

Investor Meeting for the Fiscal Year Ended March 2014



May 13, 2014
PROTO CORPORATION (4298)

Career Summary of new President



President Kenji Kamiya

神谷健司

(February 17, 1968)

Mar. 1990: Joined PROTO CORPORATION("the Company").

Apr. 1998: Branch Manager at Tokyo Branch office
(currently Tokyo Head Office) of the Company.

May 2000: Executive Officer of the Company.

June 2002: Director of the Company.

Apr. 2005: President of Proto Creative Corporation
(currently PROTO CORPORATION)

Oct. 2005: President of PROTO LINK Corporation
(currently PROTO CORPORATION)

Apr. 2006: Vice-Chairman of PROTO (SHANGHAI) ADVERTISING CO., LTD.

June 2008: Chairman of PROTO (SHANGHAI) ADVERTISING CO., LTD.

Sept. 2008: Chairman of PROTO (SHANGHAI) BROKERAGE CO., LTD.

Apr. 2013: Managing Director of the Company.

Apr. 2014: President (current) of the Company.

Financial Data (Consolidated)

Shares outstanding (million)	20.9
Market capitalization (¥ billion, March 2014)	30.0
DPS (¥, FY March 2014)	37.5
EPS (¥, FY March 2014)	128.39
BPS (¥, March 2014)	1,280.38
ROE (% , FY March 2014, Net income basis)	10.5
ROA (% , FY March 2014, Ordinary income basis)	12.7
Equity ratio (% , March 2014)	59.6
Potential share dilution (million)	-
Foreign ownership (% , March 2014)	23.5

Major Shareholders

	(Thousands)
1) Mugen Corporation	6,807 (32.50%)
2) JPMCC Client Safekeeping Account	1,186 (5.66%)
3) Hiroichi Yokoyama	840 (4.01%)
4) JP Morgan Chase Bank 385632	568 (2.71%)
5) BBH for Fidelity Low-Priced Stock Fund(Principal All Sector Subportfolio)	500 (2.38%)

(As of March 31, 2014)

Consolidated Statements of Income (1)



(Unit: million yen)

	FY March 2013		FY March 2014				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	38,287	100.0%	56,760	100.0%	(1) 54,761	100.0%	16,473	143.0%	(1,998)	96.5%
Cost of Sales	20,636	53.9%	35,104	61.8%	(2) 33,514	61.2%	12,878	162.4%	(1,589)	95.5%
Gross Profit	17,650	46.1%	21,656	38.2%	21,246	38.8%	3,595	120.4%	(409)	98.1%
SG&A Expenses	13,440	35.1%	17,006	30.0%	(3) 16,510	30.1%	3,069	122.8%	(495)	97.1%
EBITDA	5,161	13.5%	6,499	11.4%	6,483	11.8%	1,322	125.6%	(15)	99.8%
Operating Income	4,209	11.0%	4,650	8.2%	4,735	8.6%	526	112.5%	85	101.8%
Ordinary Income	4,371	11.4%	4,821	8.5%	5,009	9.1%	637	114.6%	188	103.9%
Net Income	2,290	6.0%	2,606	4.6%	2,627	4.8%	337	114.7%	21	100.8%

	FY March 2013		FY March 2014				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	13,440	35.1%	17,006	30.0%	16,510	30.1%	3,069	122.8%	(495)	97.1%
Employment Cost	5,957	15.6%	7,544	13.3%	7,086	12.9%	1,129	119.0%	(458)	93.9%
Advertising Cost	3,266	8.5%	3,128	5.5%	3,147	5.7%	(119)	96.3%	18	100.6%
Other Expenses	4,216	11.0%	6,332	11.2%	6,276	11.5%	2,060	148.9%	(55)	99.1%
Number of Employees	1,103	-	1,405	-	1,292	-	189	117.1%	(113)	92.0%

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

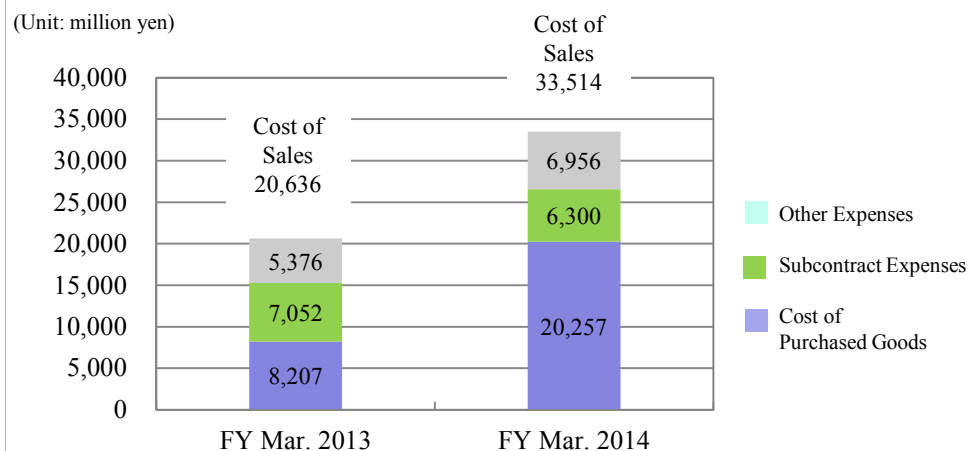
Point (1) **Net sales:** Especially in the automobile-related information field, as AUTOWAY Co., Ltd. which sells imported tires became a subsidiary in April 2013 and the used car export volume of Kings Auto Co., Ltd. increased, net sales of the entire corporate group increased by 16,473 million yen compared with the same period of the previous year (143.0% compared with the same period of the previous year). The ratio of sales to the target value was 96.5%, mainly because, the sales volume of tires of AUTOWAY Co., Ltd. was smaller than the target value and the sales of the Internet ad agency business regarding lifestyle-related information were smaller than the target value.

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 162.4% (cost rate: 7.3 point increase) compared with the same period of the previous year. The ratio of cost of sales to the target value was 95.5%, mainly because the sales volume of tires of AUTOWAY Co., Ltd. and the outsourcing cost of the Internet ad agency business were smaller than the target values.

Point (3) **SG&A Expenses:** Especially because consolidated subsidiaries increased and, as a result, personnel expenses, etc. augmented, the SG&A expenses was 122.8% compared with the same period of the previous year (SG&A expenses rate: 5.0 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 97.1%.

Operating Results for the Year Ended March 2014

Changes in Cost of Sales



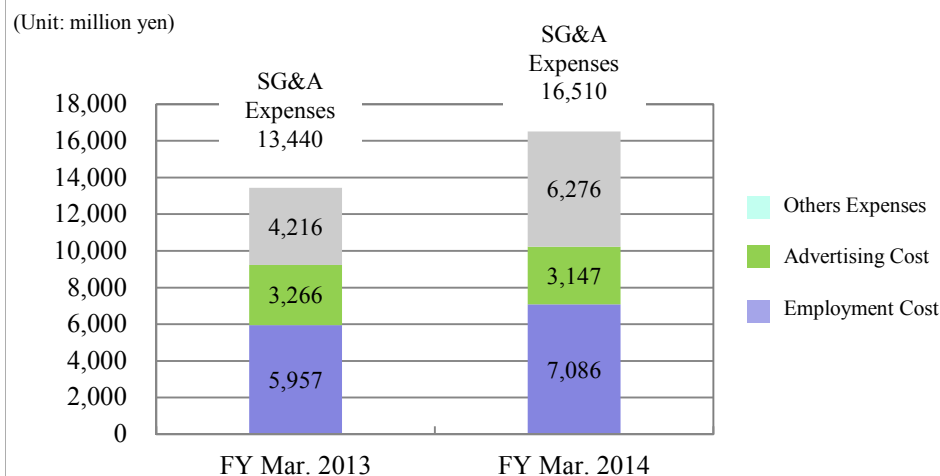
Cost of Sales

The cost of sales for the entire corporate group increased by 12,049 million yen (246.8% compared with the same period of the previous year), mainly because product procurement amount increased in AUTOWAY Co., Ltd. (increased by 9,070 million yen) and Kings Auto Co., Ltd. (increased by 2,659 million yen).

The subcontract expenses for the entire corporate group decreased by 751 million yen (89.3% 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 1,580 million yen (129.4% 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 of CAR CREDIT 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 employment cost for the entire corporate group increased by 1,129 million yen (122.8% 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 advertising cost of the entire corporate group decreased by 119 million yen (96.3% compared with the same period of the previous year), because PROTO CORPORATION implemented some measures for streamlining sales promotion, while the advertisement cost of AUTOWAY Co., Ltd. amounted to 576 million yen.

