

# **Financial Results for the Six Months Ended September 2019 (April 1,2019 to September 30,2019)**

**PROTO CORPORATION**

**October 31, 2019 (Investor Meeting November 5, 2019)**



# Overview of Q2/FY March 2020

## ■ Overview of the Business Performance (Q2/FY March 2020)

Sales	29,845 million yen	(2.4% y/y)
Gross Profit	12,123 million yen	+ 4.2% y/y
EBITDA	3,362 million yen	+ 15.4% y/y
Operating income	2,719 million yen	+ 22.6% y/y
Ordinary income	2,778 million yen	+ 14.7% y/y
Net income	3,178 million yen	+ 109.7% 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 increased. (The sales of tires and wheels were healthy, due to the rush demand before the consumption tax hike. In addition, the profitability of our business in the fields of used cars, new cars, and car maintenance improved.)
- Net income increased, because of the posting of gain on sale of fixed assets after the relocation of the Tokyo headquarters (about 1.8 billion yen), etc. in addition to the above factors.
- Jul. 2019: Released DataLine AI Assessment and DataLine CRM.
- Oct. 2019: Commenced the proceedings for liquidating PROTO MALAYSIA Sdn. Bhd. (Malaysia).
- Oct. 2019: Released Smart Booking with GooPit (Charging for customer transport began).
- Oct. 2019: Produced online contents for media regarding motorbikes (3 areas of Goo Bike) and auto parts (Goo Parts) (reconsidering paper media).

# Q2/FY March 2020: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	Q2/FY March 2019		Q2/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Net Sales	30,591	100.0%	29,516	100.0%	29,845	100.0%
Gross Profit	11,635	38.0%	11,755	39.8%	12,123	40.6%
EBITDA	2,914	9.5%	2,763	9.4%	3,362	11.3%
Operating Income	2,218	7.3%	2,105	7.1%	2,719	9.1%
Ordinary Income	2,422	7.9%	2,114	7.2%	2,778	9.3%
Net Income	1,515	5.0%	2,600	8.8%	3,178	10.6%
Net Income per Share(Yen)	37.79	-	64.83	-	79.20	-

※The forecast for the term ended Mar. 2020 were announced on July 31, 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.

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(746)	(2.4%)	329	+1.1%
488	+4.2%	367	+3.1%
447	+15.4%	599	+21.7%
501	+22.6%	614	+29.2%
355	+14.7%	663	+31.4%
1,662	+109.7%	577	+22.2%
41.41	+109.6%	14.37	+22.2%

[unit: million yen]	Q2/FY March 2019		Q2/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
SG&A Expenses	9,416	30.8%	9,649	32.7%	9,403	31.5%
Employment Cost	3,951	12.9%	4,069	13.8%	3,839	12.9%
Advertising Cost	2,104	6.9%	2,182	7.4%	2,151	7.2%
Other Expenses	3,361	11.0%	3,397	11.5%	3,412	11.4%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(13)	(0.1%)	(246)	(2.6%)
(111)	(2.8%)	(229)	(5.6%)
46	+2.2%	(31)	(1.5%)
50	+1.5%	15	+0.4%

## 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 and information services of PROTO CORPORATION performed well and the sales of goods (tires and wheels) were healthy due to the rush demand before the consumption tax hike.

## Net Income

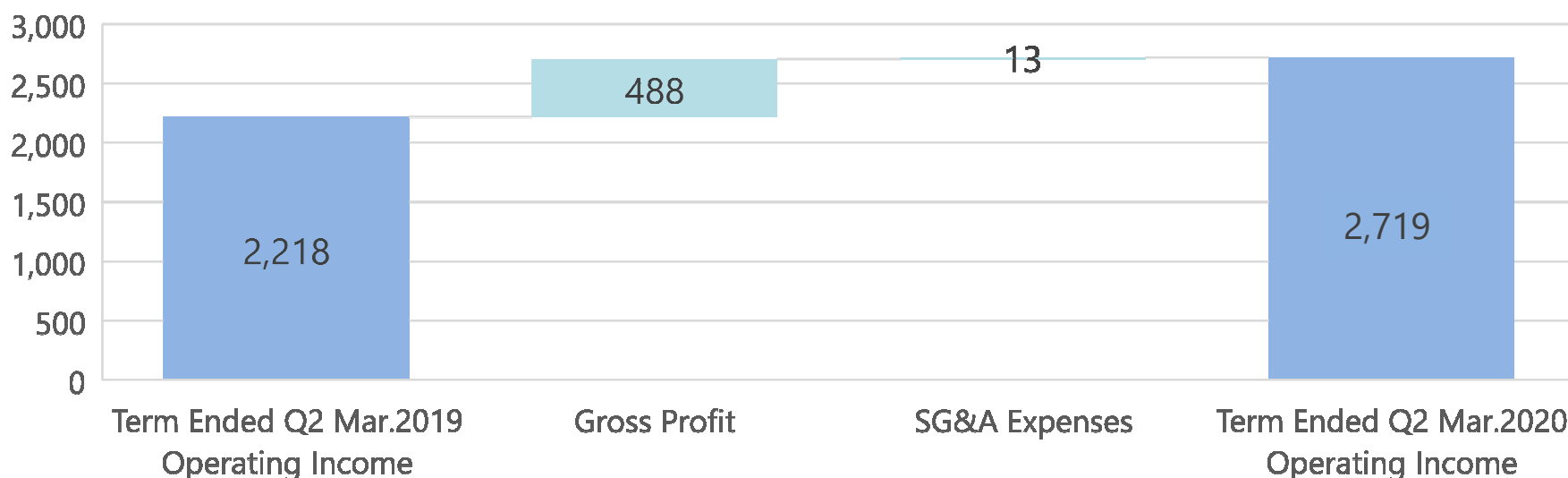
Net income rose, because of the posting of gain on sale of fixed assets after the relocation of the Tokyo headquarters, etc. in addition to the above factors.

# Q2/FY March 2020: Operating Results (2)

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

(Unit: million yen)

Primary Gross Profit Factors	+488	Primary SG&A Factors	+13	Operating Income Increase and Decrease	+501
PROTO CORPORATION	+349	PROTO CORPORATION	(144)	PROTO CORPORATION	+205
AUTOWAY	+233	AUTOWAY	(167)	AUTOWAY	+66
TIRE WORLD KAN BEST	+87	TIRE WORLD KAN BEST	+32	TIRE WORLD KAN BEST	+120
PROTO-RIOS	+82	PROTO-RIOS	(10)	PROTO-RIOS	+71
Kings Auto	(72)	Kings Auto	+15	Kings Auto	(57)
(Bike Bros)	(248)	(Bike Bros)	+257	(Bike Bros)	+9
		Amortization of Goodwill	+6	Amortization of Goodwill	+6
Mainly the sales growth and profitability improvement of PROTO CORPORATION, AUTOWAY, and TIRE WORLD KAN BEST contributed to the increase in operating income.		Mainly the decrease in SG&A due to the withdrawal of Bike Bros. Inc. from business contributed.		Mainly the sales growth and profitability improvement of PROTO CORPORATION, AUTOWAY, and TIRE WORLD KAN BEST contributed to the increase in operating income.	



# Q2/FY March 2020: Operating Results by Segment

Net Sales [unit: million yen]	Q2/FY March 2019		Q2/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Automobile-related	27,556	90.1%	26,484	89.7%	26,890	90.1%
Ad-related	10,512	34.4%	10,586	35.9%	10,548	35.3%
Information and services	2,441	8.0%	2,468	8.4%	2,675	9.0%
Sales of goods	14,602	47.7%	13,429	45.5%	13,665	45.8%
Lifestyle-related	2,189	7.2%	2,142	7.3%	2,101	7.0%
Real Estate	97	0.3%	81	0.3%	89	0.3%
Other Business	748	2.4%	807	2.7%	763	2.6%
Total	30,591	100.0%	29,516	100.0%	29,845	100.0%

Operating Income [unit: million yen]	Q2/FY March 2019		Q2/FY March 2020			
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin
Automobile-related	2,762	10.0%	2,908	11.0%	3,436	12.8%
Lifestyle-related	165	7.6%	75	3.5%	94	4.5%
Real Estate	97	99.3%	34	42.5%	89	99.9%
Other Business	23	3.2%	16	2.0%	31	4.1%
Management Division	(831)	-	(929)	-	(931)	-
Total	2,218	7.3%	2,105	7.1%	2,719	9.1%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(666)	(2.4%)	405	+1.5%
35	+0.3%	(38)	(0.4%)
234	+9.6%	207	+8.4%
(936)	(6.4%)	236	+1.8%
(87)	(4.0%)	(40)	(1.9%)
(8)	(8.4%)	8	+10.0%
15	+2.1%	(43)	(5.4%)
(746)	(2.4%)	329	+1.1%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
673	+24.4%	527	+18.1%
(71)	(43.0%)	18	+24.9%
(7)	(7.8%)	54	+158.3%
7	+32.6%	15	+92.2%
(100)	-	(2)	-
501	+22.6%	614	+29.2%

## Automobile-related information

Sales dropped while profit grew: Sales declined mainly due to the decrease in sales of goods. Profit rose, thanks to the increase in sales of tires, wheels, DataLine SalesGuide, etc.

