

Investor Meeting for the Fiscal Year
Ended March 2019
(Medium-Term Business Plan)

PROTO CORPORATION

May 14, 2019 (Investor Meeting May 22, 2019)



Overview of FY March 2019

■ Overview of the Business Performance (FY March 2019)

ROE	11.7 %	+ 9.7 point
Sales	62,251 million yen	+ 0.2% y/y
Gross Profit	23,832 million yen	+ 3.0% y/y
EBITDA	5,920 million yen	+ 9.7% y/y
Operating income	4,565 million yen	+ 24.2% y/y
Ordinary income	5,004 million yen	+ 34.0% y/y
Net income	3,159 million yen	+508.4% y/y

■ Topics

- Sales were almost the same as those in the previous year. Gross profit and operating income increased. The reform of the revenue structure progressed steadily.
- No. of affiliated firms of MOTOR GATE (Goo-net): 14,761 (+ 6.9% y/y)
- No. of fee-paying maintenance shops of GooPit: 3,310 (+ 15.4% y/y)
- No. of dealers with DataLine SalesGuide: 5,422 (+ 12.0% y/y)
- Oct. 2018: Motorbike media (GooBike) cease print publication and shift to online in some areas.
- Jan. 2019: DataLine SalesGuide : Start sales promotion targeted at dealers of all domestic manufacturers
- Mar. 2019: We changed the market to the TSE's First Section.
- Apr. 2019: The corporate venture capital was established. (PROTO Ventures)

FY March 2019: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Net Sales	62,111	100.0%	62,728	100.0%	62,251	100.0%
Gross Profit	23,142	37.3%	24,165	38.5%	23,832	38.3%
EBITDA	5,396	8.7%	5,804	9.3%	5,920	9.5%
Operating Income	3,674	5.9%	4,420	7.0%	4,565	7.3%
Ordinary Income	3,735	6.0%	4,644	7.4%	5,004	8.0%
Net Income	519	0.8%	2,978	4.7%	3,159	5.1%
Net Income per Share(Yen)	25.89	-	148.49	-	157.51	-

※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

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
139	+0.2%	(477)	(0.8%)
690	+3.0%	(332)	(1.4%)
523	+9.7%	115	+2.0%
890	+24.2%	144	+3.3%
1,268	+34.0%	359	+7.7%
2,640	+508.4%	180	+6.1%
131.62	+508.4%	9.02	+6.1%

[unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
SG&A Expenses	19,467	31.3%	19,744	31.5%	19,267	31.0%
Employment Cost	8,066	13.0%	8,127	13.0%	7,871	12.6%
Advertising Cost	4,295	6.9%	4,500	7.2%	4,486	7.2%
Other Expenses	7,106	11.4%	7,117	11.3%	6,909	11.1%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(200)	(1.0%)	(477)	(2.4%)
(194)	(2.4%)	(255)	(3.1%)
190	+4.4%	(13)	(0.3%)
(196)	(2.8%)	(208)	(2.9%)

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 sales of imported tires.).

Operating Income

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

Gross Profit Margin

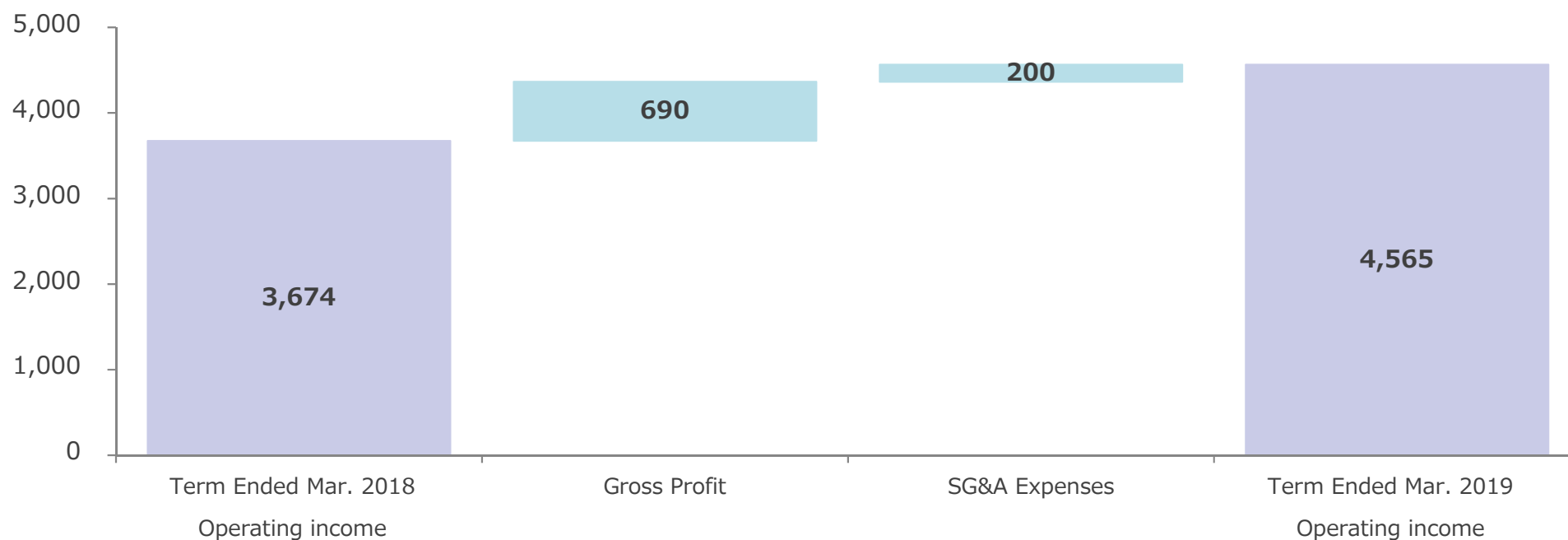
Gross profit rate: 38.3% (+ 1.0 point y/y). Profitability improved.

FY March 2019: Operating Results (2)

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

(Unit: million yen)

Primary Gross Profit Factors	+690	Primary SG&A Factors	+200	Operating Income Increase and Decrease	+890
PROTO CORPORATION	+1,050	PROTO CORPORATION	(392)	PROTO CORPORATION	+657
PROTO-RIOS	(94)	PROTO-RIOS	+234	PROTO-RIOS	+139
AUTOWAY	+172	AUTOWAY	(303)	AUTOWAY	(130)
TIRE WORLD KAN BEST	(152)	TIRE WORLD KAN BEST	+270	TIRE WORLD KAN BEST	+117
Kings Auto	+14	Kings Auto	+86	Kings Auto	+101
Bike Bros	(90)	Bike Bros	+37	Bike Bros	(53)
		Amortization of Goodwill	+194	Amortization of Goodwill	+194
<p>Mainly the sales growth and profitability improvement of ad-related (MOTOR GATE 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>	



FY March 2019: Operating Results by Segment

Net Sales [unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Automobile-related	56,100	90.3%	56,416	89.9%	56,167	90.2%
Ad-related	21,618	34.8%	21,507	34.3%	21,278	34.2%
Information and services	5,053	8.1%	4,808	7.7%	5,041	8.1%
Sales of goods	29,429	47.4%	30,100	48.0%	29,847	47.9%
Lifestyle-related	4,370	7.0%	4,473	7.1%	4,335	7.0%
Real Estate	213	0.3%	195	0.3%	195	0.3%
Other Business	1,426	2.3%	1,644	2.6%	1,553	2.5%
Total	62,111	100.0%	62,728	100.0%	62,251	100.0%

Operating Income [unit: million yen]	FY March 2018		FY March 2019			
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin
Automobile-related	4,933	8.8%	5,633	10.0%	5,758	10.3%
Lifestyle-related	370	8.5%	271	6.1%	249	5.8%
Real Estate	170	79.8%	176	90.3%	193	99.0%
Other Business	(71)	-	51	3.2%	57	3.7%
Management Division	(1,728)	-	(1,712)	-	(1,693)	-
Total	3,674	5.9%	4,420	7.0%	4,565	7.3%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
66	+0.1%	(248)	(0.4%)
(339)	(1.6%)	(228)	(1.1%)
(11)	(0.2%)	233	+4.8%
418	+1.4%	(252)	(0.8%)
(35)	(0.8%)	(138)	(3.1%)
(18)	(8.6%)	0	+0.2%
126	+8.9%	(91)	(5.5%)
139	+0.2%	(477)	(0.8%)

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
825	+16.7%	125	+2.2%
(120)	(32.6%)	(21)	(8.0%)
22	+13.3%	17	+9.8%
128	-	5	+10.2%
34	-	18	-
890	+24.2%	144	+3.3%

Automobile-related information

Sales and profit grew: Sales grew mainly due to sales increase effects from imported tire sales, DataLine SalesGuide, GooPit, etc. as well as earning structure reform by reducing the cost for information magazine, 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

Sales dropped, mainly because of the decline in sales of systems of PROTO-RIOS. On the other hand, the sales from DataLine SalesGuide usage fees, etc. increased.

Sales of goods

The primary factor for increasing the sales was the healthy performance of imported tires by AUTOWAY. The plan was not achieved due to the suspension of unprofitable business of Bike Bros.

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.

FY March 2019: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2018		As of March 31, 2019		YoY change	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	27,675	62.3%	27,088	61.7%	(586)	97.9%
Fixed Assets	16,718	37.7%	16,791	38.3%	72	100.4%
Current Liabilities	16,143	36.4%	14,035	32.0%	(2,108)	86.9%
Long-term Liabilities	2,272	5.1%	1,814	4.1%	(457)	79.9%
Net Assets	25,977	58.5%	28,029	63.9%	2,052	107.9%
Total Assets	44,393	100.0%	43,879	100.0%	(513)	98.8%

[unit: million yen]	As of March 31, 2018		As of March 31, 2019		YoY change	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	16,120	36.3%	15,747	35.9%	(373)	97.7%
Interest-bearing debt	8,590	19.4%	6,800	15.5%	(1,790)	79.2%
Net cash	7,530	17.0%	8,947	20.4%	1,417	118.8%

Current Assets

The main factor for decreasing was Cash and cash equivalents dropping by 373 million yen.

Fixed Assets

The main factor for increasing was tire-related capital investment.

Current Liabilities

The main factor for decreasing was short-term debts dropping by 1,298 million yen (including current portion of long-term debts).

Long-term Liabilities

The main factor for decreasing was long-term debts dropping by 492 million yen.

FY March 2019: Consolidated Statements of Cash Flows

[unit: million yen]	FY March 2018	FY March 2019	YoY change
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	3,999	3,807	(191)
Cash Flows from Investing Activities	(1,576)	(1,352)	223
Cash Flows from Financing Activities	898	(2,846)	(3,744)
Cash and Cash Equivalents at End of Term	15,729	15,356	(373)

[unit: million yen]	FY March 2018	FY March 2019	YoY change
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	2,204	1,728	(475)
Depreciation (Tangible/intangible fixed assets)	1,088	916	(171)
Amortization of Goodwill	632	437	(194)

* 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 3,807 million yen, mainly because 5,065 million yen was posted as net income before taxes and other adjustments, and depreciation free from spending, goodwill amortization and impairment loss totaled up to 1,353 million yen.

