111.7%	(2,564)	95.5%

Operating Income [unit: million yen]	FY2015 March		FY2016 March				YoY change		Achievement rate	
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin	(c)-(a)	%	(c)-(b)	%
Automobile-related	5,624	12.8%	6,859	13.3%	5,277	10.7%	(347)	93.8%	(1,582)	76.9%
Lifestyle-related	338	10.0%	537	14.1%	307	8.9%	(31)	90.7%	(230)	57.2%
Real Estate	96	58.6%	91	55.1%	109	67.3%	12	113.1%	17	119.0%
Other Business	(94)	-	(192)	-	(66)	-	27	-	126	-
Management Division	(1,732)	-	(1,785)	-	(1,554)	-	177	-	231	-
Total	4,233	8.7%	5,510	9.7%	4,071	7.5%	(161)	96.2%	(1,438)	73.9%

# FY March 2016: Operating Results by Segment(2)

## Automobile-related

**Net Sales:** The sales from information registration and posting dropped 471 million yen (97.8%) year on year, mainly because of the decreases in the publication frequency of Goo Series and the revenue from ads in PROTO MALAYSIA. The sales from information provision grew 5,901 million yen (125.6%), mainly thanks to the contribution of TIRE WORLD KAN BEST CO., LTD.

The ratio of sales to the target value was 93.8% (1,355 million yen smaller than the target value) for information registration and posting; and 97.5% (730 million yen smaller than the target value) for information provision. (For details, please see p.7.)

**Operating Income:** Operating income declined 347 million yen (93.8%) year on year, as the publication frequency of Goo Series decreased, the personnel cost, etc. for expanding the business scale of GooPit augmented, the profits in PROTO MALAYSIA, AUTOWAY Co., Ltd., and PROTO TAIWAN dropped, and the goodwill amortization of TIRE WORLD KAN BEST CO., LTD. increased.

The ratio of actual operating income to the target value was 76.9% (1,582 million yen smaller than the target value), because the operating income/loss of the new businesses (GooAUTO and GooPit) of PROTO CORPORATION was lower than the target value, the number of business partners of MOTOR GATE was smaller than the target value, and the operating income/loss of PROTO MALAYSIA, PROTO TAIWAN, and AUTOWAY Co., Ltd. was lower than the target value.

## Lifestyle-related

**Net Sales:** Sales increased 73 million yen (102.2%) year on year, mainly because of the contribution of the welfare goods rental service of MARUFUJI and SILVER HEART, which became subsidiaries of PROTO MEDICAL CARE in Jan. 2016, in the fields of medicine, nursing care, and welfare.

The ratio of actual sales to the target value was 91.0% (344 million yen smaller than the target value), mainly because the sales of the cultural and reuse information businesses of PROTO CORPORATION did not reach the target value.

**Operating Income:** Operating income declined 31 million yen (90.7%) year on year, as the profit of PROTO MEDICAL CARE grew while the profits from the reuse and cultural information businesses of PROTO CORPORATION decreased. The ratio of actual operating income to the target value was 57.2% (230 million yen smaller than the target value), because the operating income/loss of the reuse and cultural information businesses did not reach the target value and there were the cost for DD of M&A, etc. in PROTO MEDICAL CARE.

## Other Business

**Net Sales:** Sales grew 194 million yen (119.6%) year on year, mainly because of the contribution of the sales of software development in iSolutions Co., Ltd. The ratio of actual sales to the target value was 90.0% (130 million yen smaller than the target value), mainly because the sales from the call center business of PROTO DATA CENTER did not reach the target value.

**Operating Income:** There was an operating loss of 66 million yen, mainly because the operating loss from the call center business of PROTO DATA CENTER improved from an operating loss of 94 million yen in the previous term. It was 126 million yen better than the target value, mainly because the operating income/loss of the call center business of PROTO DATA CENTER and the software development business of iSolutions Co., Ltd. was better than the target value.

# FY March 2016: Operating Results (Automobile-related )

Sales by Product Classification [unit: million yen]	FY2015 March		FY2016 March				YoY change		Achievement rate	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
Information magazine business	12,323	28.0%	11,861	23.0%	11,464	23.2%	(859)	93.0%	(396)	96.7%
IT business 1 (Data Biz)	12,910	29.3%	14,671	28.4%	13,694	27.7%	784	106.1%	(976)	93.3%
IT business 2 (Product sales)	11,635	26.4%	18,140	35.2%	17,083	34.5%	5,448	146.8%	(1,057)	94.2%
Other businesses (Product sales, etc.)	7,186	16.3%	6,898	13.4%	7,243	14.6%	57	100.8%	345	105.0%

## Information magazine business

Sales dropped 859 million yen (93.0%) year on year, because the publication frequency of Goo Series decreased and the revenue from ads in PROTO MALAYSIA and PROTO TAIWAN declined.

The ratio of actual sales to the target value was 96.7% (396 million yen smaller than the target value), mainly because of the market slowdown in the wake of the introduction of GST (goods and services tax) in Malaysia in Apr. 2015 and the sluggish revenue from ads amid the price-cutting war with competitors.

## IT business 1 (Data Biz)

Sales grew 784 million yen (106.1%) year on year, because the performance of products and services (new car business negotiation tools, etc.) for manufacturers and dealers offered by PROTO CORPORATION was healthy and the business partners of MOTOR GATE increased.

On the other hand, the ratio of actual sales to the target value was 93.3% (976 million yen smaller than the target value), because we withdrew from the GooAUTO business in Oct. 2015, the number of business partners of MOTOR GATE did not reach the target value, and the installation of a charging system for the GooPit business was delayed.

## IT business 2 (Product sales)

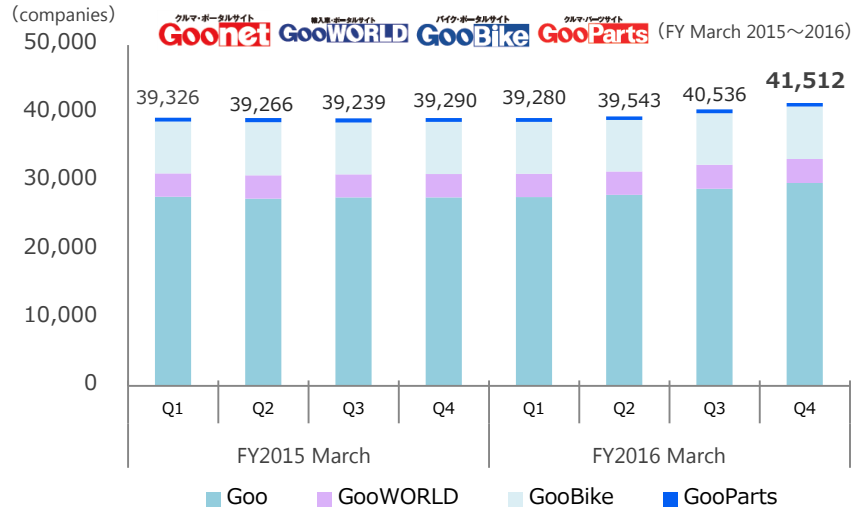
Sales increased 5,448 million yen (146.8%) year on year, as we acquired TIRE WORLD KAN BEST CO., LTD. in Apr. 2015. On the other hand, the ratio of actual sales to the target value was 94.2% (1,057 million yen smaller than the target value), mainly because the sales volume and unit selling price of studless tires did not reach the target values due to the unusually warm winter.

