

**Financial Results for the Three Months Ended June 2019  
(April 1,2019 to June 30,2019)**

**PROTO CORPORATION**  
July 31, 2019



# Overview of Q1/FY March 2020

## ■ Overview of the Business Performance (Q1/FY March 2020)

Sales	14,698 million yen	(7.1% y/y)
Gross Profit	5,951 million yen	+ 0.8% y/y
EBITDA	1,760 million yen	+ 8.2% y/y
Operating income	1,448 million yen	+ 14.6% y/y
Ordinary income	1,436 million yen	+ 1.1% y/y
Net income	1,035 million yen	+ 13.2% y/y
No. of affiliated companies of MOTOR GATE (Goo-net):	14,128	(+ 0.4% y/y)
No. of fee-charging maintenance shops of GooPit:	3,397	(+ 15.5% y/y)
No. of dealers with DataLine SalesGuide:	5,462	(+ 9.4% y/y)

## ■ Topics

- Sales dropped mainly due to the decline in product sales (decrease in sales of Kings Auto Co., Ltd. and the withdrawal of Bike Bros Inc. from unprofitable businesses).  
Gross profit and operating income rose (as profitability was improved mainly in the fields of used cars, new cars, and car maintenance).
- Jun. 2019: Joined MONET Consortium.
- Jul. 2019: Conducted a 2-for-1 stock split with the effective date being July 1.
- Jul. 2019: Maintenance: Launched the “booking service” of GooPit.
- Jul. 2019: New cars: Launched DataLine AI Assessment.
- Jul. 2019: Revised the earnings forecast (the 2<sup>nd</sup> quarter and full year).  
The extraordinary income due to the transfer of fixed assets was reflected (An extraordinary income of about 1.8 billion yen is to be posted in the second quarter.). We decided to relocate Tokyo headquarters (in Nov. 2019).

# Q1/FY March 2020: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	Q1/FY March 2019		Q1/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Net Sales	15,816	100.0%	14,736	100.0%	14,698	100.0%
Gross Profit	5,900	37.3%	5,808	39.4%	5,951	40.5%
EBITDA	1,626	10.3%	1,381	9.4%	1,760	12.0%
Operating Income	1,263	8.0%	1,060	7.2%	1,448	9.9%
Ordinary Income	1,421	9.0%	1,065	7.2%	1,436	9.8%
Net Income	914	5.8%	692	4.7%	1,035	7.0%
Net Income per Share(Yen)	22.80	-	17.26	-	25.82	-

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(1,118)	(7.1%)	(37)	(0.3%)
50	+0.8%	142	+2.4%
133	+8.2%	378	+27.4%
184	+14.6%	388	+36.6%
15	+1.1%	370	+34.8%
120	+13.2%	343	+49.6%
3.02	+13.2%	8.56	+49.6%

※The forecast for the term ended Mar. 2020 were announced on May 14, 2019. (The same)

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

※For net income per share, the effects of the 2-for-1 stock split with the effective date being July 1, 2019 were taken into account.

[unit: million yen]	Q1/FY March 2019		Q1/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
SG&A Expenses	4,637	29.3%	4,748	32.2%	4,502	30.6%
Employment Cost	1,996	12.6%	2,030	13.8%	1,917	13.0%
Advertising Cost	908	5.7%	996	6.8%	945	6.4%
Other Expenses	1,732	11.0%	1,721	11.7%	1,638	11.1%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(134)	(2.9%)	(246)	(5.2%)
(78)	(3.9%)	(112)	(5.5%)
37	+4.1%	(51)	(5.1%)
(93)	(5.4%)	(82)	(4.8%)

## Net Sales

Sales dropped, mainly due to the decline in sales from export of used cars (product sales) of Kings Auto Co., Ltd. and the withdrawal of Bike Bros. Inc. from business (product sales and ad-related).

## Operating Income

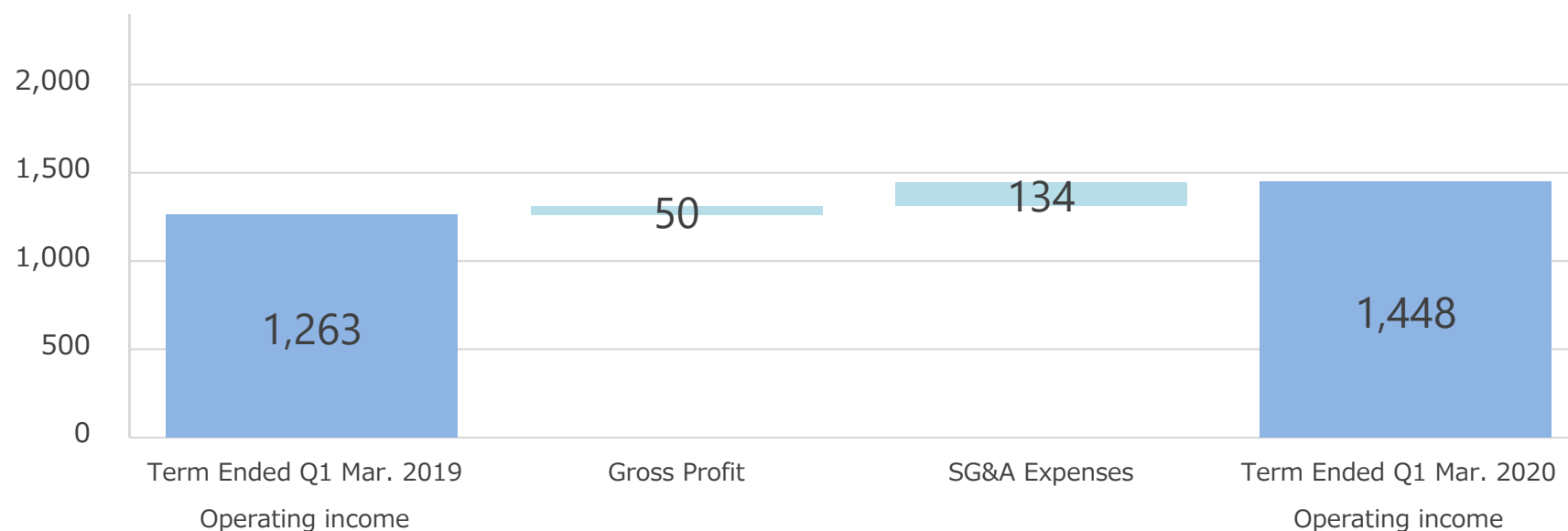
Operating income grew, mainly because the ad-related, information and services of PROTO CORPORATION performed well.

