



PROTO CORPORATION
INTEGRATED REPORT
2024



Turn our challenges
into a source of our future power

INTEGRATED REPORT 2024

Contents

President's Message 04

About PROTO 06

Sustainability 14

Climate Change 16

Human Capital and Diversity 18

Corporate Governance 22

Financial Information 26

Financial Strategy 28

Stock Information 29

Company Information 30

Editorial Policy

The PROTO Group pursues business administration focused on maximizing the benefits of stakeholders, including customers, employees, shareholders, investors, business partners, government, and local communities, and believes that the outcomes of such business administration would lead to the improvement in social value of our company’s existence. “Integrated Report 2024” was issued for the purposes of describing our activities for improving the corporate value of our corporate group and creating new opportunities for dialogue. We continue our challenges in order to provide customers with valuable information that would become wisdom for realizing better lives.

Reporting Period

This report covers mainly fiscal 2024 (April 1,2023 to March 31,2024), but some information outside the applicable period is also included.

Scope of Reporting

This report covers PROTO CORPORATION and its group companies, but includes some contents only for PROTO CORPORATION.

Forward-Looking Statement

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.

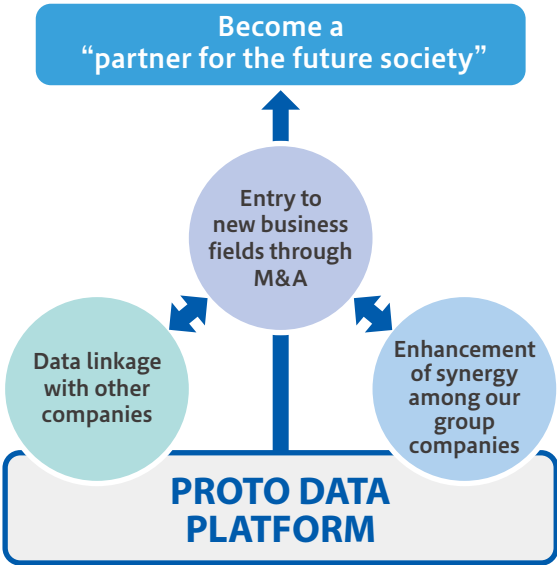
President's Message

To Our Shareholders and Investors

In the coming 10 years, the mobility environment surrounding us will change drastically. Gasoline-fueled vehicles will evolve into diverse carbon-neutral vehicles. People will shift from owning a car to sharing a car.

When the times change significantly, the true value of enterprises is tested. Our company will accumulate and utilize data on vehicles and users in the fields of used cars, new cars, maintenance, and motorcycles, create new services based on data and AI, and swiftly respond to the rapid changes in the environment.

By pursuing “dreams, inspirations, and joy,” we will become a “mobility style partner” in the new age. Then, we will create new value in the world, and become a “partner for the future society” so as to be genuinely selected by society. Our company upholds the corporate goal of being a “changing company,” and all of our staff will join hands to attain this corporate goal.



“To turn challenges into future power”

We, PROTO CORPORATION, think that this means the creation of unprecedented value in the world by recognizing things with new ideas and frameworks. Accordingly, we hope to take on challenges so as to solve social issues, realize dreams, and inspire people rather than pursuing near-term benefits. We will pursue “dreams, inspirations, and joy,” to create new value in the world and aim to become a “partner for the future society” that will be chosen by society.

Through our challenges,
we can brush up our strengths and evolve.
Only challenges make us evolve.



Kenji Kamiya, President and Representative Director

神谷健司

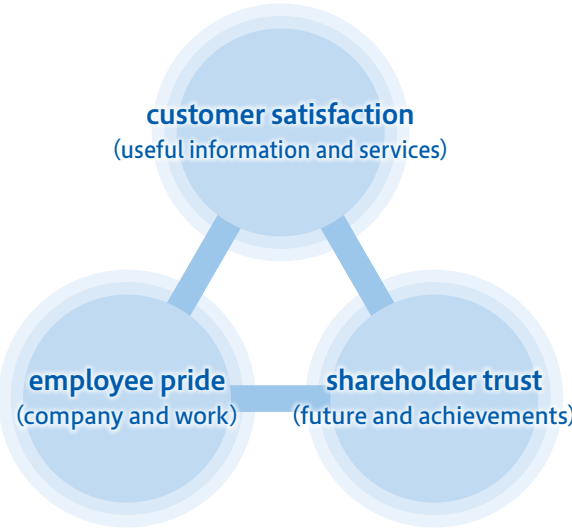
About PROTO

Corporate Goal

CHANGING COMPANY

—Create change by continuing to challenge itself.—

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.



Corporate Ideology

To turn challenges into future power and contribute to society with dreams, inspirations, and joy.

“To turn challenges into future power” means the creation of unprecedented value with novel ideas (viewpoints) and frameworks (ways of thinking). Endeavors we will make must not be for near-term profits, but create new value for our society.



