

Investor Meeting for the First Half of Fiscal Year Ending in March 2014 (April 1, 2013 to September 30, 2013)



October 31, 2013
PROTO CORPORATION (4298)

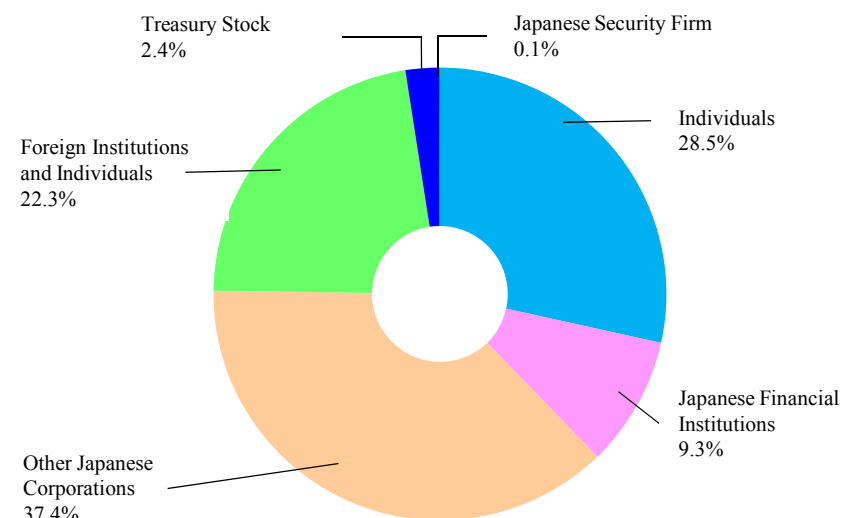
Financial Data (Consolidated)

Shares outstanding (million)	20.9
Market capitalization (¥ billion, September 2013)	29.9
DPS (¥, FY March 2014, Forecast)	37.5
EPS (¥, FY March 2014, Forecast)	126.65
BPS (¥, March 2013)	1,154.20
ROE (% , FY March 2013, Net income basis)	9.9
ROA (% , FY March 2013, Ordinary income basis)	13.8
Equity ratio (% , March 2013)	68.2
Potential share dilution (million)	-

Major Shareholders

	(Thousands)
1) Mugen Corporation	6,807 (32.50%)
2) JPMCC Client Safekeeping Account	1,088 (5.19%)
3) Hiroichi Yokoyama	840 (4.01%)
4) Japan Trustee Services Bank, Ltd. (Trust Account)	619 (2.95%)
5) The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	556 (2.65%)

Distribution of Ownership among Shareholders



(As of September 30, 2013)

Consolidated Statements of Income (1)



(Unit: million yen)

	Apr-Sep 2012		Apr-Sep 2013				YoY change		Achievement rate	
	Results	% of	Forecast	% of	Results	% of	(C)-(A)	%	(C)-(B)	%
	(A)	Net sales	(B)	Net sales	(C)	Net sales				
Net Sales	19,199	100.0%	26,589	100.0%	(1) 27,724	100.0%	8,524	144.4%	1,134	104.3%
Cost of Sales	10,100	52.6%	16,206	61.0%	(2) 17,176	62.0%	7,075	170.0%	969	106.0%
Gross Profit	9,098	47.4%	10,382	39.0%	10,547	38.0%	1,449	115.9%	164	101.6%
SG&A Expenses	6,130	31.9%	8,361	31.4%	(3) 8,090	29.2%	1,960	132.0%	(270)	96.8%
EBITDA	3,430	17.9%	2,896	10.9%	3,286	11.9%	(144)	95.8%	390	113.5%
Operating Income	2,967	15.5%	2,021	7.6%	2,456	8.9%	(511)	82.8%	435	121.5%
Ordinary Income	3,053	15.9%	2,112	7.9%	2,612	9.4%	(441)	85.5%	499	123.7%
Net Income	1,740	9.1%	1,107	4.2%	1,312	4.7%	(427)	75.4%	205	118.5%

	Apr-Sep 2012		Apr-Sep 2013				YoY change		Achievement rate	
	Results	% of	Forecast	% of	Results	% of	(C)-(A)	%	(C)-(B)	%
	(A)	Net sales	(B)	Net sales	(C)	Net sales				
SG&A Expenses	6,130	31.9%	8,361	31.4%	8,090	29.2%	1,960	132.0%	(270)	96.8%
Employment Cost	2,937	15.3%	3,731	14.0%	3,538	12.8%	600	120.5%	(193)	94.8%
Advertising Cost	1,188	6.2%	1,462	5.5%	1,390	5.0%	201	117.0%	(71)	95.1%
Other Expenses	2,004	10.4%	3,168	11.9%	3,162	11.4%	1,157	157.7%	(5)	99.8%
Number of Employment	1,057	-	1,369	-	1,304	-	247	123.4%	(65)	95.3%

* EBITDA is calculated based on "operating income + depreciation + amortization of goodwill".

Point (1) **Net sales:** Especially in the automobile-related information field, as AUTOWAY Co., Ltd. which sells imported tires became a subsidiary in April 2013 and the used car export volume of Kings Auto Co., Ltd. increased, net sales of the entire corporate group increased by 8,524 million yen compared with the same period of the previous year (144.4% compared with the same period of the previous year). The sales volume of tires of AUTOWAY Co., Ltd. was smaller than the target value while the used car export volume of Kings Auto Co., Ltd. was larger than the target value, and consequently, the ratio of sales to the target value became 104.3%.

Point (2) **Cost of Sales:** Especially because AUTOWAY Co., Ltd. became a subsidiary and the used car export volume of Kings Auto Co., Ltd. increased, product procurement amount, etc. augmented, and then cost of sales was 170.0% (cost rate: 9.4 point increase) compared with the same period of the previous year. In addition, since the used car export volume of Kings Auto Co., Ltd. was larger than the target value, the ratio of cost of sales to the target value was 106.0%.

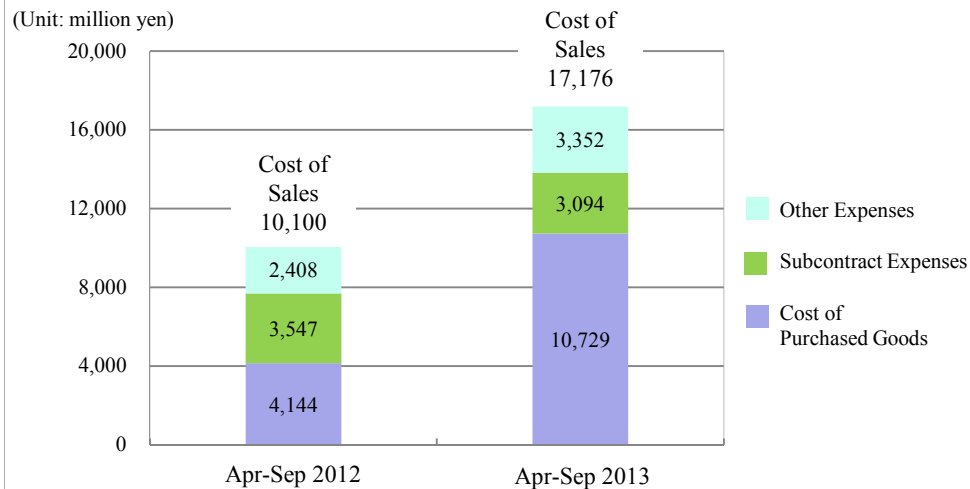
Point (3) **SG&A Expenses:** Especially because consolidated subsidiaries increased and, as a result, personnel expenses, etc. augmented, the SG&A expenses was 132.0% compared with the same period of the previous year (SG&A expenses rate: 2.7 point decrease). In addition, since the personnel expenses in PROTO CORPORATION was lower than the target value, the ratio of SG&A expenses to the target value was 96.8%.