# Q1/FY March 2020: Operating Results (2)

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

(Unit: million yen)

Primary Gross Profit Factors	+50	Primary SG&A Factors	+134	Operating Income Increase and Decrease	+184
PROTO CORPORATION	+183	PROTO CORPORATION	(17)	PROTO CORPORATION	+169
PROTO-RIOS	(31)	PROTO-RIOS	+20	PROTO-RIOS	(10)
AUTOWAY	+38	AUTOWAY	(50)	AUTOWAY	(12)
TIRE WORLD KAN BEST	+15	TIRE WORLD KAN BEST	+29	TIRE WORLD KAN BEST	+44
Kings Auto	(42)	Kings Auto	+3	Kings Auto	(39)
(Bike Bros)	(123)	(Bike Bros)	+134	(Bike Bros)	+11
		Amortization of Goodwill	+3	Amortization of Goodwill	+3
<p>The sales growth and profitability enhancement of the ad-related (MOTOR GATE and GooPit), information and services (DataLine, etc.) of PROTO CORPORATION contributed to the increase in profit.</p>		<p>Mainly the decrease in SG&amp;A due to the withdrawal of Bike Bros. Inc. from business contributed.</p>		<p>Mainly the improvement in profitability of PROTO CORPORATION contributed to the rise in profit.</p>	



# Q1/FY March 2020: Operating Results by Segment

Net Sales [unit: million yen]	Q1/FY March 2019		Q1/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Automobile-related	14,303	90.4%	13,254	89.9%	13,219	89.9%
Ad-related	5,187	32.8%	5,192	35.2%	5,161	35.1%
Information and services	1,255	7.9%	1,212	8.2%	1,259	8.6%
Sales of goods	7,860	49.7%	6,849	46.5%	6,798	46.3%
Lifestyle-related	1,085	6.9%	1,048	7.1%	1,044	7.1%
Real Estate	48	0.3%	43	0.3%	46	0.3%
Other Business	379	2.4%	389	2.6%	388	2.6%
Total	15,816	100.0%	14,736	100.0%	14,698	100.0%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(1,083)	(7.6%)	(35)	(0.3%)
(26)	(0.5%)	(31)	(0.6%)
4	+0.4%	47	+3.9%
(1,061)	(13.5%)	(50)	(0.7%)
(41)	(3.8%)	(4)	(0.4%)
(2)	(5.4%)	2	+6.7%
8	+2.2%	(1)	(0.3%)
(1,118)	(7.1%)	(37)	(0.3%)

Operating Income [unit: million yen]	Q1/FY March 2019		Q1/FY March 2020			
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin
Automobile-related	1,554	10.9%	1,482	11.2%	1,793	13.6%
Lifestyle-related	71	6.6%	27	2.6%	51	4.9%
Real Estate	48	100.3%	23	54.0%	47	102.3%
Other Business	11	3.0%	3	1.0%	14	3.7%
Management Division	(422)	-	(476)	-	(457)	-
Total	1,263	8.0%	1,060	7.2%	1,448	9.9%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
238	+15.4%	311	+21.0%
(19)	(28.0%)	24	+89.3%
(1)	(3.5%)	23	+102.2%
3	+27.1%	10	+279.6%
(35)	-	18	-
184	+14.6%	388	+36.6%

## Automobile-related information

Sales dropped while profit grew: Sales dropped mainly due to the decline in product sales. Profit grew due to the increase in sales of DataLine SalesGuide, and GooPit.

## Ad-related

Sales dropped, mainly because of the withdrawal of Bike Bros. Inc. from the publication business. The sales from GooPit kept growing.

## Information and services

Sales increased, mainly because of the healthy performance of DataLine SalesGuide.

## Sales of goods

Sales dropped, mainly because of the decline in export of used cars by Kings Auto Co., Ltd. and the withdrawal of Bike Bros. Inc. from the EC business.

## Lifestyle-related information

Sales and profit dropped: it was mainly due to the transfer of the reuse business in Feb. 2019.

# Q1/FY March 2020: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2019		As of June 30, 2019		YoY change	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	27,088	61.7%	25,749	58.9%	(1,338)	95.1%
Fixed Assets	16,791	38.3%	18,001	41.1%	1,210	107.2%
Current Liabilities	14,035	32.0%	13,505	30.9%	(530)	96.2%
Long-term Liabilities	1,814	4.1%	1,721	3.9%	(92)	94.9%
Net Assets	28,029	63.9%	28,524	65.2%	494	101.8%
Total Assets	43,879	100.0%	43,751	100.0%	(128)	99.7%

[unit: million yen]	As of March 31, 2019		As of June 30, 2019		YoY change	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	15,747	35.9%	14,793	33.8%	(954)	93.9%
Interest-bearing debt	6,800	15.5%	6,330	14.5%	(469)	93.1%
Net cash	8,947	20.4%	8,462	19.3%	(484)	94.6%

## Current Assets

The main factor for decreasing was cash and deposits declining by 954 million yen and notes and accounts receivable – trade dropping by 411 million yen.

## Fixed Assets

The main factor for increasing was the increase of investments by PROTO Ventures.

## Current Liabilities

The main factor for decreasing was short-term debts dropping by 360 million yen (including current portion of long-term debts).

## Long-term Liabilities

The main factor for decreasing was long-term debts dropping by 108 million yen.

# Q1/FY March 2020: Consolidated Statements of Cash Flows

[unit: million yen]	Q1/FY March 2019	Q1/FY March 2020	YoY change
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	1,304	1,180	(123)
Cash Flows from Investing Activities	(315)	(1,154)	(839)
Cash Flows from Financing Activities	(1,481)	(979)	501
Cash and Cash Equivalents at End of Term	15,242	14,402	(839)

[unit: million yen]	Q1/FY March 2019	Q1/FY March 2020	YoY change
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	330	435	105
Depreciation (Tangible/intangible fixed assets)	252	204	(48)
Amortization of Goodwill	110	107	(3)

\* 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 1,180 million yen, mainly because 1,436 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 311 million yen.

## Cash Flows from Investing Activities

There was an expenditure of 1,154 million yen, mainly because we made an investment and spent 840 million yen for acquiring investment securities.

## Cash Flows from Financing Activities

There was an expenditure of 979 million yen mainly due to a repayment of debts of 469 million yen and a payment of dividends of 492 million yen.

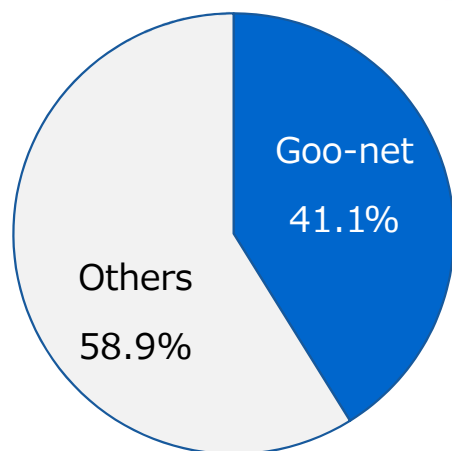
# Used Cars Field No. of Affiliated companies of Goo-net(MOTOR GATE)

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

### Target market scale

(34,335companies)

Source:  
Surveyed by our company



(Unit: Companies)



The number of affiliated companies of Goo-net grew 0.4% year on year.

