

# Investor Meeting for the First Half Ending in March 2011

October 29, 2010  
PROTO CORPORATION (4298)



Corporate Message “Leveraging Information for the Future”

## Financial data (consolidated)

Shares outstanding (million)	10.4
Market capitalization (¥ billion, Sep/10)	36.9
DPS (¥, Mar/11, Forecast)	75.0
EPS (¥, Mar/11, Forecast)	387.8
BPS (¥, Mar/10)	1,683.6
ROE (% , Mar/10, Net income basis)	21.8
ROA (% , Mar/10, Ordinary income basis)	26.9
Equity ratio (% , Mar/10)	72.7
Potential share dilution (million)	-
Foreign ownership (% , Sep/10)	24.9

## Major Shareholders

	(Thousands)
1) Mugen Corporation	3,403 (32.50%)
2) Japan Trustee Services Bank, Ltd. (Trust Account)	769 (7.34%)
3) BNP Paribas Securities Services Singapore/BP2S Sydney/Jasdec/Australian Residents	570 (5.45%)
4) Hiroichi Yokoyama	520 (4.96%)
5) Yoshihiro Yokoyama	330 (3.15%)
6) The Master Trust Bank of Japan, Ltd. (Trust Account)	302 (2.89%)
7) Northern Trust Co. (AVFC) Sub A/C American Clients	214 (2.04%)
8) Mellon Bank ABN Amro Global Custody N.V.	175 (1.67%)
9) Minoru Saito	169 (1.62%)
10) Takemi Masuda	157 (1.50%)

(As of September 30, 2010)

# Consolidated Statements of Income (1)



## Status of Consolidated Income

(Unit: million yen)

	Apr.-Sep. 2009		Apr.-Sep. 2010				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	12,320	100.0%	14,459	100.0%	① 14,125	100.0%	1,805	114.7%	(334)	97.7%
Cost of Sales	4,822	39.1%	5,811	40.2%	② 5,617	39.8%	795	116.5%	(193)	96.7%
Gross Profit	7,497	60.9%	8,648	59.8%	8,507	60.2%	1,009	113.5%	(140)	98.4%
SG&A Expenses	4,394	35.7%	5,529	38.2%	③ 5,151	36.5%	757	117.2%	(378)	93.2%
Operating Income	3,103	25.2%	3,118	21.6%	④ 3,356	23.8%	252	108.1%	237	107.6%
Ordinary Income	3,134	25.4%	3,147	21.8%	3,393	24.0%	258	108.2%	245	107.8%
Net Income	1,852	15.0%	1,773	12.3%	1,943	13.8%	90	104.9%	170	109.6%

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

## Status of Selling, General and Administrative Expenses

(Unit: million yen)

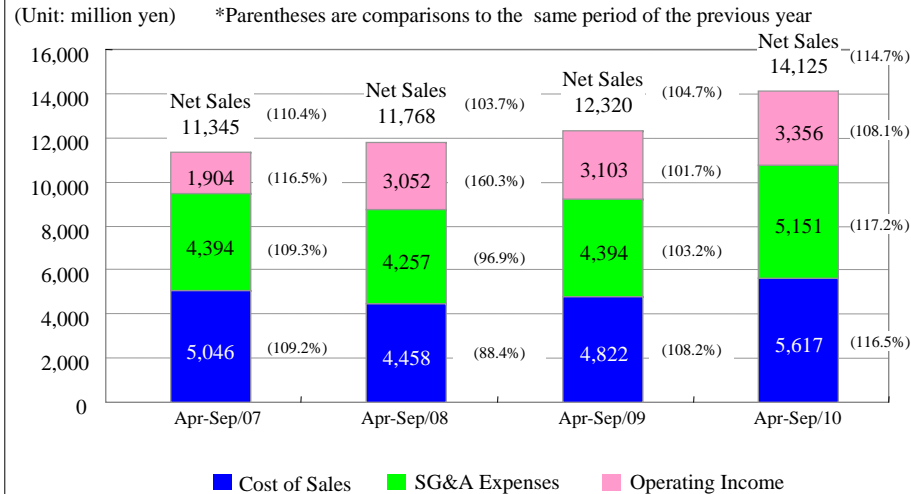
	Apr.-Sep. 2009		Apr.-Sep. 2010				YoY Change		Achievement rate	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	Results (C)	% of Net sales	(C) - (A)	%	(C) - (B)	%
SG&A Expenses	4,394	35.7%	5,529	38.2%	5,151	36.5%	757	117.2%	(378)	93.2%
Employment Cost	2,346	19.0%	2,888	20.0%	2,716	19.2%	369	115.7%	(172)	94.0%
Advertising Cost	732	5.9%	869	6.0%	787	5.6%	54	107.5%	(82)	90.6%
Other Expenses	1,314	10.7%	1,771	12.3%	1,647	11.7%	333	125.3%	(123)	93.0%
Number of Employment	743	-	951	-	911	-	168	122.6%	(40)	95.8%

\*Advertising and related costs is the total of advertising costs and merchandising costs.

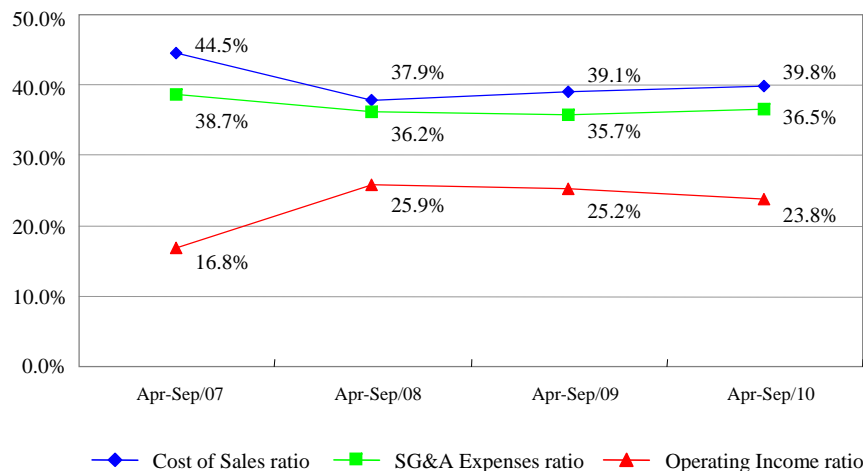
\*The number of employees is as of the end of September.

## Performance Overview for the Six Months Ended Sep. 2010

### Changes in Performance



### Changes of Individual Indicators



#### Point ① Sales

All segments, excluding the real estate segment, increased earnings from the same period of the previous year. In the entire group, sales increased 1,805 million yen (114.7% compared to the same period of the previous year). As compared with projections, sales were 97.7% of the projection, or slightly below the projections.

#### Point ② Cost of Sales

Due mainly to the number of exported cars increased in the used car export support business of Goo Auto Inc. and the cost of sales at SYSTEM-ONE Corporation (which became a subsidiary on Oct. 1 last year) and BikeBros. Inc. (which became a subsidiary on Apr. 1 this year) was recorded, the cost of sales was 116.5% of those recorded in the same period of the previous year (cost rate: 0.7 point increase). As compared with projections, they came to 96.7%.

#### Point ③ SG&A Expenses

Mainly because goodwill amortization amount increased due to business succession and the increase in consolidated subsidiaries and the expenses for personnel and others increased due to the increase in the number of employees (which increased 168 compared to the same period of the previous year), SG&A was 117.2% (SG&A rate: 0.8 point increase). In addition, SG&A was 93.2% of the projection, due to thorough cost management.

#### Point ④ Operating Income

Although the cost of sales and SG&A increased, operating income was 108.1% of the same period of the previous year, due to the increase in sales. In addition, operating income was 107.6% of the projection.

# Segment Information (1)



## Sales

(Unit: million yen)

	Apr.-Sep. 2009		Apr.-Sep. 2010				YoY Change		Achievement rate	
	Results (A)	% of Net sales	Forecast (B)	% of Net sales	Results (C)	% of Net sales	(C) - (A)	%	(C) - (B)	%
Automobile-related	11,118	90.2%	12,659	87.6%	12,590	89.1%	1,472	113.2%	(68)	99.5%
Info Registration Fee	9,457	76.8%	10,066	69.6%	9,864	69.8%	406	104.3%	(201)	98.0%
Information Service Fee	1,661	13.5%	2,593	17.9%	2,726	19.3%	1,065	164.1%	133	105.1%
Lifestyle-related	944	7.7%	1,462	10.1%	1,244	8.8%	299	131.8%	(218)	85.1%
Real Estate	103	0.8%	99	0.7%	94	0.7%	(8)	91.6%	(4)	95.5%
Others	153	1.2%	238	1.7%	195	1.4%	41	127.3%	(43)	82.0%
Total	12,320	100.0%	14,459	100.0%	14,125	100.0%	1,805	114.7%	(334)	97.7%

\*Info Registration Fee: Advertising fees for information magazines and internet media, etc.