Our endeavors are not merely for pursuing convenience and economic value, but also intended for solving social issues, realizing the dream of everyone, and inspiring people.

By pursuing “dreams, inspirations, and joy,” we will create social value and become an enterprise that will be definitely chosen by society.

We aim to become a “partner for the future society,” which will create social value.

Story of the Start of Our Business

Since our company started publishing Japan’s first information magazine on used cars in 1977, we have been supporting customers in selecting a car.



Goo-net
Boasting the largest number of cars listed *1

Goo-net Application
Boasting a total of 7 million downloads *2


*1 Survey on the number of cars listed in the portal site of used car information in Japan by TOKYO SHOKO RESEARCH, LTD. as of July 30, and August 13, 2024

*2 Sum of downloads of Android and App Store versions, as of May 17, 2024

1977

Monthly Correspondence on Used Cars (present: The informative magazine on cars Goo) founded


Hiroichi Yokoyama, who founded our company, visited many automobile dealers in order to find a desirable used car that satisfies requirements regarding car types, revenues, prices, and car conditions on a limited number of holidays. Realizing the difficulty in finding a used car within a budget, he considered that other people, too, must be faced with that difficulty. This experience led to the start of publication of Monthly Correspondence on Used Cars (present: The informative magazine on cars Goo).



1984

Started publishing the edition for each region


We first published only the Tokai edition of Monthly Correspondence on Used Cars (present: The informative magazine on cars Goo), and then launched the Shizuoka edition in 1984, the Kansai edition in 1992, the northern Kanto edition in 1994, and finally the Tokyo Metropolitan Area edition in 1995. After that, we released the Kyushu edition in 1996, the Hokkaido edition in 1998, and the Tohoku edition and the Chugoku edition in 1999, covering almost all regions of Japan.



1996

The online version of Goo-net launched


We developed DataLine, a system for retrieving data on used cars, when the online was still not mainstream. Furthermore, we started Goo-net, which is the mainstay online, making it possible to search for used cars around Japan. The number of used cars listed in Goo-net was around 46,000, one tenth of the current number.



2011

Goo Series made available nationwide


As the informative magazine on cars Goo Okinawa was launched in 2011, Goo Series became available anywhere in Japan. In addition, such services as Goo World and Goo Bike were made available nationwide, becoming core businesses in the mobility field, and we entered various fields.



2022

The app version of Goo-net upgraded


While expanding our media in the mobility field, we changed their forms from information magazines to online and app versions in a flexible manner. The app of Goo-net not only allows customers to retrieve information on selling prices, types, etc. of cars, but also supports customers in leading a life with cars by enriching useful and enjoyable content, including entertainment and maintenance of cars.




PROTO viewed with data

For 47 years since our business was started, the founder’s ambition “challenges” has been passed down with no changes.


Year of the start of business:

1977


Number of consolidated subsidiaries:

19


Number of employees of the PROTO Group:

1,523


Number of employees of PROTO CORPORATION:

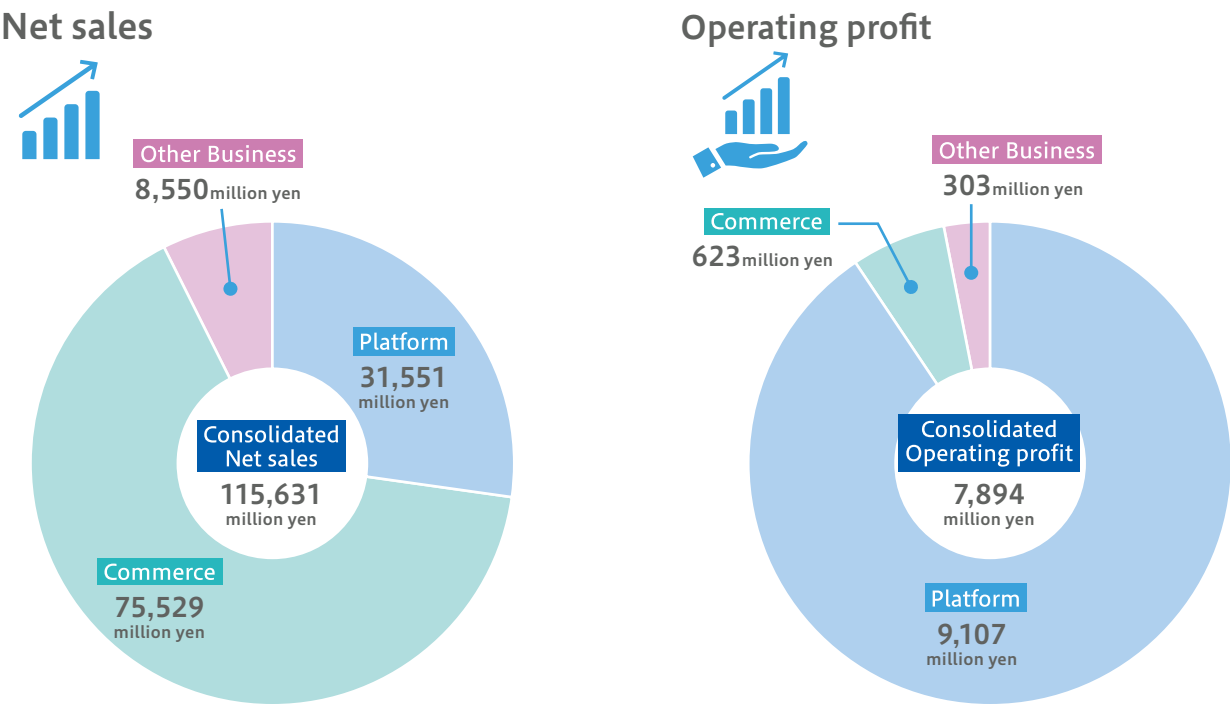
536

ROE:

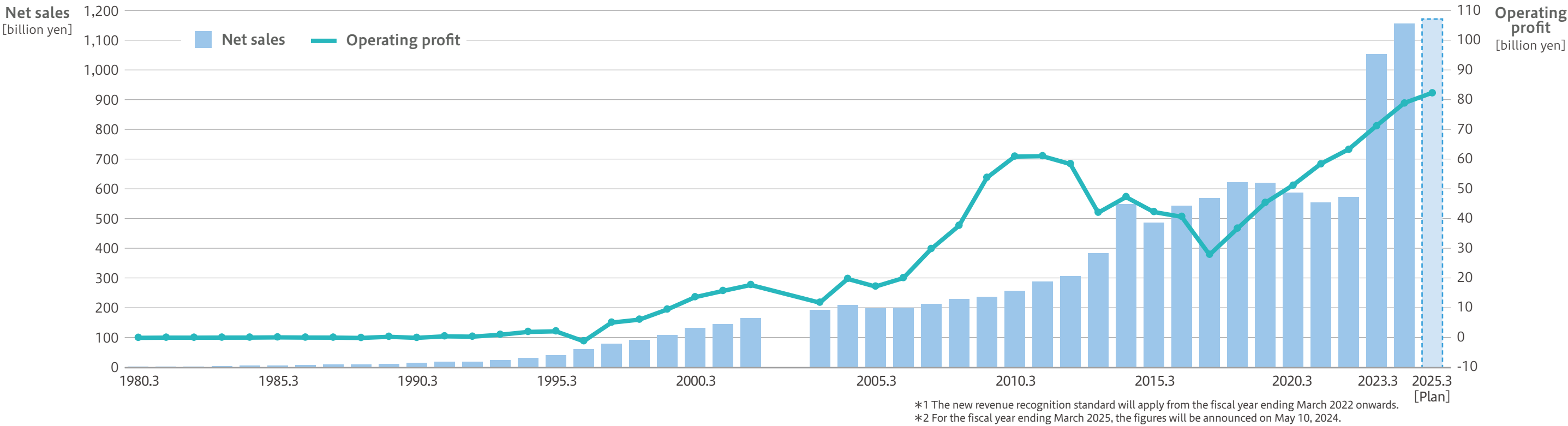
12.4%

ROA:

13.3%

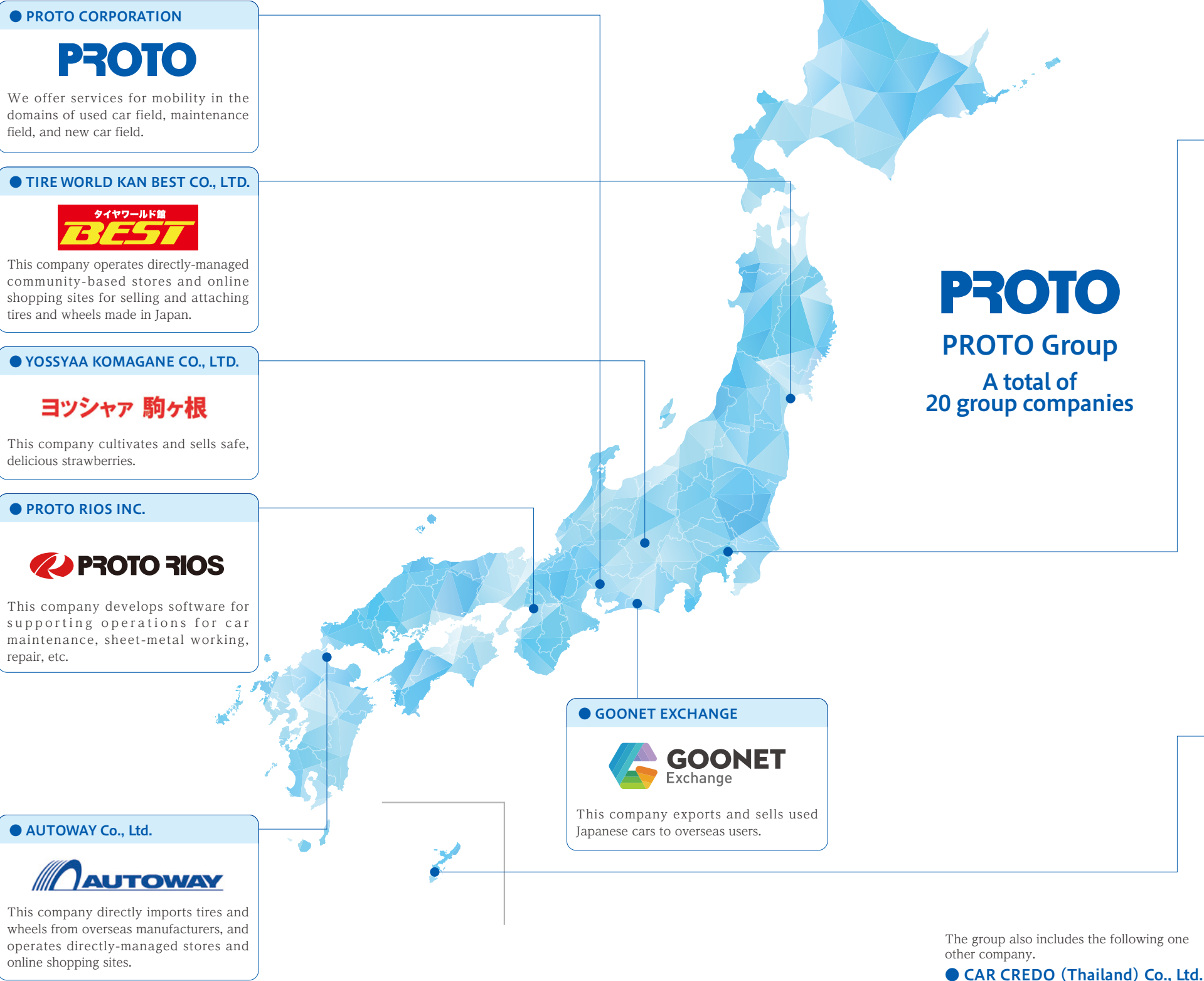


Transition of Net sales and Operating profit



Outline of the Business of the PROTO Group

We aim to become a “partner for the future society” by inducing changes by continuing our endeavor to be truly selected by society.



● CAR CREDO Co., Ltd.

● CAR BRICKS Co., Ltd.

● 

These companies offer car inspection services, in which professional auto appraisers check the interior and exterior parts and repair records of used cars.

● Onion Inc.



This company plans and produces TV commercials.

● PROTO Ventures

● PROTO Ventures 2

Investment Limited Partnership



These organizations cooperate and collaborate with venture firms mainly in the fields of AI and technology, and invest in start-up companies and others inside and outside Japan.

● Kankokeizai News Corporation



This company gathers information on sightseeing and travel, edits and publishes newspapers, operates related websites, and edits and publishes books.

● UB Datatech Inc.
(an equity-method affiliate)



This company acquires and summarizes a broad range of economic information.

● COSMIC RYUTSUU SANGYO CO., LTD.

● COSMIC GIFT CARD SYSTEM CO., LTD.



These companies sell coupons and gift cards, operate related websites, and offer currency exchange services.

● PROTO SOLUTION Co., Ltd.



This company develops data-based solutions, designs, web solutions, telemarketing methods, and systems.

● OKINAWA CALL STAFF SERVICE Co., Ltd.



This company dispatches workers and introduces jobs to job seekers while charging fees.

● Associe Co., Ltd.



This company offers comprehensive personnel dispatch services, dispatches workers, and introduces jobs to job seekers while charging fees.

● okinawa basketball inc.



This company manages the professional basketball team “RYUKYU GOLDEN KINGS,” which belongs to B. LEAGUE.

