

Investor Meeting for the First Half of Fiscal Year Ending in March 2013



October 29, 2012
PROTO CORPORATION (4298)

Financial data (consolidated)

Shares outstanding (million, As of Oct. 1, 2012)	20.9
Market capitalization (¥ billion, Sept. 2012)	25.6
DPS (¥, FY Mar. 2013, Forecast)	*1 -
EPS (¥, FY Mar. 2013, Forecast)	*2 144.84
BPS (¥, Mar. 2012)	*3 1,078.86
ROE (% , FY Mar. 2012, Net income basis)	15.4
ROA (% , FY Mar. 2012, Ordinary income basis)	21.9
Equity ratio (% , Mar. 2012)	79.0
Potential share dilution (million)	-
Foreign ownership (% , Sept. 2012)	28.2

Major Shareholders

	(Thousands)
1) Mugen Corporation	3,403 (32.50%)
2) Hiroichi Yokoyama	520 (4.96%)
3) Japan Trustee Services Bank, Ltd. (Trust Account)	470 (4.49%)
4) Yoshihiro Yokoyama	310 (2.96%)
5) The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	285 (2.72%)
6) Morgan Stanley & Co. LLC	263 (2.51%)
7) Northern Trust Co. (AVFC) Sub Account American Clients	222 (2.12%)
8) J.P. Morgan Clearing Corp-Sec	193 (1.84%)
9) The Bank of New York Mellon as Agent BNYM AS EA Dutch Pension Omnibus 140016	175 (1.67%)
10) Minoru Saito	170 (1.62%)

(As of September 30, 2012)

*Because we implemented a two for one stock split as of October 1, 2012, the number of stocks after the split is used for the “Financial data (Consolidated)”.

On the other hand, the “Major stockholders” is based on the number of stocks before the split.

*1. The interim dividend is 37.5 yen (before the split) and the projected year-end dividend is 18.75 yen (after the split).

There is no substantive change from the annual dividend projection that was announced on May 11, 2012.

*2. EPS was calculated on the assumption that the said stock split was implemented at the beginning of the current consolidated fiscal year.

For EPS, we used the planned figure that was announced on October 29, 2012.

*3. We calculated BPS on the assumption that the said stock split was implemented at the beginning of the previous consolidated fiscal year.

Consolidated Statements of Income (1)



Status of consolidated income

(Unit: million yen)

	Apr.- Sept. 2011		Apr.-Sept. 2012				YoY Change		Achievement rate	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	Results (C)	% of Net sales	(C)-(A)	%	(C)-(B)	%
Net sales	14,725	100.0%	18,042	100.0%	(1) 19,199	100.0%	4,474	130.4%	1,156	106.4%
Cost of Sales	6,280	42.7%	9,200	51.0%	(2) 10,100	52.6%	3,819	160.8%	899	109.8%
Gross Profit	8,444	57.3%	8,841	49.0%	9,098	47.4%	654	107.7%	256	102.9%
SG&A Expenses	5,568	37.8%	6,412	35.5%	(3) 6,130	31.9%	562	110.1%	(282)	95.6%
Operating Income	2,875	19.5%	2,428	13.5%	(4) 2,967	15.5%	92	103.2%	538	122.2%
Ordinary Income	2,895	19.7%	2,445	13.6%	3,053	15.9%	158	105.5%	608	124.9%
Net Income	1,642	11.2%	1,354	7.5%	(5) 1,740	9.1%	98	106.0%	386	128.5%

1) Cost of sales includes reversal of allowance for sales returns and provision.

2) The earnings forecast for the period April to September 2012 is a value announced on May 11, 2012.

Modification of business forecasts for the first half which was announced on September 14, 2012.

Net Sales: 19,120 million yen, Operating Income: 2,933 million yen, Ordinary Income: 3,019 million yen, Net Income: 1,761 million yen

Status of SG & A expenses

(Unit: million yen)

	Apr.- Sept. 2011		Apr.-Sept. 2012				YoY Change		Achievement rate	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	Results (C)	% of Net sales	(C)-(A)	%	(C)-(B)	%
SG&A Expenses	5,568	37.8%	6,412	35.5%	6,130	31.9%	562	110.1%	(282)	95.6%
Employment Cost	2,717	18.5%	3,112	17.2%	2,937	15.3%	220	108.1%	(174)	94.4%
Advertising Cost	1,110	7.5%	1,306	7.2%	1,188	6.2%	78	107.1%	(117)	91.0%
Other Expenses	1,741	11.8%	1,994	11.1%	2,004	10.4%	263	115.1%	10	100.5%
Number of Employment	876	-	1,076	-	1,057	-	181	120.7%	(19)	98.2%

1) Advertising and related costs is the total of advertising costs and merchandising costs.

2) The number of employees is as of the end of September.

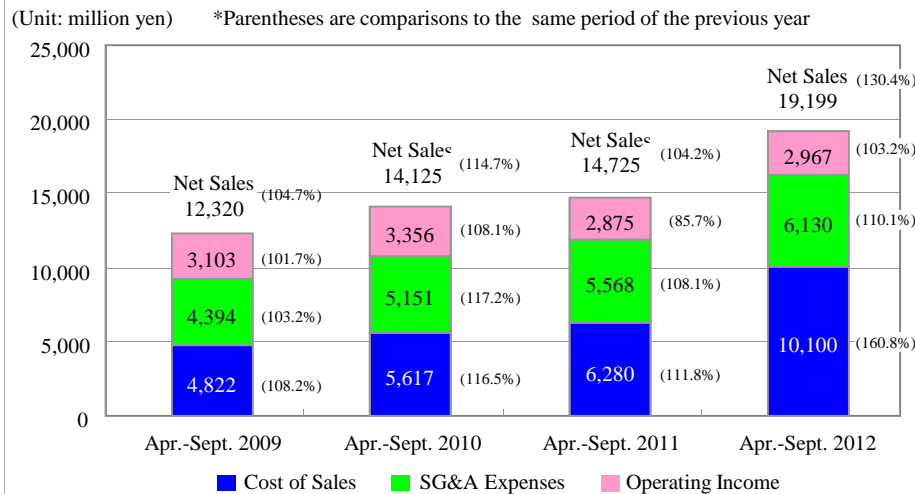
3) The earnings forecast for the period April to September 2012 is a value announced on May 11, 2012.

Consolidated Statements of Income (2)



Performance overview for the period April to September 2012

Changes in Performance



Point (1) Net Sales

Sales increased from the same period of the previous year in all business segments. The total sales of the Group increased 4,474 million yen (130.4% compared to the same period of the previous year). Sales were 106.4% of what was planned.

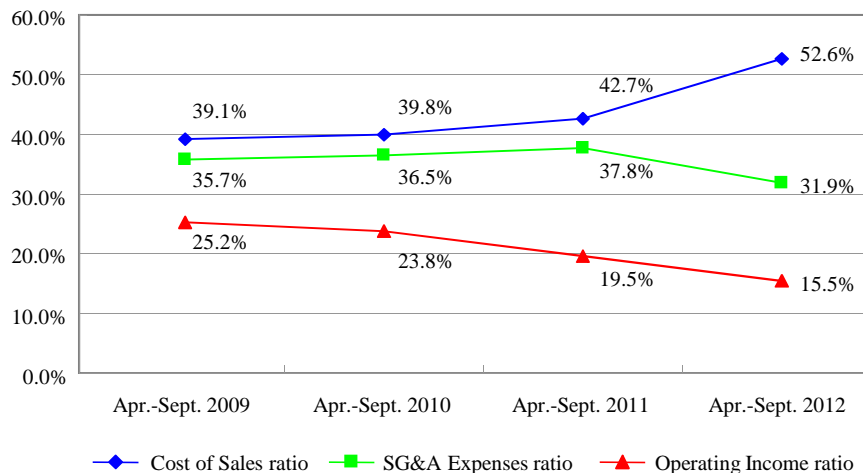
Point (2) Cost of Sales

As King's Auto Co., Ltd., which mainly exports used cars, became a subsidiary on Apr. 1, 2012, and the sales of the Internet advertising agency business of PROTO CORPORATION and the e-commerce of motorbike parts of BikeBros Inc. increased, the cost of sales was 160.8% compared with the same period of the previous year (cost rate: 9.9 point increase). The ratio to the planned value was 109.8%, as the cost of sales in each of these businesses exceeded the planned values.