Cash Flows from Investing Activities

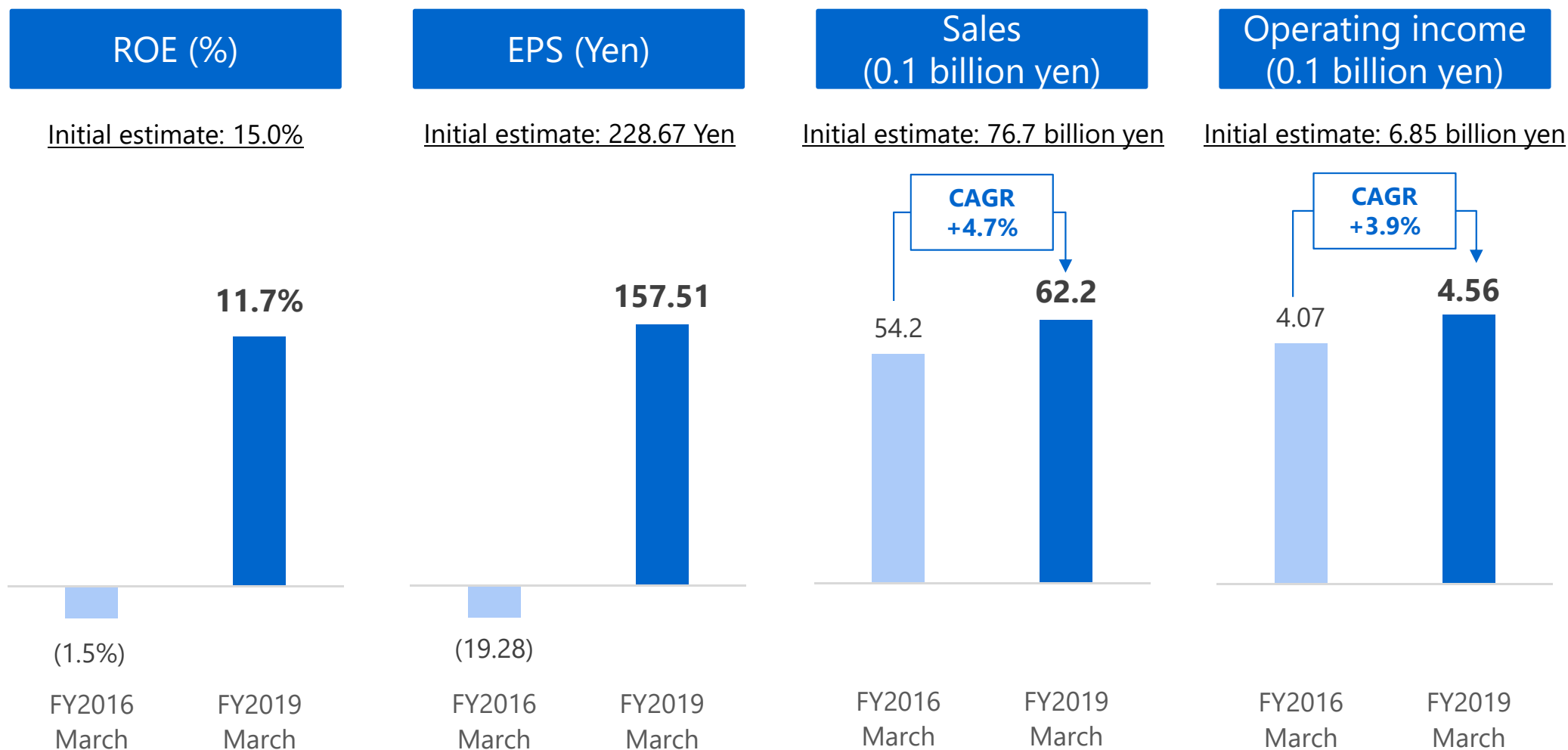
There was an expenditure of 1,352 million yen, mainly due to 1,601 million yen being used for the acquisition of fixed assets.

Cash Flows from Financing Activities

There was an expenditure of 2,846 million yen mainly due to a repayment of debts of 1,790 million yen and a payment of dividends of 1,002 million yen.

Review of the 3-Year Medium Term Plan (FY March 2017 to FY March 2019)

Review of the 3-Year Medium Term Plan (Business Indicators)



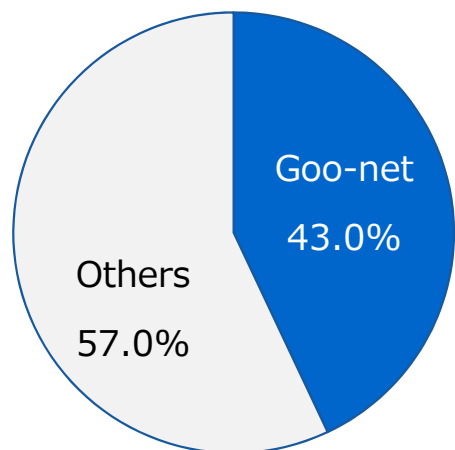
※ The initial estimates (the estimates for FY March 2019) were the figures announced on May 13, 2016.

Although the management index improved in the past 3 years, the initial estimates have not been achieved. The main factor is the delay in the customer sending service business (Goo Checkup) in the maintenance field.

Review of the 3-Year Medium Term Plan (Used Cars Field)

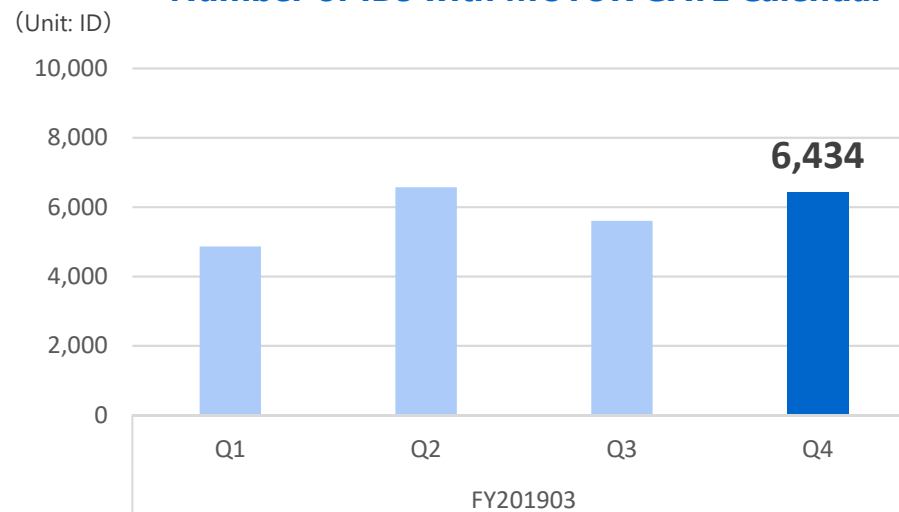
	Number of affiliated companies	Share	Number of cars received goo-inspection /year	New services
Results in FY March 2019	14,761	43.0%	560,000/year	MG shopping (BtoB EC), MG Calendar (store visit appointment function)
Results in FY March 2016	11,185	-	290,000/year	-

No. of Affiliated companies of Goo-net(MOTOR GATE)



Target market scale
(34,335 companies)
Source:
Surveyed by our company

Number of IDs with MOTOR GATE Calendar

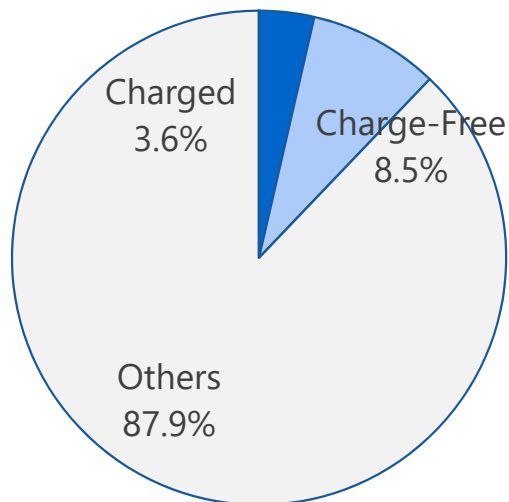


Profitability improved as we expanded the number of affiliated companies and improved productivity.

Review of the 3-Year Medium Term Plan (Maintenance Field)

	Number of affiliated shops (fee-paying shops)	Number of affiliated shops (free shops)	Number of cars received Goo-Checkup /year	New services
Results in FY March 2019	3,310	7,862	1,876	Introduction of installation ticket EC, appointment service.
Results in FY March 2016	1,339	-	0	-

No. of Affiliated shops of GooPit



Total market scale (92,044shops)

Source: Ministry of Land, Infrastructure, Transport and Tourism

(Unit: Posts)

200,000

150,000

100,000

50,000

0

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

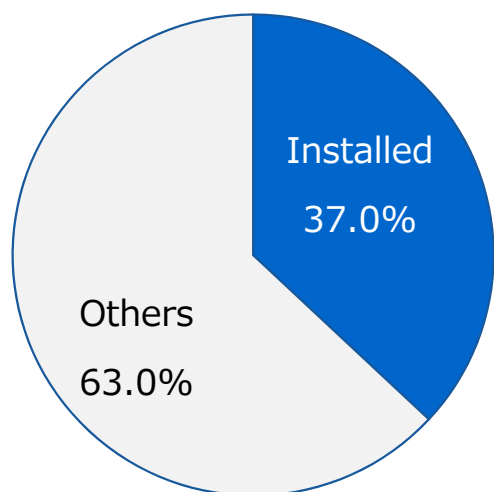


The organic inflow of users increased, and the number of affiliated shops (fee-paying shops) increased. However, there are still issues with the customer sending service business (Goo Checkup).

Review of the 3-Year Medium Term Plan (New Cars Field)

	Affiliated sites of DataLine SalesGuide	Share	New services
Results in FY March 2019	5,422 sites	37.0%	DLSG car replacement proposal DataLine AI Assessment
Results in FY March 2016	3,010 sites	20.3%	-

No. of Affiliated sites of DataLine SalesGuide



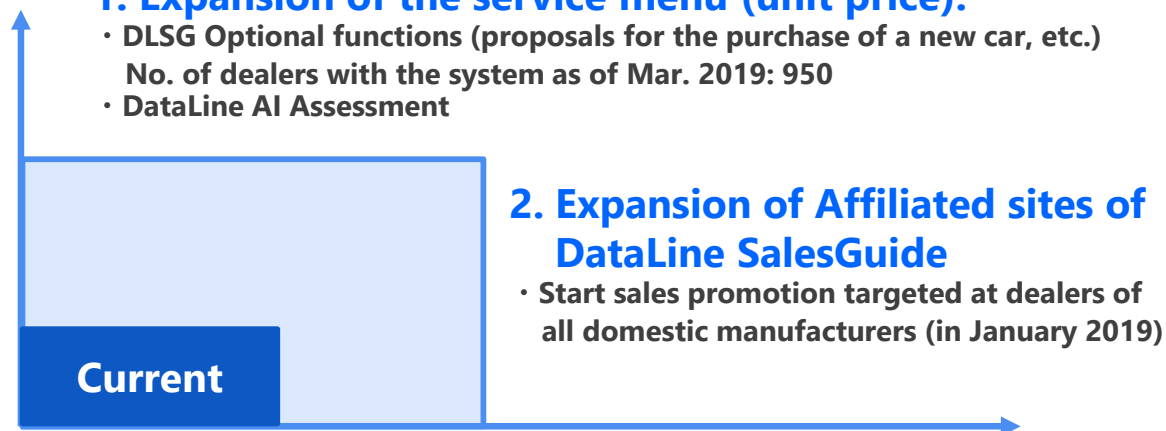
Total market scale (14,670sites)

Source:
Japan Automobile Service
Promotion Association

Activities in the DataLine SalesGuide

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 Mar. 2019: 950
- DataLine AI Assessment



2. Expansion of Affiliated sites of DataLine SalesGuide

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

We promoted the increase of our market share by expanding the number of affiliated sites and the increase of unit prices by new services in an effort to achieve further growth.