## Ad-related

Sales grew, mainly because MOTORGATE and GooPit performed well.

## Information and services

Sales grew, mainly because the sale of DataLine SalesGuide and software of PROTO-RIOS was healthy.

## Sales of goods

Sales dropped, mainly because the export of used cars by Kings Auto decreased and we withdrew from the EC business of Bike Bros. Compared with the estimates, the sales of tires and wheels were healthy, thanks to the rush demand before the consumption tax hike.

## Lifestyle-related information

Sales and profit declined: The main factor was the transfer of the reuse business (Feb. 2019).

# Q2/FY March 2020: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2019		As of September 30, 2019	
	Results(a)	Ratio	Results(b)	Ratio
Current Assets	27,088	61.7%	31,054	65.0%
Fixed Assets	16,791	38.3%	16,711	35.0%
Current Liabilities	14,035	32.0%	15,400	32.2%
Long-term Liabilities	1,814	4.1%	1,684	3.5%
Net Assets	28,029	63.9%	30,681	64.2%
Total Assets	43,879	100.0%	47,766	100.0%

YoY change	
(b)-(a)	%
3,965	114.6%
(79)	99.5%
1,364	109.7%
(130)	92.8%
2,652	109.5%
3,886	108.9%

[unit: million yen]	As of March 31, 2019		As of September 30, 2019	
	Results(a)	Ratio	Results(b)	Ratio
Cash and cash equivalents	15,747	35.9%	19,180	40.2%
Interest-bearing debt	6,800	15.5%	6,671	14.0%
Net cash	8,947	20.4%	12,509	26.2%

YoY change	
(b)-(a)	%
3,433	121.8%
(128)	98.1%
3,561	139.8%

## Current Assets

The main factor for increase was cash and deposits growing 3,433 million yen through the sale of fixed assets, including the Tokyo headquarters.

## Fixed Assets

The main factor for decrease was the decline in tangible fixed assets through the sale of fixed assets, including the Tokyo headquarters.

## Current Liabilities

The main factor for increase was notes and accounts payable rising 1,034 million yen.

## Long-term Liabilities

The main factor for decrease was long-term debts dropping 210 million yen.

# Q2/FY March 2020: Consolidated Statements of Cash Flows

[unit: million yen]	Q2/FY March 2019	Q2/FY March 2020	YoY change
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	2,053	2,694	641
Cash Flows from Investing Activities	(783)	901	1,685
Cash Flows from Financing Activities	(2,001)	(664)	1,336
Cash and Cash Equivalents at End of Term	15,006	18,289	3,283

[unit: million yen]	Q2/FY March 2019	Q2/FY March 2020	YoY change
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	924	1,436	512
Depreciation (Tangible/intangible fixed assets)	474	428	(46)
Amortization of Goodwill	220	213	(6)

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

## Cash Flows from Operating Activities

There was an income of 2,694 million yen, mainly because 4,606 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 641 million yen.

## Cash Flows from Investing Activities

There was an income of 901 million yen, mainly because there was a revenue of 3,565 million yen from the sale of tangible fixed assets, including the Tokyo headquarters.

## Cash Flows from Financing Activities

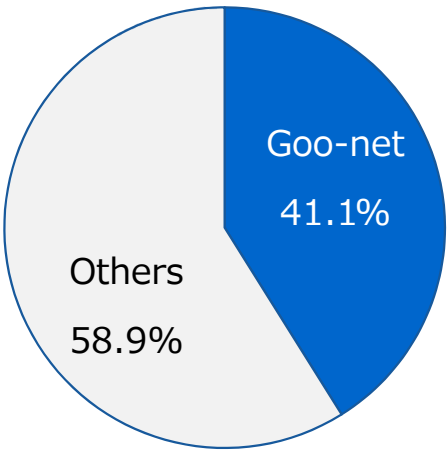
There was an expenditure of 664 million yen mainly due to a repayment of debts of 128 million yen and a payment of dividends of 501 million yen.

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

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

**Target market scale**  
**(35,594companies)**

Source:  
Surveyed by our company



(Unit: Companies)



**The number of affiliated companies of Goo-net grew 0.1% year on year.**

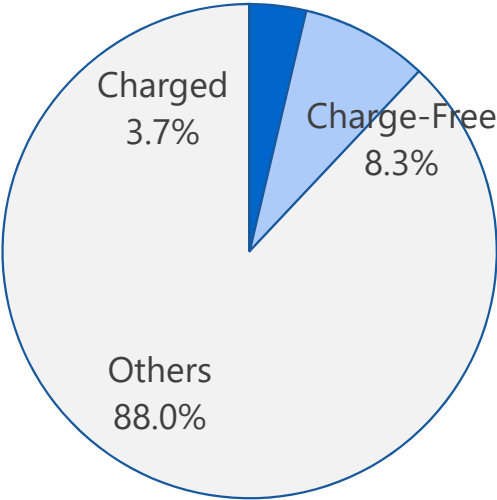


# Maintenance Field No. of Affiliated shops of GooPit

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

**Total market scale  
(91,788shops)**

Source:  
Ministry of Land, Infrastructure,  
Transport and Tourism



**The number of fee-charging affiliated maintenance shops of GooPit increased 7.1%.**

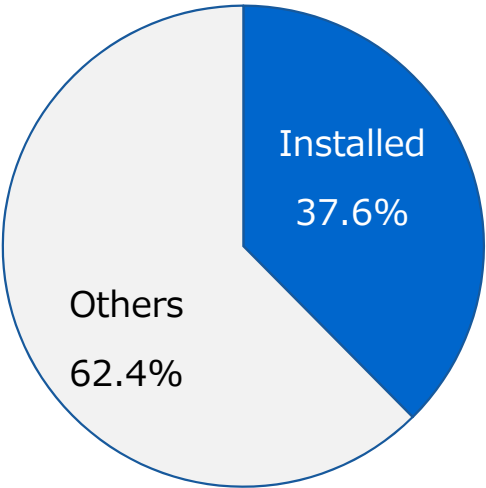
# New Cars Field No. of Affiliated sites of DataLine SalesGuide