Consolidated Statements of Income (2)



Operating Results (Apr-Sep 2013)

Changes in Cost of Sales



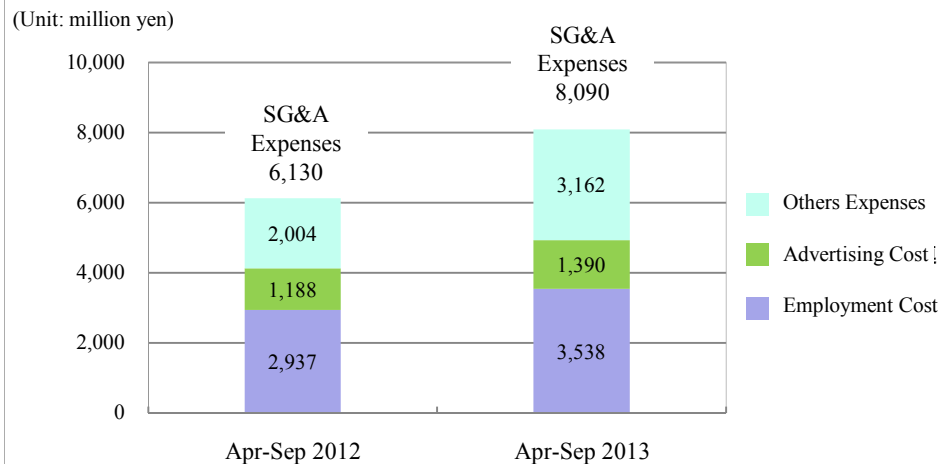
Cost of Sales

The cost of sales for the entire corporate group increased by 6,585 million yen (258.9% compared with the same period of the previous year), mainly because product procurement amount increased in AUTOWAY Co., Ltd. (increased by 4,271 million yen) and Kings Auto Co., Ltd. (increased by 1,856 million yen).

The subcontract cost for the entire corporate group decreased by 452 million yen (87.2% compared with the same period of the previous year), mainly because the sales of the Internet ad agency business of PROTO CORPORATION declined.

Other expenses for the entire corporate group increased by 942 million yen (139.1% compared with the same period of the previous year), mainly because the transportation costs of AUTOWAY Co., Ltd. and Kings Auto Co., Ltd. increased, the number of employees increased as PROTO MEDICAL CARE reorganized Fujiyama Service Co., Ltd. into a subsidiary in Apr. 2013, the number of employees of CAR CREDO Co., Ltd. increased as the cars appraised by Goo-inspection increased, and the number of employees of PROTO DATA CENTER increased.

Changes in SG&A Expenses



SG&A Expenses

The personnel expenses for the entire corporate group increased by 600 million yen (120.5% compared with the same period of the previous year), mainly because the number of employees increased as AUTOWAY Co., Ltd. became a subsidiary and the number of PROTO CORPORATION increased.

The advertisement cost for the entire corporate group increased by 201 million yen (117.0% compared with the same period of the previous year), because it cost 256 million yen for the advertisement of AUTOWAY Co., Ltd. as the synergetic effect between AUTOWAY Co., Ltd and our group is still insufficient, although the ad cost for existing businesses decreased from the previous year.

Other expenses for the entire corporate group increased by 1,157 million yen (157.7% compared with the same period of the previous year), because goodwill amortization, depreciation, and commissions augmented as AUTOWAY Co., Ltd. became a subsidiary and businesses were transferred at PROTO (TAIWAN) CO., LTD.

Operating Results by Segment (1)



Sales

(Unit: million yen)

	Apr-Sep 2012		Apr-Sep 2013			
	Results (A)	Composition ratio	Forecast (B)	Composition ratio	Results (C)	Composition ratio
Automobile-related	16,795	87.5%	23,860	89.7%	25,404	91.6%
Info Registration Fee	10,017	52.2%	10,222	38.4%	10,230	36.9%
Information Service Fee	6,778	35.3%	13,638	51.3%	15,173	54.7%
Lifestyle-related	2,101	10.9%	2,210	8.3%	1,771	6.4%
Real Estate	83	0.4%	76	0.3%	84	0.3%
Other Business	219	1.1%	441	1.7%	464	1.7%
Total	19,199	100.0%	26,589	100.0%	27,724	100.0%

YoY change	Achievement rate			
	(C)-(A)	%	(C)-(B)	%
8,608	151.3%	1,543	106.5%	
213	102.1%	8	100.1%	
8,395	223.8%	1,535	111.3%	
(330)	84.3%	(439)	80.1%	
1	101.2%	7	109.8%	
244	211.7%	23	105.2%	
8,524	144.4%	1,134	104.3%	

1) Info Registration Fee: Advertising in information magazines and Internet media, etc.

2) Information Service Fee: Selling information magazines, providing contents, used car export support service and EC (sales of imported tires, parts for motorbikes), etc.

Operating Income

(Unit: million yen)

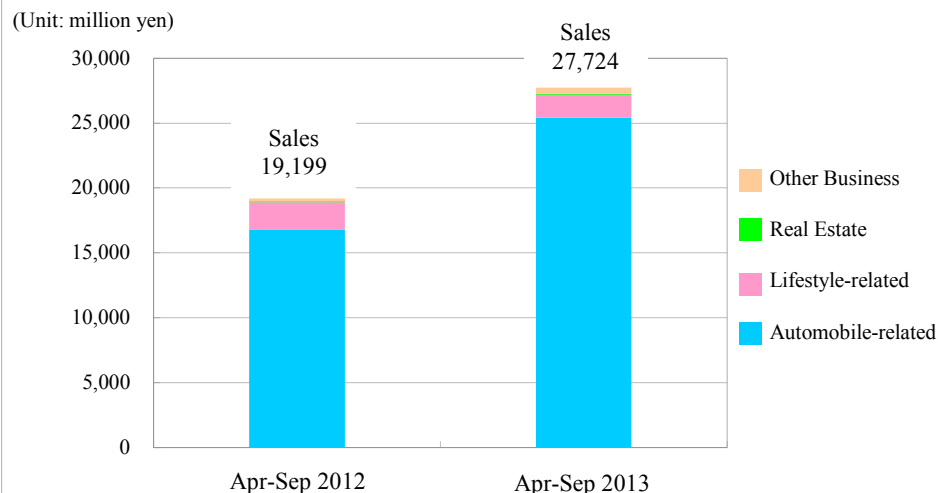
	Apr-Sep 2012		Apr-Sep 2013			
	Results (A)	Profit ratio	Forecast (B)	Profit ratio	Results (C)	Profit ratio
Automobile-related	3,720	22.1%	2,892	12.1%	3,225	12.7%
Lifestyle-related	110	5.3%	98	4.5%	119	6.7%
Real Estate	45	54.9%	39	51.9%	46	54.8%
Other Business	(128)	-	(83)	-	(98)	-
Management Division	(780)	-	(925)	-	(836)	-
Total	2,967	15.5%	2,021	7.6%	2,456	8.9%

YoY change	Achievement rate			
	(C)-(A)	%	(C)-(B)	%
(494)	86.7%	333	111.5%	
8	107.7%	20	121.3%	
0	101.3%	6	115.9%	
30	-	(14)	-	
(55)	-	89	-	
(511)	82.8%	435	121.5%	

Operating Results by Segment (2)