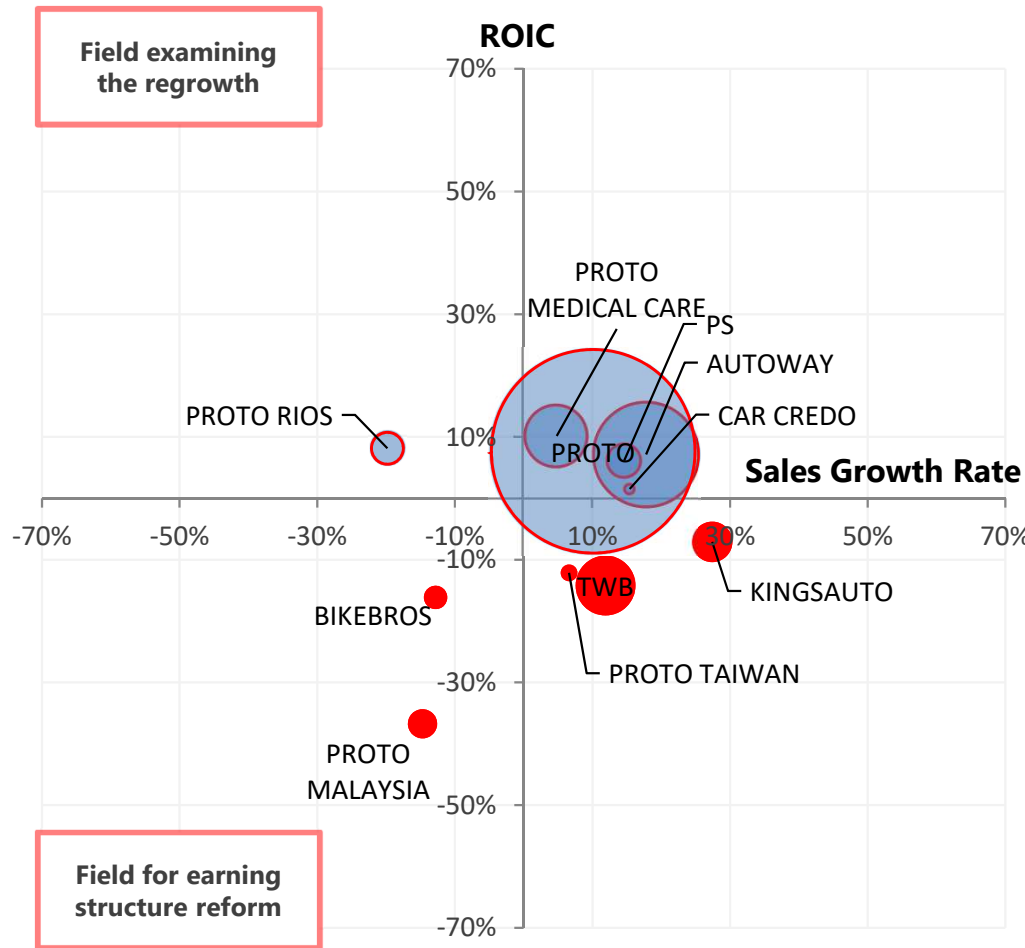
Review of the 3-Year Medium Term Plan (Breakdown of goodwill balance)

Breakdown of goodwill balance [unit: million yen]	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	Goodwill amortization for the term ended Mar. 2019
	Results	Results	Results	Results	Results
Automobile-related	3,871	3,367	1,669	1,335	333
(AUTOWAY)	2,336	2,003	1,669	1,335	333
Lifestyle-related	785	683	560	474	85
Other Business	71	55	58	40	17
Total	4,729	4,106	2,288	1,851	437

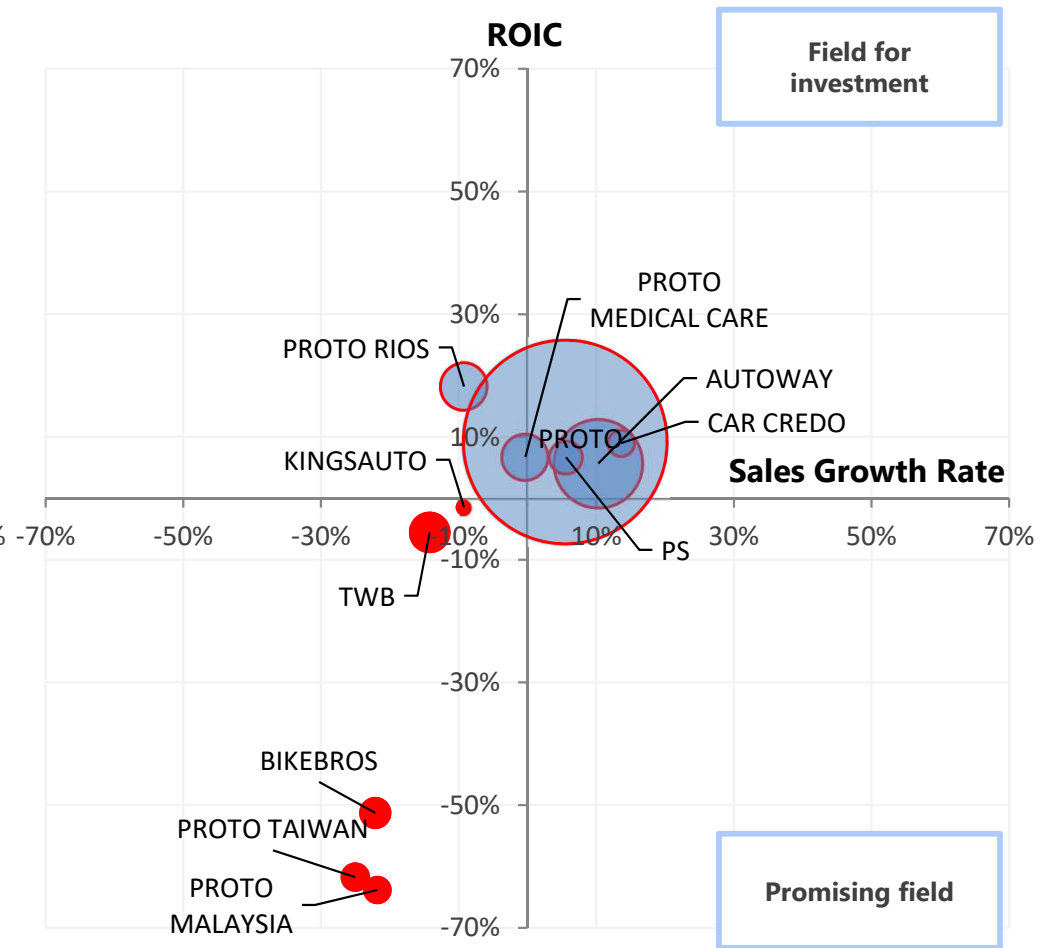
The unamortized balance of goodwill as of the end of FY March 2019 was 1.8 billion yen.

Trends of the Business Portfolio

FY March 2018



FY March 2019



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)

Bike Bros went through the unprofitable business withdrawal and absorbed by PROTO (April 2019).

Despite progress in improving profitability, there are still issues with reviewing the business portfolio.

Medium-Term Business Plan (FY March 2020 to FY March 2022)

To practice the corporate ideology

Corporate Ideology

To convert the information of today into the wisdom of tomorrow,
and contribute to society with dreams, inspirations, and joy.

**We will strive to continuously improve corporate value
based on our corporate ideology.**

Vision “Corporate Goal”

Customer satisfaction

Beneficial information and services

Pride of employees

Company and work



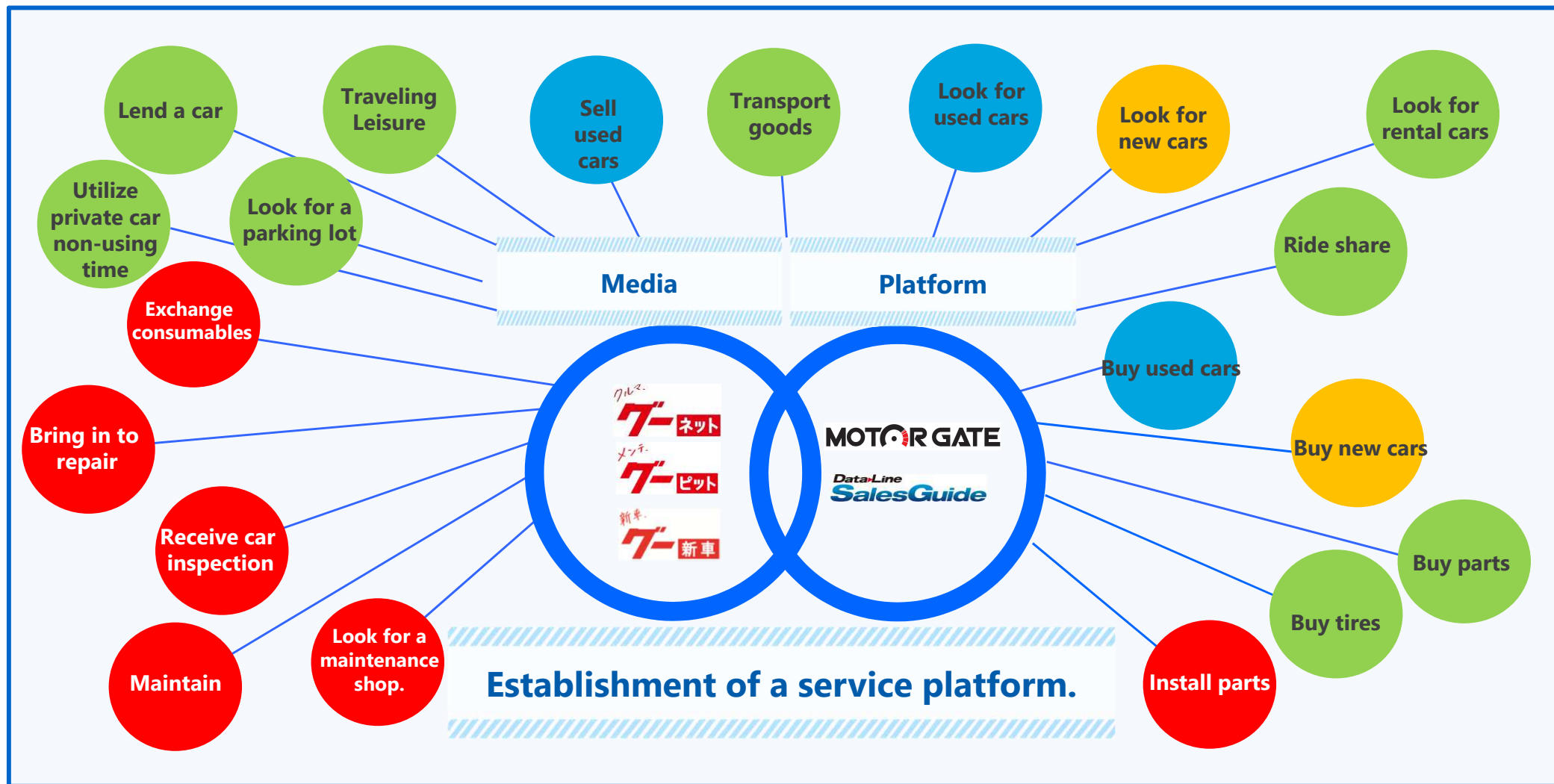
Trust from shareholders

Future and results

We will obtain the satisfaction of customers (beneficial information and services), the pride of our employees (company and work), and the trust of our shareholders (future and results) to create a company that is needed by society.

