

Financial Results for the Nine Months Ended December 2019

(April 1,2019 to December 31,2019)

PROTO CORPORATION

January 31, 2020



Overview of Q3/FY March 2020

■ Overview of the Business Performance (Q3/FY March 2020)

Sales	44,980 million yen	(5.9% y/y)
Gross Profit	18,406 million yen	+ 2.1% y/y
EBITDA	5,324 million yen	+ 6.9% y/y
Operating income	4,341 million yen	+ 9.7% y/y
Ordinary income	4,584 million yen	+ 8.4% y/y
Net income	4,569 million yen	+ 68.6% y/y

■ Topics

- Sales: declined (mainly due to the decline in sales of goods [the decrease in sales of Kings Auto Co., Ltd., the withdrawal of Bike Bros Inc. from unprofitable businesses and the decrease in sales of AUTOWAY Co., Ltd.]).
- Gross profit and operating income: increased (as profitability improved in the fields of used cars, new cars, and car maintenance).
- Net income: increased (in addition to the above, about 1.8 billion yen was posted as gain on sale of fixed assets upon the relocation of the Tokyo headquarters, etc.)
- Nov. 2019: The arrest of AUTOWAY Co., Ltd. executive and others (suspicions of violations of the Unfair Competition Prevention Law).
- Nov. 2019: Transfer of shares of PROTO (TAIWAN) CO., LTD. on Jan. 1, 2020 was decided.
- Dec. 2019: Charges against AUTOWAY Co., Ltd. executives were dismissed.
- Dec. 2019: Timely disclosure “regarding the response to the problem with the indication of a wheel released by AUTOWAY Co., Ltd. “ (regarding the voluntary recall of the wheels in question and measures for preventing the recurrence of this problem).

Q3/FY March 2020: Operating Results (1)

Consolidated Statements of Income [unit: million yen]	Q3/FY March 2019		Q3/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Net Sales	47,820	100.0%	47,026	100.0%	44,980	100.0%
Gross Profit	18,024	37.7%	18,428	39.2%	18,406	40.9%
EBITDA	4,983	10.4%	4,833	10.3%	5,324	11.8%
Operating Income	3,958	8.3%	3,833	8.2%	4,341	9.7%
Ordinary Income	4,228	8.8%	3,851	8.2%	4,584	10.2%
Net Income	2,709	5.7%	3,795	8.1%	4,569	10.2%
Net Income per Share(Yen)	67.55	-	94.55	-	113.83	-

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(2,840)	(5.9%)	(2,046)	(4.4%)
381	+2.1%	(21)	(0.1%)
341	+6.9%	491	+10.2%
383	+9.7%	508	+13.3%
356	+8.4%	732	+19.0%
1,859	+68.6%	773	+20.4%
46.28	+68.5%	19.28	+20.4%

※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.

[unit: million yen]	Q3/FY March 2019		Q3/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
SG&A Expenses	14,066	29.4%	14,594	31.0%	14,064	31.3%
Employment Cost	5,865	12.3%	6,132	13.0%	5,778	12.8%
Advertising Cost	3,105	6.5%	3,234	6.9%	3,140	7.0%
Other Expenses	5,094	10.7%	5,228	11.1%	5,145	11.4%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(2)	(0.0%)	(530)	(3.6%)
(87)	(1.5%)	(353)	(5.8%)
35	+1.1%	(93)	(2.9%)
50	+1.0%	(83)	(1.6%)

Net Sales

Sales dropped mainly due to the decline in the export sales of used cars (sales of goods) by Kings Auto Co., Ltd., the withdrawal of Bike Bros Inc. from businesses (sales of goods and ad-related), the decrease in sales of tires and wheels (sales of goods) by AUTOWAY Co., Ltd.

Operating Income

Operating income increased mainly due to the steady performance of PROTO CORPORATION's ad-related, information and service businesses.

Net Income

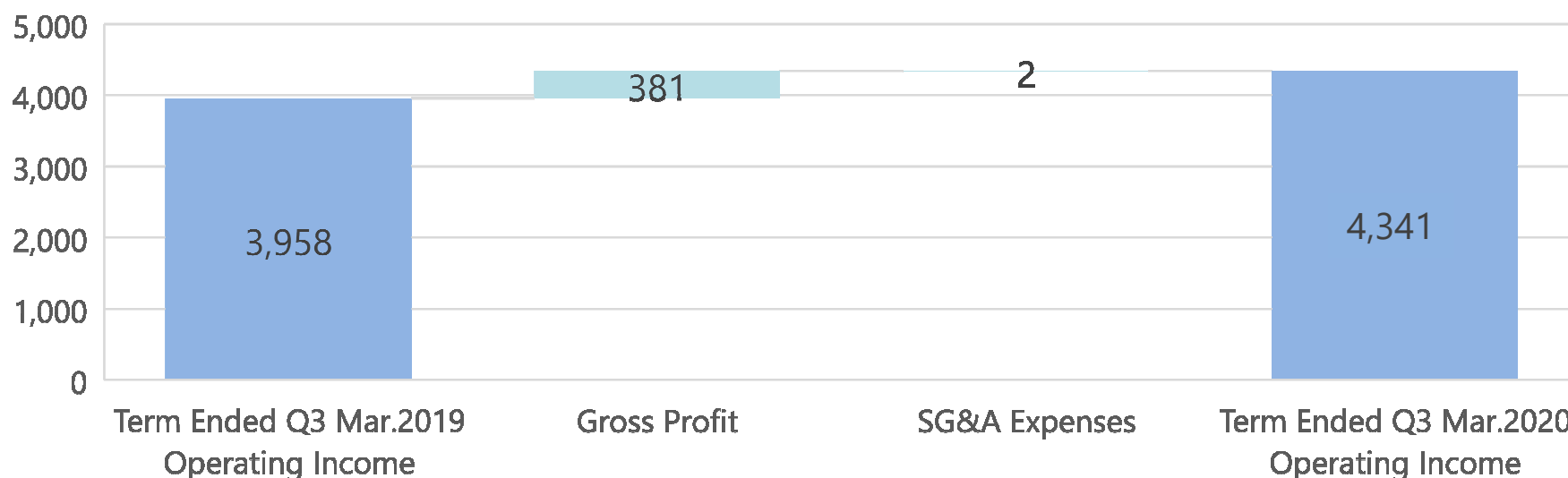
In addition to the above, net income increased due to the posting of gain on sale of fixed assets upon the relocation of Tokyo headquarters and the recognition of the deferred tax assets after the transfer of the shares of PROTO (TAIWAN) CO., LTD.