Point (3) SG&A Expenses

As the number of employees increased due to the increase of consolidated subsidiaries, personnel expenses, etc. augmented. Consequently, SG&A expenses was 110.1% of the same period of the previous year (SG&A rate: 5.9% decrease). On the other hand, its ratio to the planned value was 95.6%, mainly because the personnel expenses in PROTO CORPORATION were lower than the planned value.

Changes of Individual Indicators



Point (4) Operating Income

Although personnel and other expenses augmented, sales increased, and so the ratio of operating income to the value for the same period of the previous year was 103.2%. Its ratio to the planned value was 122.2%, as the sales of profitable IT services exceeded the planned value.

Point (5) Net Income

Operating income increased as mentioned above, and taxes decreased due to the liquidation of PROTO (SHANGHAI) ADVERTISING CO., LTD. Consequently, net income was 106.0% compared with the same period of the previous year.

Operating Results by Segment (1)



Net sales

(Unit: million yen)

	Apr.-Sept. 2011		Apr.-Sept. 2012			
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	Results (C)	% of Net sales
Automobile-related	12,999	88.3%	16,140	89.5%	16,795	87.5%
Info Registration Fee	9,582	65.1%	9,993	55.4%	10,017	52.2%
Information Service Fee	3,416	23.2%	6,146	34.1%	6,778	35.3%
Lifestyle-related	1,548	10.5%	1,689	9.4%	2,101	10.9%
Real Estate	82	0.6%	86	0.5%	83	0.4%
Others	95	0.6%	127	0.7%	219	1.1%
Total	14,725	100.0%	18,042	100.0%	19,199	100.0%

YoY Change		Achievement rate	
(C) - (A)	%	(C) - (B)	%
3,796	129.2%	655	104.1%
434	104.5%	23	100.2%
3,361	198.4%	632	110.3%
553	135.7%	411	124.4%
0	100.5%	(3)	96.4%
124	230.6%	92	172.6%
4,474	130.4%	1,156	106.4%

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 etc.

3) The earnings forecast for the period April to September 2012 is a value announced on May 11, 2012.

Operating income

(Unit: million yen)

	Apr.-Sept. 2011		Apr.-Sept. 2012			
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	Results (C)	% of Net sales
Automobile-related	3,644	28.0%	3,299	20.4%	3,720	22.1%
Lifestyle-related	67	4.4%	58	3.4%	110	5.3%
Real Estate	40	48.5%	47	54.7%	45	54.9%
Others	(87)	-	(166)	-	(128)	-
Management Division	(789)	-	(809)	-	(780)	-
Total	2,875	19.5%	2,428	13.5%	2,967	15.5%

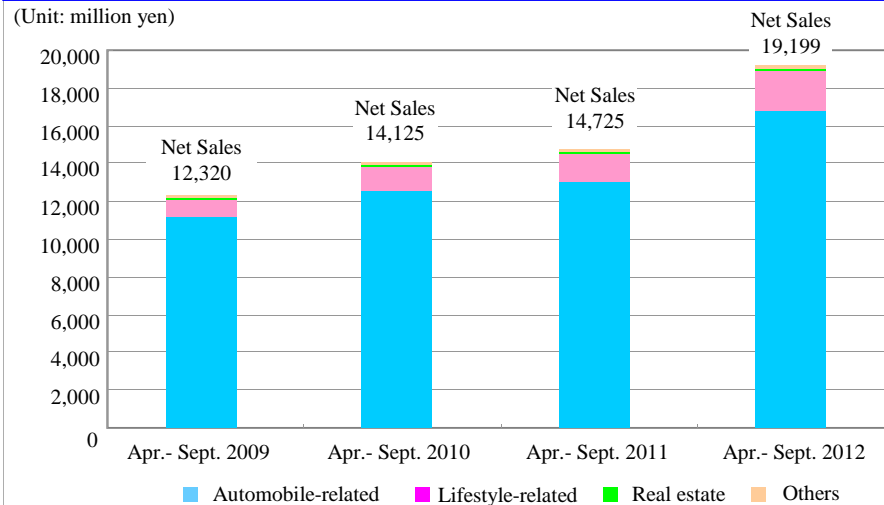
YoY Change		Achievement rate	
(C) - (A)	%	(C) - (B)	%
75	102.1%	420	112.7%
43	163.4%	52	190.9%
5	113.7%	(1)	96.7%
(41)	-	38	-
8	-	28	-
92	103.2%	538	122.2%

1) The earnings forecast for the period April to September 2012 is a value announced on May 11, 2012.

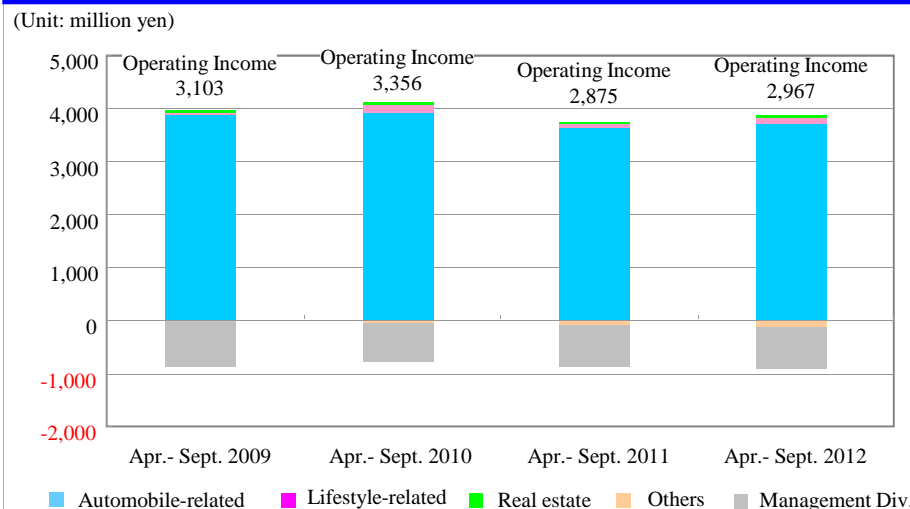
Operating Results by Segment (2)



Changes in Sales by Segment



Changes in Operating Income by Segment



Automobile-related Information

As PROTO MALAYSIA Sdn. Bhd. became a subsidiary on Sept. 2, 2011, the sales of the information magazine business increased to 104.4% compared with the same period of the previous year. The sales of the IT business increased to 158.6% compared with the same period of the previous year, as the performance of the IT products of PROTO CORPORATION was healthy and King's Auto Co., Ltd., which exports used cars, became a subsidiary. The total sales of the automobile-related information business increased 3,796 million yen (129.2% compared with the same period of the previous year). Operating income increased 75 million yen (102.1% compared with the same period of the previous year), as sales increased although personnel expenses and depreciation of goodwill, etc. increased.

Lifestyle-related Information

PROTO MEDICAL CARE promoted the expansion of the area for the nursing care information magazine "Heart Page" business, redeveloped the mail-order business for social welfare facilities acquired in Mar. 2012, and pursued synergy through the sales promotion targeted at existing clients. Furthermore, the Internet advertising agency business was healthy. Consequently, the total sales of the lifestyle-related information business increased 553 million yen (135.7% compared with the same period of the previous year). Operating income increased 43 million yen (163.4% compared with the same period of the previous year), as the sales of PROTO MEDICAL CARE increased although personnel expenses augmented due to business expansion.

