

# **Financial Results for the Nine Months Ended December 2020** **(April 1, 2020 to December 31, 2020)**

**PROTO CORPORATION (4298)**  
**January 29, 2021**  
**(Investor Meeting February 3, 2021)**



# INDEX

## FY2021 Q3

Oct2020 - Dec2020

1. Overview of Results
2. Our company's activities
3. APPENDIX

# Overview of Results

# Highlights

**Used car and new car fields sales were strong. Tire sales were strong due to snowfall.  
Record-high quarterly operating income.**

## Business Results

- Net sales increased YoY to 17,315 million yen :YoY +14.4%
- Operating income increased YoY to 2,088 million yen :YoY +28.7%

## Ad-related

- Net sales increased YoY to 5,486 million yen :YoY +2.2%
- MOTOR GATE, MG Calendar steady, MOTORGATE AI starts billing

## Information and Service

- Net sales decreased YoY to 1,346 million yen :YoY (7.3%)
- PROTO-RIOS: (105) million yen due to the absence of special demand in the previous fiscal year, but new car business was steady

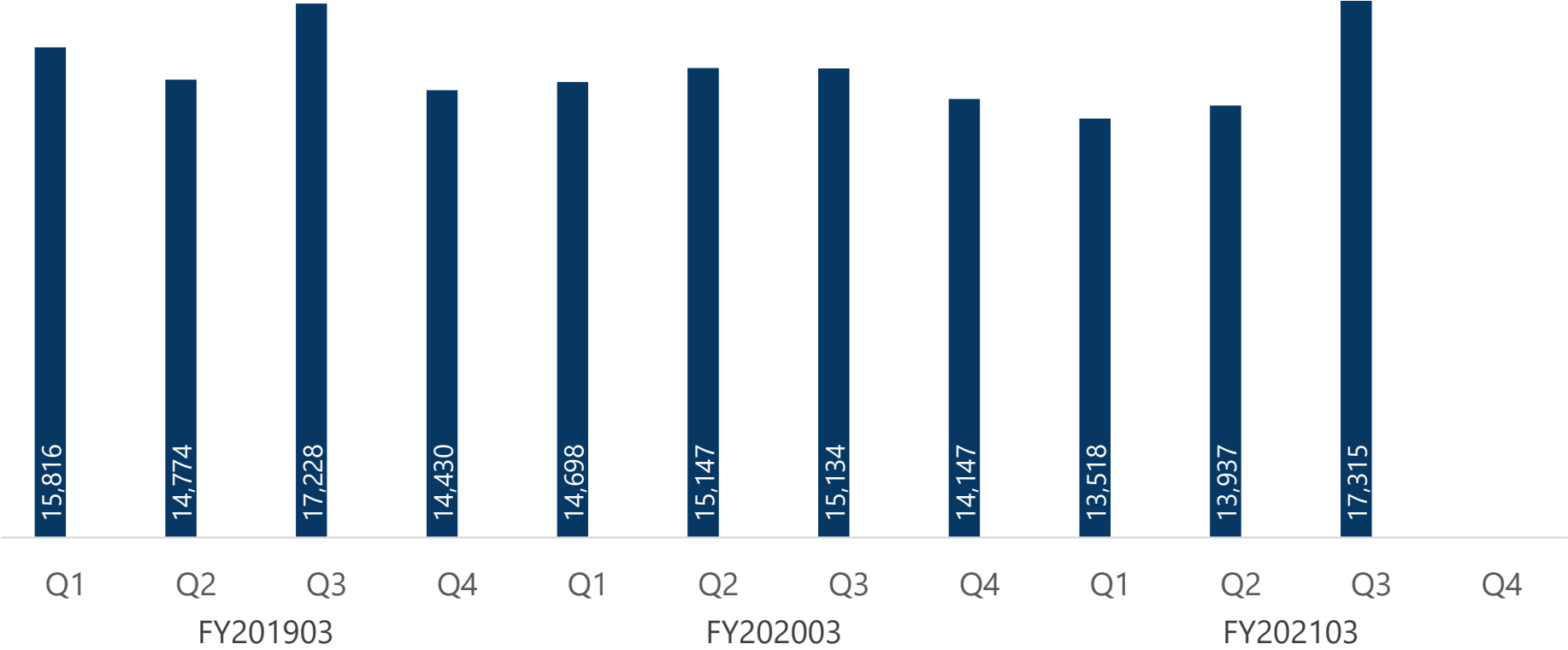
## Sales of goods

- Net sales increased YoY to 8,903million yen :YoY +33.4%
- Tire sales were strong due to snowfall. Strengthened alliance in used car export.

# Quarterly Results

**Sales: 17,315 million yen (YoY:+14.4%) due to strong sales of used cars (MOTOR GATE, MG Calendar), new cars (AI Chatbot, AI Assessment) and tires following snowfall**

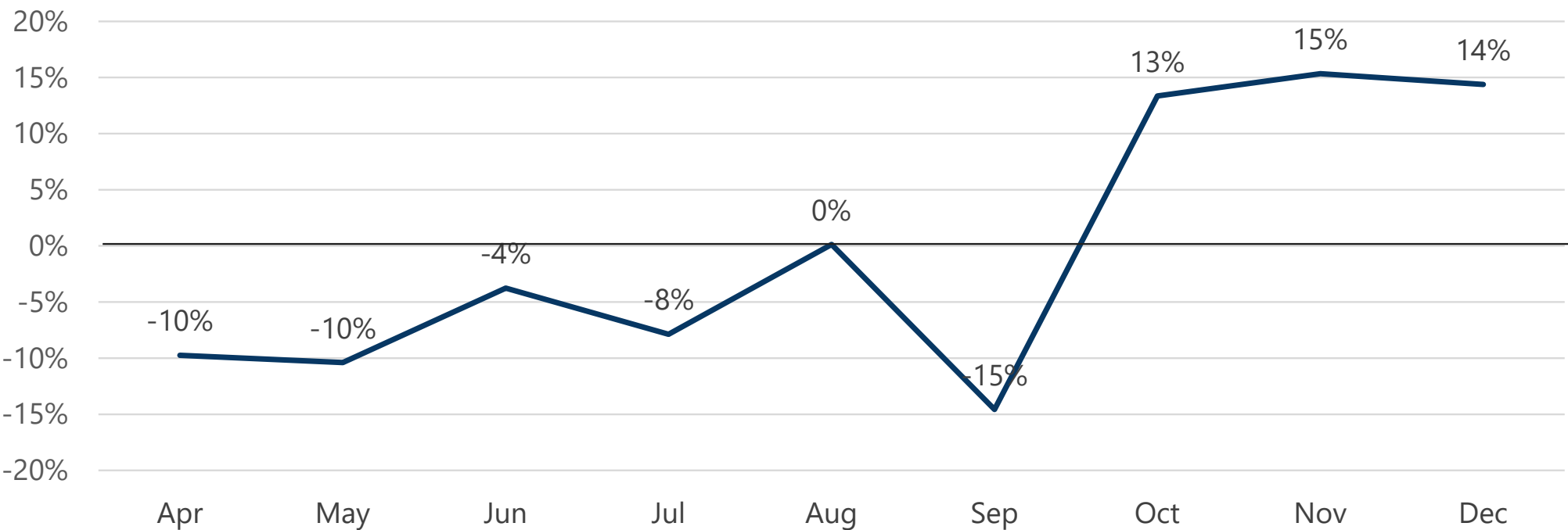
■ Sales (million yen)



# Sales YoY change

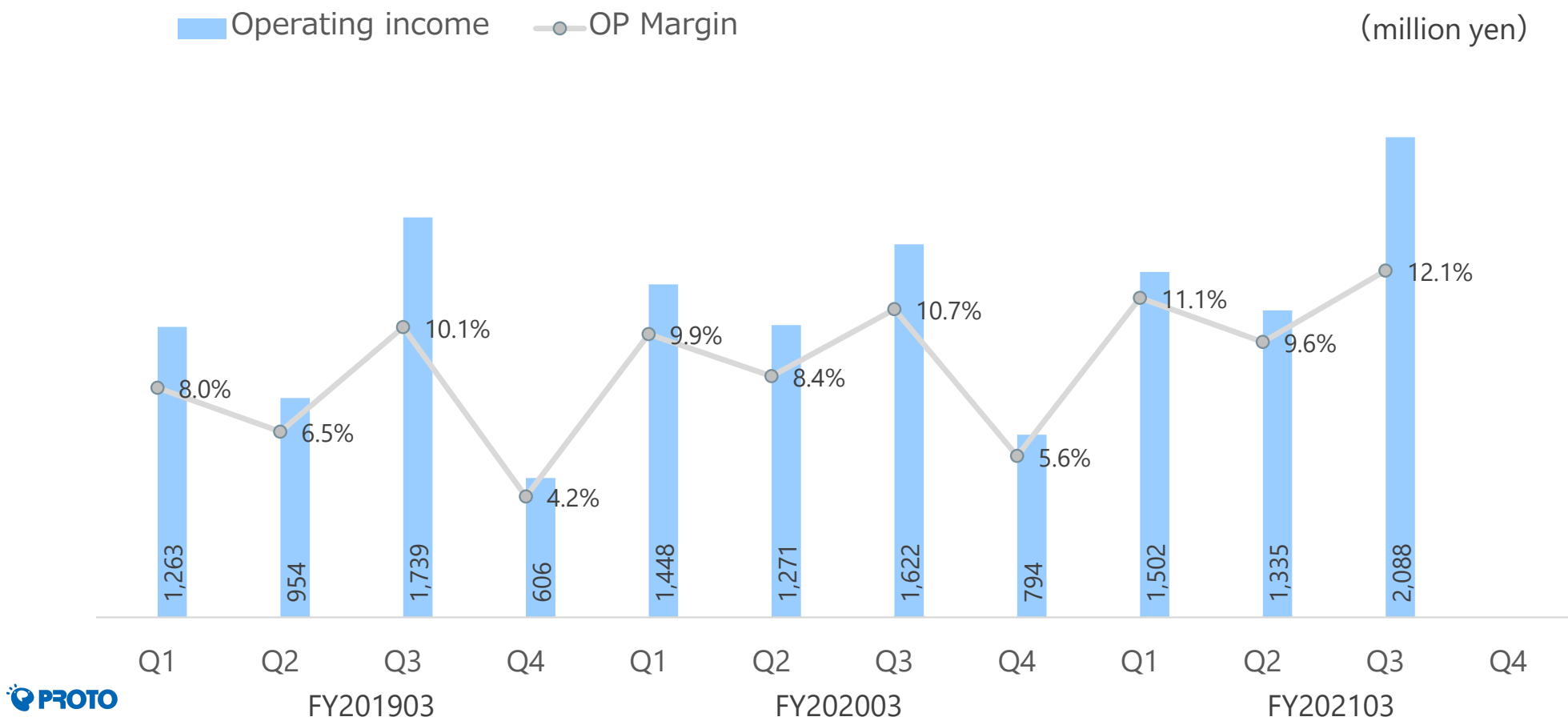
Shift to revenue growth trend from October 2020

Sales YoY change (Apr-Dec 2020)