Other expenses for the entire corporate group increased by 2,060 million yen (148.9% 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)

	FY March 2013		FY March 2014				YoY change		Achievement rate	
	Results (A)	Composition ratio	Forecast (B)	Composition ratio	Results (C)	Composition ratio	(C)-(A)	%	(C)-(B)	%
Automobile-related	33,687	88.0%	50,685	89.3%	50,138	91.6%	16,450	148.8%	(546)	98.9%
Info Registration Fee	20,413	53.3%	20,918	36.9%	20,744	37.9%	330	101.6%	(173)	99.2%
Information Service Fee	13,273	34.7%	29,767	52.4%	29,394	53.7%	16,120	221.4%	(373)	98.7%
Lifestyle-related	3,837	10.0%	4,922	8.7%	3,541	6.5%	(296)	92.3%	(1,381)	71.9%
Real Estate	163	0.4%	139	0.2%	167	0.3%	3	102.3%	28	120.5%
Other Business	597	1.6%	1,012	1.8%	913	1.7%	315	152.8%	(99)	90.2%
Total	38,287	100.0%	56,760	100.0%	54,761	100.0%	16,473	143.0%	(1,998)	96.5%

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 motorcycles), etc.

Operating Income

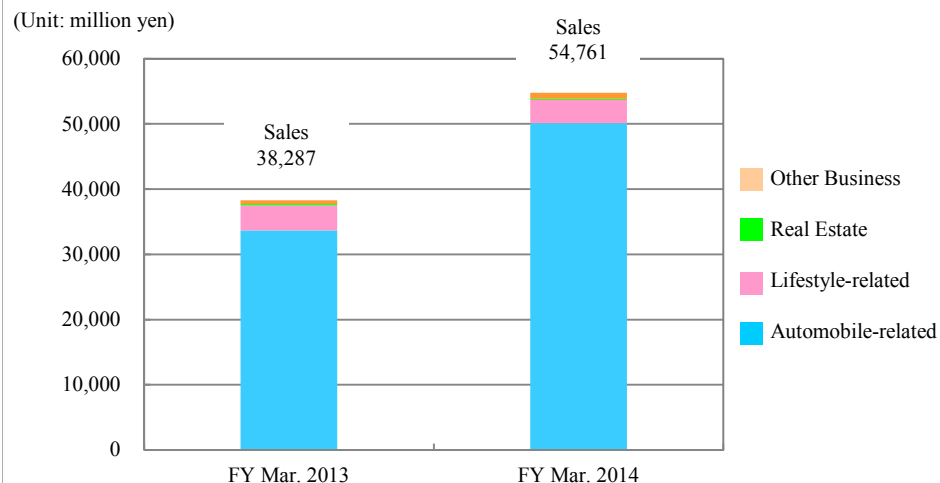
(Unit: million yen)

	FY March 2013		FY March 2014				YoY change		Achievement rate	
	Results (A)	Profit ratio	Forecast (B)	Profit ratio	Results (C)	Profit ratio	(C)-(A)	%	(C)-(B)	%
Automobile-related	5,916	17.6%	6,184	12.2%	6,217	12.4%	301	105.1%	33	100.5%
Lifestyle-related	131	3.4%	327	6.7%	248	7.0%	117	189.8%	(78)	75.9%
Real Estate	85	52.2%	78	56.3%	69	41.6%	(15)	81.5%	(8)	88.9%
Other Business	(323)	-	(95)	-	(140)	-	182	-	(44)	-
Management Division	(1,599)	-	(1,844)	-	(1,659)	-	(59)	-	184	-
Total	4,209	11.0%	4,650	8.2%	4,735	8.6%	526	112.5%	85	101.8%

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 (101.2% as compared with the same period of the previous year). However, as for the IT business, the sales increased by 13,025 million yen (215.1% 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 3,251 million yen (142.9% compared with the same period of the previous year), and the sales of the entire Automobile-related Information segment increased by 16,450 million yen (148.8% compared with the same period of the previous year).

In addition, operating income increased by 301 million yen (105.1% compared with the same period of the previous year), mainly because we implemented some measures for streamlining sales promotion, while personnel expenses increased in PROTO CORPORATION 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 (decreased by 1,077 million yen compared with the same period of the previous year).

Consequently, the total sales of the lifestyle-related information business decreased by 296 million yen (92.3% compared with the same period of the previous year).

Operating income increased by 117 million yen (189.8% 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.

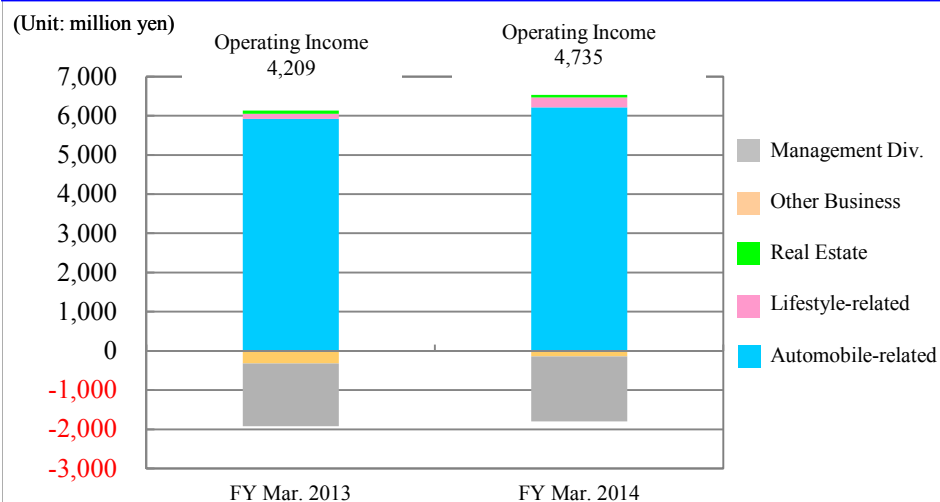
The Internet ad agency business was withdrawn at the end of March 2014.

Other Business

Net sales of other business increased by 315 million yen (152.8% compared with the same period of the previous year), mainly because the number of orders in the BPO business of PROTO DATA CENTER increased.

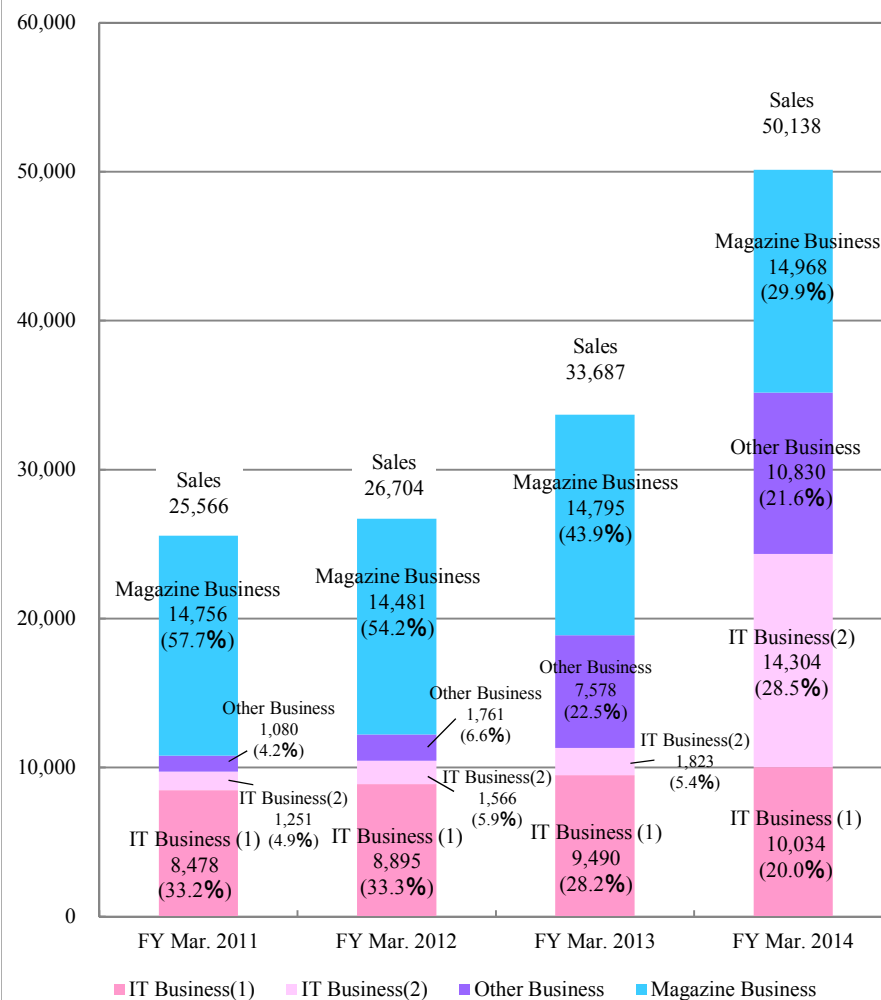
On the other hand, an operating loss was 140 million yen due to expenses (114 million yen) for social network game development (operating loss of 323 million during the same period of the previous year). Under the circumstances, realizing the difficulties in improving the performance of the said business quickly, we decided to withdrawal from social network game business in December 2013.