## No. of Affiliated sites of DataLine SalesGuide

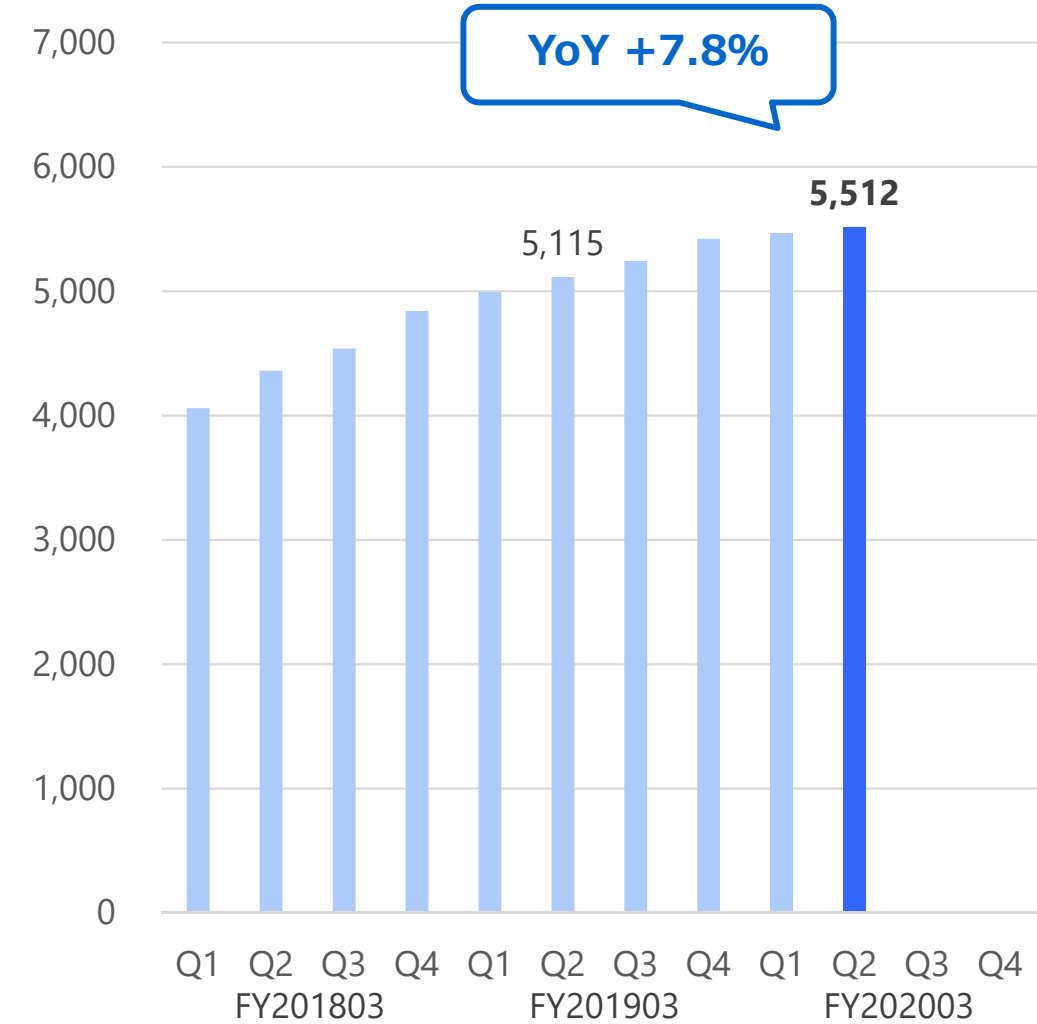
Total market scale  
(14,670sites)

Source:  
Japan Automobile Service  
Promotion Association

DataLine  
SalesGuide



(Unit: Sites)



The number of dealers that have adopted DataLine SalesGuide increased 7.8% year on year.

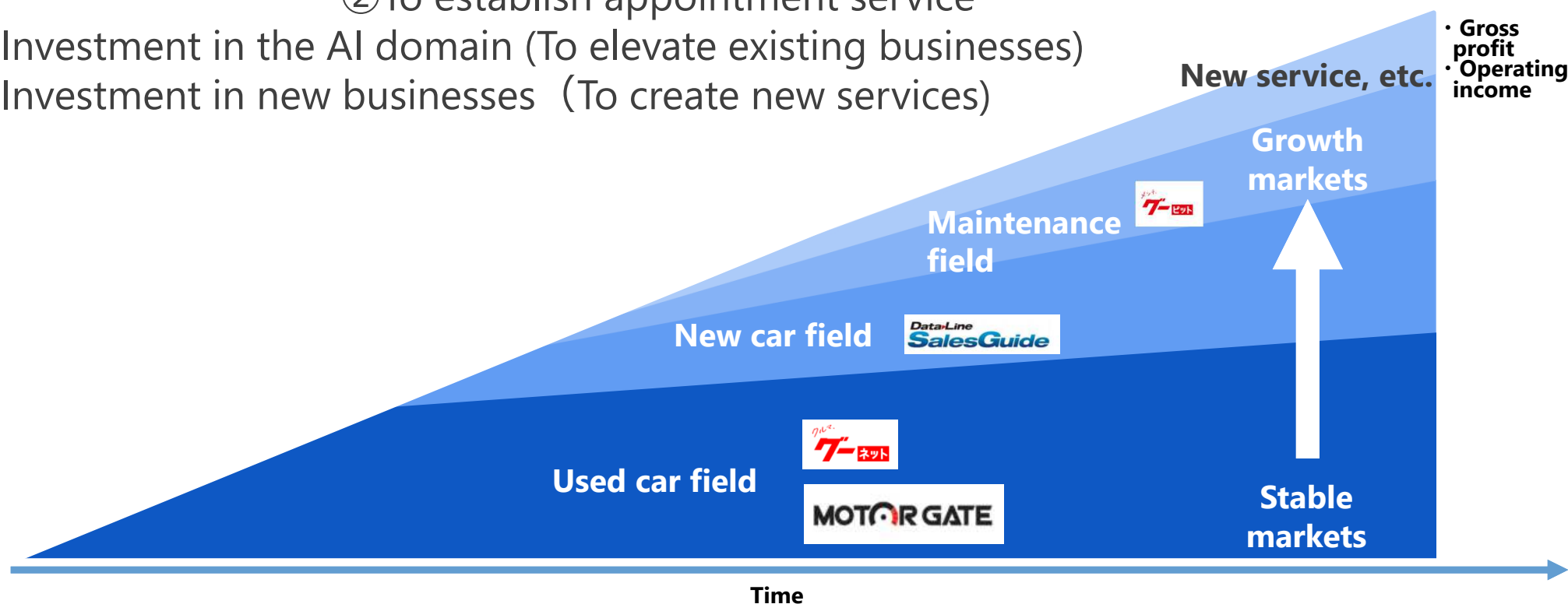
# TOPICS

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## Medium- to Long-Term Growth Strategy

## ■ Priorities

- New car field: To earn profit mainly from services based on our database.
- Used car field: To review manufacturing cost and SG&A.  
(reconsidering paper media and business footholds)
- 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.**

# Activities in the first half of the term ending March 2020

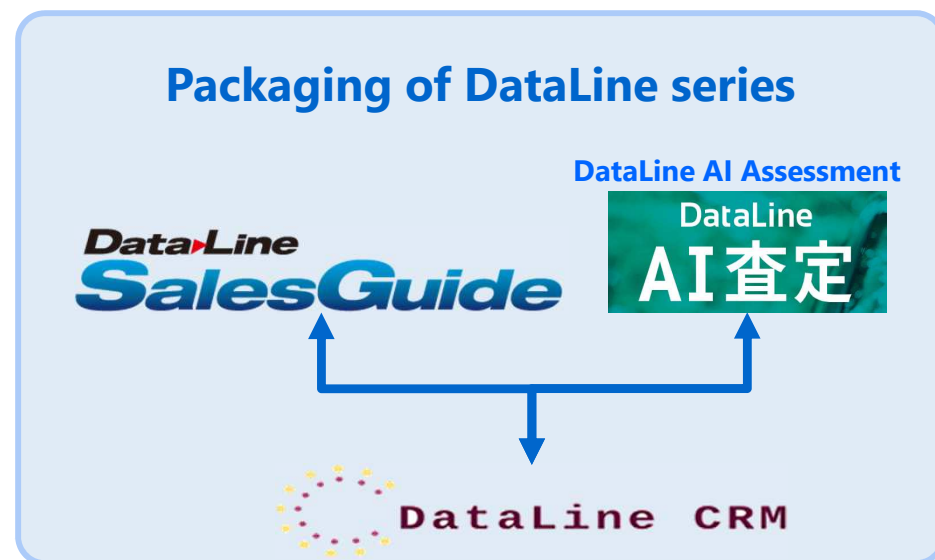
## New Cars Field (To earn profit mainly from services based on our database)

### Development of new products and services

- In Jul. 2019, we commercialized DataLine AI Assessment and DataLine CRM.
- In Sep. 2019, we commercialized AI Chatbot (for helping new car dealers attract customers).
- Development of ad products and services for new car dealers
  - Online ad agency
- Development of optional functions for DataLine SalesGuide (under development)
  - Function to predict repair cost
  - Function for the used car version
  - Optional functions (including loans, insurance, and packaged maintenance services)

### Marketing efforts

- Establishment of a marketing team for leading new car dealers
- Nationwide marketing