\*Information Service Fee: Fees from selling information magazines, providing content, etc.

## Operating Income

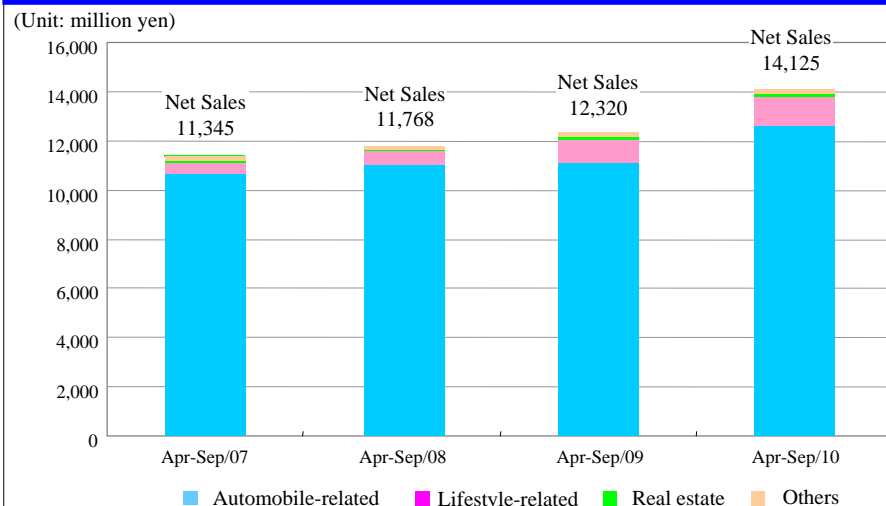
(Unit: million yen)

	Apr.-Sep. 2009		Apr.-Sep. 2010				YoY Change		Achievement rate	
	Results (A)	Profit margin	Forecast (B)	Profit margin	Results (C)	Profit margin	(C) - (A)	%	(C) - (B)	%
Automobile-related	3,883	34.9%	3,716	29.4%	3,919	31.1%	36	100.9%	203	105.5%
Lifestyle-related	55	5.9%	145	10.0%	149	12.0%	93	267.1%	3	102.7%
Real Estate	52	50.8%	45	46.2%	55	59.2%	3	106.8%	10	122.2%
Others	(10)	-	(11)	-	(54)	-	(43)	-	(42)	-
Management Division	(878)	-	(777)	-	(714)	-	163	-	62	-
Total	3,103	25.2%	3,118	21.6%	3,356	23.8%	252	108.1%	237	107.6%

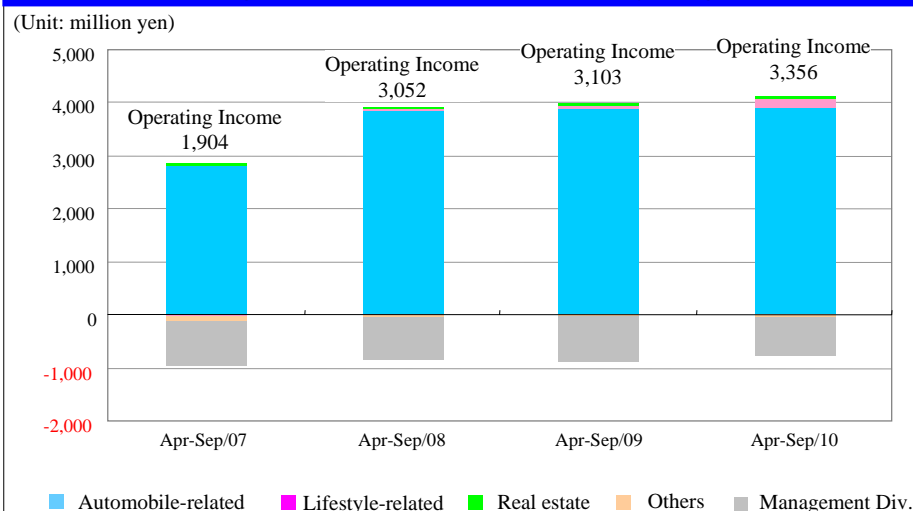
## Segment Information (2)



### Changes in Sales by Segment



### Changes in Operating Income by Segment



### Automobile-related Information

The business environment surrounding used car dealers is becoming severe due to the effects of “subsidy for promoting the diffusion of environmentally-friendly cars (eco-car subsidy),” etc. In this situation, sales increased in the information magazine business (100.7% of the sales in the same period of the previous year) and the IT business (136.9%), because of expansion into the Koshin area, expansion of the Goo-approved service and BikeBros.Inc. and SYSTEM-ONE Corporation became subsidiaries. The total sales in the automobile-related information business increased 1,472 million yen (113.2%). Operating income increased 36 million yen (100.9%) due to the increase in sales in the IT business, although goodwill amortization amount and personnel expenses, etc. augmented. As compared with projections, it was 203 million yen larger than the projection (105.5% of the projection).

### Lifestyle-related Information

In care-related business (medical, nursing, and welfare segment), the number of trading partners in (1) Oasis Navi and (2) Kaigo Kyuji Navi increased, and average trade prices were healthy. In addition, “Nurse Agent,” a job information website for nurses, was developed and Medical CUBIC Co., Ltd. became a subsidiary. Consequently, sales increased.

In the culture information business and the Internet advertisement agency business, too, sales increased, and “Oikura,” which is the website providing comprehensive information on recycle and reuse, was developed. Consequently, the total sales in the lifestyle-related information business increased 299 million yen (131.8% of the same period of the previous year). Operating income increased 93 million yen (267.1%) due to the increase in sales, although goodwill amortization amount and personnel expenses, etc. augmented.

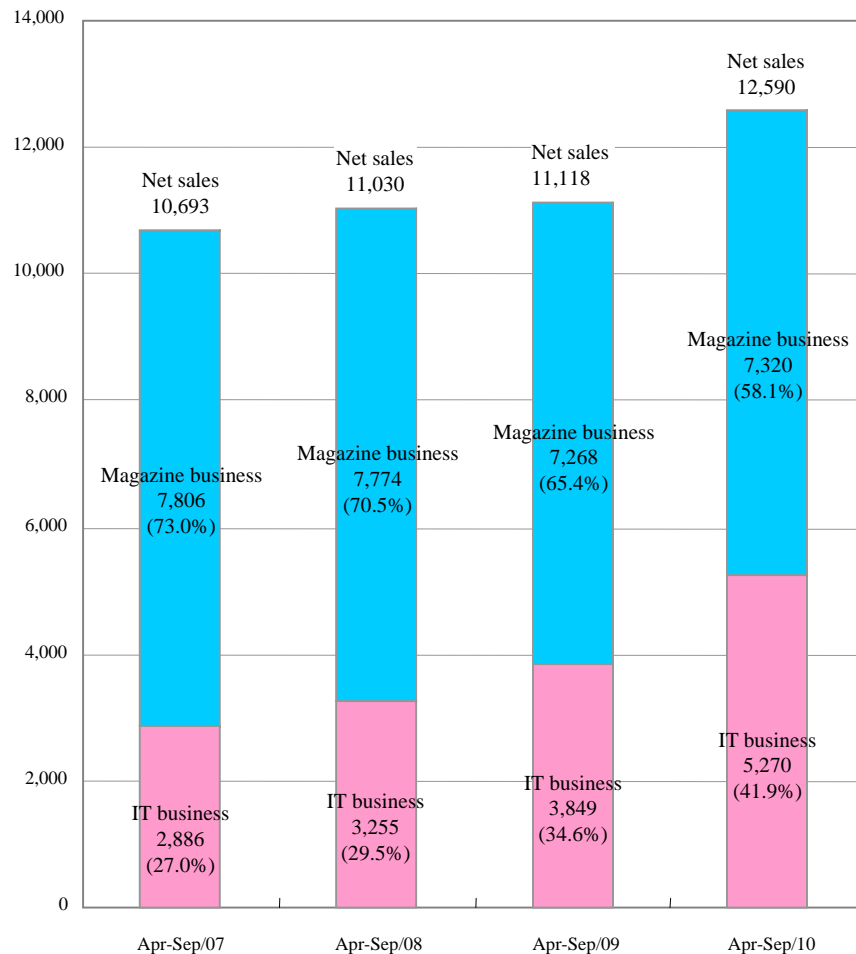
### Others

Sales increased 41 million yen (127.3% of the same period of the previous year), due to the increase in the number of transactions in the BPO business of Proto Data Center.