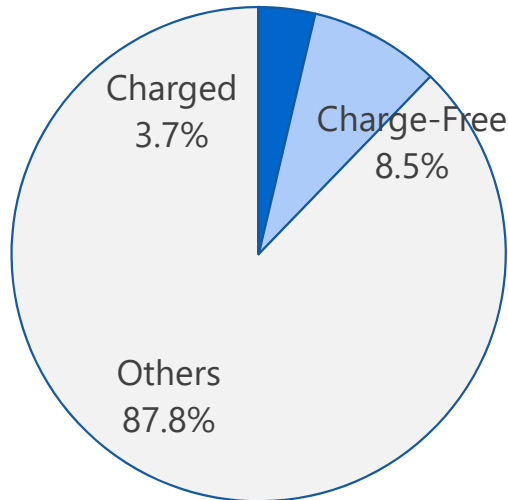


# Maintenance Field No. of Affiliated shops of GooPit

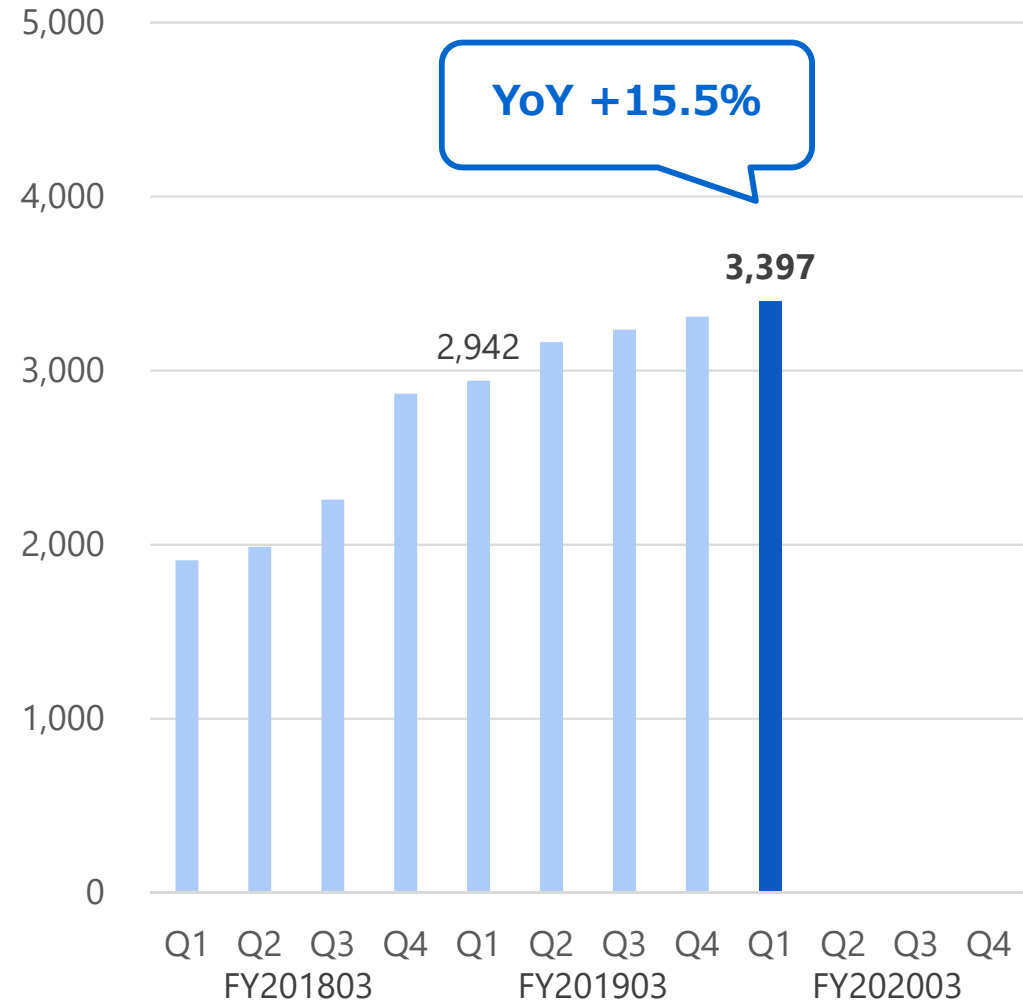
## No. of fee-charging Affiliated shops of GooPit

**Total market scale  
(92,044shops)**

Source:  
Ministry of Land, Infrastructure,  
Transport and Tourism



(Unit:Shops)



YoY +15.5%

**The number of fee-charging affiliated maintenance shops of GooPit increased 15.5%.  
Smart Booking with GooPit released in July 2019.**

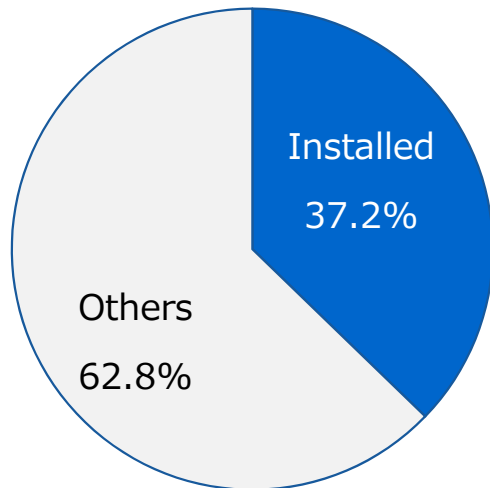
# New Cars Field No. of Affiliated sites of DataLine SalesGuide

## No. of Affiliated sites of DataLine SalesGuide

**Total market scale  
(14,670sites)**

Source:  
Japan Automobile Service  
Promotion Association

**DataLine  
SalesGuide**



(Unit: Sites)