Changes in Sales by Segment



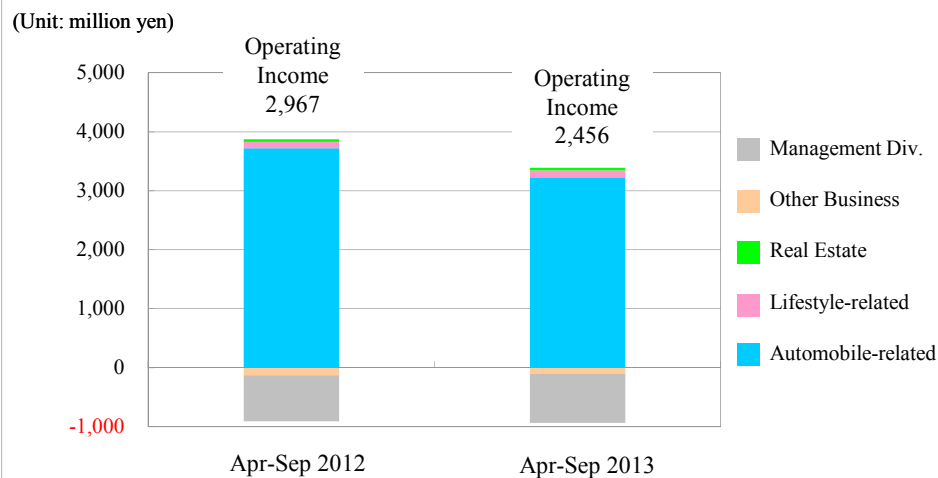
Automobile-related Information

The sales of the magazine business were almost the same level as the previous year (101.4% as compared with the same period of the previous year). However, as for the IT business, the sales increased by 6,079 million yen (206.1% compared with the same period of the previous year), mainly because the sales of EC (i.e. imported tires sales) increased as a result of acquisition of AUTOWAY Co., Ltd. (April 2013) and the sales of IT products of PROTO CORPORATION and PROTO-RIOS INC. have expanded. As for other businesses, as the expansion of businesses of Kings Auto Co., Ltd., which deals with exporting used cars, and Goo-inspection showed steady increase. As a result, the sales increased by 2,429 million yen (163.2% compared with the same period of the previous year), and the sales of the entire Automobile-related Information segment increased by 8,608 million yen (151.3% compared with the same period of the previous year). In addition, operating income decreased by 494 million yen (86.7% compared with the same period of the previous year), mainly because the personnel expenses in PROTO CORPORATION augmented and prior investments were made in overseas subsidiaries.

Lifestyle-related Information

As for PROTO MEDICAL CARE, the advertisement business in the medical, nursing-care, and welfare fields and the mail-order business of nursing-care goods are healthy. In addition, Fujiyama Service Co., Ltd., etc. became subsidiaries. As a result, the rental services of welfare goods, etc. contributed to the increase in sales and profits. However, the sales from the Internet ad agency business in PROTO CORPORATION declined. Consequently, the total sales of the lifestyle-related information business decreased by 330 million yen (84.3% compared with the same period of the previous year). Operating income increased by 8 million yen (107.7% compared with the same period of the previous year), because the personnel expenses for the real estate information business and the advertisement cost for improving popularity of PROTO DATA CENTER augmented, although the performance of PROTO MEDICAL CARE is healthy.

Changes in Operating Income by Segment



Other Business

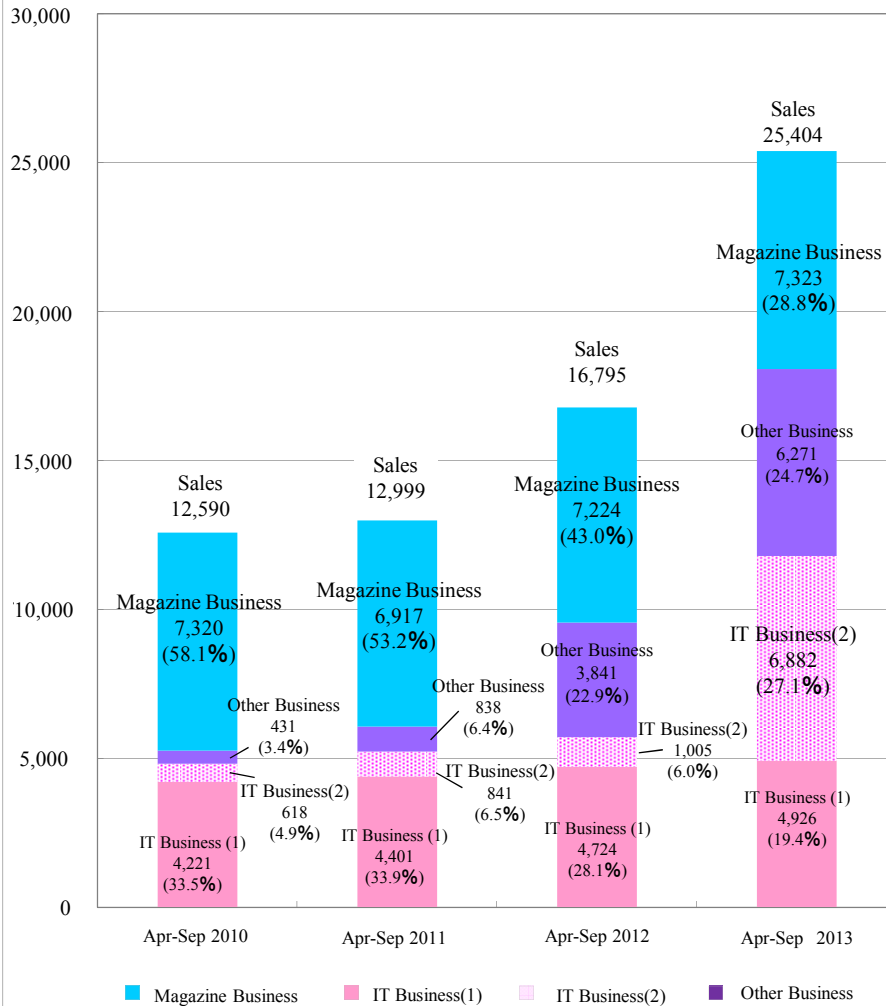
Net sales of other business increased by 244 million yen (211.7% compared with the same period of the previous year), mainly because the number of orders in the BPO business of PROTO DATA CENTER increased. Furthermore, there was an operating loss of 98 million yen (operating loss of 128 million during the same period of the previous year) due to expenses for social game development, etc.

Operating Results of Automobile-related Information (1)



Changes in Automobile-related Sales by Product Classification

(Unit: million yen) *Parentheses represent composition ratios.



Magazine Business

For the first half, we tried to increase the number of business partners for Goo Series through expansion of the sales of Goo-inspection etc.

The amount of advertisement on Goo Series was slightly below the plan during the term between April and September. However, due to contribution from the automobile information media business that PROTO (TAIWAN) CO., LTD. took over in January 2013, the sales of the entire magazine business increased to 98 million yen (101.4% compared with the same period of the previous year).

IT Business (1) (Option products such as Goo-net, B to B data service etc.)

We conducted the sales promotion for the Internet option products of the Goo Series, and PROTO-RIOS INC. promoted business support systems. Consequently, the sales of the IT business (1) increased by 202 million yen (104.3% compared with the same period of the previous year).

IT Business (2) (EC)

We acquired AUTOWAY Co., Ltd., which deals with imported tires sales, and also tried to expand the e-commerce of motorbike goods and parts of Bike Bros. Inc. Consequently, the sales of the IT business (2) increased by 5,877 million yen (684.6% compared with the same period of the previous year).

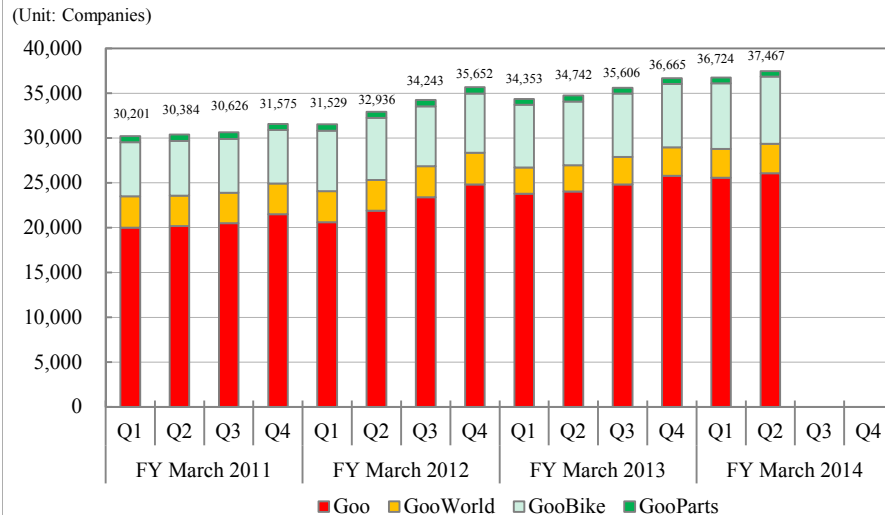
Other Business (Goo-inspection and Service of supporting the export of used cars etc.)