# New Cars Field (products and services)

## DataLine SalesGuide

- Sales negotiation tool for new car dealers  
Promotion of replacement to new cars and standardization and streamlining of the sales process
- To improve the efficiency of sales negotiation for sale and trade-in

## DataLine AI Assessment

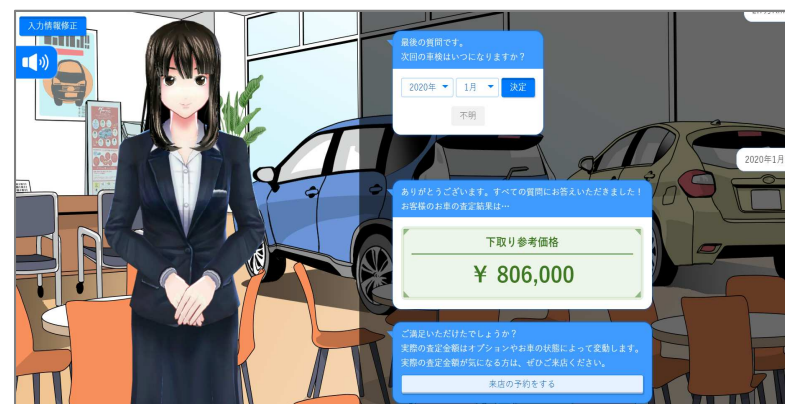
- Assessment system for new car dealers  
Standardization and streamlining of the assessment (trade-in) process
- To improve the efficiency of sales negotiation for trade-in

## DataLine CRM

- Linkage with DataLine SalesGuide and DataLine AI Assessment, utilizing existing customer information of new car dealers
- To improve the efficiency of sales negotiation for sale and trade-in
  - To retain existing customers

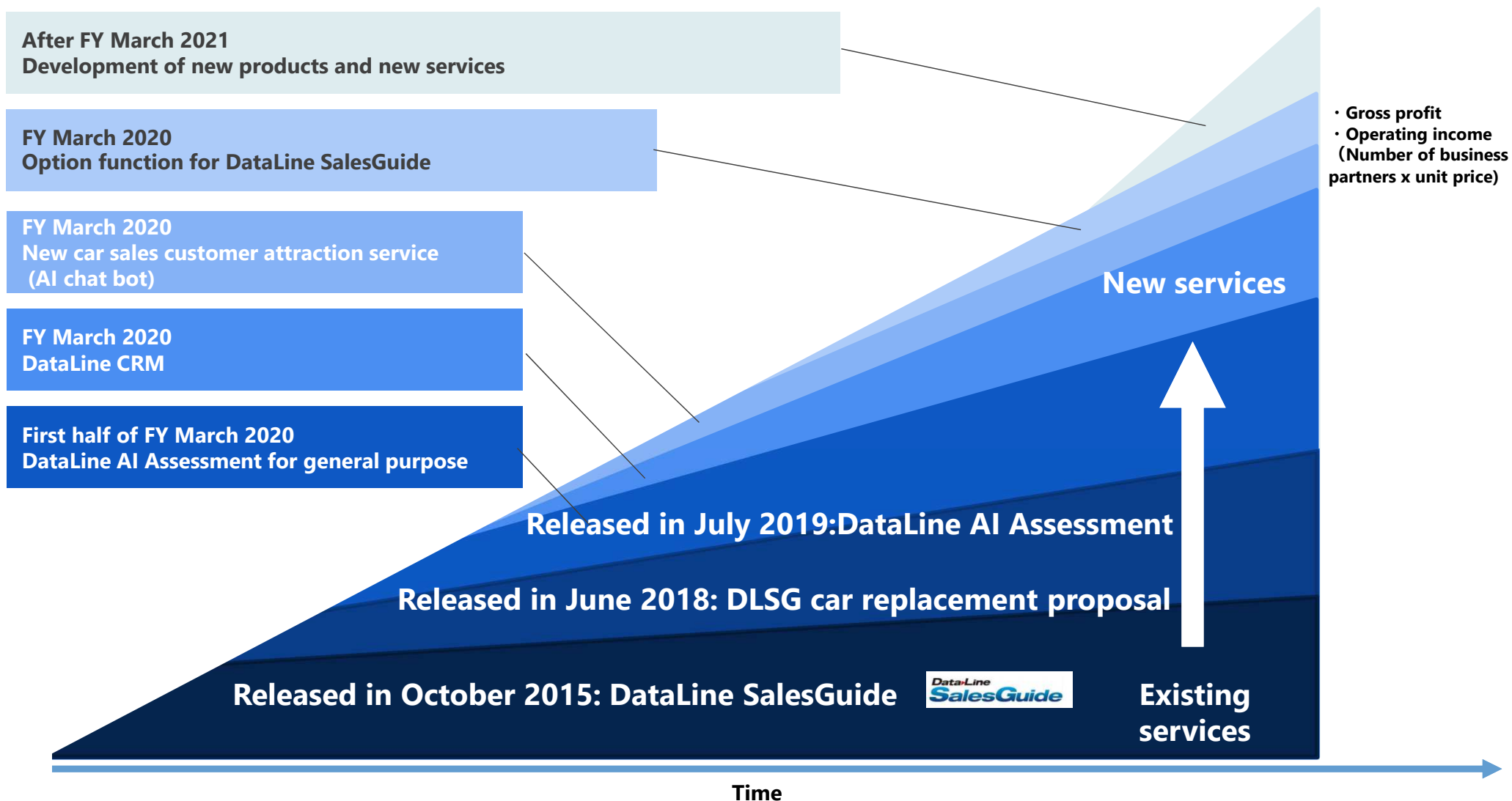
## AI Chatbot

- Installation in the website of each new car dealer to enabling booking and easy assessment of used cars
- To improve the efficiency of sales negotiation for sale and trade-in
  - To attend to customers outside business hours and reel in customers



To promote the development of products and services that would contribute to the reform of ways of working and the improvement in productivity in the field of sale of automobiles

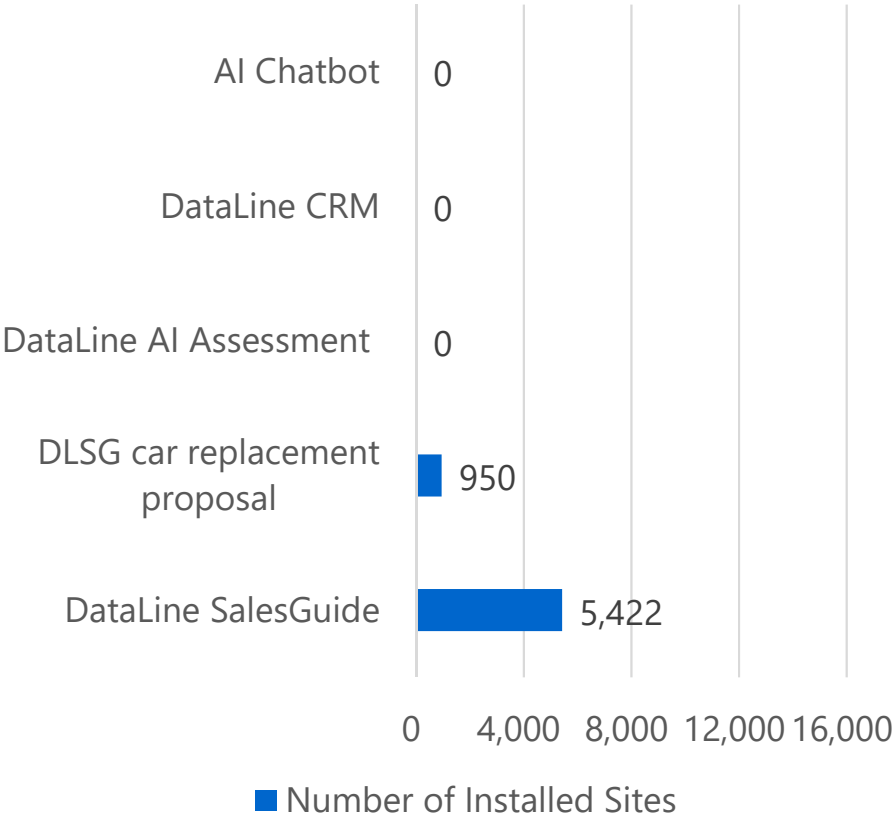
# New Cars Field (Growth Strategy)