Operating loss was 54 million yen (it was a loss of 10 million yen in the same period of previous year), because operating costs augmented in MARS FLAG Corporation and Proto Data Center due to business expansion.

## Changes in Automobile-related Sales by Product Classification

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



### Magazine business

Due to the eco-car subsidy, etc., the supply of used cars to the used car distribution market restrained and the stock at each seller decreased. Accordingly, the number of advertisements decreased, but the sales in the information magazine business increased 51 million yen (100.7% of the same period of the previous year), because of the expansion in the Koshin area and the ads in the motorbike magazines and journals published by BikeBros.Inc. and the sale of them, etc.

### IT business

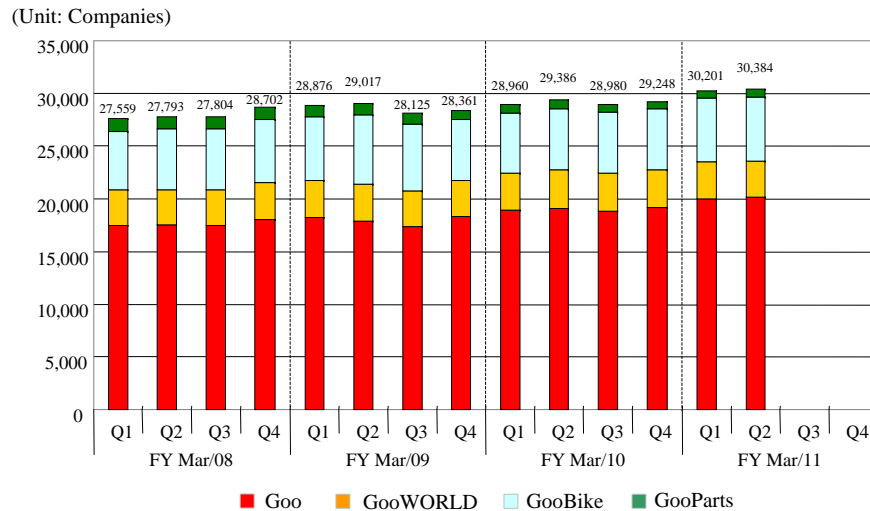
In the Goo series, we promoted the sale of Internet-related optional products (mediation service for quotations, QE etc.) and sold assistance systems for EC of BikeBros.Inc. and maintenance factory of SYSTEM-ONE Corporation. Consequently, the sales in the IT business increased 1,420 million yen (136.9% of the same period of the previous year).

As a result, the sales in the IT business accounted for 41.9% of the total sales in the period from Apr. to Sep. 2010, 7.3 points higher than that in the same period of the previous year.

# Operating Results of Automobile-related Information (2)



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



The number of trading partners for the first and second quarters (Apr. to Sep.) in the entire Goo series was 103.8% of that in the same period of the previous year, due to the inauguration of “Goo Koshin Edition,” etc.

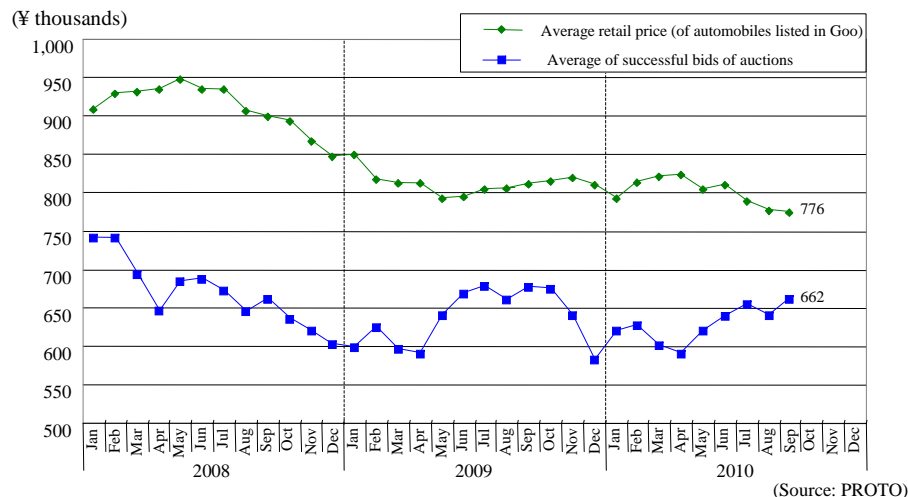
Average trade price was 97.0% of that in the same period of the previous year, as the number of advertisements decreased due to the decrease in stock at each used car dealer.

The number of stores involved in for the “Goo-approved Cars” service is 2,065 IDs as of the end of Sep. 2010 (159.8% of the value in the same month of the previous year).

\*Reference: Number of stores as of the end of Mar. 2010: 1,636 IDs



## Variations in retail and wholesale prices of used cars



[Number of quote requests in Goo-net]

The number of requests for the quote in Goo-net in the first and second quarters (Apr. to Sep.) was 690,117 (105.1% of the same period of the previous year).

[Variations in retail and wholesale prices of used cars]

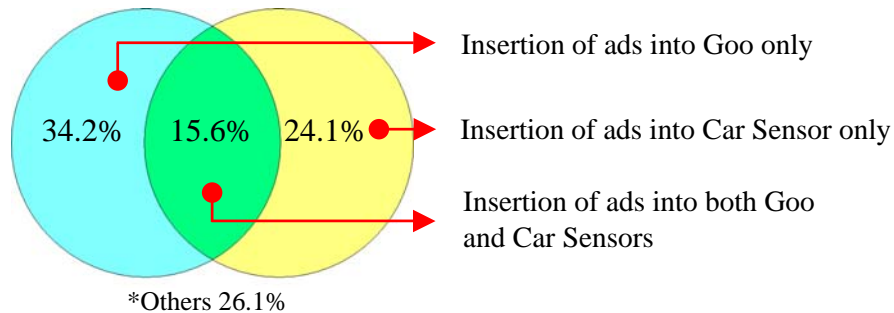
Since May, the average retail price of used cars has been decreasing, but the average wholesale price is increasing.



# Operating Results of Automobile-related Information (3)

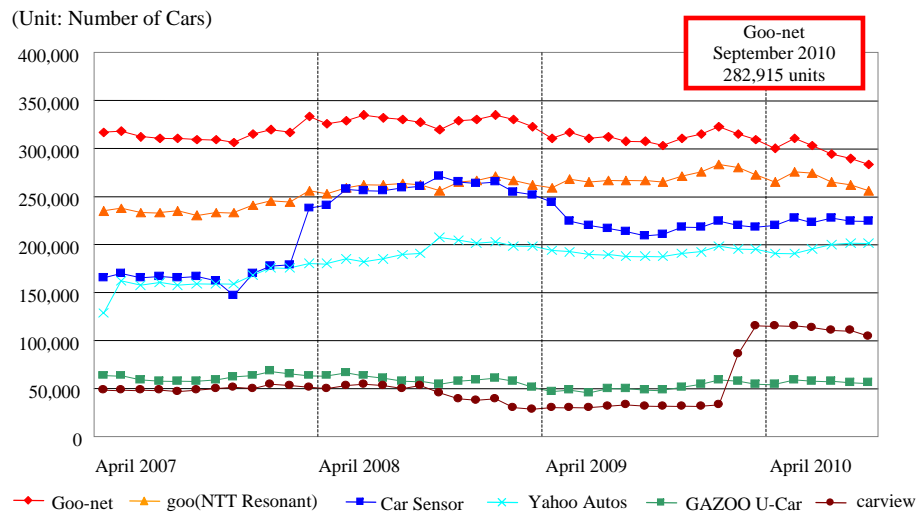


## Situation of Market Share (Compared with Competitors)



\* Major cities in each area were targeted to obtain the numerical values.  
 \* Method for counting client companies: To count the number of dealers that inserted their ads into information magazines.  
 (Researched by PROTO in Sep. 2010)