## Other businesses (Product sales, etc.)

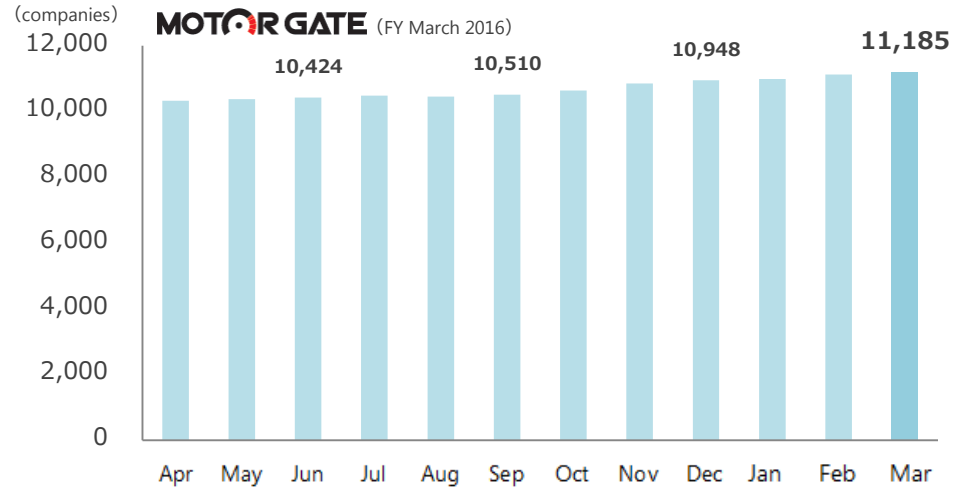
Sales rose 57 million yen (100.8%) year on year, because the sales of goods toward used car dealers by PROTO CORPORATION were healthy. The ratio of actual sales to the target value was 105.0% (345 million yen larger than the target value).

# Variation in the number of client firms

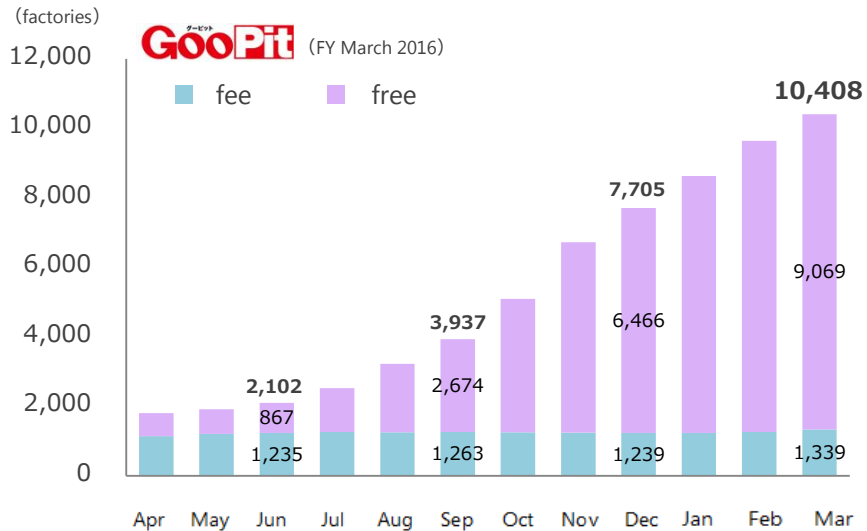
## ■ Changes in Quarterly Totals of Business Partners for Goo Series



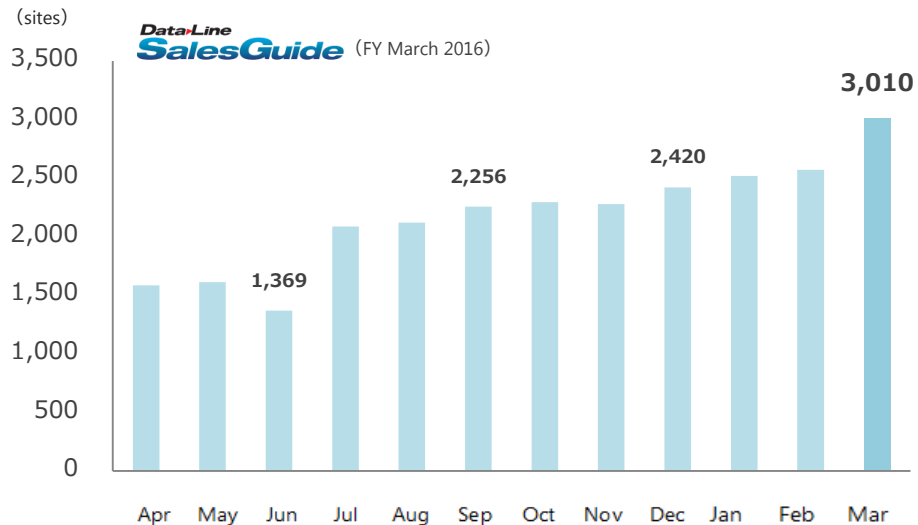
## ■ No. of Affiliated companies of MOTOR GATE



## ■ No. of Affiliated factories of GooPit



## ■ No. of Affiliated sites of DataLine SalesGuide





# FY March 2016: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2015		As of March 31, 2016		YoY change	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	21,743	52.1%	22,073	54.0%	329	101.5%
Fixed Assets	20,007	47.9%	18,812	46.0%	(1,195)	94.0%
Current Liabilities	10,962	26.3%	11,805	28.9%	842	107.7%
Long-term Liabilities	3,116	7.5%	3,079	7.5%	(36)	98.8%
Net Assets	27,672	66.3%	26,001	63.6%	(1,670)	94.0%

[unit: million yen]	As of March 31, 2015		As of March 31, 2016		YoY change	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	12,431	29.8%	11,688	28.6%	(743)	94.0%
Interest-bearing debt	6,231	14.9%	6,618	16.2%	386	106.2%
Net cash	6,200	14.8%	5,069	12.4%	(1,130)	81.8%

**Current Assets** Current assets totaled 22,073 million yen, as the accounts receivable, inventory assets, etc. of TIRE WORLD KAN BEST CO., LTD. increased although cash and deposits decreased due to the payment for acquiring the shares of the company to reorganize it into a subsidiary.

**Fixed Assets** Fixed assets totaled 18,812 million yen, mainly because depreciation and goodwill amortization were posted, and the unamortized goodwill balance of PROTO MALAYSIA, PROTO TAIWAN, and Kings Auto Co., Ltd. was recorded as impairment loss.

**Current Liabilities** Current liabilities totaled 11,805 million yen, as accrued income and consumption taxes, etc. decreased while accounts payable augmented through the reorganization of TIRE WORLD KAN BEST CO., LTD. into a subsidiary and short-term debts increased.

**Long-term Liabilities** Long-term liabilities totaled 3,079 million yen, because long-term debts were repaid while the asset retirement obligation for acquiring fixed assets was posted.

# FY March 2016: Consolidated Statements of Cash Flows

[unit: million yen]	FY2015 March	FY2016 March	YoY change
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	6,577	3,523	(3,054)
Cash Flows from Investing Activities	(914)	(3,373)	(2,458)
Cash Flows from Financing Activities	(4,821)	(839)	3,981
Cash and Cash Equivalents at End of Term	12,030	11,286	(743)

[unit: million yen]	FY2015 March	FY2016 March	YoY change
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	1,113	3,671	2,558
Depreciation (Tangible/intangible fixed assets)	879	1,046	166
Amortization of Goodwill	926	1,032	105

\* The investment amount includes the amount to acquire tangible/intangible fixed assets as well as goodwill.

**Cash Flows from Operating Activities** There was an income of 3,523 million yen, as 2,024 million yen was paid for corporate income tax, etc. and accrued consumption tax, etc. declined 623 million yen while 1,569 million yen was posted as net income before taxes and other adjustments and 4,672 million yen was recorded as expenses without cash payout, such as depreciation, goodwill amortization, and impairment loss.

**Cash Flows from Investing Activities** There was an expenditure of 3,373 million yen, as 2,085 million yen was paid for acquiring the shares of TIRE WORLD KAN BEST CO., LTD., MARUFUJI, and SILVER HEART, and 1,297 million yen was paid for acquiring fixed assets.

**Cash Flows from Financing Activities** There was an expenditure of 839 million yen, as there was a net increase of 123 million yen in short and long-term debts, 770 million yen was paid for dividends, and 199 million yen was spent for acquiring treasury shares.