Q3/FY March 2020: Operating Results (2)

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

(Unit: million yen)

Primary Gross Profit Factors	+381	Primary SG&A Factors	+2	Operating Income Increase and Decrease	+383
PROTO CORPORATION	+448	PROTO CORPORATION	(250)	PROTO CORPORATION	+198
AUTOWAY	(118)	AUTOWAY	(94)	AUTOWAY	(213)
TIRE WORLD KAN BEST	+144	TIRE WORLD KAN BEST	(3)	TIRE WORLD KAN BEST	+140
PROTO-RIOS	+190	PROTO-RIOS	(26)	PROTO-RIOS	+164
Kings Auto	(61)	Kings Auto	+6	Kings Auto	(54)
(Bike Bros)	(360)	(Bike Bros)	+379	(Bike Bros)	+19
		Amortization of Goodwill	+7	Amortization of Goodwill	+7
<p>Mainly the sales growth and the improvement in profitability of PROTO CORPORATION, PROTO-RIOS, and TIRE WORLD KAN BEST contributed to the increase in profit. As for AUTOWAY, profit declined due to lagging sales of tires.</p>		<p>Mainly the decrease in SG&A due to the withdrawal of Bike Bros. Inc. from business contributed.</p>		<p>Mainly the sales growth and the improvement in profitability of PROTO CORPORATION, PROTO-RIOS, and TIRE WORLD KAN BEST contributed to the increase in profit.</p>	



Q3/FY March 2020: Operating Results by Segment

Net Sales [unit: million yen]	Q3/FY March 2019		Q3/FY March 2020			
	Results(a)	Sales ratio	Forecast(b)	Sales ratio	Results(c)	Sales ratio
Automobile-related	43,275	90.5%	42,485	90.3%	40,386	89.8%
Ad-related	15,880	33.2%	16,042	34.1%	15,915	35.4%
Information and services	3,705	7.7%	3,758	8.0%	4,128	9.2%
Sales of goods	23,688	49.5%	22,685	48.2%	20,342	45.2%
Lifestyle-related	3,264	6.8%	3,200	6.8%	3,124	6.9%
Real Estate	147	0.3%	108	0.2%	124	0.3%
Other Business	1,132	2.4%	1,232	2.6%	1,344	3.0%
Total	47,820	100.0%	47,026	100.0%	44,980	100.0%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
(2,888)	(6.7%)	(2,099)	(4.9%)
34	+0.2%	(126)	(0.8%)
422	+11.4%	370	+9.8%
(3,346)	(14.1%)	(2,342)	(10.3%)
(140)	(4.3%)	(76)	(2.4%)
(22)	(15.5%)	15	+14.7%
212	+18.7%	112	+9.1%
(2,840)	(5.9%)	(2,046)	(4.4%)

Operating Income [unit: million yen]	Q3/FY March 2019		Q3/FY March 2020			
	Results(a)	Profit margin	Forecast(b)	Profit margin	Results(c)	Profit margin
Automobile-related	4,772	11.0%	5,063	11.9%	5,417	13.4%
Lifestyle-related	234	7.2%	92	2.9%	126	4.1%
Real Estate	147	99.6%	25	23.5%	125	100.6%
Other Business	42	3.7%	24	2.0%	60	4.5%
Management Division	(1,238)	-	(1,373)	-	(1,388)	-
Total	3,958	8.3%	3,833	8.2%	4,341	9.7%

YoY change		Achievement rate	
(c)-(a)	%	(c)-(b)	%
645	+13.5%	353	+7.0%
(107)	(45.9%)	33	+36.4%
(21)	(14.6%)	100	+391.5%
17	+42.1%	35	+145.7%
(150)	-	(14)	-
383	+9.7%	508	+13.3%

Automobile-related information

Sales dropped, and profit grew: Sales dropped mainly due to the decline in sales of goods. Profit grew due to the increase in sales of DataLine SalesGuide, PROTO-RIOS INC. and others.

Ad-related

The main factor for the sales growth was the steady performance of MOTORGATE and GooPit.

Information and services

The main factor for the increase in sales was the steady performance of DataLine SalesGuide and software sales by PROTO-RIOS INC.

Sales of goods

The main factor for the sales drop was the decline in export sales of used cars by Kings Auto Co., Ltd., the withdrawal of Bike Bros Inc. from businesses (EC business), the decrease in sales of tires and wheels by AUTOWAY Co., Ltd.

Lifestyle-related information

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

Q3/FY March 2020: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2019		As of December 31, 2019	
	Results(a)	Ratio	Results(b)	Ratio
Current Assets	27,088	61.7%	28,029	62.5%
Fixed Assets	16,791	38.3%	16,800	37.5%
Current Liabilities	14,035	32.0%	11,688	26.1%
Long-term Liabilities	1,814	4.1%	1,618	3.6%
Net Assets	28,029	63.9%	31,521	70.3%
Total Assets	43,879	100.0%	44,829	100.0%

YoY change	
(b)-(a)	%
940	103.5%
9	100.1%
(2,346)	83.3%
(195)	89.2%
3,492	112.5%
949	102.2%

[unit: million yen]	As of March 31, 2019		As of December 31, 2019	
	Results(a)	Ratio	Results(b)	Ratio
Cash and cash equivalents	15,747	35.9%	16,668	37.2%
Interest-bearing debt	6,800	15.5%	3,551	7.9%
Net cash	8,947	20.4%	13,116	29.3%

YoY change	
(b)-(a)	%
921	105.8%
(3,248)	52.2%
4,169	146.6%

Current Assets

The main factor for increase was cash and cash equivalents growing 921 million yen through the sale of fixed assets, including the Tokyo headquarters.

Fixed Assets

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

Current Liabilities

The main factor in decrease was short-term debts (including current portion of long-term debts) decreasing by 2,943 million yen.

Long-term Liabilities

The main factor for decrease was long-term debts dropping 304 million yen.

Q3/FY March 2020: Consolidated Statements of Cash Flows

[unit: million yen]	Q3/FY March 2019	Q3/FY March 2020	YoY change
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	3,323	4,183	859
Cash Flows from Investing Activities	(1,024)	792	1,816
Cash Flows from Financing Activities	(2,367)	(4,349)	(1,981)
Cash and Cash Equivalents at End of Term	15,671	15,948	276

[unit: million yen]	Q3/FY March 2019	Q3/FY March 2020	YoY change
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	1,087	1,802	714
Depreciation (Tangible/intangible fixed assets)	694	661	(33)
Amortization of Goodwill	329	321	(7)

* 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 4,183 million yen, mainly because 6,382 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 982 million yen.

Cash Flows from Investing Activities

There was an income of 792 million yen, mainly because there was a revenue of 3,567 million yen from the sale of tangible fixed assets, including the Tokyo headquarters.

