

PROTO CORPORATION (4298:JP)
Investor Meeting for the Fiscal Year
Ended March 2015

May 11, 2015

Summary of the term ended Mar. 2015

■ Market environment

In the wake of the consumption tax hike, the market environment has been stringent.

The cumulative sales volume of new automobiles from Apr. 2014 to Mar. 2015 were 5.29 million (93.1% of the volume in the previous year)

The cumulative number of registered used cars from Apr. 2014 to Mar. 2015 was 6.7 million (94.4% of the number in the previous year)

■ Results

Decrease in sales: Consolidated sales: 48.6 billion yen (88.8% of the value for the same period of the previous year)

Decrease in profit: Consolidated operating income : 4.23 billion yen (89.4% of the value for the same period of the previous year)

Amid the stringent market environment, the number of client firms of the Goo series did not change, but the sale of imported tires, the export of used cars, GooPLUS, etc. were sluggish. In addition, an impairment loss of 380 million yen for the "goodwill" of Kings Auto Co., Ltd. was posted. (March 2015)

■ New business

- With "GooPit," the website specializing in car maintenance, we entered the maintenance field on a full-scale basis. (Jan. 2015)
- "GooAUTO," the portal site for the export of used cars, was launched. (Jan. 2015)

FY March 2015: Operating Results

Consolidated Statements of Income [unit: million yen]	FY March 2014 Results	FY March 2015 Forecast	FY March 2015 Results	YoY change	YoY change (%)
Net Sales	54,761	52,600	48,602	(6,158)	88.8%
Cost of Sales	33,514	30,862	28,324	(5,190)	84.5%
Gross Profit	21,246	21,737	20,277	(968)	95.4%
SG&A Expenses	16,510	16,387	16,044	(465)	97.2%
EBITDA	6,483	7,171	6,039	(444)	93.1%
Operating Income	4,735	5,350	4,233	(502)	89.4%
Ordinary Income	5,009	5,500	4,548	(460)	90.8%
Net Income	2,627	3,440	2,381	(245)	90.6%
Net Income per Share(Yen)	128.39Yen	168.25Yen	116.76Yen	(11.63)Yen	90.9%

* The planned values for the term ended Mar. 2015 were announced on Oct. 31, 2014.

■ Sales: Decrease

Especially, the sales of Kings Auto and AUTOWAY declined.

■ Gross Profit: Decrease

Especially, the profits of AUTOWAY and PROTO CORPORATION dropped.

■ Operating Income : Decrease

Especially, the profits of PROTO CORPORATION and AUTOWAY decreased.

■ Net Income : Decrease

In addition to the above contents, an impairment loss of 380 million yen for the "goodwill" of Kings Auto was posted. As a result, profit decreased by 2.45 million yen.

FY March 2015: Operating Results by Segment(1)

By Segment [unit: million yen]		FY March 2014 Results	FY March 2015 Forecast	FY March 2015 Results	YoY change	YoY change (%)
Automobile-related	Sales	50,138	47,761	44,056	(6,082)	87.9%
	Operating Income	6,217	6,612	5,624	(592)	90.5%
Lifestyle-related	Sales	3,541	3,640	3,393	(148)	95.8%
	Operating Income	248	440	338	89	136.1%
Real Estate	Sales	167	172	164	(2)	98.2%
	Operating Income	69	97	96	26	138.4%
Other Business	Sales	913	1,025	988	75	108.2%
	Operating Income	(140)	(58)	(94)	46	-
Management Division	Sales	-	-	-	-	-
	Operating Income	(1,659)	(1,741)	(1,732)	(73)	-
Total	Sales	54,761	52,600	48,602	(6,158)	88.8%
	Operating Income	4,735	5,350	4,233	(502)	89.4%
By Sub Segment [unit: million yen]		FY March 2014 Results	FY March 2015 Forecast	FY March 2015 Results	YoY change	YoY change (%)
Automobile-related	Sales Total	50,138	47,761	44,056	(6,082)	87.9%
	Info Registration Fee	20,744	21,563	21,028	284	101.4%
	Information Service Fee	29,394	26,198	23,027	(6,366)	78.3%

■ **Automobile-related information:** Especially, the income from information provision (sale of tires, export of used cars, sales of magazines) declined.

■ **Lifestyle-related information:** The performance in the fields of medicine, nursing-care, and welfare has been healthy, but sales decreased due to the withdrawal of the Internet ad agency business in Mar. 2014.

FY March 2015: Operating Results by Segment(2)

Automobile-related Sales by Product Classification [unit: million yen]		FY March 2014 Results	FY March 2015 Forecast	FY March 2015 Results	YoY change	YoY change (%)
Information magazine business	Basic ad fee	13,764	11,507	11,218	(2,545)	81.5%
	Others	1,204	1,089	1,105	(99)	91.7%
IT business 1 (Data Biz)	MOTOR GATE, etc.	6,847	9,857	9,608	2,761	140.3%
	BtoB data provision fee	3,187	3,484	3,302	115	103.6%
IT business 2 (Product sales)	Tires and wheels	12,326	10,498	10,127	(2,198)	82.2%
	Others	1,978	1,989	1,508	(470)	76.2%
Other businesses (Product sales, etc.)	Export, sale, etc. of used cars (including Goo Inspection)	10,830	9,336	7,186	(3,644)	66.4%

■ **Basic ad fee: Decrease in sales:**

Especially, the change to the Goo Series charging system affected results. (Shift of fees to IT business 1, excluding some areas)

■ **MOTOR GATE, etc.: Increase in sales:**

Sales growth due to the increase in the cumulative number of client firms of the Goo Series and the change to the Goo Series charging system.

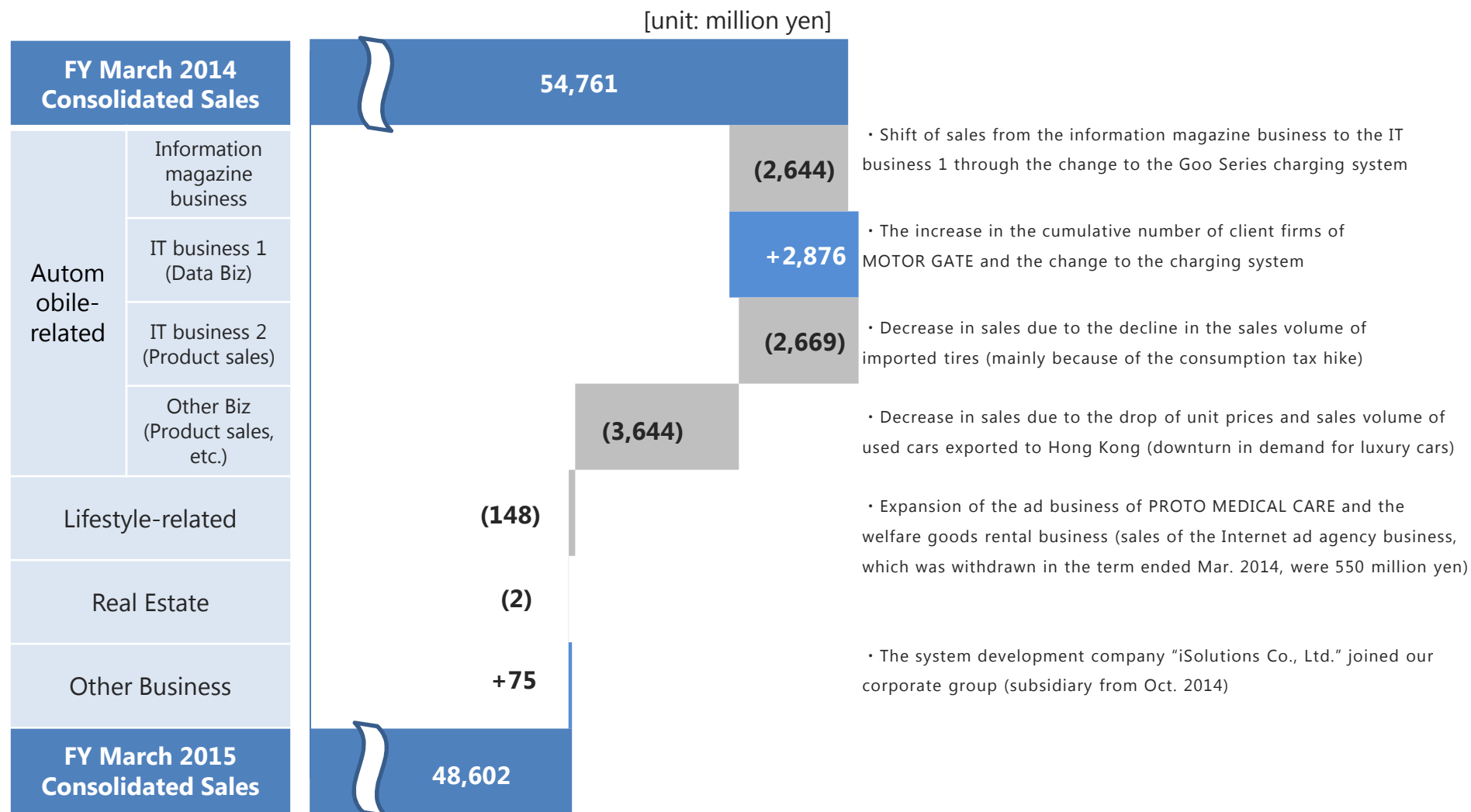
■ **Tires and wheels: Decrease in sales:**