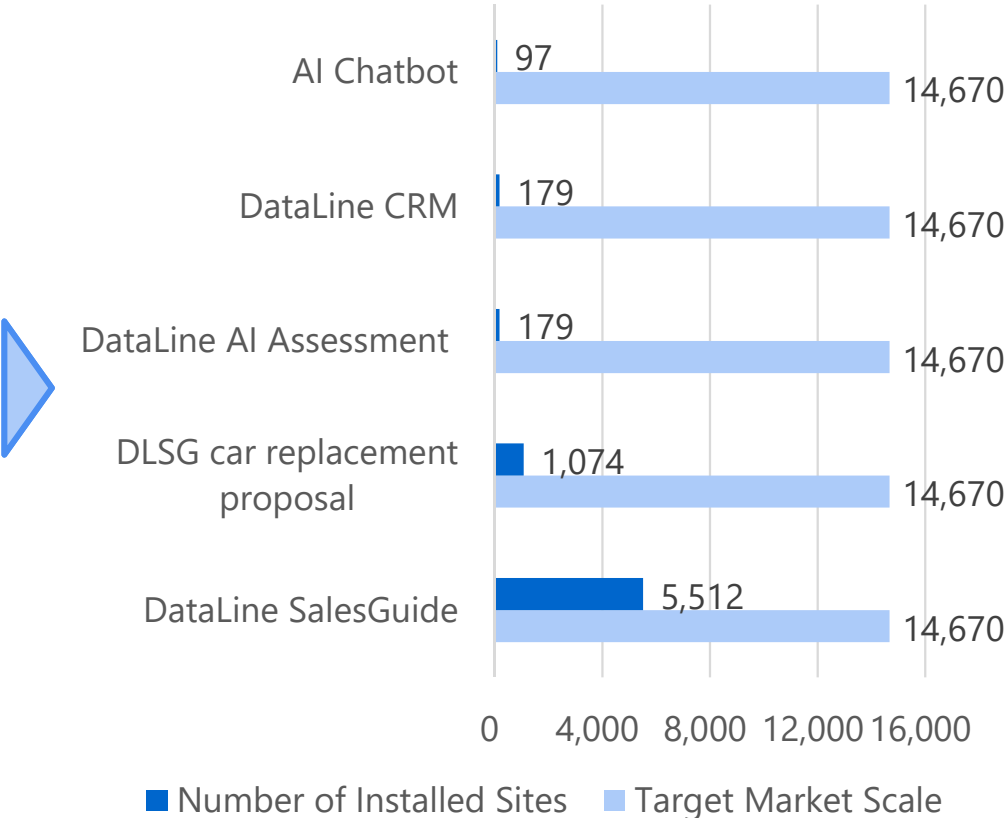
Using databases, we will strengthen contact points for new car dealers and solve issues related to productivity improvement.

# New Cars Field (Growth Strategy)

Mar. 2019 (Results)



Sep. 2019 (Results)



**To increase the number of dealers that have adopted our products or services  
And improve average spending per client, to grow our business in the field of new cars**



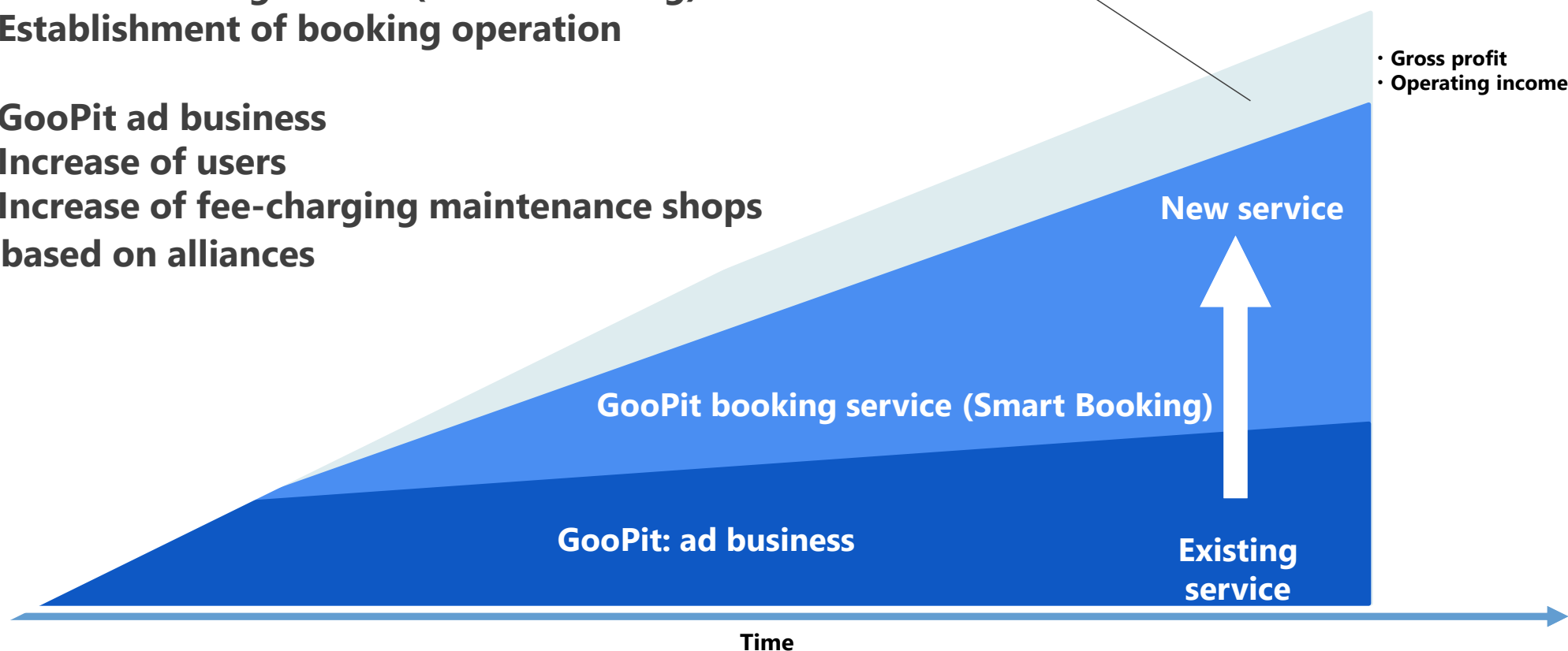
# Maintenance field (growth strategy)

From the term ending March 2021

We will develop new products and services (for supporting the streamlining of business operations, sale of vehicles, etc.)

## ■ Activities in the car maintenance field

- GooPit booking service (Smart Booking)  
Establishment of booking operation
- GooPit ad business  
Increase of users  
Increase of fee-charging maintenance shops  
based on alliances



To grow the booking service based on the ad business of GooPit

# Maintenance Field (GooPit booking service)

## ■ Smart Booking with GooPit released (Start of charging for customer transportation in Oct. 2019)



### 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: 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				YoY		Comparison with the initial forecast	
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
Net Sales	62,251	100.0%	62,431	100.0%	62,431	100.0%	179	+0.3%	0	0.0%
Gross Profit	23,832	38.3%	24,689	39.5%	24,689	39.5%	856	+3.6%	0	0.0%
EBITDA	5,920	9.5%	6,255	10.0%	6,255	10.0%	335	+5.7%	0	0.0%
Operating Income	4,565	7.3%	4,916	7.9%	4,916	7.9%	350	+7.7%	0	0.0%
Ordinary Income	5,004	8.0%	4,942	7.9%	4,942	7.9%	(62)	(1.2%)	0	0.0%
Net Income	3,159	5.1%	3,274	5.2%	4,512	7.2%	1,353	+42.8%	1,238	+37.8%
Net Income per Share(Yen)	78.75	-	81.61	-	112.41	-	33.66	+42.7%	30.80	+37.7%

※The forecast for the term ended Mar. 2020 were announced on July 31, 2019.