Cash Flows from Financing Activities

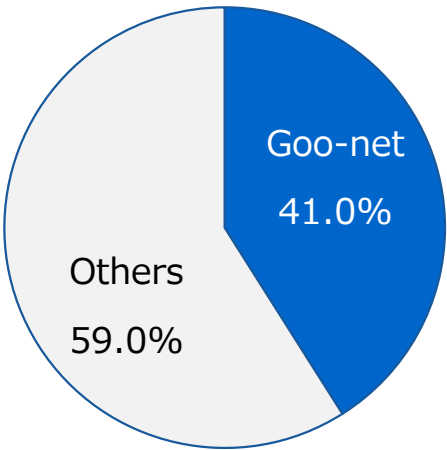
There was an expenditure of 4,349 million yen mainly due to a repayment of debts of 3,248 million yen and a payment of dividends of 1,044 million yen.

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 dropped (1.8)% year on year.

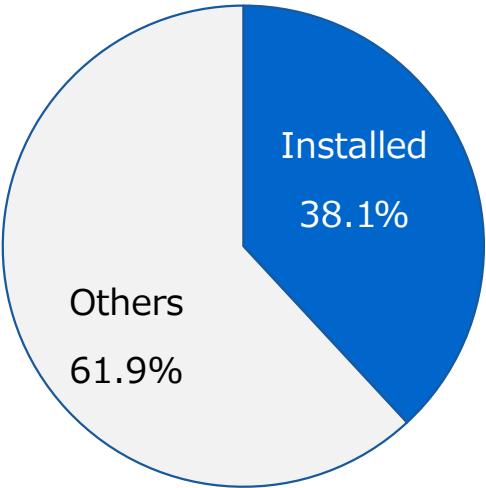
New Cars Field No. of Affiliated sites of DataLine SalesGuide

No. of Affiliated sites of DataLine SalesGuide

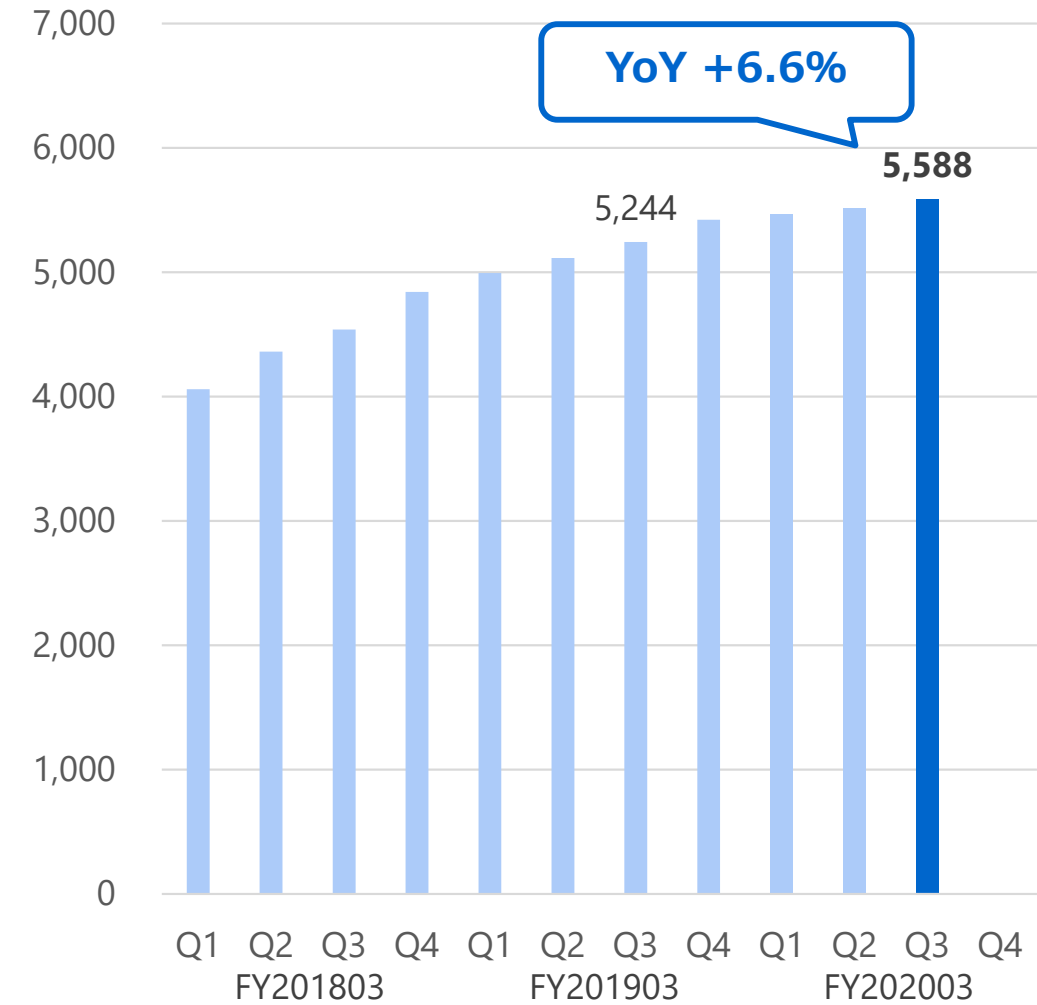
**Total market scale
(14,670sites)**

Source:
Japan Automobile Service
Promotion Association

**DataLine
SalesGuide**



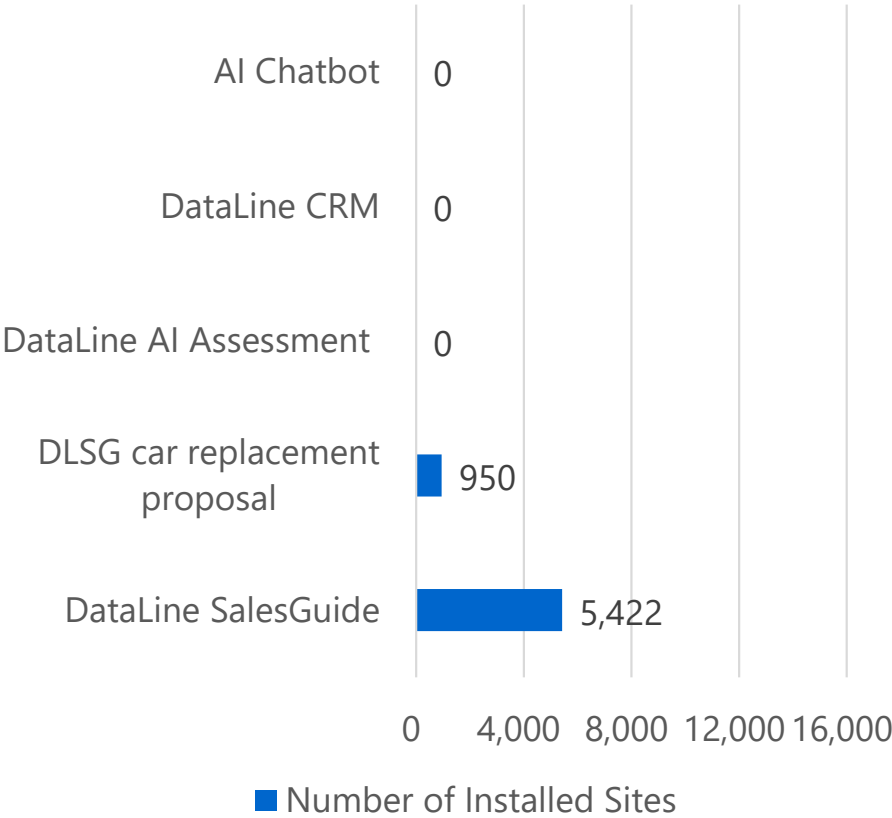
(Unit: Sites)