# Quarterly Results

Operating income : 2,088 million yen (YoY: +28.7%) due to an increase in gross profit, despite an increase in SG&A expenses

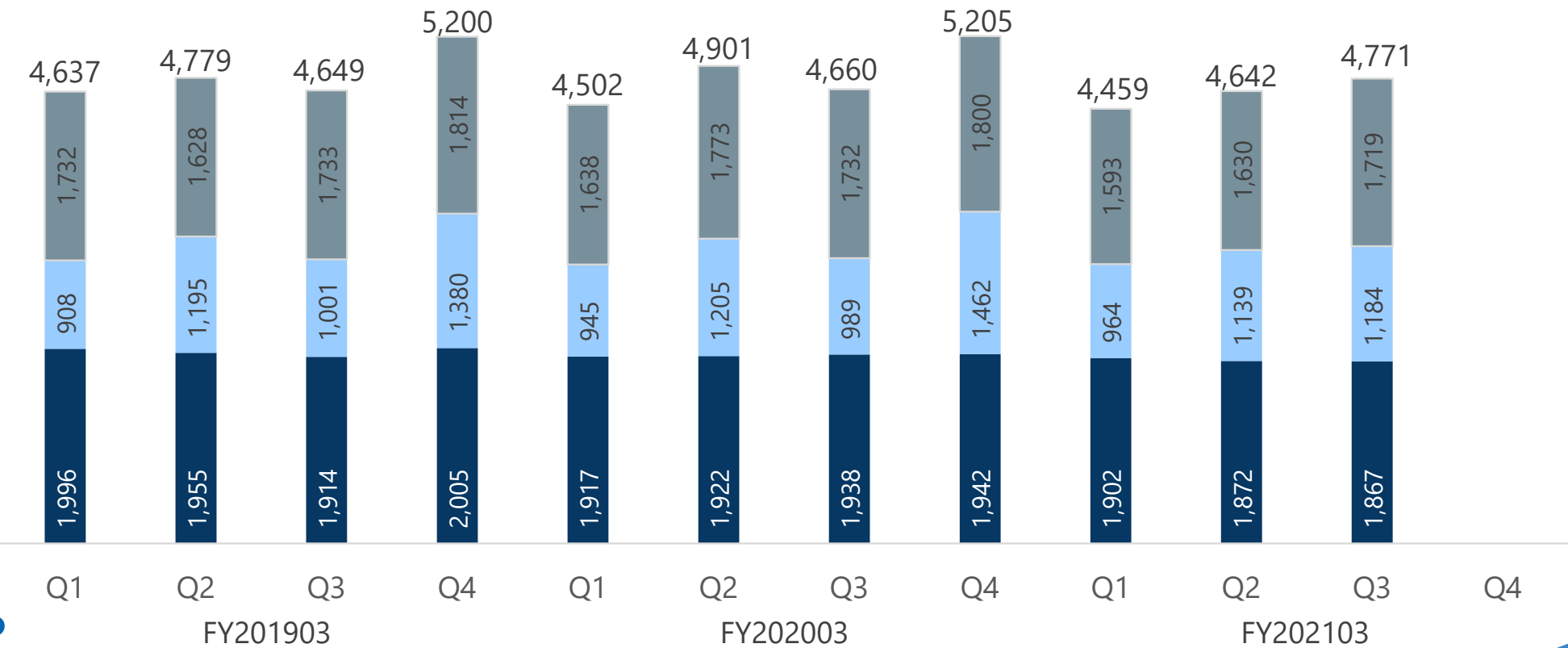


# Quarterly Results

**SG&A Expenses: 4,771 million yen (YoY: +2.4%) due to an increase in advertising expenses to raise awareness of Goo-net Pit.**

■ Employment Cost   ■ Advertising Cost   ■ Other Expenses

(million yen)





# Quarterly Results by Segment

## Ad-related

- **MOTOR GATE, MG Calendar steady, MOTORGATE AI starts billing**
- **The number of maintenance shops with fee-based contracts for Goo-net Pit is also increasing.**

## Information and Service

- **Steady growth in new car fields. Progress in the introduction of new products, including the release of the DataLine SalesGuide car replacement proposal movie.**
- **(105) million yen due to the absence of special demand in the previous fiscal year for PROTO-RIOS, and (21) million yen due to the impact of the withdrawal of Goo-Shaken from the business in the previous fiscal year**

## Sales of goods

- **Snowfall boosts tire sales**
- **In used car exports, although the impact of port closures remains, we are strengthening alliances with major used car exporters.**

# Quarterly Results

[unit: million yen]	Q3/FY2020 Oct-Dec 2019		Q3/FY2021 Oct-Dec 2020		YoY			Q2/FY2021 Jul-Sep 2020		QoQ	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%		Results(c)	Sales ratio	(b)-(c)	%
Net Sales	15,134	100.0%	17,315	100.0%	2,181	+14.4%		13,937	100.0%	3,378	+24.2%
Gross Profit	6,282	41.5%	6,859	39.6%	576	+9.2%		5,978	42.9%	881	+14.7%
EBITDA	1,962	13.0%	2,418	14.0%	455	+23.2%		1,667	12.0%	750	+45.0%
Operating Income	1,622	10.7%	2,088	12.1%	466	+28.7%		1,335	9.6%	752	+56.3%
Ordinary Income	1,806	11.9%	2,045	11.8%	239	+13.2%		1,273	9.1%	772	+60.6%
Net Income	1,390	9.2%	1,437	8.3%	46	+3.4%		774	5.6%	663	+85.6%

[unit: million yen]	Q3/FY2020 Oct-Dec 2019		Q3/FY2021 Oct-Dec 2020		YoY			Q2/FY2021 Jul-Sep 2020		QoQ	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%		Results(c)	Sales ratio	(b)-(c)	%
SG&A Expenses	4,660	30.8%	4,771	27.6%	110	+2.4%		4,642	33.3%	128	+2.8%
Employment Cost	1,938	12.8%	1,867	10.8%	(71)	(3.7%)		1,872	13.4%	(5)	(0.3%)
Advertising Cost	989	6.5%	1,184	6.8%	195	+19.7%		1,139	8.2%	45	+4.0%
Other Expenses	1,732	11.4%	1,719	9.9%	(13)	(0.8%)		1,630	11.7%	88	+5.4%

# Quarterly Results by Segment

Net Sales [unit: million yen]	Q3/FY2020 Oct-Dec 2019		Q3/FY2021 Oct-Dec 2020		YoY		Q2/FY2021 Jul-Sep 2020		QoQ	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%	Results(c)	Sales ratio	(b)-(c)	%
Automobile-related	13,495	89.2%	15,736	90.9%	2,240	+16.6%	12,344	88.6%	3,391	+27.5%
Ad-related	5,366	35.5%	5,486	31.7%	120	+2.2%	5,361	38.5%	125	+2.3%
Information and services	1,452	9.6%	1,346	7.8%	(106)	(7.3%)	1,322	9.5%	23	+1.8%
Sales of goods	6,676	44.1%	8,903	51.4%	2,226	+33.4%	5,660	40.6%	3,242	+57.3%
Lifestyle-related	1,022	6.8%	954	5.5%	(68)	(6.7%)	978	7.0%	(24)	(2.5%)
Real Estate	35	0.2%	40	0.2%	5	+16.2%	39	0.3%	1	+4.6%
Other Business	581	3.8%	584	3.4%	3	+0.5%	575	4.1%	9	+1.6%
Total	15,134	100.0%	17,315	100.0%	2,181	+14.4%	13,937	100.0%	3,378	+24.2%

Operating Income [unit: million yen]	Q3/FY2020 Oct-Dec 2019		Q3/FY2021 Oct-Dec 2020		YoY		Q2/FY2021 Jul-Sep 2020		QoQ	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%	Results(c)	Profit Margin	(b)-(c)	%
Automobile-related	1,981	14.7%	2,340	14.9%	359	+18.1%	1,605	13.0%	735	+45.8%
Lifestyle-related	32	3.1%	60	6.4%	28	+88.7%	80	8.2%	(19)	(24.4%)
Real Estate	35	102.4%	38	93.2%	2	+5.8%	31	80.2%	6	+21.6%
Other Business	28	4.9%	50	8.7%	22	+77.0%	37	6.6%	13	+35.1%
Management Division	(456)	-	(402)	-	54	-	(418)	-	16	-
Total	1,622	10.7%	2,088	12.1%	466	+28.7%	1,335	9.6%	752	+56.3%

# Q3(Apr-Dec)/FY March 2021: Operating Results

**Increase due to strong platform performance (operating income)**

[unit: million yen]	Q3/FY March 2020		Q3/FY March 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Net Sales	44,980	100.0%	44,771	100.0%	(208)	(0.5%)
Gross Profit	18,406	40.9%	18,800	42.0%	394	+2.1%
EBITDA	5,324	11.8%	5,915	13.2%	590	+11.1%
Operating Income	4,341	9.7%	4,927	11.0%	585	+13.5%
Ordinary Income	4,584	10.2%	4,873	10.9%	289	+6.3%
Net Income	4,569	10.2%	3,229	7.2%	(1,339)	(29.3%)

[unit: million yen]	Q3/FY March 2020		Q3/FY March 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	14,064	31.3%	13,873	31.0%	(190)	(1.4%)
Employment Cost	5,778	12.8%	5,641	12.6%	(136)	(2.4%)
Advertising Cost	3,140	7.0%	3,288	7.3%	147	+4.7%
Other Expenses	5,145	11.4%	4,942	11.0%	(202)	(3.9%)

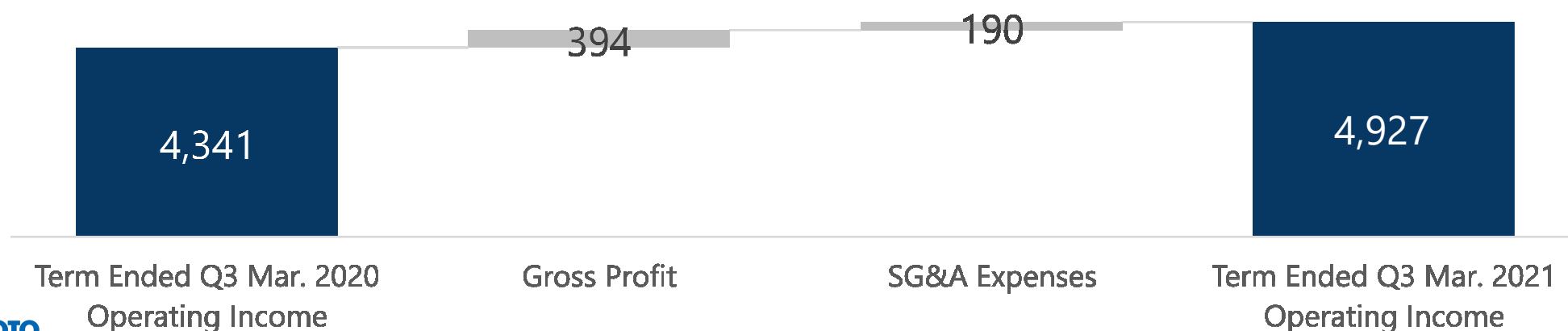
# Overview of Q3(Apr-Dec)/FY March 2021

**As for the performance of each company, PROTO CORPORATION contributed to the rise in profit.**

## Operating Income Breakdown

(Million yen)

