

**Financial Results for the Six Months Ended September 2018
(April 1,2018 to September 30,2018)**

PROTO CORPORATION
October 31, 2018



Financial Data (Consolidated)

Shares outstanding (million)	20.9
Market capitalization (¥ billion, September 2018)	33.5
DPS (¥, FY March 2019, Forecast)	50.0
EPS (¥, FY March 2019, Forecast)	148.49
BPS (¥, FY March 2018)	1,293.62
ROE (% , FY March 2018, Net income basis)	2.0
ROA (% , FY March 2018, Ordinary income basis)	8.7
Equity ratio (% , March 2018)	58.5
Potential share dilution (million)	-
Foreign ownership (% , September 2018)	29.97

Major Shareholders

	(Thousands)
1) Mugen Corporation	6,807 (32.50%)
2) JPLLC CLIENT SAFEKEEPING ACCOUNT	1,323 (6.31%)
3) The Master Trust Bank of Japan, Ltd. (Trust Account)	989 (4.72%)
4) PROTO CORPORATION	881 (4.20%)
5) BNYM NON-TREATY DTT	692 (3.30%)
6) JP MORGAN CHASE BANK 385632	568 (2.71%)
7) CLEARSTREAM BANKING S.A	522 (2.49%)
8) Hiroichi Yokoyama	440 (2.10%)
9) Yoshihiro Yokoyama	377 (1.80%)
10) Takemi Masuda	313 (1.49%)

(As of September 30, 2018)

Q2/FY March 2019: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	Q2/FY March 2018		Q2/FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Net Sales	29,386	100.0%	29,513	100.0%	30,591	100.0%
Gross Profit	11,336	38.6%	11,743	39.8%	11,635	38.0%
EBITDA	2,668	9.1%	2,444	8.3%	2,914	9.5%
Operating Income	1,795	6.1%	1,735	5.9%	2,218	7.3%
Ordinary Income	1,950	6.6%	1,747	5.9%	2,422	7.9%
Net Income	857	2.9%	1,108	3.8%	1,515	5.0%
Net Income per Share(Yen)	42.76	-	55.24	-	75.57	-

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
1,204	104.1%	1,078	103.7%
298	102.6%	(107)	99.1%
246	109.2%	469	119.2%
422	123.5%	483	127.9%
472	124.2%	675	138.7%
658	176.7%	407	136.8%
32.81	176.7%	20.33	136.8%

※The forecast for the term ended Mar. 2019 were announced on May 11, 2018. (The same)

※EBITDA was calculated with the equation: operating income + depreciation + amortization of goodwill

[unit: million yen]	Q2/FY March 2018		Q2/FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
SG&A Expenses	9,540	32.5%	10,008	33.9%	9,416	30.8%
Employment Cost	4,014	13.7%	4,238	14.4%	3,951	12.9%
Advertising Cost	2,068	7.0%	2,127	7.2%	2,104	6.9%
Other Expenses	3,457	11.8%	3,642	12.3%	3,361	11.0%

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(123)	98.7%	(591)	94.1%
(63)	98.4%	(286)	93.2%
35	101.7%	(22)	98.9%
(95)	97.2%	(281)	92.3%

Net Sales

Sales grew, mainly due to the healthy performance of information and services (such as DataLine SalesGuide) and the sales of goods (such as the export of used cars).

Operating Income

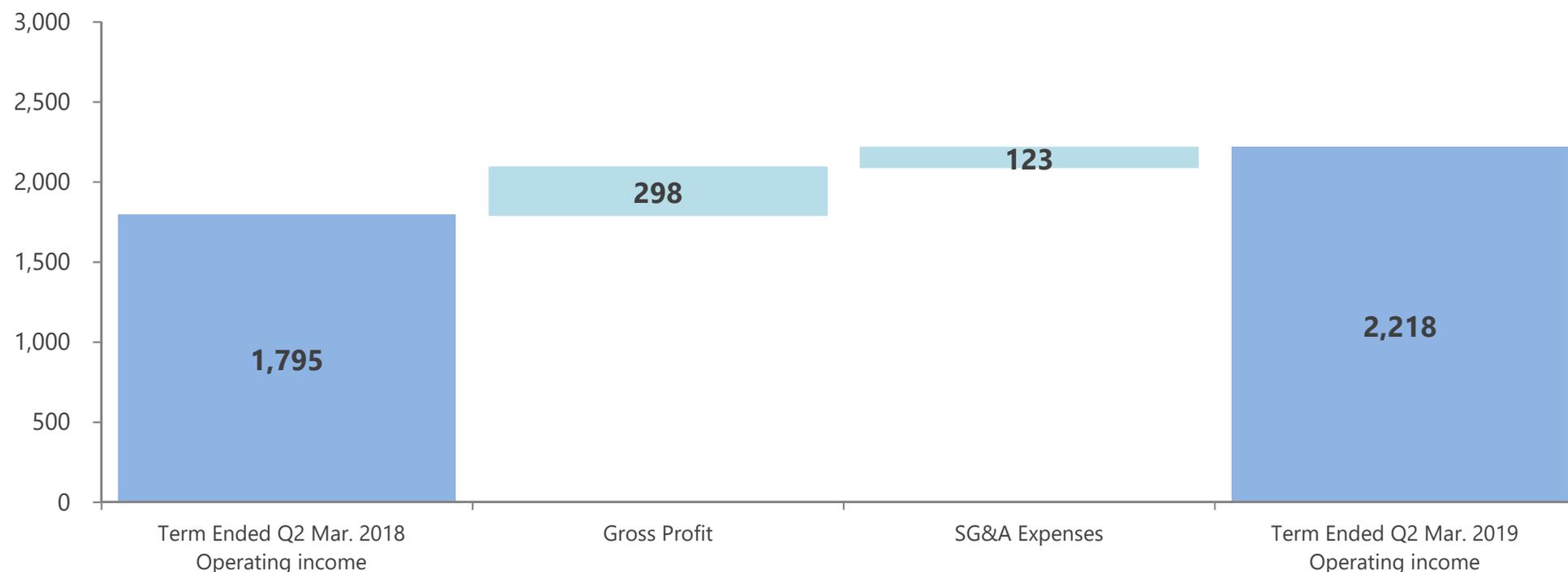
Profits increased, mainly due to cost reduction efforts from the business restructuring of PROTO CORPORATION and group companies.

Q2/FY March 2019: Operating Results (2)

■ Operating Income – Analysis of Primary Factors for Increase and Decrease

(Unit: million yen)

Primary Gross Profit Factors		Primary SG&A Factors		Operating Income Increase and Decrease	
	+298		+123		+422
PROTO CORPORATION	+607	PROTO CORPORATION	(230)	PROTO CORPORATION	+376
Kings Auto	+34	Kings Auto	+41	Kings Auto	+75
AUTOWAY	+6	AUTOWAY	(153)	AUTOWAY	(146)
PROTO-RIOS	(39)	PROTO-RIOS	+140	PROTO-RIOS	+100
TIRE WORLD KAN BEST	(172)	TIRE WORLD KAN BEST	+125	TIRE WORLD KAN BEST	(47)
		Amortization of Goodwill	+95	Amortization of Goodwill	+95
<p>Mainly the increase in the revenue and the improvement of the profitability of PROTO CORPORATION contributed to an increase in profits.</p>		<p>Mainly the curtailment of SG&A of PROTO-RIOS, etc. contributed to an increase in profits.</p>		<p>Mainly the increase in the revenue and the improvement of the profitability of PROTO CORPORATION contributed to an increase in profits.</p>	



Q2/FY March 2019: Operating Results by Segment(1)

Net Sales [unit: million yen]	Q2/FY March 2018		Q2/FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Automobile-related	26,430	89.9%	26,430	89.6%	27,556	90.1%
Ad-related	10,661	36.3%	10,655	36.1%	10,512	34.4%
Information and services	2,462	8.4%	2,303	7.8%	2,441	8.0%
Sales of goods	13,306	45.3%	13,471	45.6%	14,602	47.7%
Lifestyle-related	2,215	7.5%	2,220	7.5%	2,189	7.2%
Real Estate	102	0.3%	96	0.3%	97	0.3%
Other Business	638	2.2%	765	2.6%	748	2.4%
Total	29,386	100.0%	29,513	100.0%	30,591	100.0%

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
1,126	104.3%	1,125	104.3%
(148)	98.6%	(142)	98.7%
(21)	99.1%	137	106.0%
1,295	109.7%	1,130	108.4%
(26)	98.8%	(31)	98.6%
(4)	95.3%	1	101.6%
109	117.1%	(16)	97.8%
1,204	104.1%	1,078	103.7%

Operating Income [unit: million yen]	Q2/FY March 2018		Q2/FY March 2019			
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin
Automobile-related	2,417	9.1%	2,450	9.3%	2,762	10.0%
Lifestyle-related	228	10.3%	65	3.0%	165	7.6%
Real Estate	87	85.6%	84	87.6%	97	99.3%
Other Business	(64)	-	1	0.2%	23	3.2%
Management Division	(873)	-	(867)	-	(831)	-
Total	1,795	6.1%	1,735	5.9%	2,218	7.3%

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
345	114.3%	312	112.7%
(62)	72.6%	99	251.7%
9	110.6%	12	115.1%
88	-	21	1,458.9%
41	-	36	-
422	123.5%	483	127.9%

Automobile-related information

Sales and profit grew: Profit increased, as the export sales of used cars, the sales of DataLine SalesGuide, etc. grew, the cost for information magazines was reduced, and so on.