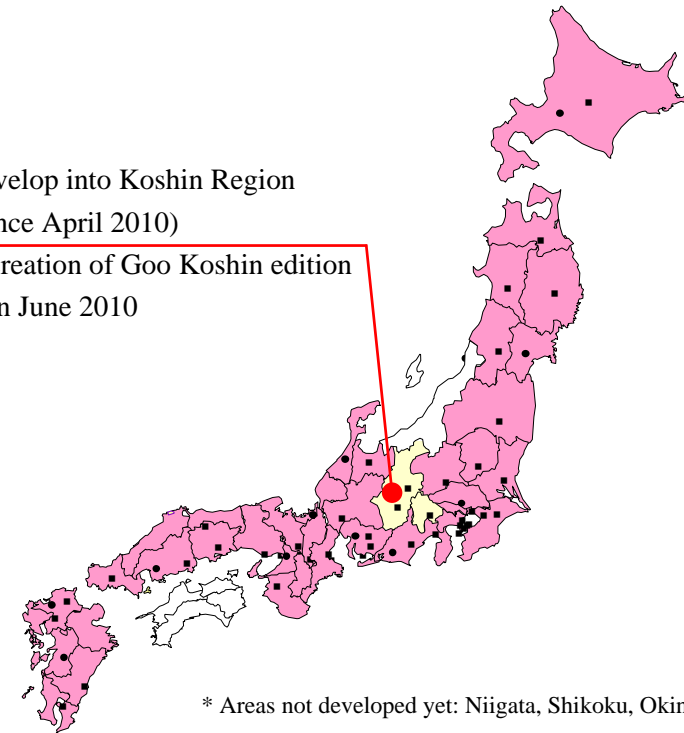
## Changes in Numbers of Used Automobiles Listed on Main Sites



## [Publication area of Goo]

Develop into Koshin Region (Since April 2010)

\* Creation of Goo Koshin edition on June 2010



\* Areas not developed yet: Niigata, Shikoku, Okinawa

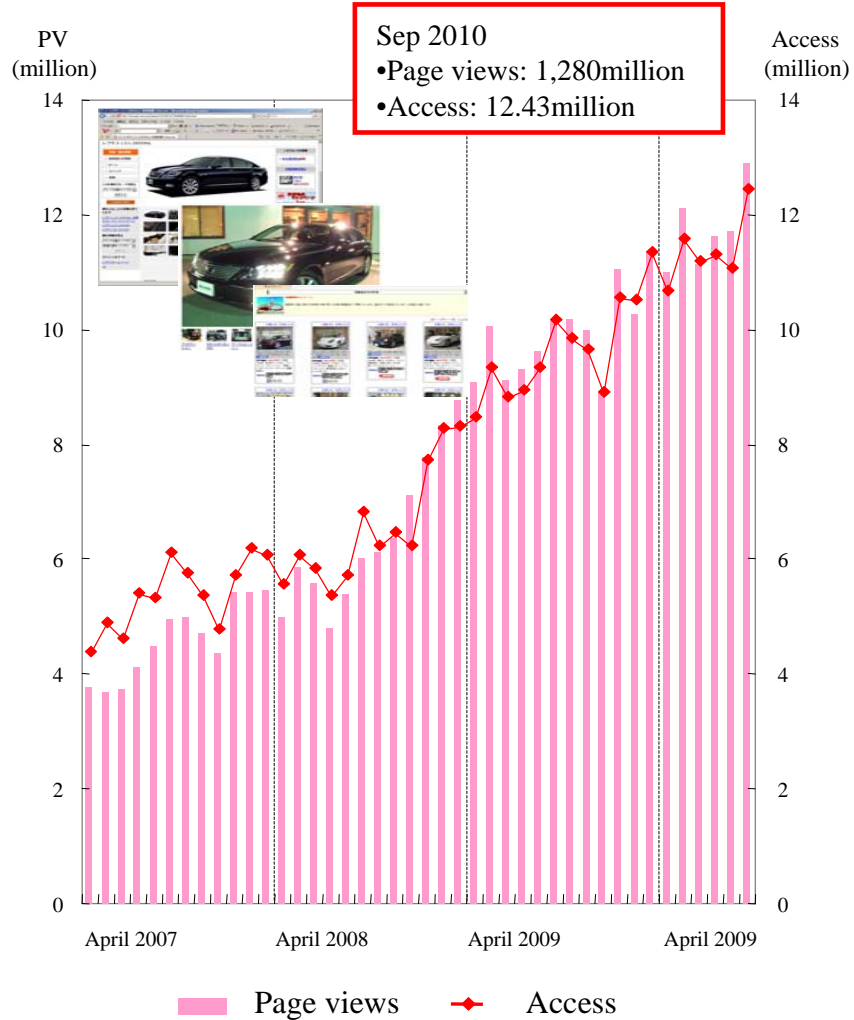
Due to the eco-car subsidy, etc., the supply of used cars to the used car distribution market restrained, and so stock decreased in each dealer. However, as the eco-car subsidy ended in early September, stock bottomed out and is increasing gently. Amid this situation, the number of used cars introduced in "Goo-net" is larger than competitors' sites. (according to our survey)

\* The number of used vehicle listings for "Car Sensor (run by Recruit)" is the total of "Car Sensor-net" and "D-Ucar.net" since March 2008.

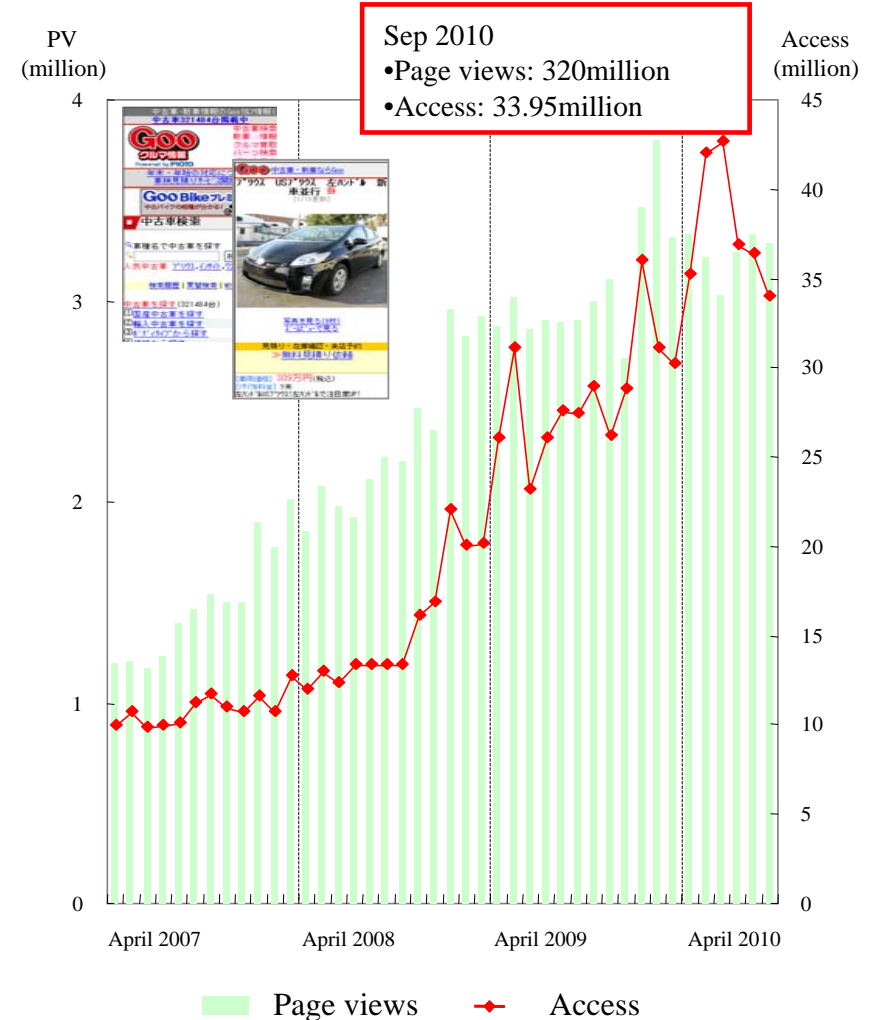
# Operating Results of Automobile-related Information (4)



## Car Portal Site "Goo-net" (PC)



## "Goo Car Information" (Mobile)



**Point**

Since July, the target of sales promotion expenses was shifted from mobile to PCs.