The sale of imported tires by AUTOWAY was sluggish.

■ **Export, sale, etc. of used cars: Decrease in sales:**

Especially, the export of used cars by Kings Auto was sluggish.

FY March 2015: Analysis of factors that influence consolidated sales_(compared with the previous year)



FY March 2015: Analysis of factors that influence SG&A expenses

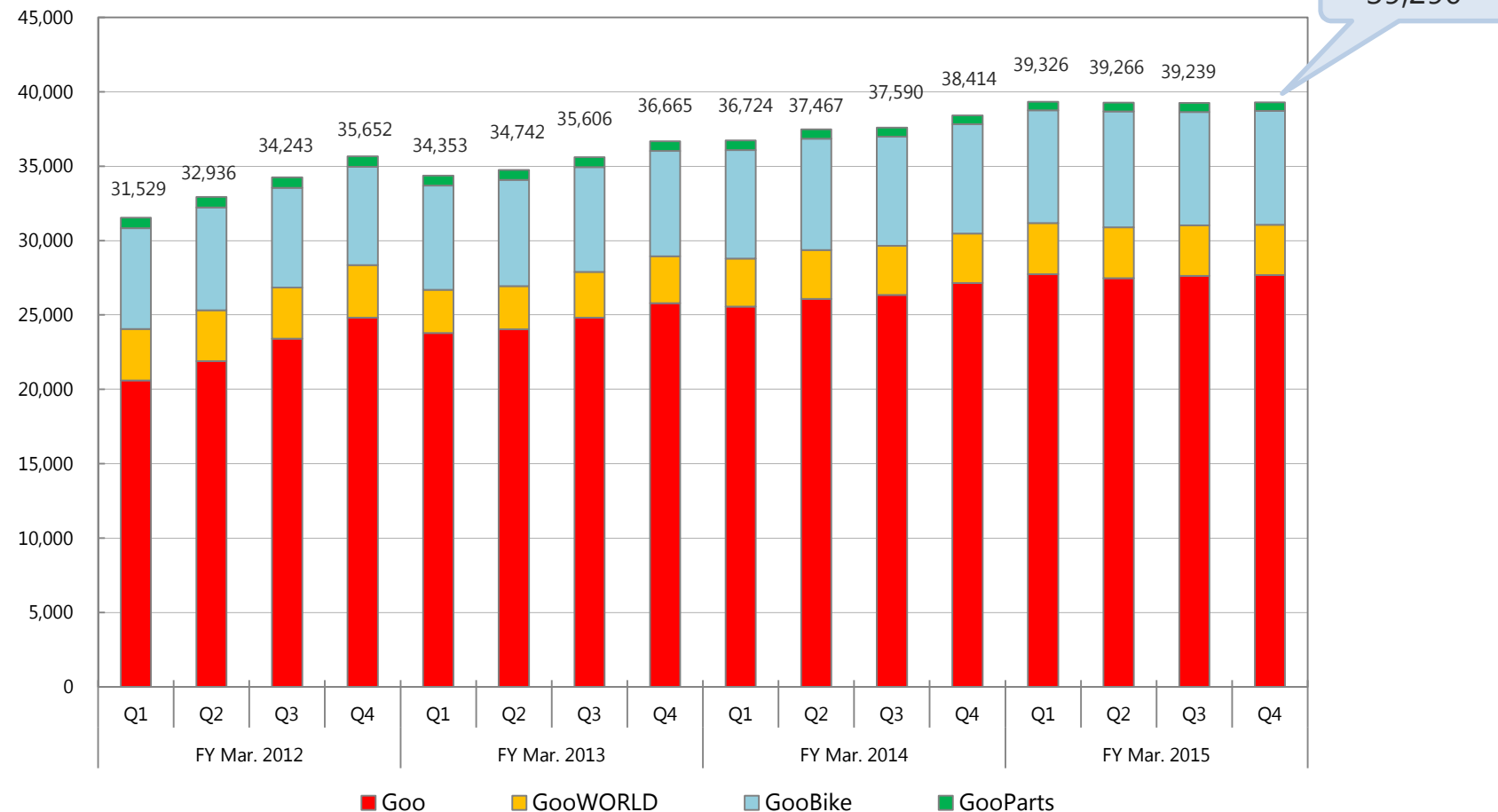
[unit: million yen]	FY March 2014 Results	FY March 2015 Forecast	FY March 2015 Results	YoY change	YoY change (%)
SG&A Expenses	16,510	16,387	16,044	(465)	97.2%
Employment Cost	7,086	7,295	7,358	272	103.8%
Advertising Cost	3,124	3,130	2,905	(218)	93.0%
Other Expenses	6,299	5,960	5,780	(519)	91.8%
Number of Employees	1,292	1,472	1,358	66	105.1%

- **Employment Cost:** Augmentation mainly due to the increase of employees, etc. through the business expansion of PROTO CORPORATION, PROTO-RIOS, and PROTO MEDICAL CARE
- **Advertising Cost:** Decrease in ad cost, etc. mainly due to the streamlining of the online promotion of AUTOWAY
- **Other Expenses:** Decrease in payment commissions, outsourcing cost, etc. mainly due to the decline in sales of AUTOWAY and Bike Bros

Variation in the number of client firms

■ Changes in Quarterly Totals of Business Partners for Goo Series

(Unit: Companies)