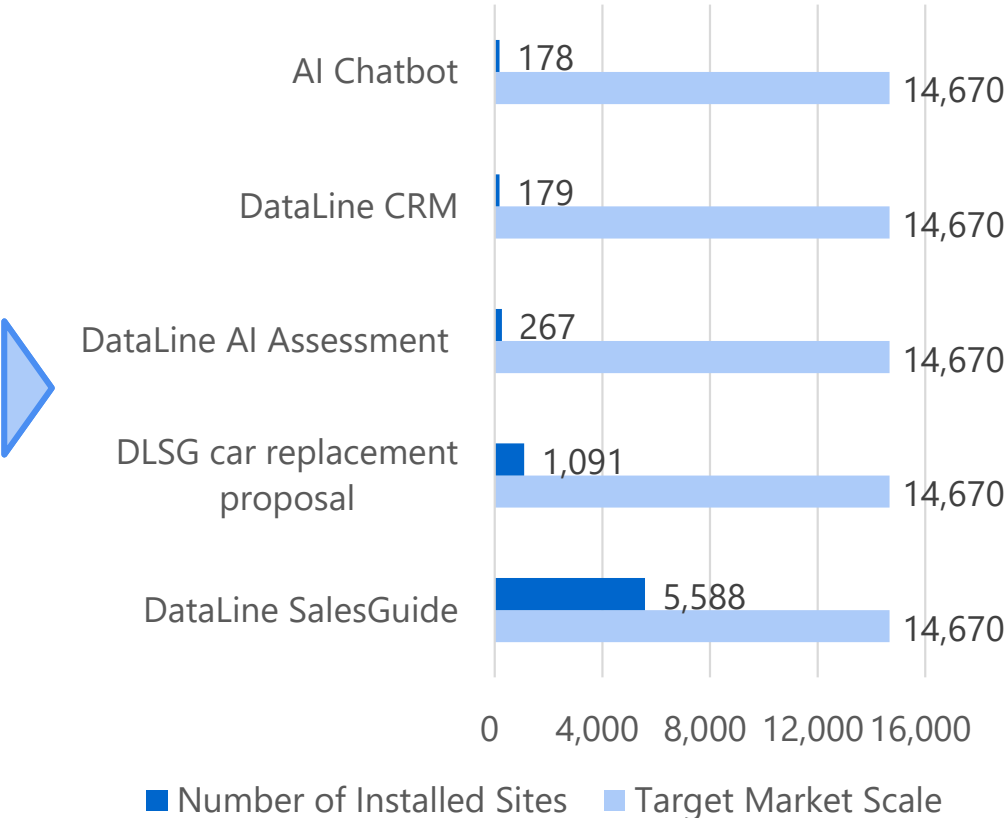
The number of dealers that have adopted DataLine SalesGuide increased 6.6% year on year.

New Cars Field

Mar. 2019 (Results)



Dec. 2019 (Results)



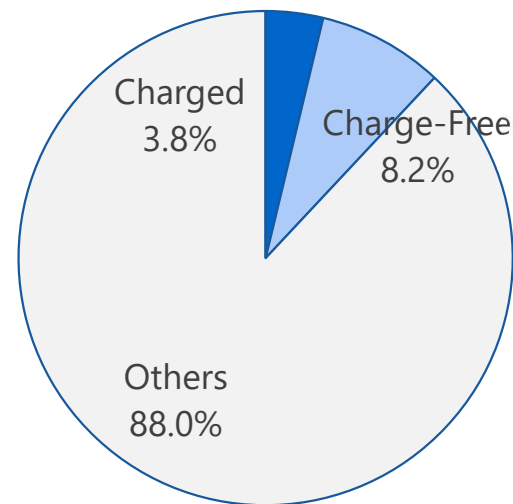
**To increase the number of dealers that have adopted our products or services
And improve average spending per client, to grow our business in the field of new cars**

Maintenance Field 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 6.4%.

**Regarding the response to the problem with
the indication of a wheel released by AUTOWAY Co., Ltd.**

Regarding the response to the problem with the indication of a wheel released by AUTOWAY Co., Ltd.

The problem's background and main issues to be discussed

Background

Nov. 13, 2019: Timely disclosure "Regarding the arrest of the president and others of a subsidiary."

Dec. 3, 2019: Timely disclosure "(progress of the disclosed item) Regarding the arrest of the president and others of a subsidiary (not prosecuted)."

Dec. 6, 2019: Timely disclosure "Regarding the response to the problem with the indication of a wheel released by AUTOWAY Co., Ltd."

Jan. 17, 2020: Timely disclosure "Notification on the recurrence prevention measures and partial return of executives' remunerations in response to the case of the "problem on the indications on wheels sold by AUTOWAY Co., Ltd.""

Main Issues to be discussed

- The wheel has the required level of durability, but its indication had a problem.
 - There are two kinds of conditions for testing wheels: conditions for general use and those for limited use.
 - The wheel has the required level of durability.
 - The wheel's indication had a problem.

Outcomes

- Dismissal of the charges (the Unfair Competition Prevention Law does not apply)
- Voluntary recall of the wheel in question
- Implementing measures to prevent the recurrence of this problem

Regarding the response to the problem with the indication of a wheel released by AUTOWAY Co., Ltd.

Causes and measures to prevent recurrence

Causes

- The executives and employees of AUTOWAY lacked the knowledge and awareness of rules regarding the tests and indications of wheels.
- Clear rules regarding the tests and indications of wheels were not diffused in AUTOWAY.
- The organizational structure of the procurement section of AUTOWAY and the function to oversee the procurement section were insufficient.

Response to the current situation

- AUTOWAY will replace the wheels free of charge or refund money back to the customers.
- *The number of affected wheels was around 37,000.