Others

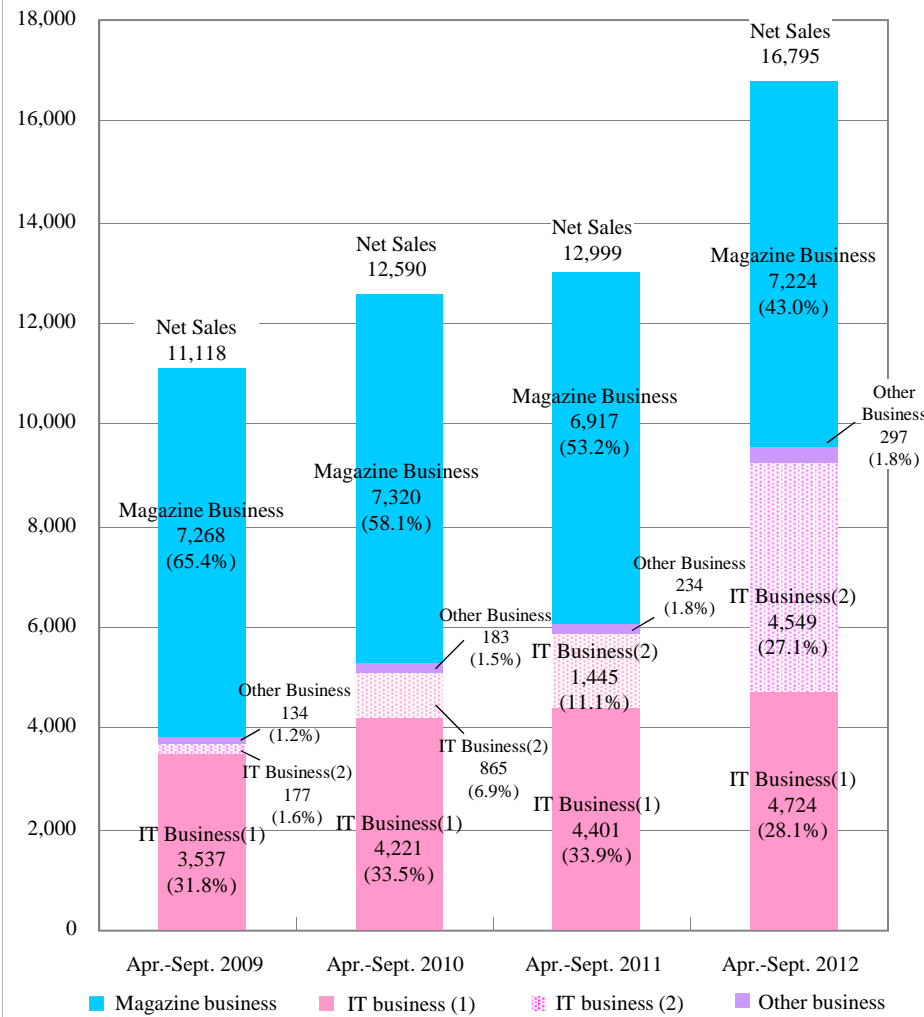
Sales increased 124 million yen (230.6% compared with the same period of the previous year), mainly because the number of orders in the BPO business of PROTO DATA CENTER increased. On the other hand, there was an operating loss of 128 million yen (operating loss for the same period of the previous year: 87 million yen).

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 the expansion of the sales of Goo Inspection, etc. However, the demand for used cars declined because of the Eco-car Subsidy (ended on September 21, 2012), while the sales of new cars showed steady increases. As a result, each car dealership tended to pull back on purchasing used cars. Consequently, although the number of ad submissions to the Goo Series made little increase in the period April to June, it exceeded the planned value in the period July to September.

The sales of the information magazine business increased 307 million yen (104.4% compared with the same period of the previous year) mainly because PROTO MALAYSIA Sdn. Bhd. became a subsidiary.

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 Data Line PRO, which is a tool for supporting the sale of automobiles, and PROTO-RIOS INC. promoted business support systems. Consequently, the sales of the IT business (1) increased 322 million yen (107.3% compared with the same period of the previous year).

IT Business(2) (EC, Service of supporting the export of used cars etc.)

As the performances of the used car export business of King's Auto Co., Ltd. and the e-commerce of motorbike parts of BikeBros Inc. were healthy, the sales of the IT business (2) increased 3,103 million yen (314.7% compared with the same period of the previous year).

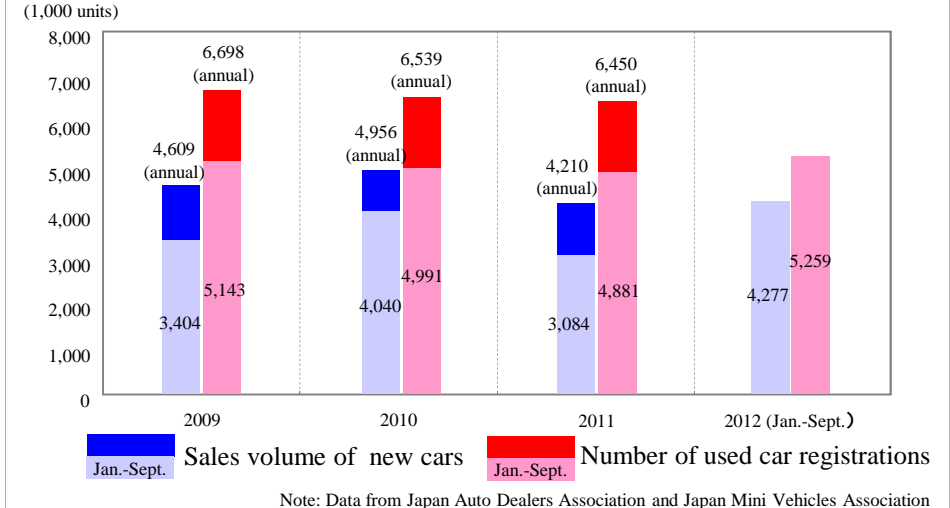
Other Business (Goo Inspection, etc.)

As we actively promoted Goo Inspection targeting the clients of the Goo Series and then the number of graded cars increased, the sales of other businesses increased 62 million yen (126.8% compared with the same period of the previous year).

Operating Results of Automobile-related Information (2)



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



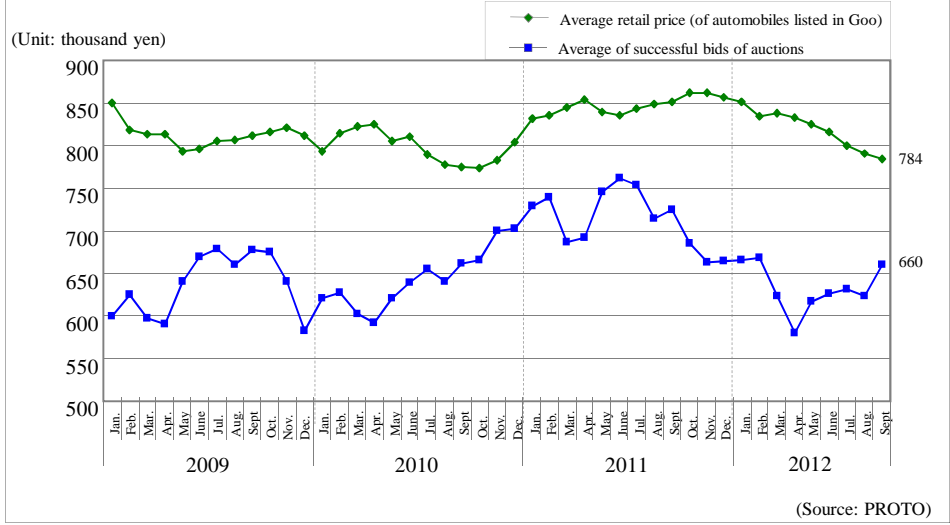
Sales volume of new cars

The sales volume of new cars for 2012 (Jan.-Sept.) was 4.27 million (138.7% of the value for the same period of the previous year), due to the effects of the Eco-car Subsidy, etc.

Number of used car registrations

The number of used vehicles registered in 2012 (Jan.-Sept.) was 5.25 million (107.7% 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

The demand for used cars declined due to the effects of the Eco-car Subsidy, and so average retail price is decreasing gently.

On the other hand, average wholesale price had decreased since June 2011, and bottomed out in April 2012.