※ 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				YoY		Comparison with the initial forecast	
	Results(a)	Sales ratio	Initial forecast (b)	Sales ratio	Revised forecast (c)	Sales ratio	(c)-(a)	%	(c)-(b)	%
SG&A Expenses	19,267	31.0%	19,773	31.7%	19,773	31.7%	505	+2.6%	0	0.0%
Employment Cost	7,871	12.6%	8,176	13.1%	8,176	13.1%	305	+3.9%	0	0.0%
Advertising Cost	4,486	7.2%	4,660	7.5%	4,660	7.5%	173	+3.9%	0	0.0%
Other Expenses	6,909	11.1%	6,935	11.1%	6,935	11.1%	26	+0.4%	0	0.0%

# 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%

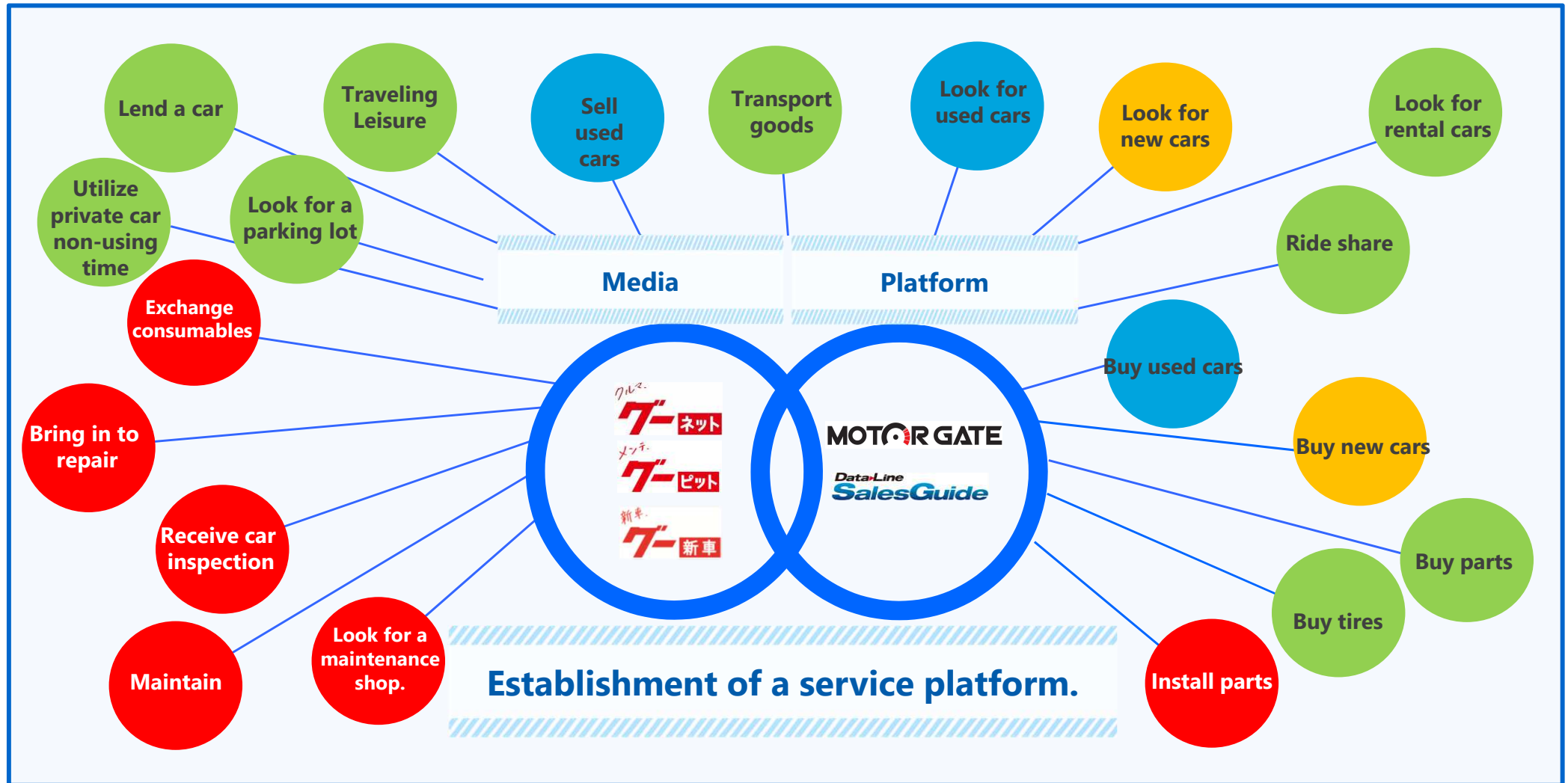
※ We have changed key management indicators from net sales to gross profit on the assumption that the "Accounting Standard for Revenue Recognition" will be applied in the future.

※ 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.

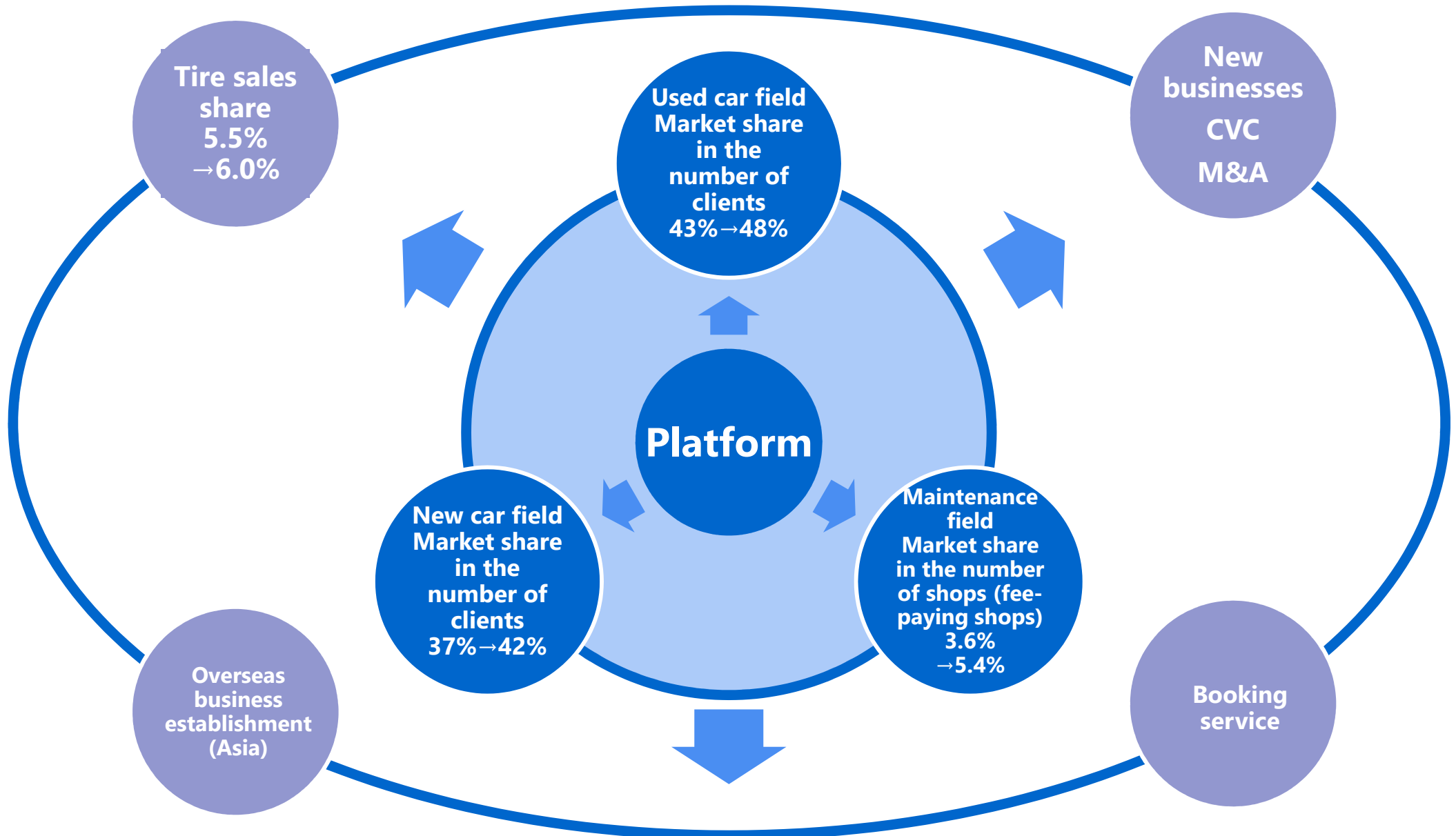


To be the leader in Japan in the automobile-related information service industry!!  
(From media to a service platform. )