Gross Profit Breakdown		+394	SG&A Breakdown		+190	Operating Income Breakdown		+585
PROTO CORPORATION		+ 571	PROTO CORPORATION		+3	PROTO CORPORATION		+ 574
PROTO-RIOS		(166)	PROTO-RIOS		(6)	PROTO-RIOS		(172)
AUTOWAY		+128	AUTOWAY		(113)	AUTOWAY		+14
TIRE WORLD KAN BEST		+23	TIRE WORLD KAN BEST		(33)	TIRE WORLD KAN BEST		(10)
GOONET EXCHANGE		(7)	GOONET EXCHANGE		(1)	GOONET EXCHANGE		(9)
			Amortization of Goodwill		(2)	Amortization of Goodwill		(2)



# **Our company's activities**

**(Strengthen the new car fields)**

# Activities in the new car field

**Focusing on improving the operational efficiency (productivity improvement) and user communication of new car dealers**

New-car dealers



1. Improving the operational efficiency (productivity improvement)

2. User communication improvement



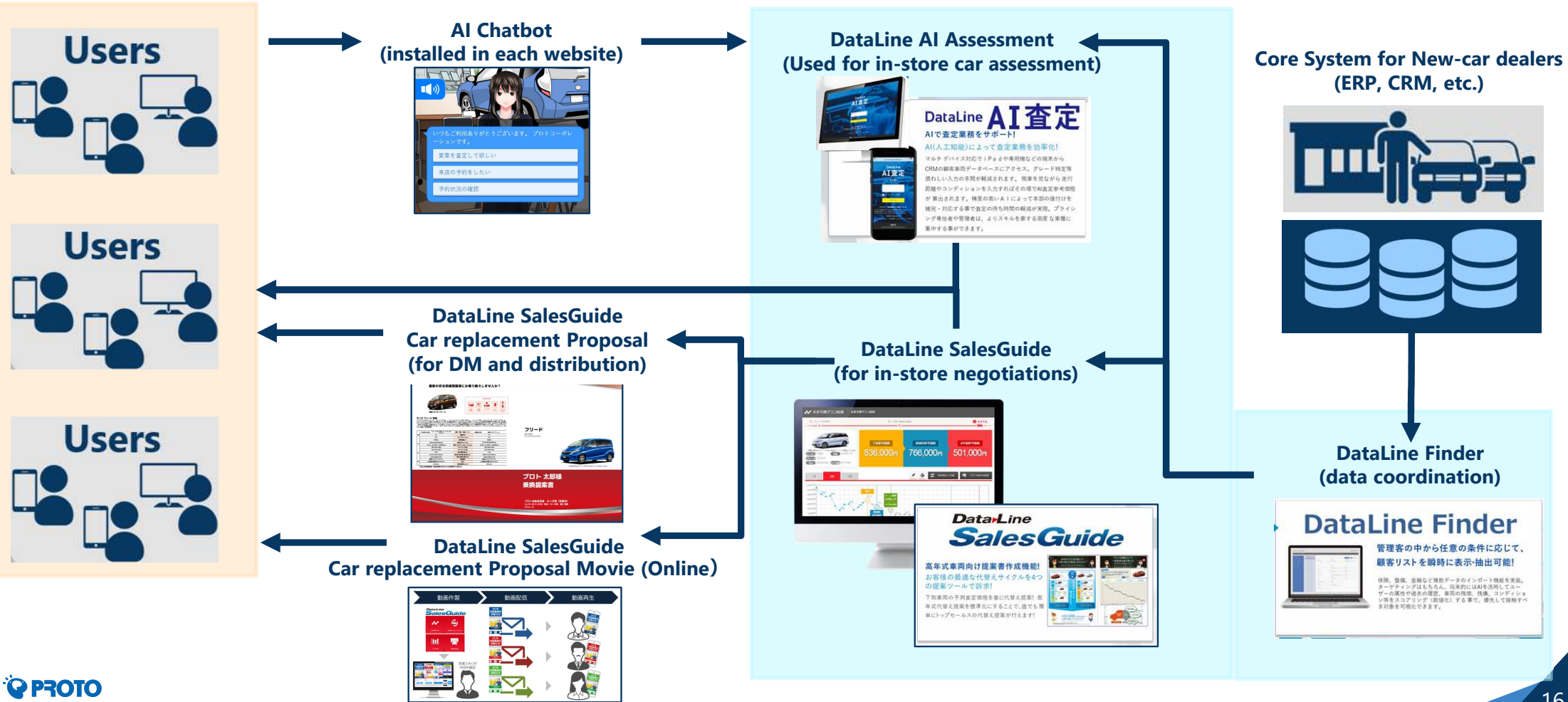
Users



By introducing products that achieve the above, we aim to Expand the number of installed bases and increase the unit price per customer.

# New Car Field: DataLine SalesGuide Series

## Promote DX in New car dealers

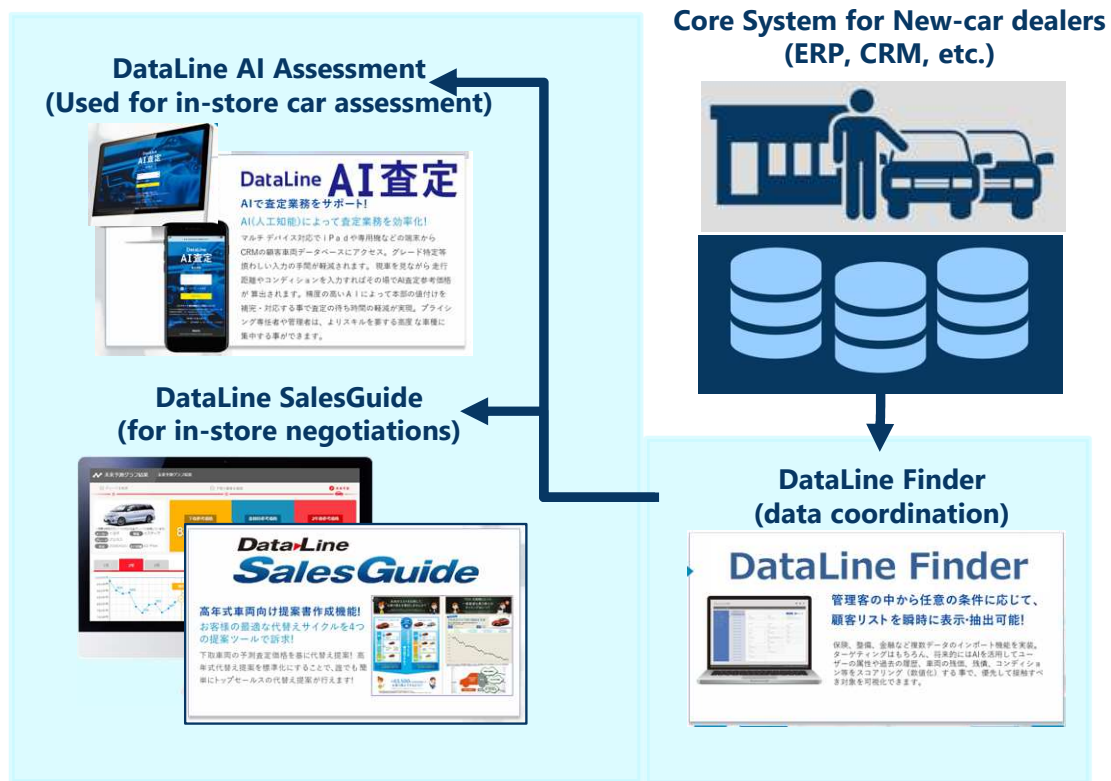




# Activities in the new car field

## Improving Operational Efficiency in New Car Dealers

Linking with the core systems of new car dealers  
Strengthening Sales of the DataLine 3-Point Set



### Progress in Introducing the DataLine 3-Point Set

- Switching to the main contract is progressing at the sites where the trial system was introduced due to evaluation of usability, increase in the number of appraisals, and improvement in the trade-in ratio.
- We also made progress in negotiations with the largest number of new car dealers affiliated with manufacturers.
- 40,000-70,000 yen/month per customer per location

### Order backlog (scheduled to be introduced by April 2021)

179 locations / 12 companies  
New Car Dealers under trial introduction  
155 locations / 13 companies

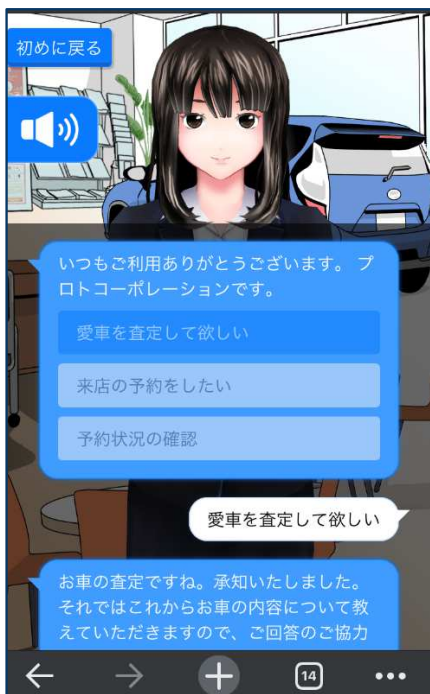
### Future Initiatives

In cooperation with automakers and new car dealers, we will strengthen the linkage between the DataLine series and customer information held in the core system, aiming to become an official tool.