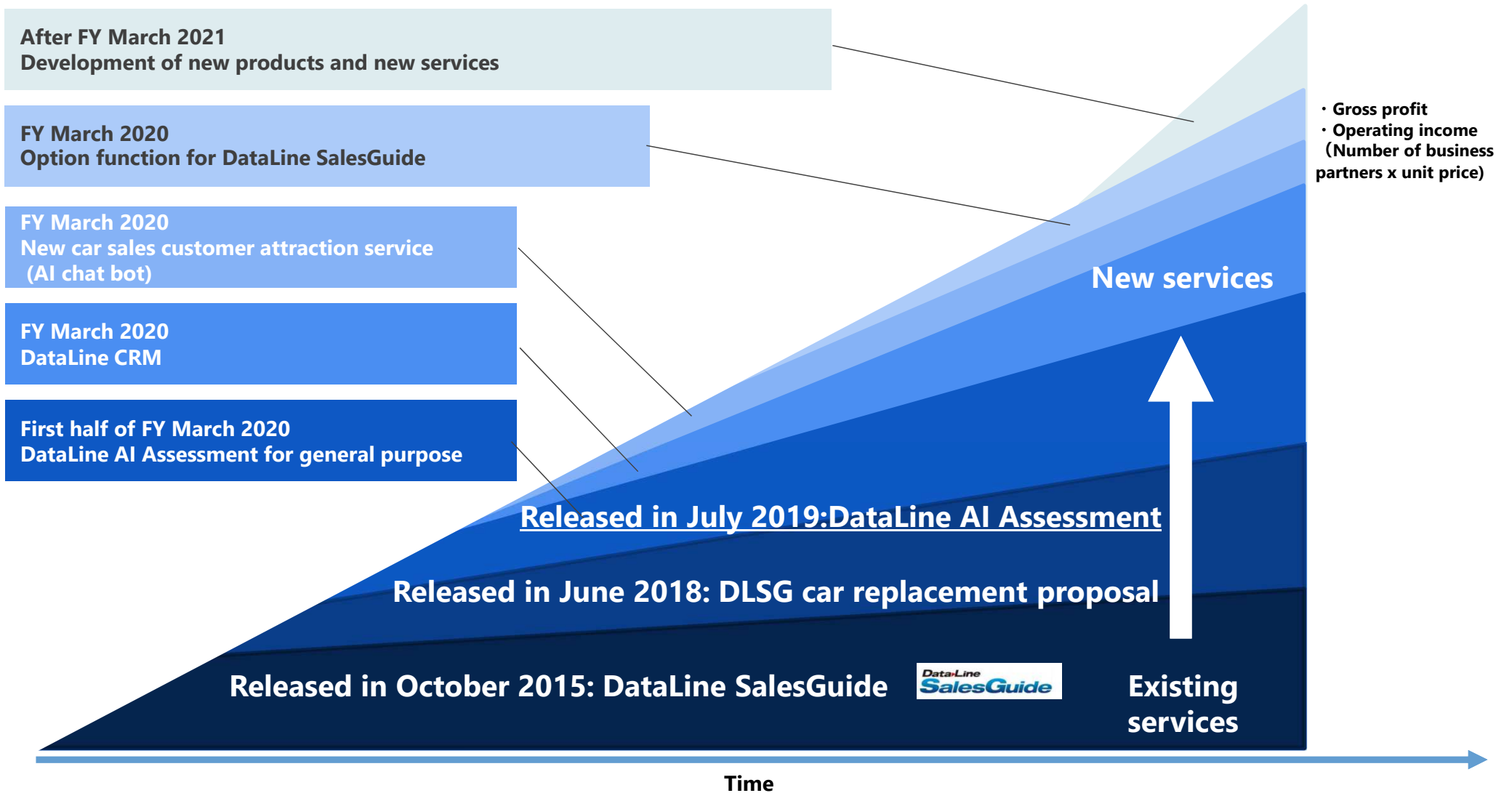


The number of dealers that have adopted DataLine SalesGuide increased 9.4% year on year. The number of dealers that have adopted the optional function (car replacement proposal) was 1,043.

# TOPICS

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# New Cars Field (Growth Strategy)



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

# New car Field (DataLine AI Assessment)

## ■ DataLine AI Assessment: Released in July 2019

“Significant reduction of assessment tasks”

### 1. Assessment

### 2. AI-assessed prices

**1 査定** 詳細入力

車検証 QRコードを読み込み、同時に車検証情報の反映とグレード選定が完了。装備の選択や機関周りの確認、外装状態などはすべて指先一つで簡単操作。直感操作でスピーディに査定業務を完了。スマートフォンやタブレット、PC、遠隔環境が揃えばいつでもどこでも使用可能な Web サービス。

AI査定価格 **2**

査定情報に基づき、弊社独自のAI査定価格を表示。人口知能(AI)を用いてビッグデータを学習(ディープラーニング)させることで、精度の高い価格を導き出す。流通トレンドを的確に捉え、価格は日々更新で反映。

**査定業務が大幅短縮!**

- 卓越した操作性による査定時間の短縮
- AI査定価格によるプライシングサポートで収益構造を改革
- 商談時間の短縮による顧客満足度の向上

**4 商談** 価格回答

承認された査定価格がすぐさま反映。お客様をお待たせすることなくそのまま商談へ。査定データは24ヶ月間保存されるので再査定もスムーズ。また弊社商談ツール DataLineSalesGuide (オプション)にも連携、成約率や商談発生率を高める提案営業のマスターツールもご用意。

AI査定価格を参考に最終プライシング。留ましいプライシング業務を大幅短縮。AA会場の落札結果(落札価格)などが確認できる DataLinePRO (オプション) を活用し最終承認。効率的なプライシング環境がここに。

**3 価格承認**

### 4. Negotiations

### 3. Approval for prices

## 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)

## Fortification of contact points with customers and enhancement of productivity

Release of DataLine AI Assessment, which streamlines the process for assessing trade-in cars

# Maintenance Field (GooPit booking service)

## ■ Smart Booking with GooPit released in July 2019



The screenshot shows the GooPit website interface. At the top, there is a navigation bar with the GooPit logo and various service categories like '車検・オイル交換・キズ・ヘコミ' and 'クルマのことならグーピット(GooPit)'. Below the navigation bar, there is a main banner with the text 'スケジュール・予算に合ったお店が探せる' and 'グーピットでスマート予約'. Two buttons are visible: '作業メニューから探す' and '地図から店舗を探す'. Below the banner, there is a section titled 'スマート予約は 3つのポイント' (Smart booking has 3 points). The first point is '1 価格表示がされているから、あんしんしてお店を探せる!' (Because prices are displayed, you can search for shops with confidence!). Below this point, there is a small illustration of a car in a garage with a price tag of ¥2,000.

### Service for booking maintenance shops

- Installation of parts (such as tires and dashboard cameras) brought by customers
- Car maintenance, repair, sheet-metal working, and coating
- Replacement of engine oil
- Car inspection and checkup



We help solve troubles of car users by introducing nearby maintenance shops.

Released the booking service for fee-charging affiliated shops of GooPit  
To match users and car maintenance shops

## **FY March 2020: Revision to Consolidated Earnings Forecast**

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# Consolidated Earnings Forecast for FY March 2020

Consolidated Statements of Income [unit: million yen]	FY March 2019		FY March 2020			
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio
Net Sales	62,251	100.0%	62,431	100.0%	62,431	100.0%
Gross Profit	23,832	38.3%	24,689	39.5%	24,689	39.5%
EBITDA	5,920	9.5%	6,255	10.0%	6,255	10.0%
Operating Income	4,565	7.3%	4,916	7.9%	4,916	7.9%
Ordinary Income	5,004	8.0%	4,942	7.9%	4,942	7.9%
Net Income	3,159	5.1%	3,274	5.2%	4,512	7.2%
Net Income per Share(Yen)	78.75	-	81.61	-	112.49	-

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
179	+0.3%	0	0.0%
856	+3.6%	0	0.0%
335	+5.7%	0	0.0%
350	+7.7%	0	0.0%
(62)	(1.2%)	0	0.0%
1,353	+42.8%	1,238	+37.8%
33.74	+42.8%	30.88	+37.8%

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

※ For net income per share, the effects of the 2-for-1 stock split with the effective date being July 1, 2019 were taken into account.

[unit: million yen]	FY March 2019		FY March 2020			
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio
SG&A Expenses	19,267	31.0%	19,773	31.7%	19,773	31.7%
Employment Cost	7,871	12.6%	8,176	13.1%	8,176	13.1%
Advertising Cost	4,486	7.2%	4,660	7.5%	4,660	7.5%
Other Expenses	6,909	11.1%	6,935	11.1%	6,935	11.1%

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
505	+2.6%	0	0.0%
305	+3.9%	0	0.0%
173	+3.9%	0	0.0%
26	+0.4%	0	0.0%

## Major factors for revising the business plan

**Sales** No change

**Gross Profit** No change

**Operating income** No change

**Net income** The major factor in growth is the expected posting of an extraordinary income of about 1.8 billion yen due to the transfer of fixed assets in the 2nd quarter after the relocation of Tokyo headquarters (scheduled in Nov. 2019).