# Current issues and measures of major group companies (1)

## **AUTOWAY Co., Ltd.**

### **Summary of the term ended Mar. 2016**

Sales and profit decreased mainly because of the sluggish sales of studless tires in the unusually warm winter. Sales did not reach the target value, as sales volume was nearly equal to the target value, but unit selling price was lower due to the fierce price-cutting war. By narrowing down brands to be procured, AUTOWAY cut unit procurement prices, but the decrease in selling prices offset the effect of procurement cost reduction. Accordingly, operating income was lower than the target value.

### **Future plans**

AUTOWAY Co., Ltd. will make efforts to increase sales volume by strengthening its sales channels, and expand its business scale by promoting the sale of sets of tires and wheels. In the mainstay website "AUTOWAY LOOP," which was renewed in Mar. 2016, the company will enhance the sale of sets of tires and wheels. In addition, the company aims to expand sales channels based on alliances and strengthen the sale of tires and wheels to customers through MOTOR GATE Shopping (started in Feb. 2016). As for procurement, following on from the previous term, the company will keep improving procurement prices by narrowing down tire brands and strengthen the procurement of low-cost wheels, to improve performance. (assumed exchange rate for the term ending Mar. 2017: 119 yen)

## **Kings Auto Co., Ltd.**

### **Summary of the term ended Mar. 2016**

Sales reached the target value, because the export of used cars to Myanmar and Sri Lanka was healthy. However, sales volume was much smaller than the target value amid the fierce price-cutting war, although a sales foothold was established in Hong Kong in Jul. 2015, and so gross profit did not reach the target value. Accordingly, operating income/loss was lower than the target value.

### **Future plans**

Kings Auto Co., Ltd. will fortify the sales systems targeted at Myanmar, where there is huge demand, and expand the volume of export to Malaysia in cooperation with PROTO MALAYSIA. In Hong Kong, where the company established a sales foothold in Jul. 2015, it will strive to improve business performance by re-energizing sales activities targeted at existing customers.

# Current issues and measures of major group companies (2)

## PROTO MALAYSIA Sdn. Bhd.

### Summary of the term ended Mar. 2016

As consumer spending was sluggish due to the goods and services tax (GST) introduced in Malaysia in Apr. 2015, the demand for advertisement weakened also in the used car market. In addition, there was a price-cutting war with competitors. Accordingly, sales and operating income/loss did not reach the target values. (The estimated sales volume of used cars in 2015 is about 300,000, which is 75% of the value in the previous year.)

### Future plans

In order to differentiate it from competitors, PROTO MALAYSIA will operate business based on "GooKANTEI(inspection)," a service of disclosing information on vehicle conditions, and launch a service of guaranteeing used cars (warranty) based on alliances with a local firm (Opal) in Apr. 2016, to establish the media that would be liked by users from the aspects of "information volume, quality, and freshness" and then improve business performance.

## PROTO (TAIWAN) CO., LTD.

### Summary of the term ended Mar. 2016

The trading volume of used cars in 2015 was smaller than the value in the previous year, and the demand for advertisement in the used car market weakened. Sales or operating income/loss did not reach the target value, because of the price-cutting war, etc. (The sales volume of used cars in 2015 was 669,000, which is 91.3% of the value in the previous year.)

### Future plans

In order to differentiate it from competitors, PROTO (TAIWAN) CO., LTD. will operate business based on "Goo-inspection," a service of disclosing information on vehicle conditions, in TAIWAN to improve the quality of listed cars. The company will strive to enhance the quality of each shop through "Good Shop Plan" in the mainstay website "Goo for used cars" and establish the media that would be liked by users from the aspects of "information volume, quality, and freshness," to improve business performance.

## Regarding future overseas growth strategies

As for overseas business expansion, we will keep focusing on the Asian market, in order to achieve the mid to long-term growth of the automobile-related information business. Firstly, we will operate business based on "GooKANTEI(inspection)" in Malaysia and Taiwan, and prioritize the recovery of business performance.

# M&A: problems and future policies

- In the term ended Mar. 2016, a consolidated subsidiary incurred impairment loss.  
(A unamortized goodwill balance (an uncollectible amount) of 2,329 million yen was posted as impairment loss.)

## Problems till the term ended Mar. 2016

- **Shortage of support from the parent company for post-merger integration (PMI)**

The post-merger management for exerting the synergy effect of M&A among group companies is insufficient, and so the expected synergy has not been observed.

Especially, 2 overseas companies adopted the Japanese business model, but could not execute action plans suited for local business practices, in response to the changes in economic trends and competitive environments in each country. The support from the parent company was insufficient. Especially, support for the human resources in the fields of management and IT was the problem.

## Future M&A policies and improvement items

- **M&A policies**

For “enriching contents” and “services,” M&A will be planned in the fields where we could increase the contact points with users, improve the function to assist clients in business administration, and strengthen the existing business base.

- **Items to be improved (enhancement of PMI)**

We will make efforts to promote PMI for exerting the synergy among group companies, for future M&A. Especially, we will invest in mainly the development of managerial and mid-level personnel, and enhance the personnel exchange among group companies and offer human resources to acquired firms, to improve PMI.

**To improve PMI by offering more human resources to acquired enterprises.**

# **3-year mid-term business vision**

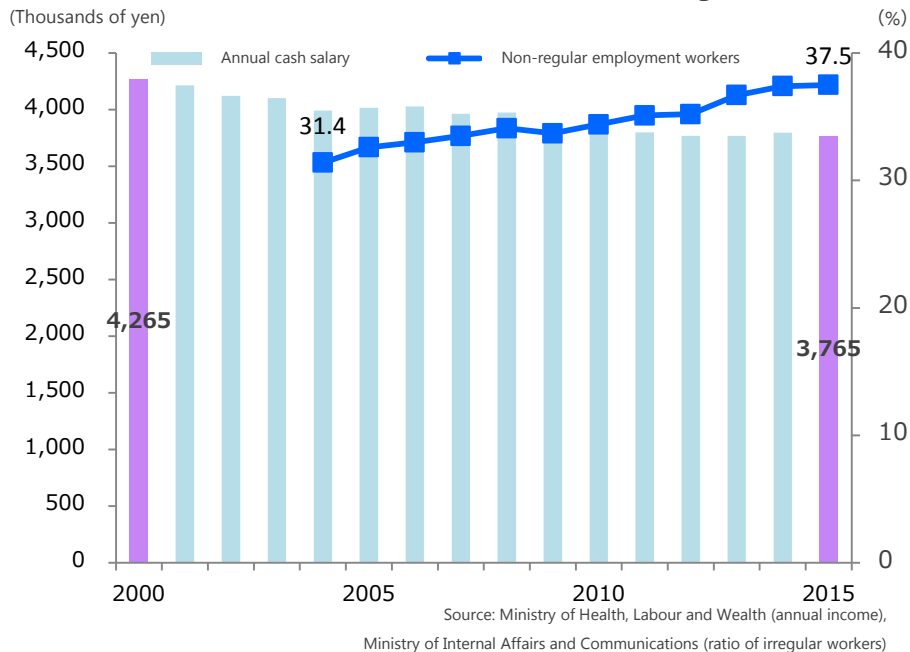
**(Term ending Mar. 2017 to Term ending Mar. 2019)**

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# Background of the 3-year mid-term plan draft (1) Consumption trend

## ■ Continuous decline in household income

**Variations in annual income and ratio of irregular workers**



### ① Downturn in consumer confidence

⇒ As household income has decreased, the needs for cars have weakened.