Changes in Operating Income by Segment



Changes in Automobile-related Sales by Product Classification

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



Magazine Business

We have increased the number of business partners for Goo Series through expansion of the sales of Goo-inspection etc.

Since November 2013, we have tried to replace “Sales Assistant(Old background system)” by “MOTOR GATE(New background system for Goo and Goo-net)”. In addition, 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 173 million yen (101.2% 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 544 million yen (105.7% compared with the same period of the previous year).

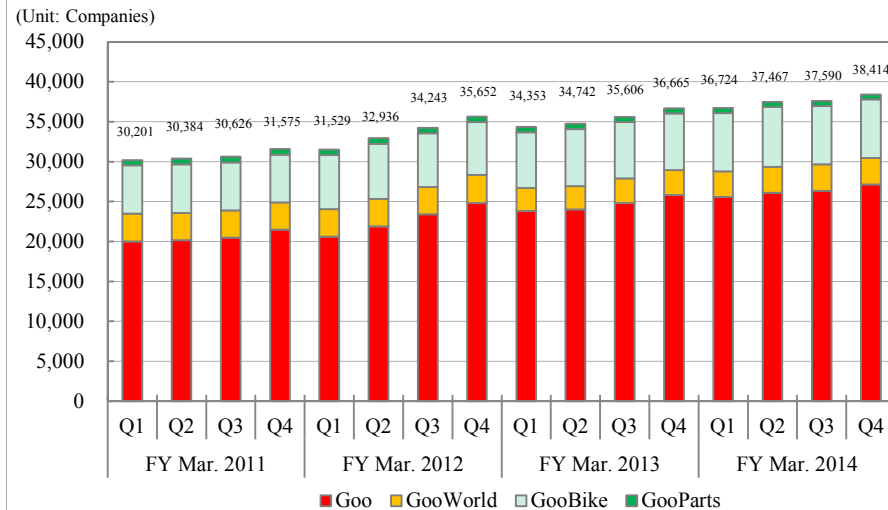
IT Business (2) (EC)

We acquired AUTOWAY Co., Ltd., which deals with imported tires sales, and also tried to expand the e-commerce of motorcycle goods and parts of Bike Bros. Inc. Consequently, the sales of the IT business (2) increased by 12,481 million yen (784.5% 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 3,251 million yen (142.9% 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.

Changes in Quarterly Totals of Business Partners for Goo Series



Changes in Quarterly Totals of Business Partners for Goo Series

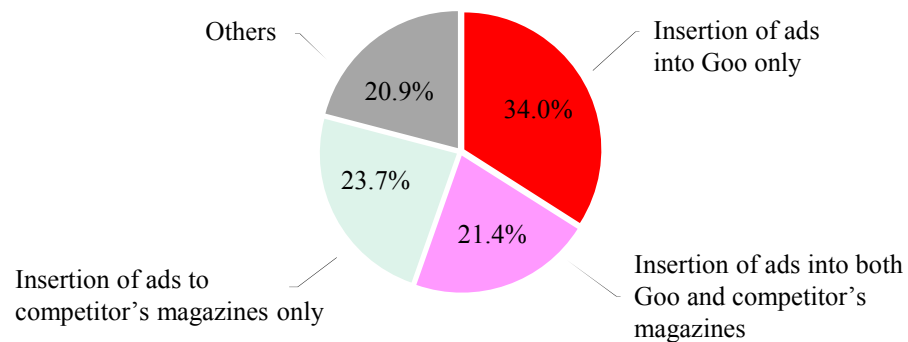
The number of companies the Goo Series as a whole traded with over the year increased to 106.2% of the same period of the previous year.

The monthly average value of transactions for the year ended March 2014 was 97.5% of the same period of the previous year, due to the increased number of smaller dealers.

Situation of Market Share (Compared with Competitors)

Our market share increased by 2.9 points from the end of the third quarter, as the companies that use Goo only increased by 1.2 points and the companies that use both increased by 1.7 points.

Situation of Market Share (Compared with Competitors)



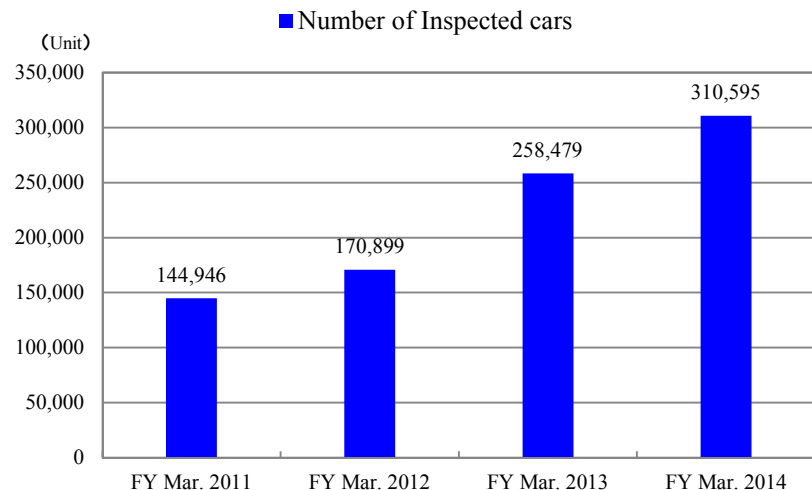
* Competitor's magazine: Car Sensor (Mj Magazine in Shikoku, Crossroad in Okinawa)

* The numerical value has totaled for the entire area.

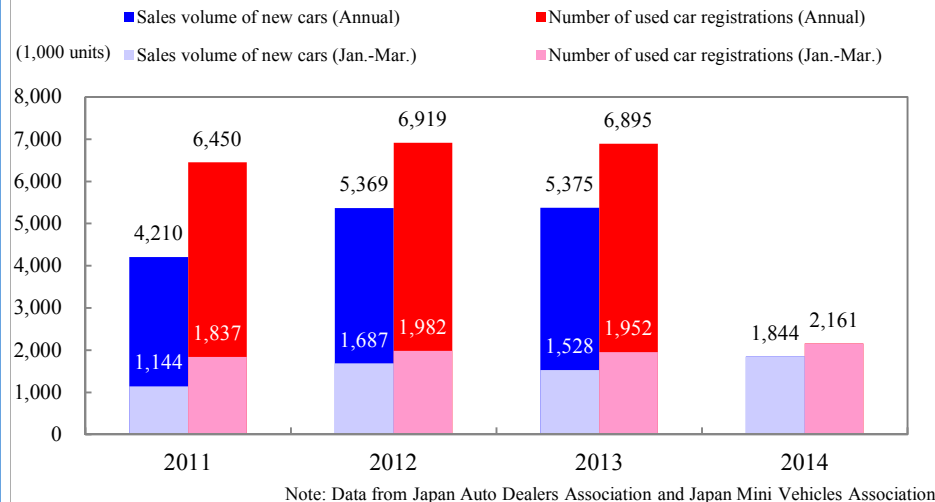
* Method for counting client companies: To count the number of dealers that inserted their ads into information magazines.

(Surveyed by our company in March 2014)

Changes in 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 2013 (Jan-Dec) was 5.37 million (100.1% of the value for the same period of the previous year).

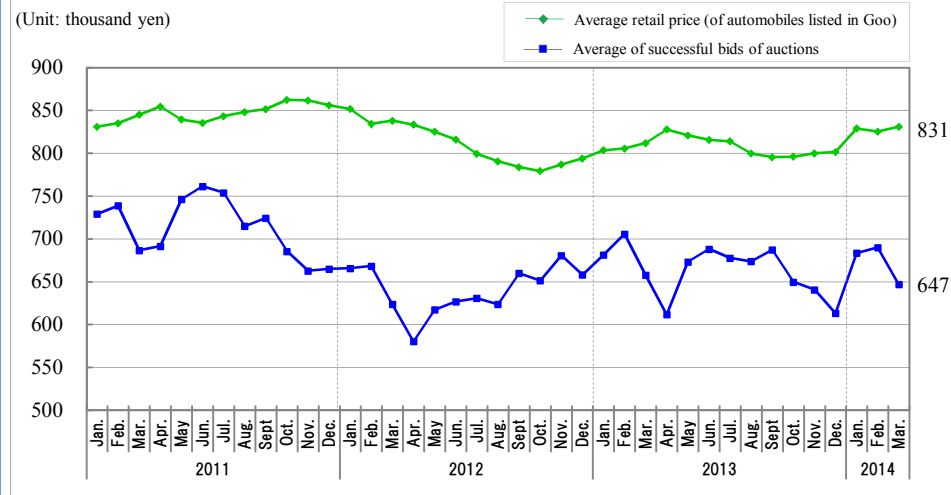
The sales volume of new cars for 2014 (Jan-Mar) was 1.84 million (120.7% of the value for the same period of the previous year).

Number of Used Car Registrations

The number of used cars registered in 2013 (Jan-Dec) was 6.89 million (99.7% of the value for the same period of the previous year).

The number of used cars registered in 2014 (Jan-Mar) was 2.16 million (110.7% 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.