Vision “Establishment of a Service Platform”

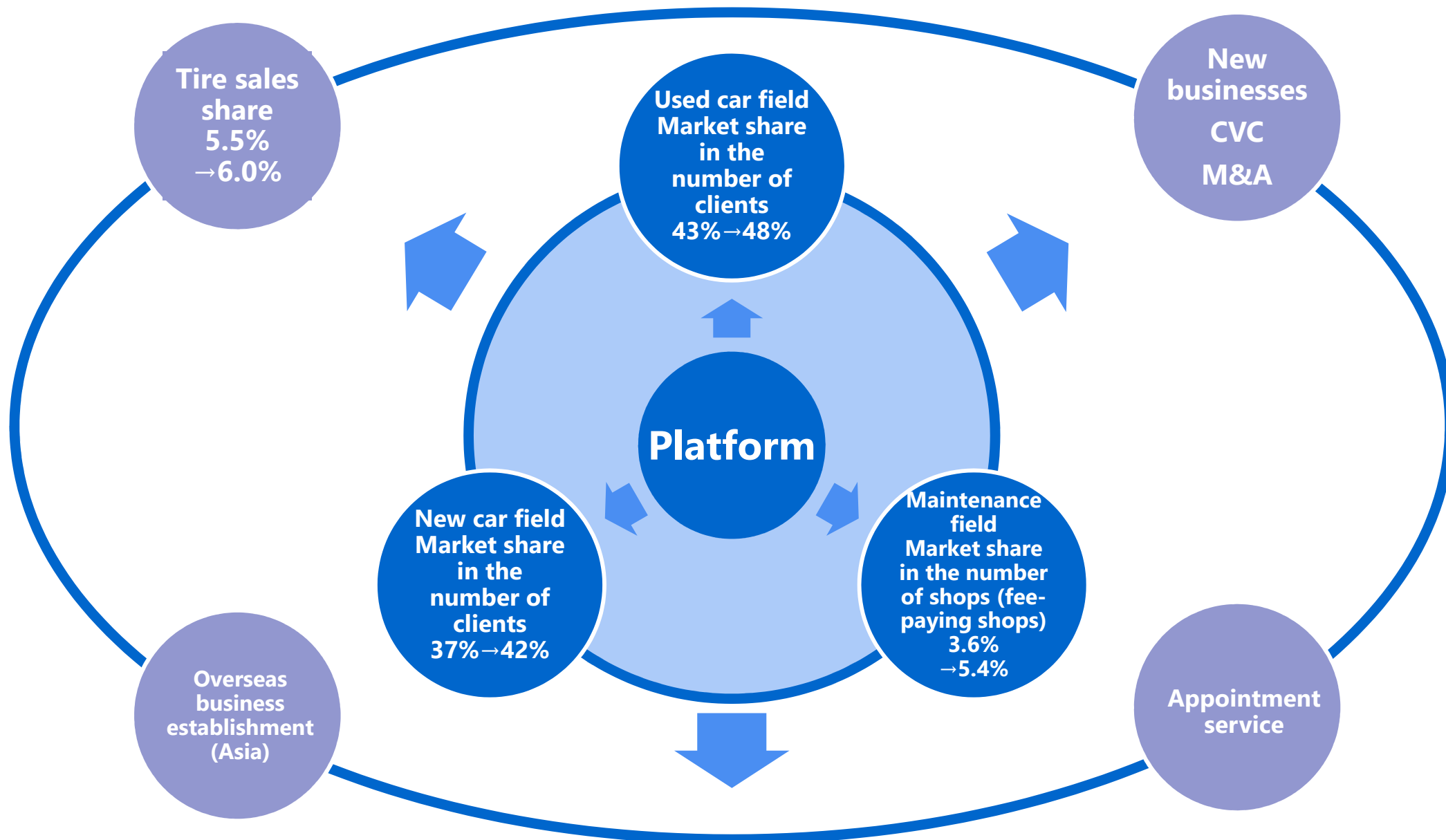
To realize comprehensive support for car life.



**To be the leader in Japan in the automobile-related information service industry!!
(From media to a service platform.)**

Vision “Establishment of a Service Platform”

Goo Life Time Value (Growth Strategy)



Medium-term 3-Year Business Plan (Business Indicators)

■ Concerning important business indicators

Along with the growth of gross profit and operating income, we have positioned ROE and EPS as important business indicators.

■ Business indicators

	FY March 2016 Results	FY March 2019 Results	FY March 2022 Forecast
ROE	(1.5%)	11.7%	Over 12.0%
EPS (Net income per share)	(19.28) yen	157.51 yen	200.00 yen
Gross profit※	21.2 billion yen	23.8 billion yen	CAGR 6.4%
Operating income	4.07 billion yen	4.56 billion yen	CAGR 9.4%

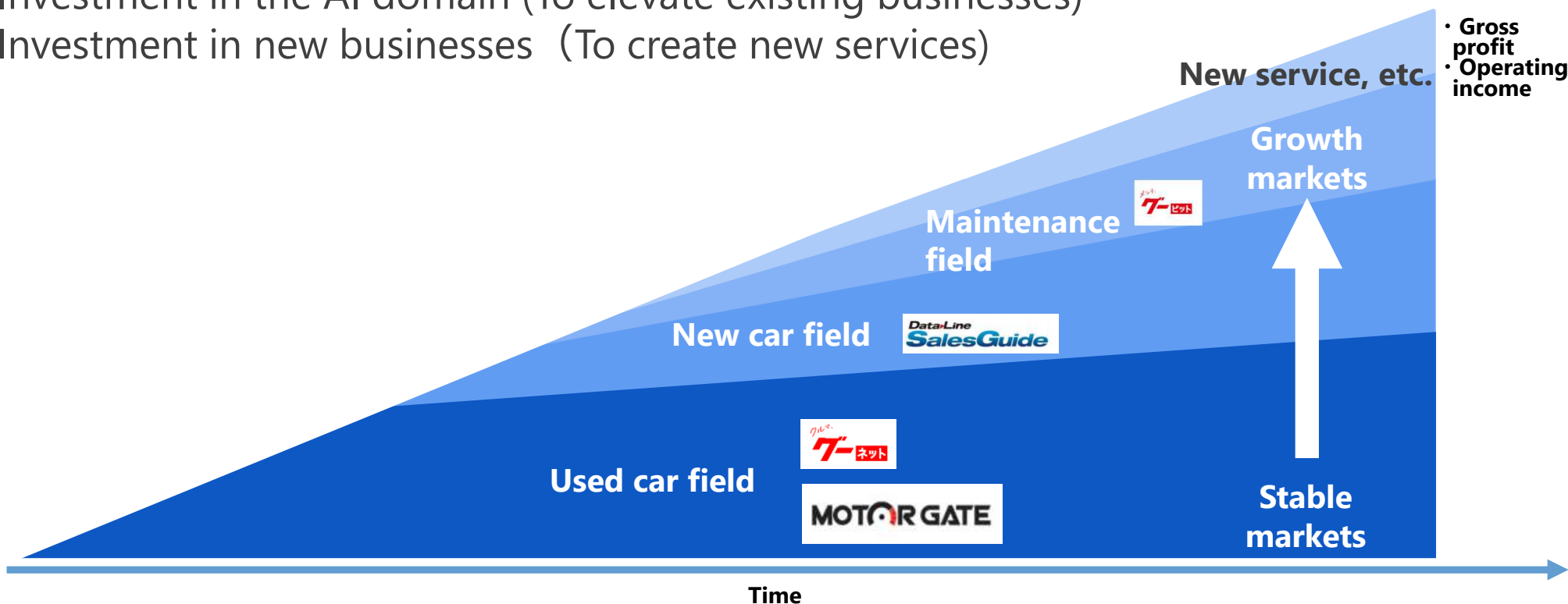
※ We have changed key management indicators from net sales to gross profit on the assumption that the "Accounting Standard for Revenue Recognition" will be applied in the future.

We aim to achieve an ROE of 12% or more in the three-year medium-term plan.

Medium- to Long-Term Growth Strategy

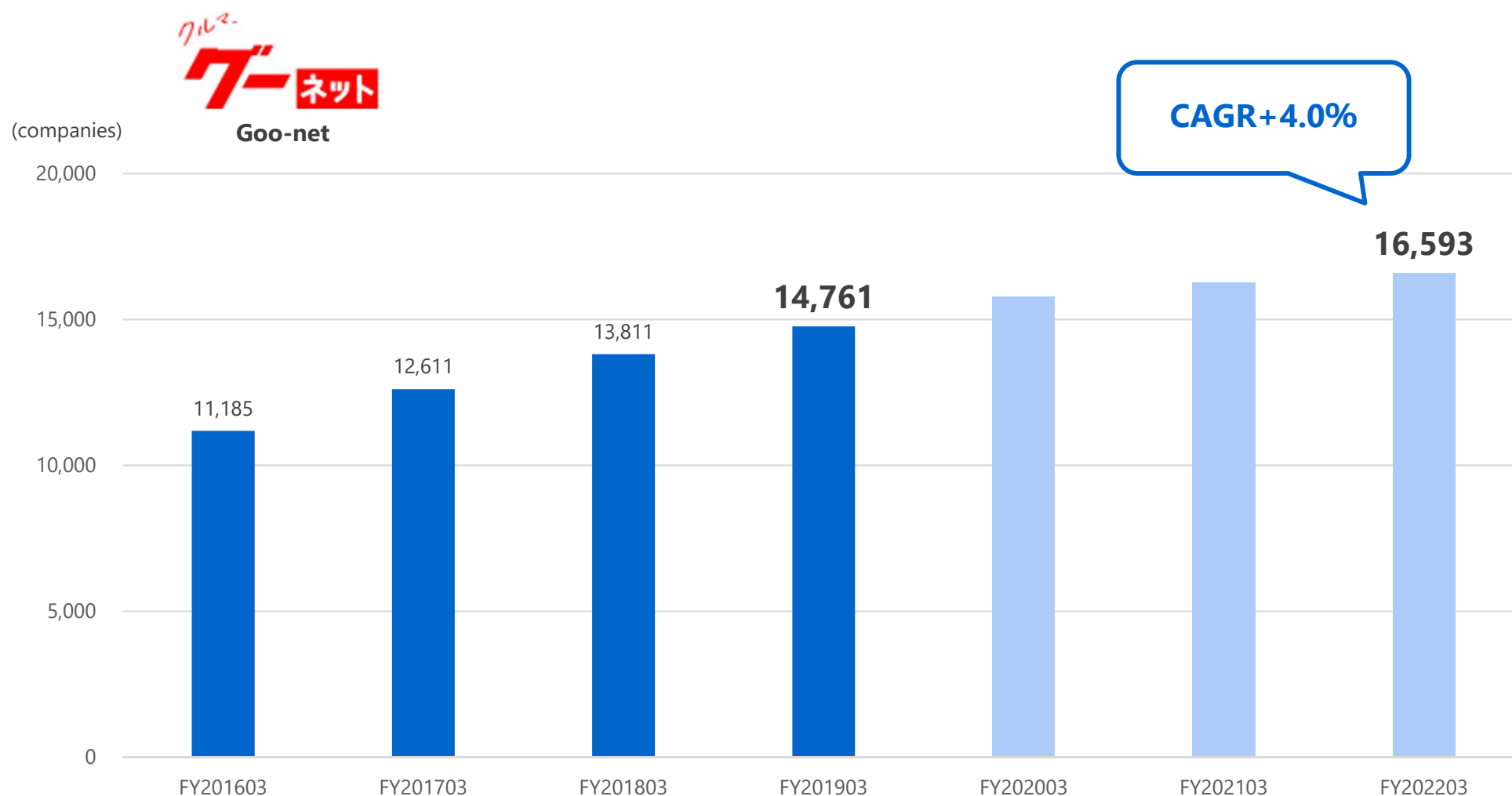
■ Priorities

- New car field: To make it a pillar of profit creation.
- Used car field: To review manufacturing cost and SG&A.
- Maintenance field: ① To expand the foundation of the advertisement business.
② To establish appointment service
- Investment in the AI domain (To elevate existing businesses)
- Investment in new businesses (To create new services)