# Consolidated Balance Sheets



(Unit: million yen)

	FY March 2010 (As of Mar. 31, 2010)		FY March 2011 (As of Sep. 30, 2010)		Increase/Decrease (B) - (A)
	(A)	Composition ratio	(B)	Composition ratio	
Current Assets	14,184	58.6%	15,561	58.9%	① 1,377
Fixed Assets	10,038	41.4%	10,873	41.1%	② 834
Current Liabilities	5,862	24.2%	6,335	24.0%	③ 473
Long-term Liabilities	659	2.7%	839	3.2%	④ 179
Net Assets	17,700	73.1%	19,258	72.9%	⑤ 1,558
Total Assets	24,223	-	26,434	-	2,211

**Point ① Increase of Current Assets (March 2010 period, 1,377 million yen increase from previous period)**

There was an increase of 1,377 million yen as compared with the end of the previous consolidated fiscal year, as we paid for acquiring shares to reorganize BikeBros.Inc. into a subsidiary and succeeding the business of Mj and accrued income tax, etc., but operating cash flow exceeded the payment amount, and cash on hand and in banks increased.

**Point ② Increase of Fixed Assets (March 2010 period, 834 million yen increase from previous period)**

There was an increase of 834 million yen as compared with the end of the previous consolidated fiscal year, as the goodwill for reorganizing BikeBros.Inc. into a subsidiary and succeeding the business of Mj was taken into account.

**Point ③ Increase of Current Liabilities (March 2010 period, 473 million yen increase from previous period)**

There was an increase of 473 million yen as compared with the end of the previous consolidated fiscal year, mainly because of (1) the increase in debts due to business expansion, (2) the increase in accrued income tax, etc. due to the increase in tax, and (3) the increase in current portion of borrowings to be repaid in a year as BikeBros.Inc. became a subsidiary.

**Point ④ Increase of Fixed Liabilities (March 2010 period, 179million yen increase from previous period)**

There was an increase of 179 million yen as compared with the end of the previous consolidated fiscal year, mainly because long-term borrowings augmented as BikeBros.Inc. became a subsidiary.

**Point ⑤ Increase of Net Assets (March 2010 period, 1,558 million yen increase from previous period)**

There was an increase of 1,558 million yen as compared with the end of the previous consolidated fiscal year, because retained earnings increased as quarterly net income was recorded, although 366 million yen was paid as dividends.

# Consolidated Statements of Cash Flows



(Unit: million yen)

	Apr.-Sep. 2009	Apr.-Sep. 2010	Increase/Decrease	(Reference) FY Mar. 2010
Cash Flows from Operating Activities	1,892	① 1,997	105	4,005
Cash Flows from Investing Activities	(1,000)	② (1,042)	(42)	(1,141)
Cash Flows from Financing Activities	(366)	③ (387)	(20)	(773)
Cash and Cash Equivalents at End of Term	9,646	11,773	2,126	11,207
Capital Expenditure (tangible/intangible fixed assets)	48	475	426	320
Depreciation (Including amortization of goodwill)	151	264	112	347

## Point ① Cash Flows from Operating Activities

Despite an expenses of 1,432 million yen for final payments of income tax accrued in the previous fiscal year, 3,305 million yen of quarterly net income before taxes was recorded. Consequently, revenue totaled 1,997 million yen.

## Point ② Cash Flows from Investing Activities

The total expenses came to 1,042 million yen, due mainly to expenses of 621 million yen for acquiring shares for reorganizing BikeBros.Inc. into a subsidiary and 380 million yen was paid for succeeding Mj business.

## Point ③ Cash Flows from Financing Activities

The total expenses came to 387 million yen, due mainly to expenses of 366 million yen for the dividends for the end of the previous fiscal year.

## Earnings Forecast for the Fiscal Year Ending in March 2011

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# Consolidated Earnings Forecast for the Fiscal Year Ending in March 2011



## ■ Considering the Performance for the First Half, the Full-year Earnings Forecast Has Been Revised Upwardly

(Unit: million yen)

	FY March 2010		FY March 2011				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	25,682	100.0%	30,100	100.0%	29,765	100.0%	4,083	115.9%	(334)	98.9%
Cost of Sales	10,273	40.0%	11,999	39.9%	11,806	39.7%	1,533	114.9%	(193)	98.4%
Gross Profit	15,409	60.0%	18,100	60.1%	17,959	60.3%	2,550	116.6%	(140)	99.2%
SG&A Expenses	9,310	36.3%	11,380	37.8%	11,002	37.0%	1,691	118.2%	(378)	96.7%
Operating Income	6,098	23.7%	6,720	22.3%	6,957	23.4%	858	114.1%	237	103.5%
Ordinary Income	6,165	24.0%	6,782	22.5%	7,028	23.6%	862	114.0%	245	103.6%
Net Income	3,529	13.7%	3,886	12.9%	4,056	13.6%	526	114.9%	170	104.4%

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

\* As for the earnings forecast for the second half of the term ending Mar. 2011, there have been no revisions since the forecast released on May 12, 2010.

# Earnings Forecast by Segment for the Fiscal Year Ending in March 2011



## Net sales

(Unit: million yen)

	FY March 2010		FY March 2011				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)	%
Automobile-related	22,858	89.0%	26,032	86.5%	25,964	87.2%	3,106	113.6%	(68)	99.7%
Info Registration Fee	19,039	74.1%	20,389	67.7%	20,187	67.8%	1,148	106.0%	(201)	99.0%
Info Service Fee	3,818	14.9%	5,642	18.7%	5,776	19.4%	1,957	151.3%	133	102.4%
Lifestyle-related	2,286	8.9%	3,339	11.1%	3,121	10.5%	835	136.5%	(218)	93.5%
Real Estate	205	0.8%	199	0.7%	194	0.7%	(11)	94.5%	(4)	97.7%
Others	332	1.3%	528	1.8%	485	1.6%	153	146.1%	(43)	91.8%
Total	25,682	100.0%	30,100	100.0%	29,765	100.0%	4,083	115.9%	(334)	98.9%

1) Info Registration Fee: Cost for advertisements in information magazines and the net media, etc.

2) Info Service Fee: Cost for selling information magazines and providing contents, etc.

## Operating Income

(Unit: million yen)

	FY March 2010		FY March 2011				YoY change		Initial plan change	
	Results (A)	Profit margin	Initial plan (B)	Profit margin	Revision plan (C)	Profit margin	(C) - (A)	%	(C) - (B)	%
Automobile-related	7,590	33.2%	7,673	29.5%	7,877	30.3%	286	103.8%	203	102.6%
Lifestyle-related	162	7.1%	504	15.1%	508	16.3%	345	312.4%	3	100.8%
Real Estate	105	51.4%	95	48.0%	105	54.4%	(0)	100.0%	10	110.7%
Others	(35)	-	10	2.0%	(31)	-	3	-	(42)	-
Management Division	(1,725)	-	(1,565)	-	(1,502)	-	222	-	62	-
Total	6,098	23.7%	6,720	22.3%	6,957	23.4%	858	114.1%	237	103.5%

# Consolidated Quarterly Earnings Forecast for the Fiscal Year Ending in March 2011



(Unit: million yen)

	FY March 2009 (Result)					FY March 2010 (Result)					FY March 2011(Forecast)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	5,797	5,971	5,908	5,980	23,657	6,019	6,300	6,615	6,746	25,682	7,050	7,075	7,766	7,873	29,765
Cost of Sales	2,192	2,265	2,272	2,333	9,064	2,315	2,506	2,754	2,696	10,273	2,733	2,884	3,032	3,155	11,806
Gross Profit	3,604	3,705	3,635	3,647	14,592	3,704	3,793	3,861	4,049	15,409	4,317	4,190	4,733	4,718	17,959
SG&A Expenses	2,103	2,154	2,217	2,732	9,208	2,225	2,168	2,277	2,639	9,310	2,559	2,592	2,827	3,023	11,002
Operating Income	1,501	1,550	1,417	914	5,384	1,479	1,624	1,584	1,410	6,098	1,758	1,598	1,906	1,694	6,957
Ordinary Income	1,516	1,544	1,433	905	5,400	1,502	1,632	1,604	1,425	6,165	1,782	1,610	1,922	1,712	7,028
Net Income	906	929	875	476	3,187	892	959	889	787	3,529	1,051	891	1,113	999	4,056