As for average wholesale price, it is around 650,000 yen.

【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 March 31, 2014)		Increase/Decrease (B) - (A)	
	(A)	Composition ratio	(B)	Composition ratio		
Current Assets	20,686	59.4%	22,815	52.0%	(1)	2,129
Fixed Assets	14,155	40.6%	21,091	48.0%	(2)	6,936
Current Liabilities	8,578	24.6%	13,174	30.0%	(3)	4,596
Long-term Liabilities	2,514	7.2%	4,554	10.4%	(4)	2,040
Net Assets	23,748	68.2%	26,177	59.6%		2,428
Total Assets	34,841	-	43,907	-		9,065

Point (1) Increase in Current Assets (2,129 million yen increase from the end of the term ended March 2013)

Current assets increased 2,129 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 (6,936 million yen increase from the end of the term ended March 2013)

Fixed assets increased 6,936 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 (4,596 million yen increase from the end of the term ended March 2013)

Current liabilities increased 4,596 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 (2,040 million yen increase from the end of the term ended March 2013)

Long-Term liabilities increased 2,040 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 March 2013	FY March 2014	Increase/Decrease
Cash Flows from Operating Activities	2,917	(1) 4,235	1,318
Cash Flows from Investing Activities	(1,203)	(2) (5,294)	(4,090)
Cash Flows from Financing Activities	1,187	(3) (2,720)	(3,908)
Cash and Cash Equivalents at End of Term	14,640	11,097	(3,543)
Investment Amount (Tangible/intangible fixed assets*)	2,831	5,715	2,884
Depreciation (Tangible/intangible fixed assets)	404	819	414
Amortization of Goodwill	546	928	381

* 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 4,235 million yen, mainly because 4,930 million yen was recorded for income before income taxes and there was a cost of 1,874 million yen that were not actually paid, such as depreciation, amortization of goodwill, and impairment loss, while 1,337 million yen was paid as corporate income tax, etc., accounts receivable augmented 670 million yen due to business expansion, and inventory assets increased 638 million yen.

Point (2) Cash Flows from Investing Activities

There was an expenditure of 5,294 million yen, mainly because 3,215 million yen was paid for acquiring the shares of AUTOWAY Co., Ltd., etc., 652 million yen was paid for business transfer at our consolidated subsidiaries, including PROTO (TAIWAN) CO., LTD., and 1,906 million yen was paid for acquiring fixed assets, while there was an income of 565 million yen due to the sale of fixed assets.

Point (3) Cash Flows from Financing Activities

There was an expenditure of 2,720 million yen, mainly because 766 million yen was paid for dividends, 3,136 million yen was paid for repaying long-term loans, and 199 million yen was paid for acquiring treasury shares, while there was an income of 650 million yen through long-term loans.

Consolidated Earnings Forecast

Consolidated Earnings Forecast for the Year Ending March 2015



■ Consolidated Statements of Income

(Unit: million yen)

	FY March 2014		FY March 2015		YoY change	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	(B)-(A)	%
Net Sales	54,761	100.0%	56,940	100.0%	2,178	104.0%
Cost of Sales	33,514	61.2%	34,386	60.4%	871	102.6%
Gross Profit	21,246	38.8%	22,554	39.6%	1,307	106.2%
SG&A Expenses	16,510	30.1%	17,204	30.2%	693	104.2%
Operating Income	4,735	8.7%	5,350	9.4%	614	113.0%
Ordinary Income	5,009	9.2%	5,430	9.5%	420	108.4%
Net Income	2,627	4.8%	3,197	5.6%	569	121.7%
Net Income per Share (Yen)	128.39	-	156.37	-	27.98	121.7%

(Unit: million yen)

	FY March 2014		FY March 2015		YoY change	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	(B)-(A)	%
SG&A Expenses	16,510	30.1%	17,204	30.2%	693	104.2%
Employment Cost	7,086	12.9%	7,590	13.3%	504	107.1%
Advertising Cost	3,147	5.7%	3,250	5.7%	103	103.3%
Other Expenses	6,276	11.5%	6,362	11.2%	86	101.4%
Number of Employees	1,292	-	1,423	-	131	110.1%

We aim to achieve the double-digit operating profit growth

Earnings Forecast by Segment for the Year Ending March 2015 (1)



Net Sales

(Unit: million yen)

	FY March 2014		FY March 2015		YoY change	
	Results (A)	Composition ratio	Forecast (B)	Composition ratio	(B)-(A)	%
Automobile-related	50,138	91.6%	52,114	91.5%	1,975	103.9%
Info Registration Fee	20,744	37.9%	(1) 21,822	38.3%	1,077	105.2%
Info Service Fee	29,394	53.7%	(2) 30,292	53.2%	898	103.1%
Lifestyle-related	3,541	6.5%	(3) 3,665	6.4%	124	103.5%
Real Estate	167	0.3%	144	0.3%	(22)	86.3%
Other Business	913	1.7%	(4) 1,014	1.8%	101	111.1%
Total	54,761	100.0%	56,940	100.0%	2,178	104.0%

* 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

(Unit: million yen)

	FY March 2014		FY March 2015		YoY change	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	(B)-(A)	%
Automobile-related	6,217	12.4%	(5) 6,756	13.0%	539	108.7%
Lifestyle-related	248	7.0%	(6) 409	11.2%	160	164.7%
Real Estate	69	41.6%	62	43.2%	(7)	89.7%
Other Business	(140)	-	(7) (48)	-	92	-
Management Division	(1,659)	-	(8) (1,830)	-	(171)	-
Total	4,735	8.6%	5,350	9.4%	614	113.0%

■ Main activities in each business segment

[Automobile-related Information] (1) (2) (5)

Sales promotion of MOTOR GATE and IT products toward new customers for Goo Series.(PROTO CORPORATION)

Promotion of business expansion through the synergy with AUTOWAY, which sells imported tires for automobiles.(AUTOWAY)

Sales promotion of business support systems in the car maintenance field.(PROTO-RIOS)

Prior investment for offering services in the car maintenance field.(PROTO CORPORATION and PROTO-RIOS)

[Lifestyle-related Information] (3) (6)

Promotion of business expansion in the medical, nursing care, and welfare fields.(PROTO MEDICAL CARE)

Decrease in sales and improvement in profitability due to the withdrawal of the Internet ad agency business.(PROTO CORPORATION)

Improvement in profitability of the real estate information business. (PROTO DATA CENTER)

[Other Business] (4) (7)

Promotion of the expansion of the BPO business (PROTO DATA CENTER)

Improvement in profitability due to the withdrawal of the SAP business (social game). (PROTO CORPORATION)

[Management Division] (8)

Increase in costs due to the strengthening of back-office systems (PROTO CORPORATION)

Reference: Consolidated Quarterly Earnings Forecast for the Year Ending March 2015



(Unit: million yen)

	FY March 2013 (Results)					FY March 2014 (Results)					FY March 2015 (Forecast)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	9,599	9,600	9,420	9,667	38,287	13,808	13,915	13,796	13,240	54,761	13,269	13,551	15,067	15,051	56,940
Cost of Sales	5,007	5,093	5,029	5,505	20,636	8,459	8,717	8,468	7,870	33,514	7,980	8,059	9,275	9,070	34,386
Gross Profit	4,591	4,507	4,390	4,161	17,650	5,349	5,198	5,328	5,370	21,246	5,289	5,491	5,792	5,980	22,554
SG&A Expenses	3,006	3,124	3,171	4,138	13,440	4,022	4,068	4,163	4,256	16,510	4,184	4,146	4,368	4,504	17,204
Operating Income	1,585	1,382	1,218	23	4,209	1,326	1,130	1,165	1,114	4,735	1,105	1,344	1,424	1,475	5,350
Ordinary Income	1,602	1,450	1,263	54	4,371	1,398	1,213	1,266	1,131	5,009	1,123	1,361	1,446	1,498	5,430
Net Income	1,082	657	670	(120)	2,290	761	551	712	601	2,627	649	795	856	895	3,197

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

	FY March 2013 (Results)					FY March 2014 (Results)					FY March 2015 (Forecast)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	9,599	9,600	9,420	9,667	38,287	13,808	13,915	13,796	13,240	54,761	13,269	13,551	15,067	15,051	56,940
Automobile-related	8,538	8,256	8,214	8,677	33,687	12,723	12,680	12,618	12,115	50,138	12,231	12,400	13,814	13,668	52,114
Info Registration Fee	4,934	5,082	5,324	5,072	20,413	5,038	5,192	5,261	5,251	20,744	5,062	5,477	5,496	5,786	21,822
Info Service Fee	3,604	3,174	2,890	3,605	13,273	7,685	7,488	7,356	6,864	29,394	7,169	6,923	8,317	7,882	30,292
Lifestyle-related	925	1,175	980	755	3,837	828	942	896	873	3,541	822	882	919	1,042	3,665
Real Estate	42	40	41	39	163	41	43	43	39	167	35	36	35	36	144
Other Business	91	127	183	195	597	215	248	237	211	913	180	232	298	303	1,014
Operating Income	1,585	1,382	1,218	23	4,209	1,326	1,130	1,165	1,114	4,735	1,105	1,344	1,424	1,475	5,350
Automobile-related	1,932	1,787	1,719	476	5,916	1,752	1,473	1,559	1,432	6,217	1,536	1,688	1,764	1,767	6,756
Lifestyle-related	52	58	32	(12)	131	37	81	52	76	248	45	98	106	159	409
Real Estate	24	21	23	16	85	23	22	21	2	69	(6)	21	22	24	62
Other Business	(55)	(73)	(121)	(73)	(323)	(58)	(40)	(45)	2	(140)	(6)	7	(25)	(23)	(48)
Management Division	(369)	(411)	(435)	(383)	(1,599)	(428)	(407)	(424)	(398)	(1,659)	(463)	(471)	(443)	(451)	(1,830)