Net sales of other businesses increased by 2,429 million yen (163.2% compared with the same period of the previous year), as the used car export business of Kings Auto Co., Ltd. showed steady increase, and also because the number of Goo-inspection increased due to strong promotion.

Operating Results of Automobile-related Information (2)



Changes in Quarterly Totals of Business Partners for Goo Series

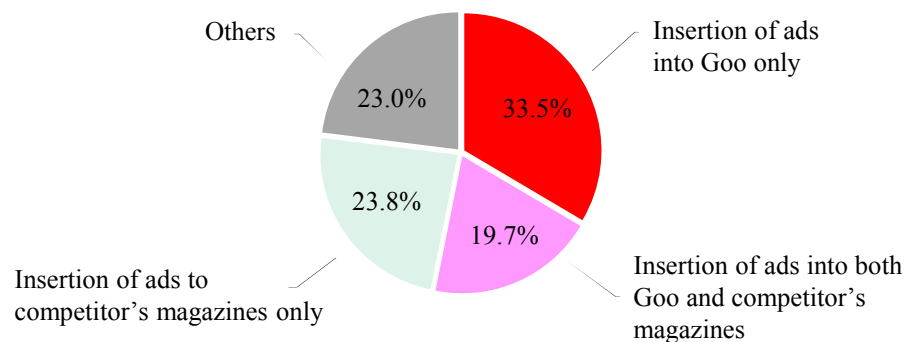


The cumulative number of client companies of Goo Series for the first and second quarters (April to September) was 107.4% compared with the same period of the previous year.

Because of the increase in the number of small retails, the average unit price per month during the first and second quarter (April to September) was 97.4% compared with the same period of the previous year.

The number of the member shops of Goo-inspection was 6,717 IDs as of the end of September 2013.

Situation of Market Share (Compared with Competitors)



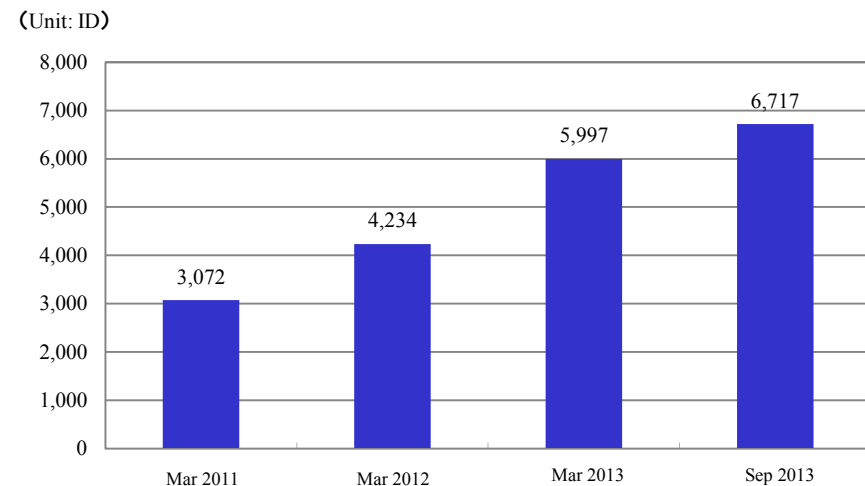
* Competitor's magazine: Car Sensor (Mj Magazine in Shikoku, Crossroad in Okinawa)

* The numerical value has totaled for the entire area.

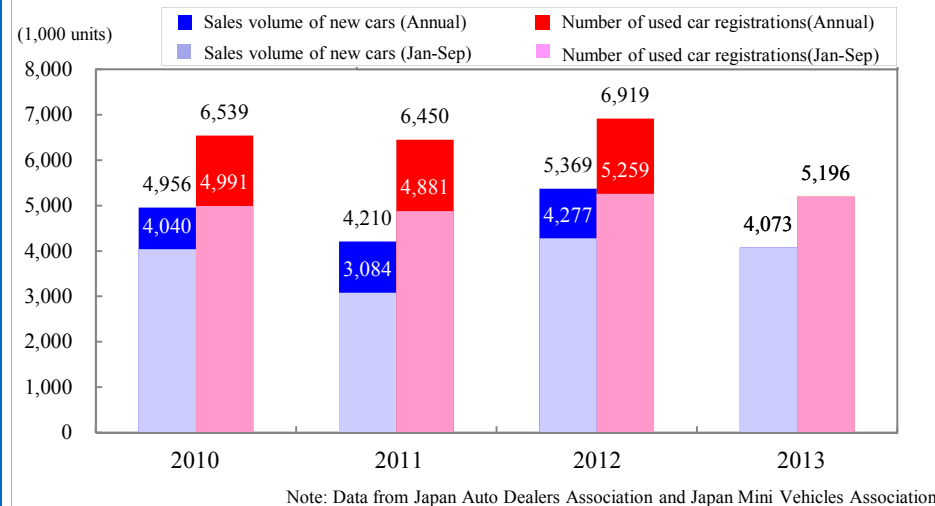
* Method for counting client companies: To count the number of dealers that inserted their ads into information magazines.

(Surveyed by our company in September 2013)

Changes in the number of the Member Shops of Goo-inspection



Trends in the Sales Volume of New Cars and the Number of Used Car Registrations (Calendar Years)



Sales Volume of New Cars

The sales volume of new cars for 2012 (Jan-Dec) was 5.36 million (127.5% of the value for the same period of the previous year), due to the effects of the Eco-car Subsidy, etc.

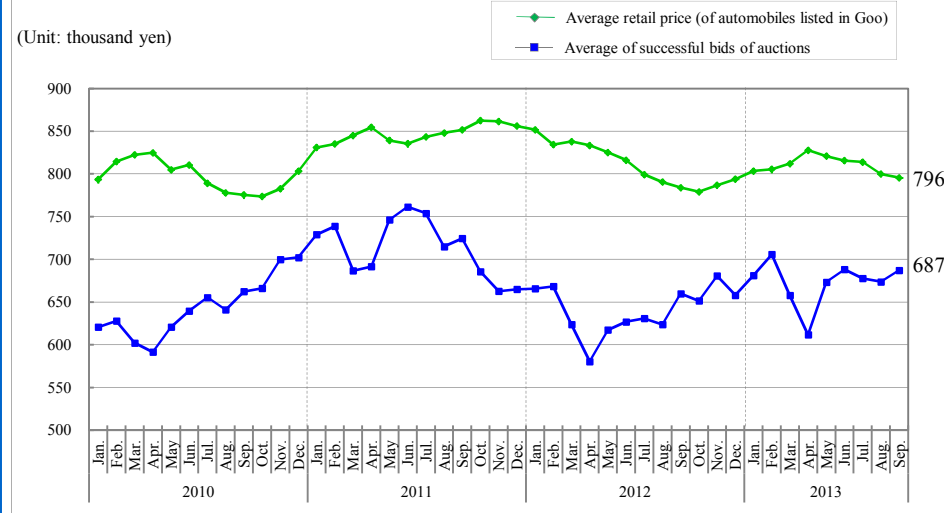
The sales volume of new cars for 2013 (Jan-Sep) was 4.07 million (95.2% of the value for the same period of the previous year).

Number of Used Car Registrations

The number of used cars registered in 2012 (Jan-Dec) was 6.91 million (107.3% of the value for the same period of the previous year).

The number of used cars registered in 2013 (Jan-Sep) was 5.19 million (98.8% of the value for the same period of the previous year).

Variations in Retail and Wholesale Prices of Used Cars



Variations in Average Retail and Wholesale Prices of Used Cars

After the end of the Eco-Car Subsidy, the average retail price is around 800,000 yen.