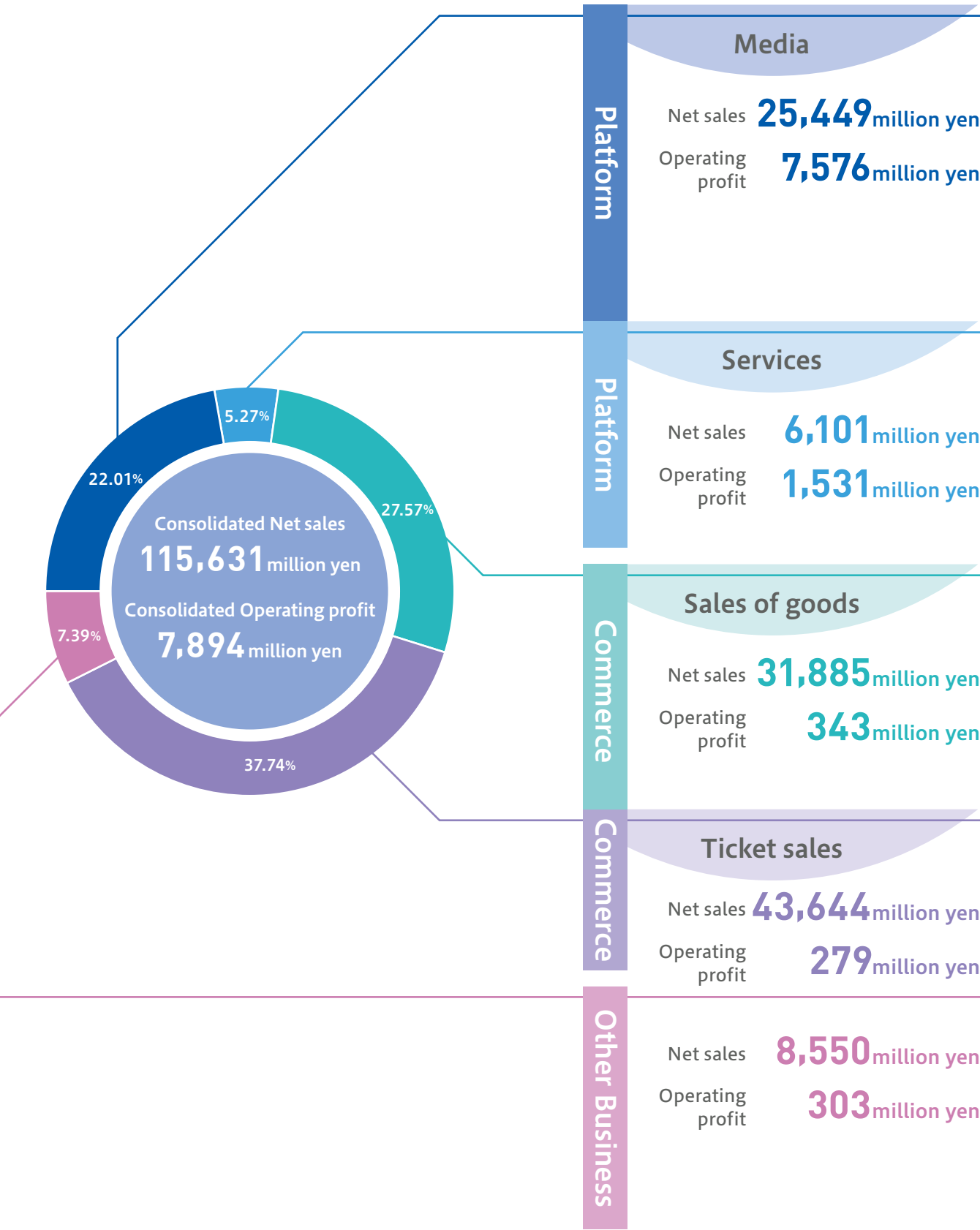
● okinawa arena inc.



This company manages and operates multi-purpose arenas mainly for “watching” professional sports, concerts, etc.

Current Situation of the Business of the PROTO Group

We have challenges to create new value by utilizing the synergy among group companies.



Business description / Major products and services

We disclose necessary information to users through the media, such as Goo-net and Goo-net Pit. In addition, we provide used car dealers and car maintenance shops with essential management systems, and streamline business operations according to changes in the business environment and corporate structures.

Media on information on used car "Goo-net"		Media on information on used car "MOTOR GATE"	
Website specializing in car maintenance "Goo-net Pit"		System for managing automobiles to be repaired for car maintenance shops "MOTOR GATE PIT IN"	
Vehicle appraisal service "Goo inspection"			

By utilizing an enormous volume of data, we have accumulated so far and artificial intelligence (AI), we provide new car dealers with tools for business negotiations and car evaluation. We also offer an integrated system for sheet-metal working in the car maintenance field according to maintenance shops' needs and problems, with the aim of actively giving proposals and promoting customers to use a car maintenance shop.

Platform for supporting business administration for new car dealers "DataLine SalesGuide"		System for retrieving used car data for new car dealers "DataLinePRO"	
Digital assessment tool for automobiles for new car dealers "DataLine AI Assessment"		Integrated system for sheet-metal working in the car maintenance field "RacroSIII"	

We operate directly managed stores and online shopping sites that deal in tires and wheels from around the world, including Japan. In addition, we sell and export used cars in Japan listed in Goo-net and used cars procured at Japanese auction sites to overseas markets.