Ad-related

Sales dropped, mainly because of the decline in sales of books, flyers, etc. On the other hand, the sales from MOTOR GATE usage fees, GooPit, etc. increased.

Information and services

Sales diminished, mainly because of the decrease in sales of systems of PROTO-RIOS. On the other hand, the sales of DataLine SalesGuide grew.

Sales of goods

Sales grew, mainly because of the healthy export of used cars by Kings Auto.

Lifestyle-related information

Sales and profit declined.: Profit dropped, due to the enhancement of sales promotion in the fields of nursing care, medicine, and welfare, etc.

Q2/FY March 2019: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2018		As of September 30, 2018		Increase/Decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	27,675	62.3%	27,768	62.0%	93	100.3%
Fixed Assets	16,718	37.7%	17,006	38.0%	287	101.7%
Current Liabilities	16,143	36.4%	15,737	35.1%	(406)	97.5%
Long-term Liabilities	2,272	5.1%	2,068	4.6%	(204)	91.0%
Net Assets	25,977	58.5%	26,968	60.2%	991	103.8%
Total Assets	44,393	100.0%	44,774	100.0%	380	100.9%

[unit: million yen]	As of March 31, 2018		As of September 30, 2018		Increase/Decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	16,120	36.3%	15,397	34.4%	(723)	95.5%
Interest-bearing debt	8,590	19.4%	7,119	15.9%	(1,471)	82.9%
Net cash	7,530	17.0%	8,278	18.5%	748	109.9%

Current Assets

The main factor for increase was inventory assets growing by 1,356 million yen.

Fixed Assets

The main factor for increase was tangible fixed assets (other) growing 390 million yen, due to the investment in tire-related facilities.

Current Liabilities

The main factor for decreasing was short-term debts dropping by 1,231 million yen (including current portion of long-term debts).

Long-term Liabilities

The main factor for decreasing was long-term debts dropping by 239 million yen.

Q2/FY March 2019: Consolidated Statements of Cash Flows

[unit: million yen]	Q2/FY2018 March	Q2/FY2019 March	YoY
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	1,645	2,053	407
Cash Flows from Investing Activities	(334)	(783)	(448)
Cash Flows from Financing Activities	2,223	(2,001)	(4,225)
Cash and Cash Equivalents at End of Term	15,916	15,006	(910)

[unit: million yen]	Q2/FY2018 March	Q2/FY2019 March	YoY
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	424	924	499
Depreciation (Tangible/intangible fixed assets)	556	474	(81)
Amortization of Goodwill	315	220	(95)

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

Cash Flows from Operating Activities

There was an income of 2,053 million yen, mainly due to net income before taxes and other adjustments at 2,430 million yen, depreciation free from spending, goodwill amortization and impairment loss adding up to 695 million yen.

Cash Flows from Investing Activities

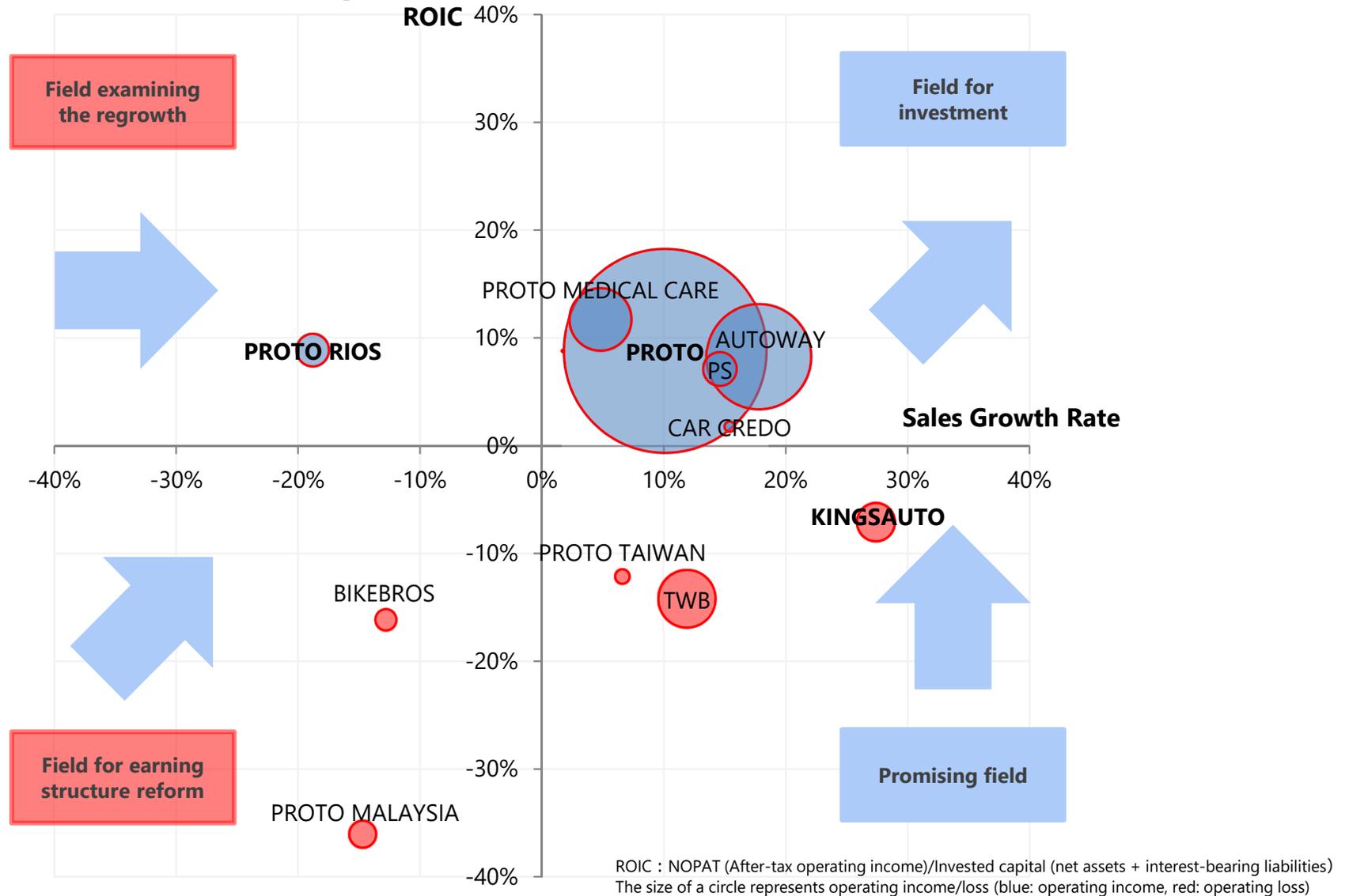
There was an expenditure of 783 million yen, mainly due to 843 million yen being used for the acquisition of fixed assets.

Cash Flows from Financing Activities

There was an expenditure of 2,001 million yen mainly due to a repayment of debts of 1,471 million yen and a payment of dividends of 501 million yen.

Progress of business restructuring for expanding revenue

Current situation of the business portfolio (as of the end of Mar. 2018)



Especially, the profitability of PROTO CORPORATION, Kings Auto, and PROTO-RIOS improved.

Progress of important items in the term ending March 2019

1. Used car domain

→ Improvement in profitability

- To increase affiliated shops of Goo-net
- To reform the cost structure
(To improve productivity by reducing the cost for paper media and utilizing CRM)

2. New car domain

→ Enhancement of growth potential

- To increase dealers that have installed DataLine SalesGuide
- To enhance the support for the business administration of new car dealers (the upgrade of DataLine SalesGuide, the strengthening of Goo-net new cars, etc.)