Although the average wholesale price had been declining since June 2011, it bottomed out in April 2012 and began to rise. Although it fell once in April 2013, it is sharply increasing after May.

【For reference: Eco-car Subsidy】

1. First phase: Eco-car Subsidy
April 10, 2009 to September 7, 2010: a budget of 583.7 billion yen with Scrap Incentive
2. Second phase: Eco-car Subsidy
December 20, 2011 to September 21, 2012: a budget of 300 billion yen without Scrap Incentive

Consolidated Balance Sheet



(Unit: million yen)

	FY Mar. 2013 (As of March 31, 2013)		FY Mar. 2014 (As of September 30, 2013)		Increase/Decrease (B) - (A)
	(A)	Composition ratio	(B)	Composition ratio	
Current Assets	20,686	59.4%	23,964	53.3%	(1) 3,277
Fixed Assets	14,155	40.6%	21,036	46.7%	(2) 6,881
Current Liabilities	8,578	24.6%	13,913	30.9%	(3) 5,334
Long-term Liabilities	2,514	7.2%	6,439	14.3%	(4) 3,924
Net Assets	23,748	68.2%	24,648	54.8%	899
Total Assets	34,841	-	45,001	-	10,159

Point (1) Increase in Current Assets (3,277 million yen increase from the end of the term ended March 2013)

Current assets increased 3,277 million yen compared with the end of the previous consolidated fiscal year, associated with the increase in inventory assets of AUTOWAY Co., Ltd. that became our subsidiary, although there was a decrease in cash and deposits due to the payment for acquiring their stocks.

Point (2) Increase in Fixed Assets (6,881 million yen increase from the end of the term ended March 2013)

Fixed assets increased 6,881 million yen compared with the end of the previous consolidated fiscal year, mainly because the goodwill from a new subsidiary AUTOWAY Co., Ltd. was included in the statement, and also the land and buildings increased as AUTOWAY Co., Ltd. became a subsidiary.

Point (3) Increase in Current Liabilities (5,334 million yen increase from the end of the term ended March 2013)

Current liabilities increased 5,334 million yen from the end of the previous consolidated fiscal year, mainly because short-term debts, etc. increased as AUTOWAY Co., Ltd. became a subsidiary.

Point (4) Increase in Long-term Liabilities (3,924 million yen increase from the end of the term ended March 2013)

Long-Term liabilities increased 3,924 million yen compared with the end of the previous consolidated fiscal year, due to the increase of long-term borrowings associated with acquisition of AUTOWAY Co., Ltd..

Consolidated Statements of Cash Flows



(Unit: million yen)

	FY Mar. 2013 (Apr-Sep 2012)	FY Mar. 2014 (Apr-Sep 2013)	Increase/Decrease	(Reference) FY Mar. 2013
Cash Flows from Operating Activities	2,970	(1) 939	(2,031)	2,917
Cash Flows from Investing Activities	(91)	(2) (4,900)	(4,808)	(1,203)
Cash Flows from Financing Activities	(678)	(3) 111	790	1,187
Cash and Cash Equivalents at End of Term	13,697	10,971	(2,725)	14,640
Investment Amount (Tangible/intangible fixed assets*)	1,694	4,750	3,055	2,831
Depreciation (Tangible/intangible fixed assets)	189	373	183	404
Amortization of Goodwill	273	456	183	546

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

Point (1) Cash Flows from Operating Activities

There was an income of 939 million yen mainly because there was an increase of inventory assets from AUTOWAY Co., Ltd., as well as payment for corporate income tax, etc., although 2,483 million yen was recorded for income before income taxes.

Point (2) Cash Flows from Investing Activities

There was an expenditure of 4,900 million yen mainly because of an expenditure of 3,215 million yen due to acquisition of stocks of AUTOWAY Co., Ltd. and an expenditure of 610 million yen, as PROTO (TAIWAN) CO.,LTD. took over a new business.

Point (3) Cash Flows from Financing Activities

There was an income of 111 million yen mainly due to an increase in borrowing of AUTOWAY Co., Ltd., although there were divided payment of 384 million yen and the acquisition of treasury shares of 199 million yen.

Topics for the Term of Apr-Sep 2013 and Future Measures

Automobile-related Information

Point (1)

The number of client companies of Goo Series is still increasing. (PROTO CORPORATION).
* For details, see pp.13-14.

Point (2)

Start of the imported tire sale business. (AUTOWAY Co., Ltd.)
* For details, see pp.15.

Point (3)

The used car export business is steady. (Kings Auto Co., Ltd.)
As demand recovered in the main importing country (Hong Kong) and the yen has depreciated since the end of last year, the used car export business is healthy.

Point (4)

Expansion of the sales area of PROTO MALAYSIA Sdn. Bhd., and the start of the media business at PROTO (TAIWAN) CO., LTD..
* For details, see pp.16-17.

Lifestyle-related Information

Point (5)

The medical, nursing care, and welfare businesses are healthy. (PROTO MEDICAL CARE)
The businesses of advertisement, mail-order sale of nursing-care goods, and rental of welfare goods are steady.

Point (6)

The Internet ad agency business is sluggish in cultivating new customers.
(PROTO CORPORATION)

■ Future measures for the automobile-related information business

Future risk factors (market trend)

1. Effects on the new and used car markets

- It is expected that there will be a slight rush demand before the increase in consumption tax rate in Apr. 2014.
It is anticipated that personal consumption will decline due to the rush demand after Apr. 2014.

2. Effects on the advertisement market

- Like the new and used car markets, it is expected that there will be a slight rush demand in this term.
There is a possibility that stocks at stores and advertised cars will decrease due to the rush demand after Apr. 2014.

Measures

1. Concentration on the promotion of the new background system of Goo-net (MOTOR GATE)

- To promote to existing customers to use the new system
- Development and provision of new products and services through the new background system (MOTOR GATE)
- To start sales promotion targeted at new customers

2. Promotion of Goo-inspection

- To conduct the charge-free appraisal campaign for first-time users
- To carry out promotion for enhancing popularity

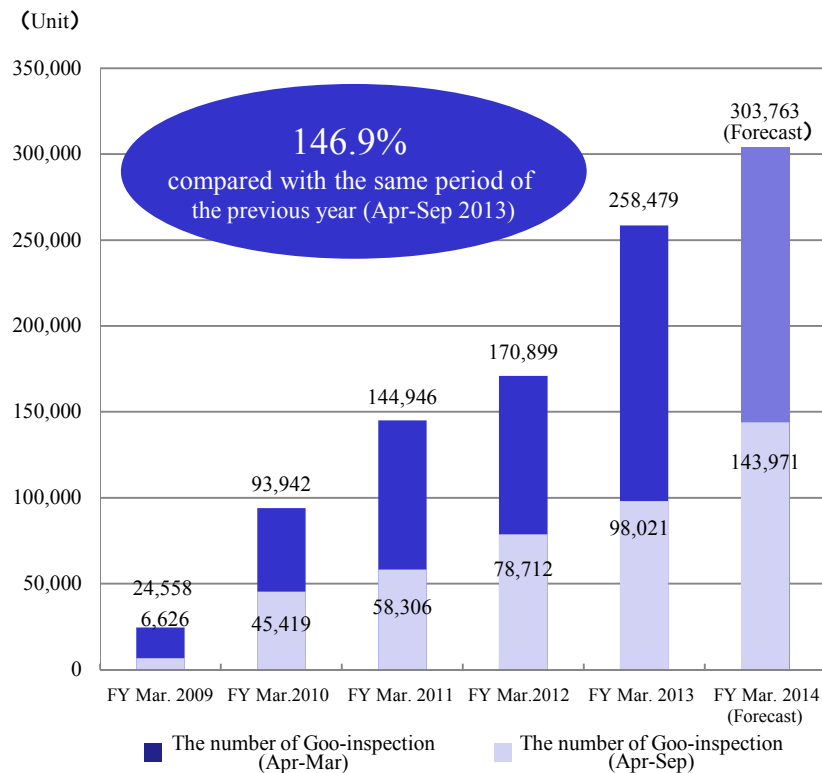
3. Development and sale of new products and services

- To promote the enrichment and sale of products and services in the car maintenance field

To increase customers and cope with the sluggish demand after the rush demand

Improving Goo-inspection

Changes in the number of Goo-inspection



Increase in contract rate through Goo-inspection

Increase in repeated use rate of Goo
 Average for the term of Apr-Sep 2012: 96.1%
 ↓
 Average for the term of Apr-Sep 2013: 97.8%
 (1.7 point increase)

Increase of client companies of Goo Series

To increase client companies of Goo Series through the promotion of Goo-inspection

- To strengthen the imported tire sale business (Acquisition of the shares of AUTOWAY Co., Ltd. in Apr. 2013)

AUTOWAY Co., Ltd. (Import and sale of automobile tires)



Warehouse in Kyushu



Warehouse in Kanto

<Major activities>

- To improve the shipping system as the operation of the new warehouse in the Kanto area will be started
- To improve the procurement and sales management systems

In the term of Apr-Sep, we prioritized the development of the shipping system for the new warehouse, and sales increased from the previous year, but the target values were not achieved.