Reference: Transition of EBITDA and Adjusted Net Income



(Unit: million yen)

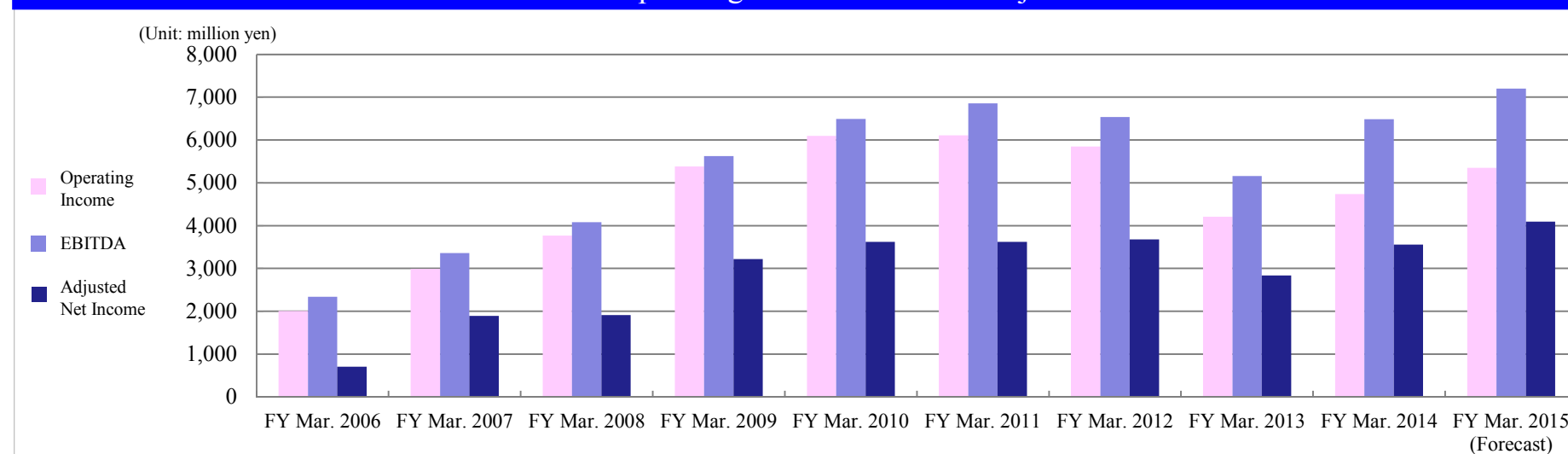
	FY Mar. 2006	FY Mar. 2007	FY Mar. 2008	FY Mar. 2009	FY Mar. 2010	FY Mar. 2011	FY Mar. 2012	FY Mar. 2013	FY Mar. 2014	FY Mar. 2015 (Forecast)*3
Net Sales	19,952	21,238	22,893	23,657	25,682	28,779	30,582	38,287	54,761	56,940
Operating Income	2,010	2,988	3,771	5,384	6,098	6,111	5,846	4,209	4,735	5,350
Net Income	598	1,766	1,838	3,187	3,529	3,197	3,275	2,290	2,627	3,197
EBITDA*1	2,337	3,360	4,078	5,628	6,490	6,856	6,540	5,161	6,483	7,201
Adjusted Net Income*2	707	1,890	1,915	3,223	3,621	3,620	3,680	2,836	3,555	4,095
Depreciation	217	247	230	207	299	322	288	404	819	952
Amortization of Goodwill	109	124	77	36	91	422	405	546	928	898

*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 is a value announced on May 12, 2014.

Annual Transition of Operating Income/EBITDA/Adjusted Net Income

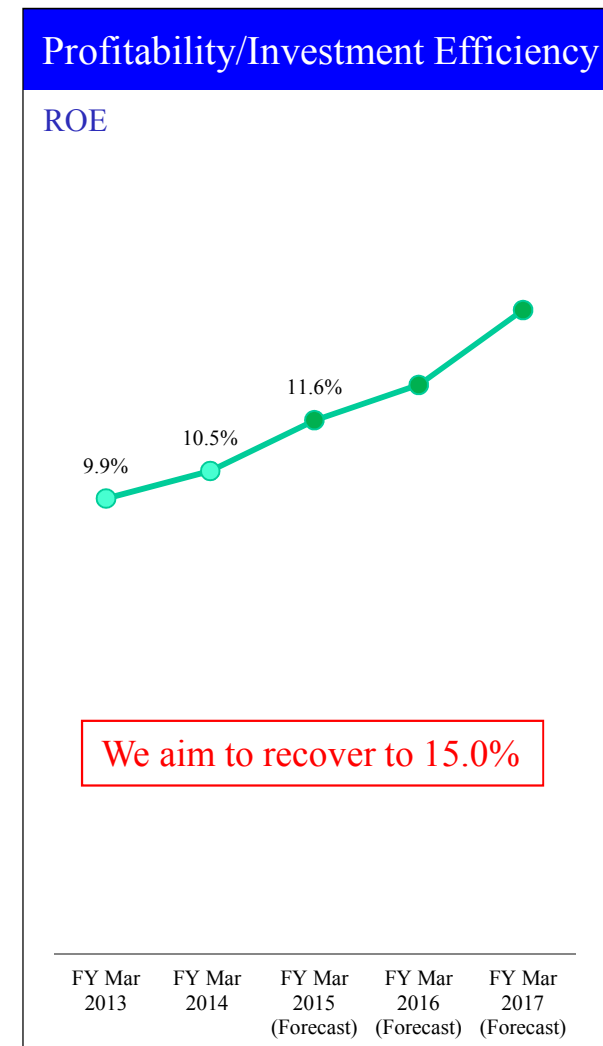
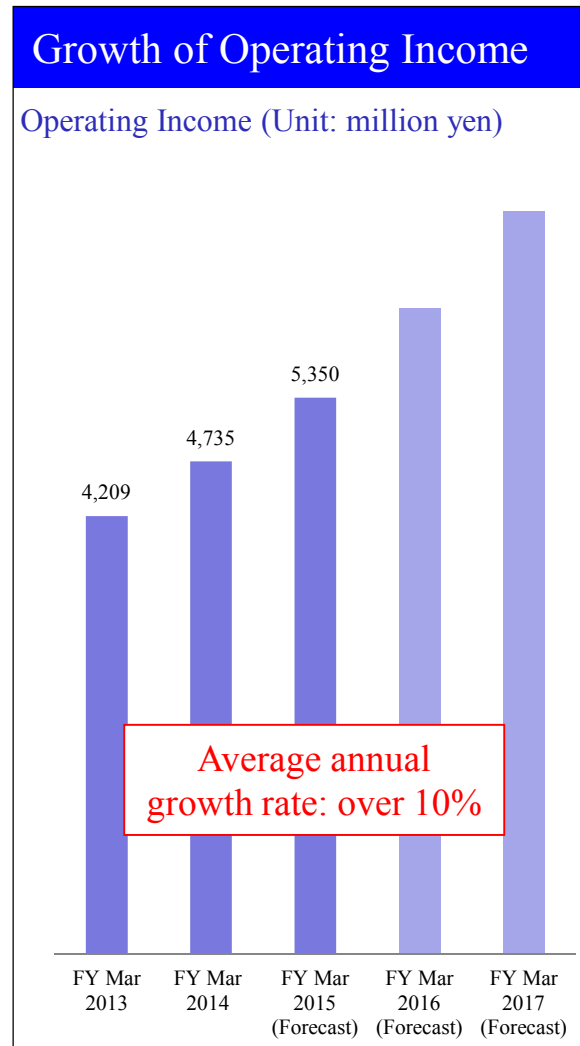
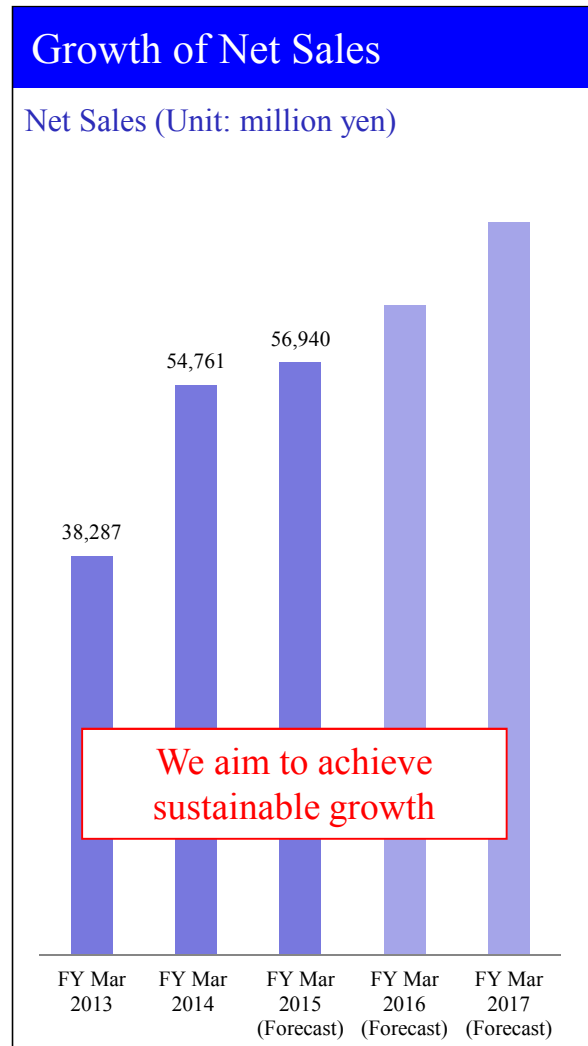


