

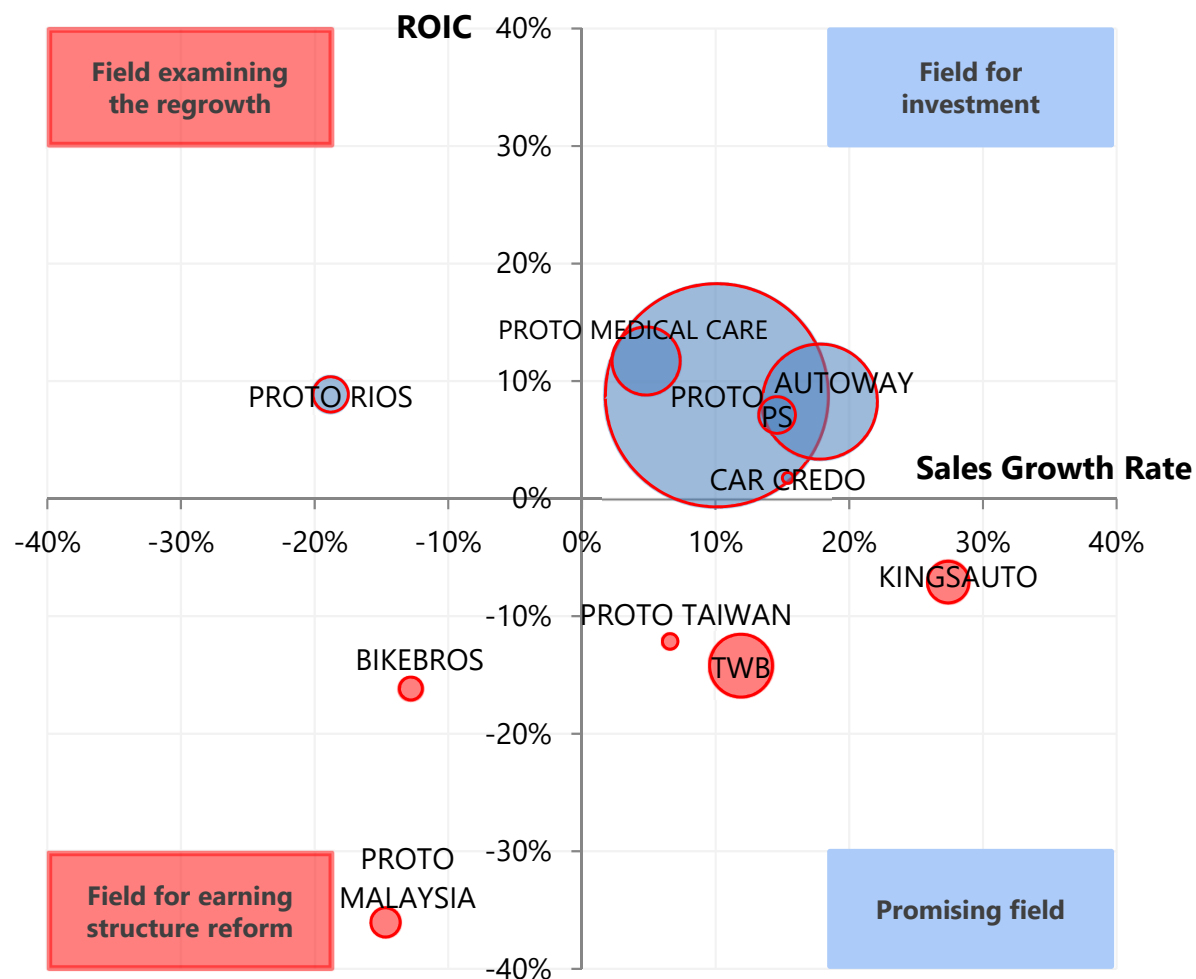
**Financial Results for the Nine Months Ended December 2018
(April 1,2018 to December 31,2018)**

PROTO CORPORATION
January 31, 2019



Major activities in the term ending Mar. 2019 (Reform of the earning structure)

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



1. Improvement of profitability in the field for investment
2. Improvement of profitability of group companies whose ROIC is negative.

ROIC : NOPAT (After-tax operating income)/Invested capital (net assets + interest-bearing liabilities)
 The size of a circle represents operating income/loss (blue: operating income, red: operating loss)

Summary of the 3rd quarter of the term ending Mar. 2019

■ Summary of cumulative results (Apr. to Dec. 2018)

Sales	47,820	million yen	+ 2.2% y/y
EBITDA	4,983	million yen	+ 14.1% y/y
Operating income	3,958	million yen	+ 29.0% y/y
Ordinary income	4,228	million yen	+ 30.4% y/y
Net income	2,709	million yen	+ 65.3% y/y

■ Topics

- Sales and operating income exceeded the respective estimates. The reform of the earning structure progressed steadily.
- No. of affiliated firms of MOTORGATE: 14,871 (+ 7.3% y/y)
- No. of fee-paying maintenance shops of GooPit: 3,236 (+ 43.2% y/y)
- No. of dealers with DataLine SalesGuide: 5,244 (+ 15.5% y/y)
- Dec. 2018: CAR CREDO (Thailand) Co., Ltd. was established.
- Dec. 2018: We resolved to the company split the Oikura business (reuse) in Feb. 2019.
- Jan. 2019: We resolved to withdraw from the unprofitable businesses of Bike Bros. Inc. and implement absorption-type merger in Apr. 2019.

Q3/FY March 2019: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	Q3/FY March 2018		Q3/FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Net Sales	46,788	100.0%	47,538	100.0%	47,820	100.0%
Gross Profit	17,539	37.5%	18,070	38.0%	18,024	37.7%
EBITDA	4,367	9.3%	4,661	9.8%	4,983	10.4%
Operating Income	3,068	6.6%	3,619	7.6%	3,958	8.3%
Ordinary Income	3,243	6.9%	3,837	8.1%	4,228	8.8%
Net Income	1,639	3.5%	2,479	5.2%	2,709	5.7%
Net Income per Share(Yen)	81.73	-	123.60	-	135.10	-

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
1,032	102.2%	282	100.6%
485	102.8%	(45)	99.7%
616	114.1%	321	106.9%
890	129.0%	338	109.4%
984	130.4%	390	110.2%
1,070	165.3%	230	109.3%
53.37	165.3%	11.50	109.3%

※The forecast for the term ended Mar. 2019 were announced on October 31, 2018. (The same)

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

[unit: million yen]	Q3/FY March 2018		Q3/FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
SG&A Expenses	14,471	30.9%	14,451	30.4%	14,066	29.4%
Employment Cost	6,013	12.9%	6,037	12.7%	5,865	12.3%
Advertising Cost	3,079	6.6%	3,163	6.7%	3,105	6.5%
Other Expenses	5,377	11.5%	5,250	11.0%	5,094	10.7%

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(405)	97.2%	(384)	97.3%
(147)	97.5%	(171)	97.2%
25	100.8%	(57)	98.2%
(283)	94.7%	(155)	97.0%

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

Operating income rose, mainly due to the sales growth and profitability improvement of PROTO CORPORATION.

Gross Profit Margin

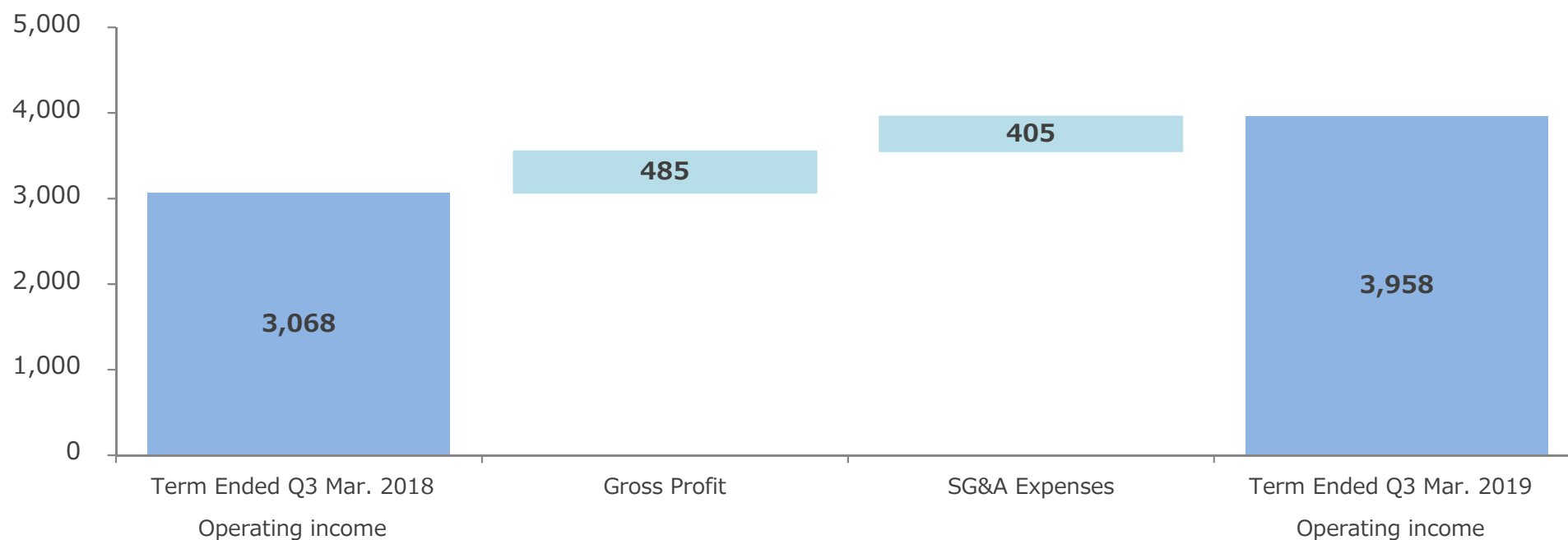
Gross profit rate: 37.7% (+0.2 pt y/y). Profitability improved.