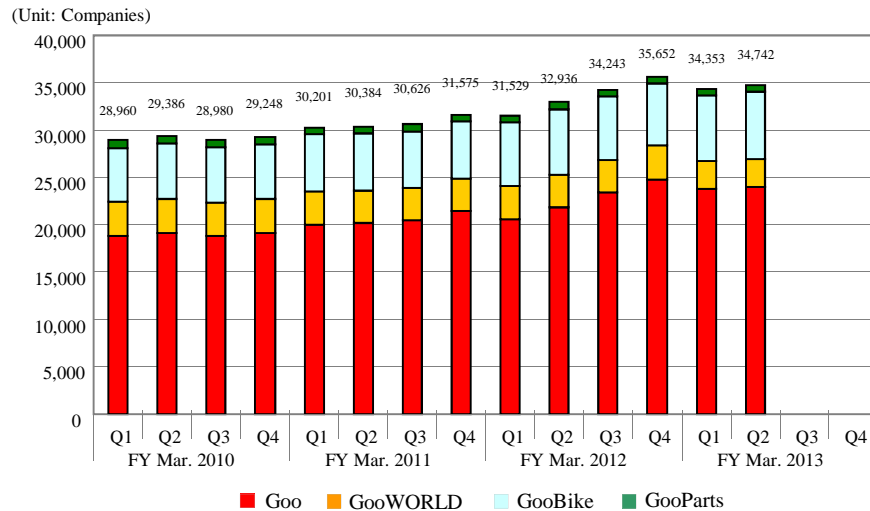
【For reference: Eco-car Subsidy】

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 (present)
December 20, 2011 to September 21, 2012: a budget of 300 billion yen without Scrap Incentive

Operating Results of Automobile-related Information (3)



Changes in Quarterly Totals of Business Partners for Goo Series



Although the demand for used cars declined due to the effect of the Eco-car Subsidy and the business environment surrounding used car dealers became severe, the cumulative number of client companies of the Goo Series for the first and second quarter (Apr.-Sept.) was 107.2% of the value for the same period of the previous year.

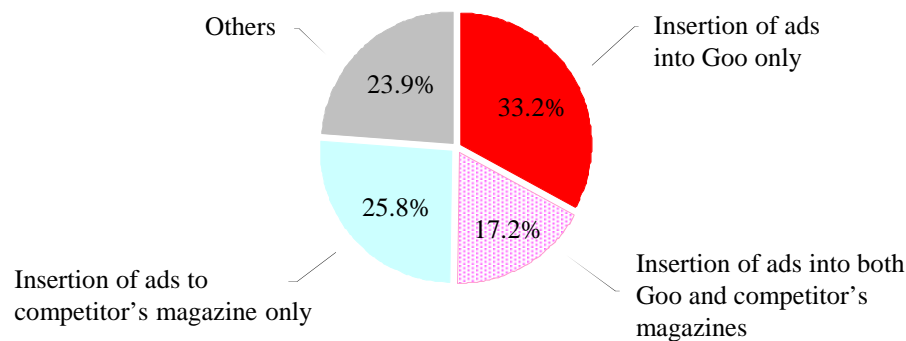
The monthly average value of transactions for the first and second quarter (Apr.-Sept.) was 96.8% of the value for the same period of the previous year, as new areas were cultivated and the number of smaller dealers increased.



The number of the member shops of Goo Inspection was 4,966 IDs as of the end of September 2012 (138.3% of the value for September of the previous year).

【For reference: Number as of the end of March 2012: 4,234 IDs】

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 Sept. 2012)

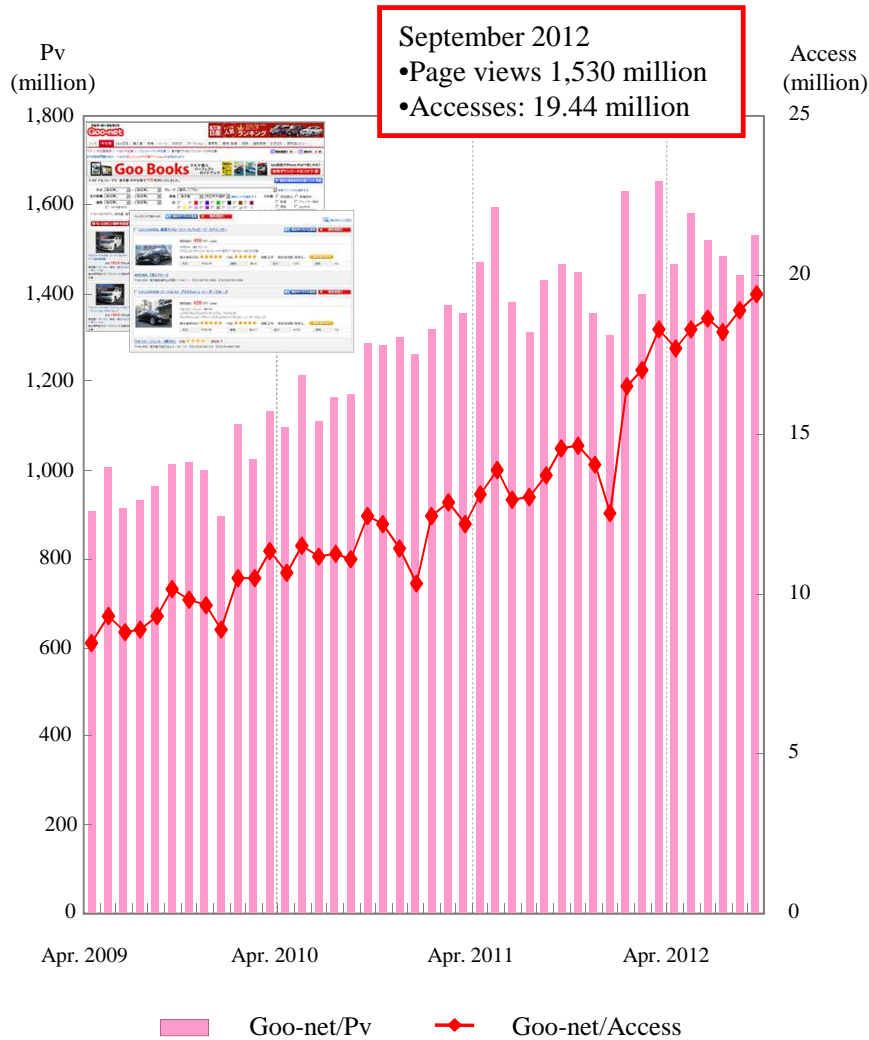
【Regarding the change of the method for calculating market share】

Previously, reference values for only major cities in each area were used for market share, but market share is calculated for the entire area from this term.

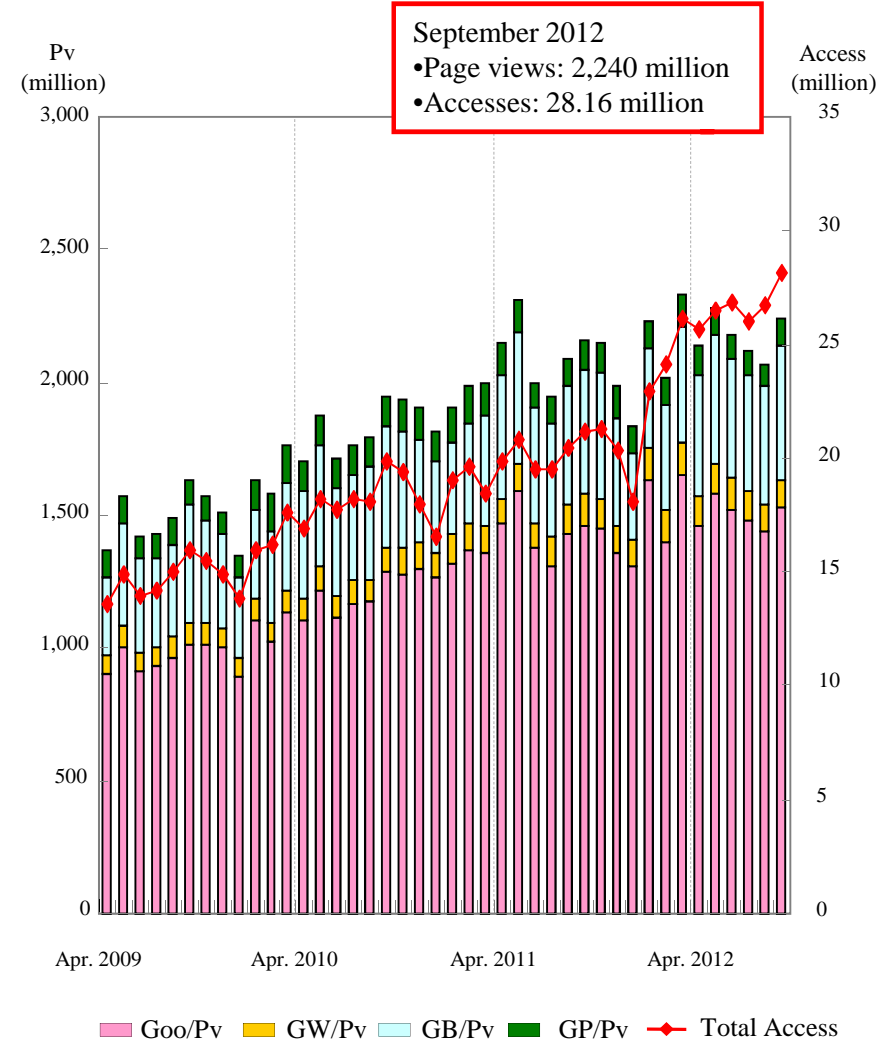
Operating Results of Automobile-related Information (4)