Medium-term Business Strategies (From FY March 2015 to FY March 2017)

Numerical Targets



- We promote business expansion by considering the growth potential of sales and operating profit and the improvement in ROE as the most important indicators.



Medium-term Business Strategies (From FY March 2015 to FY March 2017)

Automobile-related
Information Business

Lifestyle-related
Information Business

- Firstly, we hope to develop “Goo” into the top brand in Japan, and then in Asia.

When it comes to cars, **GOO**



Japan

For used car dealers For car maintenance shop

GOOPLUS **GOOPit**

For used car dealers and car maintenance shop

MOTOR GATE

Overseas

For overseas markets

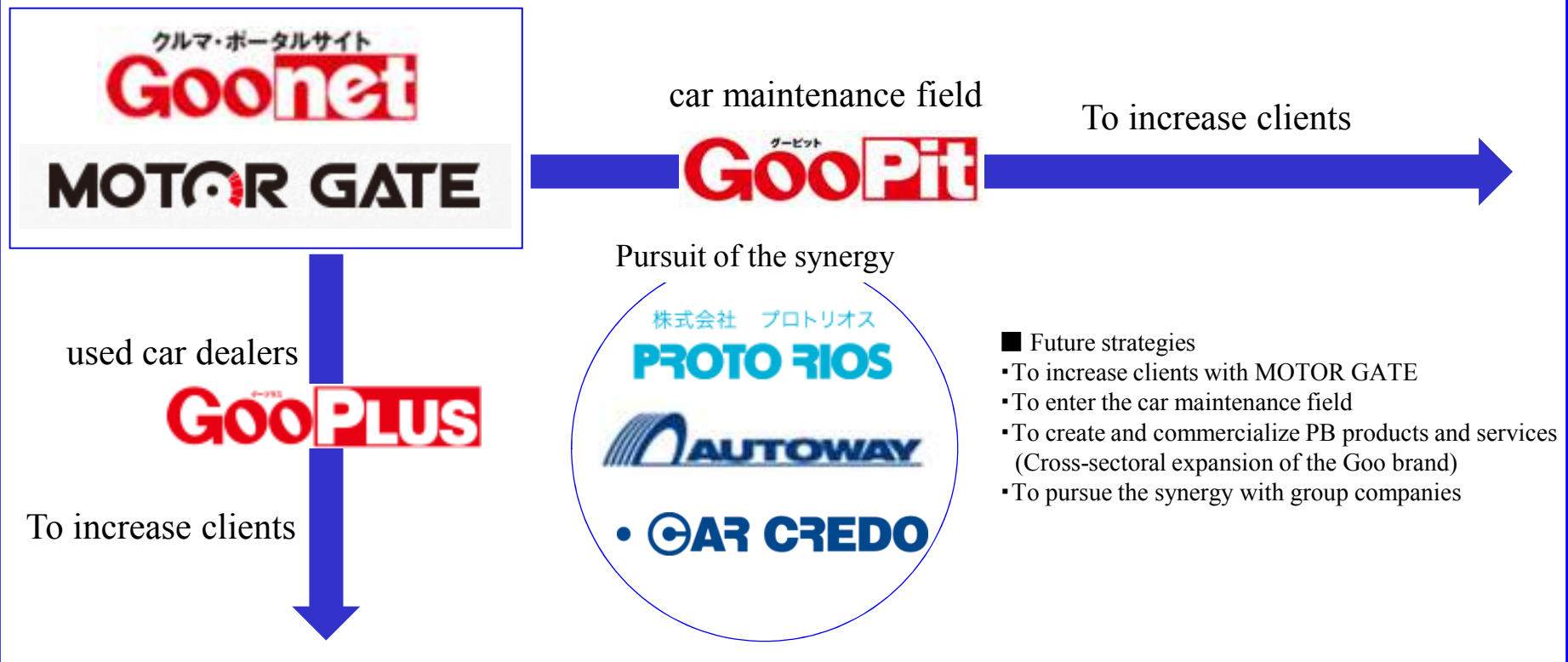
GOONET Exchange

Malaysia (Media) Taiwan(Media)

PROTO MALAYSIA **PROTO PROTO TAIWAN Co., Ltd.**

- To promote used car dealers to use GooPLUS, and make inroads into the car maintenance field.

GooPLUS to buy used cars(Goo-inspection) GooPit after buying used cars



- Future strategies
 - To increase clients with MOTOR GATE
 - To enter the car maintenance field
 - To create and commercialize PB products and services (Cross-sectoral expansion of the Goo brand)
 - To pursue the synergy with group companies

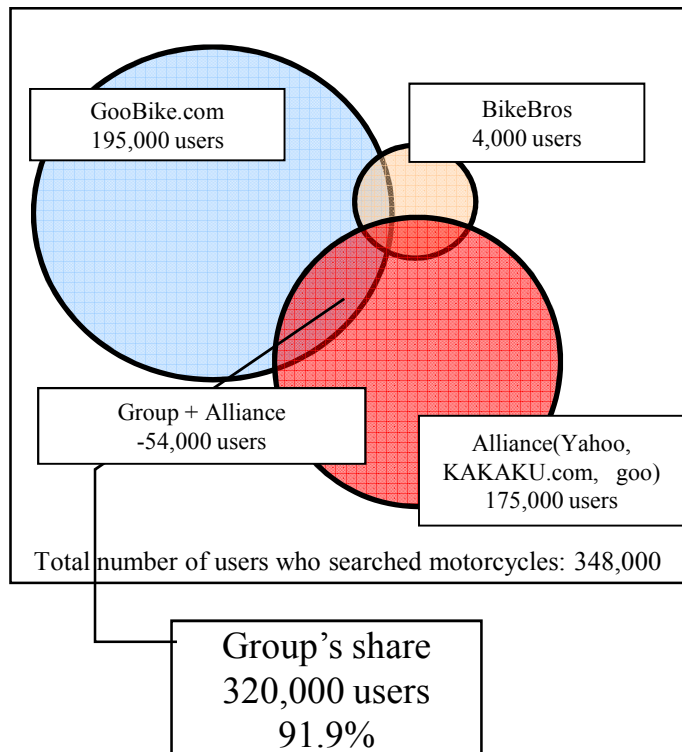
- To introduce Goo-Inspection(Motorcycle) in the automobile-related information Motorcycles field.



“Outstanding share in motorcycle search”

91.9%

Distribution chart of users who searched motorcycles



*According to the survey of our company (Oct. 2013)
The number of users who used both websites is excluded.

Characteristics of users who purchased used motorcycles

1. About 70% of requests for quotes, especially for large-size motorcycles, which are increasingly owned and sold, are sent to the outside of their prefectures.
2. About 30% of users purchase motorcycles from stores located over 100 km from their respective residences, without seeing the motorcycles.

Future strategies

1. To introduce Goo-inspection (Motorcycle) for disclosing the information on vehicle conditions, by utilizing the know-how and systems we have developed for automobiles.
2. To increase clients by galvanizing the distribution of medium-size and large-size motorcycles.