Q3/FY March 2019: Operating Results (2)

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

(Unit: million yen)

Primary Gross Profit Factors	+485	Primary SG&A Factors	+405	Operating Income Increase and Decrease	+890
PROTO CORPORATION	+827	PROTO CORPORATION	(262)	PROTO CORPORATION	+565
PROTO-RIOS	(64)	PROTO-RIOS	+192	PROTO-RIOS	+127
AUTOWAY	+101	AUTOWAY	(201)	AUTOWAY	(100)
TIRE WORLD KAN BEST	(208)	TIRE WORLD KAN BEST	+309	TIRE WORLD KAN BEST	+101
Kings Auto	+16	Kings Auto	+89	Kings Auto	+106
Bike Bros	(8)	Bike Bros	+21	Bike Bros	+13
		Amortization of Goodwill	+144	Amortization of Goodwill	+144
<p>Mainly the sales growth and profitability improvement of ad-related (MOTORGATE and GooPit), information and services (DateLine, etc.) of PROTO CORPORATION contributed to the rise in profit.</p>		<p>Mainly the curtailment of SG&A in TIRE WORLD KAN BEST, PROTO-RIOS, and Kings Auto contributed.</p>		<p>The profitability improvement of PROTO CORPORATION and group companies contributed to the increase in profit.</p>	



Q3/FY March 2019: Operating Results by Segment

Net Sales [unit: million yen]	Q3/FY March 2018		Q3/FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Automobile-related	42,339	90.5%	42,912	90.3%	43,275	90.5%
Ad-related	16,163	34.5%	15,959	33.6%	15,880	33.2%
Information and services	3,697	7.9%	3,598	7.6%	3,705	7.7%
Sales of goods	22,478	48.0%	23,354	49.1%	23,688	49.5%
Lifestyle-related	3,277	7.0%	3,283	6.9%	3,264	6.8%
Real Estate	159	0.3%	146	0.3%	147	0.3%
Other Business	1,012	2.2%	1,195	2.5%	1,132	2.4%
Total	46,788	100.0%	47,538	100.0%	47,820	100.0%

Operating Income [unit: million yen]	Q3/FY March 2018		Q3/FY March 2019			
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin
Automobile-related	3,988	9.4%	4,500	10.5%	4,772	11.0%
Lifestyle-related	308	9.4%	204	6.2%	234	7.2%
Real Estate	135	84.9%	135	92.7%	147	99.6%
Other Business	(73)	-	35	3.0%	42	3.7%
Management Division	(1,291)	-	(1,256)	-	(1,238)	-
Total	3,068	6.6%	3,619	7.6%	3,958	8.3%

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
935	102.2%	362	100.8%
(282)	98.2%	(78)	99.5%
8	100.2%	107	103.0%
1,210	105.4%	333	101.4%
(12)	99.6%	(18)	99.4%
(11)	92.8%	1	100.9%
120	111.9%	(62)	94.7%
1,032	102.2%	282	100.6%

YoY		Achievement rate	
(c)-(a)	%	(c)-(b)	%
783	119.6%	272	106.1%
(74)	75.9%	29	114.6%
12	108.9%	11	108.5%
115	-	6	117.8%
53	-	18	-
890	129.0%	338	109.4%

Automobile-related information

Sales and profit grew: Profit rose, mainly because there was the effect of growth of sales from export of used cars, DataLine SalesGuide, GooPit, etc. and the earning structure was reformed by reducing the cost for information magazines, etc.

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

The primary factor in increasing sales is the sales growth of DataLine SalesGuide. On the other hand, the sales of systems of PROTO-RIOS declined.

Sales of goods

The primary factor in increasing sales is the healthy performance of used car export of Kings Auto and tire sales of AUTOWAY.

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.

Q3/FY March 2019: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2018		As of December 31, 2018		Increase/Decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	27,675	62.3%	27,660	62.4%	(14)	99.9%
Fixed Assets	16,718	37.7%	16,692	37.6%	(26)	99.8%
Current Liabilities	16,143	36.4%	14,845	33.5%	(1,298)	92.0%
Long-term Liabilities	2,272	5.1%	1,937	4.4%	(334)	85.3%
Net Assets	25,977	58.5%	27,569	62.1%	1,592	106.1%
Total Assets	44,393	100.0%	44,352	100.0%	(40)	99.9%

[unit: million yen]	As of March 31, 2018		As of December 31, 2018		Increase/Decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	16,120	36.3%	16,062	36.2%	(57)	99.6%
Interest-bearing debt	8,590	19.4%	7,251	16.4%	(1,338)	84.4%
Net cash	7,530	17.0%	8,810	19.9%	1,280	117.0%

Current Assets

The main factor for decreasing was inventory assets dropping by 26 million yen.

Fixed Assets

The main factor for decreasing was the posting of depreciation and goodwill amortization.

Current Liabilities

The main factor for decreasing was short-term debts dropping by 978 million yen (including current portion of long-term debts).

Long-term Liabilities

The main factor for decreasing was long-term debts dropping by 359 million yen.

Q3/FY March 2019: Consolidated Statements of Cash Flows

[unit: million yen]	Q3/FY2018 March	Q3/FY2019 March	YoY
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	3,367	3,323	(43)
Cash Flows from Investing Activities	(1,682)	(1,024)	657
Cash Flows from Financing Activities	1,502	(2,367)	(3,870)
Cash and Cash Equivalents at End of Term	15,579	15,671	92

[unit: million yen]	Q3/FY2018 March	Q3/FY2019 March	YoY
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	1,862	1,087	(775)
Depreciation (Tangible/intangible fixed assets)	824	694	(129)
Amortization of Goodwill	474	329	(144)

* 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 3,323 million yen, mainly due to net income before taxes and other adjustments at 4,219 million yen, depreciation free from spending, goodwill amortization and impairment loss adding up to 1,024 million yen.