Car Portal Site "Goo-net" (PC + Smartphone)



Total of Goo Series (PC + Smartphone)



Consolidated Balance Sheet



(Unit: million yen)

	FY Mar. 2012 (As of Mar. 31, 2012)		FY Mar. 2013 (As of Sept. 30, 2012)		Increase/Decrease (B) - (A)
	(A)	Composition ratio	(B)	Composition ratio	
Current Assets	15,855	55.5%	19,699	59.1%	(1) 3,844
Fixed Assets	12,729	44.5%	13,652	40.9%	(2) 922
Current Liabilities	5,573	19.5%	8,502	25.5%	(3) 2,929
Long-term Liabilities	441	1.5%	1,011	3.0%	569
Net Assets	22,569	79.0%	23,837	71.5%	(4) 1,267
Total Assets	28,585	-	33,351	-	4,766

Point (1) Increase in Current Assets (3,844 million yen increase from the end of the term ended March 2012)

Current assets increased 3,844 million yen from the end of the previous consolidated fiscal year, because although there were payments for share acquisition of King's Auto Co., Ltd. as well as payment for accrued income tax, etc., we obtained the operating cash flow that exceeded these payments.

Point (2) Increase in Fixed Assets (922 million yen increase from the end of the term ended March 2012)

Fixed assets increased 922 million yen from the end of the previous consolidated fiscal year, mainly because of the goodwill amortization due to the reorganization of King's Auto Co., Ltd. into a subsidiary, etc.

Point (3) Increase in Current Liabilities (2,929 million yen increase from the end of the term ended March 2012)

Current liabilities increased 2,929 million yen from the end of the previous consolidated fiscal year, mainly because short-term debts, etc. increased as King's Auto Co., Ltd. became a subsidiary.

Point (4) Increase in Net Assets (1,267 million yen increase from the end of the term ended March 2012)

Net assets increased 1,267 million yen from the end of the previous consolidated fiscal year, because retained earnings increased although there was a dividend payment of 444 million yen.

Consolidated Statements of Cash Flows



(Unit: million yen)

	Apr.-Sept. 2011	Apr.-Sept. 2012	Increase/Decrease	(Reference) FY Mar. 2012
Cash Flows from Operating Activities	1,977	(1) 2,970	993	3,556
Cash Flows from Investing Activities	(3,210)	(2) (91)	3,118	(3,606)
Cash Flows from Financing Activities	(437)	(3) (678)	(241)	(907)
Cash and Cash Equivalents at End of Term	10,806	13,697	2,891	11,524
Investment Amount (Tangible/intangible fixed assets*)	3,210	1,694	(1,515)	3,634
Depreciation (Tangible/intangible fixed assets)	138	189	51	288
Amortization of Goodwill	169	273	103	405

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

Point (1) Cash Flows from Operating Activities

Although 1,016 million yen was paid for corporate income tax, etc. for the previous consolidated fiscal year, there was an income of 2,970 million yen as income before income taxes of 2,783 million yen was recorded.

Point (2) Cash Flows from Investing Activities

Although 681 million yen was paid for acquiring fixed assets, there was a payment of 91 million yen as the net increase in cash and cash equivalents was 479 million yen due to the reorganization of King's Auto Co., Ltd. into a subsidiary.

Point (3) Cash Flows from Financing Activities

There was an expenditure of 678 million yen, mainly because 444 million yen for the payment of dividend and repayment of debt of 233 million yen to King's Auto Co., Ltd.

Medium Term Business Strategies (From FY March 2013 to FY March 2015)

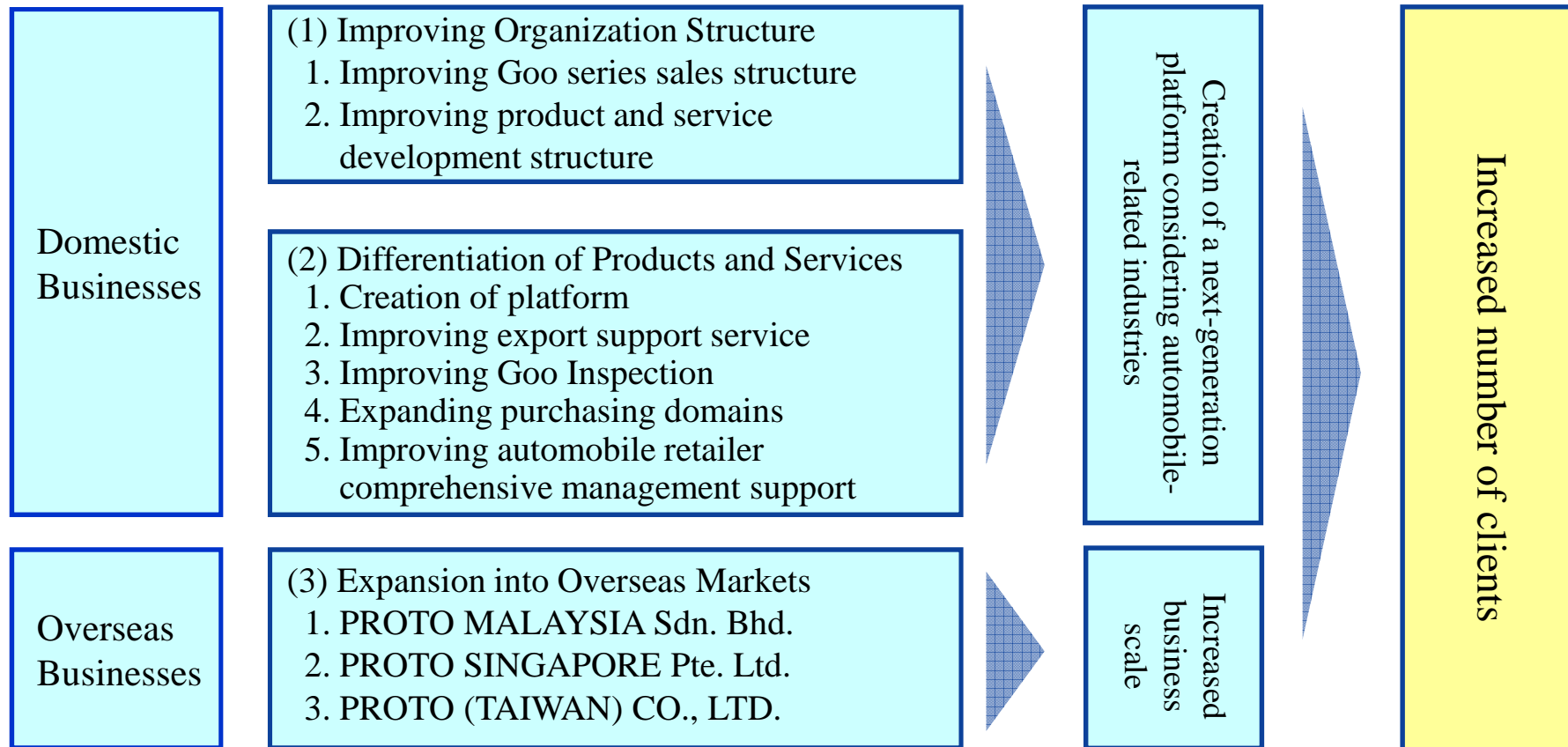
Automobile-related
Information Business

Lifestyle-related
Information Business

Medium Term Business Strategies

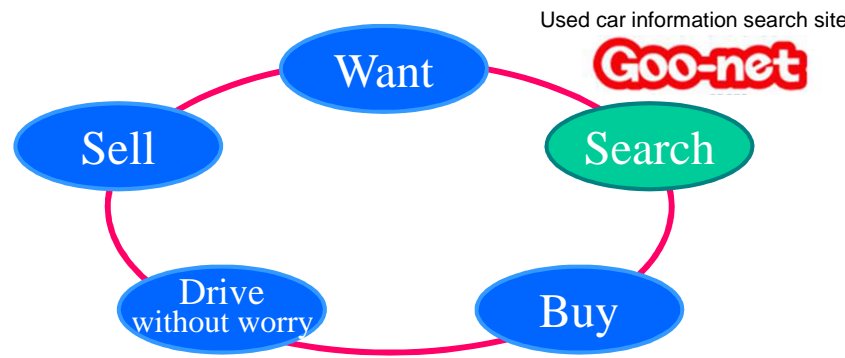


- For domestic businesses, we will invest in product and service differentiation and aim to increase the number of clients
- For overseas businesses, we will aim to increase the scale of business through collaborations or M&A with leading companies