Online shopping site for tires and wheels "AUTOWAY LOOP"		Media for overseas users "GOONET Exchange"	
Online shopping site for tires and wheels "BEST Online Shop"			

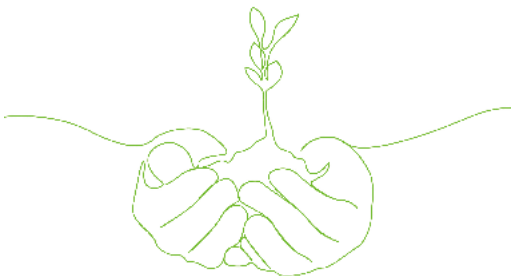
We operate directly-managed stores and online shops that handle coupons, gift cards, etc. We provide users with affordable products and experiences through the business of buying cash vouchers and tickets at high prices and selling them at low prices, currency exchange and international remittance businesses, and the travel business in accordance with the Travel Agency Act.

Cash voucher shop "J-market"		Shop dealing in selected gift cards and coupons "galireo"	
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As a travel product for adding spice to a life with mobility, we provide a travel gift catalogue that lists rigorously selected inns and hotels. In addition, the professional basketball team that belongs to B.LEAGUE aims to bring out the potential of sports to the maximum degree and contribute to the development of a better society.

Selectable luxury! "Goo-travel"		Professional basketball team "RYUKYU GOLDEN KINGS"	
"5 STAR ONSEN RYOKAN" certified by Kankokeizai News Corporation		Comprehensive human resources service "Associe"	

Sustainability

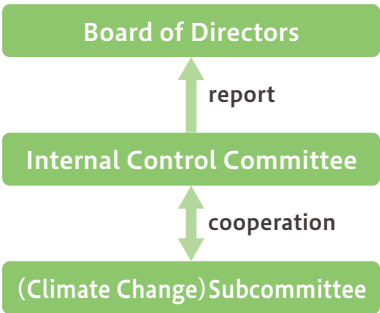


Policy and Initiatives for Sustainability

The PROTO Group overall policy for sustainability is as follows. Matters concerning the future in the text are those determined by our corporate group as of the end of the consolidated fiscal year under review.

1 Governance

The basic policy, matters that need to be addressed, etc. regarding sustainability are considered and deliberated by the Internal Control Committee, which is chaired by the Representative Director and President. The Internal Control Committee holds a meeting every month, and in addition to the situation concerning internal control, it analyzes and evaluates all kinds of risks and opportunities related to sustainability, discusses short, medium, and long-term measures and arranges the system for strengthening them. Under the Internal Control Committee, we have set up a subcommittee, which is responsible for the detection, evaluation, etc. of risks and opportunities concerning climate change. The subcommittee concerned with climate change also considers and reports relevant matters alongside the Internal Control Committee held every month. Furthermore, our Board of Directors supervises, discusses and gives advice on whether the allocation of management resources and the structure of the business portfolio are effective in regard to sustainability, and the promotion thereof, in order to formulate a long-term vision in accordance with the Corporate Ideology.



2 Strategy and Policy

We believe that in order for enterprises to continue their activities, it is vital to promote business which will contribute to the sustainability of people, the society and the earth in addition to respecting human rights. We recognize that the response to issues pertaining to sustainability, such as social and environmental issues, is an important factor in elevating the corporate value in the medium/long term, and while stipulating items concerning sustainability in the Charter of Corporate Behavior, which is the foundation for all kinds of corporate activities, we have established and published a “Basic Sustainability Policy” based on the regulations in the Charter of Corporate Behavior. Moreover, we continuously address issues pertaining to sustainability and ESG in accordance with said policy and disclose their contents on our company website as well as the English website. Our company shall endeavor to maintain good and harmonious relationships with stakeholders such as our clients, staff, shareholders, investors, trade partners, the government and local societies, and proactively engage in building a sustainable society based on the Charter of Corporate Behavior.

Charter of Corporate Behavior

PROTO CORPORATION and its group companies will comply with laws, regulations, and social norms and conduct business activities with a high sense of ethics. We will also strive to achieve our social mission by putting our management philosophy into practice. For this reason, we have established the "PROTO Group Charter of Corporate Behavior" as a basic stance that each and every one of us must value, and we aim to improve our corporate value and achieve sustainable growth through the actions of the entire PROTO Group.

1. Sustainable
- We will create products and services that are indispensable to society, strive to achieve sustainable economic growth, and solve social issues. We will also contribute broadly to society by developing corporate activities aimed at the maintenance and development of a prosperous and healthy society.
2. Fair Transactions
- We will engage in clean and free competition and fair transactions. Further, we will maintain sound relations with the political and administrative authorities.
3. Fair Information Disclosure and Constructive Dialogue
- We strive to gain the correct understanding, appreciation, and trust of our stakeholders by providing accurate information on our business activities to society broadly in a timely, appropriate, and fair manner and by engaging in constructive communication on an ongoing basis.
4. Respect for Human Rights
- We uphold the United Nations' "Guiding Principles on Business and Human Rights," respect the human rights of all those involved in our business activities, and will not engage in any conduct that undermines the dignity of individuals.