3. Maintenance domain

→ Enhancement of growth potential

- To increase fee-charging affiliated shops of GooPit
- To establish infrastructure for sending car users
(increase of affiliated shops for attracting customers and shops that could accept customers)

4. Domain of sale of goods

(Export of tires and used cars)

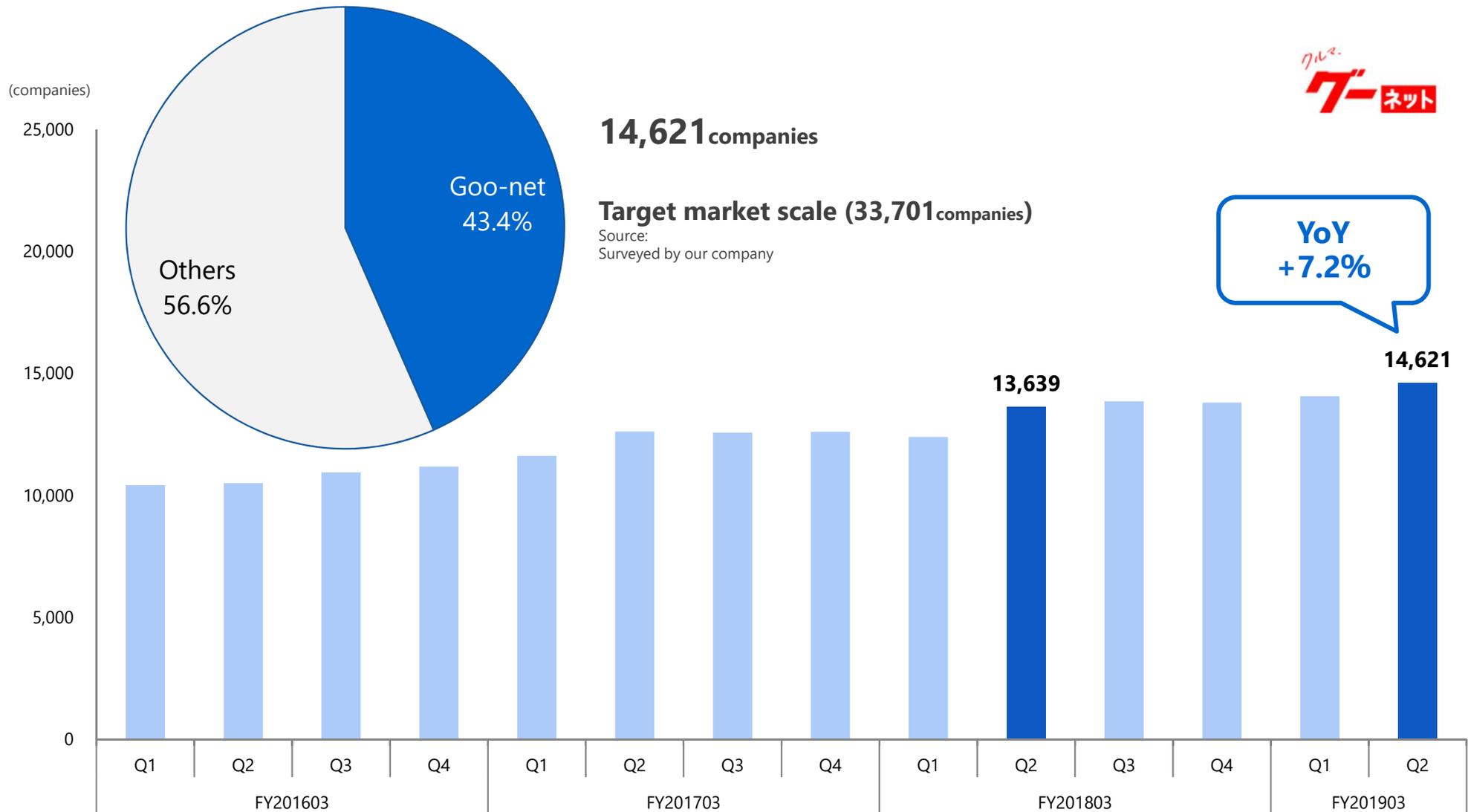
→ Improvement of profitability

- Tires: To increase sales volume with MOTOR GATE Shopping
- Export of used cars: To improve profitability by revising transaction conditions

Steady growth of each of the domains of used cars, new cars, and maintenance

KPI progress of core business: Used Cars

■ Used Cars(No. of Affiliated companies of Goo-net)

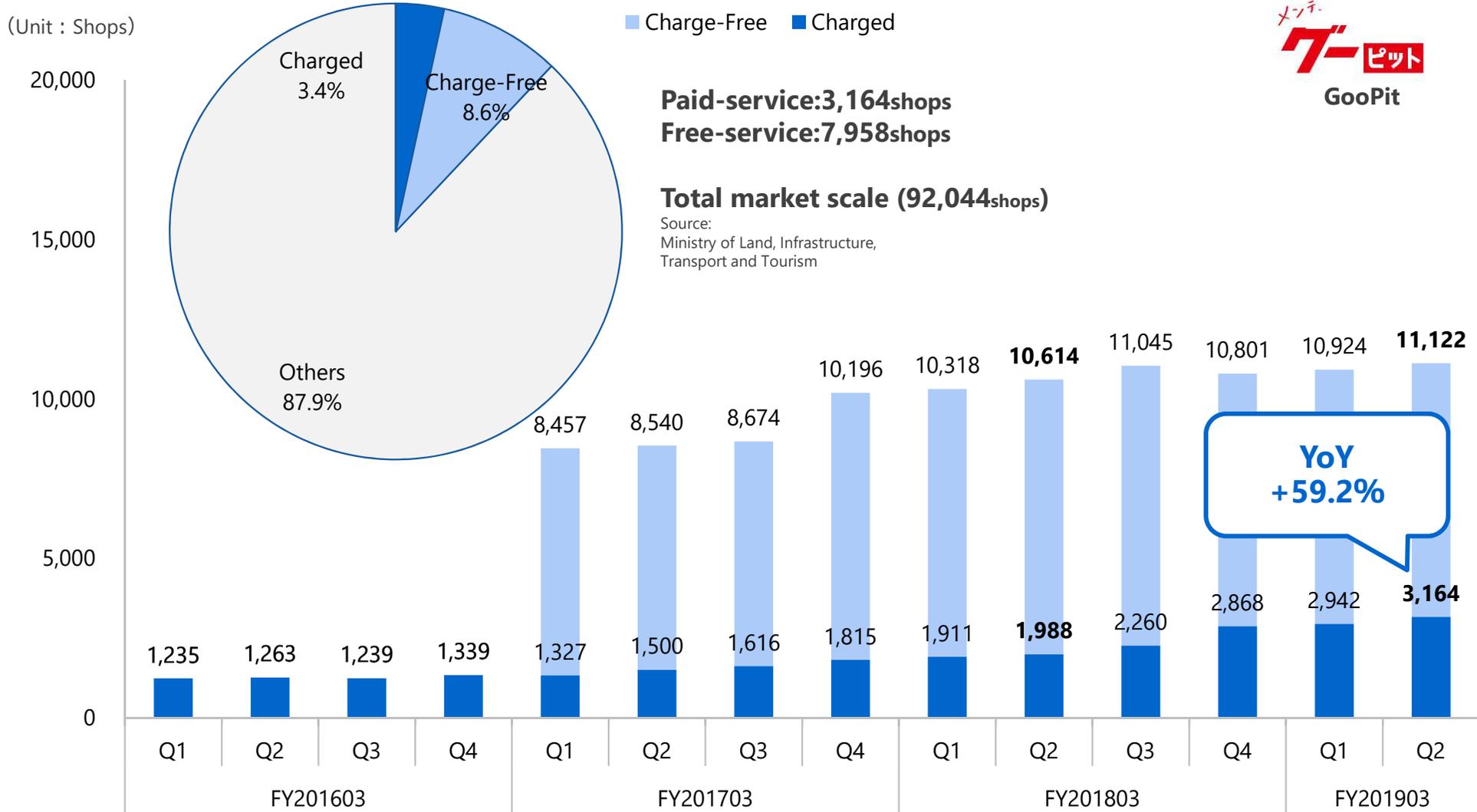


**The number of affiliated companies of Goo-net increased to 14,621.
(The active rate of MOTOR GATE shopping is 9.5%.)**

KPI progress of core business: Maintenance

Number of Affiliated shops of GooPit

(Unit : Shops)