Cash Flows from Investing Activities

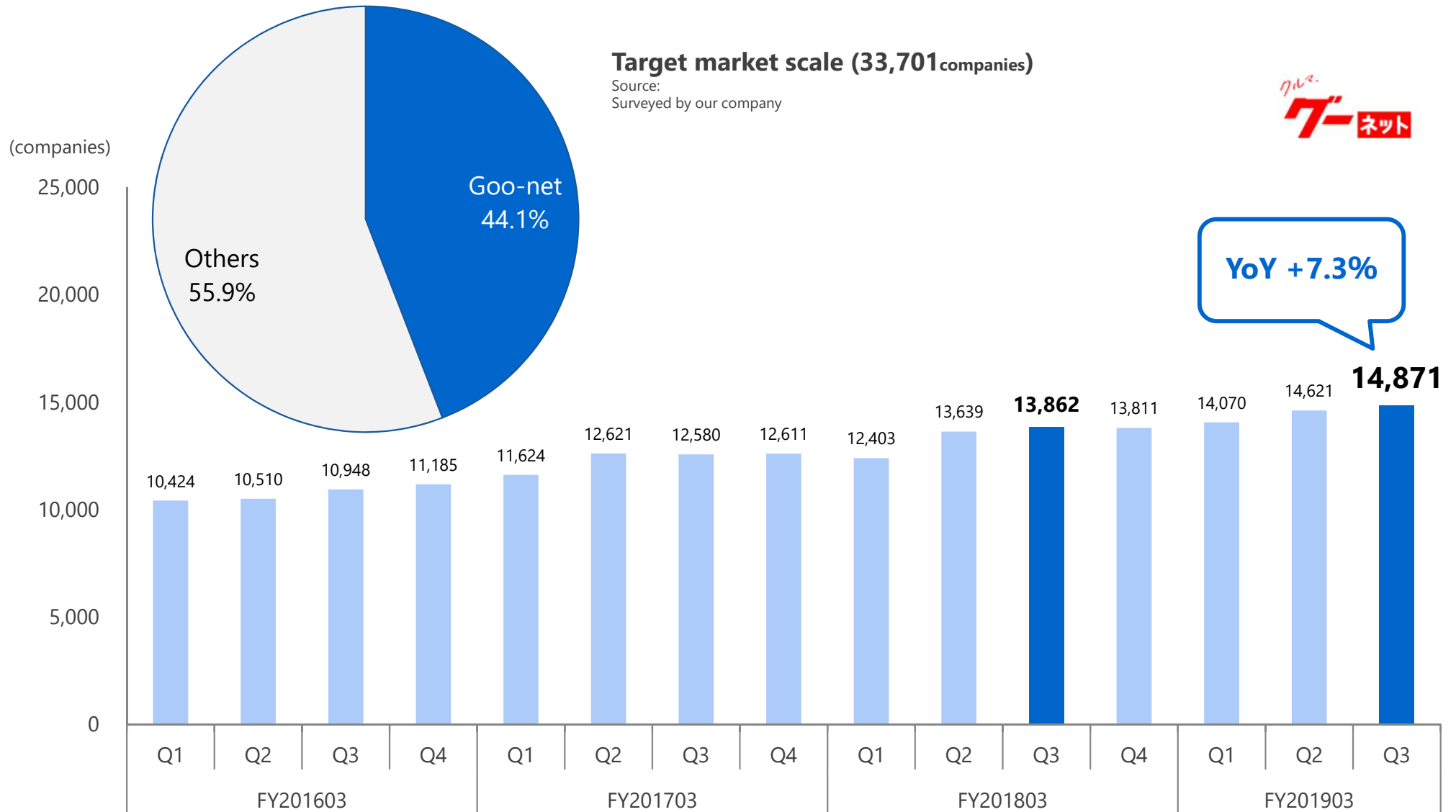
There was an expenditure of 1,024 million yen, mainly due to 1,034 million yen being used for the acquisition of fixed assets.

Cash Flows from Financing Activities

There was an expenditure of 2,367 million yen mainly due to a repayment of debts of 1,338 million yen and a payment of dividends of 993 million yen.

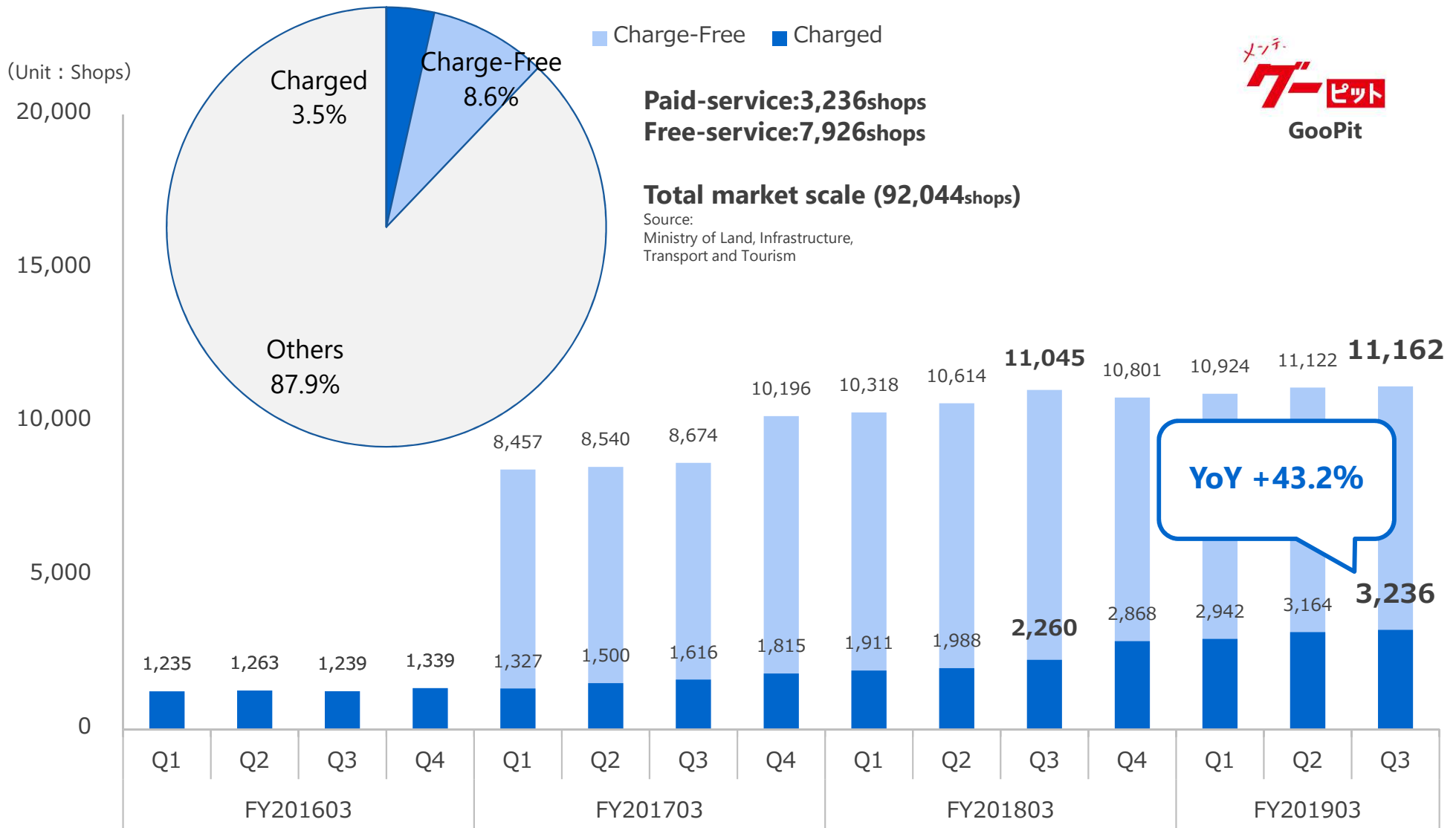
KPI

KPI of Automobile-related : Used Cars (No. of Affiliated companies of Goo-net)



The number of affiliated companies of Goo-net increased to 14,871.

KPI of Automobile-related : Maintenance (No. of Affiliated shops of GooPit)



The number of affiliated shops of charged GooPit increased to 3,236.

Activities in the maintenance field

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



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

Maintenance work records of GooPit

Records of installation of brought parts, car inspection, checkup, maintenance, repair, coating, sheet-metal work, etc.