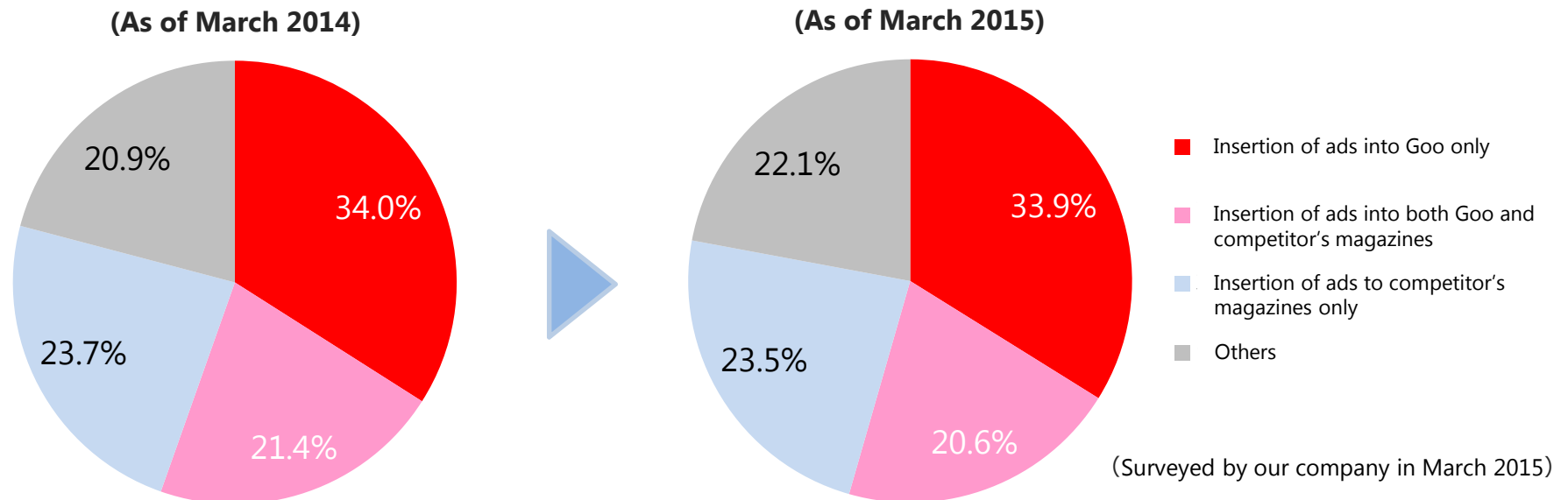


- Cumulative number of client firms (Apr-Mar): 104.6% of the value for the same period of the previous year
- Average transaction amount per month (Apr-Mar): 99.9% of the value for the same period of the previous year

Situation of Market Share

■ Situation of Market Share (Compared with Competitors)

Method for counting client companies: To count the number of dealers that inserted their ads into information magazines.



■ Share of Goo Series

Decreased from 55.4% (Mar. 2014) to 54.5% (Mar. 2015).

The main reason is that the ratio of "Others," which means that firms do not post their ads in information magazines or the like, increased by 1.2%, partially because some clients stopped posting ads to meet the demand before the consumption tax hike at the end of Mar. 2014.

FY March 2015: Consolidated Balance Sheet

[unit: million yen]	FY March 2014 (As of March 31, 2014)	FY March 2014 (Composition ratio)	FY March 2015 (As of March 31, 2015)	FY March 2015 (Composition ratio)	Increase/Decrease
Current Assets	22,815	52.0%	21,743	52.1%	(1,072)
Fixed Assets	21,091	48.0%	20,007	47.9%	(1,083)
Current Liabilities	13,174	30.0%	10,962	26.3%	(2,211)
Long-term Liabilities	4,554	10.4%	3,116	7.5%	(1,438)
Net Assets	26,177	59.6%	27,672	66.3%	1,494

[unit: million yen]	FY March 2014 (As of March 31, 2014)	FY March 2014 (Composition ratio)	FY March 2015 (As of March 31, 2015)	FY March 2015 (Composition ratio)	Increase/Decrease
Cash and cash equivalents	11,507	26.2%	12,431	29.8%	923
Interest-bearing debt	10,019	22.8%	6,231	14.9%	(3,787)
Net cash	1,488	3.4%	6,200	14.8%	4,711

- **Current and fixed assets:** Especially, the inventory assets, goodwill, etc. of AUTOWAY and Kings Auto decreased.
- **Current and Long-term liabilities:** Especially, the short-term and long-term debts of PROTO CORPORATION and Kings Auto decreased.

FY March 2015: Consolidated Statements of Cash Flows

[unit: million yen]	FY March 2014 Results	FY March 2015 Results	YoY change	YoY change (%)
Cash Flows from Operating Activities	4,235	6,577	2,342	155.3%
Cash Flows from Investing Activities	(5,294)	(914)	4,380	-
Cash Flows from Financing Activities	(2,720)	(4,821)	(2,100)	-
Cash and Cash Equivalents at End of Term	11,097	12,030	933	108.4%

[unit: million yen]	FY March 2014 Results	FY March 2015 Results	YoY change	YoY change (%)
Investment Amount (Tangible/intangible fixed assets*)	5,715	1,113	(4,602)	19.5%
Depreciation (Tangible/intangible fixed assets)	819	879	59	107.3%
Amortization of Goodwill	928	926	(1)	99.8%

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

■ Cash Flows from Operating Activities:

Up 2,342 million yen from the previous term, mainly because of the decline in inventory assets and accounts receivable of AUTOWAY and Kings Auto

■ Cash Flows from Investing Activities:

Up 4,380 million yen from the previous term, because there were no large-scale M&A or equipment investment, compared with the term ended Mar. 2014.

■ Cash Flows from Financing Activities:

Down 2,100 million yen from the previous term, mainly because of the repayment of debts, etc. in PROTO CORPORATION and AUTOWAY

FY March 2015: Consolidated Quarterly Earnings

[unit: million yen]	FY March 2014 Results					FY March 2015 Results				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	13,808	13,915	13,796	13,240	54,761	12,200	11,763	12,577	12,060	48,602
Cost of Sales	8,459	8,717	8,468	7,870	33,514	7,087	6,636	7,512	7,087	28,324
Gross Profit	5,349	5,198	5,328	5,370	21,246	5,112	5,126	5,065	4,973	20,277
SG&A Expenses	4,022	4,068	4,163	4,256	16,510	3,855	3,791	3,877	4,520	16,044
EBITDA	1,719	1,567	1,599	1,597	6,483	1,694	1,778	1,641	924	6,039
Operating Income	1,326	1,130	1,165	1,114	4,735	1,257	1,335	1,188	452	4,233
Ordinary Income	1,398	1,213	1,266	1,131	5,009	1,305	1,378	1,370	494	4,548
Net Income	761	551	712	601	2,627	973	796	773	(161)	2,381

FY March 2015: Consolidated Quarterly Earnings

[unit: million yen]	FY March 2014 Results					FY March 2015 Results				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	13,808	13,915	13,796	13,240	54,761	12,200	11,763	12,577	12,060	48,602
Automobile-related	12,723	12,680	12,618	12,115	50,138	11,145	10,659	11,396	10,855	44,056
Info Registration Fee	5,038	5,192	5,261	5,251	20,744	5,025	5,305	5,281	5,416	21,028
Info Service Fee	7,685	7,488	7,356	6,864	29,394	6,119	5,354	6,114	5,439	23,027
Lifestyle-related	828	942	896	873	3,541	823	866	827	875	3,393
Real Estate	41	43	43	39	167	40	41	41	40	164
Other Business	215	248	237	211	913	191	195	312	289	988
Operating income	1,326	1,130	1,165	1,114	4,735	1,257	1,335	1,188	452	4,233
Automobile-related	1,752	1,473	1,559	1,432	6,217	1,619	1,650	1,501	853	5,624
Lifestyle-related	37	81	52	76	248	73	112	72	80	338
Real Estate	23	22	21	2	69	22	27	24	21	96
Other Business	(58)	(40)	(45)	2	(140)	(39)	(8)	(32)	(13)	(94)
Management Division	(428)	(407)	(424)	(398)	(1,659)	(419)	(446)	(376)	(489)	(1,732)