- We will pursue the satisfaction of the users and clients and promote the establishment of a common platform that covers the entire automobile-related industry.

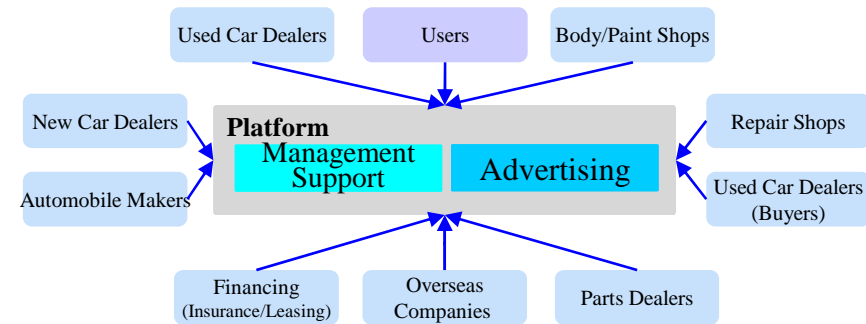
(1) Establishment of the platform for the users



Services are not provided for all aspects of user needs in their car life (No service available from our company, other company's services are poorly maintained)

Not only listing and matching of used cars, but aiming to maximize contact with users at all points in their car life.

(2) Establishment of the platform for the clients



There is a need to create a system that comprehensively provides products and services to a variety of clients

We will establish a common platform for the automobile-related industry to pursue the satisfaction of the users and clients and increase the number of clients.

- The improving of the organizational structure is steadily carried out, although some components are behind the schedule.

(1) Improving Organization Structure

1. Improving Goo series sales structure
2. Improving product and service development structure



[Number of employees]

The consolidated number of employees became 1,057 as of the end of September 2012, as a result of strengthening the manpower structure for the sales/IT development.

(Comparison with the plan, -19 employees;

Comparison with the end of March 2012, +103 employees)

The non-consolidated number of employees became 686.

(Comparison with the plan, -12 employees;

Comparison with the end of March 2012, +42 employees)

[Strengthening the sales structure]

- Establishment of new sales locations

(improvement of the clients follow-up system)

- Increase in the sales staff

(improvement of the clients follow-up system)

[Strengthening the products/service development structure]

- Strengthening the management-tier for IT development

(response to the users' needs)

- Increase in the number of IT engineers

(response to the users' needs)

- Restructuring of IT development and maintenance systems

(response to the users' needs)

- Establishment of new locations for human resource department

(strengthening employment)

- Differentiation of the products and services is mostly steadily carried out, although some services are behind the schedule.

(2) Differentiation of Products and Services

1. Creation of platform
2. Improving export support service
3. Improving Goo Inspection
4. Expanding purchasing domains
5. Improving automobile retailer comprehensive management support

1. Establishment of platform

- Promotion of the development of platform for the users
- Promotion of the development of platform for the clients

2. Strengthening export support service

- Acquisition of stocks of King's Auto Co., Ltd.
- Organizational restructuring within the corporate group

3. Strengthening Goo Inspection

- Increase in the number of inspectors
- Promotion to increase the sales of Goo Inspection

4. Expansion of the purchase area

- Promotion of the development of member stores of Goo Auction
- Review of expanded sales structure of Goo Auction licenses

5. Strengthening the total management support for the car dealerships

- Promotion to increase the sales of new IT products (Data Line Pro, Data Line Assessment)
- Promotion of the development of new business partners, "new car dealerships"

- The expansion in the overseas market is smoothly carried out as a whole, although some components are behind the schedule.

(3) Expansion into Overseas Markets

1. PROTO MALAYSIA Sdn. Bhd.
2. PROTO SINGAPORE Pte. Ltd.
3. PROTO (TAIWAN) CO., LTD.

1. PROTO MALAYSIA Sdn. Bhd.

- Promotion of the development of IT products

February 2012: Introduction of QE Lite

(Simplified inventory registration system)

June 2012: Web-site renewal

Introduction of an online estimation system

September 2012: Introduction of QE

(Inventory management system)

2. PROTO SINAGAPORE Pte. Ltd.

- Promotion of M&A and business collaboration with dominant corporations

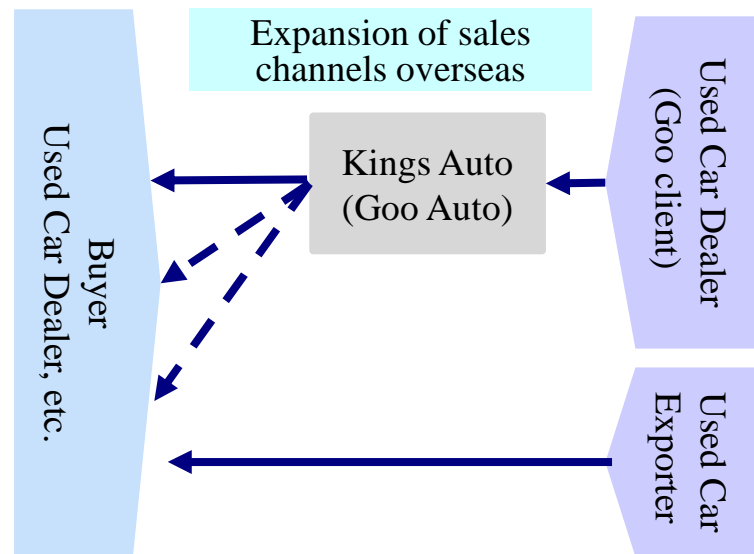
3. PROTO (TAIWAN) CO., LTD.

- October 2012: Decision of the purchase of the automobile information media business in Taiwan

- By improving sales support for used car dealers with out used car export support service, we will aim to increase differentiation with competitor

Overview of used car export business

Overseas



<Kings Auto Co., Ltd.>

- Have a client base in Southeast Asia (Hong Kong, Malaysia, etc.)
- Have the rights to export to Malaysia (PEKEMA)
- Goo-net Exchange (Used car export website) – from old Goo-auto
- Elimination of inventory risk (In principle, sales on orders)
- Elimination of currency exchange risk (In principle, business on a yen basis)

April 2012

Kings Auto Co., Ltd. shares acquired

July 2012

To focus operating resources efficiently, Kings Auto Co., Ltd. and Goo Auto Inc. was merged, with Kings Auto Co., Ltd. remaining after the merger

April to September 2012

The number of exported cars through Goo-net Exchange during the first half of the year was 1.9 times larger than that of the same period last year.

Sales support for used car dealers will be improved by providing used car export support service, with the goal of differentiating from competitors.

■ We will secure the business base for the automobile information media business in the Taiwanese market and promote the expansion of our business.

Website (CARNEWS.COM)



Information magazines (Car news, Car Buys)



December 2011

As part of the global development of the automobile-related business, we established PROTO (TAIWAN) CO., LTD.



2012

We began market survey and business establishment in the East Asia region.



October 2012

We decided the purchase of the automobile information media business in Taiwan. (New car information magazine “Car News”, used car information magazine “Car Buys”, automobile comprehensive information website “CARNEWS.COM”, etc.)