# Activities in the new car field

## Improving "User Communication" in New Car Dealers

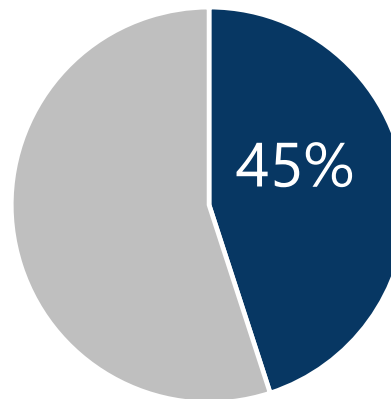
### AI Chatbot



#### Effects of introducing AI Chatbot

- Realization of user support during store closing hours
- Online business appointments, test drive appointments, and store visit appointments
- Online negotiation from home without going to the store
- Realization of online simple vehicle assessment
- 20,000-30,000 yen/month per customer per location

■ Outside business hours ■ During business hours



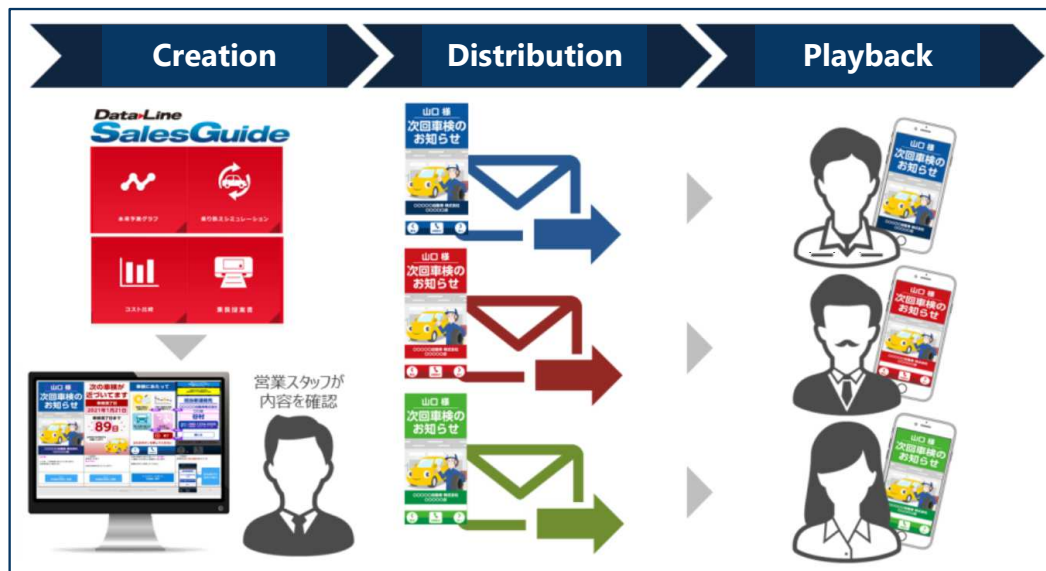
Percentage of bookings for outside business hours by AI chatbots is 45%.

※Actual results for November 2020 for Company A, the store where the AI Chatbot was installed.

# Activities in the new car field

## Improving "User Communication" in New Car Dealers

### DataLine SalesGuide Car replacement Proposal Movie (Online)



### Explanatory Movie : URL(Japanese only)

<https://youtu.be/sVB8dOltlfs>

### Effect of introducing "Car replacement Proposal Movie"

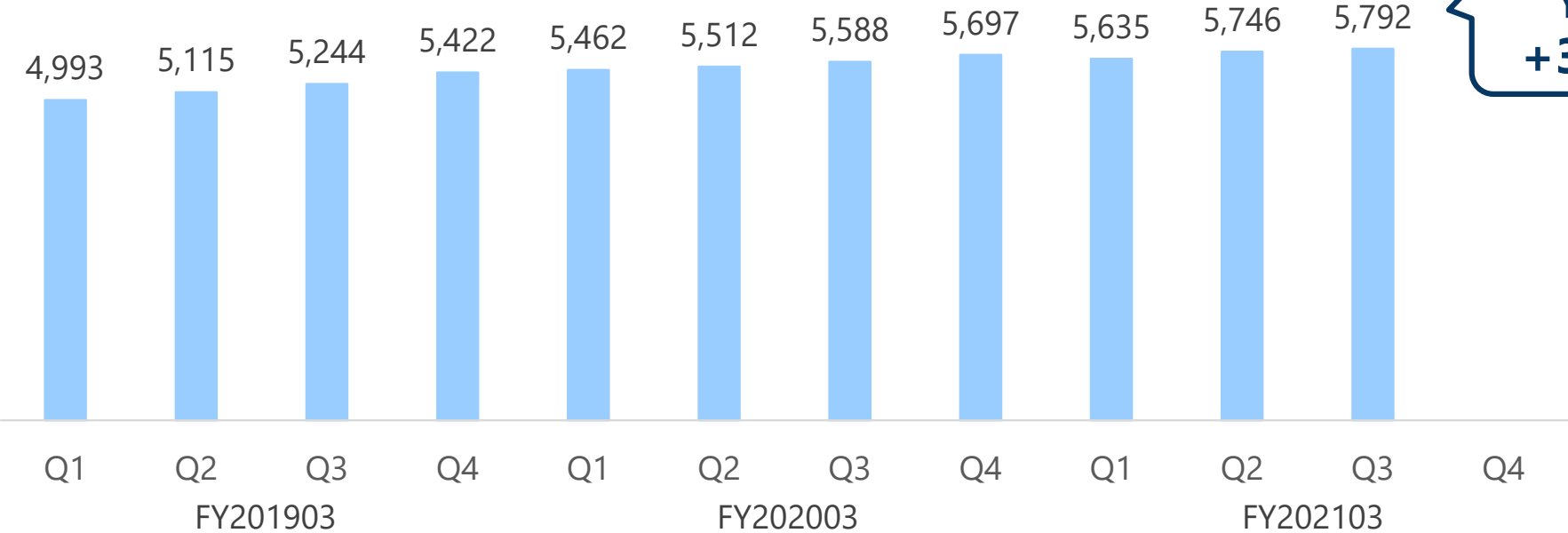
- Realization of optimized proposals for each user through SMS, e-mail, chat, etc. via URL attachment.
- Realization of the same proposal at home without going to the store.
- Notice of periodic vehicle inspection required by the Japanese regulation (alternative to direct mail for vehicle inspection)
- Future prediction graph (prediction of future trade-in value of the user's vehicle)
- Wise timing for car replacement (total cost comparison)
- 30,000 yen/month per customer per location

# Information and services (new car field)

We will strive to grow the new car domain, by increasing the number of dealers that have adopted our products and increasing average spending per customer.



(Unit: Dealers)



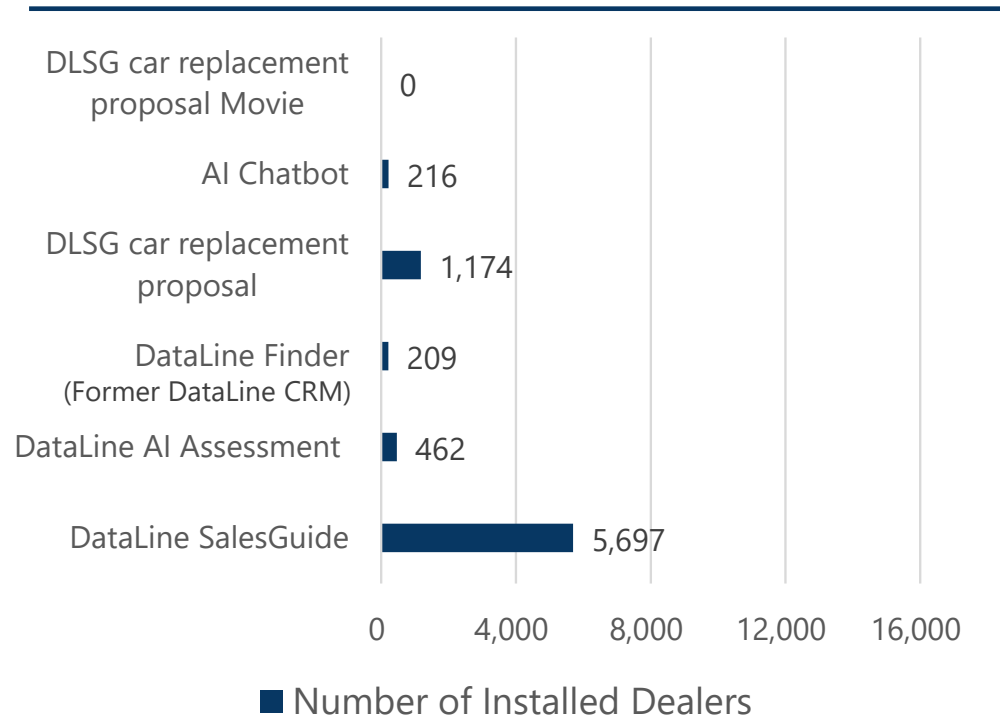
Acquisition of new customers recovered after bottoming out in Q1. Started offering DataLine SalesGuide car replacement proposal Movie in Q3.

YoY  
+3.7%

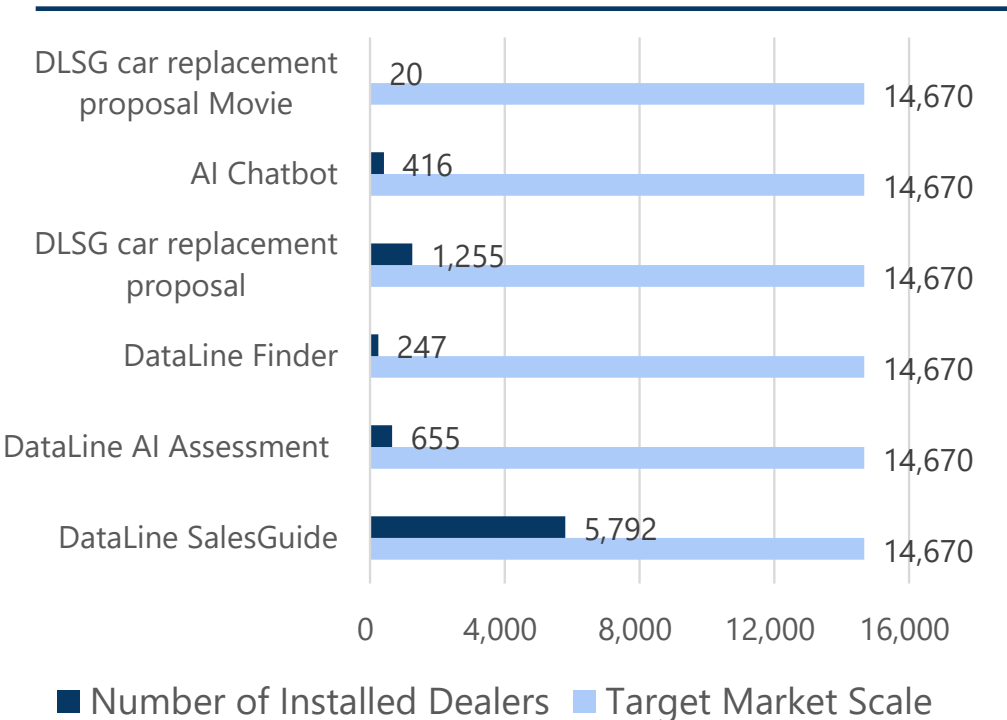
# Information and services (new car field)

We will strive to grow the new car domain, by increasing the number of dealers that have adopted our products and increasing average spending per customer.