Review of the term ended Mar. 2015

Review of the term ended March 2015



1. Sales: Consolidated sales: 48.6 billion yen (3.99 billion yen less than the target)

- ✓ **Kings Auto: 2.04 billion yen less than the target value (the target sales in Hong Kong not reached)**
- ✓ **PROTO CORPORATION: 670 million yen less than the target value (the target sales of GooPLUS not reached)**
- ✓ **BikeBros: 520 million yen less than the target value (the target sales of EC not reached)**
- ✓ **AUTOWAY: 410 million yen less than the target value (the target sales of imported tires not reached)**



2. Gross profit: Consolidated gross profit on sales: 20.2 billion yen (1.45 billion yen less than the target)

- ✓ **PROTO CORPORATION: 700 million yen less than the target value (the target sales of Goo Series not reached)**
- ✓ **AUTOWAY: 240 million yen less than the target value (the target sales of imported tires not reached)**
- ✓ **Kings Auto: 110 million yen less than the target value (the target sales in Hong Kong not reached)**
- ✓ **BikeBros: 110 million yen less than the target value (the target sales of EC not reached)**



3. Operating income: Consolidated operating income: 4.23 billion yen (1.11 billion yen less than the target)

- ✓ **PROTO CORPORATION: 320 million yen less than the target value (the target sales of Goo Series not reached)**
- ✓ **AUTOWAY: 270 million yen less than the target value (the target sales of imported tires not reached)**
- ✓ **Kings Auto: 190 million yen less than the target value (100 million yen posted as allowance for doubtful accounts)**
- ✓ **BikeBros: 70 million yen less than the target value (the target sales of EC not reached)**



4. ROE (return on equity): the target value not reached

- ✓ **8.8% (target value: 11.6%) Target operating income not reached + Impairment of goodwill "Kings Auto"**

Review of the term ended March 2015: Kings Auto

■ Sales did not reach 2.04 billion yen, and operating income did not reach 190 million yen.

Review of the previous term

Main reasons why sales and operating income did not reach target values

- Decline in demand for luxury cars in the Hong Kong market
- Sluggish cultivation of new customers (basically, staff dispatched)

Reason why operating income did not reach the target value

- Provision of 100 million yen for doubtful accounts, due to the delay in the collection of accounts receivable

Others

- An impairment loss of 380 million yen was posted for the “goodwill” of Kings Auto (consolidated)



■ To narrow down the countries of destination and strengthen sales systems

Strategies for the term ending Mar. 2016

Re-enhancement in the Hong Kong market

- Establishment of sales footholds in the Hong Kong market (scheduled in July 2015)
 - Resident employees will stir the demand of existing customers and cultivate new customers.
 - To stir the demand of existing customers in Kowloon (especially for luxury cars)
 - To cultivate new customers in New Territories (mainly for low-price cars)

Others

- To strengthen credit management
- To adopt Goo Appraisal for exported cars (inspection before export)

Review of the term ended March 2015: PROTO CORPORATION

■ Sales did not reach 670 million yen, and operating income did not reach 320 million yen.

Review of the previous term

Main reason why sales did not reach the target value

- We launched GooPLUS (package of consumables), but there emerged a gap from the needs of used car dealers (prior investment products)

Main reasons why gross profit on sales did not reach the target value

- Downturn of the used car market in the wake of the consumption tax hike
- Considering the market situation, we shifted sales staff to the support for the management of existing clients of Goo Series (from the 2nd quarter).
- We were not able to implement measures for increasing new customers.



■ To maximize the number of client firms of MOTOR GATE and GooPit

Strategies for the term ending Mar. 2016

Used car dealers: To increase the number of client firms to 11,000, and gross profit on sales

- To improve the efficiency of sales promotion targeted at small and medium-sized used car dealers and increase the number of client firms, by utilizing the Business Talk Setting Call.
- To increase sales staff for makers and dealers, and enrich contents.

Maintenance shops: To increase the number of client firms of GooPit to 10,000

- GooPit: To increase the number of client firms by utilizing alliance

Others

- To improve the selling system of GooPLUS (package of consumables), and introduce the package of consumables to the car maintenance field
- Personnel cost: In principle, the current staffing system is assumed.
- Ad cost: To be increased for popularizing GooPit.

Review of the term ended March 2015: AUTOWAY

■ Sales did not reach 410 million yen, and operating income did not reach 270 million yen.

Review of the previous term

Reasons why sales did not reach the target value

- Downturn of the commercially available tire market in the wake of the consumption tax hike
- Decrease in unit selling price due to the discounted sale of the studless tires of the previous year's model
- Decrease in the sales volume of tires due to the intensification of the price war

Reasons why operating income did not reach the target value

- The unit price (in USD) of imported tires increased due to the yen depreciation, and cost of sales augmented, decreasing profits.
- Procurement cost augmented, because the number of target brands increased.
(Because of exchange contracts, a non-operating income of 140 million yen was posted, but an ordinary income of 110 million yen was not achieved.)



■ To enhance sales activities targeted at corporations and reduce procurement cost by narrowing down brands

Strategies for the term ending Mar. 2016

To increase sales volume and sales

- The sales team targeting corporations will cultivate large parts/goods stores.
- To enhance the activities for selling tires and wheels to the visitors to used car auction sites
- To start the selling activities targeted at the car maintenance shops included in GooPit

To improve gross profit on sales as unit cost of procurement declines (estimated exchange rate in the next term: 1 dollar = 122 yen)

- To increase the amount of orders for each product by narrowing down target brands (43 brands to 11 top brands in sales), and reduce procurement cost.

Medium-term business strategies(Mar. 2016-Mar. 2018)

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.