January 2013 (Planned)

We plan to receive transfer of automobile information media business from CARNEWS. COM.



We will promote the expansion of our overseas business.

Medium Term Business Strategies (From FY March 2013 to FY March 2015)

Automobile-related
Information Business

Lifestyle-related
Information Business

- We consider it as the most important field in the lifestyle-related information fields, promote the establishment of platform in the medical, nursing and welfare related industry and make efforts to expand our business.

Assistance in moving-in (media)



- Increase in the number of municipalities that issue Heart Page (Information magazine about care/social welfare) (Increased to 61 municipalities: Increased by 11 municipalities as compared with the end of March 2012)

Manpower service (media, human resource introduction)



- On the job offers media, we made a test installation of the charging per contract model.

Commerce business

1. Catalog Mail-order Sale
 - Mail-order business targeting social welfare corporations
2. EC
 - EC business for corporations
 - EC business for individuals

- We began catalog mail-order business (targeting social welfare corporations).
June 2012: “Heart Page Care Catalog” was issued.
- We began EC businesses.
August 2012: “Oasis Navi Mail-order”, an EC business for care and welfare products for individuals, began.

Earnings Forecast for the Fiscal Year Ending in March 2013

Consolidated Earnings Forecast for the Fiscal Year Ending in March 2013



Consolidated Earnings Forecast

(Unit: million yen)

	FY March 2012		FY March 2013				YoY change		Initial plan change	
	Results (A)	% of Net sales	Initial plan (B)	% of Net sales	Revision plan (C)	% of Net sales	(C)-(A)	%	(C)-(B)	%
Net sales	30,582	100.0%	38,300	100.0%	39,000	100.0%	8,417	127.5%	700	101.8%
Cost of Sales	13,283	43.4%	19,810	51.7%	20,470	52.5%	7,186	154.1%	660	103.3%
Gross Profit	17,298	56.6%	18,490	48.3%	18,530	47.5%	1,231	107.1%	40	100.2%
SG&A Expenses	11,451	37.4%	13,390	35.0%	13,430	34.4%	1,978	117.3%	40	100.3%
Operating Income	5,846	19.1%	5,100	13.3%	5,100	13.1%	(746)	87.2%	0	100.0%
Ordinary Income	6,002	19.6%	5,130	13.4%	5,260	13.5%	(742)	87.6%	130	102.5%
Net Income	3,275	10.7%	2,930	7.7%	3,030	7.8%	(245)	92.5%	100	103.4%

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

(Unit: million yen)

	FY March 2012		FY March 2013				YoY change		Initial plan change	
	Results (A)	% of Net sales	Initial plan (B)	% of Net sales	Revision plan (C)	% of Net sales	(C)-(A)	%	(C)-(B)	%
SG&A Expenses	11,451	37.4%	13,390	35.0%	13,430	34.4%	1,978	117.3%	40	100.3%
Employment Cost	5,475	17.9%	6,341	16.6%	6,063	15.5%	587	110.7%	(278)	95.6%
Advertising Cost	2,505	8.2%	2,946	7.7%	3,228	8.3%	723	128.9%	282	109.6%
Other Expenses	3,469	11.3%	4,101	10.7%	4,137	10.6%	668	119.3%	36	100.9%

Point (1) Net Sales (Major change from the plan at the beginning of the fiscal year)

The sales of the King's Auto Co., Ltd. are partially reviewed in the second half year.

Point (2) Operating cost (Major change from the plan at the beginning of the fiscal year)

In the second half year, the promotion cost to boost demand for the used cars is added.

■ Dividend projection

The annual dividend per share for the fiscal year ending March 2013 will be 37.5 yen for the period ending the second quarter and 18.75 yen* for the end of the current year.

* This is the result of implementing two for one stock split as of October 1, 2012. There is no substantive change from the annual dividend projection that was announced on May 11, 2012.

■ Matters concerning the acquisition of treasury stocks

■ Reasons for Share Repurchases

To improve capital efficiency and enable the Company to flexibly exercise its capital policy in response to the changing managerial environment.

■ Class of shares to be repurchased

Common stock

■ Total number of shares to be repurchased

Up to 400 thousand shares (Ratio to the number of outstanding shares: 1.91%)

■ Aggregate repurchase amount

Up to 500 million yen

■ Period for repurchases

November 1, 2012 to March 22, 2013

Reference: Consolidated Quarterly Earnings Forecast for the Fiscal Year Ending in March 2013



(Unit: million yen)

	FY March 2011 (Results)					FY March 2012 (Results)					FY March 2013 (Forecast)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	7,050	7,075	7,422	7,232	28,779	7,223	7,501	7,975	7,880	30,582	9,599	9,600	9,726	10,073	39,000
Cost of Sales	2,733	2,884	3,033	3,061	11,712	3,010	3,270	3,500	3,502	13,283	5,007	5,093	5,029	5,339	20,470
Gross Profit	4,317	4,190	4,388	4,170	17,067	4,213	4,230	4,475	4,378	17,298	4,591	4,507	4,697	4,734	18,530
SG&A Expenses	2,559	2,592	2,674	3,129	10,955	2,810	2,758	2,770	3,112	11,451	3,006	3,124	3,527	3,771	13,430
Operating Income	1,758	1,598	1,714	1,041	6,111	1,403	1,472	1,705	1,265	5,846	1,585	1,382	1,169	962	5,100
Ordinary Income	1,782	1,610	1,909	1,072	6,375	1,437	1,458	1,739	1,367	6,002	1,602	1,450	1,206	999	5,260
Net Income	1,051	891	1,080	173	3,197	827	815	945	687	3,275	1,082	657	679	610	3,030

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

	FY March 2011 (Results)					FY March 2012 (Results)					FY March 2013 (Forecast)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	7,050	7,075	7,422	7,232	28,779	7,223	7,501	7,975	7,880	30,582	9,599	9,600	9,726	10,073	39,000
Automobile-related	6,314	6,276	6,546	6,428	25,566	6,492	6,506	6,852	6,852	26,704	8,538	8,256	8,581	8,718	34,095
Info Registraion Fee	5,000	4,863	5,059	4,907	19,831	4,756	4,826	5,166	5,082	19,830	4,934	5,082	5,231	5,054	20,303
Info Service Fee	1,314	1,412	1,487	1,521	5,735	1,736	1,680	1,686	1,770	6,873	3,604	3,174	3,350	3,663	13,792
Lifestyle-related	599	644	701	671	2,616	640	907	1,010	911	3,470	925	1,175	1,031	1,235	4,368
Real Estate	48	46	44	42	181	41	41	42	41	166	42	40	43	50	177
Others	87	108	129	89	415	49	45	70	75	240	91	127	69	69	358
Operating Income	1,758	1,598	1,714	1,041	6,111	1,403	1,472	1,705	1,265	5,846	1,585	1,382	1,169	962	5,100
Automobile-related	2,049	1,869	1,991	1,370	7,281	1,820	1,823	2,045	1,583	7,272	1,932	1,787	1,567	1,189	6,476
Lifestyle-related	69	79	90	61	301	27	40	73	86	228	52	58	111	227	450
Real Estate	29	26	25	23	104	20	19	21	22	83	24	21	20	28	94
Others	(27)	(26)	(8)	(28)	(91)	(38)	(48)	(34)	(27)	(149)	(55)	(73)	(132)	(95)	(356)
Management Division	(363)	(351)	(384)	(385)	(1,484)	(427)	(362)	(400)	(399)	(1,589)	(369)	(411)	(396)	(388)	(1,565)

*The figures of the first and second quarters for the fiscal year ending March 2013 are the actual figures, and the figures for the third and fourth quarters are the projected figures which were announced on October 29, 2012.