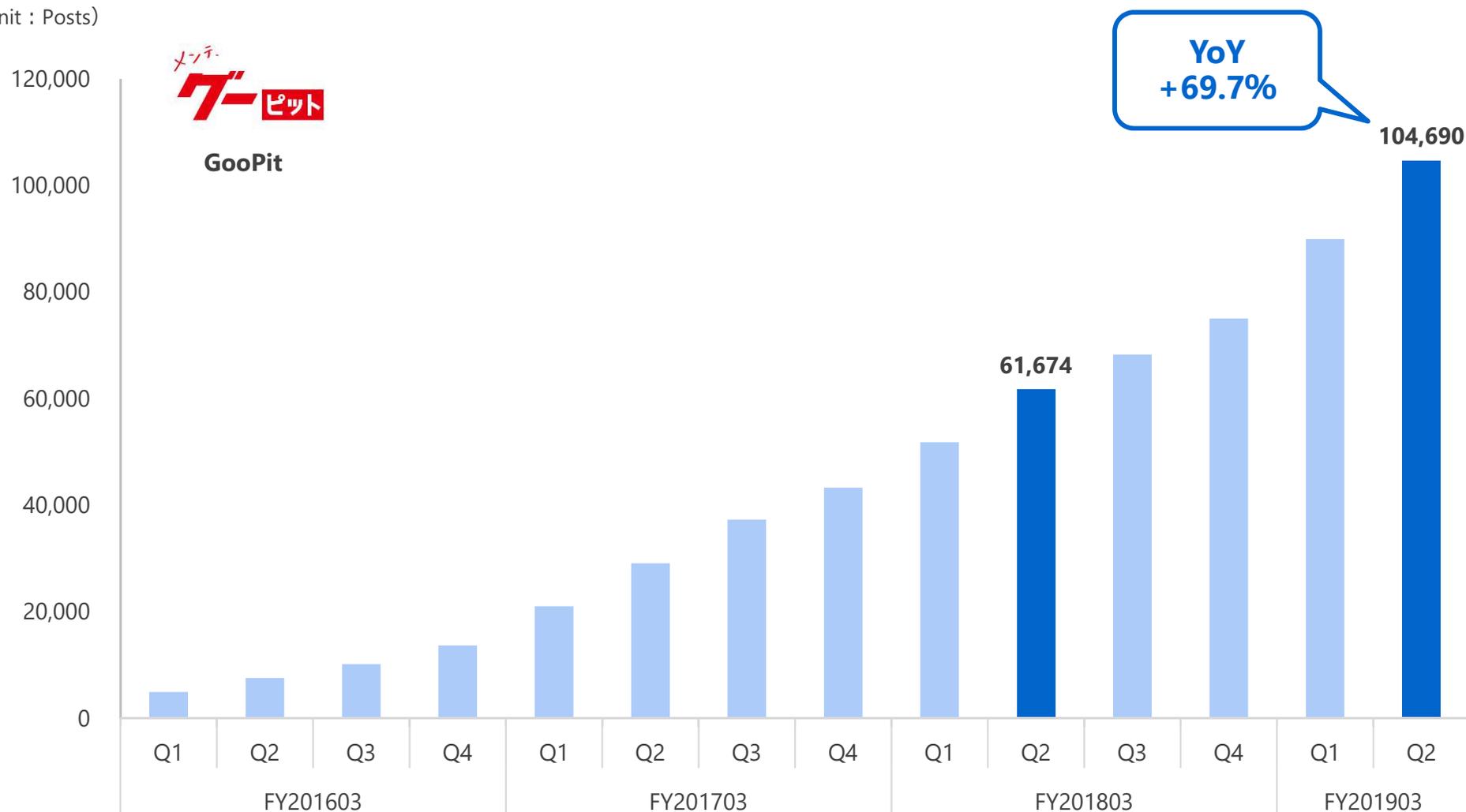


The number of affiliated shops of charged GooPit increased to 3,164. In Sep. 2018, the ad business moved into the black for monthly profit.

For reference: Enrichment of GooPit content

Cumulative number of posted work records of GooPit-affiliated maintenance shops

(Unit : Posts)



※ Cumulative number of posts about actual work at maintenance shops: Cumulative number of reviews on GooPit about actual work

Enrichment of the major content of GooPit (maintenance records)

FY March 2019: Revision to Consolidated Earnings Forecast

Consolidated Earnings Forecast for FY March 2019

Consolidated Statements of Income [unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio
Net Sales	62,111	100.0%	62,370	100.0%	62,728	100.0%
Gross Profit	23,142	37.3%	24,622	39.5%	24,165	38.5%
EBITDA	5,396	8.7%	5,500	8.8%	5,804	9.3%
Operating Income	3,674	5.9%	4,100	6.6%	4,420	7.0%
Ordinary Income	3,735	6.0%	4,125	6.6%	4,644	7.4%
Net Income	519	0.8%	2,700	4.3%	2,978	4.7%
Net Income per Share(Yen)	25.89	-	134.61	-	148.49	-

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
616	101.0%	358	100.6%
1,022	104.4%	(456)	98.1%
408	107.6%	303	105.5%
745	120.3%	320	107.8%
908	124.3%	519	112.6%
2,459	573.6%	278	110.3%
122.60	573.5%	13.88	110.3%

※ EBITDA was calculated with the equation: operating income + depreciation + amortization of goodwill

[unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio
SG&A Expenses	19,467	31.3%	20,522	32.9%	19,744	31.5%
Employment Cost	8,066	13.0%	8,515	13.7%	8,127	13.0%
Advertising Cost	4,295	6.9%	4,537	7.3%	4,500	7.2%
Other Expenses	7,106	11.4%	7,468	12.0%	7,117	11.3%

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
276	101.4%	(777)	96.2%
61	100.8%	(388)	95.4%
204	104.8%	(37)	99.2%
11	100.2%	(350)	95.3%

Major factors for revising the business plan

- Sales** Sales are estimated to grow, mainly because the results for the consolidated cumulative second quarter exceeded the estimate.
- Gross Profit** Gross profit is forecasted to decline, mainly because the estimated quantity of tires sold at TIRE WORLD KAN BEST CO., LTD. from the third quarter was revised downwardly.
- Operating income** Operating income is projected to rise, mainly because the results for the consolidated cumulative second quarter exceeded the estimate.
- Net income** Net income is estimated to increase, mainly because the results for the consolidated cumulative second quarter exceeded the estimate. On the other hand, the disaster loss of Kings Auto Co., Ltd. due to the typhoon is forecasted to be posted as extraordinary loss.

Consolidated Earnings Forecast FY March 2019(Segment)

Sales [unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio
Automobile-related	56,100	90.3%	56,010	89.8%	56,416	89.9%
Ad-related	21,618	34.8%	21,724	34.8%	21,507	34.3%
Information and services	5,053	8.1%	4,745	7.6%	4,808	7.7%
Sale of goods	29,429	47.4%	29,540	47.4%	30,100	48.0%
Lifestyle-related	4,370	7.0%	4,504	7.2%	4,473	7.1%
Real Estate	213	0.3%	193	0.3%	195	0.3%
Other Business	1,426	2.3%	1,661	2.7%	1,644	2.6%
Total	62,111	100.0%	62,370	100.0%	62,728	100.0%

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
315	100.6%	405	100.7%
(111)	99.5%	(217)	99.0%
(244)	95.2%	63	101.3%
671	102.3%	559	101.9%
102	102.3%	(31)	99.3%
(18)	91.2%	1	100.8%
217	115.3%	(16)	99.0%
616	101.0%	358	100.6%

Operating Income [unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Profit margin	Initial forecast (b)	Profit margin	Revised forecast (c)	Profit margin
Automobile-related	4,933	8.8%	5,484	9.8%	5,633	10.0%
Lifestyle-related	370	8.5%	130	2.9%	271	6.1%
Real Estate	170	79.8%	162	84.1%	176	90.3%
Other Business	(71)	-	28	1.7%	51	3.2%
Management Division	(1,728)	-	(1,706)	-	(1,712)	-
Total	3,674	5.9%	4,100	6.6%	4,420	7.0%

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
699	114.2%	148	102.7%
(99)	73.3%	141	208.4%
5	103.2%	13	108.2%
123	-	22	179.3%
16	-	(5)	-
745	120.3%	320	107.8%

Regarding profit sharing with shareholders

■ Policy for profit sharing with shareholders

We will make efforts to return profits to shareholders while comprehensively considering continuous, stable dividends, the enrichment of internal reserve for the future growth, etc. We will use the internal reserve effectively by investing in existing and new businesses, for further fortifying the management foundation and expanding the business scale.