# Consolidated Earnings Forecast FY March 2020(Segment)

Sales [unit: million yen]	FY March 2019		FY March 2020			
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio
Automobile-related	56,167	90.2%	56,293	90.2%	56,293	90.2%
Ad-related	21,278	34.2%	21,639	34.7%	21,639	34.7%
Information and services	5,041	8.1%	5,074	8.1%	5,074	8.1%
Sale of goods	29,847	47.9%	29,579	47.4%	29,579	47.4%
Lifestyle-related	4,335	7.0%	4,331	6.9%	4,331	6.9%
Real Estate	195	0.3%	137	0.2%	137	0.2%
Other Business	1,553	2.5%	1,668	2.7%	1,668	2.7%
Total	62,251	100.0%	62,431	100.0%	62,431	100.0%

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
125	+0.2%	0	0.0%
361	+1.7%	0	0.0%
32	+0.7%	0	0.0%
(268)	(0.9%)	0	0.0%
(3)	(0.1%)	0	0.0%
(57)	(29.5%)	0	0.0%
115	+7.4%	0	0.0%
179	+0.3%	0	0.0%

Operating Income [unit: million yen]	FY March 2019		FY March 2020			
	Results(a)	Profit margin	Initial forecast (b)	Profit margin	Revised forecast (c)	Profit margin
Automobile-related	5,758	10.3%	6,524	11.6%	6,524	11.6%
Lifestyle-related	249	5.8%	138	3.2%	138	3.2%
Real Estate	193	99.0%	34	24.9%	34	24.9%
Other Business	57	3.7%	36	2.2%	36	2.2%
Management Division	(1,693)	-	(1,817)	-	(1,817)	-
Total	4,565	7.3%	4,916	7.9%	4,916	7.9%

YoY		Comparison with the initial forecast	
(c)-(a)	%	(c)-(b)	%
765	+13.3%	0	0.0%
(111)	(44.6%)	0	0.0%
(158)	(82.2%)	0	0.0%
(21)	(36.8%)	0	0.0%
(123)	-	0	0.0%
350	+7.7%	0	0.0%

# Appendix

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# 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)	(9.64) yen	78.75 yen	100.00 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%

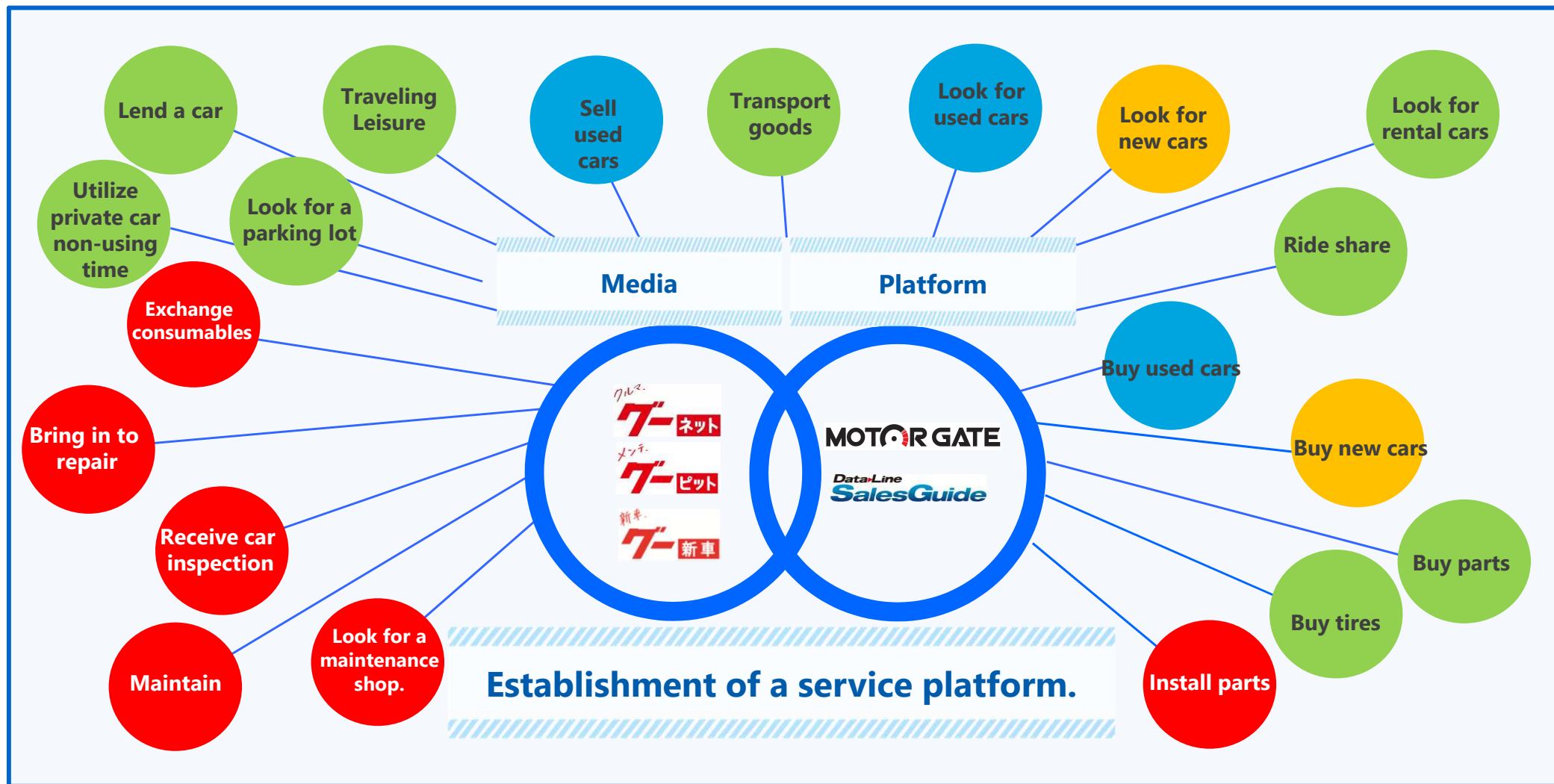
※ We have changed key management indicators from net sales to gross profit on the assumption that the "Accounting Standard for Revenue Recognition" will be applied in the future.

※ For EPS, the effects of the 2-for-1 stock split with the effective date being July 1, 2019 was taken into account.