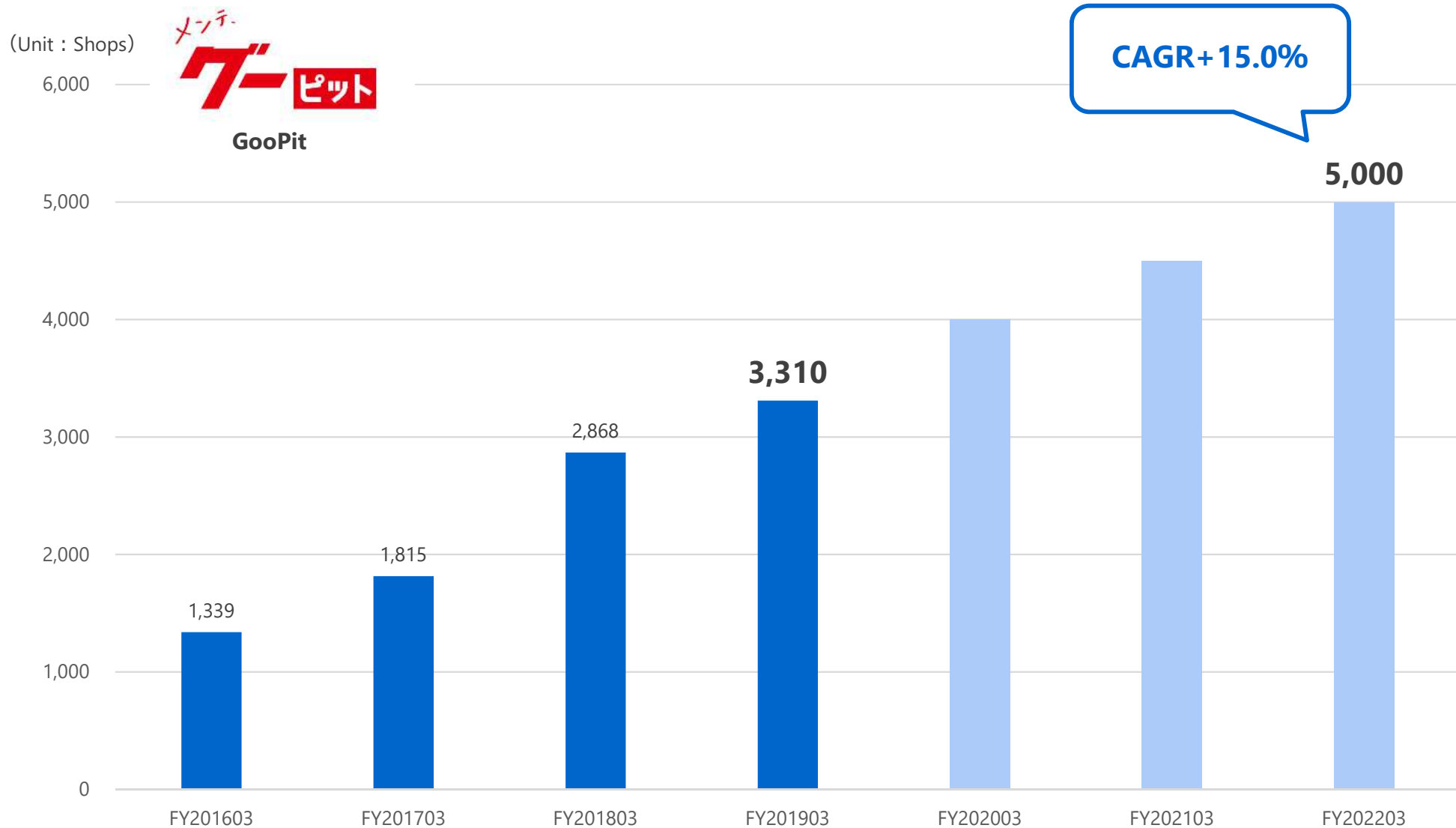
We will invest our management resources in the medium- and long-term growth markets and aim for sustainable improvement of our corporate value.

Used Cars Field (No. of Affiliated companies of Goo-net(MOTOR GATE))



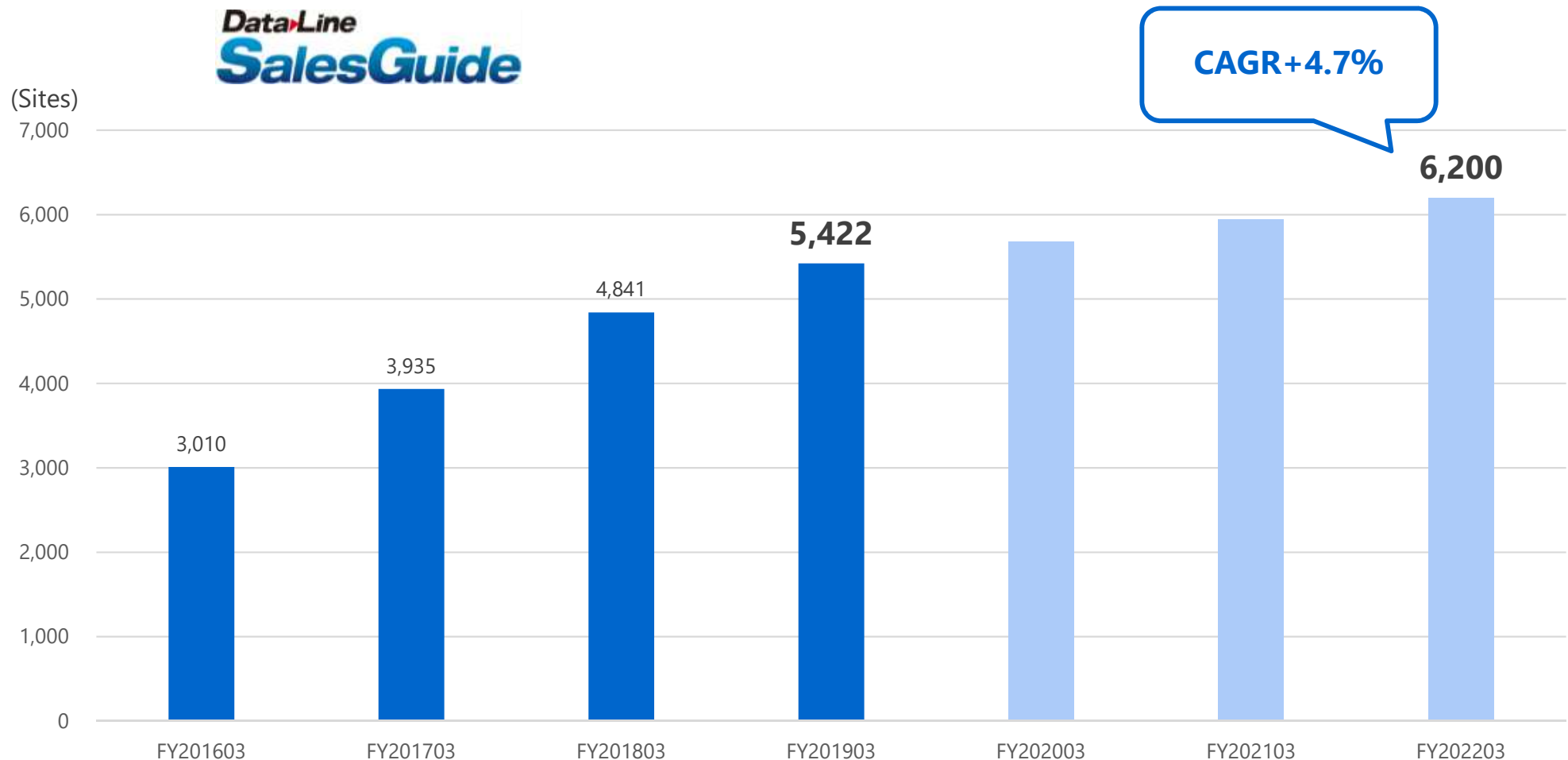
We aim for an average annual growth rate of + 4.0% for the number of Goo-net affiliated companies, introduce MOTOR GATE calendar, etc. and promote continuous improvement of productivity.

Maintenance Field (No. of Affiliated shops of GooPit(Paid-Service))



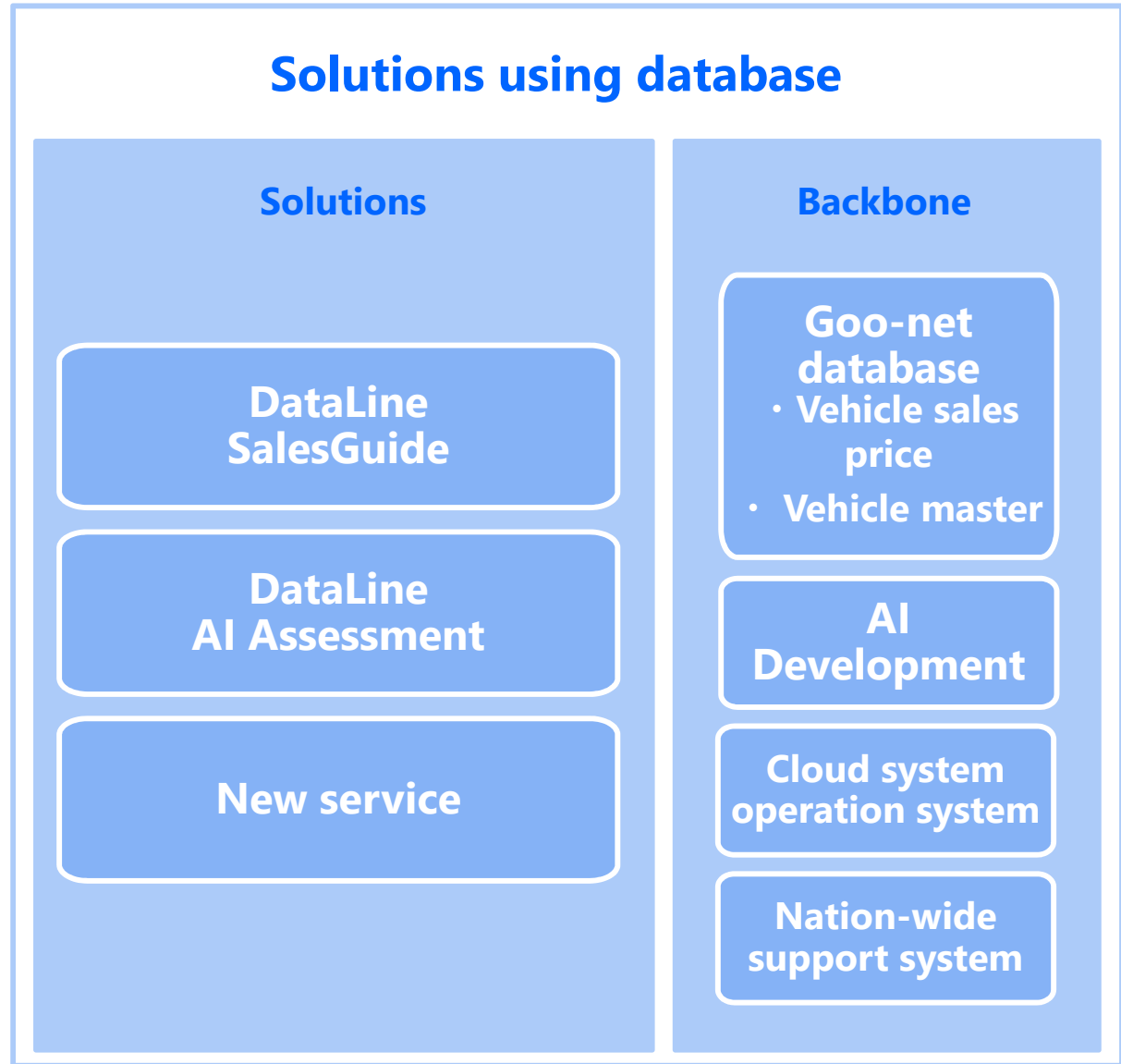
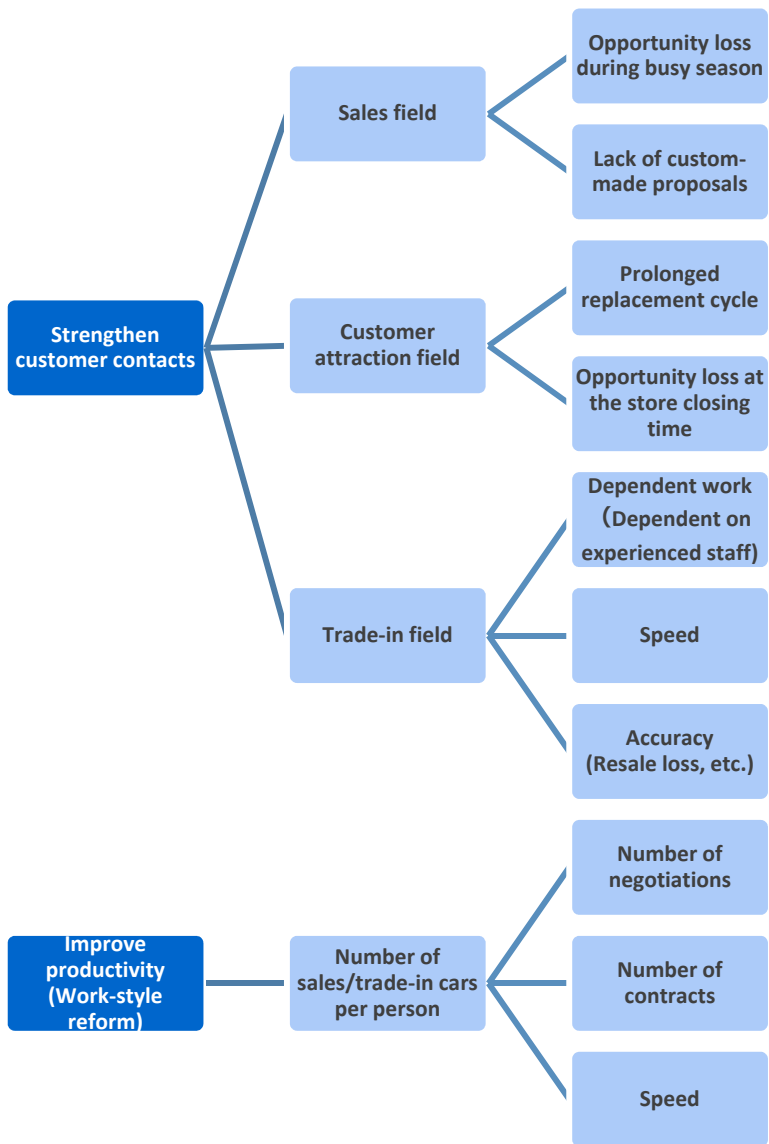
As for the fee-paying maintenance shops of GooPit, we aim at the average annual growth rate of +15.0%. We will also promote appointment services for maintenance shops from FY October 2019.