5. Workplace Environment
- We will not tolerate any form of harassment, give consideration to the health and safety of our employees, and strive to create a comfortable working environment that enhances our mutual potential.
6. Environmental Issues
- We will face environmental issues by analyzing and assessing various risks and opportunities related to the environment and by putting in place a system to take countermeasures.
7. Comprehensive Risk Management
- We will take a firm and appropriate stance against acts that threaten the safety of our employees and anti-social forces. We will also comprehensively implement organizational risk management in preparation for terrorism, cyber-attacks, natural disasters, etc.
8. Governance
- In order to increase corporate value through sustainable business growth, we will promote the establishment of a system to realize better corporate management through the development and strengthening of internal management systems.

Basic Sustainability Policy

The PROTO CORPORATION corporate ideology is "To turn challenges into future power and contribute to society with dreams, inspirations, and joy." We aim to realize a sustainable society by creating social value (contribution to solving social issues) and economic value (profits generated by increasing corporate value). In doing so, we will accurately understand the demands of society through responsible dialogue with a diverse range of stakeholders (customers, employees, shareholders, investors, business partners, government, local communities, etc.) and respond appropriately to them. In this way, we will fulfill our responsibility to society.

Human Rights Policy

We, the PROTO Group (PROTO CORPORATION and its group companies; hereinafter collectively referred to as "we"), support the United Nations' Guiding Principles on Business and Human Rights (hereinafter referred to as the "UN Guiding Principles") and promote initiatives to respect human rights based on these principles. In order to achieve the group's corporate goal of "Changing Company—Create change by continuing to challenge itself," we conduct our business activities with a commitment to the "endeavor" to create unprecedented value for the world. Our business activities depend on the support of an extremely large number of people, including customers who use our services, suppliers, sales partners, and other business partners. We will continue to serve many people, protect the human rights of our customers and all those involved in our business activities, while making improvements so that we can be truly chosen by society. Further, this policy is to be observed by each and every one of us and is positioned as the highest policy regarding human rights in our business activities.

1. Commitment to Respecting Human Rights
- We understand that our business activities may produce a negative impact on human rights. We will take the utmost care not to infringe any human rights and engage in our business activities with a sense of responsibility regarding the negative impact on human rights that may arise from our business activities. Based on the UN Guiding Principles, this policy is intended to ensure that we respect internationally recognized human rights, comply with the international human rights obligations of the countries and regions in which we operate, and comply with relevant laws and regulations. We expect all our business partners to understand and support this policy. In the unlikely event that international human rights are not adequately protected by national or regional laws and regulations, we will seek ways to maximize respect for internationally recognized human rights.
2. Scope of Application of the Human Rights Policy
- This policy applies to all officers, employees and temporary staff of the PROTO Group.
3. Human Rights/Due Diligence
- In order to fulfill our responsibility to respect human rights, we have established a due diligence system for human rights to identify, prevent, and mitigate negative impacts on human rights, which we will continue to implement.
4. Amendments
- In the event that it becomes clear that we have caused or contributed to a negative impact on human rights, we will take appropriate measures to rectify the situation and promote the establishment of an effective grievance handling mechanism, including the establishment of a consultation desk.
5. Human Rights Education
- We will provide appropriate education and training to our officers, employees, and temporary staff to ensure that this policy will be diffused.
6. Monitoring and Information Disclosure
- We will continuously monitor our compliance with the Human Rights Policy and make improvements when necessary. We will appropriately disclose information on our efforts to respect human rights based on the Human Rights Policy and their progress through the website of the PROTO CORPORATION and other means of communication.
7. Use of Expertise and Stakeholder Engagement
- In our efforts to respect human rights based on this policy, we will utilize our expertise in human rights and engage in dialogue and consultation with internal and external stakeholders.
- The policies mentioned above were approved by the Board of Directors of PROTO CORPORATION on October 15, 2024.

3 Risk Management

Our risk control for sustainability is described in the section “Initiatives for addressing climate change (3) Risk Management.”

4 Indicators and Targets

[Rate of education concerning risks about human rights for management executives, supervisors and persons recommended by each company]

	Timing	Ratio of participating group companies (%)	Number of participants (persons)
Results	Fiscal year ended March 31, 2024	100	52
Plan	Fiscal year ended March 31, 2024	100	—

Climate Change

Initiatives for Addressing Climate Change

The PROTO Group have identified addressing climate change as one of our key management issues and will clarify the impact on our business operations and our response to it, as well as actively promote the disclosure of information in the four areas of "Governance," "Strategy," and "Risk Management" "Indicators and Targets," based on the TCFD's recommendations.

1 Governance

We view the strategy for avoiding, reducing and transferring climate-related risks as well as realizing climate-related opportunities as an important management challenge and believe that making an appropriate response as an enterprise will lead to sustainable growth. Therefore, our Board of Directors oversees, discusses and gives advice on an effective allocation of managerial resources and design of the business portfolio for climate-related issues as well as the progress thereof.