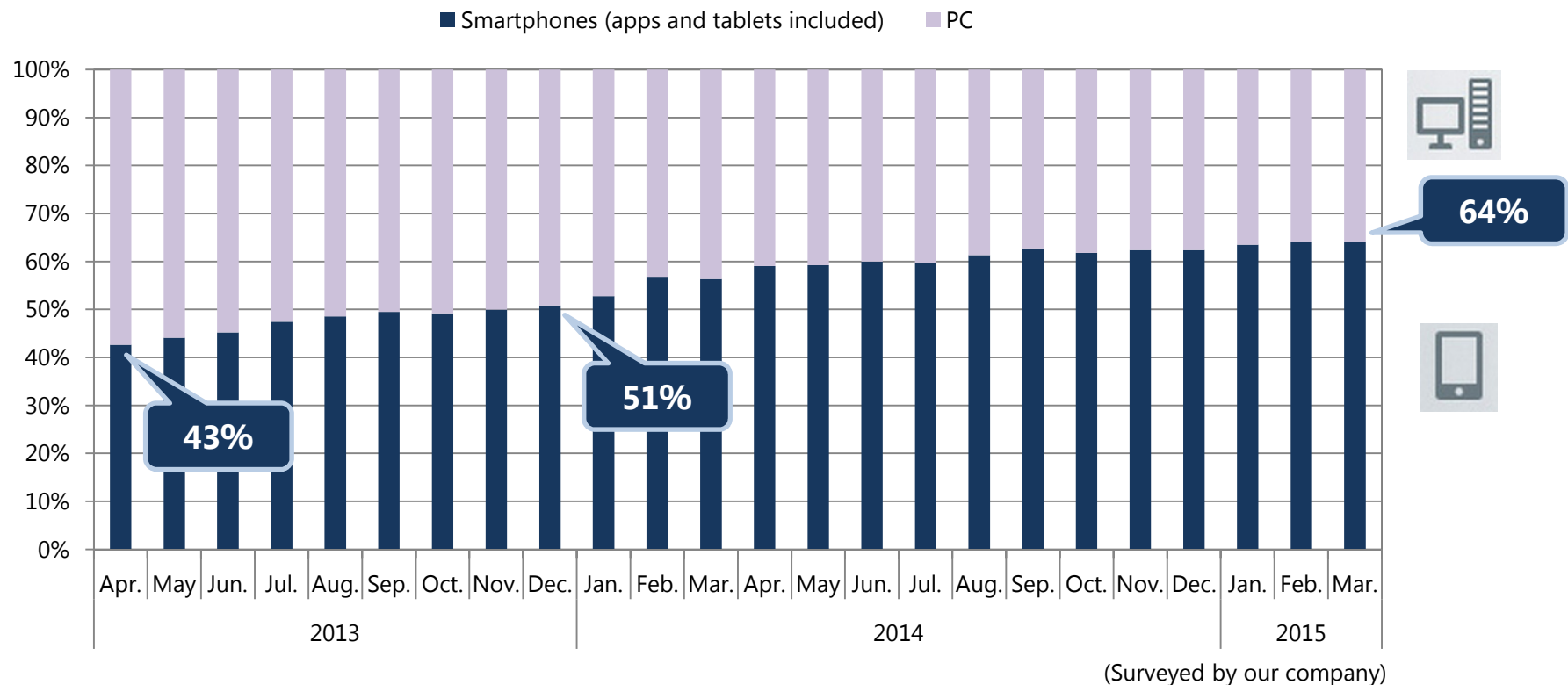
■ **Management policy:**

<Establishment of corporate and product brands>

⇒ “No.1 in the region and the field,” “improvement of services”

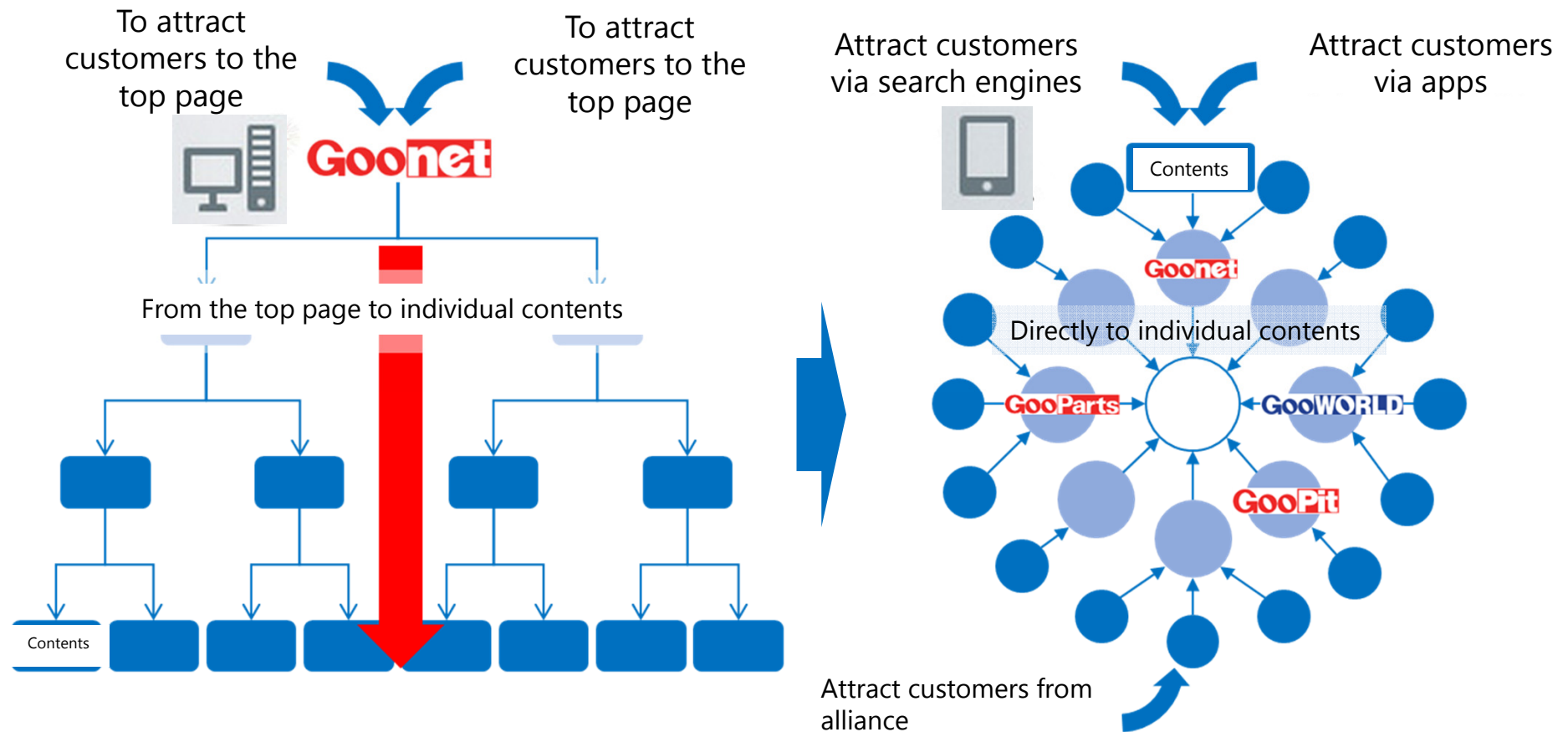
Automobile-related information

■ Variations in the number of accesses to Goo-net and the ratio of each device (feature phones excluded)



The battlefield is now smartphones.

Automobile-related information



Through the shift to smartphones, users who directly access contents increased.
The companies that have more contents win the support of users.