New Cars Field (No. of Affiliated sites of DataLine Sales)



**We aim at the average growth rate of +4.7% and installation at 6,200 sites.
We will also promote the adoption of optional functions and new services.**

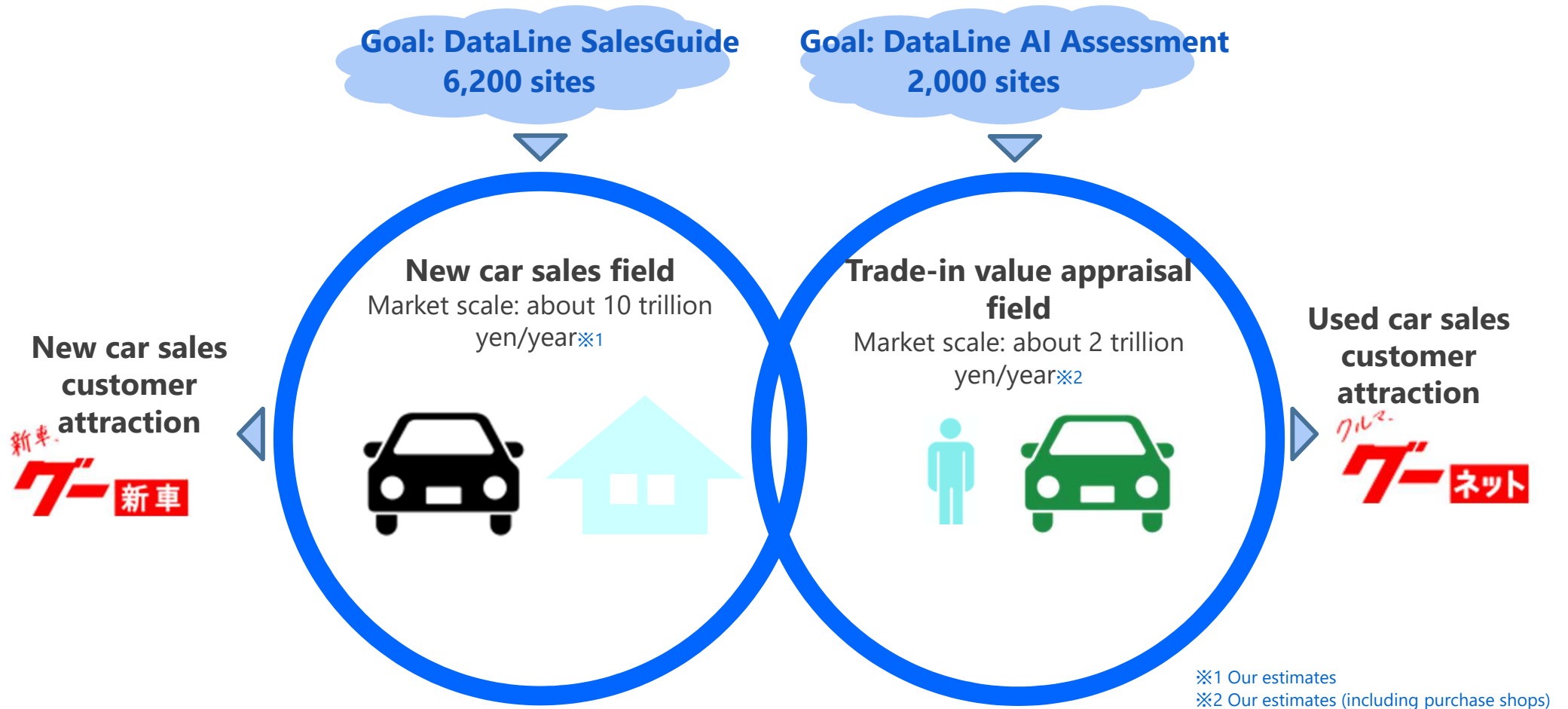
New Cars Field (Our Strength)



Provision of solutions using the Goo-net database.

New Cars Field (Market Scale)

Platform to support management of new car dealers



We will establish a management support platform for new car dealers through new car sales support, trade-in value appraisal support, and customer attraction support.

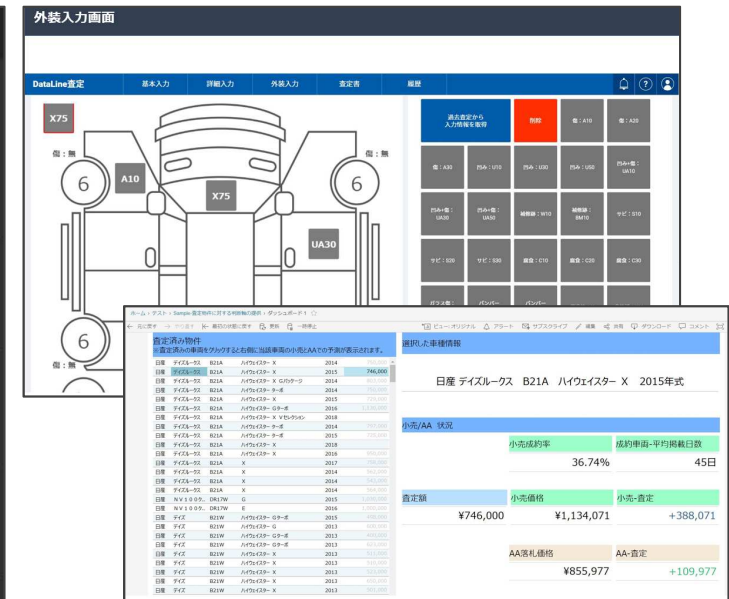
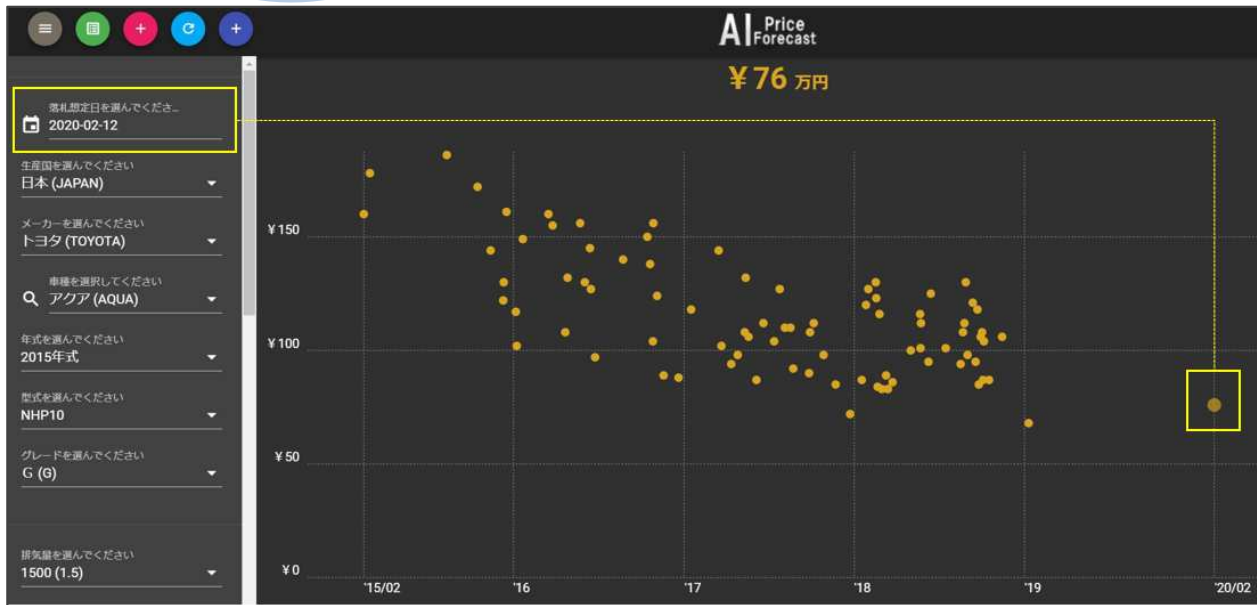
New Cars Field (DataLine AI Assessment)