■ Future risk factors

- The augmented cost due to the yen depreciation is estimated to remain.
(Procurement is basically conducted in the U.S. dollar.)
- Overstock (The cooperation among procurement, sale, and distribution management sections is insufficient)

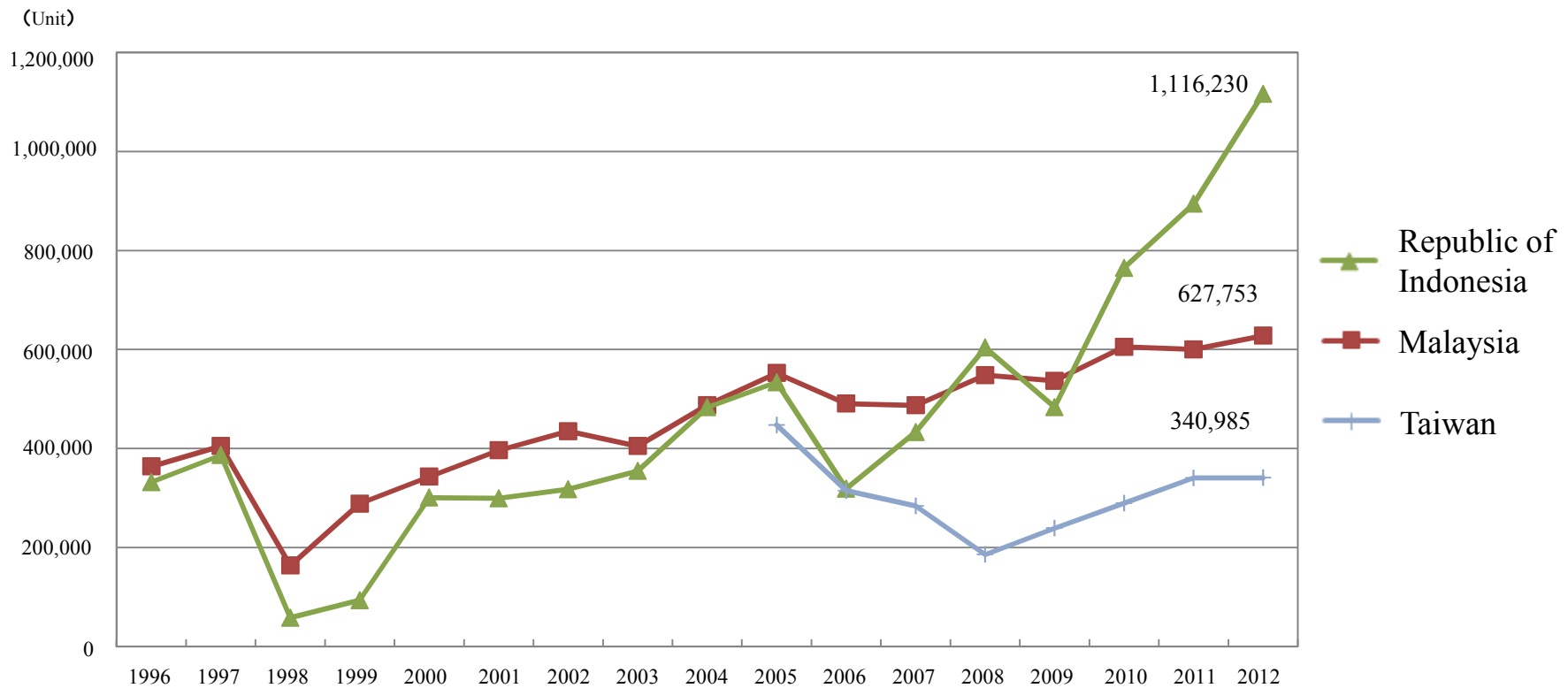
■ Solutions

- To redesign sales strategies (measures for increasing clients and business partners)
- To optimize the inventory standard (strengthening of procurement and sales management)

To develop systems for securing the growth potential of sales and operating income even when the yen is weak, by increasing the clients and business partners of AUTOWAY Co., Ltd. and improving procurement and sales management

■ Regarding overseas business markets

Variation in the sales volume of automobiles in each Asian country



Note: Data from Japan External Trade Organization

The sales volume of automobiles is increasing in Asia, especially Indonesia, Malaysia, and Taiwan.

Overseas business activities

Outline of overseas businesses



■ PROTO MALAYSIA Sdn. Bhd. (Malaysia)

- Publication of used car information magazines and operation of a used car search website
- Expansion of the sales area (Pinang Office was established in Mar. 2013)

■ PROTO (TAIWAN) CO., LTD.

- Publication of new and used car information magazines and operation of a comprehensive automobile information website
- Took over the automobile-related media business in Jan. 2013.

■ PT. PROTO INDONESIA (Republic of Indonesia)

- Market surveys and client cultivation mainly in the automobile-related information business field

■ PROTO SINGAPORE Pte. Ltd. (Republic of Singapore)

- We decided to dissolve this company for concentrating our managerial resources in Malaysia and Indonesia

We expand our businesses in East Asia and Southeast Asia, by utilizing the know-how for the information magazine and IT business nurtured in the Japanese automobile market

Earnings Forecast Summary

* The earnings forecast is a value announced on May 10, 2013.

■ Consolidated Statements of Income

(The full-year earnings forecast as of the beginning of the term has not been revised.)

(Unit: million yen)

	FY Mar. 2013		FY Mar. 2014		YoY change	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	(B)-(A)	%
Net Sales	38,287	100.0%	56,760	100.0%	18,472	148.2%
Cost of Sales	20,636	53.9%	35,104	61.8%	14,467	170.1%
Gross Profit	17,650	46.1%	21,656	38.2%	4,005	122.7%
SG&A Expenses	13,440	35.1%	17,006	30.0%	3,565	126.5%
Operating Income	4,209	11.0%	4,650	8.2%	440	110.5%
Ordinary Income	4,371	11.4%	4,821	8.5%	449	110.3%
Net Income	2,290	6.0%	2,606	4.6%	315	113.8%
EPS (Yen)	109.96	-	126.65	-	-	-

(Unit: million yen)

	FY Mar. 2013		FY Mar. 2014		YoY change	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	(B)-(A)	%
SG&A Expenses	13,440	35.1%	17,006	30.0%	3,565	126.5%
Employment Cost	5,957	15.6%	7,544	13.3%	1,587	126.7%
Advertising Cost	3,266	8.5%	3,128	5.5%	(138)	95.8%
Other Expenses	4,216	11.0%	6,332	11.2%	2,115	150.2%
Number of Employment	1,103	-	1,405	-	302	127.4%

* The earnings forecast is a value announced on May 10, 2013.

Earnings Forecast by Segment for the Year Ending March 2014



■ Net Sales (The full-year earnings forecast as of the beginning of the term has not been revised.)