Enriched work records with detailed statements of expenses

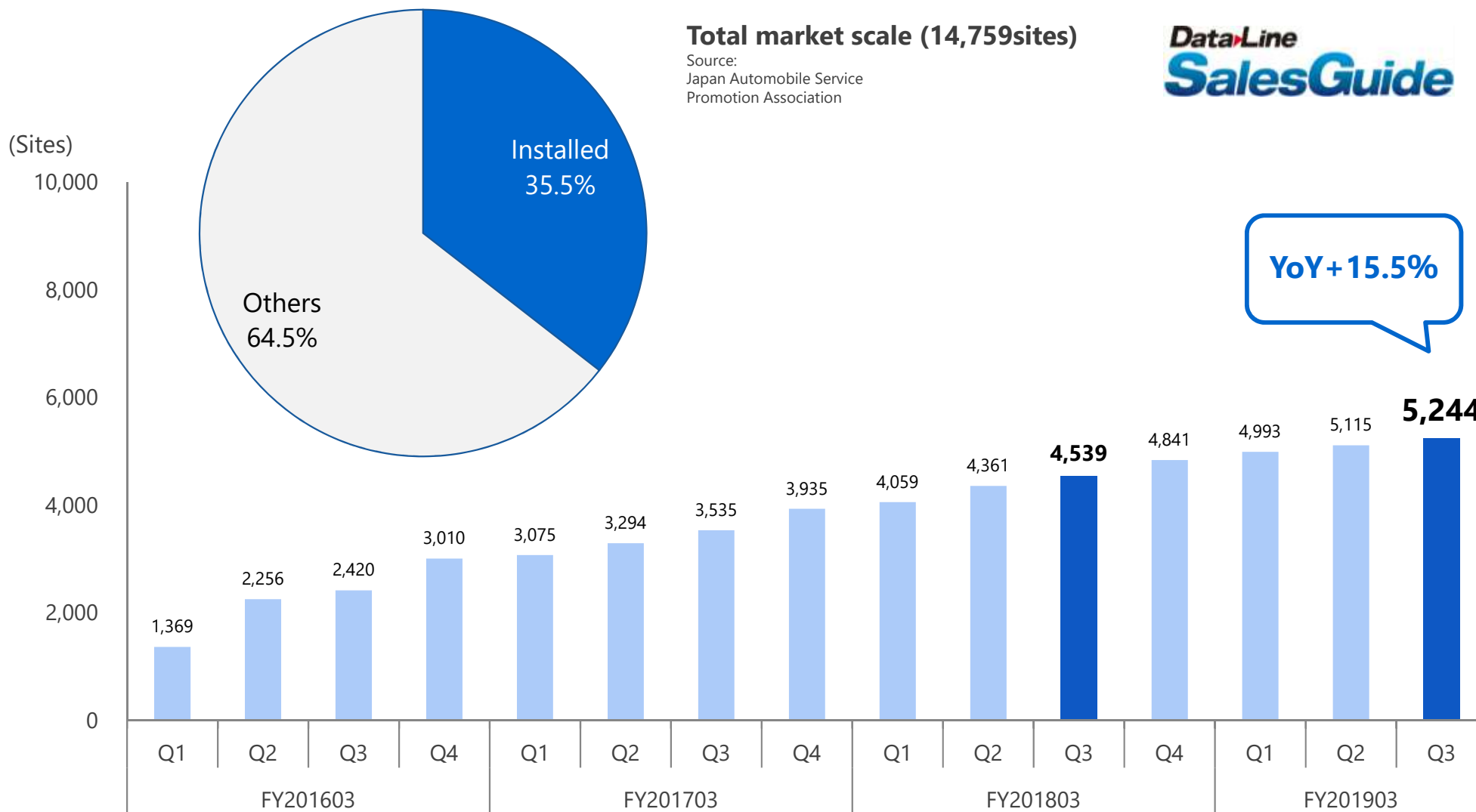
項目	数量	単価	金額	消費税	区分
前後トラレコ工賃込み	1.0	50,000	50,000	課税	工品
小計(課税) ①					50,000円
消費税 ②					4,000円
小計(非課税) ③					0円
値引き ④					-円
総額(消費税込) ①+②+③					54,000円

As we enriched the archive of GooPit, the number of accesses through organic search increased. We enhanced the capability of reeling in customers.

KPI of Automobile-related : New Cars (No. of Affiliated sites of DataLine SalesGuide)

Total market scale (14,759sites)

Source:
Japan Automobile Service
Promotion Association



**The number of affiliated sites of DataLine SalesGuide increased to 5,244.
Establish a platform for supporting the business administration of new car dealers.**

Activities in the new car field (1)

■ Background and effects of installation of DataLine SalesGuide



Issues about new car dealers

Reform of dealers

Lengthening of the car purchase cycle

Reform of ways of working and shortage of manpower

Progress of MaaS

Customer contact points and high productivity

Values provided by DataLine SalesGuide

Proposal for optimum customization for each customer

High-accuracy pricing data based on Goo-net.

Optimization and Visualization of sales negotiation processes

Nationwide support system

1. Expansion of the service menu (unit price).

- DLSG Optional functions (proposals for the purchase of a new car, etc.)
- No. of dealers with the system as of Dec. 2018: 796
- DataLine AI Assessment

Current

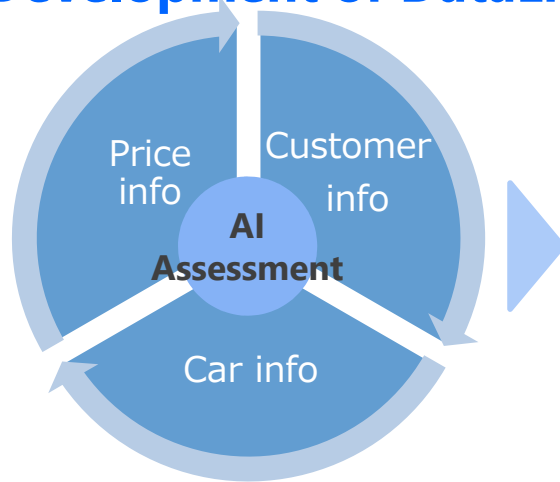
2. Expansion of Affiliated sites of DataLine SalesGuide

- Start sales promotion targeted at dealers of all domestic manufacturers (in January 2019)

Upgrade customer contact points of new car dealers and aim to grow the management support platform by enhancing productivity.

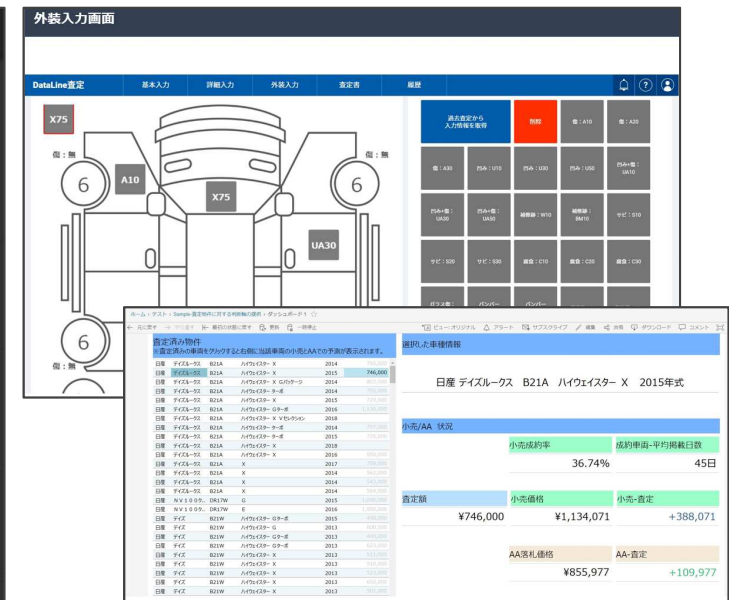
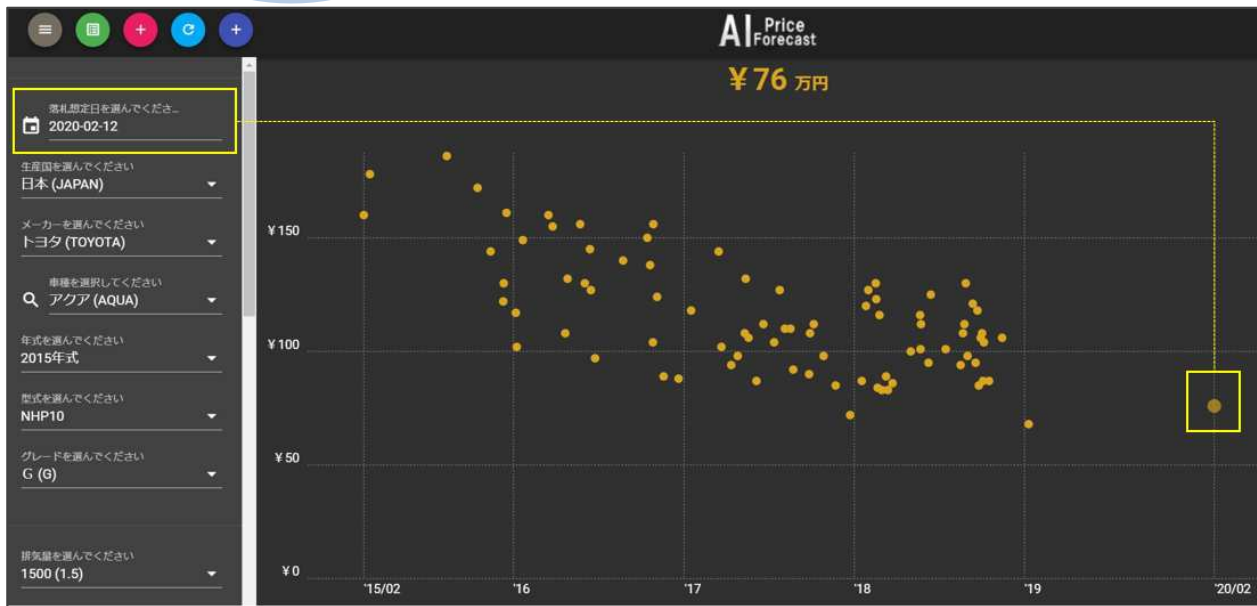
Activities in the new car field (2)

Development of DataLine AI Assessment



Utilization of AI in the assessment process for trade-in cars.