Measures to prevent the recurrence of the problem

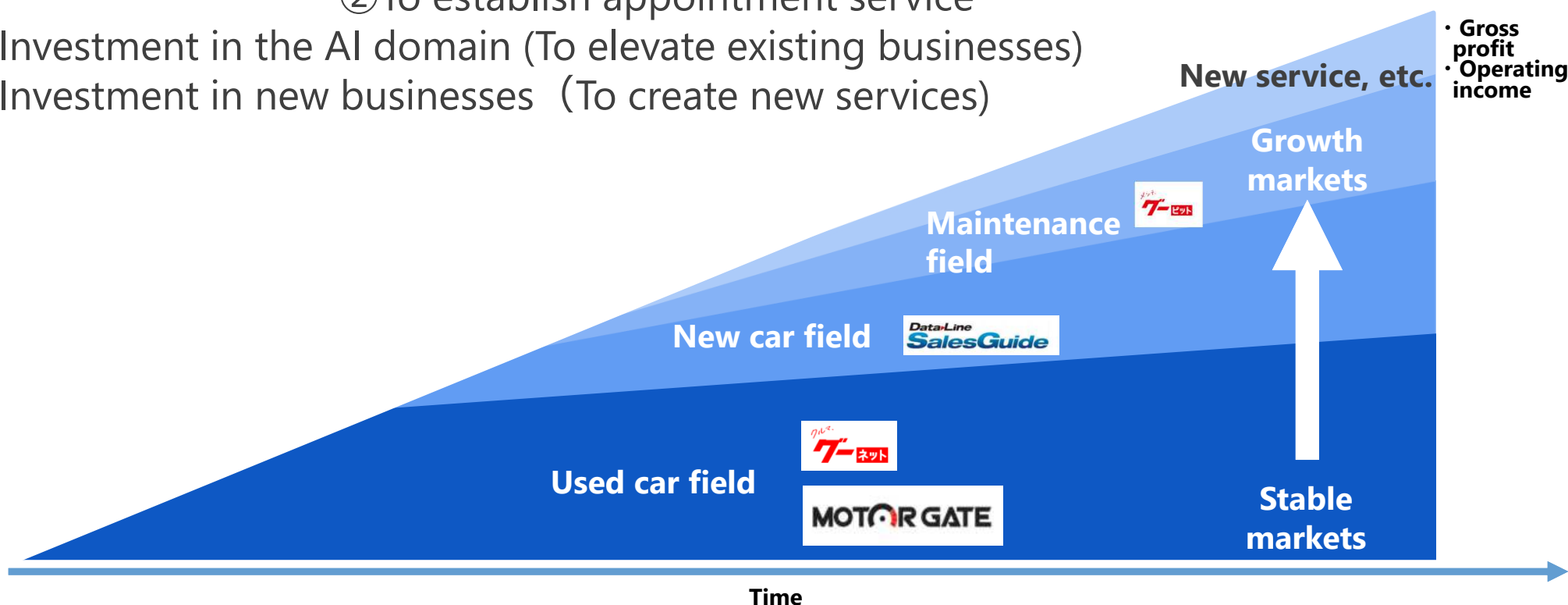
- VIA registration of wheels imported from overseas manufacturers by AUTOWAY
- Clarification of rules regarding the tests and indications of wheels, and fostering of awareness of compliance
- Enhancement of in-company education on rules regarding the tests and indications of wheels at AUTOWAY
- Improvement in the quality control system at AUTOWAY
- Implementation of measures for preventing recurrence of this problem in conjunction with PROTO CORPORATION.

Appendix

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.

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%

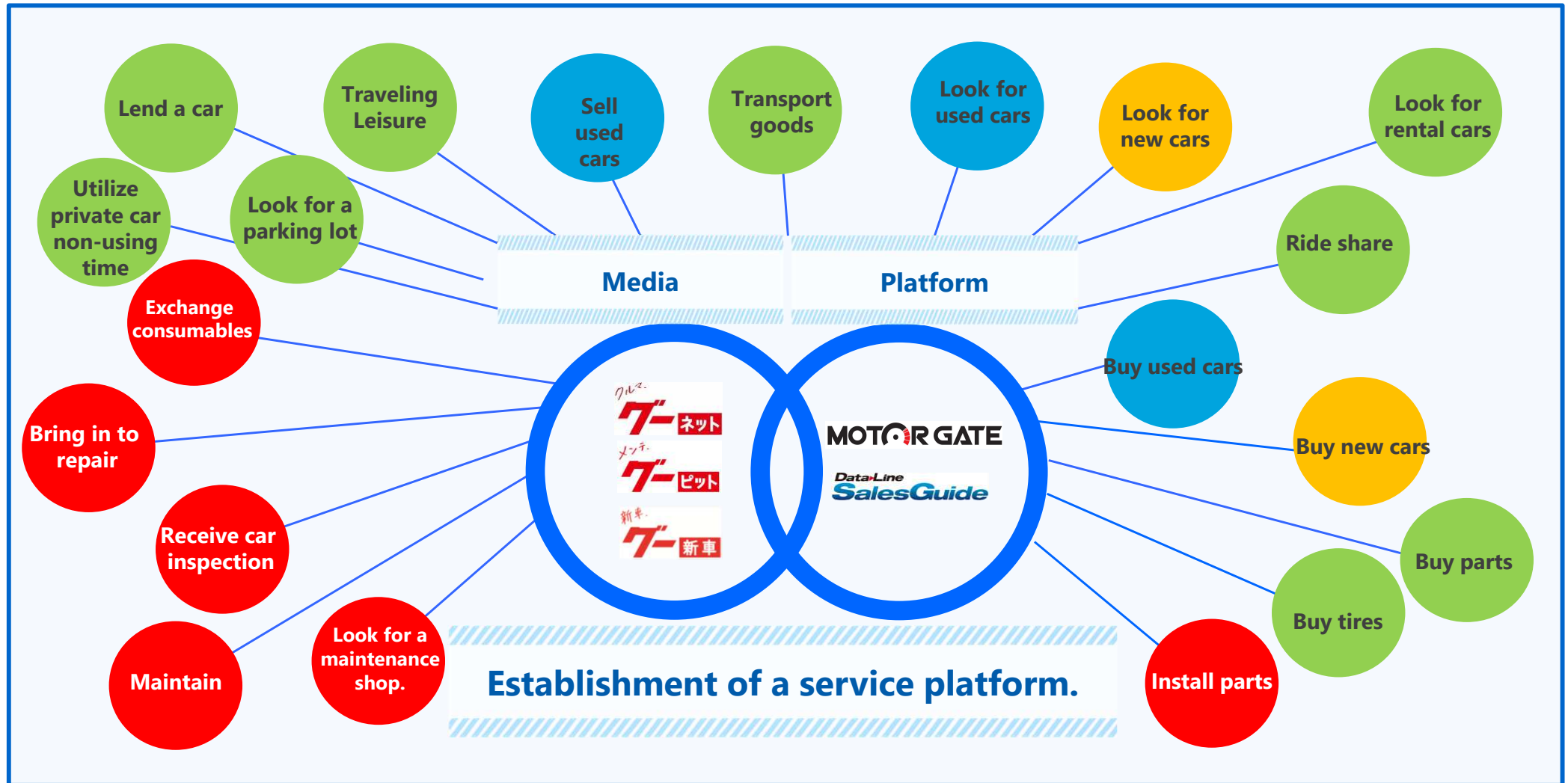
※ We have changed key management indicators from net sales to gross profit on the assumption that the "Accounting Standard for Revenue Recognition" will be applied in the future.