■ Cash Dividends per Share

[unit: yen]	FY March 2016 Results	FY March 2017 Results	FY March 2018 Results	FY March 2019 Forecast
2 nd Quarter	19.00	25.00	25.00	25.00
Year-End	20.00	25.00	25.00	25.00
Annual	39.00	50.00	50.00	50.00

**No change in dividend payment
(Taking continuous and stable dividends into consideration)**

Activities in the term ending March 2019

Vision “Comprehensive support for car life”

Vision
Comprehensive support for car life

To be commenced
in the term ending
Mar. 2020

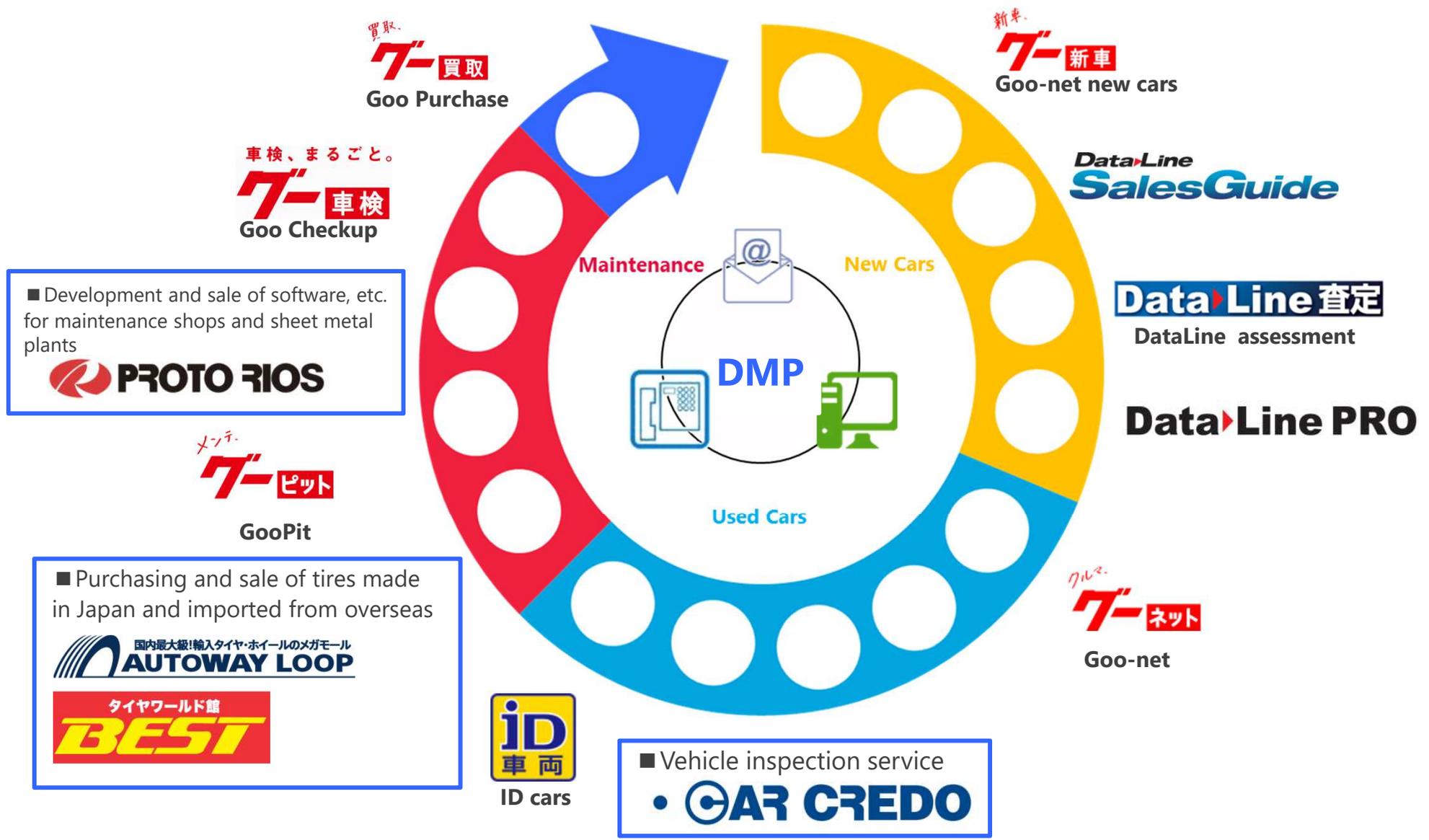
Business strategy
Creation of Goo Life Time Value
To organically combine the activities in the business domains
of new and used cars and maintenance

Term ending Mar. 2019
to
Term ended Mar. 2017

Current situation
We have increased business partners in each of the business
domains of new and used cars and maintenance, and have
been offering products and services.

To establish a sure position in each business domain

Business strategy “Creation of Goo Life Time Value”



We will actualize comprehensive support for car users by organically combining Goo-net, GooPit, and Goo-net new cars.

Future Initiatives (FY March 2019)

1. Used car domain

→ Improvement in profitability

- To increase affiliated shops of Goo-net
- To promote the upselling of MOTOR GATE calendars, etc.
- To reform the cost structure
- **To enhance targeted ads by utilizing Data Management Platform**

2. New car domain

→ Enhancement of growth potential

- To increase dealers that have installed DataLine SalesGuide
- **To enhance the support for the business administration of new car dealers (the upgrade of DataLine SalesGuide)**

3. Maintenance domain

→ Enhancement of growth potential

- To increase fee-charging affiliated shops of GooPit
- **To establish infrastructure for sending car users (increase of affiliated shops for attracting customers and shops that could accept customers)**

4. Domain of sale of goods

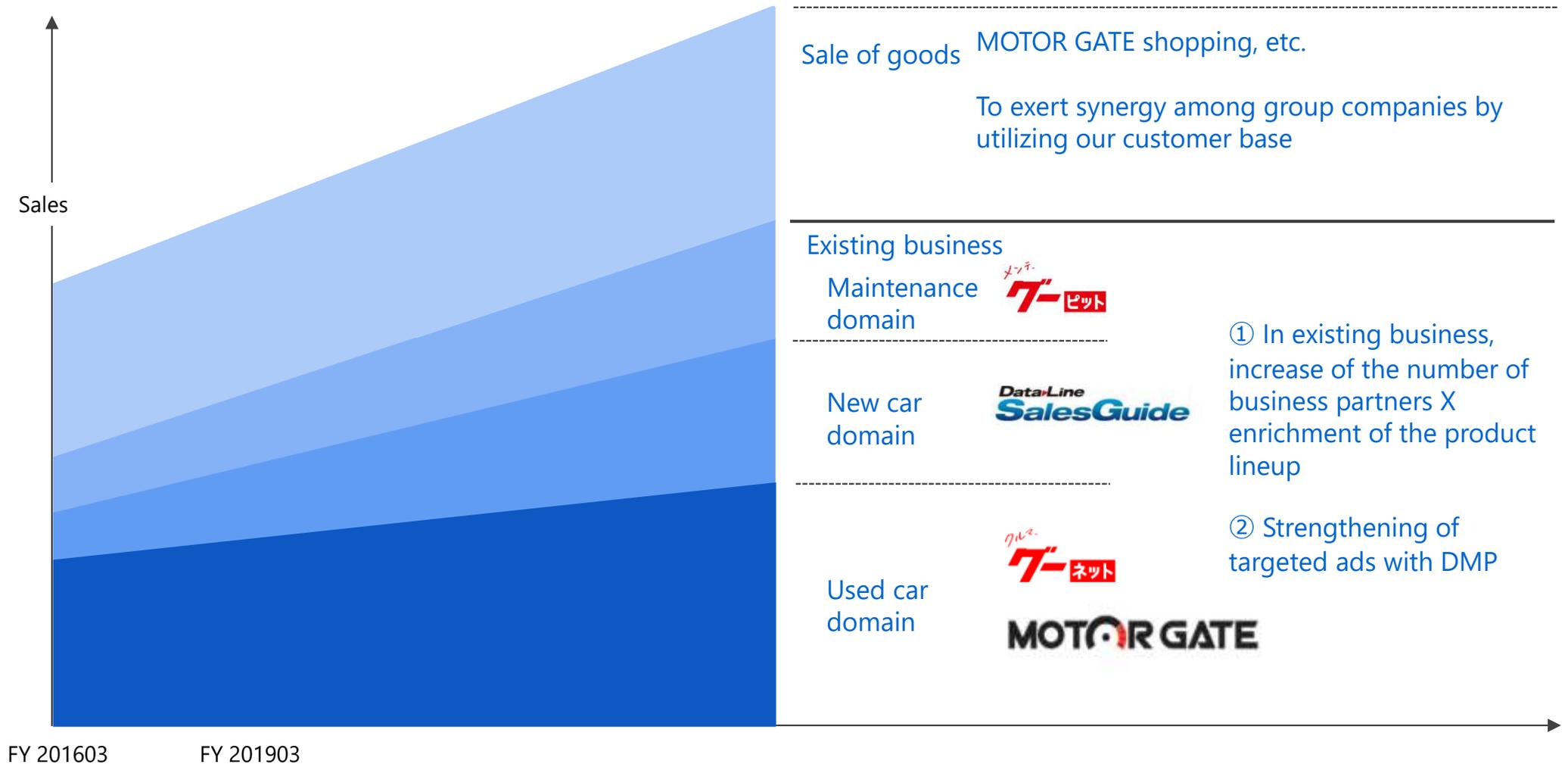
(Tires and export of used cars)

→ Improvement of profitability

- Tires: To increase sales volume with MOTOR GATE Shopping
- Export of used cars: To improve profitability by revising transaction conditions