(Unit: million yen)

	FY Mar. 2013		FY Mar. 2014		YoY change	
	Results (A)	Composition ratio	Forecast (B)	Composition ratio	(B)-(A)	%
Automobile-related	33,687	88.0%	50,685	89.3%	16,997	150.5%
Info Registration Fee	20,413	53.3%	20,918	36.9%	504	102.5%
Info Service Fee	13,273	34.7%	29,767	52.4%	16,493	224.3%
Lifestyle-related	3,837	10.0%	4,922	8.7%	1,085	128.3%
Real Estate	163	0.4%	139	0.2%	(24)	84.9%
Other Business	597	1.6%	1,012	1.8%	414	169.4%
Total	38,287	100.0%	56,760	100.0%	18,472	148.2%

* Info Registration Fee: Sales for advertisements in information magazines and the net media, etc.

* Info Service Fee: Sales for selling information magazines and providing contents, service of supporting the export of used cars and EC etc.

■ Operating Income (The full-year earnings forecast as of the beginning of the term has not been revised.)

(Unit: million yen)

	FY Mar. 2013		FY Mar. 2014		YoY change	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	(B)-(A)	%
Automobile-related	5,916	17.6%	6,184	12.2%	268	104.5%
Lifestyle-related	131	3.4%	327	6.7%	196	249.9%
Real Estate	85	52.2%	78	56.3%	(7)	91.6%
Other Business	(323)	-	(95)	-	227	-
Management Division	(1,599)	-	(1,844)	-	(244)	-
Total	4,209	11.0%	4,650	8.2%	440	110.5%

* The earnings forecast is a value announced on May 10, 2013.

Reference: Transition of EBITDA and Adjusted Net Income



(Unit: million yen)

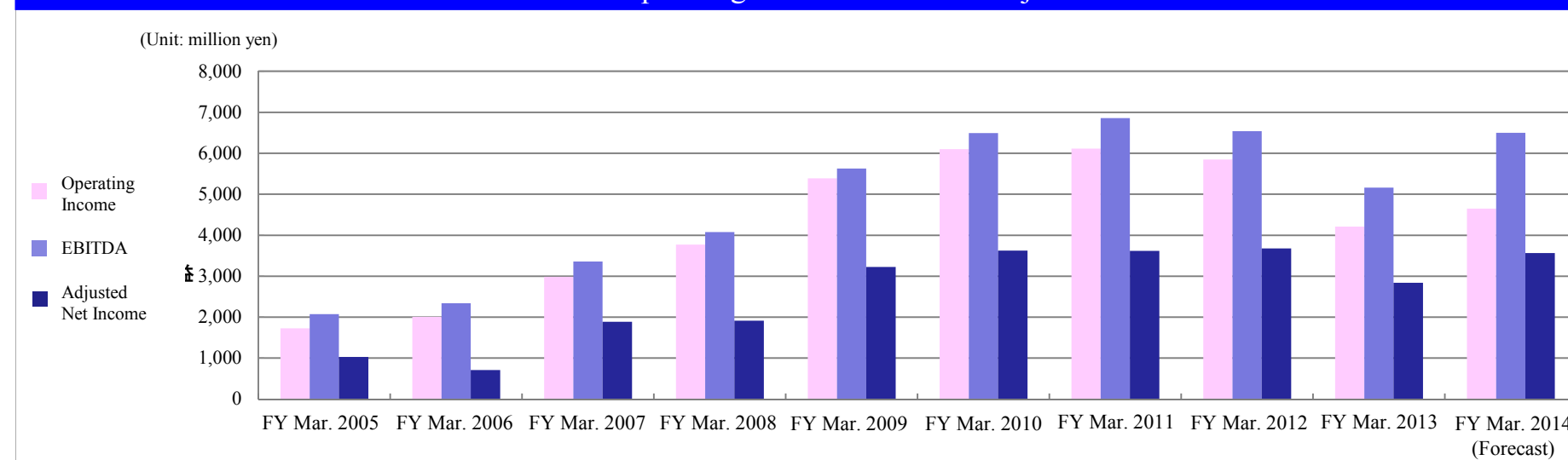
	FY Mar. 2005	FY Mar. 2006	FY Mar. 2007	FY Mar. 2008	FY Mar. 2009	FY Mar. 2010	FY Mar. 2011	FY Mar. 2012	FY Mar. 2013	FY Mar. 2014 (Forecast)*3
Net Sales	19,778	19,952	21,238	22,893	23,657	25,682	28,779	30,582	38,287	56,760
Operating Income	1,725	2,010	2,988	3,771	5,384	6,098	6,111	5,846	4,209	4,650
Net Income	917	598	1,766	1,838	3,187	3,529	3,197	3,275	2,290	2,606
EBITDA*1	2,075	2,337	3,360	4,078	5,628	6,490	6,856	6,540	5,161	6,499
Adjusted Net Income*2	1,030	707	1,890	1,915	3,223	3,621	3,620	3,680	2,836	3,563
Depreciation	237	217	247	230	207	299	322	288	404	891
Amortization of Goodwill	112	109	124	77	36	91	422	405	546	957

*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.

*3 The earnings forecast for the term ending Mar. 2014 as of the beginning of the term has not been revised.

Annual Transition of Operating Income/EBITDA/Adjusted Net Income



* The earnings forecast is a value announced on May 10, 2013.