Development of DataLine AI Assessment



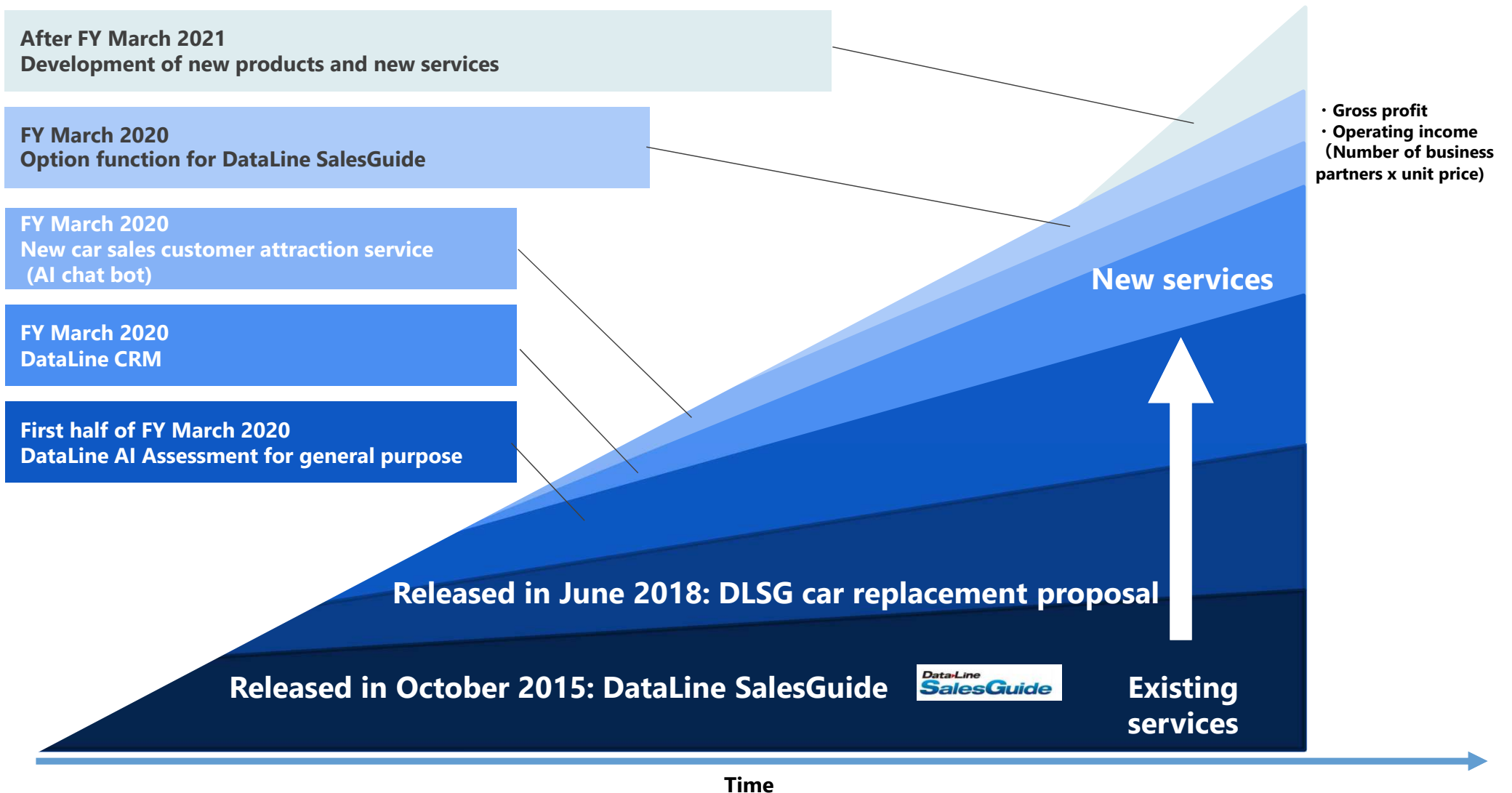
Utilization of AI in the assessment process for trade-in cars.

- 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)



We will promote digitization of the trade-in value appraisal process using new technologies. Our goal is to introduce the new technologies to 2,000 sites.

New Cars Field (Growth Strategy)



Using databases, we will strengthen contact points for new car dealers and solve issues related to productivity improvement.

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 2019 Results	FY March 2020 Forecast	FY March 2021 Forecast	FY March 2022 Forecast
2 nd Quarter	25 yen	27.5 yen (Including commemorative dividend: 2.5 yen)	TBD	TBD
Year-End	25 yen	27.5 yen (Including commemorative dividend: 2.5 yen)	TBD	TBD
Annual	50 yen	55 yen (Including commemorative dividend: 5 yen)	TBD	TBD

※ The impact of the stock split (1:2) with the effective date of July 1, 2019 is not factored in.

■ Concerning stock split

In order to improve the liquidity of the stock, we implemented a 1:2 stock split with July 1st, 2019 as the effective date.

The distribution of dividends to commemorate the market change to the TSE's First Section is implemented.

ESG (To strengthen corporate governance)

■ Prerequisites for securing the effectiveness of the board of directors and the board of auditors

One or more corporate auditors with sufficient knowledge on finance and accounting will be appointed. (The proposal will be submitted to the ordinary general meeting of shareholders held in June 2019.)

■ Improvement of the executive compensation system

The restricted stock compensation plan (RS) will be introduced.

(The proposal will be submitted to the ordinary general meeting of shareholders held in June 2019.)

■ Appropriate supervision of planning for successors to the chief executive officer (CEO) and others

At present, sufficient discussions have not been made about succession planning and the development of successors. We will continue discussing the formulation of a succession plan at the Board of Directors meetings.

■ Examination of Nomination Committee and Remuneration Committee

The Company currently has two independent external directors. Although it has not reached a majority of the Board of Directors, they make use of their expert knowledge and abundant experience to appropriately advise on important matters of deliberation and resolution at the Board of Directors meetings, and provide advice as needed. Therefore, no independent advisory committee is established at this time. However, we are aware that the establishment of independent advisory committees on matters of particular importance such as nomination and compensation is a matter for future examination.

■ Examination about composition, scale, and diversity of the Board of Directors

We will continue to examine the matter at the Board of Directors meetings.

In the 3-year medium-term plan, we will strive to improve corporate governance, which is the basis for improving corporate value

FY March 2020: Consolidated Earnings Forecast

FY March 2020: Consolidated Earnings Forecast

Consolidated Statements of Income [unit: million yen]	FY March 2019		FY March 2020		YoY change	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	(b)-(a)	%
Net Sales	62,251	100.0%	62,431	100.0%	179	+0.3%
Gross Profit	23,832	38.3%	24,689	39.5%	856	+3.6%
EBITDA *1	5,920	9.5%	6,255	10.0%	335	+5.7%
Operating Income	4,565	7.3%	4,916	7.9%	350	+7.7%
Ordinary Income	5,004	8.0%	4,942	7.9%	(62)	(1.2%)
Net Income	3,159	5.1%	3,274	5.2%	114	+3.6%
EPS (Yen) *2	157.51	-	163.22	-	5.71	+3.6%

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

*2 The impact of the stock split (1:2) with the effective date of July 1, 2019 is not factored in.

[unit: million yen]	FY March 2019		FY March 2020		YoY change	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	19,267	31.0%	19,773	31.7%	505	+2.6%
Employment Cost	7,871	12.6%	8,176	13.1%	305	+3.9%
Advertising Cost	4,486	7.2%	4,660	7.5%	173	+3.9%
Other Expenses	6,909	11.1%	6,935	11.1%	26	+0.4%

- Sales are estimated to be the same as those in the previous year. (There is an impact of the abolition of the unprofitable business of Bike Bros "sales of approximately 1.5 billion yen in FY March 2019")
- As for gross profit and operating income, continual improvement of profitability is assumed.

FY March 2020: Consolidated Earnings Forecast (Segment)

Sales [unit: million yen]	FY March 2019		FY March 2020		YoY change	
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	(b)-(a)	%
Automobile-related	56,167	90.2%	56,293	90.2%	125	+0.2%
Ad-related	21,278	34.2%	21,639	34.7%	361	+1.7%
Information and services	5,041	8.1%	5,074	8.1%	32	+0.7%
Sale of goods	29,847	47.9%	29,579	47.4%	(268)	(0.9%)
Lifestyle-related	4,335	7.0%	4,331	6.9%	(3)	(0.1%)
Real Estate	195	0.3%	137	0.2%	(57)	(29.5%)
Other Business	1,553	2.5%	1,668	2.7%	115	+7.4%
Total	62,251	100.0%	62,431	100.0%	179	+0.3%

Operating Income [unit: million yen]	FY March 2019		FY March 2020		YoY change	
	Results(a)	Profit margin	Forecast(b)	Profit margin	(b)-(a)	%
Automobile-related	5,758	10.3%	6,524	11.6%	765	+13.3%
Lifestyle-related	249	5.8%	138	3.2%	(111)	(44.6%)
Real Estate	193	99.0%	34	24.9%	(158)	(82.2%)
Other Business	57	3.7%	36	2.2%	(21)	(36.8%)
Management Division	(1,693)	-	(1,817)	-	(123)	-
Total	4,565	7.3%	4,916	7.9%	350	+7.7%

Appendix

Corporate Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,824,620 thousand yen (As of March 31, 2019)
Shares Outstanding	20,940,000 shares (As of March 31, 2019)
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: 1,455 (As of March 31, 2019) Parent: 599 (As of March 31, 2019)
Stock Exchange Listing	Tokyo Stock Exchange, First Section
Subsidiary	<ol style="list-style-type: none">1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)3. Kings Auto Co., Ltd. (Full subsidiary since April 2012)4. PROTO-RIOS INC. (Full subsidiary since October 2002)5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012)6. CAR BRICKS Co., Ltd. (Shareholder ratio 66% ,established in May 2017)7. PROTO MEDICAL CARE (Full subsidiary since October 2009)8. MARUFUJI (Full subsidiary since January 2016)9. SILVER HEART (Full subsidiary since January 2016)10. PROTO SOLUTION Co., Ltd. (Full subsidiary, established in April 2007)11. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017)12. PROTO Ventures (Full subsidiary since April 2019)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 April 30, 2019)

Corporate Profile

Financial Data (Consolidated)		Major Shareholders	
			(Thousands)
Shares outstanding (million)	20.9	1) Mugen Corporation	6,807 (32.50%)
Market capitalization (¥ billion, March 2019)	41.8	2) JPLLC CLIENT SAFEKEEPING ACCOUNT	1,325 (6.32%)
DPS (¥, FY March 2019)	50.0	3) The Master Trust Bank of Japan, Ltd. (Trust Account)	957 (4.57%)
EPS (¥, FY March 2019)	157.51	4) PROTO CORPORATION	881 (4.20%)
BPS (¥, FY March 2019)	1,395.69	5) JP MORGAN CHASE BANK 385632	568 (2.71%)
ROE (% , FY March 2019, Net income basis)	11.7	6) BNYM NON-TREATY DTT	551 (2.63%)
ROA (% , FY March 2019, Ordinary income basis)	11.3	7) CLEARSTREAM BANKING S.A	528 (2.52%)
Equity ratio (% , March 2019)	63.8	8) Hiroichi Yokoyama	440 (2.10%)
Potential share dilution (million)	-	9) Yoshihiro Yokoyama	371 (1.77%)
Foreign ownership (% , March 2019)	30.23	10) Tokyo Pulp & Paper Corporation	310 (1.48%)

(As of March 31, 2019)

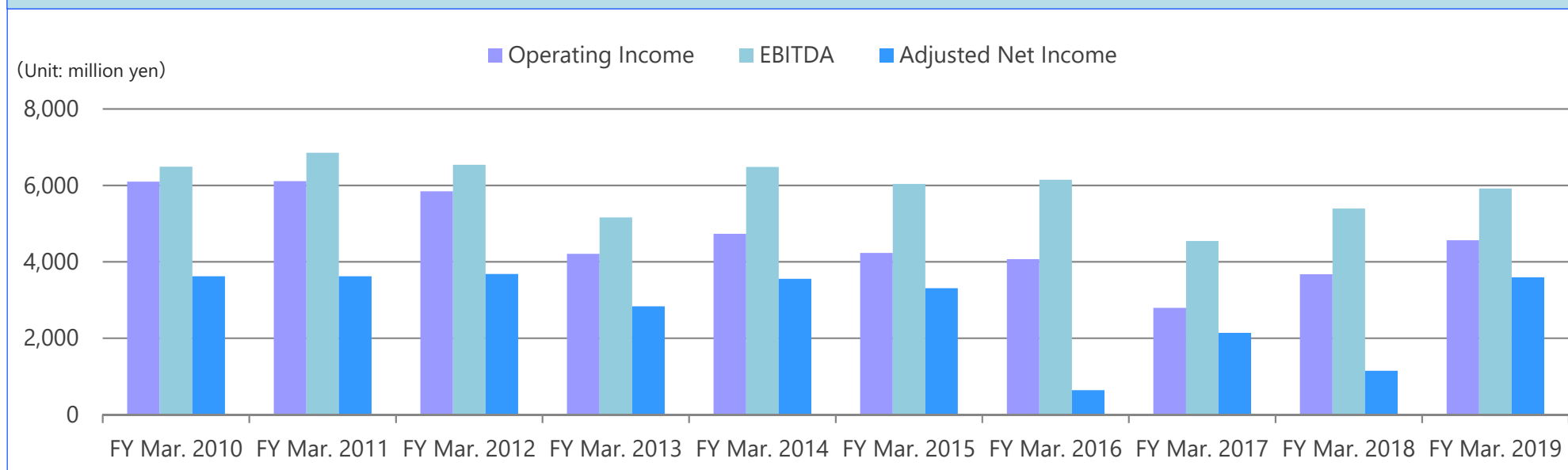
Operating Results 10-year Summary

[unit: million yen]	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	FY2019 March Results
Net Sales	25,682	28,779	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251
Operating Income	6,098	6,111	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565
Net Income	3,529	3,197	3,275	2,290	2,627	2,381	(390)	1,506	519	3,159
EBITDA*1	6,490	6,856	6,540	5,161	6,483	6,039	6,149	4,547	5,396	5,920
Adjusted Net Income*2	3,621	3,620	3,680	2,836	3,555	3,308	641	2,145	1,151	3,596
Depreciation	299	322	288	404	819	879	1,046	1,113	1,089	916
Amortization of Goodwill	91	422	405	546	928	926	1,032	638	632	437