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

# Vision “Establishment of a Service Platform”

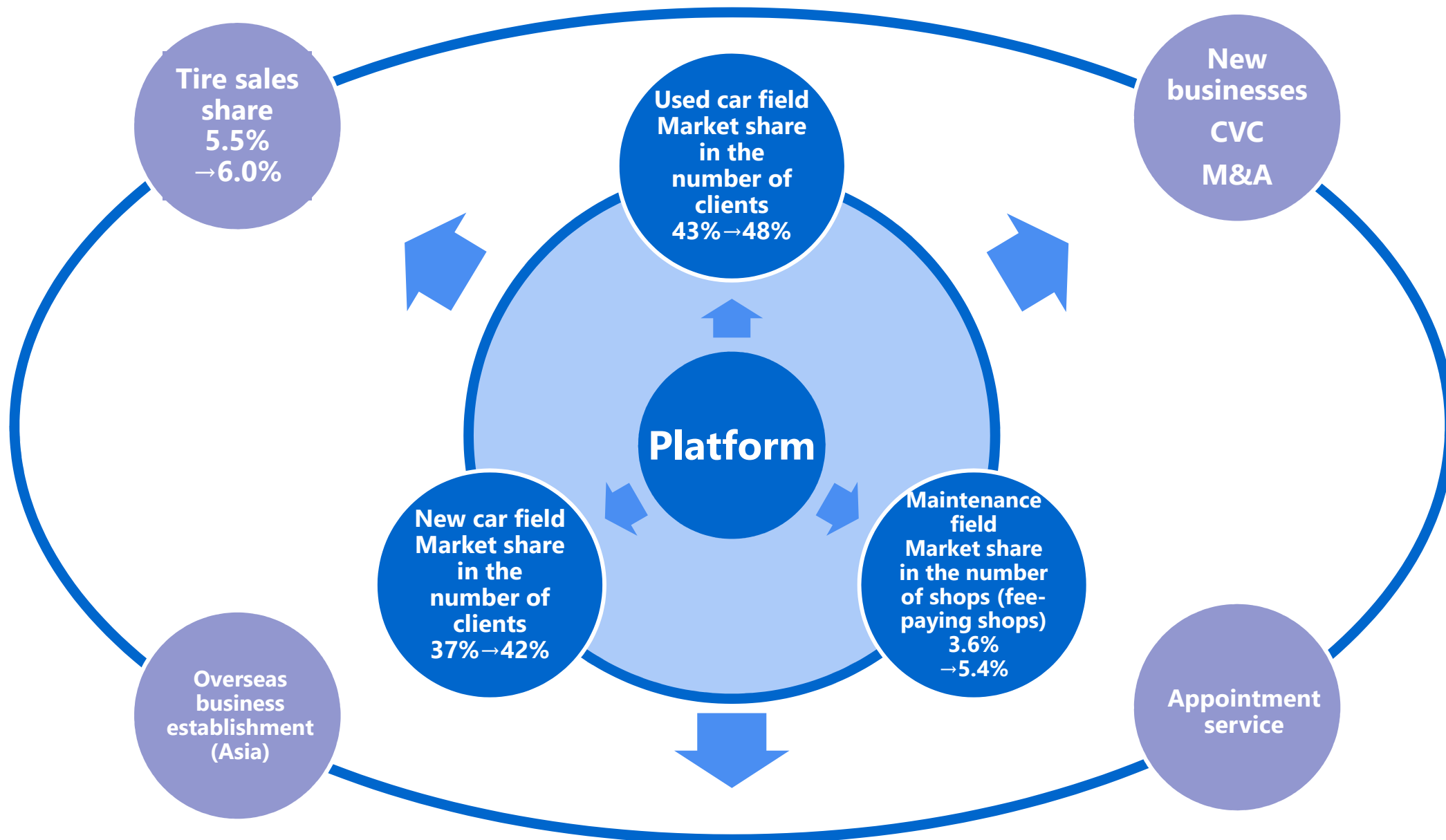
## To realize comprehensive support for car life.



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”

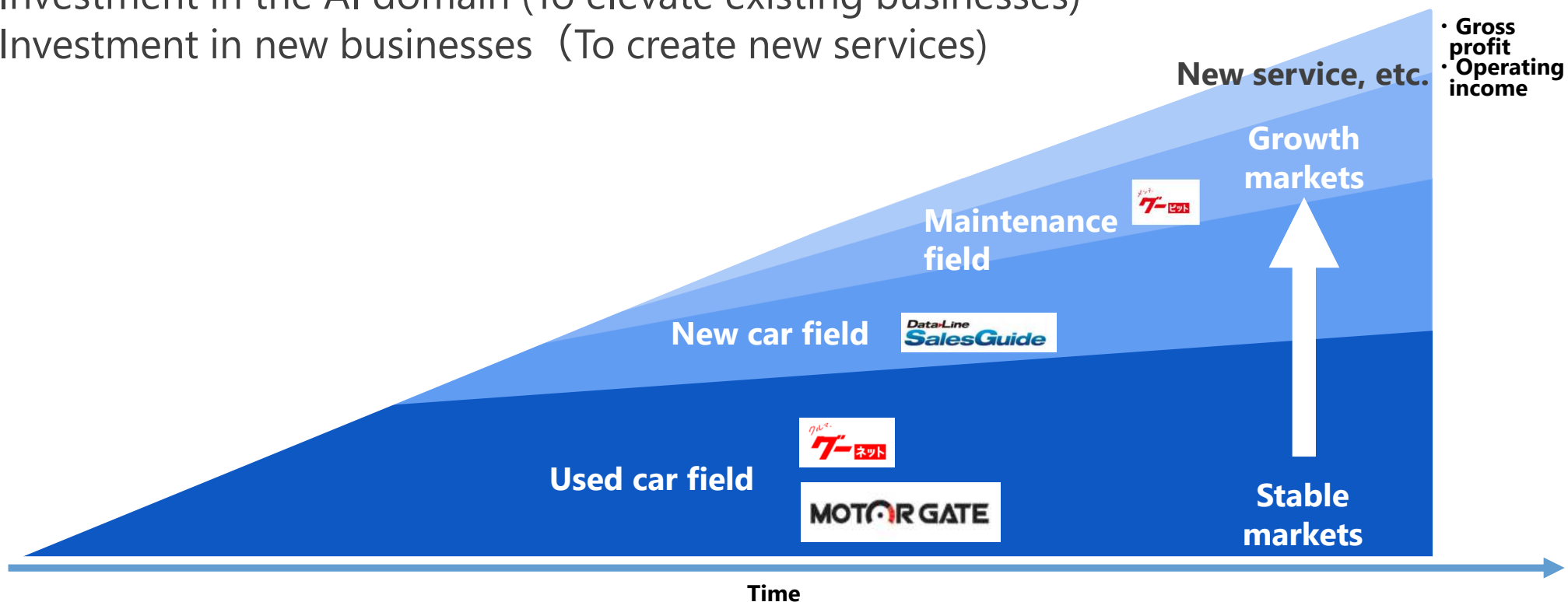
## Goo Life Time Value (Growth Strategy)



# Medium- 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.**

# Corporate Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,824,620 thousand yen (As of June 30, 2019)
Shares Outstanding	41,880,000 shares (As of July 1, 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: 1,479 (As of June 30, 2019) Parent: 592 (As of June 30, 2019)
Stock Exchange Listing	Tokyo Stock Exchange, First Section
Subsidiary	<ol style="list-style-type: none"><li>1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)</li><li>2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)</li><li>3. Kings Auto Co., Ltd. (Full subsidiary since April 2012)</li><li>4. PROTO-RIOS INC. (Full subsidiary since October 2002)</li><li>5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012)</li><li>6. CAR BRICKS Co., Ltd. (Shareholder ratio 66% ,established in May 2017)</li><li>7. PROTO MEDICAL CARE (Full subsidiary since October 2009)</li><li>8. MARUFUJI (Full subsidiary since January 2016)</li><li>9. SILVER HEART (Full subsidiary since January 2016)</li><li>10. PROTO SOLUTION Co., Ltd. (Full subsidiary, established in April 2007 )</li><li>11. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017)</li><li>12. PROTO Ventures (Full subsidiary since April 2019)</li><li>13. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011)</li><li>14. PROTO (TAIWAN) CO., LTD. (Full subsidiary, established in December 2011)</li><li>15. CAR CREDO (Thailand) Co., Ltd. (Shareholder ratio 49% ,established in December 2018)</li><li>16. CAR CREDO MALAYSIA SDN. BHD. (Full subsidiary, established in August 2015) * The company is currently under liquidation.</li></ol> (As of July 31, 2019)