March 2020 (Results)



December 2020 (Results)



# **Notice Regarding a Revision to the Earnings Forecasts**

# FY March 2021: Consolidated Earnings Forecast

(announced on Jan. 29, 2021)

Revision of full-year earnings forecast based on results through the third quarter

Consolidated Statements of Income [unit: million yen]	FY March 2021 Previous Forecast		FY March 2021 Revised Forecast		Comparison with the initial forecast	
	Forecast(a)	Sales ratio	Forecast(b)	Sales ratio	(b)-(a)	%
Net Sales	60,000	100.0%	59,210	100.0%	(790)	(1.3%)
Gross Profit	25,615	42.7%	24,880	42.0%	(735)	(2.9%)
EBITDA	6,613	11.0%	7,061	11.9%	448	+6.8%
Operating Income	5,225	8.7%	5,720	9.7%	495	+9.5%
Ordinary Income	5,289	8.8%	5,660	9.6%	371	+7.0%
Net Income	3,481	5.8%	3,700	6.2%	219	+6.3%
Net Income per Share(Yen)	86.68	-	92.13	-	5.45	+6.3%

[unit: million yen]	FY March 2021 Previous Forecast		FY March 2021 Revised Forecast		Comparison with the initial forecast	
	Forecast(a)	Sales ratio	Forecast(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	20,390	34.0%	19,160	32.4%	(1,230)	(6.0%)
Employment Cost	8,327	13.9%	7,703	13.0%	(624)	(7.5%)
Advertising Cost	4,710	7.9%	4,732	8.0%	21	+0.4%
Other Expenses	7,351	12.3%	6,724	11.4%	(626)	(8.5%)

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

**We aim to achieve an ROE of 12% or more  
in the 3-year medium-term plan.**

## ■ 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%	<b>Over 12.0%</b>
EPS (Net income per share)	(9.64) yen	78.75 yen	<b>100.00 yen</b>
Gross profit	21.2 billion yen	23.8 billion yen	<b>CAGR 6.4%</b>
Operating income	4.07 billion yen	4.56 billion yen	<b>CAGR 9.4%</b>

Note: 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.

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



# Initiatives for the Future

Promote the establishment and integration of positions in the used car, new car, and maintenance fields.

## 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 : ①To expand the foundation of the advertisement business.  
②To establish appointment service
- Investment in the AI domain (To elevate existing businesses)
- Investment in new businesses(To create new services)

- Gross profit
- Operating income

New service, etc.

Maintenance field **Goo-net Pit**



New car field



Used car field



Growth markets

Stable markets

FY March 2021

Time

# APPENDIX

# Vision “Corporate Goal”

Gaining “customer satisfaction (useful information and services),” “employee pride (company and work),” and “shareholder trust (future and achievements)” by creating a new society through change and innovation

## Customer satisfaction

Beneficial information and services

## Pride of employees

Company and work

## CHANGING COMPANY

-A company that continues  
to change for the future-

## Trust from shareholders

Future and results

# Corporate Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,849 million yen (As of March 31, 2020)
Shares Outstanding	41,925,300 shares (As of March 31, 2020)
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 (53 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,456 (As of March 31, 2020) Parent: 577 (As of March 31, 2020)
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya Stock Exchange, First Section
Subsidiary	<div> 1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)  2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)  3. GOONET EXCHANGE (Former Kings Auto) (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) </div> <div> 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 29, 2021) </div>

# Major Shareholders

## Financial Data (Consolidated)

Shares outstanding (million, March 2020)	41.9
DPS (¥, FY March 2021, Forecast)	25.0
EPS (¥, FY March 2021, Forecast)	92.13
BPS (¥, FY March 2020)	794.38
ROE (% , FY March 2020, Net income basis)	16.7
ROA (% , FY March 2020, Ordinary income basis)	12.1
Equity ratio (% , March 2020)	71.3
Potential share dilution (million)	-
Foreign ownership (% , March 2020)	28.96

## Major Shareholders

	(Thousands)
1) Mugen Corporation	13,614 ( 32.47%)
2) The Master Trust Bank of Japan, Ltd. (Trust Account )	2,823 ( 6.73%)
3) JPLLC CLIENT SAFEKEEPING ACCOUNT	2,670 ( 6.36%)
4) PROTO CORPORATION	1,763 ( 4.20%)
5) JP MORGAN CHASE BANK 385632	1,137 ( 2.71%)
6) BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,094 ( 2.61%)
7) CLEARSTREAM BANKING S.A.	1,024 ( 2.44%)
8) Japan Trustee Services Bank, Ltd. (Trust Account )	930 ( 2.21%)
9) Hiroichi Yokoyama	887 ( 2.11%)
10) Yoshihiro Yokoyama	730 ( 1.74%)

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

(As of March 31, 2020)

# Segment details

## Major products in each segment

### Automobile-related(Main Product)

#### Ad-related

##### Used cars

Data registration fee for Goo-net, etc. (charge for using MOTOR GATE, etc.)

##### Maintenance

Data registration fee for Goo-net Pit

#### Information and services

##### New cars

DataLine SalesGuide, etc.

##### Maintenance

Sales of software for maintenance and sheet-metal processing (PROTO-RIOS)

#### Sale of goods

EC: Tires and Wheels (AUTOWAY, TIRE WORLD KAN BEST)

Export of used cars (GOONET EXCHANGE)

EC: Sale of goods (PROTO CORPORATION)

### Lifestyle-related Sales of ads, rental welfare goods (PROTO MEDICAL CARE)

### Real Estate Income from the rental of real estate (PROTO CORPORATION)

### Other Business

- BPO business, Software Development (PROTO SOLUTION)
- Agricultural business (PROTO CORPORATION)
- Investment (PROTO Ventures)



### Ad-related

**MOTOR GATE** **Goo-net** **GooBike** **Goo-net Pit**

**7-ネット** **7-バイク** **7-ネットピット**

The monthly charge for MOTOR GATE (such as Goo-net) is dominant.  
The sales from ad agency business, fliers, information magazines, etc. are included.

### Information and services



The monthly charge for the cloud service "DataLine" for new car dealers and the sales of software for maintenance and sheet-metal processing are dominant. The sales from vehicle appraisal are included.

### Sale of goods



Sales are mainly from the e-commerce sales of tires and wheels and exporting used cars.

Sales are mainly from advertisement income related to nursing and welfare and rental sales of welfare equipment.

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

Sales are mostly from the BPO business.

# Used car field: Business models of Goo-net and MOTOR GATE

## Users

- **Browsing of contents**  
Detailed info on used cars  
Info on used car dealers  
Reviews of vehicles  
Reviews of used car dealers
- **Inquiries to used car dealers**  
Inventory check, requests for quotes, appointments, booking of a test drive, booking of online business talks, online business talk "Goo-net Live"
- **Charging system: free**

## Platform



<https://www.goo-net.com/>

- Used car search (smartphones, apps, PCs, and information magazines)
- Detailed info on used cars (including Inspection info)
- Detailed info on used car dealers



- Automobile-related info platform (management system for used car dealers)
- Management of sales, customers, and inventory BtoB EC, ledger management function, etc.

## Clients

(Used car dealers)

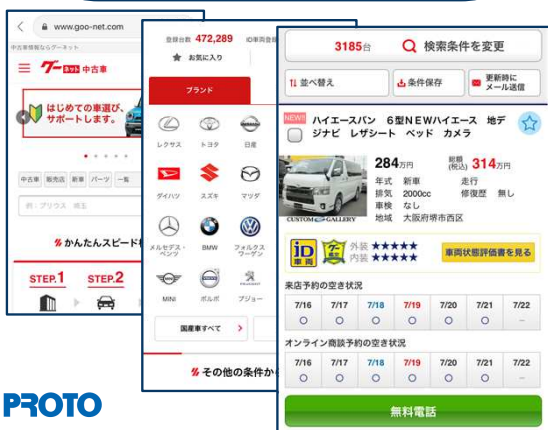
- Used car info registration (inventory registration)
- To deal with users' inquiries
- **Charging system:**  
Ad posting fee (MOTOR GATE charges)

\*Fixed monthly charge (linked with the number of vehicles in stock)  
Charges for options of MOTOR GATE

## Subsidiary for inspection

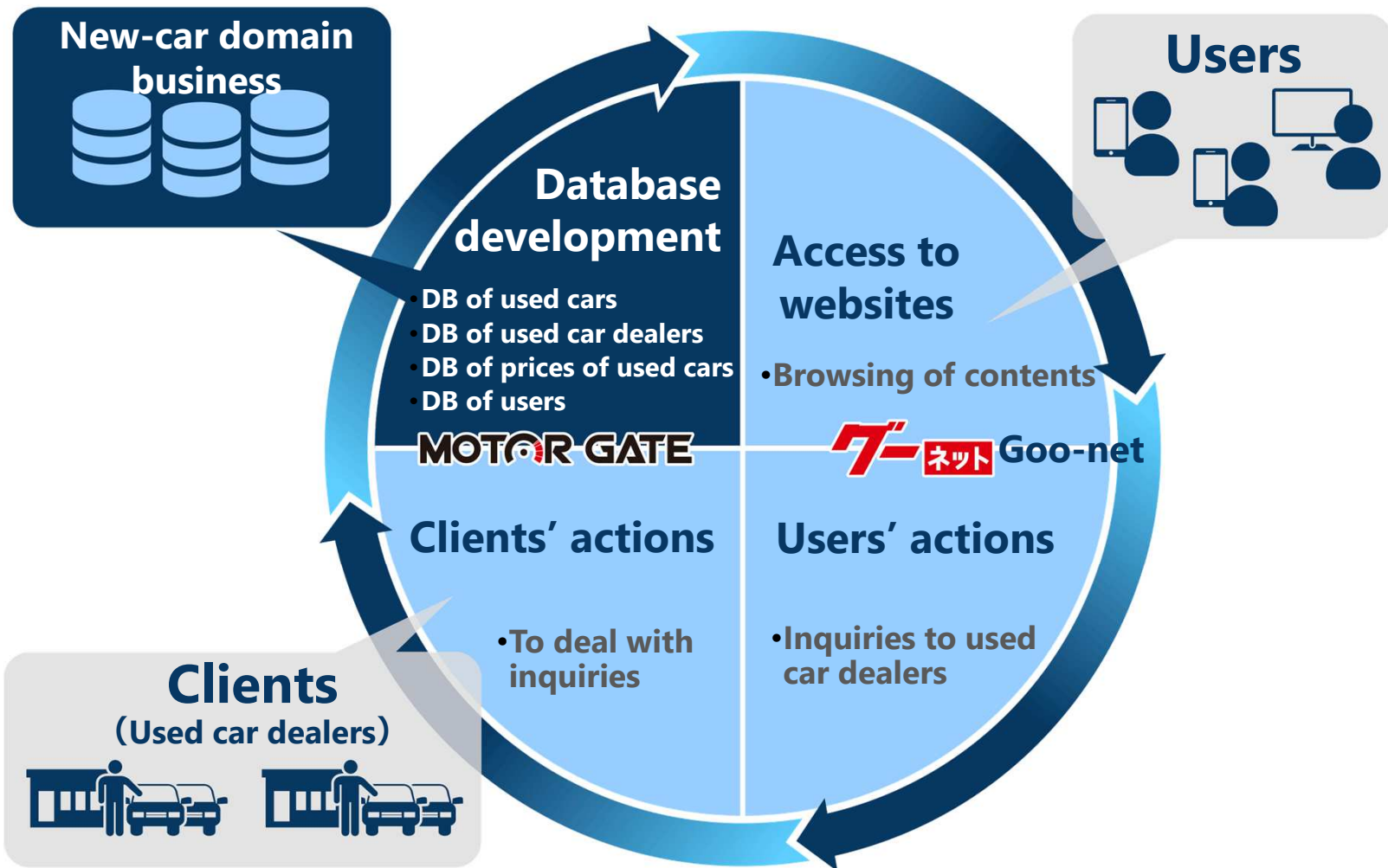


- Used car inspection service (about 620,000 vehicles per year, FY 3/2020)
- Charging system: charge per vehicle





# Used car field: Business cycle of Goo-net and MOTOR GATE





# Used car field: Our strengths (disclosure of information on the status of used cars)


To develop an environment where users can purchase used cars without worry.