**Improvement of profitability in each domain,
and establishment of our position**

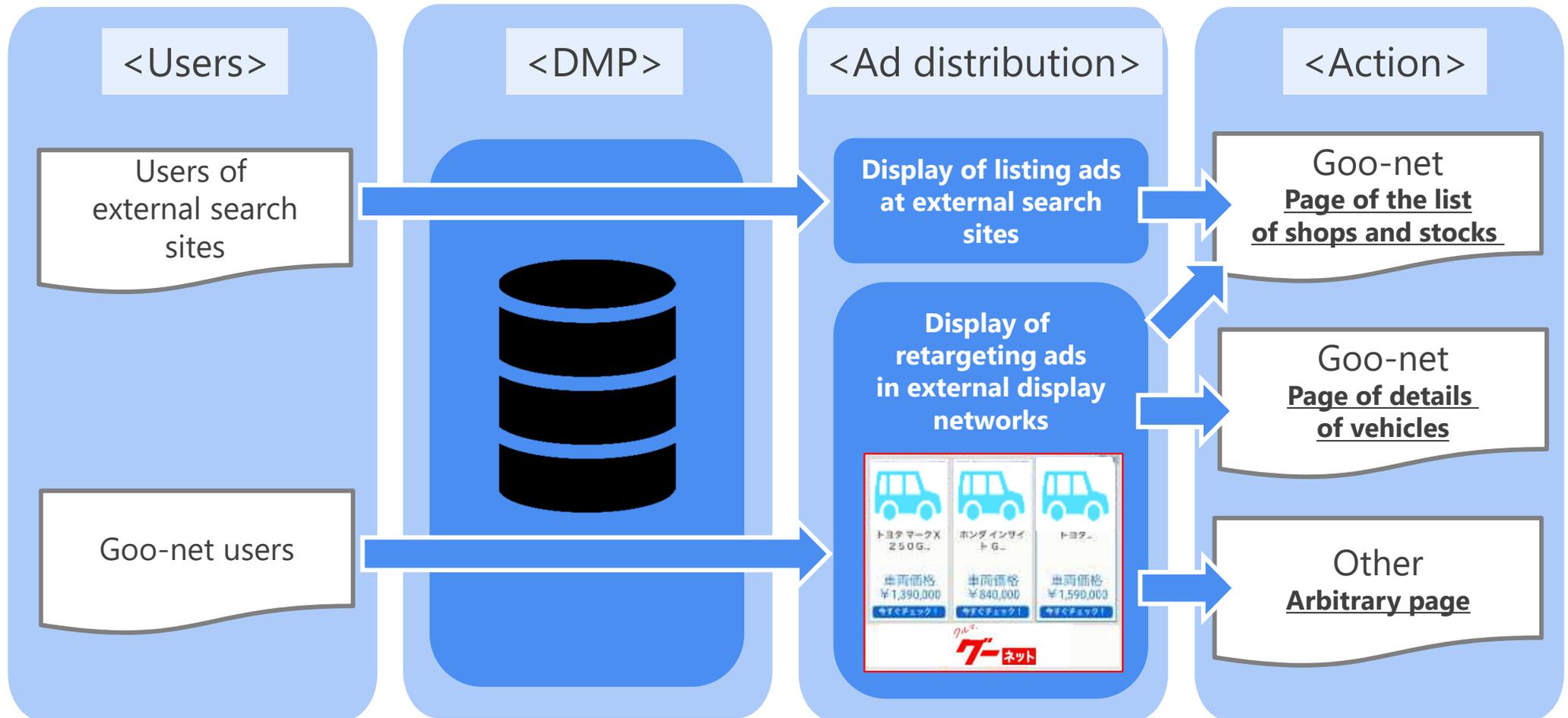
Future growth strategies



In addition to the growth through the increase of business partners in our existing business, we aim to grow further by Strengthening of targeted ads with DMP and enhancing the sale of goods through and synergy among group companies.

For reference: Mechanism for DMP

■ Operation of the targeted ad business for used cars



Distribution of highly precise ads utilizing DMP to users who are thinking of purchasing an automobile

Appendix

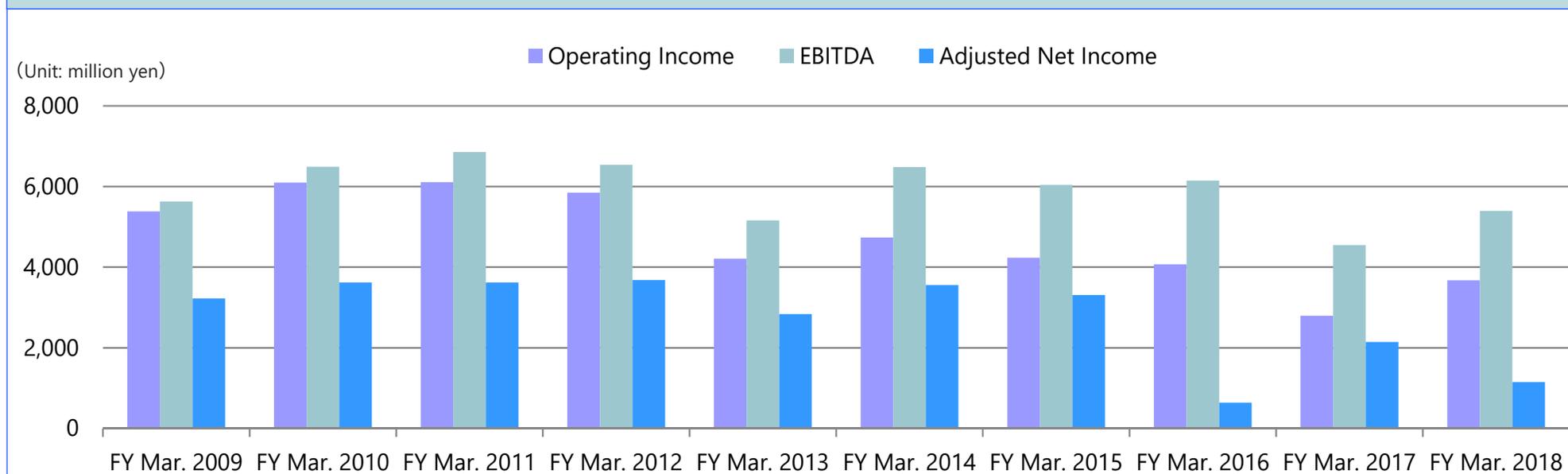
Operating Results 10-year Summary

[unit: million yen]	FY2009 March Results	FY2010 March Results	FY2011 March Results	FY2012 March Results	FY2013 March Results	FY2014 March Results	FY2015 March Results	FY2016 March Results	FY2017 March Results	FY2018 March Results
Net Sales	23,657	25,682	28,779	30,582	38,287	54,761	48,602	54,297	56,717	62,111
Operating Income	5,384	6,098	6,111	5,846	4,209	4,735	4,233	4,071	2,795	3,674
Net Income	3,187	3,529	3,197	3,275	2,290	2,627	2,381	(390)	1,506	519
EBITDA*1	5,628	6,490	6,856	6,540	5,161	6,483	6,039	6,149	4,547	5,396
Adjusted Net Income*2	3,223	3,621	3,620	3,680	2,836	3,555	3,308	641	2,145	1,151
Depreciation	207	299	322	288	404	819	879	1,046	1,113	1,089
Amortization of Goodwill	36	91	422	405	546	928	926	1,032	638	632

*1 EBITDA was calculated with the equation: operating income + depreciation + amortization of goodwill

*2 Adjusted Net Income was calculated with the equation: net income + amortization of goodwill

Annual Transition of Operating Income/EBITDA/Adjusted Net Income



Operating Results 10-year Summary(Segment)

Sales [unit: million yen]	FY2009 March Results	FY2010 March Results	FY2011 March Results	FY2012 March Results	FY2013 March Results	FY2014 March Results	FY2015 March Results	FY2016 March Results	FY2017 March Results	FY2018 March Results
Automobile-related	21,889	22,858	25,566	26,704	33,687	50,138	44,056	49,486	51,025	56,100
Ad-related	19,419	19,511	20,558	20,579	21,163	21,412	21,593	21,006	21,231	21,618
Information and services	2,232	2,818	3,083	3,312	3,749	4,464	4,546	5,087	4,893	5,053
Sales of goods	237	528	1,923	2,813	8,774	24,262	17,915	23,392	24,899	29,429
Lifestyle-related	1,345	2,286	2,616	3,470	3,837	3,541	3,393	3,466	4,236	4,370
Real Estate	194	205	181	166	163	167	164	162	187	213
Other Business	227	332	415	240	597	913	988	1,182	1,268	1,426
Total	23,657	25,682	28,779	30,582	38,287	54,761	48,602	54,297	56,717	62,111