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

	FY March 2009 (Result)					FY March 2010 (Result)					FY March 2011(Forecast)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	5,797	5,971	5,908	5,980	23,657	6,019	6,300	6,615	6,746	25,682	7,050	7,075	7,766	7,873	29,765
Automobile-related	5,455	5,574	5,422	5,437	21,889	5,480	5,638	5,824	5,914	22,858	6,314	6,276	6,692	6,680	25,964
Info Registraion Fee	4,686	4,875	4,633	4,676	18,872	4,660	4,796	4,651	4,931	19,039	5,000	4,863	5,179	5,144	20,187
Info Service Fee	769	698	788	761	3,017	819	841	1,173	983	3,818	1,314	1,412	1,513	1,536	5,776
Lifestyle-related	247	296	364	436	1,345	414	529	658	683	2,286	599	644	878	998	3,121
Real Estate	43	50	50	49	194	51	51	52	50	205	48	46	49	50	194
Others	49	49	70	57	227	73	80	80	98	332	87	108	144	144	485
Operating Income	1,501	1,550	1,417	914	5,384	1,479	1,624	1,584	1,410	6,098	1,758	1,598	1,906	1,694	6,957
Automobile-related	1,909	1,950	1,829	1,344	7,034	1,892	1,991	1,940	1,766	7,590	2,049	1,869	2,110	1,846	7,877
Lifestyle-related	4	24	16	16	62	3	52	48	58	162	69	79	140	218	508
Real Estate	13	12	27	17	70	26	26	28	25	105	29	26	24	25	105
Others	(20)	(39)	(19)	(1)	(80)	10	(20)	(22)	(2)	(35)	(27)	(26)	12	10	(31)
Management Division	(404)	(397)	(436)	(462)	(1,701)	(453)	(424)	(409)	(437)	(1,725)	(363)	(351)	(381)	(405)	(1,502)



## Future Activities (Topics)

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■ We will advance our business with three numerical targets, while focusing on “expansion of business scale” and “profitability”

## Growth of Net Sales

### Net Sales

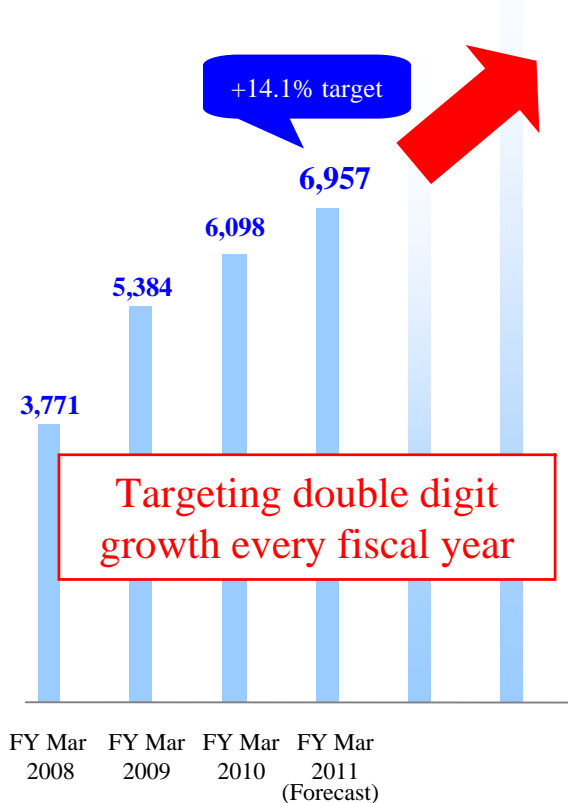
(Unit: million yen)



## Growth of Operating Income

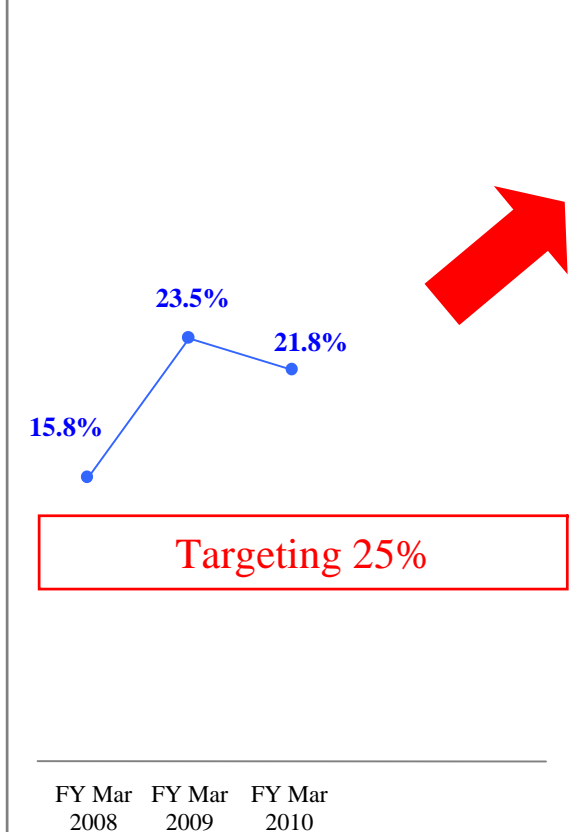
### Operating Income

(Unit: million yen)



## Profitability/Investment Efficiency

### ROE



### ■ Automobile-related Information Business

- 1) Expansion of the Business Partners of Goo Series – Expansion of share (coverage rate) of existing area  
Expansion of area where Goo is published
- 2) Construction of “Integrated platform for the Automobile-related Industry” – Promotion of the “Sales Assistant (SA)”  
which is background system for Goo-net
- 3) Response to the next generation media – Future issues: Review of the advertisement fee system
- 4) Selection of a car with safe/reliable feeling – Expansion of the “Goo-approved Cars”
- 5) Strengthening the motorbike market – Demonstration of synergy with Bike Bros. Inc.
- 6) Establishment of our presence in the auto aftermarket industry
- 7) Development of businesses abroad – Establishment of used cars export support business
- 8) Development of comprehensive assistance in management for new car dealers

### ■ Lifestyle-related Information Business: Strengthening of emphasized fields

- 1) Business expansion in the medical, nursing, and welfare field  
Help-wanted ads: To increase the variety of jobs (“Yakuzaishi Kyujin Agent”, agency for seeking pharmacists, start)  
Introduction of facilities, etc.: To enrich management assistance services
- 2) Business expansion in the reuse field