**Goo-net**  
**7-ネット**

No. of used cars listed  
**509,363**



With vehicle condition information  
**191,342**

あんしん、まる見え。  
**iD 車両**





No evaluation report on vehicle status

**Goo-inspected Cars**



**Certified Pre-Owned Cars**



## In-house production of the automobile inspection function

### Outline and illustration of Goo-inspection (example)



Note: For reference: No. of cars whose status info has been disclosed by competing media: 56,616 (as of January 20,2021)

# New-car field: Business models of DataLine Series

## Users

- Comparison of costs for new cars
- Simulation of changing cars
- Simplified estimation of future prices

**Charging system: free**

- Appraisal and evaluation of cars owned

**Charging system: free**

- Inquiries to new car dealers

**Charging system: free**

## Platform

### DataLine SalesGuide

- Function to compare costs at the time of business talks for new cars
- Function for simulation of changing cars
- Function to estimate future prices
- Function to give a proposal for changing cars

### DataLine AI査定

- Appraisal function

### AI Chatbot

- Business talk booking function (online)
- Online simple appraisal function
- Online price estimation function, etc.



## Clients (new car dealers)

- Registration of customer info
- Registration of info on users' vehicles

**Charging system:**  
Monthly charge (fixed)

- Registration of customer info
- Registration of info on users' vehicles

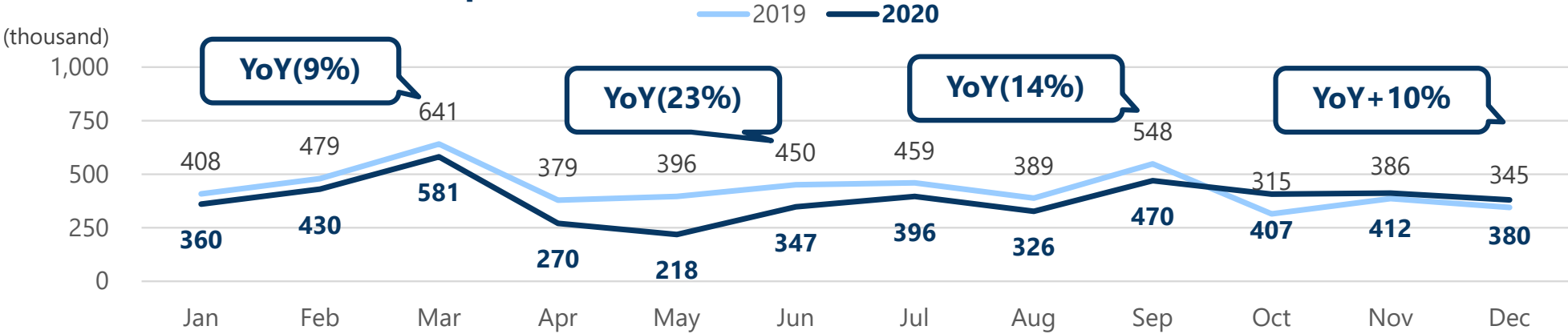
**Charging system:**  
Monthly charge (fixed)

- To deal with inquiries from users

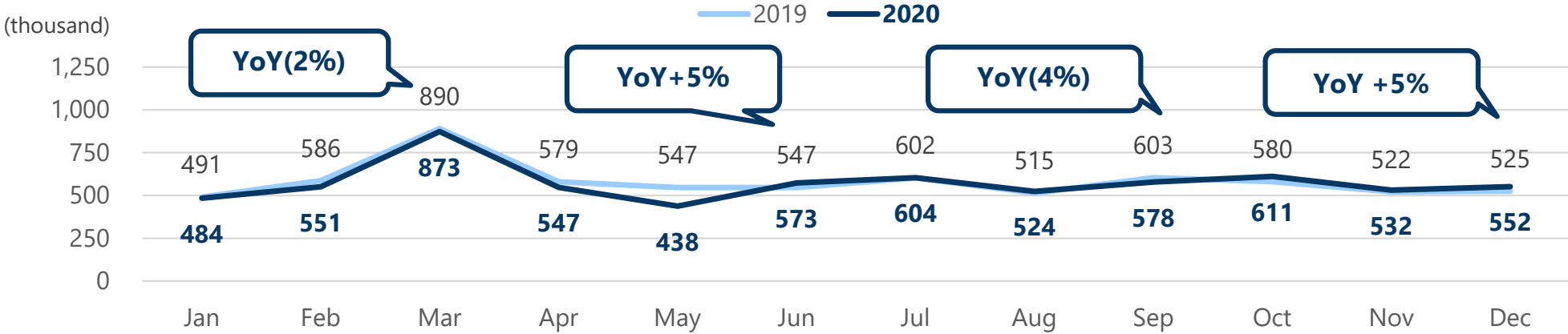
**Charging system:**  
Monthly charge (fixed)

# Regarding the domestic automotive market

## Sales volume of new cars in Japan

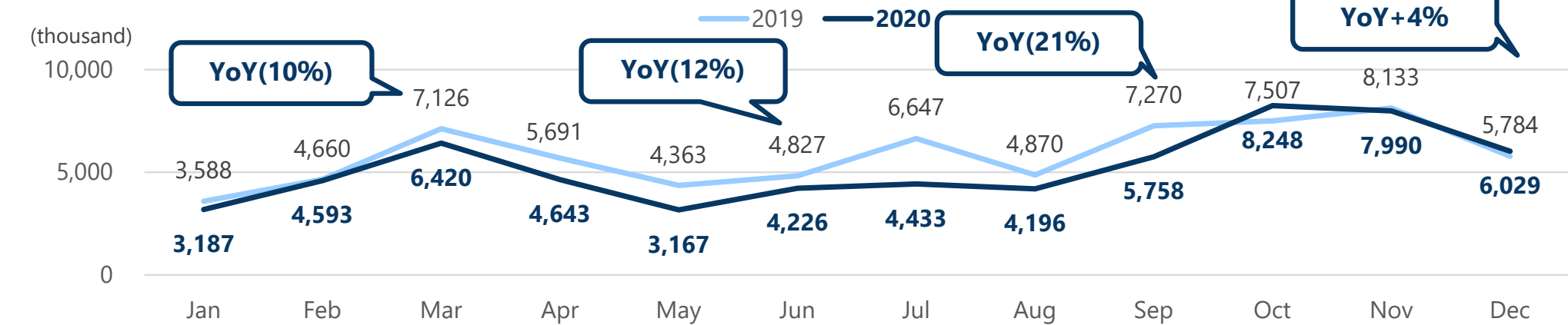


## No. of registered used cars in Japan

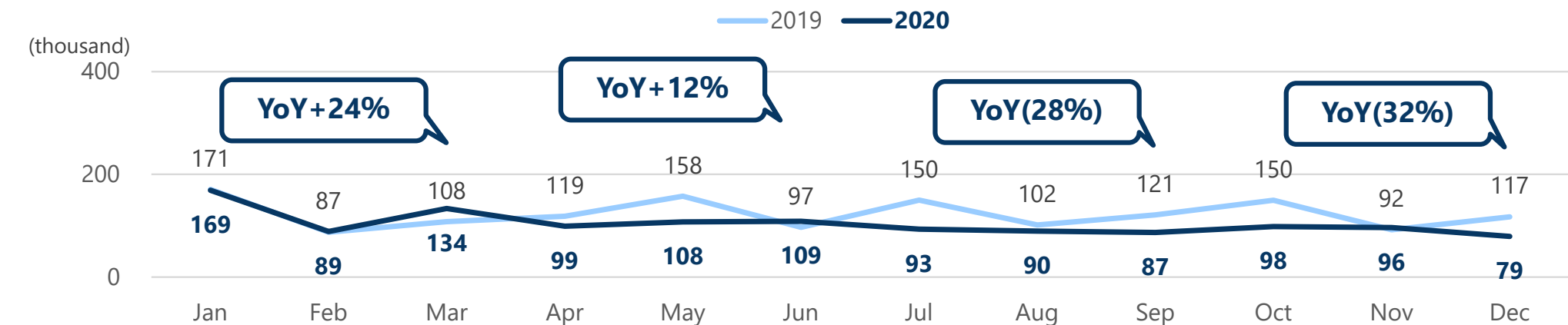


# Regarding the domestic automotive market

## Sales volume of tires of four-wheeled vehicles for replacement in Japan



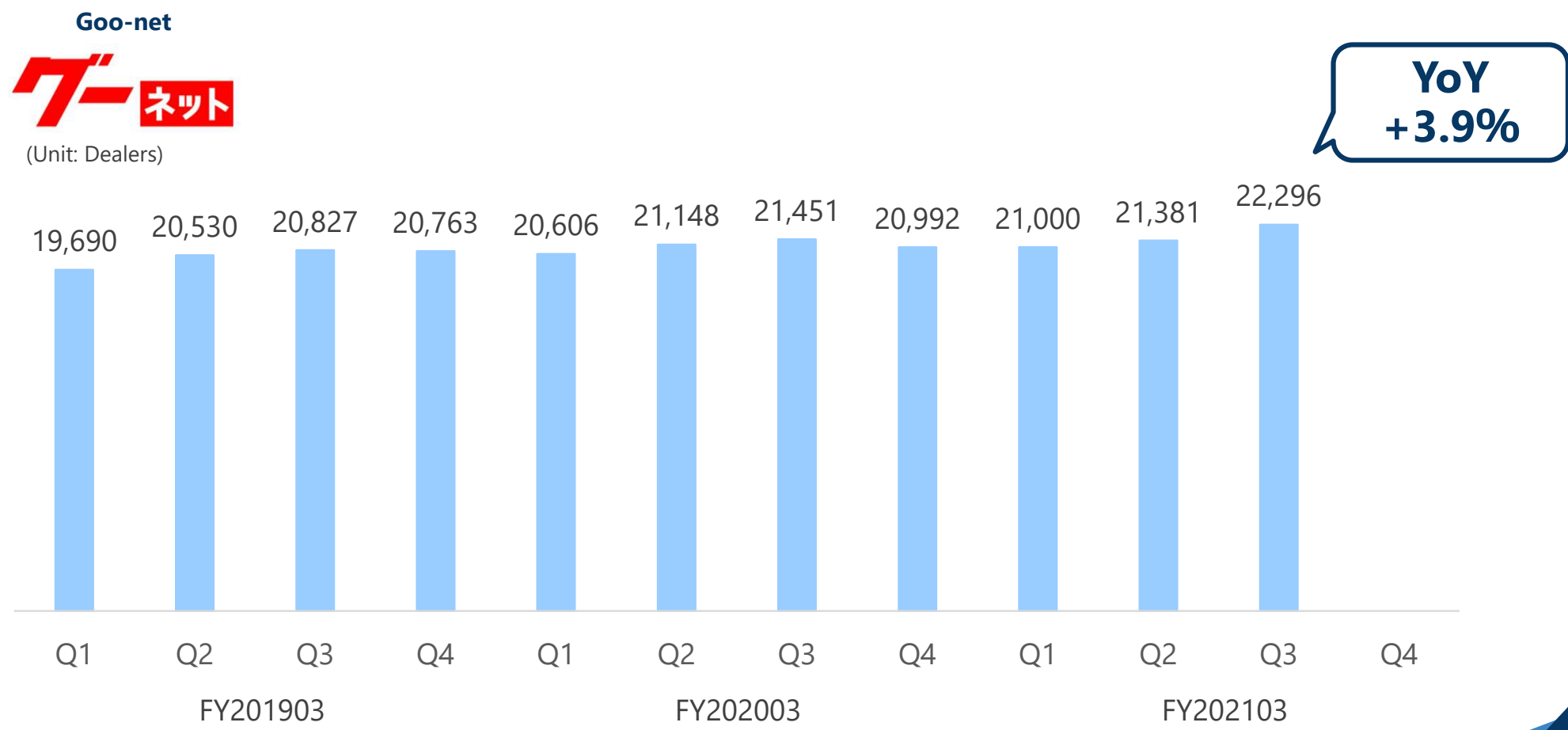
## No. of deregistered vehicles for export in Japan