Operating Income [unit: million yen]	FY2009 March Results	FY2010 March Results	FY2011 March Results	FY2012 March Results	FY2013 March Results	FY2014 March Results	FY2015 March Results	FY2016 March Results	FY2017 March Results	FY2018 March Results
Automobile-related	7,034	7,590	7,281	7,272	5,916	6,217	5,624	5,277	3,939	4,933
Lifestyle-related	62	162	301	228	131	248	338	307	478	370
Real Estate	70	105	104	83	85	69	96	109	147	170
Other Business	(80)	(35)	(91)	(149)	(323)	(140)	(94)	(66)	(136)	(71)
Management Division	(1,701)	(1,725)	(1,484)	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)	(1,633)	(1,728)
Total	5,384	6,098	6,111	5,846	4,209	4,735	4,233	4,071	2,795	3,674

Segment details

Segment details

■ Automobile-related(Main Product)

■ Ad-related

MOTOR GATE



Used Cars

Internet option product such as Goo-net (MOTOR GATE,GooPurchase,etc)

Used Cars

Basic advertisement fee (Web,Magazine), Sale of information magazines

Maintenance

Internet option product such as GooPit

■ Information and services



New Cars

PROTO CORPORATION (DataLine SalesGuide,DataLine)

Used Cars

PROTO CORPORATION (Goo-inspection, Goo Warranty)

Maintenance

PROTO CORPORATION (Goo Checkup)

Maintenance

PROTO-RIOS(Quotation system for maintenance shops)

■ Sale of goods



AUTOWAY and TIRE WORLD KAN BEST (EC:Tires and Wheels)
Kings Auto(Export of used cars), Bike Bros(EC:Bike parts)
PROTO CORPORATION(Sale of goods)

■ Ad-related

Mostly occupied by the monthly fees of MOTOR GATE and advertisement income through Goo-net.

■ Information and services

Sales are mainly from monthly fees of DataLine for new car dealers and quotation system for maintenance shops.

■ Sale of goods

Sales are mainly from the e-commerce sales of tires and wheels and exporting used cars.

■ Lifestyle-related



PROTO MEDICAL CARE(Sales of ads, rental welfare goods, etc)

PROTO CORPORATION (Information of culture lesson, reuse, etc)

Sales are mainly from advertisement income related to nursing and welfare and rental sales of welfare equipment.

■ Real Estate

PROTO CORPORATION (Income from the rental of real estate)

Sales are mostly from rent income of the non-operational floors of our own building.

■ Other Business

PROTO SOLUTION (Business Process Outsourcing, etc)
OKINAWA CALL STAFF SERVICE (Temporary staffing,etc)
AUTOWAY (Solar power generation)
PROTO CORPORATION (Agricultural business)

Sales are mostly from the BPO business.

Outline of our major services by business domain

<Used car dealer>

Name of service	Service contents	Client	User
Goo-net	Used cars search site	Used car dealer	Users who want to buy a vehicle
MOTOR GATE	Background system for Goo-net	Used car dealer	Used car dealer
ID cars (Goo-inspection)	Information disclosure service on the conditions of used cars	Used car dealer	Users who want to buy a vehicle

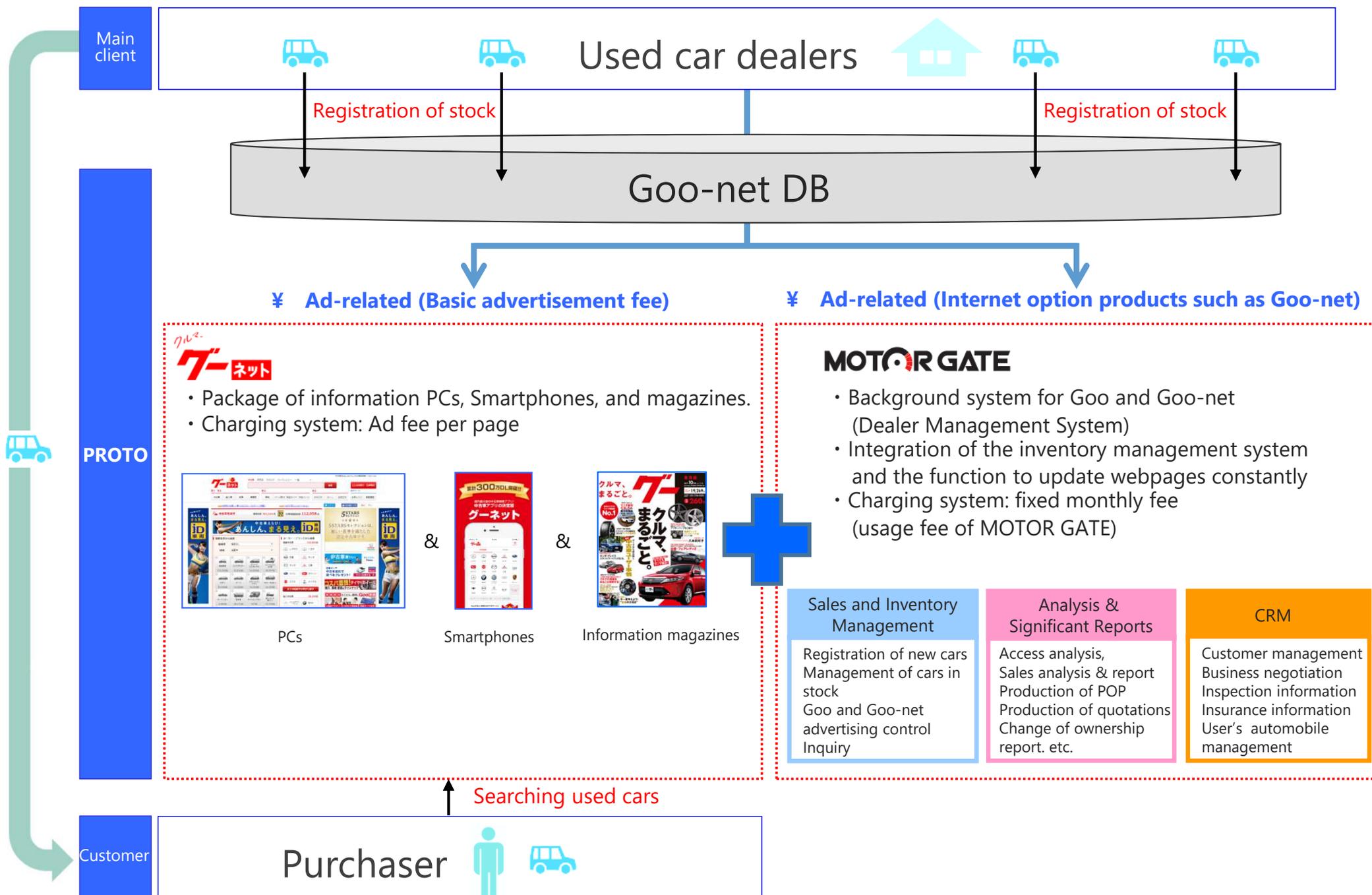
<New car dealer>

Name of service	Service contents	Client	User
DataLine SalesGuide	New car negotiation tool	New car dealer	New car dealer

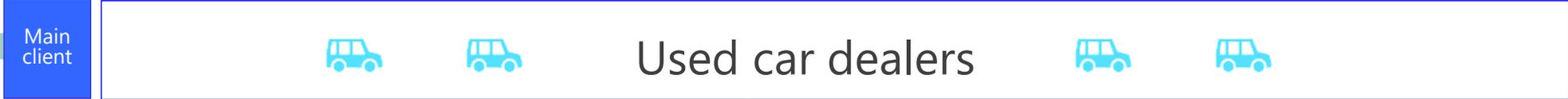
<Maintenance shop>

Name of service	Service contents	Client	User
GooPit	Maintenance shop search site	Maintenance shop	Users who own a vehicle
Goo Checkup	Customers sending service for car checkup	Users who own a vehicle	Users who own a vehicle

Used car dealers: Business model of Goo and MOTOR GATE



Used car dealers: Business model of Goo-Inspection



¥ Information and services (Inspection fee)

- Charging system: Charged per vehicle
- We started the service nationwide from Oct., 2008.

Goo-inspection Three points

1. Used cars are inspected based on the criteria of Japan automobile appraisal association (JAAA), a third party organization.
2. Inspection are performed for exterior, interior, engine, and repair history.
3. Evaluation results of exterior, interior, engine, and repair history are set and then disclosed.