Medium-term Business Strategies (From FY March 2015 to FY March 2017)

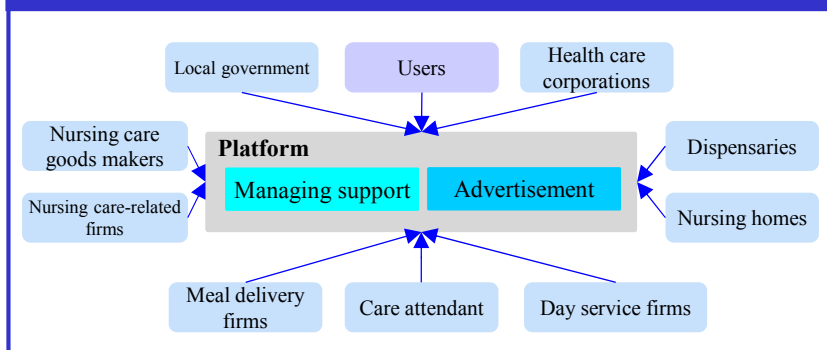
Automobile-related
Information Business

Lifestyle-related
Information Business

- We will promote the development of platforms in the growing markets related to medical, nursing care, and welfare.

<Strategies>

Platform for clients in the fields related to medical, nursing care, and welfare



<Personnel Info>

(Assistance in personnel recruitment in medical, nursing care, and welfare facilities)

Media



Job placement, temp service



- Job advertisements, facility information
- Questions, requests for information
- Home-visit dental care

(Future Plans)

- To improve the personnel introduction service
- To increase target jobs

<Nursing-care info>

(Assistance in moving in medical, nursing care, and welfare facilities)

Media



Oasis Navi

- Facility information
- Questions, requests for information

(Future Plans)

- Expand to cover more facilities
- Expand the area covered by Heartpage

<Nursing-care purchase>

(Sale and lease of medical and nursing care products)

Product sale and rental services



介護用品通販サイト



- Online shopping site handling nursing care goods
- E-commerce site for nursing care firms
- Rental services for welfare goods

(Future Plans)

- Expand target customers

Frequently Asked Questions

MOTOR GATE: Background system for Goo and Goo-net (Dealer Management System)

<Market trend>

In the new and used car markets, rush demand grew toward the end of Mar. 2014, before the hike of consumption tax. From Apr. 2014, personal consumption became sluggish, in the wake of the rush demand, although its degree varies.



Nov. 2013 Release of MOTOR GATE



Feb. 2014 Completion of replacement for existing customers



Mar. 2014 Start of sales activities targeted at new customers



To develop a customer base for 13,000 firms, by promoting MOTOR GATE.

FAQ(2) How do you think about the M&A policy?



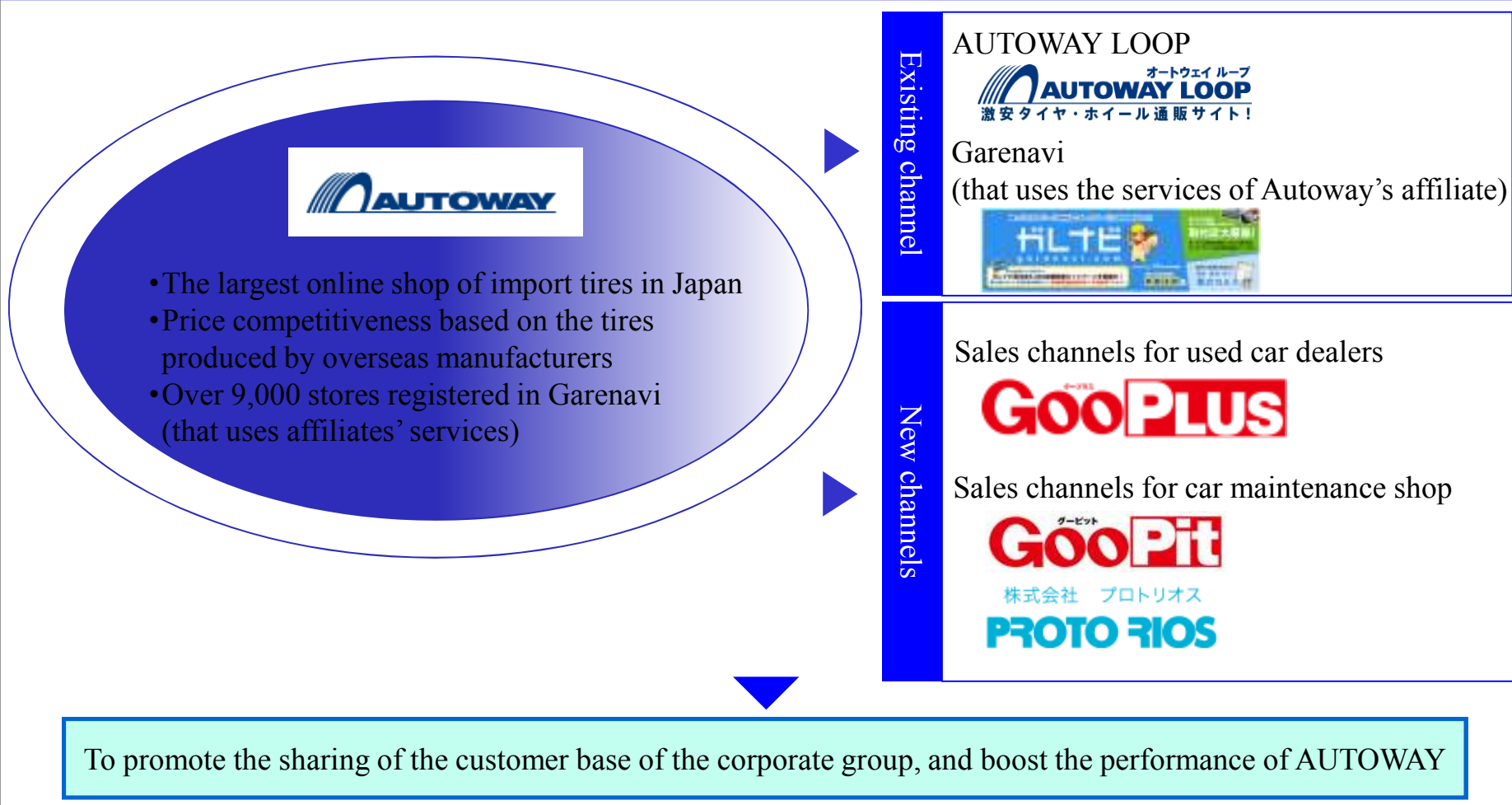
- To make “Goo,” which is the core media of the Proto Group, a de facto standard, and improve services that meet users’ needs in car life.

Business operation in the automobile-related information field (Automobiles)



To improve the services that meet users’ needs in car life

Pursuit of the synergy between Proto Corporation and Autoway



Dividend Measures

We make efforts to return profits to shareholders, while emphasizing continuous, stable dividends, and comprehensively considering the enrichment of retained earnings for the future growth.

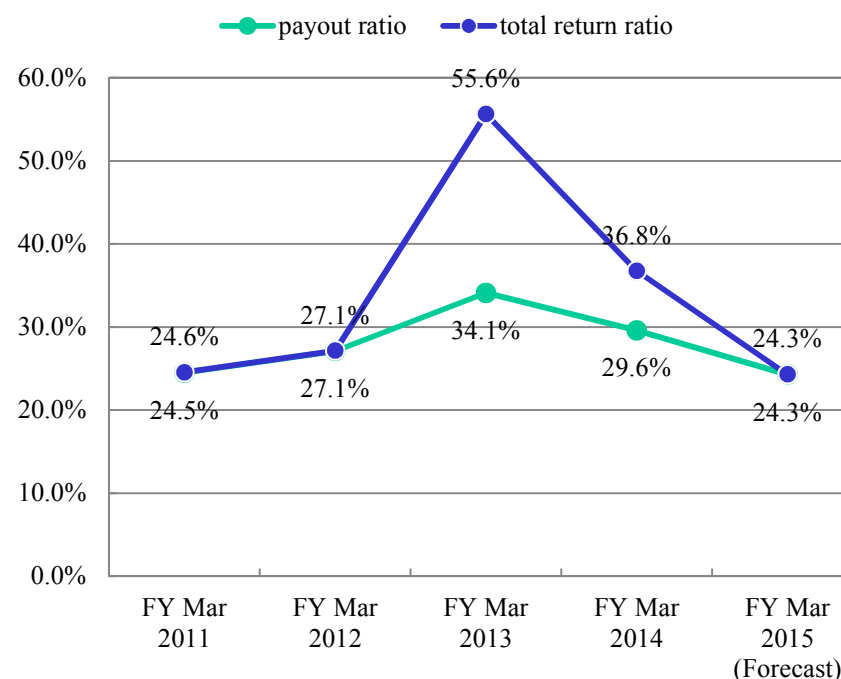
Variation in Annual Dividend per Share (unit: yen)

	Interim Dividend	Year-end Dividend	Annual Dividend
FY Mar. 2011	37.50	37.50	75.00
FY Mar. 2012*1	42.50	42.50	85.00
FY Mar. 2013*2	37.50	18.75	56.25
FY Mar. 2014	18.75	18.75	37.50
FY Mar. 2015 (forecast)	19.00	19.00	38.00

*1. The values for the year ended March 2012 include an annual dividend of 10 yen (interim dividend: 5 yen, year-end dividend: 5 yen) as the dividend for commemorating the 10th anniversary of listing.