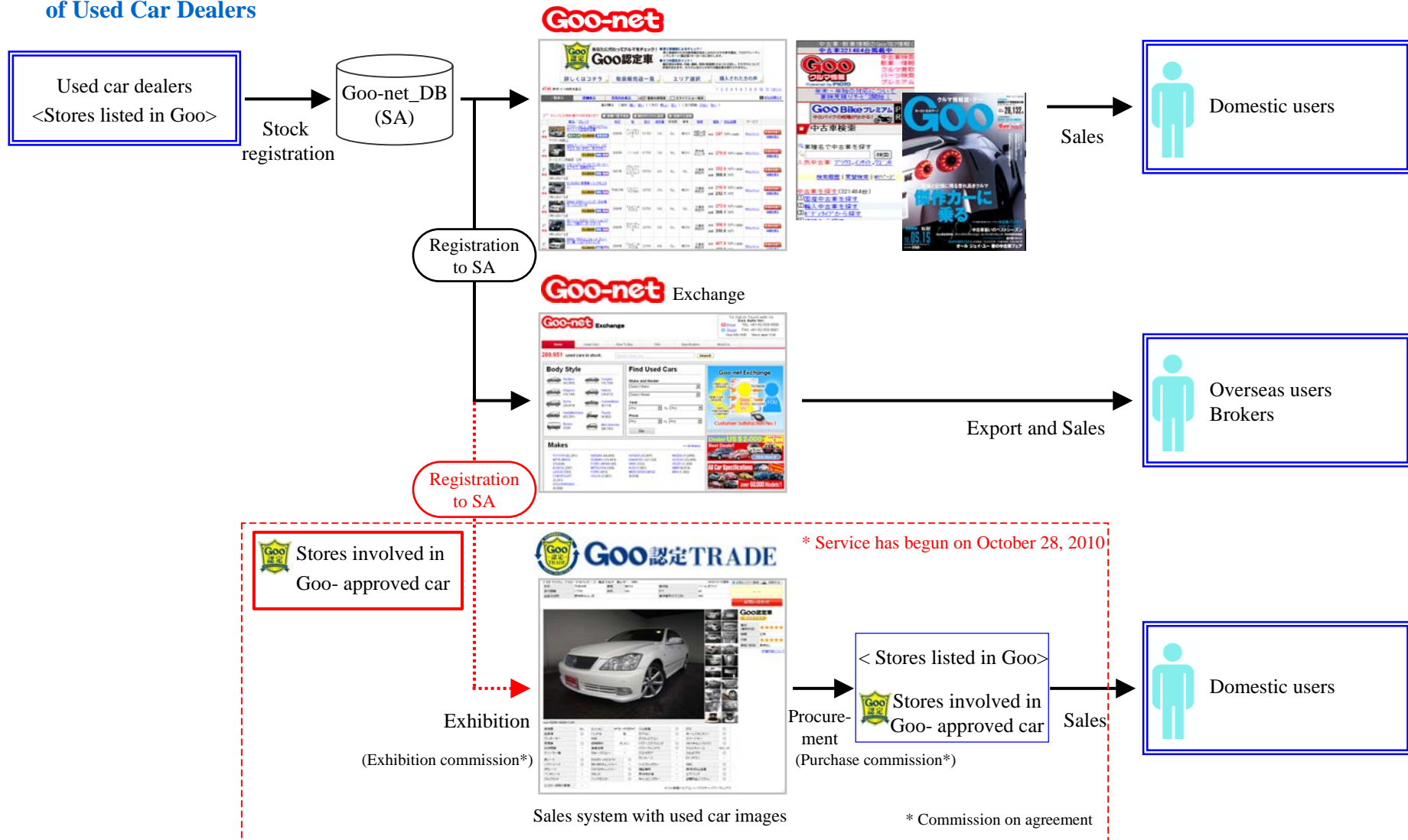
### ■ Other Business

- 1) Strengthening and expansion of BPO business

# Topics (1) Sales System with Used Car Images: Goo-approved Car Trade



■ By Promoting the Diffusion of “Goo- approved Car Trade,” We Aim to Maximize the Inventory Turnover and Sales Opportunities of Used Car Dealers



\* “Goo- approved car Trade” assists used car dealers in procuring and selling automobiles.

### ■ Inauguration of “Goo Books,” Japan’s First Electronic Book for Assisting Readers in Buying Cars --- Aimed at Maximizing the Contact with Users



#### [Main functions and services]

- Articles are distributed every Wednesday
- Articles can be viewed with either iPad or iPhone.
- The provision of articles summarizing the know-how to purchase automobiles in an understandable manner
- Both applications and articles are charge-free (communication fees charged separately)
- It is linked seamlessly with other websites, including “Goo-net,” Japan’s largest used car information website.
- Various useful functions, including bookshelf and bookmark functions.

### ■ We Will Enrich the Contents of Lifestyle-related Information

## Appendix

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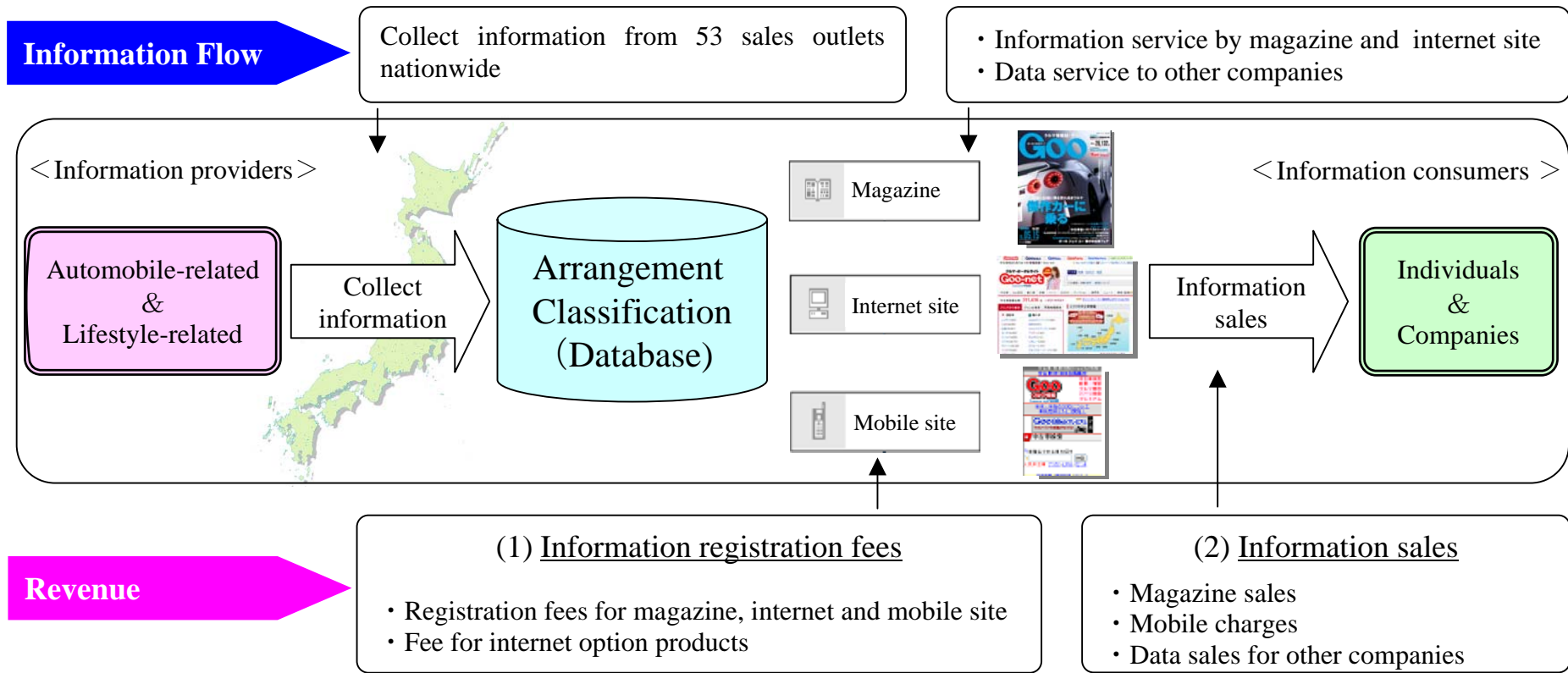
# Corporate Profile



Corporate Name	PROTO CORPORATION
Founded	Oct. 1, 1977
Established	Jun. 1, 1979
Common Stock	¥1,824,620 thousand (as of March 31, 2010)
Shares Outstanding	10,470,000 (as of March 31, 2010)
Head Offices	1-23-14, Aoi, Naka-ku, Nagoya 460-0006, Japan 2-22-2, Hongo, Bunkyo-ku, Tokyo 113-0033, Japan
Branch Offices	Sapporo, Sendai, Kita-Kanto, Tokyo, Nagano, Hamamatsu, Nagoya, Hokuriku, Osaka, Hiroshima, Fukuoka, Kumamoto (53 Sales Outlets Nationwide/2 Head Offices, 12 Branch Offices, 39 Sales Offices)
Fiscal Year-end	March 31
Number of Employees	Consolidated : 911 (as of September 30, 2010) (Parent : 646)
Stock Exchange Listing	JASDAQ (listed on September 12, 2001)
Subsidiary	1.REPAIR-TECH INC. (Full subsidiary since October, 2002) 2.MARS FLAG Corporation (47.06% subsidiary since July, 2004) 3.PROTO DATA CENTER (Full subsidiary, established in April, 2007) 4.Goo Auto Inc. (Full subsidiary, established in January, 2009) 5.SYSTEM-ONE Corporation (Full subsidiary since October, 2009) 6.Medical CUBIC CO., LTD (Full subsidiary since October, 2009) 7.Bike Bros. Inc. (Full subsidiary since April, 2010) 8.PROTO (SHANGHAI) ADVERTISING CO., LTD (Full subsidiary, established in September, 2004) 9.PROTO (SHANGHAI) BROKERAGE CO., LTD (Full subsidiary, established in September, 2008)



Our magazine was first issued in 1977.