※ 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”

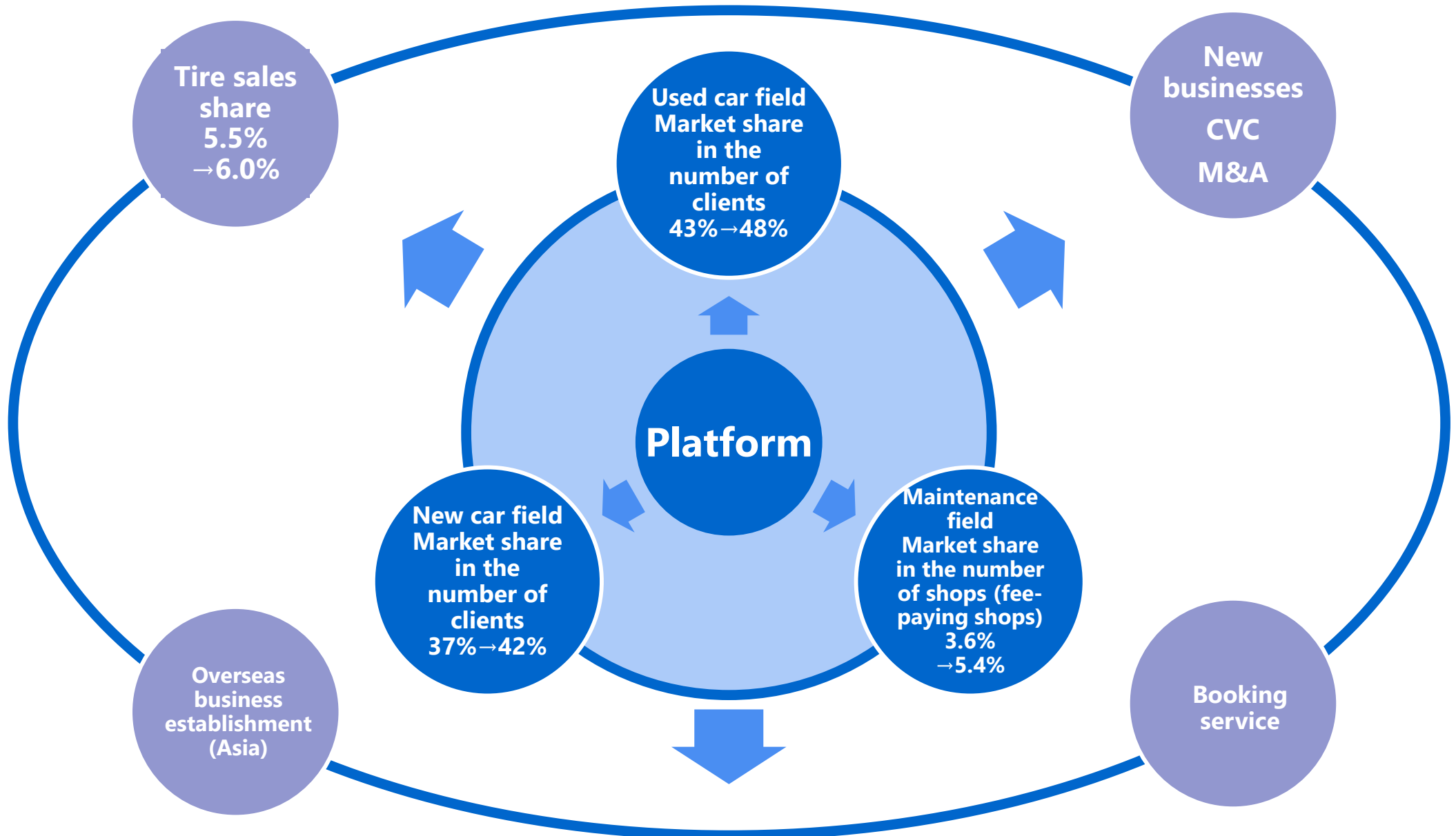
To realize comprehensive support for car life.



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 December 31, 2019)
Shares Outstanding	41,925,300 shares (As of December 31, 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
Branch Offices	Sapporo, Sendai, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto (54 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,487 (As of December 31, 2019) Parent: 576 (As of December 31, 2019)
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya 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, established in April 2019) 13. Associe Co., Ltd (Full subsidiary since October 2019) 14. CAR CREDO (Thailand) Co., Ltd. (Shareholder ratio 49% ,established in December 2018) 15. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011) * The company is currently under liquidation. (As of January 31, 2020)

Corporate Profile

Financial Data (Consolidated)

Shares outstanding (million, December 2019)	41.9
Market capitalization (¥ billion, December 2019)	50.3
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 (% , December 2019)	27.67

Major Shareholders

	(Thousands)
1) Mugen Corporation	13,614 (32.47%)
2) The Master Trust Bank of Japan, Ltd. (Trust Account)	2,829 (6.74%)
3) JPLLC CLIENT SAFEKEEPING ACCOUNT	2,649 (6.31%)
4) PROTO CORPORATION	1,763 (4.20%)
5) Japan Trustee Services Bank, Ltd. (Trust Account)	1,447 (3.45%)
6) JP MORGAN CHASE BANK 385632	1,137 (2.71%)
7) CLEARSTREAM BANKING S.A	1,013 (2.41%)
8) GOLDMAN SACHS INTERNATIONAL	894 (2.13%)
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 December 31, 2019)

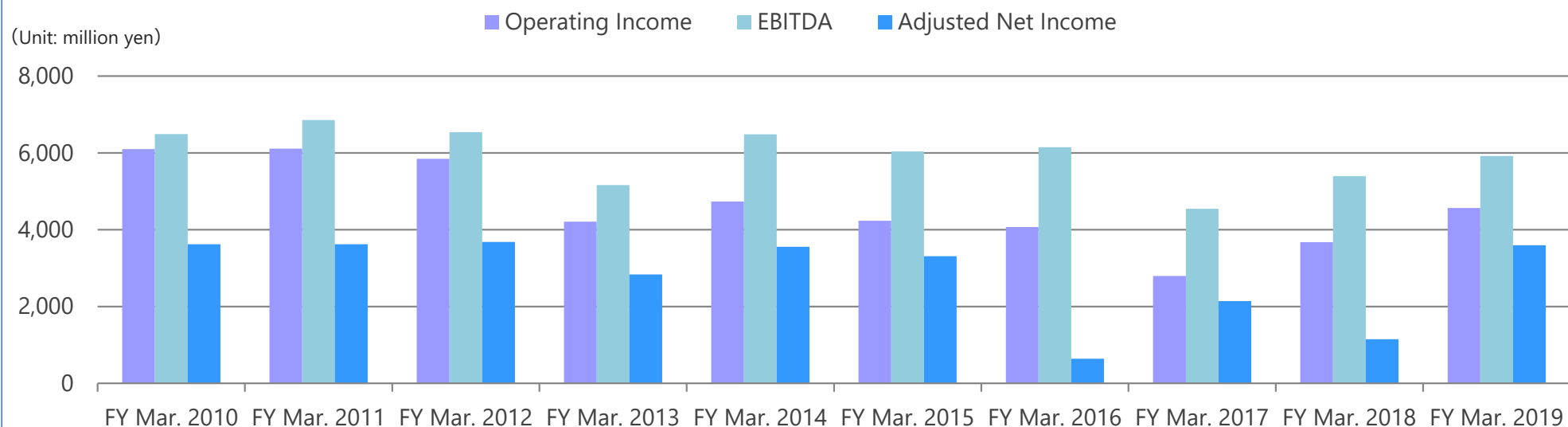
Operating Results 10-year Summary

[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



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)