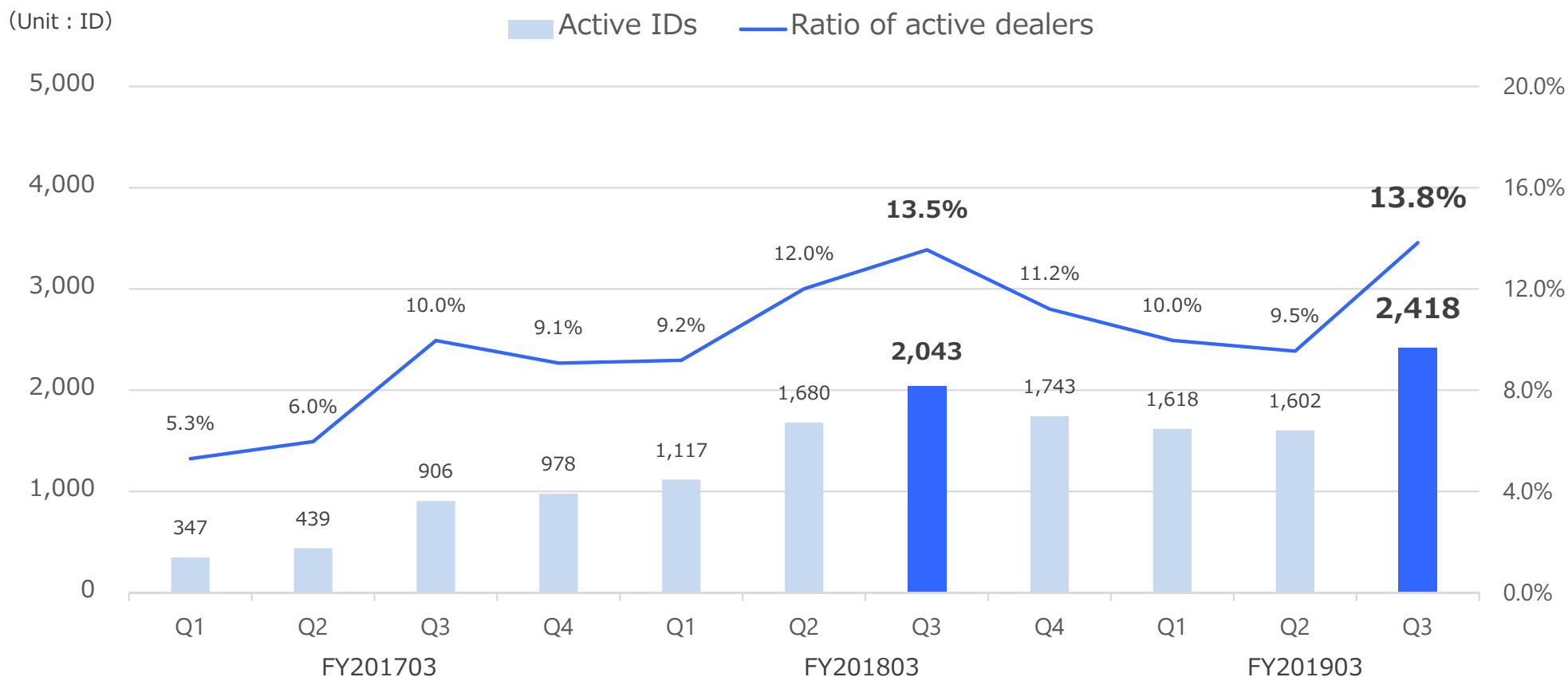
- Improvement of the speed, accuracy, and cost of the assessment process
- Automatic calculation of appraised prices of used cars based on AI Price Forecast
- Optimization of gross profit and lead time for sale of trade-in cars
- Automatic selection of sales channels for trade-in cars (retail sale and wholesale of used cars)



Promotion of digitization of the process of assessing trade-in cars using technology.

Sale of goods : MOTOR GATE Shopping

Variations in the number of active IDs and the ratio of active dealers



※The dealers and the maintenance shops that have used MOTOR GATE shopping once or more times per month are defined as active.

※Major products are:

- Tires and wheels made in Japan
- Imported tires and wheels

Since delivery time improved, performance grew steadily mainly in the demand period of tires (the 3rd quarter)

FY March 2019: Revision to Consolidated Earnings Forecast

(The forecast for the term ended Mar. 2019 were announced on October 31, 2018.)

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%

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

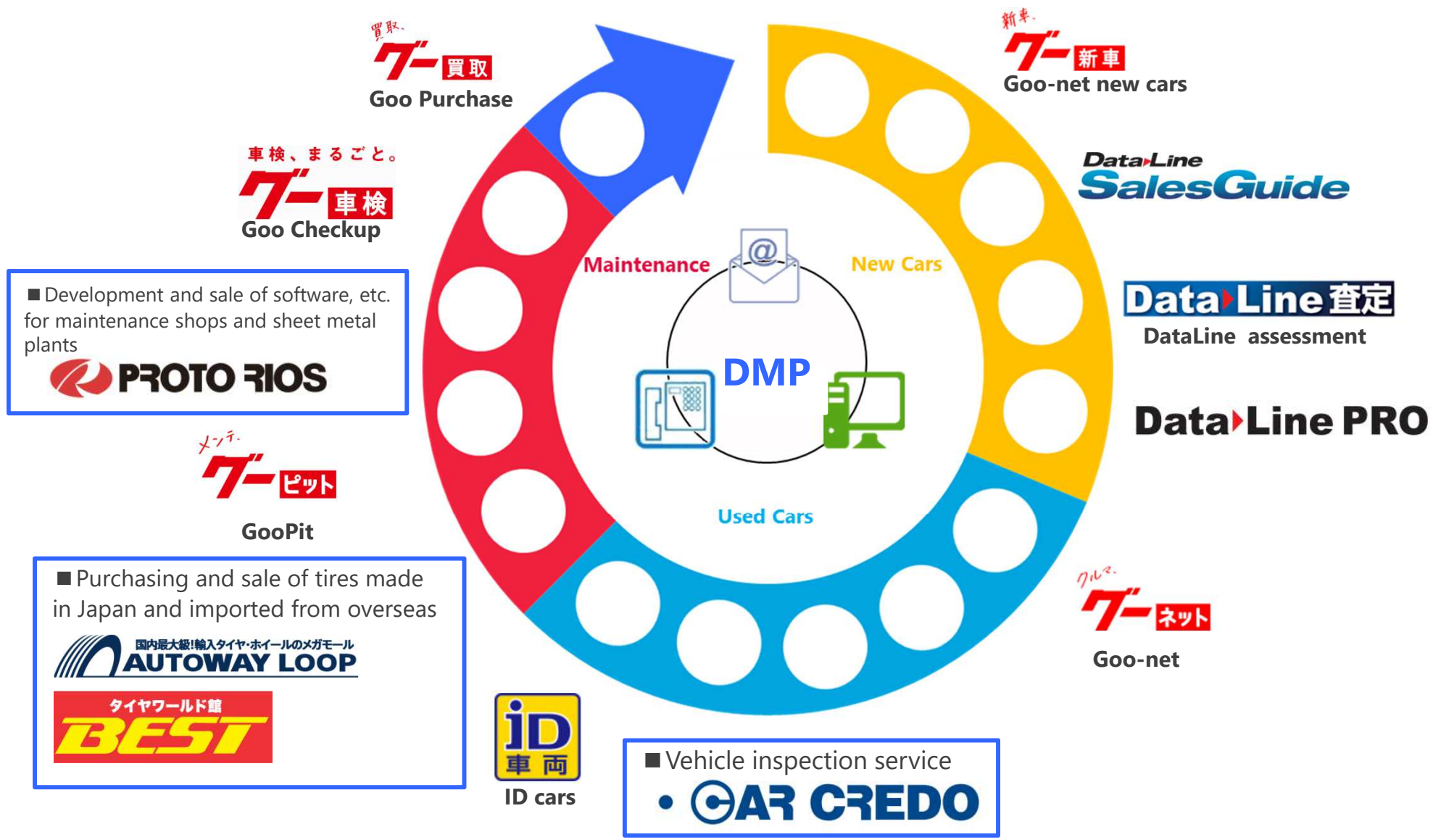
Business strategy
Creation of Goo Life Time Value
To organically combine the activities in the business domains
of new and used cars and maintenance