Goo鑑定の概要と図解 (一例)



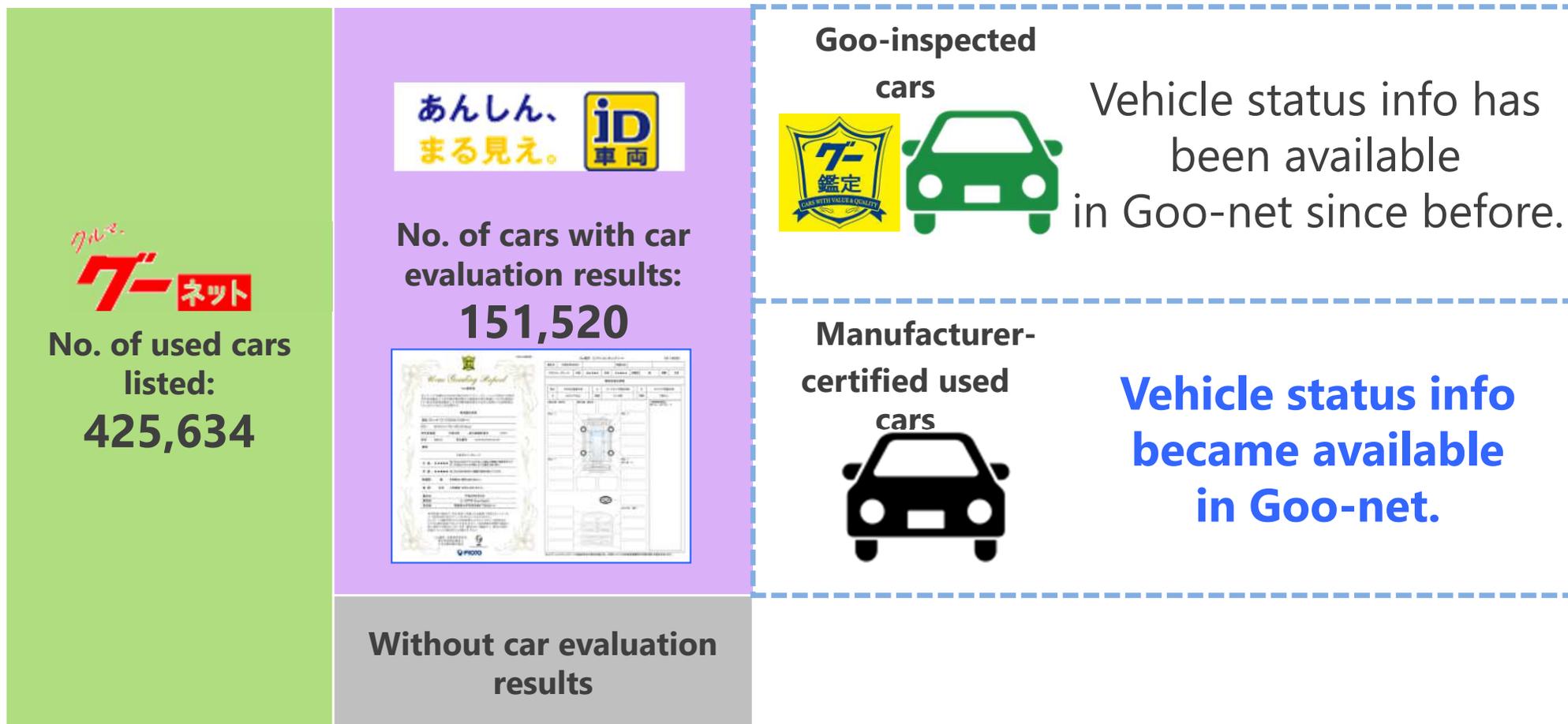
Searching used cars



Our efforts: the release of vehicle condition information

■ Differentiation from competing media: Improvement of order placing rate through the disclosure of vehicle status info

→ Launch of the new service "ID Cars" on Aug. 18, 2016

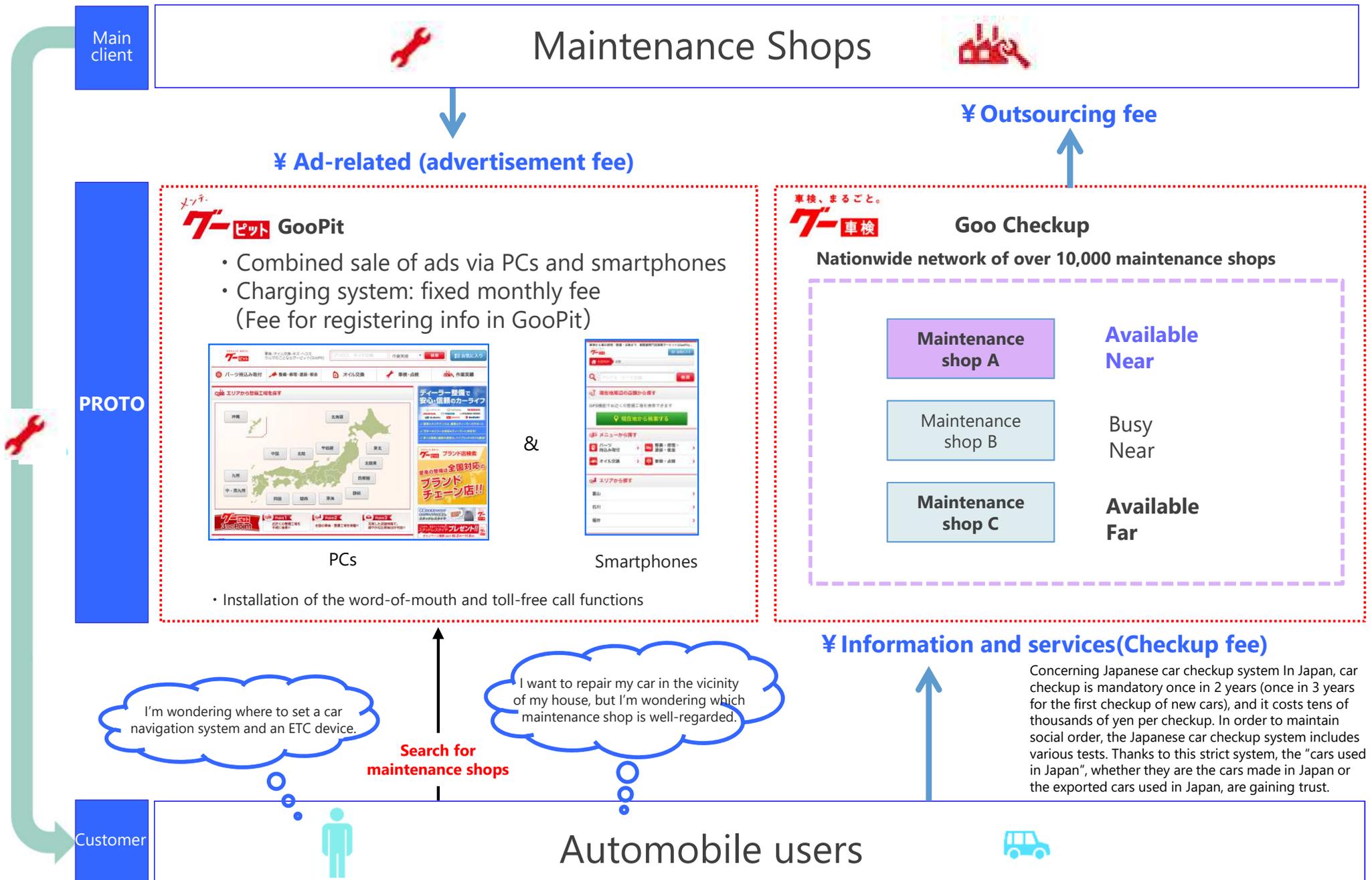


※For reference: No. of cars whose status info has been disclosed by competing media: 38,821

(as of October 23, 2018)

To dispel users' worries about used cars, and develop an environment in which they can purchase used cars without any worry.

Maintenance Shops: Business model of GooPit and Goo Checkup



Corporate Profile

Corporate Name

PROTO CORPORATION

Founded

October 1, 1977

Established

June 1, 1979

Common Stock

1,824,620 thousand yen (As of September 30, 2018)

Shares Outstanding

20,940,000 shares (As of September 30, 2018)

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 (56 Sales Outlets Nationwide)

Fiscal Year-end

March 31

Number of Employees

Consolidated: 1,533 (As of September 30, 2018)
Parent: 603 (As of September 30, 2018)

Stock Exchange Listing
Subsidiary

Tokyo Stock Exchange JASDAQ Standard (Listed on September 12, 2001)

1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)
 2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)
 3. Bike Bros. Inc. (Full subsidiary since April 2010)
 4. Kings Auto Co., Ltd. (Full subsidiary since April 2012)
 5. PROTO-RIOS INC. (Full subsidiary since October 2002)
 6. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012)
 7. CAR BRICKS Co., Ltd. (Shareholder ratio 66%, established in May 2017)
 8. PROTO MEDICAL CARE (Full subsidiary since October 2009)
 9. MARUFUJI (Full subsidiary since January 2016)
 10. SILVER HEART (Full subsidiary since January 2016)
 11. PROTO SOLUTION Co., Ltd. (Full subsidiary, established in April 2007)
 12. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017)
 13. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011)
 14. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December 2011)
 15. CAR CREDO MALAYSIA SDN. BHD. (Full subsidiary, established in August 2015) * The company is currently under liquidation.
- (As of September 30, 2018)



Our magazine was first issued in 1977

* 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

PROTO CORPORATION

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