# Corporate Profile

Financial Data (Consolidated)		Major Shareholders	
			(Thousands)
Shares outstanding (million, July 1,2019)	41.8	1) Mugen Corporation	6,807 (32.50%)
Market capitalization (¥ billion, June 2019)	42.3	2) JPLLC CLIENT SAFEKEEPING ACCOUNT	1,323 ( 6.31%)
DPS (¥, FY March 2020, Forecast)	27.5	3) The Master Trust Bank of Japan, Ltd. (Trust Account )	1,303 ( 6.22%)
EPS (¥, FY March 2020, Forecast)	78.75	4) PROTO CORPORATION	881 ( 4.20%)
BPS (¥, FY March 2019)	697.84	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	513 ( 2.45%)
Equity ratio (% , March 2019)	63.8	8) Hiroichi Yokoyama	440 ( 2.10%)
Potential share dilution (million)	-	9) Japan Trustee Services Bank, Ltd. (Trust Account )	395 ( 1.88%)
Foreign ownership (% , June 2019)	28.66	10) Yoshihiro Yokoyama	365 ( 1.74%)

※ For DPS, EPS, and BPS, the effects of the 2-for-1 stock split with the effective date being July 1, 2019 was taken into account.

(As of June 30, 2019)



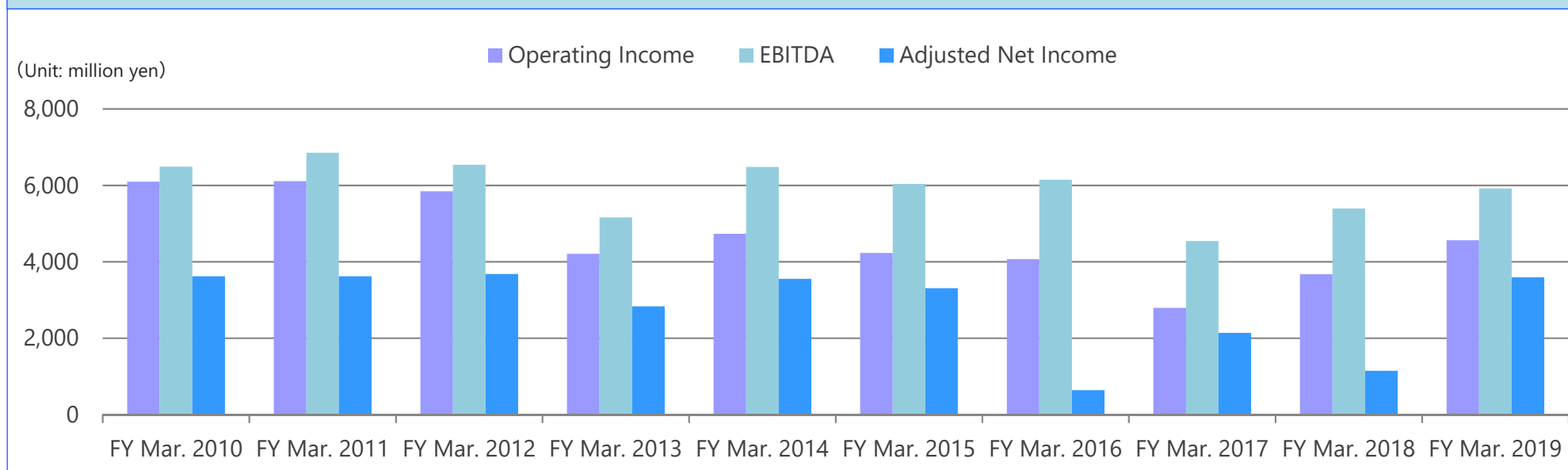
# Operating Results 10-year Summary

[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)

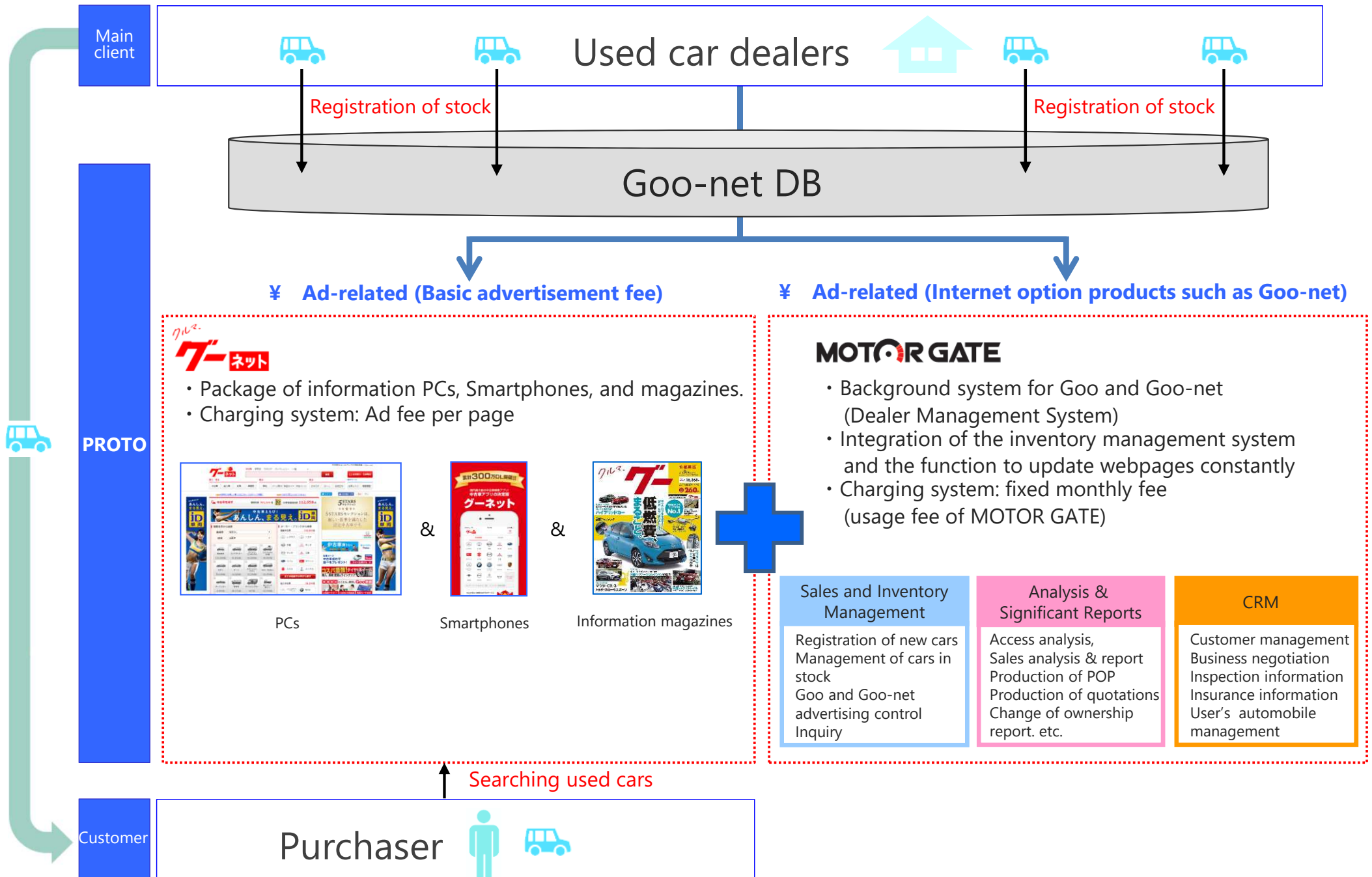
Sales are mostly from rent income of the non-operational floors of our own building.