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

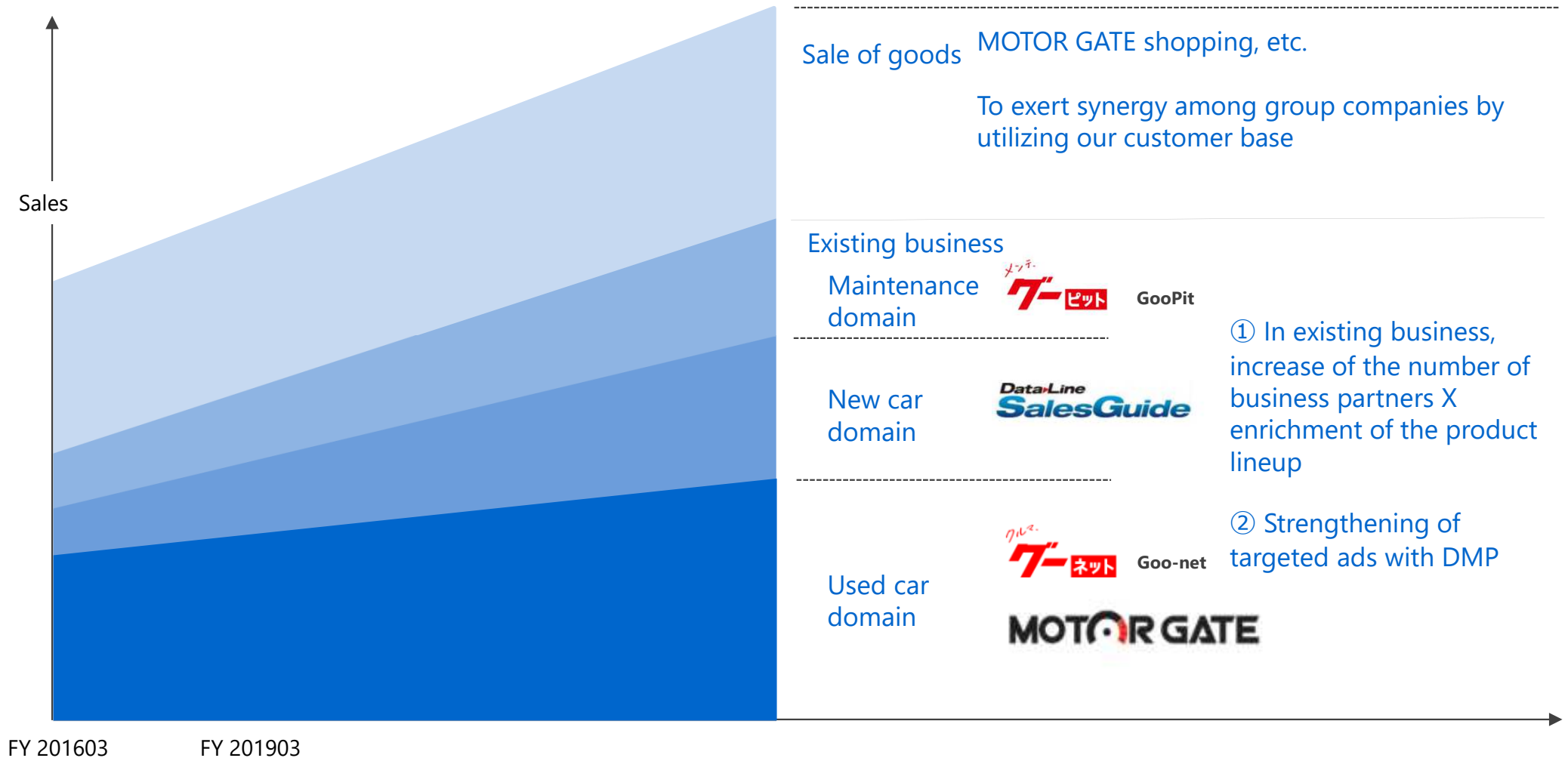
(Tires and export of used cars)

→ 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**

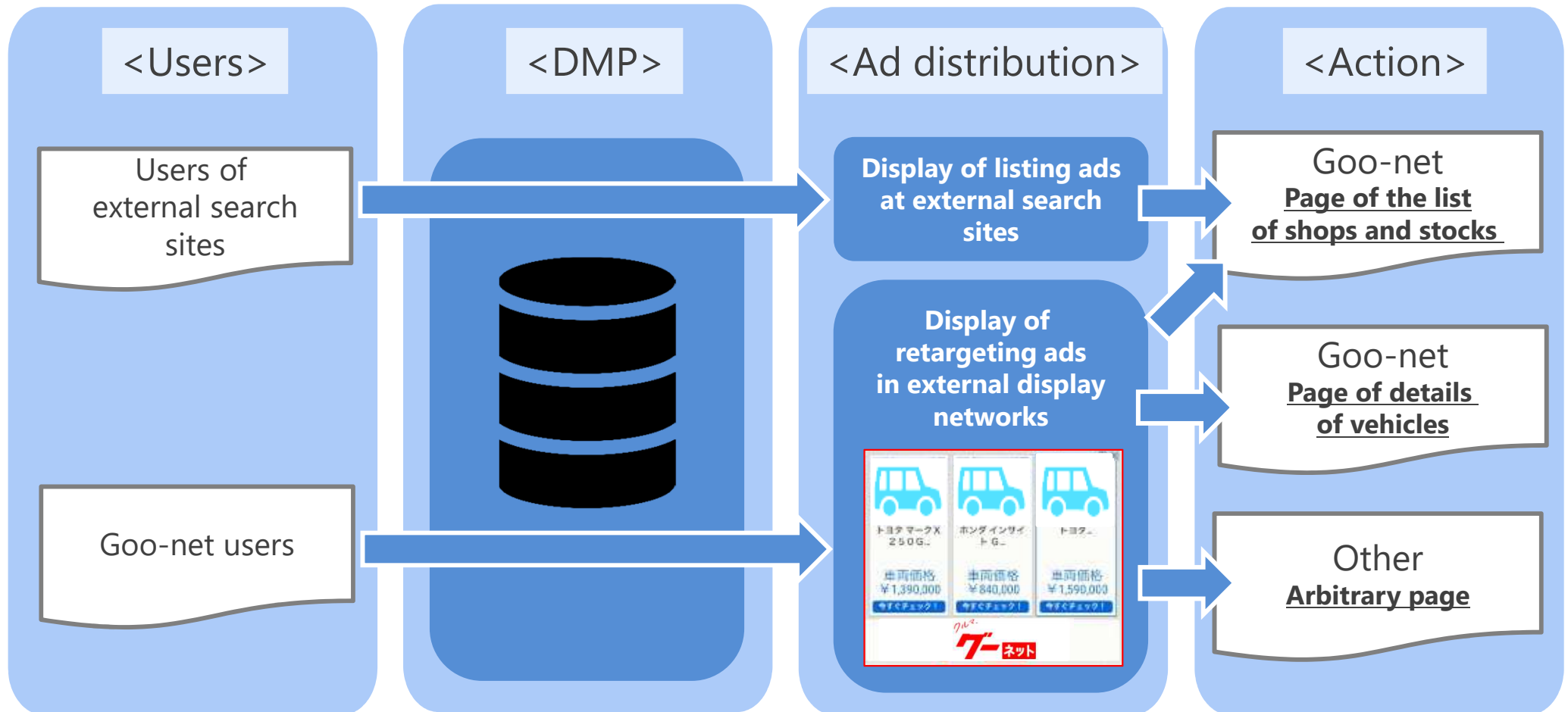
Future growth strategies



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

Corporate Profile

Corporate Name

PROTO CORPORATION

Founded

October 1, 1977

Established

June 1, 1979

Common Stock

1,824,620 thousand yen (As of December 31, 2018)

Shares Outstanding

20,940,000 shares (As of December 31, 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: 1,519 (As of December 31, 2018)
Parent: 603 (As of December 31, 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 (Thailand) Co., Ltd. (Shareholder ratio 49% ,established in December 2018)
 16. CAR CREDO MALAYSIA SDN. BHD. (Full subsidiary, established in August 2015) * The company is currently under liquidation.
- (As of December 31, 2018)



Our magazine was first issued in 1977

Corporate Profile

Financial Data (Consolidated)		Major Shareholders	
			(Thousands)
Shares outstanding (million)	20.9	1) Mugen Corporation	6,807 (32.50%)
Market capitalization (¥ billion, December 2018)	29.1	2) JPLLC CLIENT SAFEKEEPING ACCOUNT	1,325 (6.32%)
DPS (¥, FY March 2019, Forecast)	50.0	3) The Master Trust Bank of Japan, Ltd. (Trust Account)	1,024 (4.89%)
EPS (¥, FY March 2019, Forecast)	148.49	4) PROTO CORPORATION	881 (4.20%)
BPS (¥, FY March 2018)	1,293.62	5) BNYM NON-TREATY DTT	692 (3.30%)
ROE (% , FY March 2018, Net income basis)	2.0	6) JP MORGAN CHASE BANK 385632	568 (2.71%)
ROA (% , FY March 2018, Ordinary income basis)	8.7	7) CLEARSTREAM BANKING S.A	528 (2.52%)
Equity ratio (% , March 2018)	58.5	8) Hiroichi Yokoyama	440 (2.10%)
Potential share dilution (million)	-	9) Yoshihiro Yokoyama	371 (1.77%)
Foreign ownership (% , December 2018)	29.96	10) Takemi Masuda	313 (1.49%)