### ② Young people's willingness to buy a car weakened

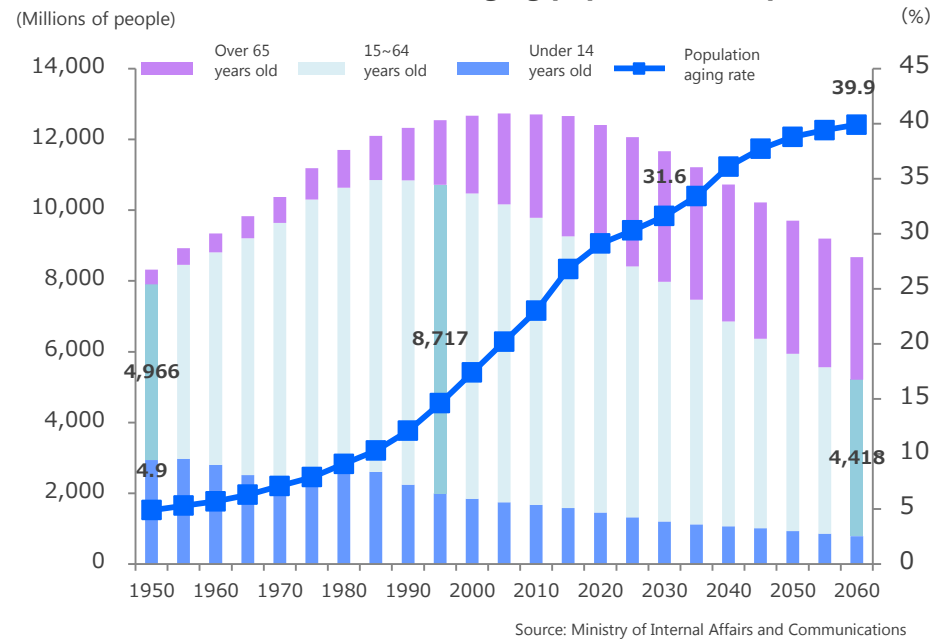
⇒ The priority of the expenditures for cars has dropped.

### ③ Growing tendency to marry at an older age

⇒ As single-person households have increased, the frequency of car use has dropped. Then, the cycle of replacing cars has become longer.

## ■ Decrease of the population of productive age due to the declining birth rate and aging population

**Actual and estimated aging population of Japan**



### ① Shrinkage of the core target bracket

⇒ As the core target bracket of customers in their 20s to 40s shrank, the shift to the age in which automobiles do not sell well was accelerated.

### ② Further concentration of population in urban areas, including the Tokyo Metropolitan Area

⇒ In urban areas, the merits of owning a car weakened, and the demand for sharing and rental cars grew.

### ③ Women's participation in society

⇒ As women's needs for cars are growing, there is a possibility that the demand for mainly small-sized cars will increase. (Change of targets)

# Background of the 3-year mid-term plan draft (2) Market trend

Domain	Trend
Used car dealers	<p><b>As the needs of users have changed and users now emphasize cost and use automobiles just as tools, the competition for procuring even old-model and over-used vehicles is getting fierce.</b></p> <p>【Future prospects】</p> <ul style="list-style-type: none"> <li>• Competitions will get fiercer, because of the downturn in consumer confidence and the enhanced multi-store operation of leading dealers.</li> <li>• As the procurement competition in the auction market will get fierce, more used car dealers will intensify their buying activities.</li> <li>• It is necessary to introduce services according to the changes in user needs.</li> </ul>
Maintenance shops	<p><b>As the entry from other fields is increasing and competitions are getting fierce, maintenance shops are facing difficulty in securing the sufficient number of cars to be repaired. Accordingly, they need to be active for differentiating their maintenance services, operating related businesses, etc.</b></p> <p>【Future prospects】</p> <ul style="list-style-type: none"> <li>• It is necessary to break out of their “passive” stance, depending on statutory inspection.</li> <li>• As unit maintenance fee is dropping, it is necessary to secure revenue from other businesses.</li> </ul>
New car dealers	<p><b>As the sales of new cars are sluggish and the car owning period is lengthening, dealers are enhancing campaigns for promoting the replacement of automobiles, and putting energy into the sale of used cars, maintenance services, etc. for establishing new revenue sources.</b></p> <p>【Future prospects】</p> <ul style="list-style-type: none"> <li>• They will secure revenues by retaining customers with maintenance services and selling another vehicle (new or used cars).</li> <li>• With the aim of cultivating new customer brackets, they will improve services for the sale, maintenance, and inspection of used cars, the sale of auto parts, etc.</li> <li>• They will improve services for users of used cars (cleaning, guarantee, car inspection, etc.).</li> </ul>

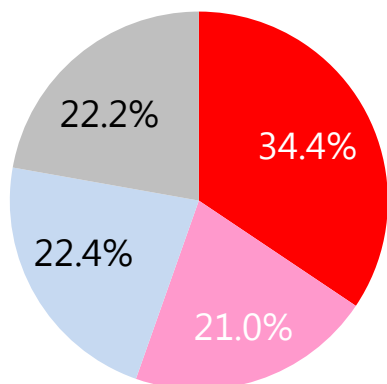


# Background of the 3-year mid-term plan draft (3) Trend of competitors

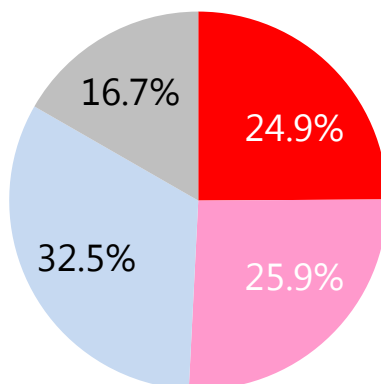
Domain	Products and services	Goo (PROTO)	competitors	Details (as of Mar. 1, 2016)
Used car dealers	Used car media	○ Goo-net	○	No. of listed used cars (website): Proto: 357,503, competitor: 361,692
	Background system	○ MOTOR GATE	○	—
	Car info disclosure service	○ Goo-inspection	△	No. of appraised cars: Proto: 63,007, competitor: 25,073
	Guarantee service	△ Goo Warranty	○	No. of guaranteed cars: Proto: 4,156, competitors: 67,886
Maintenance shops	Maintenance shop media	○ GooPit	△	Competitor: retrieval of car inspecting shops
	Maintenance shop supporting system	○ Racros	×	—
New car dealers	New car media	○ Goo-net new car	×	—
	Used car data retrieving system	○ DataLine PRO	×	—
	Price appraisal system	○ DataLine assessment	×	—
	New car promotion tool	○ DataLine SalesGuide	×	—

## ■ Situation of Market Share (as of the end of Mar. 2016)

### Magazine



### Web



#### 【Information magazine】

The share in the number of business partners for information magazines is 55.4% for our company, and 43.4% for competitors.

#### 【Website】










The share in the number of business partners for websites is 50.8% for our company, and 58.4% for competitors.

\* The difference in the share in the number of business partners for information magazines and websites is caused by the website-only posting plans .

- Insertion of ads into Goo&GW only
- Insertion of ads to competitor's magazines only
- Insertion of ads into both Goo&GW and competitor's magazines
- Others

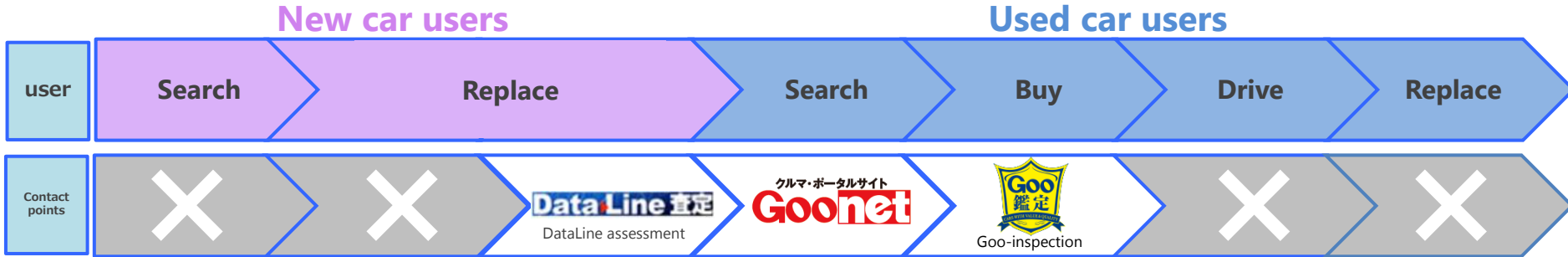
(Surveyed by our company )