### ■ Other Business

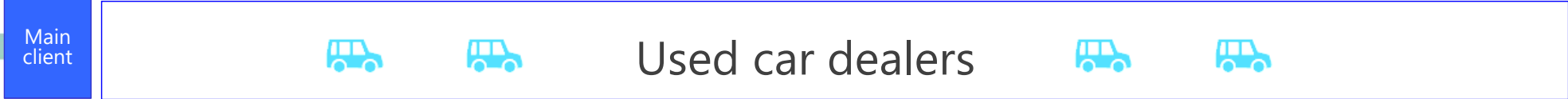
PROTO SOLUTION (Business Process Outsourcing, etc)  
OKINAWA CALL STAFF SERVICE (Temporary staffing,etc)  
AUTOWAY (Solar power generation)  
PROTO CORPORATION (Agricultural business)  
PROTO Ventures (Investment)

Sales are mostly from the BPO business.

# 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

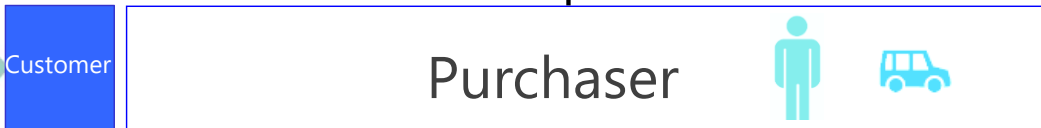
1. Used cars are inspected based on the criteria of Japan automobile appraisal association (JAAA), a third party organization.
2. Inspection are performed for exterior, interior, engine, and repair history.
3. Evaluation results of exterior, interior, engine, and repair history are set and then disclosed.



### Goo鑑定の概要と図解 (一例)

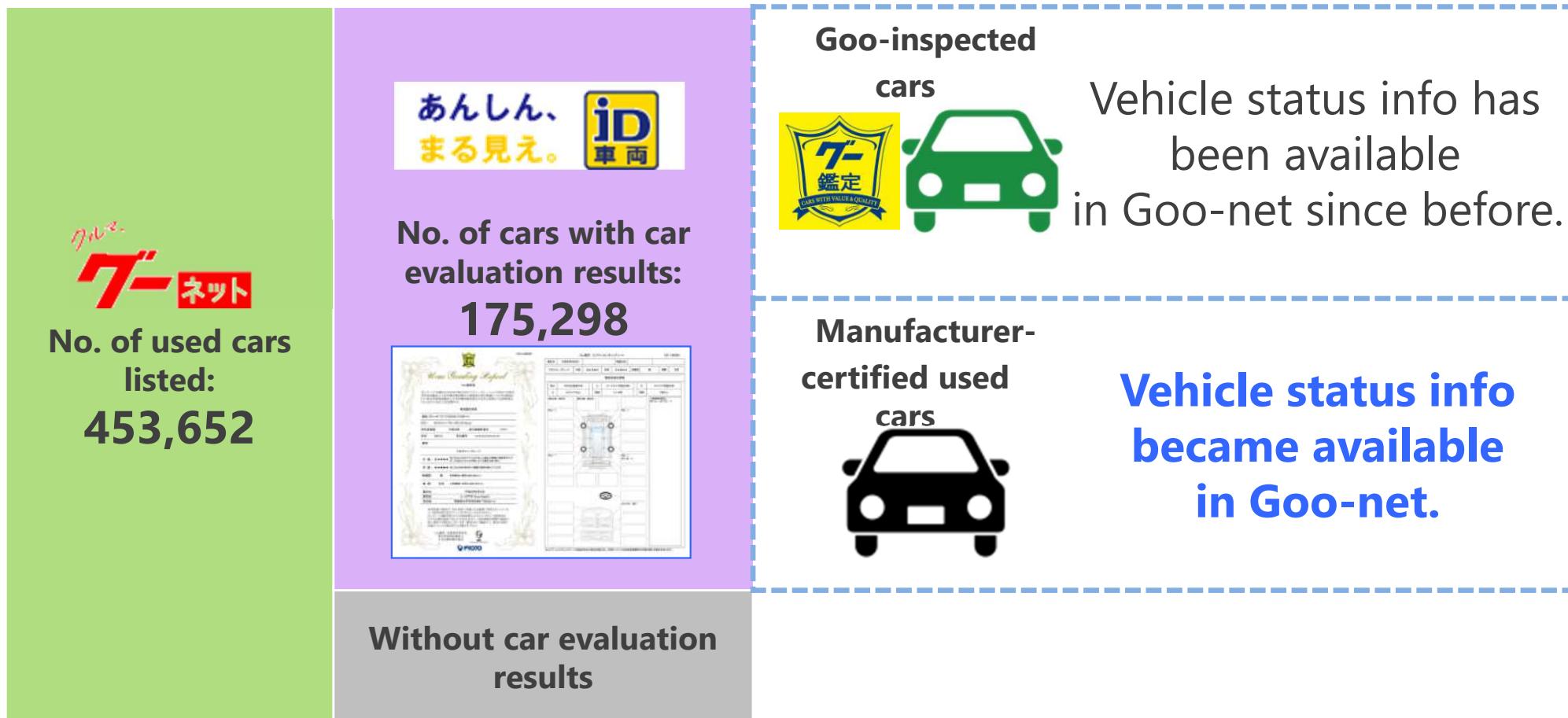


Searching used cars



# Our efforts: the release of vehicle condition information

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



※For reference: No. of cars whose status info has been disclosed by competing media: 47,914

(as of July 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

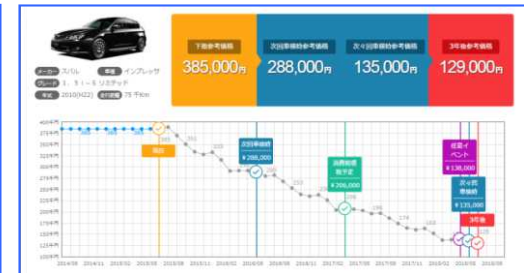
- Charging system: fixed monthly fee
- We promote the replacement to new car by presenting a rough estimate of both the current value and future value of a car during the negotiation with user.



Cost comparison suggestion function



Future forecast graph function (future price)



POP function for replacement



Replacement simulation function



PROTO

Customer

Automobile users



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\* 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](mailto:4298ir@proto-g.co.jp)