*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]	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	FY2019 March Results
Automobile-related	22,858	25,566	26,704	33,687	50,138	44,056	49,486	51,025	56,100	56,167
Ad-related	19,511	20,558	20,579	21,163	21,412	21,593	21,006	21,231	21,618	21,278
Information and services	2,818	3,083	3,312	3,749	4,464	4,546	5,087	4,893	5,053	5,041
Sales of goods	528	1,923	2,813	8,774	24,262	17,915	23,392	24,899	29,429	29,847
Lifestyle-related	2,286	2,616	3,470	3,837	3,541	3,393	3,466	4,236	4,370	4,335
Real Estate	205	181	166	163	167	164	162	187	213	195
Other Business	332	415	240	597	913	988	1,182	1,268	1,426	1,553
Total	25,682	28,779	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251

Operating Income [unit: million yen]	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	FY2019 March Results
Automobile-related	7,590	7,281	7,272	5,916	6,217	5,624	5,277	3,939	4,933	5,758
Lifestyle-related	162	301	228	131	248	338	307	478	370	249
Real Estate	105	104	83	85	69	96	109	147	170	193
Other Business	(35)	(91)	(149)	(323)	(140)	(94)	(66)	(136)	(71)	57
Management Division	(1,725)	(1,484)	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)	(1,633)	(1,728)	(1,693)
Total	6,098	6,111	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565

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),
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, 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

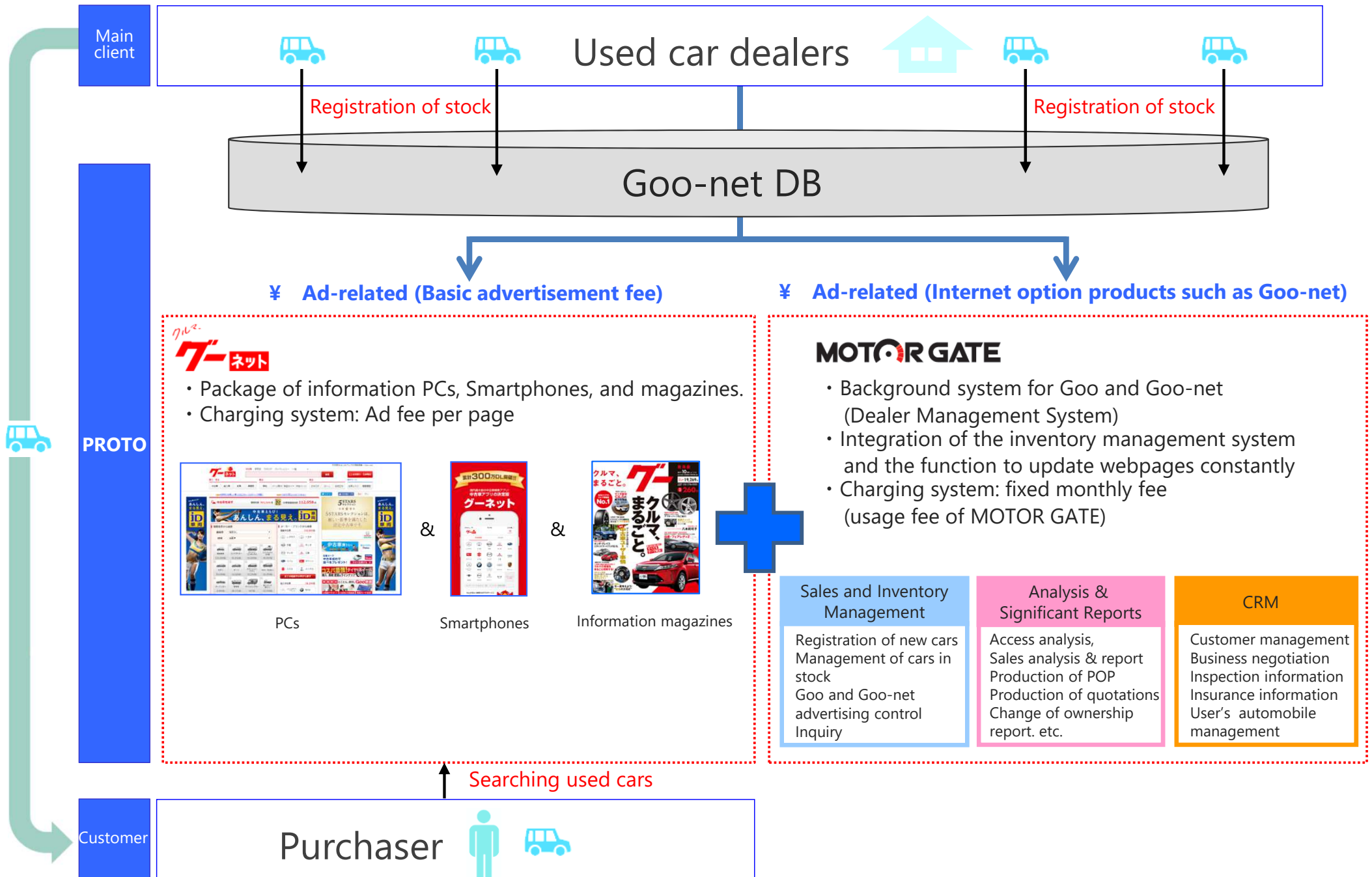
<New car dealer>

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

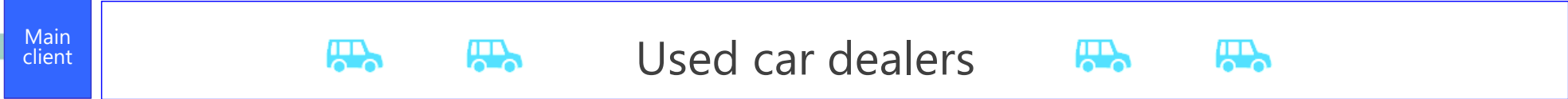
<Maintenance shop>

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)



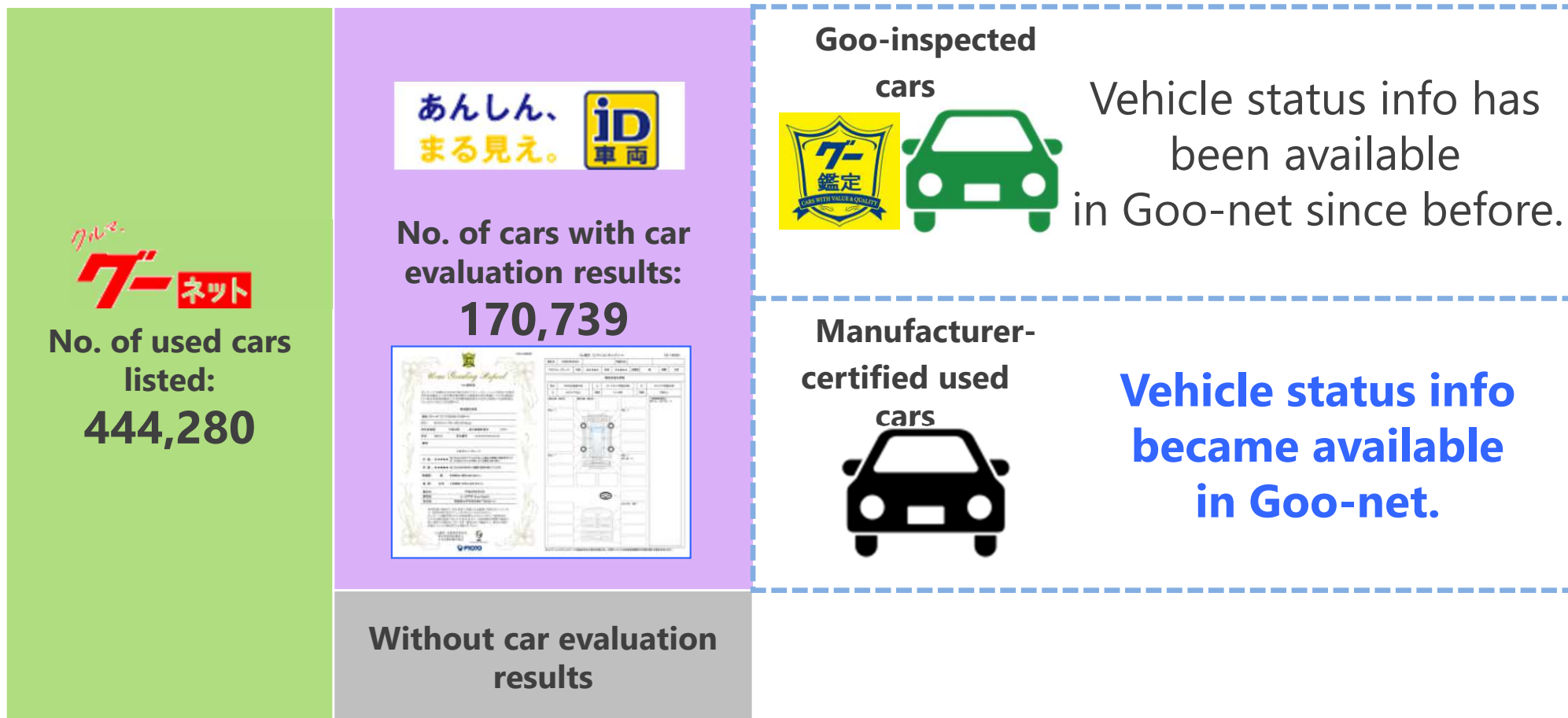
Searching used cars



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: 49,166

(as of April 25, 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

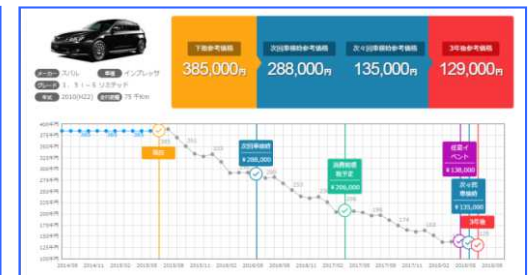
- Charging system: fixed monthly fee
- We promote the replacement to new car by presenting a rough estimate of both the current value and future value of a car during the negotiation with user.



Cost comparison suggestion function



Future forecast graph function (future price)



POP function for replacement



Replacement simulation function



PROTO

Customer

Automobile users



* 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

IR staff: Takabayashi, Corporate Strategy and Planning

Tel: +81-52-934-1519

Mail: 4298ir@proto-g.co.jp