# Background of the 3-year mid-term plan draft (3) Activities till the term ended Mar. 2016

Domain	Current Status (As of the end of Mar 2016)	Strengths of PROTO
<p><b>Used Car Dealers</b></p> 	<p>【Number of business partners】  <b>11,185</b>            Market scale:            20,199 companies            Share: 55.4%            (Magazines)</p>	 <ul style="list-style-type: none"> <li>Information of more than 300,000 used cars is posted all the time.</li> <li>2.54 million unique users (UU) per month (as of March 2016) &lt;Reference&gt; Competitor's site UU: 1.56 million. Source: The Nielsen Company</li> </ul>  <ul style="list-style-type: none"> <li>Through Goo Purchase (starting in February 2016), PROTO established a system to support the total car life of the users.</li> </ul>  <ul style="list-style-type: none"> <li>Total number of inspected cars: 1.33 million (FY Mar 2012 to FY Mar 2016) → Accumulate the data on car status</li> <li>As of March 2016, the number of registered inspected cars on Goo-net: 63,000 cars &lt;Reference&gt; Competitor's site : 25,000 cars</li> <li>Expansion of reach to users Cooperators for promotion : Rakuten, Kakaku.com, Used Car EX, Kuruvia, goo, etc.</li> </ul>
<p><b>Maintenance Shops</b></p> 	<p>【Number of factories to work with】  <b>10,408</b>            Market scale:            92,135 factories            Share: 11.3%</p>	 <ul style="list-style-type: none"> <li>PROTO established a network of 10,000 factories on the car maintenance site, "GooPit".</li> <li>As of the end of March 2016: Paid factories:1,339 Free factories:9,069 &lt;Reference&gt;</li> <li>NGP Eco Hiroba/Number of maintenance factories: About 3,700 factories : About 10,000 sites</li> <li>Expansion of reach to users Alliance: : Yahoo! Car Navi Cooperators for promotion : Amazon, Yahoo! Auctions, Kakaku.com</li> </ul>
<p><b>New Car Dealers</b></p> 	<p>【Number of partners' business sites】  <b>3,010</b>            Market scale:            15,963 sites            Share: 18.9%</p>	 <ul style="list-style-type: none"> <li>PROTO began to offer "DataLine SalesGuide" as a new business tool for the new car dealers. (October 2015)</li> </ul>  <ul style="list-style-type: none"> <li>PROTO began to offer "Goo-net new cars" to help new car dealers increase new customers (September 2015)</li> </ul>

# Automobile-related information business so far

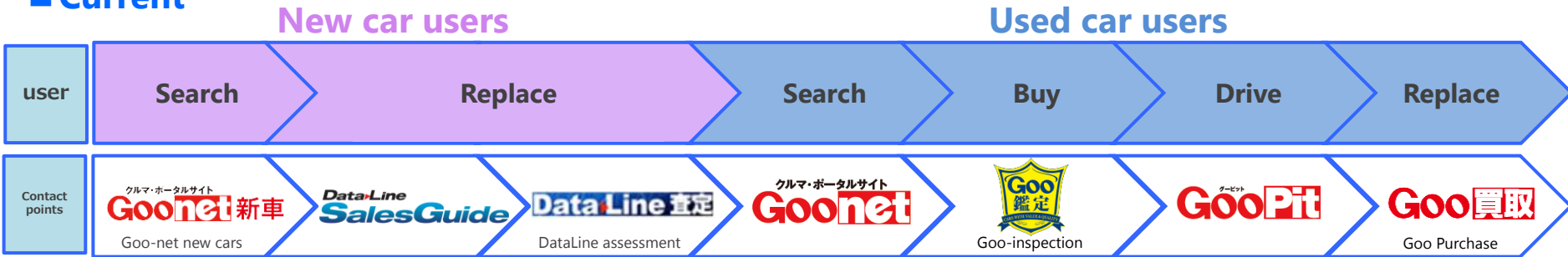
## ■ Before 2014



### ■ Problem

The contact points with users were not continuous, because we offered services only in the fields of "Search" and "Buy" in car life cycle in the used car market.

## ■ Current



### ■ Current situation

We entered the fields of "Drive" cars and "Replace" an old car with a new one in the used car market, and made inroads into the new car market, increasing contact points with users in car life cycle.

**Expansion of contact points with users through the entry into new fields**

# 3-year mid-term business strategies of PROTO Group

## 1. To strengthen the existing business Goo

**Shift from quantity to quality for becoming No.1**

## 2. To expand the business (target) field

**Expansion of reach to users**

## 3. To improve the lifestyle-related information business

**Business expansion of PROTO MEDICAL CARE**

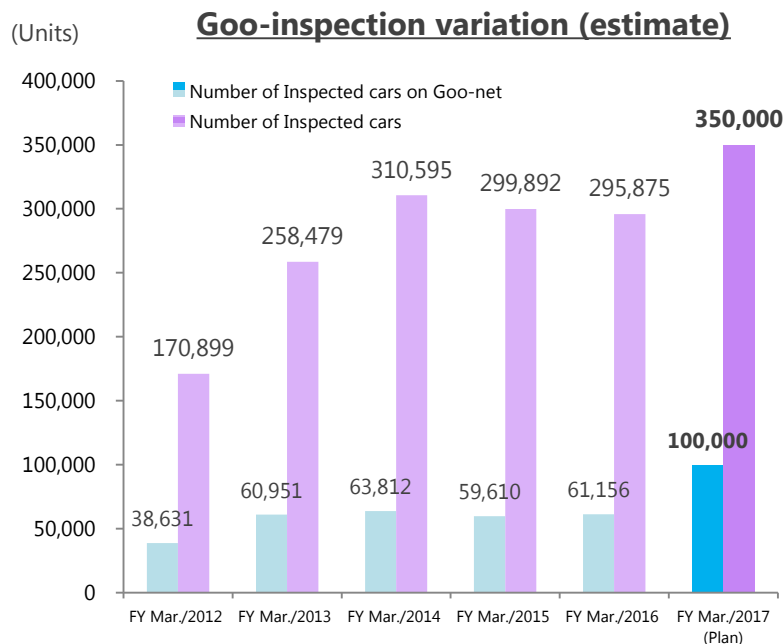
## ■ Shift from quantity to quality for becoming No.1

For “inspected cars,” the number of accesses from users and price estimation rate are over two times those for “un- inspected cars.”

Users demand not only “quantity,” but also “quality” of information.

In the term ending Mar. 2017, we will increase the number of inspected cars in Goo to the maximum!

By pulling in Goo-net customers more, we will maximize the matching of users and clients.



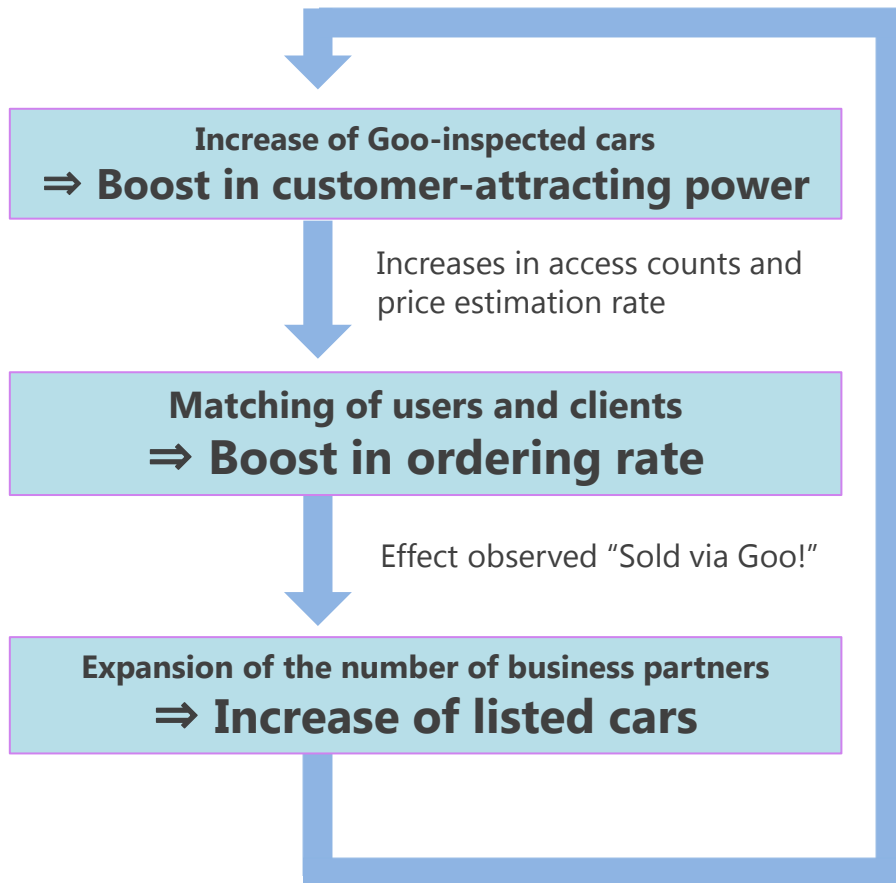
### • **CAR CREDO** CAR CREDO Co., Ltd. (established in Feb. 2012)