When it comes to cars, **Goo**

Media

■ Used car sale field

クルマ・ポータルサイト
Goonet

■ Car maintenance field

グービット
GooPit

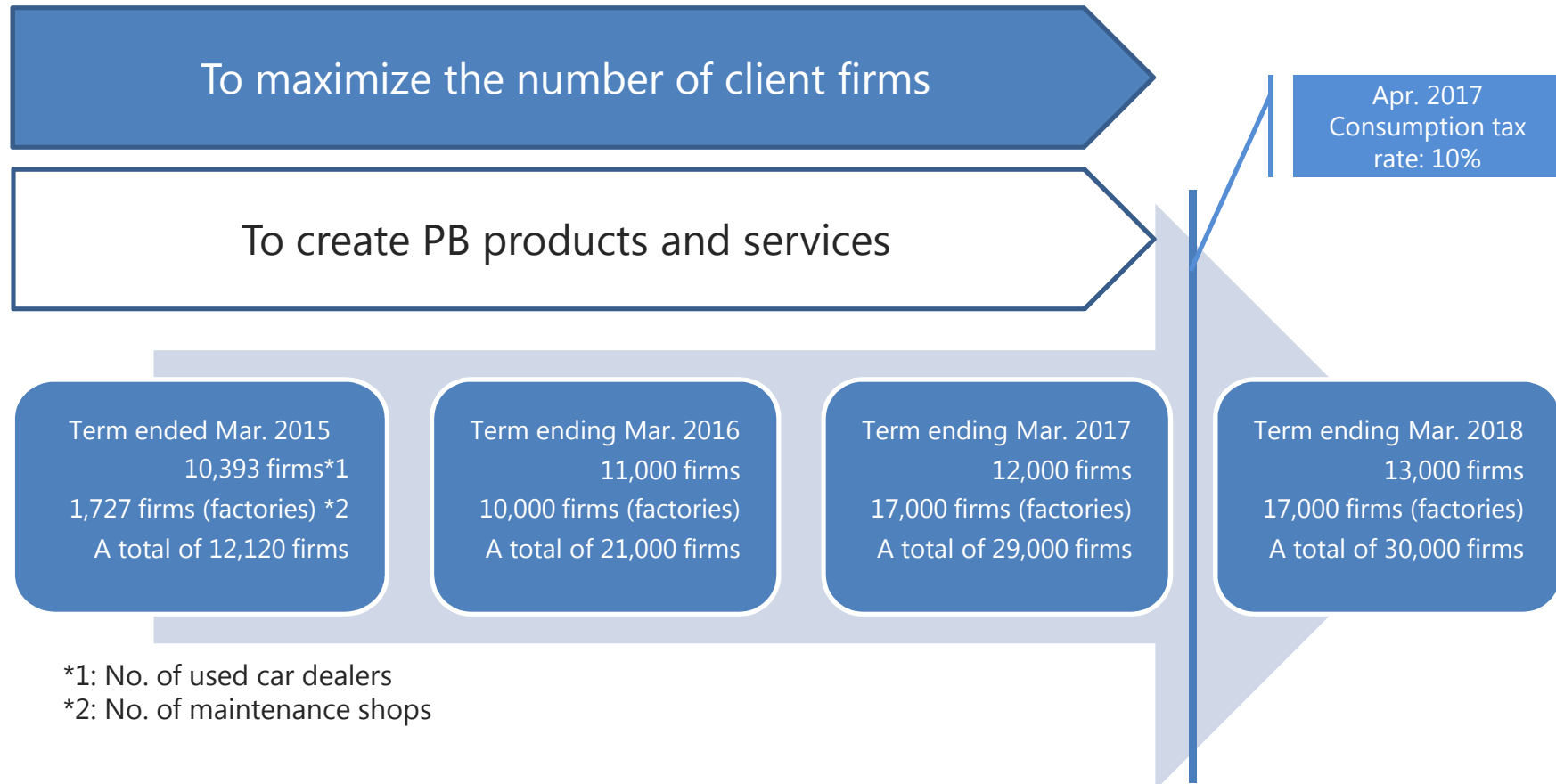
Database

■ Platform of used car info

MOTOR GATE

To develop the Japan's largest network of used car dealers and maintenance shops, and establish the Goo brand

Automobile-related information



Establishment of the business foundation for supporting growth strategies

Automobile-related information: Efforts for Goo-net (MOTOR GATE)

1

- Measures targeted at small to medium-sized used car dealers
 - To improve sales efficiency and increase client firms, by utilizing the Business Talk Setting Call

2

- To increase client firms with PB products
(Goo Inspection*1, GooPLUS*2, Goo Warranty*3, etc.)
 - To increase client firms by utilizing PB products that would meet the needs of users

*1: Nationwide operation from Oct. 2008, *2: Nationwide operation from Aug. 2014, *3: Nationwide operation from Dec. 2014

3

- To enhance proposal-based sales promotion by utilizing the MOTOR GATE analysis tool, etc.
 - To increase client firms, by supporting the business administration of used car dealers with data analysis
 - To increase client firms by utilizing the apps for dealers

In order to secure the contents of used cars, we aim to maximize the number of client firms.

Automobile-related information: Efforts for GooPit

1

- To increase client firms by fortifying the sales system for maintenance shops
- To increase the number of domestic footholds to 12, and employ more sales staff, to strengthen our organizational structure

2

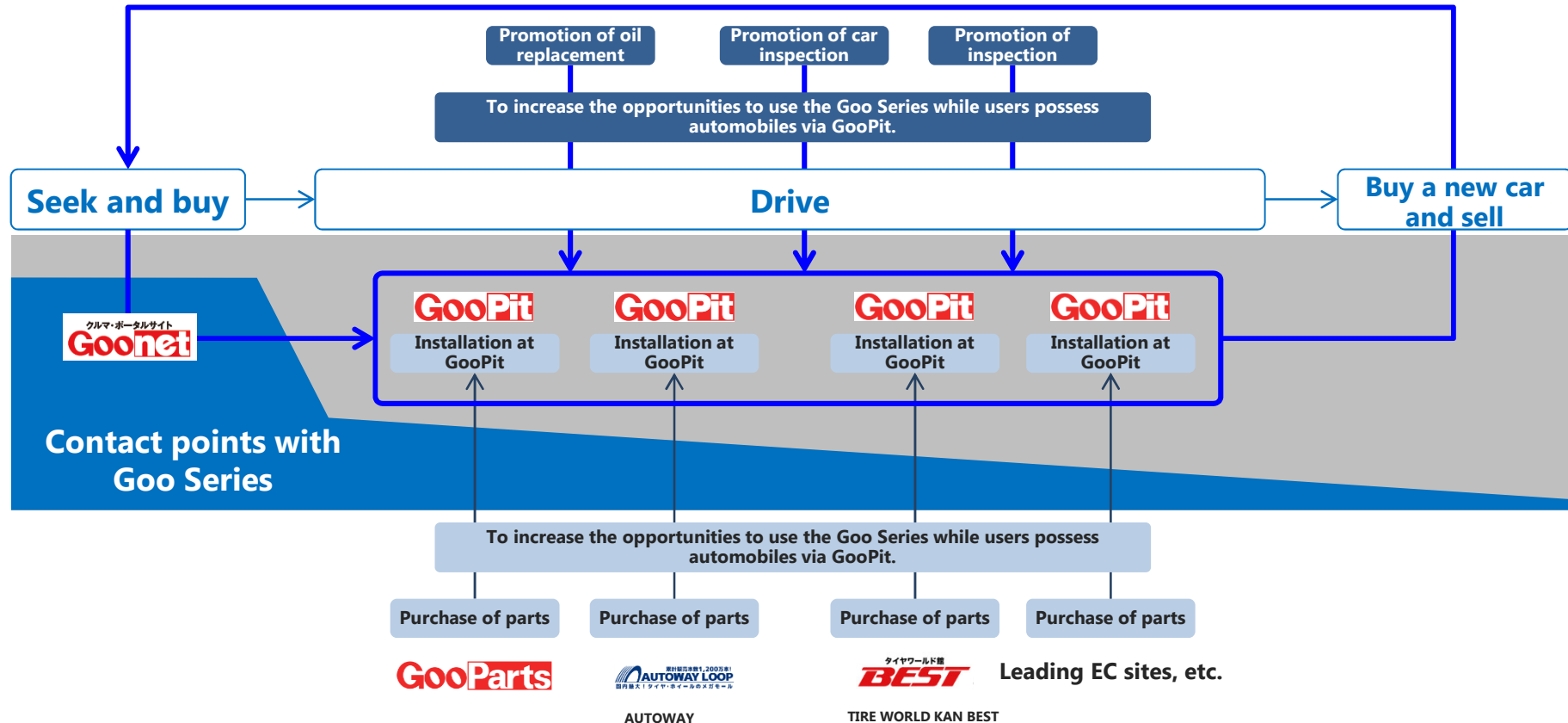
- To increase client firms by promoting alliance
- Active promotion of alliance with large business groups, FC, etc.

3

- To enhance promotion for improving the popularity of GooPit
- To bolster up promotion by posting ads on leading online sites

In order to secure the contents of used cars and increase the contact point with users, we aim to maximize the number of client firms.