■ Sales of goods



AUTOWAY and TIRE WORLD KAN BEST (EC:Tires and Wheels)
Kings Auto(Export of used cars),
PROTO CORPORATION(Sales 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.

■ Sales 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)

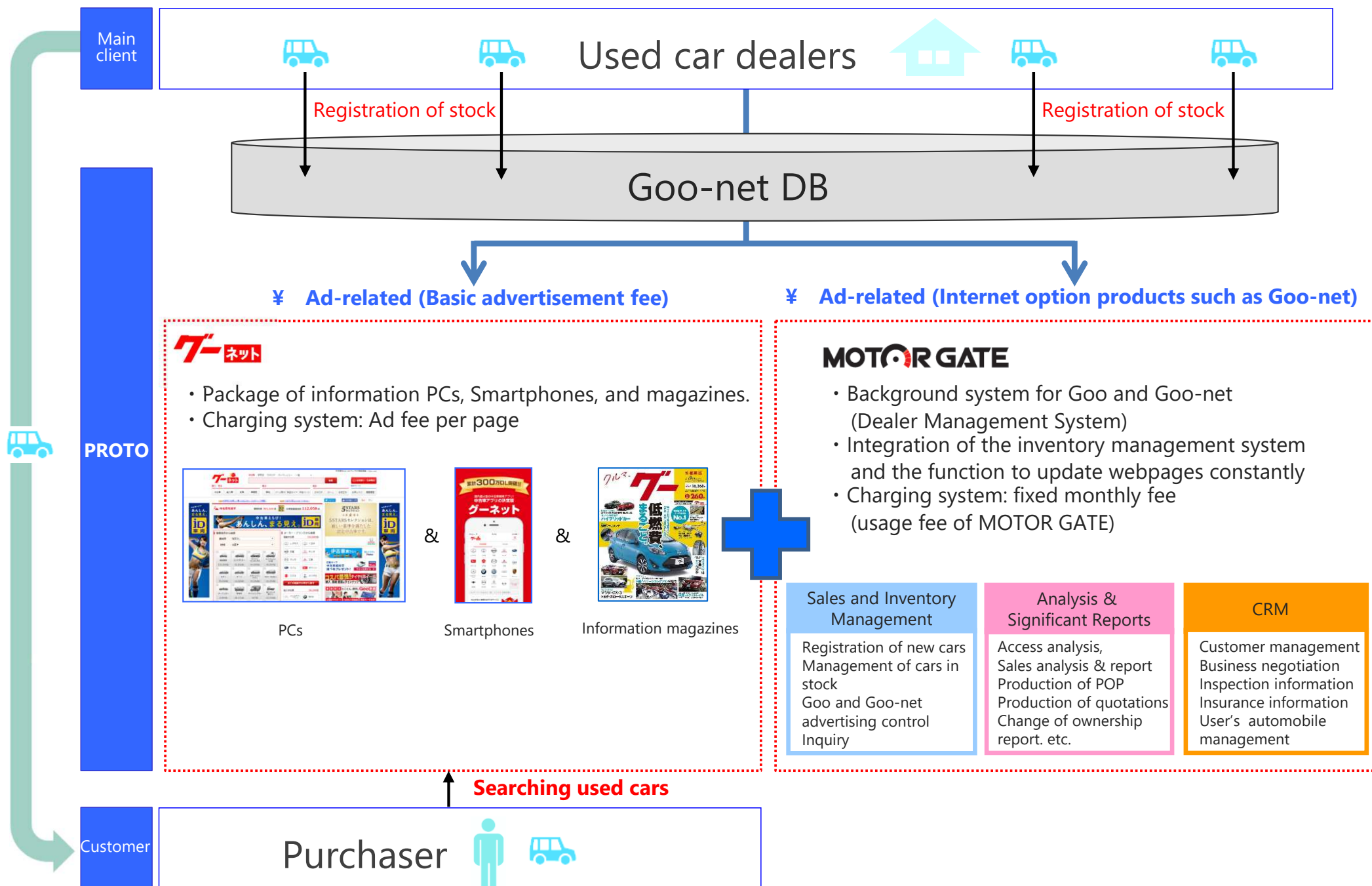
Sales are mostly from rent income of the non-operational floors of our own building.