#### Performance of CAR CREDO

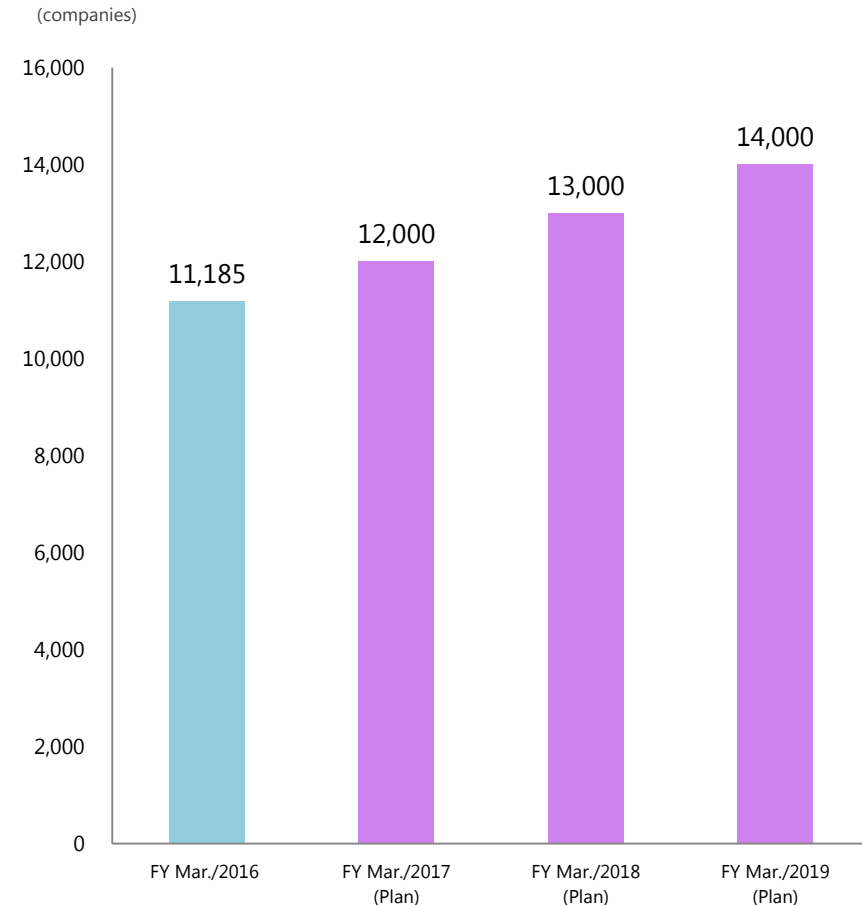
- ① **Car inspection business for “Goo-inspection”**  
Every year, the company inspects about 300,000 cars, and the cumulative number of cars inspected amounts to about 1.33 million (the term ended Mar. 2012 to the term ended Mar. 2016).
- ② **Car inspection business for services other than “Goo-inspection”**  
Because its inspection experience for “Goo-inspection” is well recognized, the company is now entrusted with car inspection tasks by leasing firms, importing dealers, used car exporters, etc.

**To promote “the standardization of Goo-inspection”**

## ■ Effects of “the standardization of Goo-inspection”



**No. of Affiliated companies of MOTOR GATE**



**By standardizing Goo-inspection, we will increase business partners further and grow the revenue from the existing business.**

# To expand the business (target) field (1)

## Current situation and issues of business for maintenance shops

- Goal for the term ended Mar. 2016: To achieve 10,000 shops as business partners
- Goal for the term ending Mar. 2017: monetization and release of new products

## ■ Monetization of the GooPit business

	Results for the term ended Mar. 2015	Results for the term ended Mar. 2016	Estimates for the term ending Mar. 2017	Activities
Total number of business partners	1,727	10,408	Slight year-on-year increase	<ul style="list-style-type: none"> <li>• Strengthening of the sales structure</li> <li>• Improvement of user awareness</li> <li>• Strengthening Alliances</li> </ul>
No. of paid partners	1,127	1,339	3,000	

## ■ Commencement of Goo Safety Inspection (Aug. 2016)

<b>Needs of users</b>	<ul style="list-style-type: none"> <li>① <b>Users do not want to spend time or money</b> for searching for a maintenance shop and completing car inspection.</li> <li>② Users are not familiar with the details of car inspection, and so <b>they cannot judge whether suggested maintenance services and prices are really appropriate.</b></li> <li>③ Users feel that it is <b>bothersome</b> to drive their cars between their houses and maintenance shops.</li> </ul>	<b>Market</b>	<p>Car inspection/maintenance market scale: about 2.1 trillion yen <sup>(*)</sup></p> <p>No. of cars inspected per year: about 32 million <sup>(*)</sup></p> <p>No. of cars inspected per year, not at a specific shop : about 5.5 million <sup>(Our survey)</sup></p> <p><small>(*) Source: Yano Research Institute</small></p>
<b>Needs of clients</b>	<ul style="list-style-type: none"> <li>① <b>Clients want to accept cars to be inspected</b> outside their business hours, too.</li> <li>② <b>Clients cannot find time to exchange emails with users,</b> according to man-hours and car acceptance rate.</li> <li>③ <b>Clients want to reduce the burdens</b> of attending to users, collecting fees, etc.</li> </ul>	<b>New service</b>	<p>Goo Safety Inspection: Model for charging for customer introduction</p>
		<b>Value provided by Proto</b>	<ul style="list-style-type: none"> <li>• To secure the transparency of prices by unifying prices</li> <li>• <b>To offer car transportation services</b> so that users can have their cars inspected without leaving home.</li> <li>• To introduce a concierge service for introducing nearby maintenance shops to each customer by utilizing the call service.</li> <li>• Settlement with credit cards</li> </ul>

**To make the GooPit business profitable, and promote the “improvement of maintenance services” for vitalizing the maintenance market**

# To expand the business (target) field (2)

## Current situation and issues of business for new car dealers

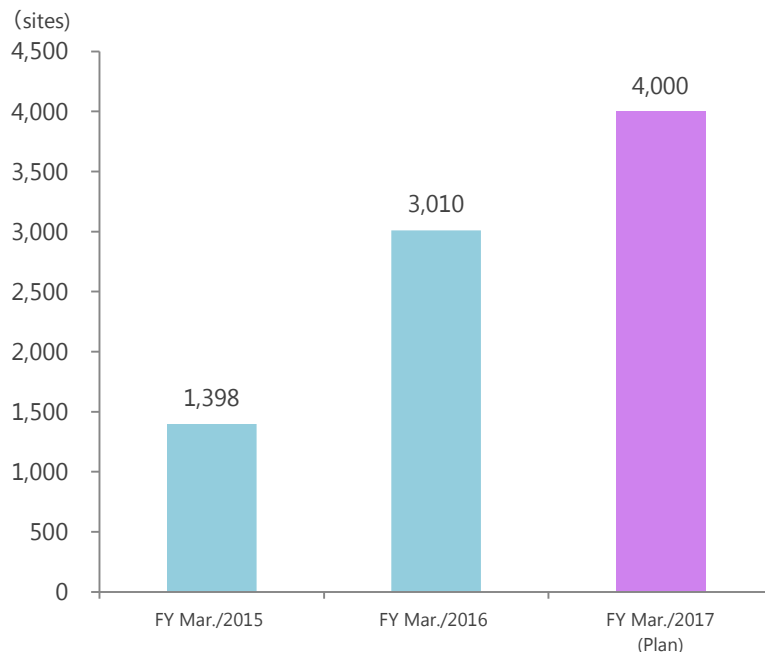
- Goal for the term ended Mar. 2016: To achieve 3,000 dealers equipped with DataLine SalesGuide
- Goal for the term ending Mar. 2017: To distribute DataLine SalesGuide further, and pull in customers of new cars via "Goo-net new car".