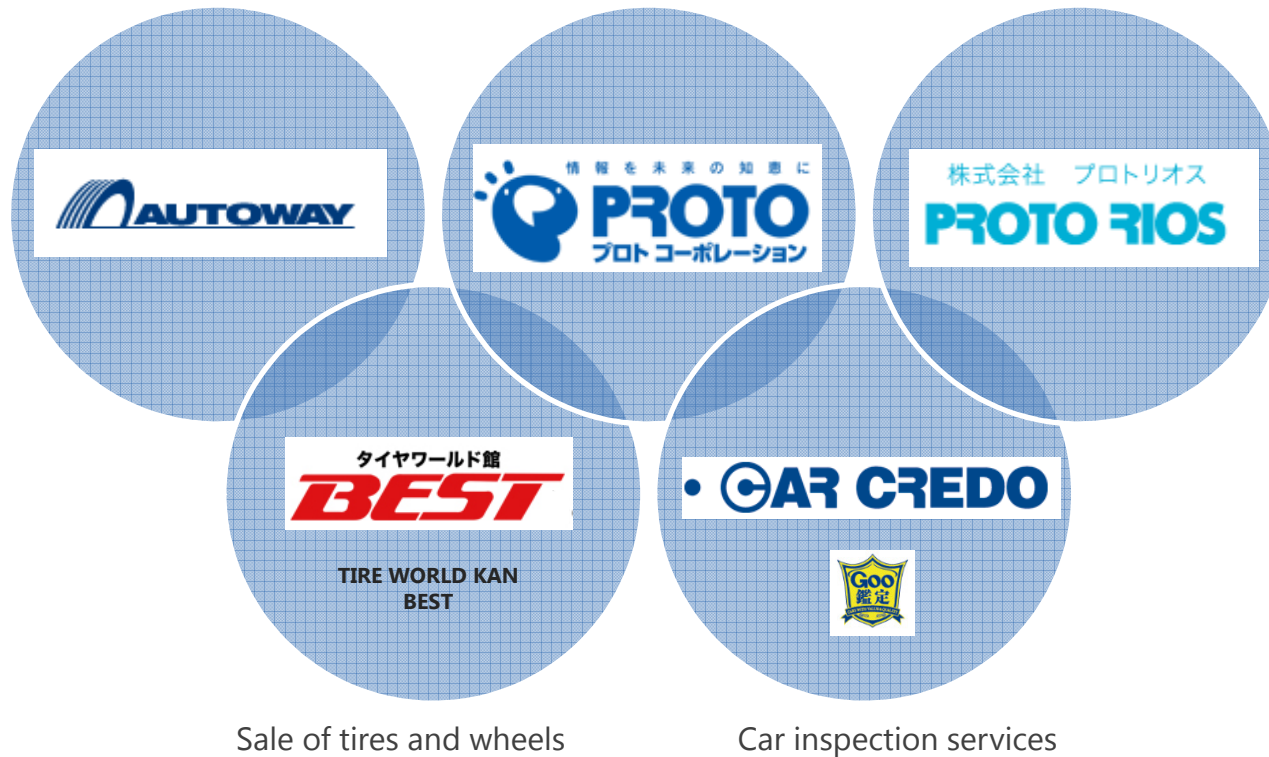
Automobile-related information: Measures for users



By increasing the contact points with users in car life, we aim to establish the Goo brand.

Automobile-related information: Measures for clients

Sale of imported tires and wheels Provision of automobile-related info Development and sale of software in the car maintenance and repair fields



To pursue synergy in our corporate group by utilizing the network of used car dealers and maintenance shops

Plan for the term ending Mar. 2016

Numerical targets (for the term ending Mar. 2018)

- To consider the growth potentials of sales and operating income as well as ROE as the most important indicators, and promote business activities.

Key Performance Indicators (KPIs)	FY March 2015 Results	FY March 2016 Forecast	FY March 2017 Forecast	FY March 2018 Forecast
ROE: Return on Equity	8.8%	11.9%	about 13%	about 15%
ROE(Before amortization of goodwill)	10.9%	13.4%	about 14%	about 16%
Net sales	48.6billion yen	56.8 billion yen	Average annual growth rate: over 10%	Average annual growth rate: over 10%
Operating income	4.23billion yen	5.51 billion yen	Average annual growth rate: over 10%	Average annual growth rate: over 10%
Operating income ratio	8.7%	9.7%	Over 10%	Over 10%

Other Indicators	FY March 2015 Results	FY March 2016 Forecast	FY March 2017 Forecast	FY March 2018 Forecast
Dividend ratio	32.5%	Stable dividend		
Dividend ratio (Before amortization of goodwill)	23.4%	Stable dividend		
Total return ratio	40.9%	Stable dividend + (Share buyback will be discussed when necessary)		
Total return ratio (Before amortization of goodwill)	29.4%	Stable dividend + (Share buyback will be discussed when necessary)		

FY March 2016: Assumptions for earnings forecast

■ Market environment

- Automobile-related information

→ In the used car market, the sluggish personal consumption due to the consumption tax hike is getting better, and the sales volume of new cars is recovering as customers purchase new models. Accordingly, our business performance in the used car market is estimated to improve from the previous term.

→ There is a downside risk that the stocks of used cars in Japan will become insufficient as the export of used cars will increase due to the yen depreciation, and this will affect advertisement posting, etc.

■ Remarks

- Automobile-related information

→ Reorganization of TIRE WORLD KAN BEST CO., LTD. into a subsidiary (Apr. 2015)

Business contents: Sale of tires and wheels, tire maintenance, etc.

Plan for the term ending Mar. 2016: sales: 5.3 billion yen, operating income: 130 million yen,

Net income: 80million yen,

goodwill: 1.7 billion yen, goodwill amortization period: 10 years, interest-bearing debt: 0 yen

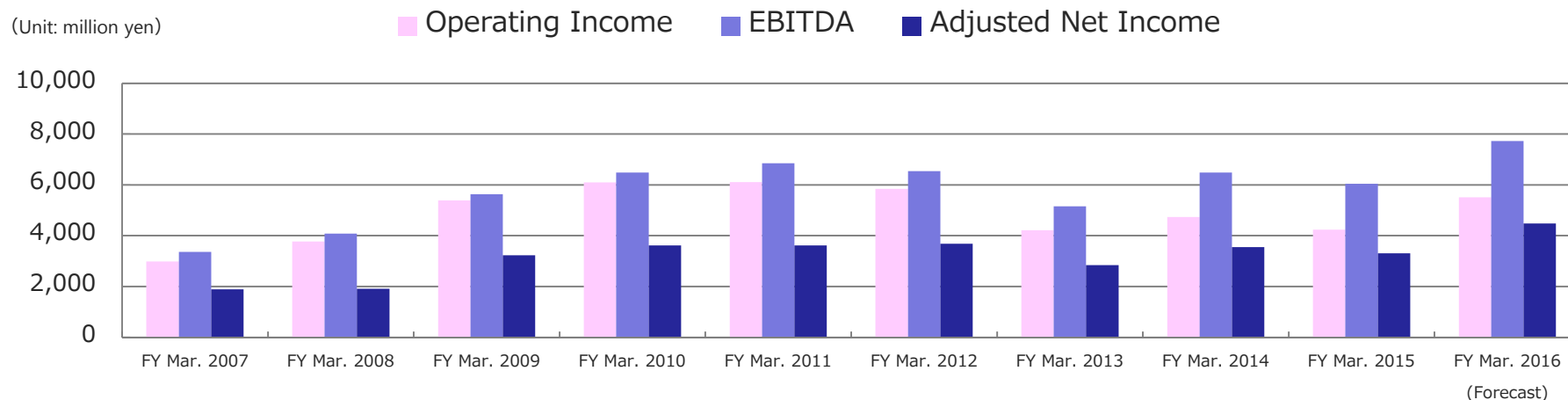
FY March 2016: Consolidated Earnings Forecast