# Vision “Establishment of a Service Platform”

## Goo Life Time Value (Growth Strategy)



# Corporate Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,849 million yen (As of September 30, 2019)
Shares Outstanding	41,925,300 shares (As of September 30, 2019)
Head Offices	23-14, Aoi 1-chome, Naka-ku, Nagoya 460-0006, Japan 6-18-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan (from Nov. 1, 2019)
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: 1,482 (As of September 30, 2019) Parent: 589 (As of September 30, 2019)
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya 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) * The company is currently under liquidation.</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> </ol> (As of October 31, 2019)

# Corporate Profile

## Financial Data (Consolidated)

Shares outstanding (million, September 2019)	41.9
Market capitalization (¥ billion, September 2019)	49.1
DPS (¥, FY March 2020, Forecast)	27.5
EPS (¥, FY March 2020, Forecast)	112.41
BPS (¥, FY March 2019)	697.84
ROE (% , FY March 2019, Net income basis)	11.7
ROA (% , FY March 2019, Ordinary income basis)	11.3
Equity ratio (% , March 2019)	63.8
Potential share dilution (million)	-
Foreign ownership (% , September 2019)	27.52

## Major Shareholders

	(Thousands)
1) Mugen Corporation	13,614 (32.47%)
2) The Master Trust Bank of Japan, Ltd. (Trust Account )	2,754 ( 6.57%)
3) JPLLC CLIENT SAFEKEEPING ACCOUNT	2,649 ( 6.31%)
4) PROTO CORPORATION	1,763 ( 4.20%)
5) Japan Trustee Services Bank, Ltd. (Trust Account )	1,555 ( 3.71%)
6) JP MORGAN CHASE BANK 385632	1,137 ( 2.71%)
7) CLEARSTREAM BANKING S.A	999 ( 2.38%)
8) BNYM NON-TREATY DTT	965 ( 2.30%)
9) Hiroichi Yokoyama	887 ( 2.11%)
10) Yoshihiro Yokoyama	730 ( 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 September 30, 2019)

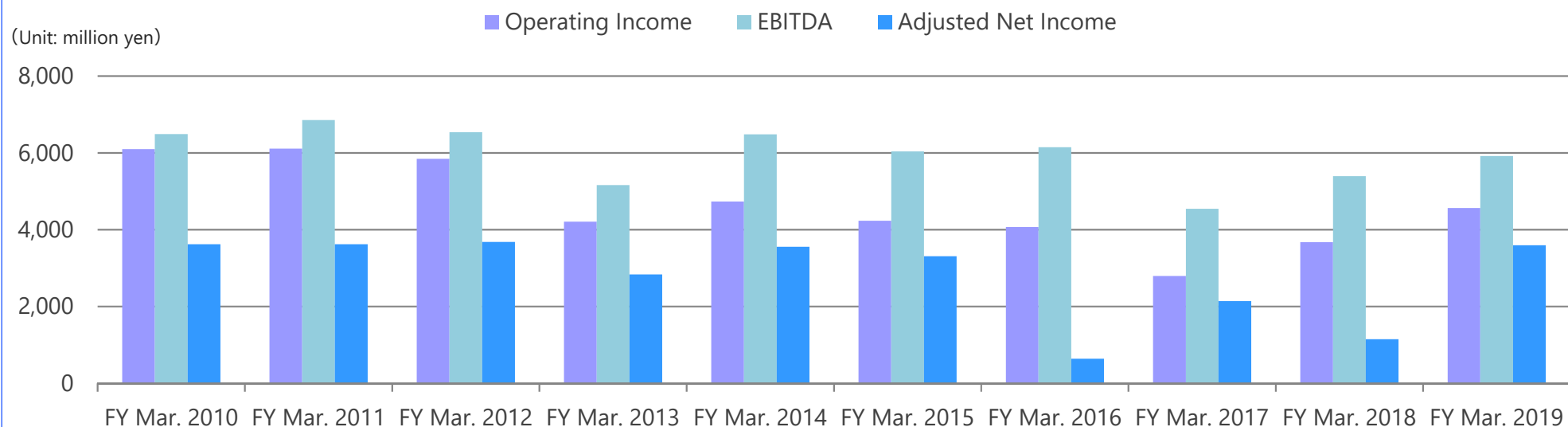
# Operating Results 10-year Summary

[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)

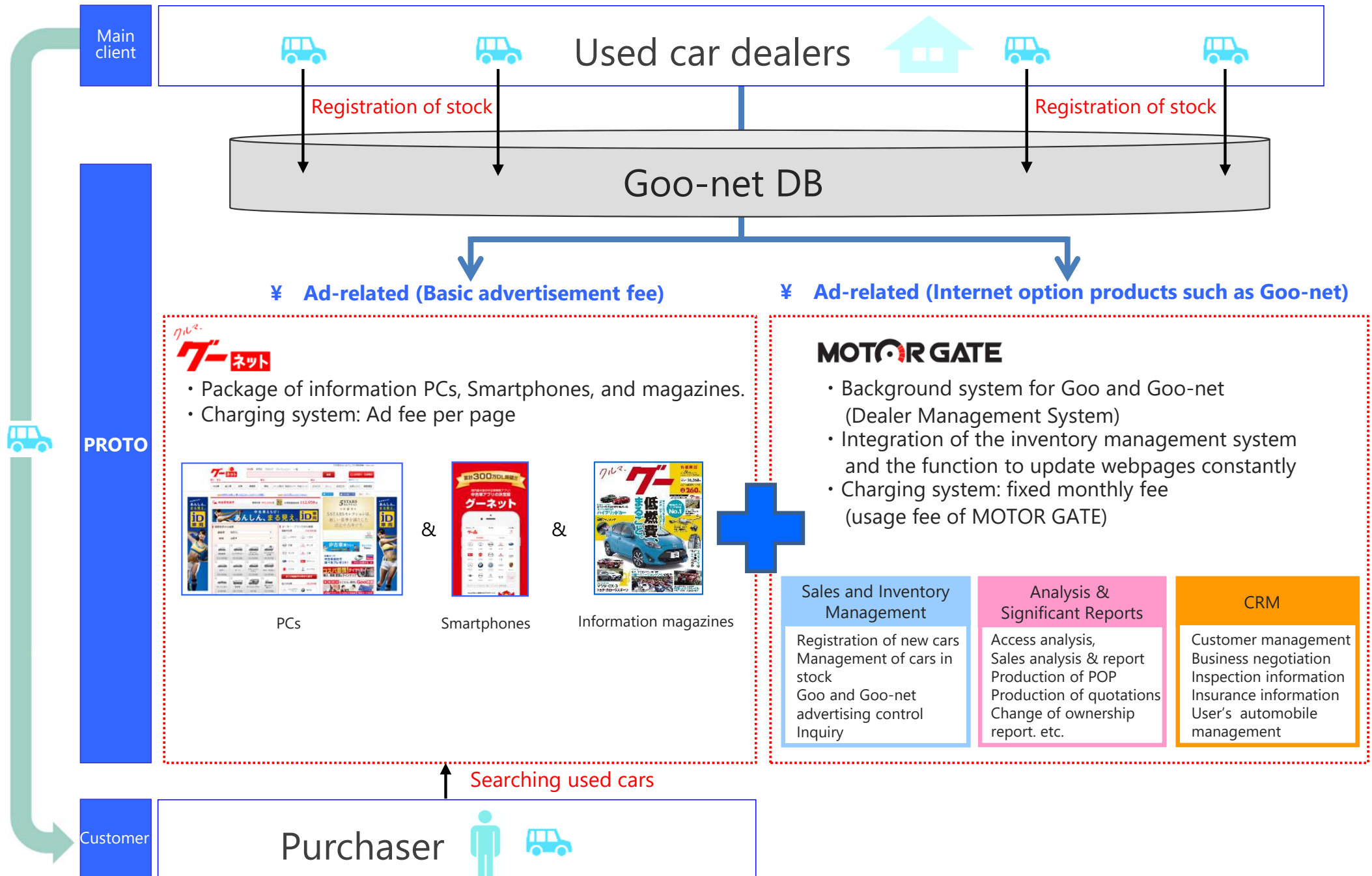
Sales are mostly from rent income of the non-operational floors of our own building.