(As of December 31, 2018)

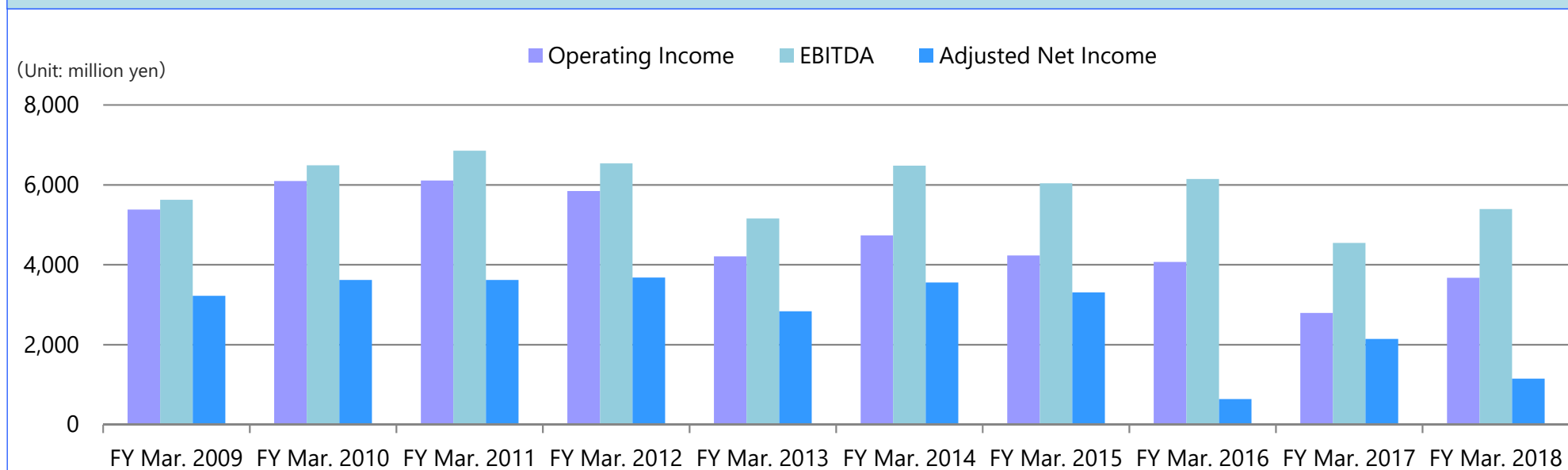
Operating Results 10-year Summary

[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

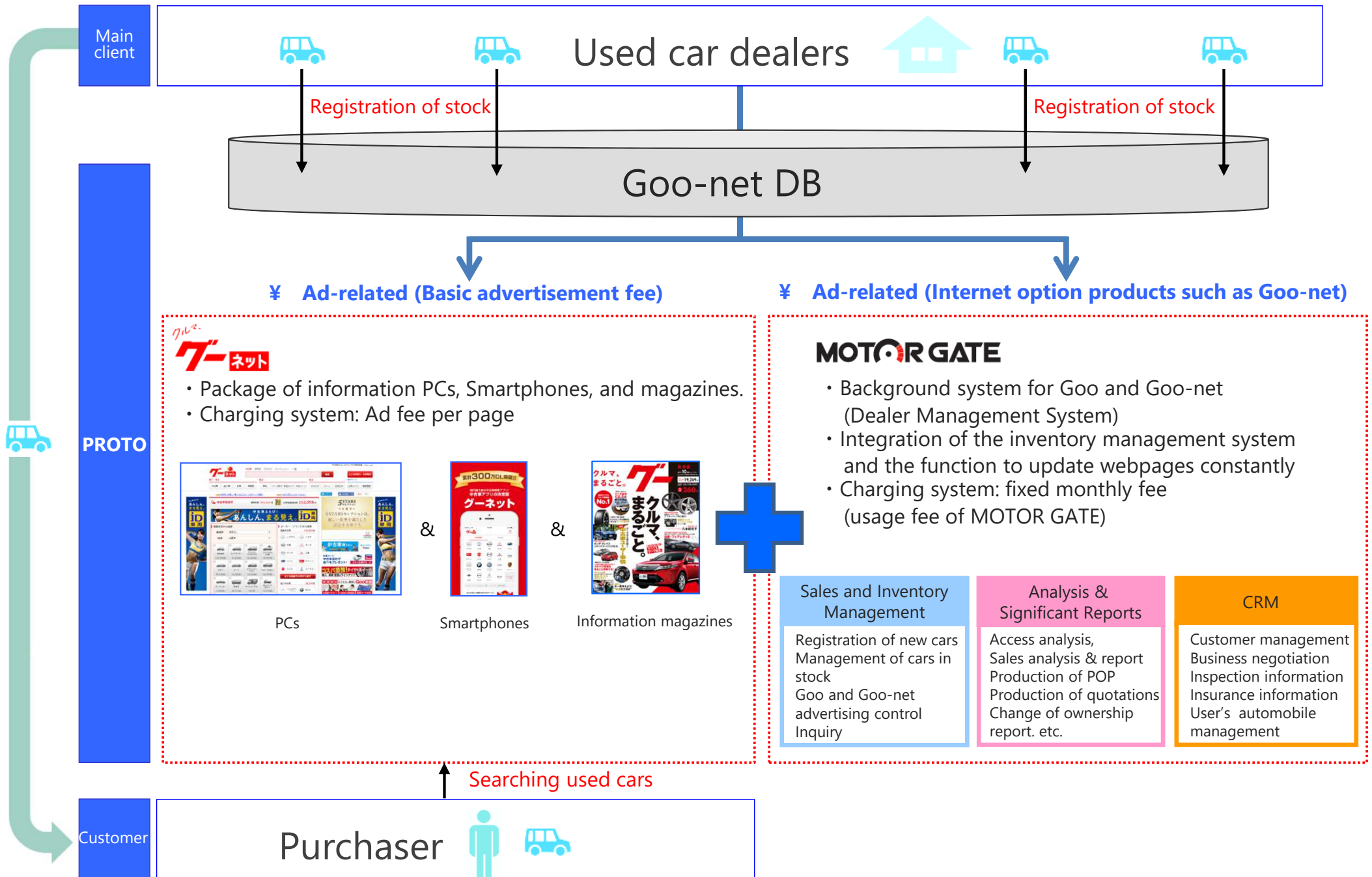
<New car dealer>

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

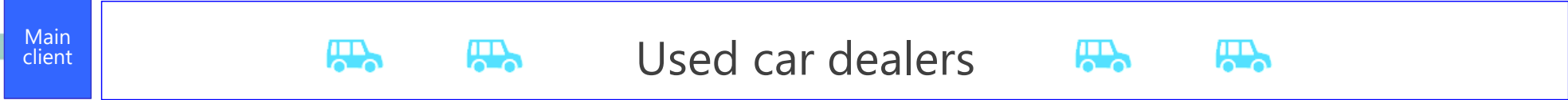
<Maintenance shop>

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

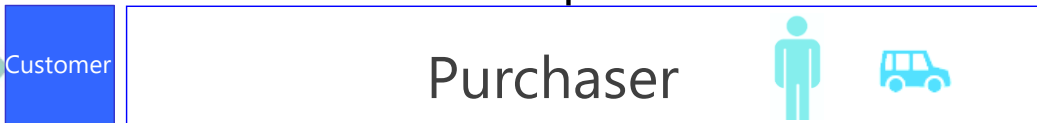
1. Used cars are inspected based on the criteria of Japan automobile appraisal association (JAAA), a third party organization.
2. Inspection are performed for exterior, interior, engine, and repair history.
3. Evaluation results of exterior, interior, engine, and repair history are set and then disclosed.