*2. We implemented a two for one common stock split as of October 1, 2012.

Reference: Variation in payout ratio, total return ratio



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, 2014)
Shares Outstanding	20,940,000 shares (As of March 31, 2014)
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 (57 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,292 (As of March 31, 2014) Parent: 682 (As of March 31, 2014)
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. SMT Media Pte. Ltd. * (Full subsidiary since September 2011)11. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December 2011)12. PROTO SINGAPORE Pte. Ltd. * (Full subsidiary, established in May 2012)13. PT. PROTO INDONESIA * (Full subsidiary, established in December 2012) (As of March 12, 2014) *Account currently being settled



Our magazine was first issued in 1977

Activities for CSR (Corporate Social Responsibility)

- (1) To include the donation for the Great East Japan Earthquake (Japanese Red Cross Society) in the gift catalog for shareholders.
(Reward for shareholders as of the end of March 2011)
- (2) Activities for reducing CO2 emissions
AUTOWAY Co., Ltd. received the award from the Minister of Economy, Trade and Industry in fiscal 2013
(for the activities for reducing carbon dioxide emissions by using containers for a round trip with inland container terminals)

Fortification of In-company Management Systems

- (1) Improved corporate governance
(maintenance/improvement of compliance system and group management system)
- (2) To improve the operation of management systems for protecting personal information
- (3) Improvement of work conditions

- 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)

- フロントガラスの飛び石などによるキズをチェック
- ハンドルやダッシュボード、メーター類のチェック。同時に真鍮やシートの汚れ、破れなども確認
- エンジンルームのオイルや冷却水の漏れのチェックに加え、異音などを確認
- アイドリング時やアクセル時にエンジンにカラカラ音などの異音が無いが確認
- トランスミッションの変速ショックの確認
- 骨格の修復歴を確認。修復済みの場合、その程度もチェック
- ピラーに修復跡が無いかを確認
- パワーウィンドウが正常動作するかを確認
- リアトランクの下をチェックし、修理跡や歪みなどが無いかを確認
- 外装のキズや塗装の状態を確認
- マフラーの状態を確認。異常音の有無や排気をチェック
- ホイールのキズやタイヤの溝をチェック
- 外板に割れた骨格部分を徹底確認

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!**
第三者機関の日本自動車鑑定協会 (JAAA) の鑑定師が中古車を鑑定、プロがグレーディングレポート (鑑定書) を一台一台に発行します。
- 納得!** Goo 鑑定のポイント ② **最大344項目のチェック**
じつは最大344項目の多岐にわたる鑑定を行っています。見た目からでは判断がつかない箇所も入念に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**
鑑定項目は外装、内装、機関、修復歴の4つに大別し、それぞれについて詳細を定めます。もちろん仮さんがあれば鑑定書は発行されません。

ステップ ① Goo 鑑定車一覧ページ **ステップ ② Goo 鑑定車詳細ページ** **ステップ ③ Goo 鑑定書ページ**

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

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。

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

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

GooPLUS

気になる7つのパーツが新品!
GooPLUS

- バッテリー**
エアコンヘッドライトの
使用など、夏場と調整
しています。
- 消臭**
光触媒を使用した清潔剤で車内
汚染、臭いを取り除く
最新製品採用で
安心。
- エアコンフィルター**
エアコンのニオイもスッキリ!
花粉除去率が高いと話題
夏と秋の季節に
おすすめ。
- タイヤ**
走る、曲がる、止まる。
安全走行にはタイヤが鍵は
大切です。
- フロアマット**
足元スッキリ快適
ドライブレ
- エンジンオイル**
燃費も長持ちさせるには、
エンジンオイルの交換は
大切です。
- オイルフィルター**
エンジン内部をキレイに
保つには、定期的な
交換を!
- Goo鑑定車3つのポイント**
 - 1.中古車の状態を第三者機関のプロの
鑑定士がチェック!
 - 2.中古車の状態を最大で保証し、
外装・内装・機体・駆動系を詳細に
チェック!
 - 3.鑑定済のクルマには状態がわかる
鑑定書が付きまます!

**不安を
解決!** GooPLUS(グープラス)なら信頼・納得のGoo鑑定車に
気になる7つのパーツが新品!

GooPLUSとは?
PROTOが認定する中古車の車検状態を認定した「Goo鑑定車」に、
さらに中古車を購入する際に気になる7つのパーツが、全て新品で付いてくるお得なパッケージです。
中古車1台は全て新品で、まるで中古車とは思えない安心感と信頼感があります。
*もちろん入国時は最新車検記録簿に書かれているので安心です!!

GooPLUS (Goo-inspection + Consumable package)

Improvement in safety and comfort of used cars

Improvement in order-signing rate

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

- To increase the contact points with users in car life, by offering the service for searching maintenance shops

GooPit(for retrieving car maintenance shops for car inspection, repair, and maintenance, and check)

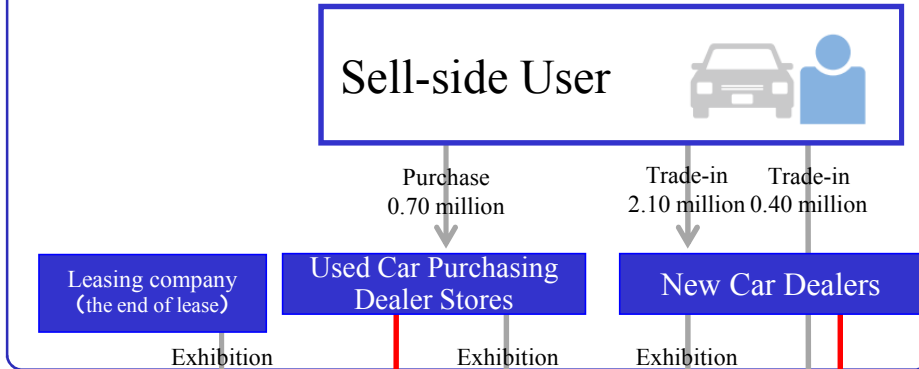


The website was opened in 3 prefectures in Tokai (Aichi, Mie, and Gifu), on Dec. 20, 2013. Advertisement model in which we receive ad fees from member car maintenance shops

To try to enter the car maintenance field with GooPit, and increase the number of clients

■ 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.

Business Field (1) ; units



Business Field (1)

Data Line PRO, Basic Price Data for Automobile Manufacturers
To offer the data on final bidding prices and retail prices, etc.

Data Line Assessment, e-satei
To offer the system for appraising used cars for corporations

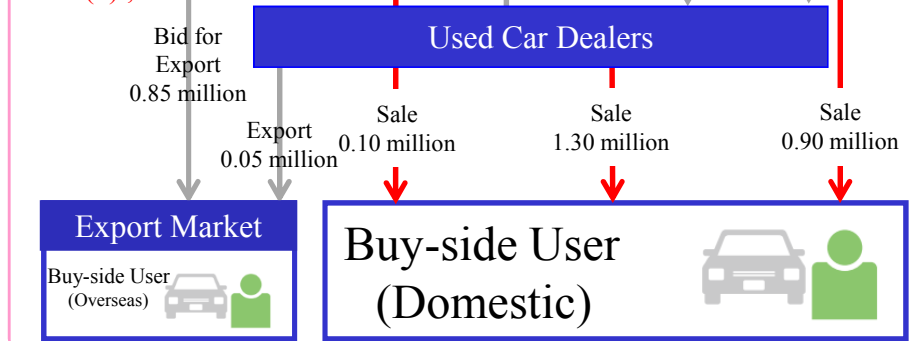
Business Field (2) ; units



Business Field (2)

Goo-net Automobile Distribution, Automobile Distribution Journal
The trend of the distribution market is informed via websites and paper sheets to automobile-related firms.

Business Field (3) ; units



Business Field (3)

Goo Series (PC, mobile, information magazines)
To search favorite cars and estimate their prices

MOTOR GATE (platform for dealers)
Sales, Stock, client, and customer management tools utilizing the platform for dealers, etc.

Goo-inspection
Addition of the information on the appraisal by the third-party institution

Goo-net Exchange
To assist dealers in the export of used cars

※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 73,000 yen (If a one-page ad is inserted twice a month, the basic ad fee is about 140,000 yen.)

*Average purchase price: about 220,000 yen (result for FY March 2014)



MOTOR GATE		
Sales and Inventory Management Registration of new cars Management of cars in stock Inquiry Goo and Goo-net advertising control	Analysis & Significant Reports Access analysis, Sales analysis & report Production of POP Production of quotations Change of ownership report, etc.	CRM Customer management Business negotiation Inspection information Insurance information User's automobile management

MOTOR GATE: Background system for Goo and Goo-net (Dealer Management System)

IT Business (1)

Information registration fees (2)

Fee for Internet option products, such as Goo-net (MOTOR GATE)

* 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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