# Ad-related (used car field)

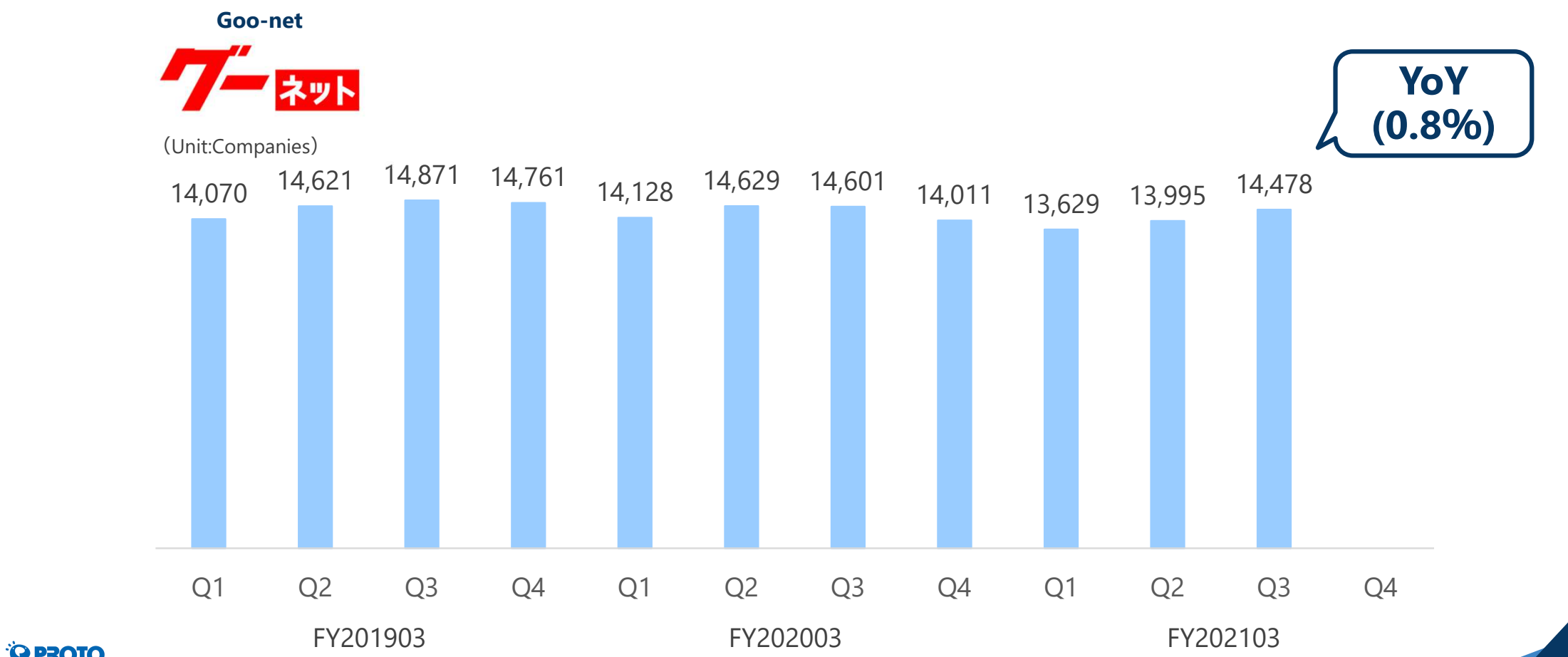
## No. of affiliated dealers of Goo-net (MOTOR GATE)

Continued to advertise mainly at large and medium-sized used car dealers.



# Ad-related (used car field)

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



# Ad-related (used car field)

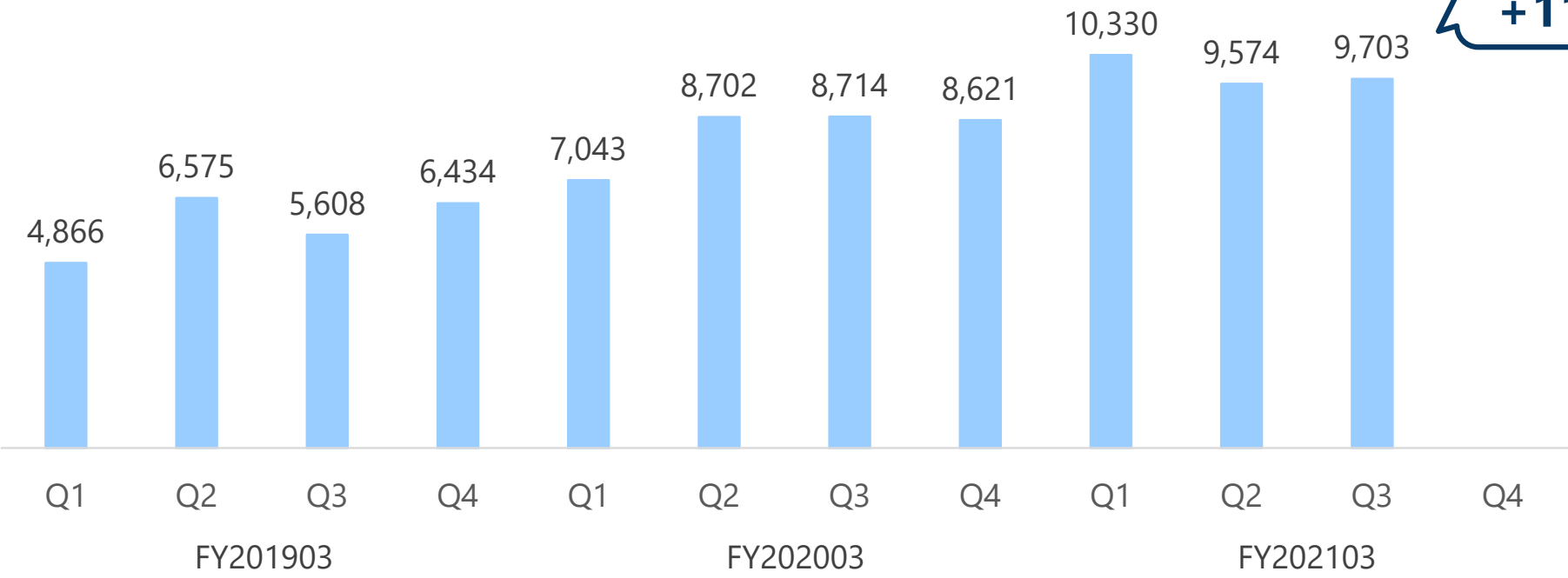
## No. of dealers that have installed MOTOR GATE Calendar (including the booking of online business talks)



(Unit: Dealers)

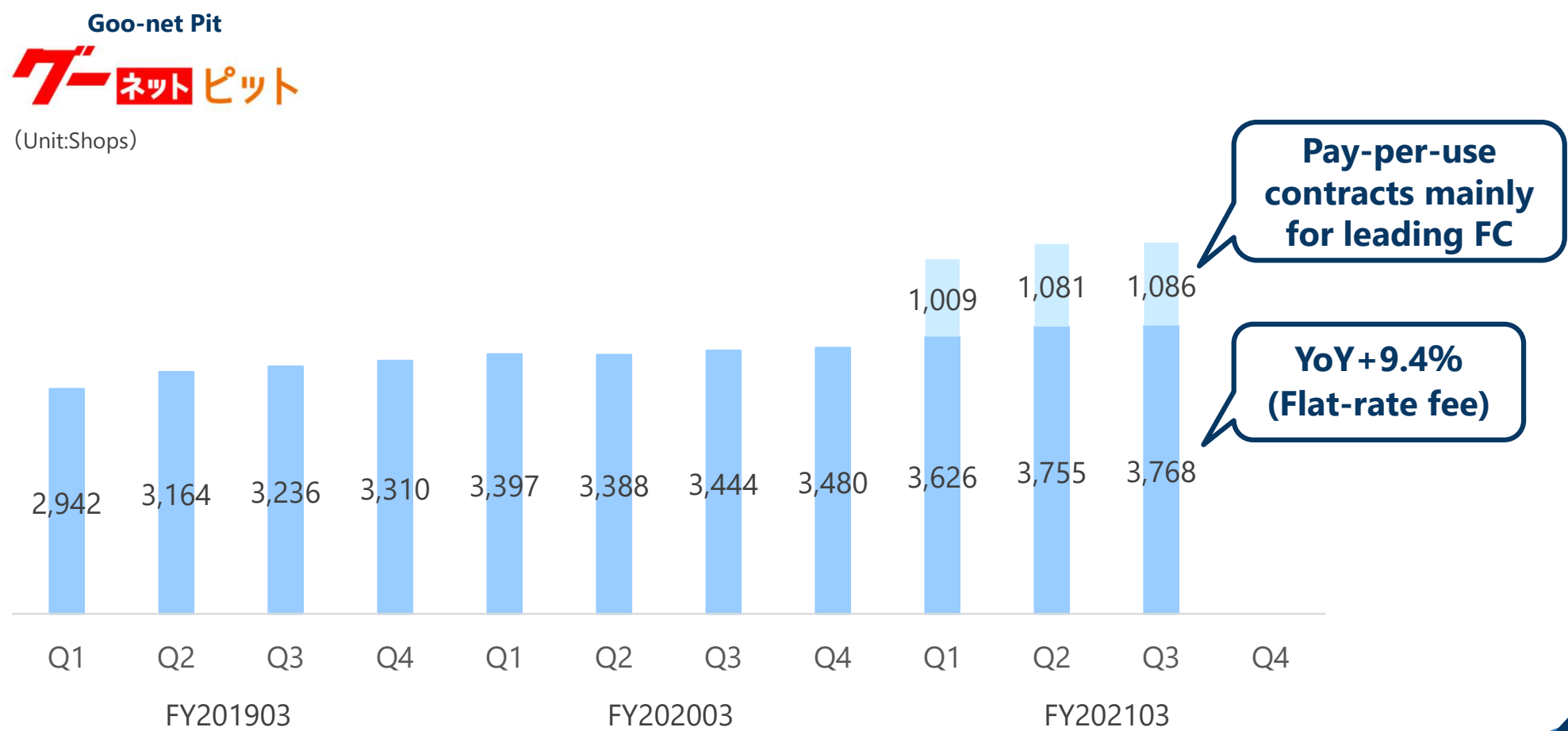
Amid the COVID-19, the non-contact business talk tool “booking of online business talks” and “Goo-net Live (online business talks)” are increasingly used.