■ Other Business

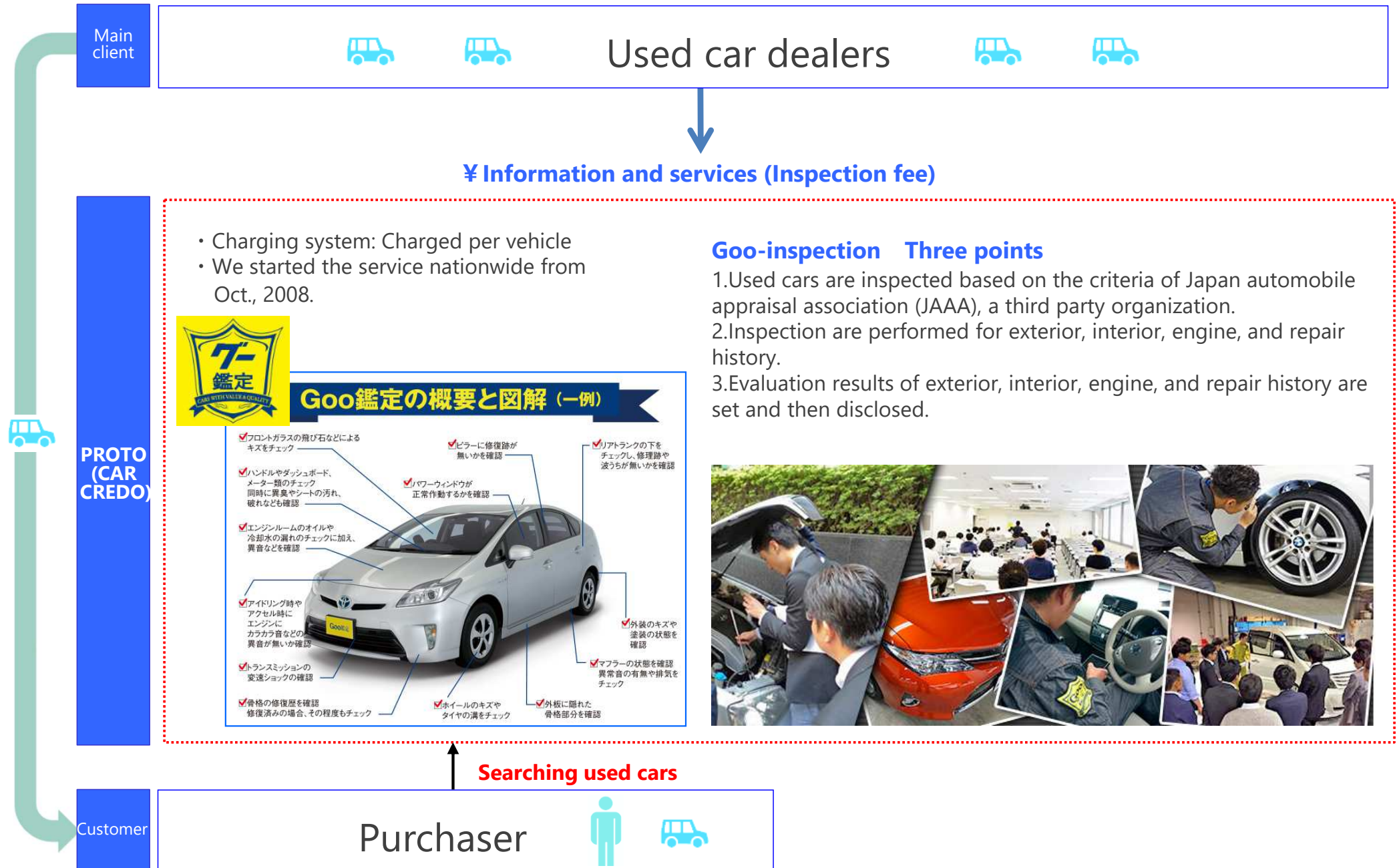
PROTO SOLUTION (Business Process Outsourcing, etc)
OKINAWA CALL STAFF SERVICE (Temporary staffing,etc)
AUTOWAY (Solar power generation)
PROTO CORPORATION (Agricultural business)
PROTO Ventures (Investment)

Sales are mostly from the BPO business.

Used car dealers: Business model of Goo and MOTOR GATE

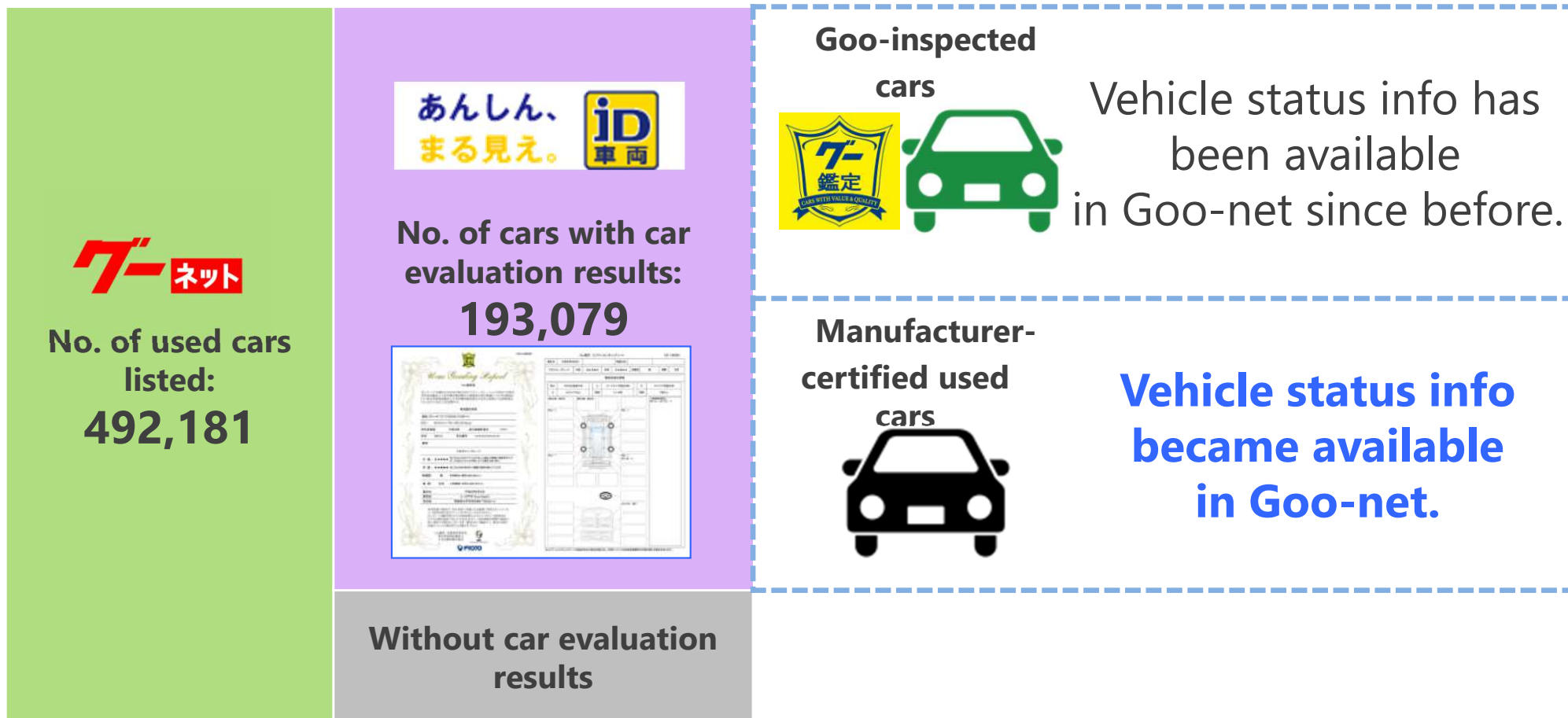


Used car dealers: Business model of Goo-Inspection



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: 53,188

(as of January 23, 2020)

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

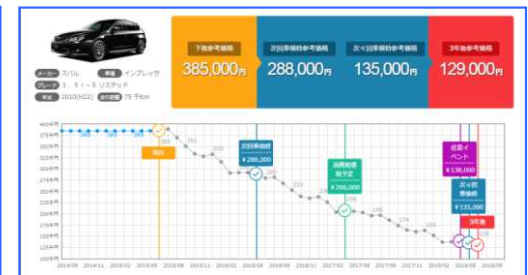
- Charging system: fixed monthly fee
- We promote the replacement to new car by presenting a rough estimate of both the current value and future value of a car during the negotiation with user.



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

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