## ■ Distribution of DataLine SalesGuide

- Development of the functions of DataLine SalesGuide
- Strengthening of linkage with other services, such as DataLine assessment
- Fortification of alliance



No. of Affiliated sites



## ■ To pull in more customers of new cars via Goo-net new car

### PC



### Smart Phone



- Location of the new car dealer (domestic cars and imported vehicles), phone number, map, variations of cars, etc.
- Enrichment of information on dealers based on paid contract options (store descriptions, notifications on test-driving cars and displayed cars, introduction of staff, setting of toll-free telephone, etc.)

**To contribute to the vitalization of the automobile distribution industry, by promoting the sale of new cars in Japan and shortening the cycle of car replacement**



# To improve the lifestyle-related information business (1)



## PROTO MEDICAL CARE

(Full subsidiary since Oct. 2009)

### ■ Business content of PROTO MEDICAL CARE

#### ■ Media support business

- Comprehensive search engine for nursing care "Oasis Navi × Heart Page"
- Website for finding jobs in the fields of nursing care, medicine, and welfare: "Kaigo-Kyujin Navi"
- Website for finding nurse's jobs: "Nurse Agent"
- Informative guidebook for nursing-care insurance subscribers: "Heart Page"

#### ■ Environmental support business

- Rental and sale of welfare goods, and house remodeling
- EC site for nursing-care firms: "Heart Page Care Catalogue"

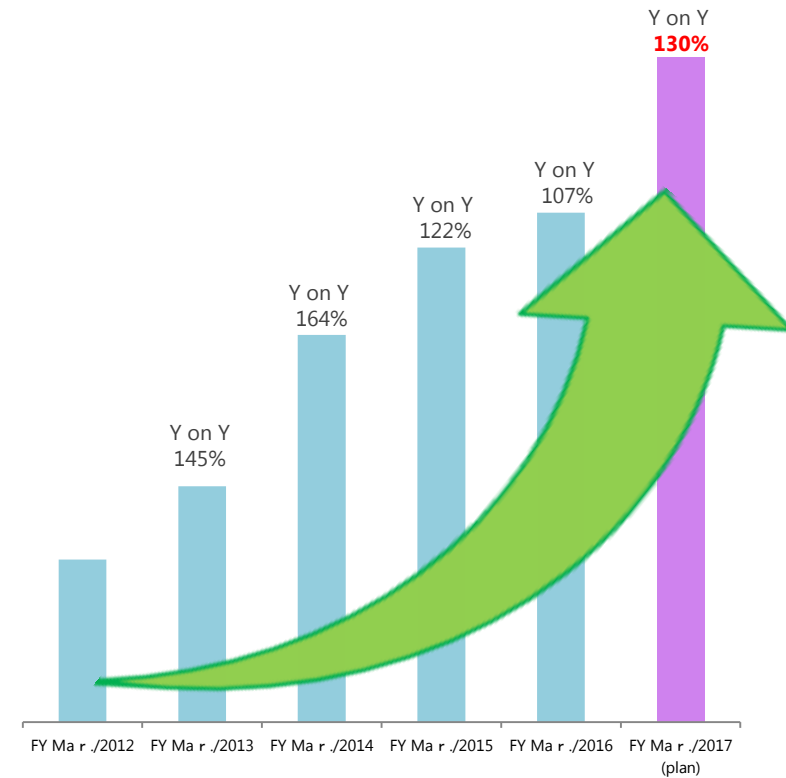
#### ■ Personnel support business

- Nurse dispatching service: "Medical Cubic"

#### ■ Functional recovery support business

- Home-visiting dental service "Dental Cubic"

### ■ Variation in sales of PROTO MEDICAL CARE

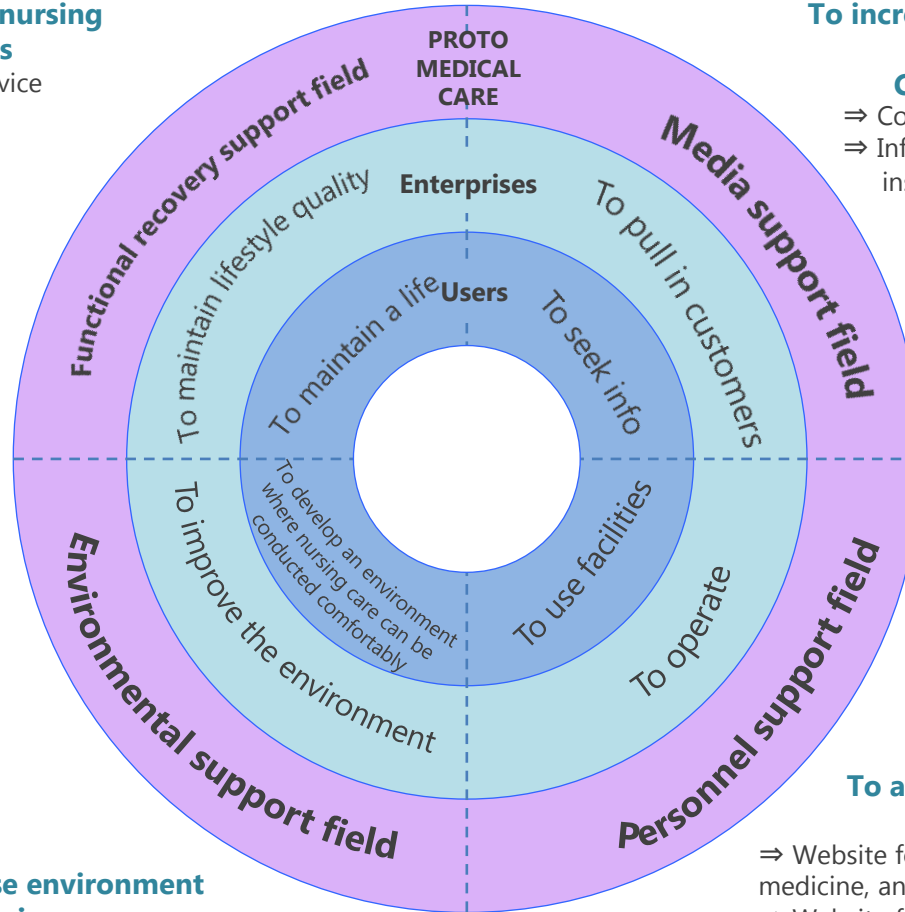


**In the fields of medicine, nursing care, and welfare, we offer media services utilizing the know-how of automobile-related information business and services for the rental of welfare goods, the dispatch of nurses, and home-visiting dentistry.**

## ■ Circular flow diagram in the business domain of PROTO MEDICAL CARE

**To assist those who require nursing care in their daily lives**  
 ⇒ Home-visiting dental service

**To increase customers of nursing-care firms and improve their popularity**  
**Cooperation with governments**  
 ⇒ Comprehensive search engine for nursing care  
 ⇒ Informative guidebook for nursing-care insurance subscribers



**Development of the in-house environment and equipment for nursing care**

⇒ Rental and sale of welfare goods, house remodeling, EC site

**To assist nursing-care firms in recruiting**  
**Personnel dispatch and training**  
 ⇒ Website for finding jobs in the fields of nursing care, medicine, and welfare  
 ⇒ Website for finding nurse's jobs  
 ⇒ Service of dispatching nurses

**Establishment of a platform that covers the needs of those who require nursing care, their family members, and nursing care firms**

# **3-year mid-term business plan**

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

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# 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%**  
(0.73%)