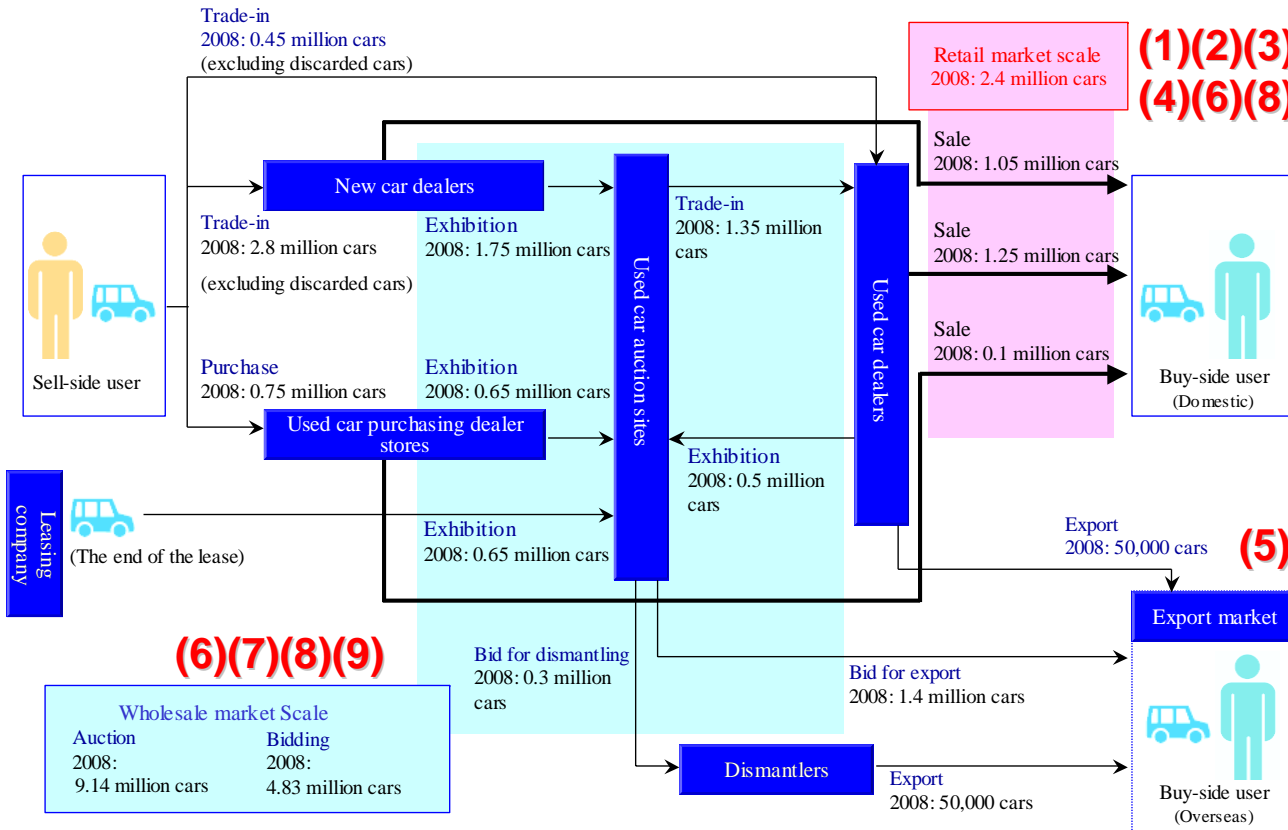
The diagram above graphically illustrates the components of PROTO's business process. First, we collect automobile- and lifestyle-related information from information providers. Then, we arrange and classify this information. Finally, we provide this information to consumers via information magazines and Internet sites.

PROTO has two revenue sources: (1) Information registration fees, and (2) Information sales. Information providers pay registration fees for their information to appear in magazines and on Internet sites. We earn revenue by posting this information in magazines and on Internet sites.



## “Comprehensive Assistance in Management” of Used Car Dealers

<Main products in the distribution process of used cars>



\*The number of procured cars in the wholesale market and used car dealers exclude the number of cars for inventory replacement.

Source: “Results of the survey regarding the used car distribution market in 2009 (released on Nov. 4, 2009)” and “Comprehensive list of used cars in 2007” produced by Yano Research Institute Ltd.

### <Assistance in Sale>

#### (1) Goo Series

Information on used cars  
(information magazines, PCs, mobile phones)

#### (2) Goo-approved Cars

Addition of the information on the appraisal by the third-party institution (JAAA: Japan Automobile Appraisal Association)  
\*Car appraisal contents will be diverted into the appraisal information from FY Mar. 2011 (Business collaboration)

#### (3) Goo Raku

It is possible to sell Goo approved cars with the used-car fixed amount credit.  
(The credit company: Hitachi Capital Corporation)

#### (4) Goo Warranty

A repair warranty service for used cars

#### (5) Goo-net Exchange

Assistance in the export of used cars  
Cultivation of new sales channels for used car dealers in Japan

### <Assistance in Procurement>

#### (7) Goo-net Auction

CtoB purchase service for used car dealers

#### (8) DataLine, Auction Information Weekly and basic price data for automobile manufacturers

Information on successful bids of auctions and retail prices

#### (9) e-satei

System for calculating assessed prices for companies

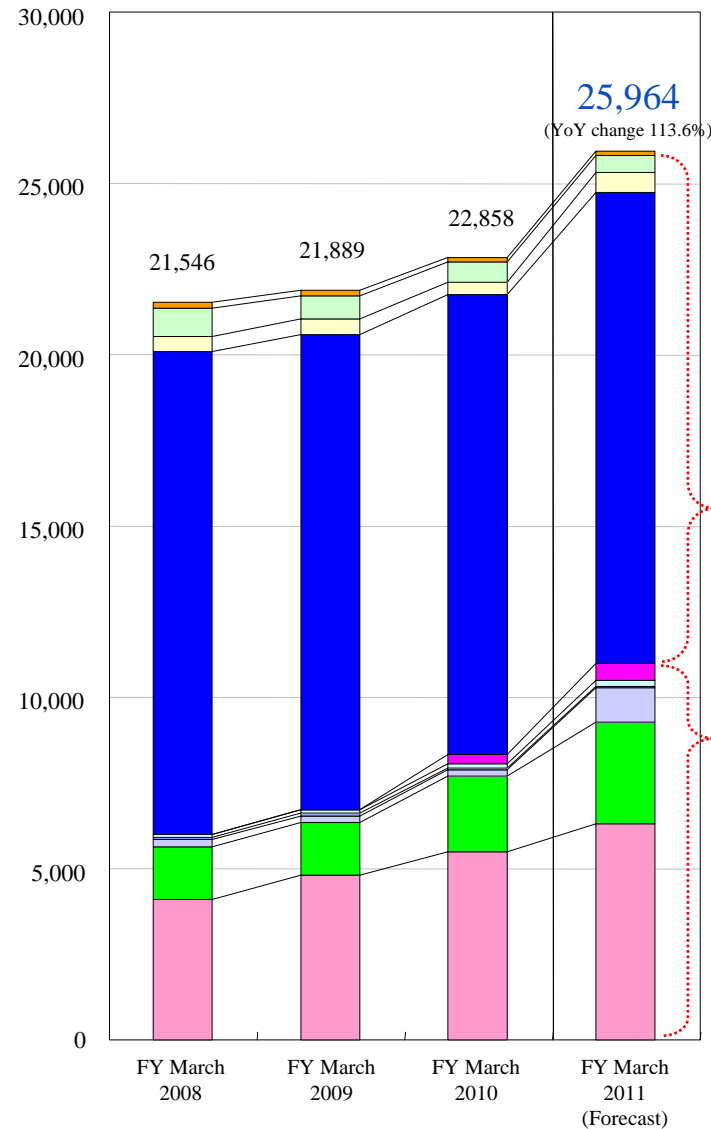
#### (6) GCS (Goo Navi Customer Service)

- Production of quotes, POP, and DM
- Client and customer management
- Automatic quote reply

# Reference: Changes in Automobile-related Sales by Product Classification



(Unit: million yen)



### <Magazine>



### <Internet site>



### <Mobile site>



### <Magazine business>

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

### <IT business>

- BtoB automobile sale (Service of supporting the export of used cars of Goo Auto Inc.)
- Mobile charges (e.g. Goo Car Info)
- EC(to B)
- EC(to C)
- BtoB fee for data provision (Goo-approved Cars, Goo Warranty, Data Line, quotation system of REPAIR-TECH INC.)
- Internet option products, such as Goo-net (quotation agency service, QE, GCS, etc.)

\* 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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