[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 Forecast
Net Sales	21,238	22,893	23,657	25,682	28,779	30,582	38,287	54,761	48,602	56,862
Operating income	2,988	3,771	5,384	6,098	6,111	5,846	4,209	4,735	4,233	5,510
Net Income	1,766	1,838	3,187	3,529	3,197	3,275	2,290	2,627	2,381	3,457
EBITDA*1	3,360	4,078	5,628	6,490	6,856	6,540	5,161	6,483	6,039	7,728
Adjusted Net Income*2	1,890	1,915	3,223	3,621	3,620	3,680	2,836	3,555	3,308	4,485
Depreciation	247	230	207	299	322	288	404	819	879	1,189
Amortization of Goodwill	124	77	36	91	422	405	546	928	926	1,028

*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



FY March 2016:Consolidated Earnings Forecast

[unit: million yen]	FY March 2015 Results	FY March 2016 Forecast	YoY change	YoY change (%)
Net Sales	48,602	56,862	8,259	117.0%
Cost of Sales	28,324	32,704	4,379	115.5%
Gross Profit	20,277	24,158	3,880	119.1%
SG&A Expenses	16,044	18,648	2,603	116.2%
EBITDA	6,039	7,728	1,689	128.0%
Operating Income	4,233	5,510	1,276	130.2%
Ordinary Income	4,548	5,574	1,025	122.5%
Net Income	2,381	3,457	1,075	145.1%
Net Income per Share(Yen)	116.76 Yen	170.11 Yen	53.35 Yen	145.7%

[unit: million yen]	FY March 2015 Results	FY March 2016 Forecast	YoY change	YoY change (%)
SG&A Expenses	16,044	18,648	2,603	116.2%
Employment Cost	7,358	8,426	1,067	114.5%
Advertising Cost	2,905	3,123	217	107.5%
Other Expenses	5,780	7,098	1,317	122.8%
Number of Employees	1,358	1,628	270	119.9%

■ **Sales:** Thanks to the good performance of Automobile-related information business, sales are estimated to increase 17%.

■ **operating income :** Thanks to the good performance of Automobile-related information business, operating income is estimated to increase 30%.

■ **No. of employees:** Employees are estimated to increase through the reorganization of TIRE WORLD KAN BEST into a subsidiary, and we plan to increase the staff of PROTO-RIOS Inc.

FY March 2016:Consolidated Earnings Forecast(Segment)

[unit: million yen]		FY March 2015 Results	FY March 2016 Forecast	YoY change	YoY change (%)
Automobile-related	Sales	44,056	51,571	7,515	117.1%
	Operating Income	5,624	6,859	1,234	122.0%
Lifestyle-related	Sales	3,393	3,810	417	112.3%
	Operating Income	338	537	198	158.6%
Real Estate	Sales	164	166	1	101.0%
	Operating Income	96	91	(4)	95.1%
Other Business	Sales	988	1,313	324	132.9%
	Operating Income	(94)	(192)	(98)	-
Management Division	Sales	-	-	-	-
	Operating Income	(1,732)	(1,785)	(53)	-
Total	Sales	48,602	56,862	8,259	117.0%
	Operating Income	4,233	5,510	1,276	130.2%

■ Automobile-related information, increases in sales and profits

Especially, the reorganization of TIRE WORLD KAN BEST Co., LTD. into a subsidiary will contribute to the increase in sales.

Especially, the increase of client firms of MOTOR GATE and GooPit will boost operating income .

■ Lifestyle-related information, increases in sales and profits

In the fields of medical services, nursing care, and welfare, the advertisement and rental businesses of PROTO MEDICAL CARE will contribute.

FY March 2016:Consolidated Earnings Forecast(Automobile-related)

By Sub Segment [unit: million yen]		FY March 2015 Results	FY March 2016 Forecast	YoY change	YoY change (%)
Automobile-related	Sales Total	44,056	51,571	7,515	117.1%
	Info Registration Fee	21,028	21,922	893	104.2%
	Information Service Fee	23,027	29,649	6,621	128.8%
Automobile-related Sales by Product Classification [unit: million yen]		FY March 2015 Results	FY March 2016 Forecast	YoY change	YoY change (%)
Information magazine business	Basic ad fee	11,218	10,872	(345)	96.9%
	Others	1,105	988	(116)	89.4%
IT business 1 (Data Biz)	MOTOR GATE, etc.	9,608	10,899	1,290	113.4%
	BtoB data provision fee	3,302	3,772	469	114.2%
IT business 2 (Product sales)	Tires and wheels	10,127	16,354	6,226	161.5%
	Others	1,508	1,786	278	118.5%
Other businesses (Product sales, etc.)	Export, sale, etc. of used cars (including Goo Inspection)	7,186	6,898	(287)	96.0%

- **Information magazine business:** Shift of the charging system of Goo Series
- **IT business 1 (Data Biz):** Increases in sales of MOTOR GATE, GooPit, GooAUTO, and PROTO-RIOS.
as client firms will increase
- **IT business 2(Product sales):** Sales are estimated to increase by 5.31 billion yen, as TIRE WORLD KAN BEST will become a subsidiary. Growth of sales due to the increase in the sales volume of AUTOWAY
- **Other businesses(Product sales, etc.) :** The income from the export of used cars is estimated to decrease, considering the demand-supply trend in Hong Kong.

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.

■ Estimated dividends

- As for the dividend of surplus for the term ending Mar. 2016, we plan to pay 19 yen per share as the common dividend at the end of the 2nd quarter and the financial term, a total of 38 yen per share annually.

Reference: Consolidated Quarterly Earnings Forecast for the Year Ending March 2016

[unit: million yen]	FY March 2015 Results					FY March 2016 Forecast				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	12,200	11,763	12,577	12,060	48,602	12,746	12,973	16,008	15,133	56,862
Cost of Sales	7,087	6,636	7,512	7,087	28,324	7,219	7,268	9,583	8,632	32,704
Gross Profit	5,112	5,126	5,065	4,973	20,277	5,526	5,705	6,424	6,501	24,158
SG&A Expenses	3,855	3,791	3,877	4,520	16,044	4,509	4,495	4,757	4,885	18,648
EBITDA	1,694	1,778	1,641	924	6,039	1,541	1,760	2,238	2,188	7,728
Operating Income	1,257	1,335	1,188	452	4,233	1,017	1,209	1,667	1,615	5,510
Ordinary Income	1,305	1,378	1,370	494	4,548	1,035	1,221	1,686	1,630	5,574
Net Income	973	796	773	▲161	2,381	599	715	1,054	1,087	3,457

Reference: Consolidated Quarterly Earnings Forecast for the Year Ending March 2016

[unit: million yen]	FY March 2015 Results					FY March 2016 Forecast				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	12,200	11,763	12,577	12,060	48,602	12,746	12,973	16,008	15,133	56,862
Automobile-related	11,145	10,659	11,396	10,855	44,056	11,629	11,709	14,667	13,564	51,571
Info Registration Fee	5,025	5,305	5,281	5,416	21,028	5,097	5,434	5,513	5,866	21,912
Info Service Fee	6,119	5,354	6,114	5,439	23,027	6,532	6,275	9,153	7,698	29,659
Lifestyle-related	823	866	827	875	3,393	824	914	950	1,120	3,810
Real Estate	40	41	41	40	164	41	40	41	42	166
Other Business	191	195	312	289	988	250	308	349	405	1,313
Operating income	1,257	1,335	1,188	452	4,233	1,017	1,209	1,667	1,615	5,510
Automobile-related	1,619	1,650	1,501	853	5,624	1,449	1,570	1,984	1,855	6,859
Lifestyle-related	73	112	72	80	338	65	125	131	214	537
Real Estate	22	27	24	21	96	20	23	22	25	91
Other Business	(39)	(8)	(32)	(13)	(94)	(46)	(34)	(54)	(57)	(192)
Management Division	(419)	(446)	(376)	(489)	(1,732)	(470)	(475)	(416)	(422)	(1,785)

* 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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