Goo鑑定の概要と図解 (一例)



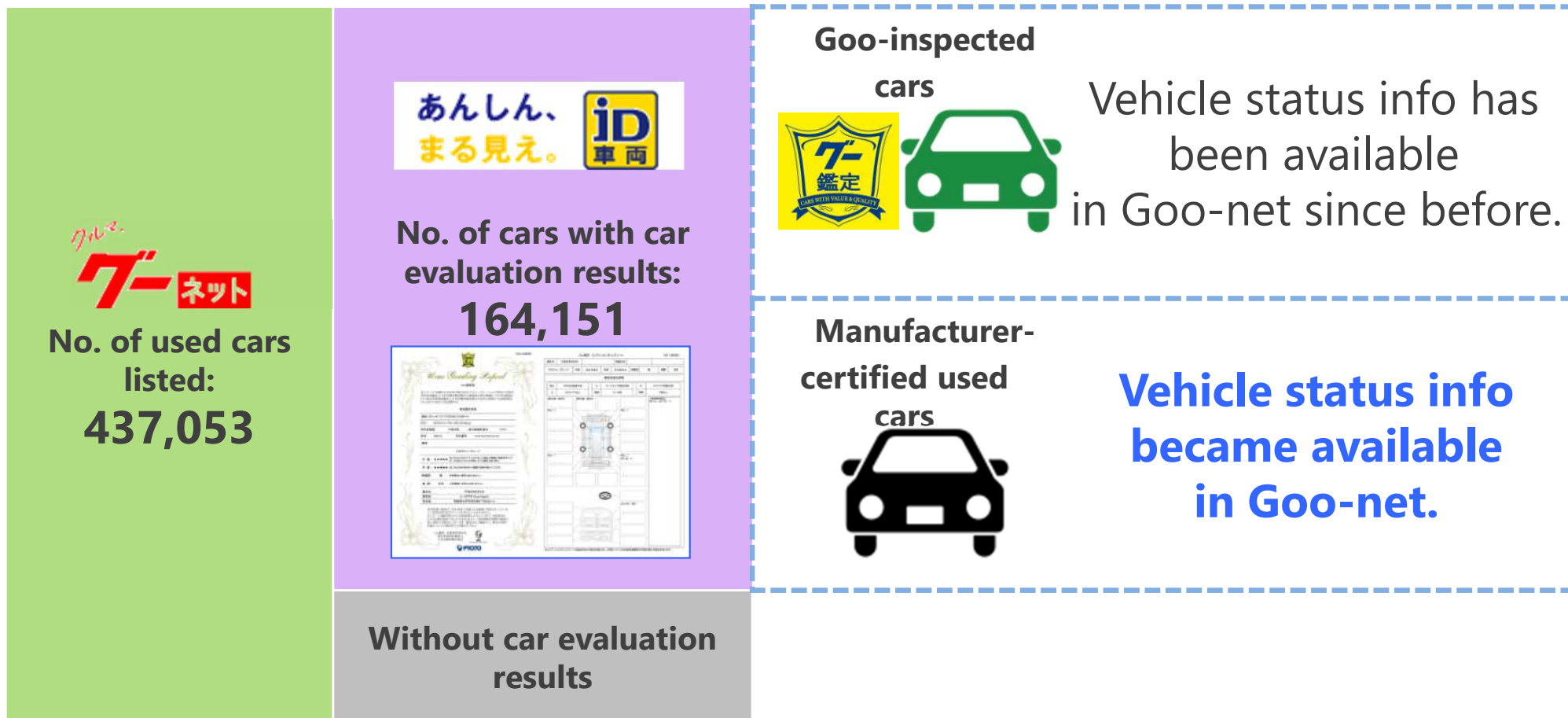
Searching used cars



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: 41,582

(as of January 22, 2019)

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

New car dealers: Business model of DataLine SalesGuide

Main client



New car dealers



¥ Information and services (Usage fee of DataLine SalesGuide)

DataLine SalesGuide

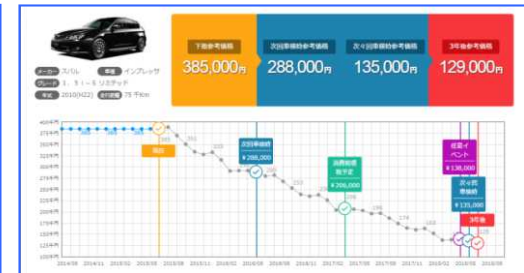
- Charging system: fixed monthly fee
- We promote the replacement to new car by presenting a rough estimate of both the current value and future value of a car during the negotiation with user.



Cost comparison suggestion function



Future forecast graph function (future price)



POP function for replacement



Replacement simulation function



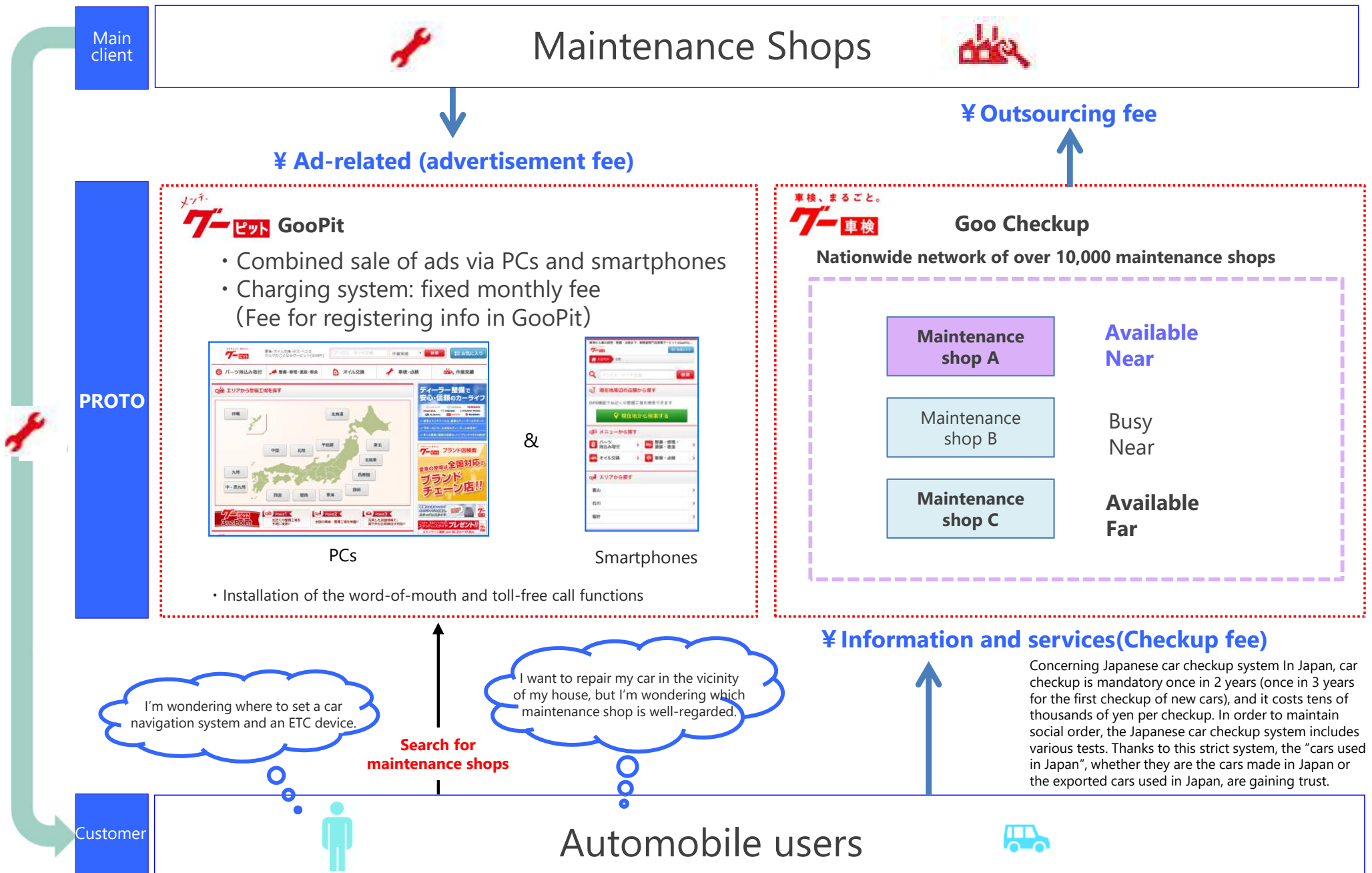
PROTO

Customer

Automobile users



Maintenance Shops: Business model of GooPit and Goo Checkup



* Amounts of money described in this material are rounded down to million yen.

Future Outlook

The IR information in this document includes a future outlook.

Such information other than the past events may be influenced by the risk and uncertainty due to the competition, market, and systems in the field of our company's business. As a result, the outlook based on the assumption and estimation with available information may be different from actual results and performance in the future. We would appreciate your understanding.

For Inquiries

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