**YoY  
+11.3%**



# Ad-related (maintenance field)

## No. of fee-paying shops listed in Goo-net Pit (pay-per-use contracts started in Q1 of 2020)





# Regarding profit sharing with shareholders

**Estimated dividends are “unchanged” (announced on May 14, 2020)**

## 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 Results	FY March 2021 Forecast	FY March 2022 Forecast
2 <sup>nd</sup> Quarter	12.5 yen	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	TBD
Year-End	12.5 yen	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	TBD
Annual	25 yen	27.5 yen (Including commemorative dividend: 2.5 yen)	25 yen	TBD

Note: For Cash Dividends per Share, the effects of the 2-for-1 stock split with the effective date being July 1, 2019 was taken into account.

# FY March 2021: Consolidated Earnings Forecast by Segment

(announced on Jan. 29, 2021)

Net Sales [unit: million yen]	FY March 2021 Previous Forecast		FY March 2021 Revised Forecast		Comparison with the initial forecast	
	Forecast(a)	Sales ratio	Forecast(b)	Sales ratio	(b)-(a)	%
Automobile-related	53,359	88.9%	52,734	89.1%	(625)	(1.2%)
Ad-related	22,553	37.6%	21,648	36.6%	(904)	(4.0%)
Information and services	5,332	8.9%	5,255	8.9%	(77)	(1.5%)
Sales of goods	25,474	42.5%	25,830	43.6%	356	+1.4%
Lifestyle-related	4,176	7.0%	4,006	6.8%	(170)	(4.1%)
Real Estate	145	0.2%	154	0.3%	9	+6.5%
Other Business	2,318	3.9%	2,314	3.9%	(3)	(0.1%)
Total	60,000	100.0%	59,210	100.0%	(790)	(1.3%)

Mainly in the ad-related business, sales of web advertising using external sites and sales of flyers are expected to fall short of the initial plan.

As for information and services, sales of PROTO-RIOS are expected to fall short of the initial plan.

Operating Income [unit: million yen]	FY March 2021 Previous Forecast		FY March 2021 Revised Forecast		Comparison with the initial forecast	
	Forecast(a)	Profit margin	Forecast(b)	Profit margin	(b)-(a)	%
Automobile-related	6,861	12.9%	6,892	13.1%	31	+0.5%
Lifestyle-related	199	4.8%	284	7.1%	85	+42.8%
Real Estate	65	45.3%	117	76.0%	51	+78.8%
Other Business	147	6.4%	158	6.9%	11	+7.5%
Management Division	(2,049)	-	(1,733)	-	315	-
Total	5,225	8.7%	5,720	9.7%	495	+9.5%

# Q3(Apr-Dec)/FY March 2021: Operating Results by Segment

Net Sales [unit: million yen]	Q3/FY March 2020		Q3/FY March 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Automobile-related	40,386	89.8%	40,016	89.4%	(369)	(0.9%)
Ad-related	15,915	35.4%	16,012	35.8%	+96	+0.6%
Information and services	4,128	9.2%	3,921	8.8%	(206)	(5.0%)
Sales of goods	20,342	45.2%	20,082	44.9%	(259)	(1.3%)
Lifestyle-related	3,124	6.9%	2,913	6.5%	(210)	(6.7%)
Real Estate	124	0.3%	117	0.3%	(7)	(5.9%)
Other Business	1,344	3.0%	1,724	3.9%	379	+28.2%
Total	44,980	100.0%	44,771	100.0%	(208)	(0.5%)

Operating Income [unit: million yen]	Q3/FY March 2020		Q3/FY March 2021		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%
Automobile-related	5,417	13.4%	5,731	14.3%	314	+5.8%
Lifestyle-related	126	4.1%	222	7.6%	95	+75.6%
Real Estate	125	100.6%	102	87.3%	(23)	(18.4%)
Other Business	60	4.5%	110	6.4%	50	+84.3%
Management Division	(1,388)	-	(1,240)	-	147	-
Total	4,341	9.7%	4,927	11.0%	585	+13.5%

# Q3/FY March 2021: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2020		As of December 31, 2020		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	28,231	63.1%	30,560	63.8%	2,329	108.2%
Non-Current Assets	16,494	36.9%	17,355	36.2%	861	105.2%
Current Liabilities	11,268	25.2%	11,954	24.9%	685	106.1%
Non-Current Liabilities	1,524	3.4%	1,275	2.7%	(249)	83.6%
Net Assets	31,932	71.4%	34,686	72.4%	2,754	108.6%
Total Assets	44,726	100.0%	47,916	100.0%	3,190	107.1%

[unit: million yen]	As of March 31, 2020		As of December 31, 2020		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	18,057	40.4%	19,912	41.6%	1,855	110.3%
Interest-bearing debt	3,757	8.4%	3,780	7.9%	22	100.6%
Net cash	14,299	32.0%	16,132	33.7%	1,832	112.8%

# Q3(Apr-Dec)/FY March 2021: Consolidated Statements of Cash Flows

[unit: million yen]	Q3/FY March 2020	Q3/FY March 2021	YoY
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	4,183	4,143	(40)
Cash Flows from Investing Activities	792	(662)	(1,454)
Cash Flows from Financing Activities	(4,349)	(1,101)	3,247
Cash and Cash Equivalents at End of Term	15,948	19,692	3,744

[unit: million yen]	Q3/FY March 2020	Q3/FY March 2021	YoY
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	1,802	499	(1,303)
Depreciation (Tangible/intangible fixed assets)	661	669	7
Amortization of Goodwill	321	318	(2)

# Consolidated Earnings (quarterly transition)

[unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
Net Sales	15,816	14,774	17,228	14,430	14,698	15,147	15,134	14,147	13,518	13,937	17,315	
Gross Profit	5,900	5,734	6,389	5,807	5,951	6,172	6,282	6,000	5,962	5,978	6,859	
EBITDA	1,626	1,287	2,069	936	1,760	1,602	1,962	1,130	1,829	1,667	2,418	
Operating Income	1,263	954	1,739	606	1,448	1,271	1,622	794	1,502	1,335	2,088	
Ordinary Income	1,421	1,001	1,805	775	1,436	1,341	1,806	769	1,554	1,273	2,045	
Net Income	914	600	1,193	449	1,035	2,142	1,390	421	1,017	774	1,437	

[unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
SG&A Expenses	4,637	4,779	4,649	5,200	4,502	4,901	4,660	5,205	4,459	4,642	4,771	
Employment Cost	1,996	1,955	1,914	2,005	1,917	1,922	1,938	1,942	1,902	1,872	1,867	
Advertising Cost	908	1,195	1,001	1,380	945	1,205	989	1,462	964	1,139	1,184	
Other Expenses	1,732	1,628	1,733	1,814	1,638	1,773	1,732	1,800	1,593	1,630	1,719	

# Consolidated Earnings by Segment (quarterly transition)

Net Sales [unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
Automobile-related	14,303	13,253	15,718	12,892	13,219	13,670	13,495	12,483	11,935	12,344	15,736	
Ad-related	5,187	5,325	5,368	5,397	5,161	5,387	5,366	5,569	5,163	5,361	5,486	
Information and services	1,255	1,185	1,264	1,336	1,259	1,415	1,452	1,428	1,253	1,322	1,346	
Sales of goods	7,860	6,742	9,085	6,158	6,798	6,867	6,676	5,485	5,518	5,660	8,903	
Lifestyle-related	1,085	1,103	1,075	1,070	1,044	1,057	1,022	1,044	981	978	954	
Real Estate	48	49	49	47	46	43	35	35	37	39	40	
Other Business	379	368	384	420	388	375	581	583	564	575	584	
Total	15,816	14,774	17,228	14,430	14,698	15,147	15,134	14,147	13,518	13,937	17,315	

Operating Income [unit: million yen]	FY2019 March,Q1	FY2019 March,Q2	FY2019 March,Q3	FY2019 March,Q4	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4
Automobile-related	1,554	1,208	2,009	986	1,793	1,642	1,981	1,164	1,786	1,605	2,340	
Lifestyle-related	71	94	68	15	51	43	32	42	81	80	60	
Real Estate	48	48	49	46	47	42	35	9	33	31	38	
Other Business	11	12	18	14	14	17	28	(1)	22	37	50	
Management Division	(422)	(408)	(406)	(455)	(457)	(474)	(456)	(420)	(420)	(418)	(402)	
Total	1,263	954	1,739	606	1,448	1,271	1,622	794	1,502	1,335	2,088	

# Operating Results 10-year Summary

[unit: million yen]	FY2011 March	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March
Net Sales	28,779	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127
Operating Income	6,111	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136
Net Income	3,197	3,275	2,290	2,627	2,381	(390)	1,506	519	3,159	4,991
EBITDA*1	6,856	6,540	5,161	6,483	6,039	6,149	4,547	5,396	5,920	6,455
Adjusted Net Income*2	3,620	3,680	2,836	3,555	3,308	641	2,145	1,151	3,596	5,420
Depreciation	322	288	404	819	879	1,046	1,113	1,089	916	890
Amortization of Goodwill	422	405	546	928	926	1,032	638	632	437	429

\*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



# Operating Results 10-year Summary by Segment

Sales [unit: million yen]	FY2011 March	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March
Automobile-related	25,566	26,704	33,687	50,138	44,056	49,486	51,025	56,100	56,167	52,870
Ad-related	20,558	20,579	21,163	21,412	21,593	21,006	21,231	21,618	21,278	21,485
Information and services	3,083	3,312	3,749	4,464	4,546	5,087	4,893	5,053	5,041	5,557
Sales of goods	1,923	2,813	8,774	24,262	17,915	23,392	24,899	29,429	29,847	25,827
Lifestyle-related	2,616	3,470	3,837	3,541	3,393	3,466	4,236	4,370	4,335	4,168
Real Estate	181	166	163	167	164	162	187	213	195	160
Other Business	415	240	597	913	988	1,182	1,268	1,426	1,553	1,928
Total	28,779	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127
Operating Income [unit: million yen]	FY2011 March	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March
Automobile-related	7,281	7,272	5,916	6,217	5,624	5,277	3,939	4,933	5,758	6,582
Lifestyle-related	301	228	131	248	338	307	478	370	249	169
Real Estate	104	83	85	69	96	109	147	170	193	135
Other Business	(91)	(149)	(323)	(140)	(94)	(66)	(136)	(71)	57	58
Management Division	(1,484)	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)	(1,633)	(1,728)	(1,693)	(1,809)
Total	6,111	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136

## 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,

Tel: +81-52-934-1514

Mail: [4298ir@proto-g.co.jp](mailto:4298ir@proto-g.co.jp)