Appendix

Corporate Profile

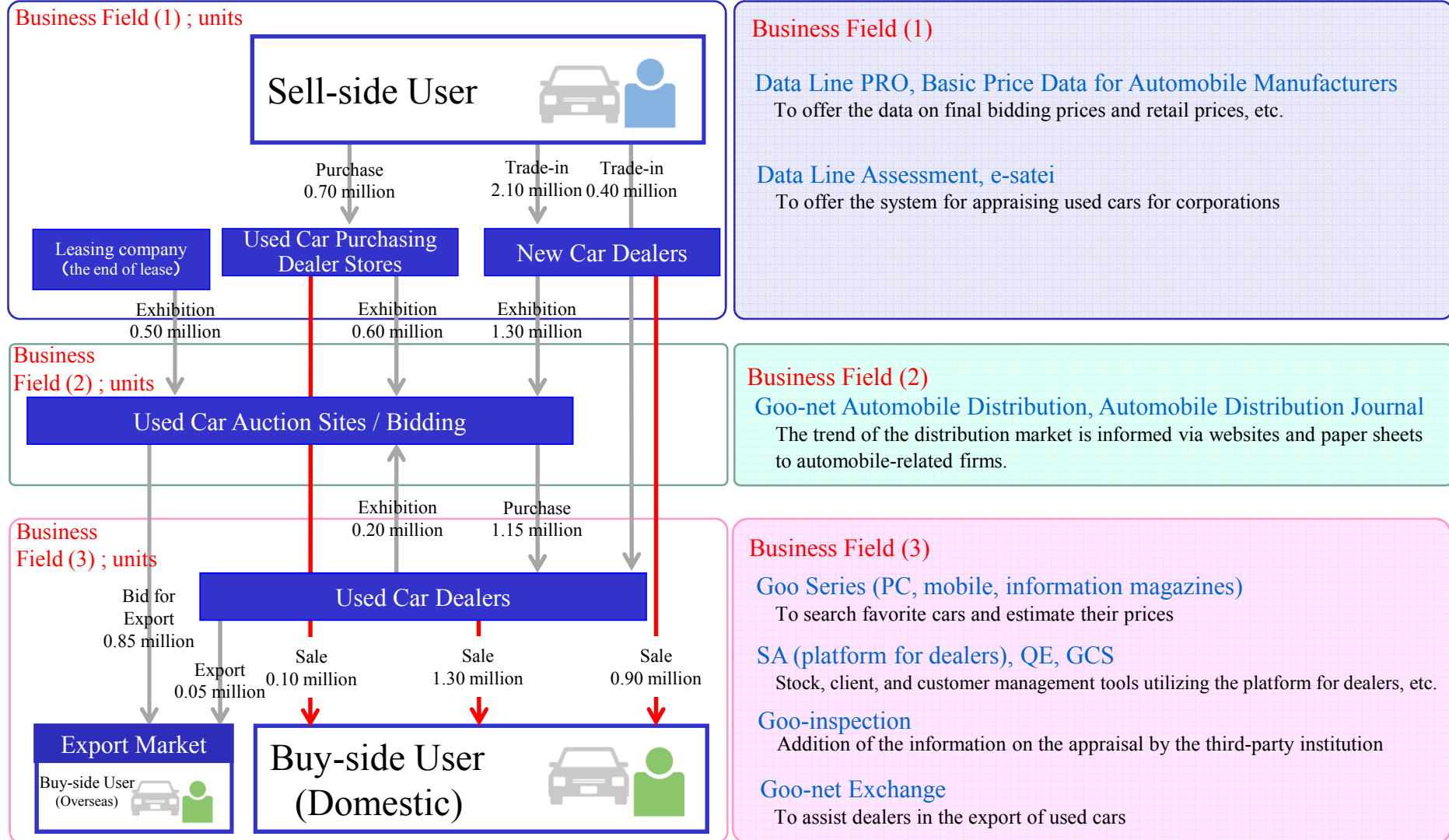


Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,824,620 thousand yen (As of September 30, 2013)
Shares Outstanding	20,940,000 shares (As of September 30, 2013)
Head Offices	23-14, Aoi 1-chome, Naka-ku, Nagoya 460-0006, Japan 22-2 , Hongo 2-chome, Bunkyo-ku, Tokyo 113-0033, Japan
Branch Offices	Sapporo, Sendai, Takasaki, Tokyo, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto (58 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,304 (As of September 30, 2013) Parent: 727 (As of September 30, 2013)
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. Fujiyama Service Co., Ltd. (Full subsidiary since April 2013)9. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011)10. MTM Interactive Sdn. Bhd. *1 (Full subsidiary since September 2011)11. SMT Media Pte. Ltd. (Full subsidiary since September 2011)12. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December 2011)13. PROTO SINGAPORE Pte. Ltd. *2 (Full subsidiary, established in May 2012)14. PT. PROTO INDONESIA (Full subsidiary, established in December 2012) <p>(As of October 1, 2013) *1. Account currently being settled *2. Account currently being settled</p>



Our magazine was first issued in 1977

■ We will cover all aspects of used car distribution industry from the upper to lower stage, and promote the development and provision of products and services that meet customers' needs.



※Note: The graphic was compiled by PROTO based on data in Yano Research Institute, Ltd., "Used Car Distribution Industry 2012" (Used car distribution flowchart for 2011)

※ The procurement and sales volumes of markets and used car dealers exclude those for stock replacement. * The data of the automobile dismantling market is excluded.

Magazine Business

Information registration fees (1)

Charging system: Ad fee per page

*Basic ad fee (package of information magazines, PCs, and mobile devices)

Information service fees

Sale of information magazine

Mobile device charging



Example: Goo Tokyo Metropolitan Version

Ad fee per page: about 78,000 yen (If a one-page ad is inserted twice a month, the basic ad fee is about 150,000 yen.)

*Average purchase price: 230,000 yen (result for FY March 2013)

Sales Assistant (SA) (Improvement of functions by adding the package)		
Sales Assistant (SA) Car management and effect measurement Listed car management Access analysis Quote/inquiry	Quick Entry (QE) Inventory management and layout production Registration of new cars Management of cars in stock Auction operation Layout for car description	Goo Navi Customer Service (GCS) Business assistance Production of quotations Production of POP Client/customer management DM producing function Automatic quote reply

Sales Assistant (SA): Background system for Goo and Goo-net (ASP tool)

IT Business (1)

Information registration fees (2)

Fee for Internet option products, such as Goo-net (Quotation inquiry service, QE, GCS, etc.)

* Rubric: Paid product (service)

- Enrich the services that will make users feel secure and trust us, and differentiate our services from competitors'.

Goo-inspection (Vehicles with appraisal results)



Disclosure of car conditions

Goo鑑定の概要と図解(一例)

Outline and schematic diagram of Goo-inspection (one example)



Goo鑑定3つのポイント

- 公正!** Goo鑑定のポイント ① **第三者の鑑定師がチェック!**
第一査閲師の日本自動車査定協会(JAVA)の認定検査員が厳密なプロパティインスペクションレポート(検査書)を一台一台発行します。
- 納得!** Goo鑑定のポイント ② **最大344項目のチェック**
約344項目の多岐にわたる検査を行っています。異常点があれば別途追加検査も可能で、チェックしています。
- 分かりやすい!** Goo鑑定のポイント ③ **鑑定書付き**
検査の結果、内容、理由、修理費の目安に分かり、安心の検査結果が得られます。また、検査員が検定書を作成し、発行されます。

ステップ ① Goo鑑定車一覧ページ



Goo 鑑定車 内装 ★★★★★ 状態/正常
★★★★★ 内装 ★★★★★ 状態/良好

一覧ページで、Goo鑑定付きの車間には、Goo鑑定車の表示がつけられています。

ステップ ② Goo鑑定車詳細ページ



詳細ページからはGoo鑑定書(サンプル)を見ることができます。

ステップ ③ Goo鑑定書ページ



By promoting Goo-inspection, we will develop an environment in which users can select automobiles without anxiety while trusting it

Reference: Consolidated Quarterly Earnings Results



(Unit: million yen)

	FY March 2012 (Results)					FY March 2013 (Results)					FY March 2014 (Results)	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
Net Sales	7,223	7,501	7,975	7,880	30,582	9,599	9,600	9,420	9,667	38,287	13,808	13,915
Cost of Sales	3,010	3,270	3,500	3,502	13,283	5,007	5,093	5,029	5,505	20,636	8,459	8,717
Gross Profit	4,213	4,230	4,475	4,378	17,298	4,591	4,507	4,390	4,161	17,650	5,349	5,198
SG&A Expenses	2,810	2,758	2,770	3,112	11,451	3,006	3,124	3,171	4,138	13,440	4,022	4,068
Operating Income	1,403	1,472	1,705	1,265	5,846	1,585	1,382	1,218	23	4,209	1,326	1,130
Ordinary Income	1,437	1,458	1,739	1,367	6,002	1,602	1,450	1,263	54	4,371	1,398	1,213
Net Income	827	815	945	687	3,275	1,082	657	670	(120)	2,290	761	551

* Cost of sales includes reversal of allowance for sales returns and provision

	FY March 2012 (Results)					FY March 2013 (Results)					FY March 2014 (Results)	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2
Net Sales	7,223	7,501	7,975	7,880	30,582	9,599	9,600	9,420	9,667	38,287	13,808	13,915
Automobile-related	6,492	6,506	6,852	6,852	26,704	8,538	8,256	8,214	8,677	33,687	12,723	12,680
Info Registration Fee	4,756	4,826	5,166	5,082	19,830	4,934	5,082	5,324	5,072	20,413	5,038	5,192
Info Service Fee	1,736	1,680	1,686	1,770	6,873	3,604	3,174	2,890	3,605	13,273	7,685	7,488
Lifestyle-related	640	907	1,010	911	3,470	925	1,175	980	755	3,837	828	942
Real Estate	41	41	42	41	166	42	40	41	39	163	41	43
Other Business	49	45	70	75	240	91	127	183	195	597	215	248
Operating Income	1,403	1,472	1,705	1,265	5,846	1,585	1,382	1,218	23	4,209	1,326	1,130
Automobile-related	1,820	1,823	2,045	1,583	7,272	1,932	1,787	1,719	476	5,916	1,752	1,473
Lifestyle-related	27	40	73	86	228	52	58	32	(12)	131	37	81
Real Estate	20	19	21	22	83	24	21	23	16	85	23	22
Other Business	(38)	(48)	(34)	(27)	(149)	(55)	(73)	(121)	(73)	(323)	(58)	(40)
Management Division	(427)	(362)	(400)	(399)	(1,589)	(369)	(411)	(435)	(383)	(1,599)	(428)	(407)

* The amount of money described in this material rounds down and displays one million yen or less.

■ 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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