Appendix

Corporate Profile



Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	¥1,824,620 thousand (As of October 1, 2012)
Shares Outstanding	20,940,000 shares (As of October 1, 2012)
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 (57 Sales Outlets Nationwide/2 Head Offices, 13 Branch Offices, 421 Sales Offices)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,057 (As of September 30, 2012) (Parent: 686) (As of September 30, 2012)
Stock Exchange Listing	Osaka 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. PROTO MALAYSIA Sdn. Bhd. *1 (Full subsidiary since September, 2011)8. MTM Interactive Sdn. Bhd. *2 *3 (Full subsidiary since September, 2011)9. SMT Media Pte. Ltd. *3 (Full subsidiary since September, 2011)10. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December, 2011)11. PROTO SINGAPORE Pte. Ltd. (Full subsidiary, established in May, 2012) <p>*1 Firm name changed as of February 27, 2012. (Former name: MTM Multimedia Sdn. Bhd) *2 Account currently being settled. *3 The company is a subsidiary of PROTO MALAYSIA Sdn Bhd.</p> <p>(As of October 1, 2012)</p>

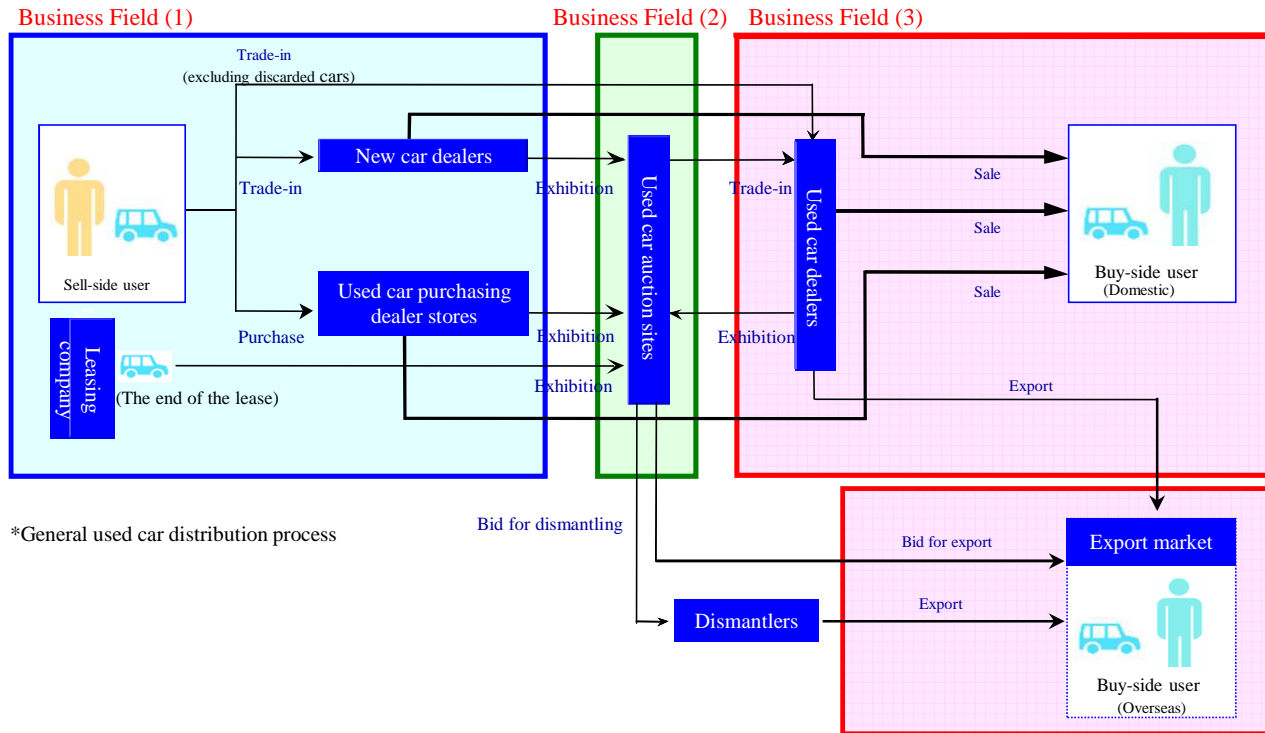


Our magazine was first issued in 1977

Core Products and Services of Automobile-related Information



- We promote the development and provision of products and services according to the needs from clients and users.
 ⇒ **“Comprehensive management support”** for assisting dealers in procuring and selling, etc. comprehensively.



*General used car distribution process

<Business Field (3)>

[Products and services for clients and users]

- Goo Series (PC, mobile, information magazines)
To search favorite cars and estimate their prices
- SA (platform for dealers), QE, GCS
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
- Reviews on dealers by users (Goo-net)
Evaluation of dealers posted by users who purchased car
- Goo-net Exchange
To assist dealers in the export of used cars

< Business Field (1) >

[Products and services for clients]

- Data Line PRO, Auction Information
Weekly and basic price data for automobile manufacturers
To offer the data on final bidding prices and retail prices, etc.

[Products and services for clients]

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

[Products and services for clients and users]

- Goo-net Auction
Providing a place where used car dealerships purchase the cars that are put up by the users in the auction style.

< Business Field (2) >

[Products and services for clients]

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

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



Information registration fees (2)

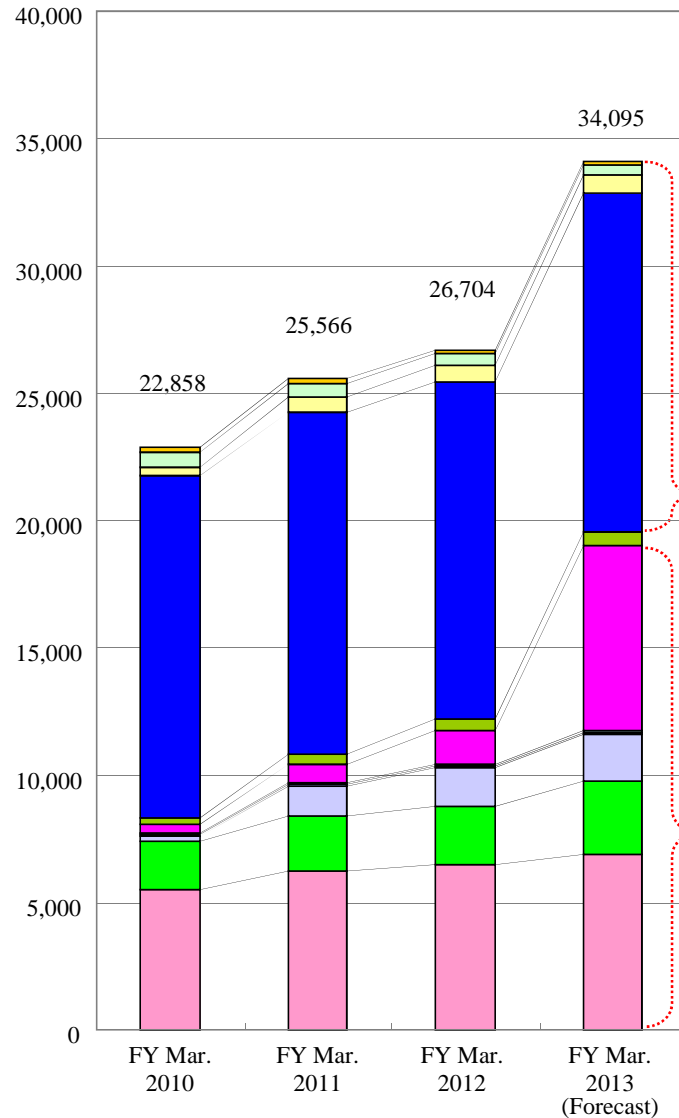
Charging system: Fee for Internet option products, such as Goo-net (Quotation/inquiry service, QE, GCS, etc.)

* Rubric: Paid product (service)

Reference: Changes in Automobile-related Sales by Product Classification



(Unit: million yen)



《 Magazine 》



《 Internet site 》



《 Mobile site 》



《 Magazine Business 》

- B to B fee for advertising in data book
- B to B subscription fee of data book
- Sale of information magazines
- Basic advertisement costs (Package of PC, mobile phone, and information magazines)

《 Other Business 》

- Goo Inspection etc.

《 IT Business 》

- B to B automobile sale (Service of supporting the export of used cars of Kings Auto and Goo Auto)
- Mobile charges (e.g. Goo Car Info)
- EC (to B)
- EC (to C)
- B to B fee for data provision (Data Line, quotation system of PROTO-RIOS INC.)
- Internet option products, such as Goo-net (Quotation inquiry service, QE, GCS, etc.)

* The earnings forecast for the year ended March 2013 is a value announced on October 29, 2012.

* Goo Inspection, etc. is considered a separate product category as of this period. (Previously, it was included in the B to B fee for data provision)

* 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.

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