### ■ 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)

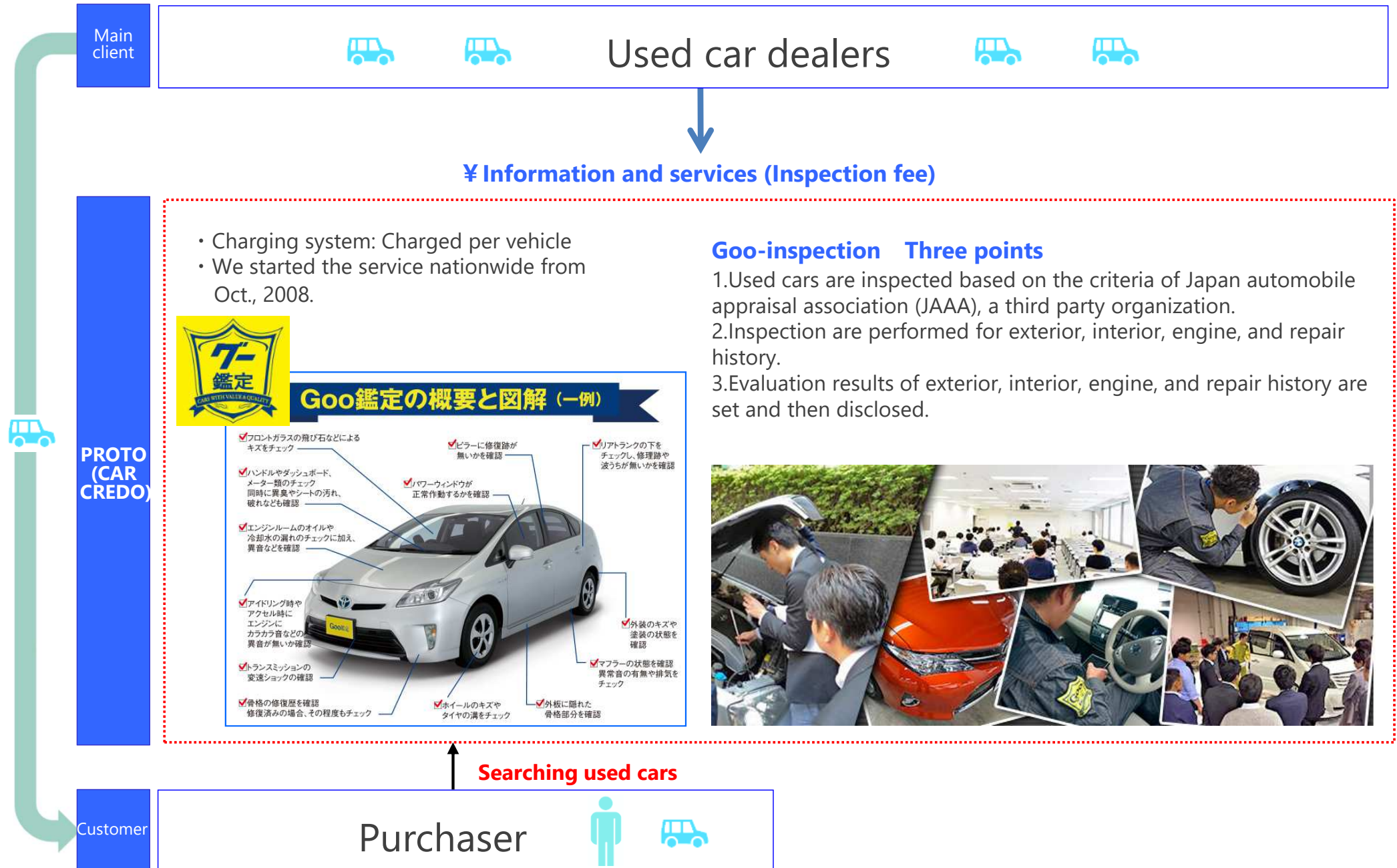
Sales are mostly from the BPO business.

# Used car dealers: Business model of Goo and MOTOR GATE





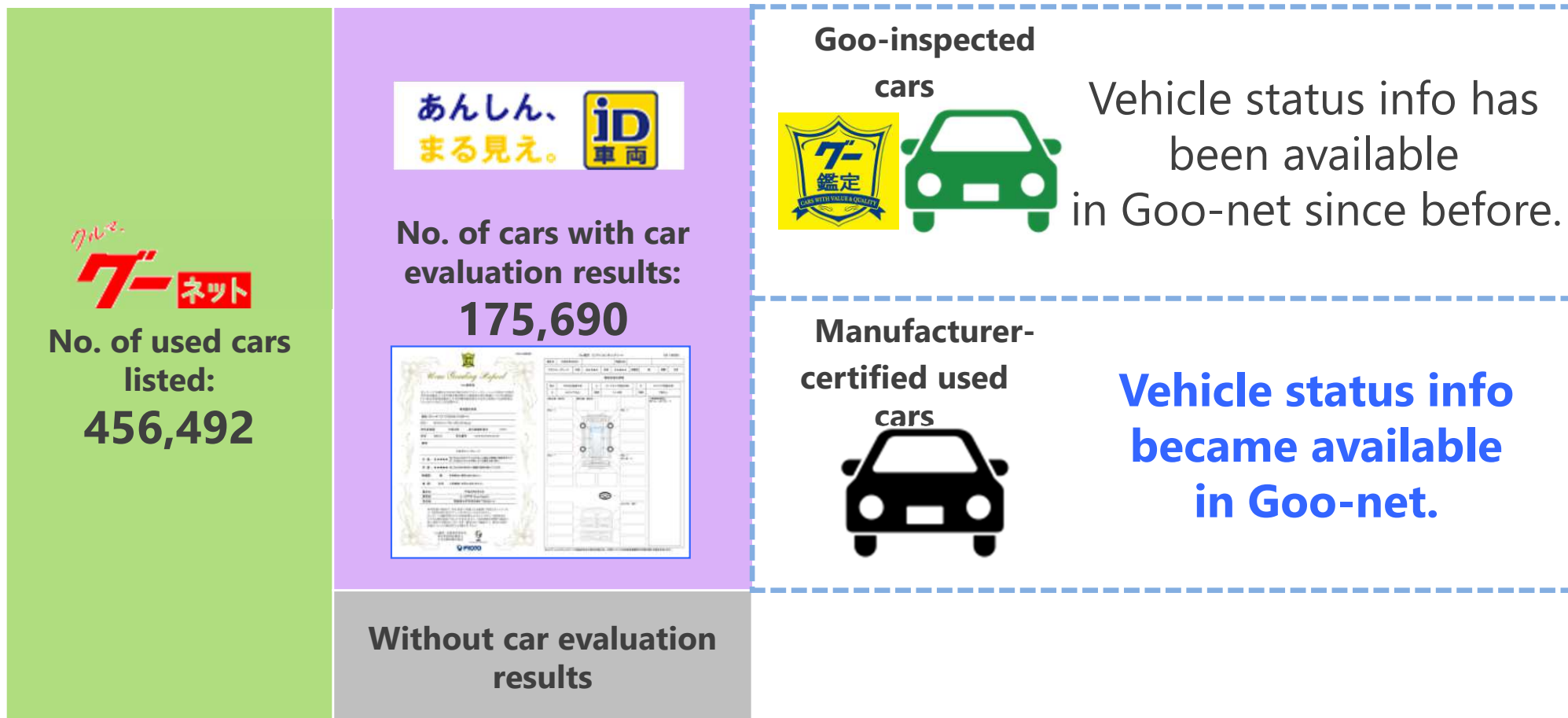
# Used car dealers: Business model of Goo-Inspection





# 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: 50,262

(as of October 18, 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**

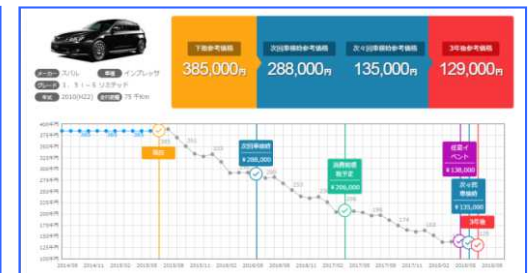
- Charging system: fixed monthly fee
- We promote the replacement to new car by presenting a rough estimate of both the current value and future value of a car during the negotiation with user.



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.

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