FY March 2019 1.66  
FY March 2016 1.31

FY March 2019 1.50  
FY March 2016 1.54

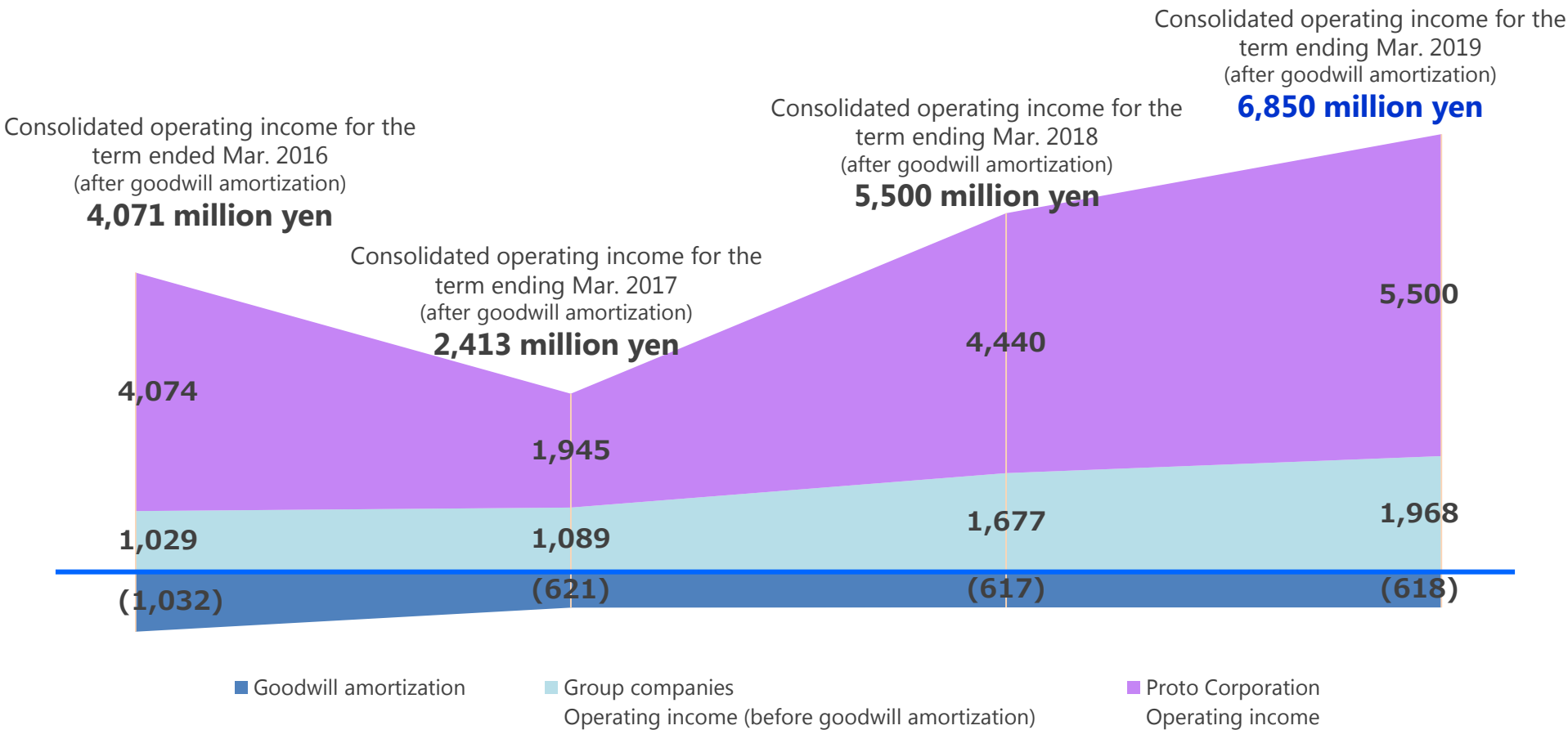
**We aim to achieve the ROE of 15% in the 3 years of the mid-term plan.**

# 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)	71.92	182.14	228.67

- **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
2 <sup>nd</sup> Quarter	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 (Plan)	200 million yen
August 2015	200 million yen
November 2014 – December 2014	200 million yen
May 2013	200 million yen
November 2012 - March 2013	500 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 will 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 March 31, 2016)
Shares Outstanding	20,940,000 shares (As of March 31, 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: 1,534 (As of March 31, 2016) Parent: 651 (As of March 31, 2016)
Stock Exchange Listing	Tokyo Stock Exchange JASDAQ Standard (Listed on September 12, 2001)
Subsidiary	<ol style="list-style-type: none"><li>1. PROTO-RIOS INC. (Full subsidiary since October 2002)</li><li>2. PROTO DATA CENTER (Full subsidiary, established in April 2007)</li><li>3. PROTO MEDICAL CARE (Full subsidiary since October 2009)</li><li>4. Bike Bros. Inc. (Full subsidiary since April 2010)</li><li>5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012)</li><li>6. Kings Auto Co., Ltd. (Full subsidiary since April 2012)</li><li>7. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)</li><li>8. iSolutions Co., Ltd. (Full subsidiary since October 2014)</li><li>9. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)</li><li>10. MARUFUJI (Full subsidiary since January 2016)</li><li>11. SILVER HEART (Full subsidiary since January 2016)</li><li>12. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011)</li><li>13. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December 2011)</li><li>14. CAR CREDO MALAYSIA SDN. BHD. (Full subsidiary, established in August 2015)</li><li>15. PT. PROTO INDONESIA * (Full subsidiary, established in December 2012) *The companies are currently under liquidation.</li></ol> (As of March 31, 2016)



Our magazine was first issued in 1977

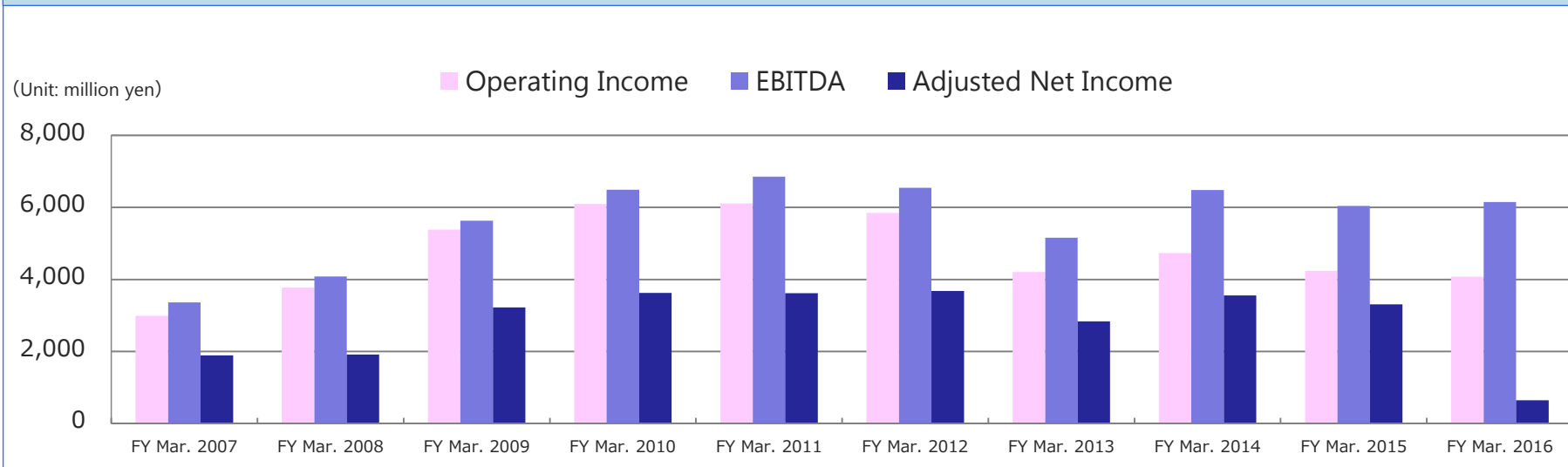
# Operating Results 10-year Summary

[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

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\* 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

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