2 Strategy

We have recognized risks and opportunities concerning climate change that have an impact on the business of our corporate group, and have performed a scenario analysis. As a result, we found out that in the scenario below 1.5 °C, the business of our corporate group would be significantly impacted by the trends in political measures, laws and regulations as well as changes in the preferences of our clients, etc., while in the 4 °C scenario, there would be a considerable impact caused by damage to our operational bases, the supply chain, etc. brought about by intense disasters. As the impact of climate change on business will change depending on global steps toward decarbonization, changes in the preferences of users, etc., we shall keep taking such social trends into account and reflect them on the business strategy of our corporate group.

3 Risk Management

We have recognized risks and opportunities concerning climate change that have an impact on the business of our corporate group, and have performed a scenario analysis. Aiming for sustainable business activities even amid different weather and economic situation, we have considered the perspectives of two scenarios: the scenario below 1.5 °C (in which the global average temperature rise stays below 1.5 °C in comparison with pre-industrial levels) and the 4 °C scenario (in which the global average temperature rises 4°C or more in comparison with pre-industrial levels). Regarding the risk control system for responding to natural disasters, etc., we establish a risk control task force, which will be headed by the representative director and president in emergency situations. This task force will be composed of an information liaison team, including staff of in-company sections, and an external advisory team, including corporate lawyers, which is formed when necessary. It prevents the augmentation of damage and minimize it with prompt response.

[Due diligence regarding human rights]

“Being chosen” by people, society and other enterprises is one of extremely important perspectives when it comes to pursuing the Basic Sustainability Policy upheld by our corporate group. Enterprises need to understand their impact on “human rights” and in case they cause negative impact, it is their responsibility to appropriately address this impact and make the utmost effort to reduce and prevent it. As a result of exercising due diligence regarding human rights by comprehensively evaluating written reviews, interviews and responses to questionnaires targeted at employees, our corporate group identified issues concerning the management of the supply chain. With regard to the identified issues, we plan to deal with them one by one while complying with (1) Human Rights Policy, (2) Exercise of Due Diligence regarding Human Rights and (3) Establishment of Systems for Helping Victims stated in “The Corporate Responsibility to Respect Human Rights,” Guiding Principles for Business and Human Rights.



[Recognized risks and opportunities related to climate change]

Category		Impact on business	Span of the impact	Degree of impact		Countermeasures
				1.5°C	4°C	
Transitional risks	Policies and legal regulations	Augmentation of costs for procuring materials due to the adoption of a carbon tax, etc.	Medium/long term	Medium	—	• Discussion on goals and activities for reducing CO2 emissions in the medium/long term
		Shrinkage of the market of used gasoline-fueled vehicles due to the application of regulations on sale of gasoline-fueled vehicles to the sale of used cars through the amendment to laws and tightening of regulations for solving climate issues	Medium/long term	Medium	—	• Upfront surveys on the trends of regulations and early implementation of measures
		Augmentation of costs for electric power at business establishments and servers through the enforcement of regulations for improving energy efficiency	Medium term	Medium	—	• Installation of LED lighting and promotion of energy saving
	Technology	It takes time to develop a market of used EVs, because it is impossible to determine appropriate prices of batteries for EVs.	Medium/long term	Medium	—	• Efforts to make it possible to appropriately evaluate the conditions of used EVs in “Goo inspection,” which is a service of disclosing the information on used cars
	Market	The demand for gasoline-fueled vehicles will decline in the used car market as users will not choose gasoline-fueled vehicles due to the tightening of regulations and the enhancement of environmental awareness	Short term	Medium	—	• Provision of new services for meeting diversifying needs from users
		Sales quantities of automobiles will decrease and the market will become stagnant, due to the selection of public transportation means, mobility transition (shift from cargo transportation by car to that by railway or ship, which has less environmental burdens), acceleration of car sharing, etc.	Long term	Large	—	• Enhancement of operation in the new business domain through M&A, etc.
Physical risks	Reputation	If our corporate group's measures against climate change is delayed while consumers' awareness of environmental issues improves and financial institutions and institutional investors demand initiatives for ESG further, stakeholders' evaluation on our company will decline.	Short/medium term	Medium	—	• Discussion on goals and activities for reducing CO2 emissions in the medium/long term
	Acute	If marketing bases and warehouses are damaged by storms or floods, operations will be suspended or stopped for long period of time. If the supply chain is damaged, procurement of materials will be suspended or decrease.	Medium/long term	—	Medium	• Decentralization of marketing bases, warehouses, and suppliers • Review and improvement of our business continuity plan (BCP)
Opportunities	Chronic	If extremely hot days (35°C or higher) increase, the costs for upgrading air-conditioning systems to keep the air temperature inside offices from increasing will augment.	Medium/long term	—	Small	• Promotion of energy saving
	Technology	A method for appraising batteries of EVs will be established, the value of each used EV will be evaluated appropriately, and the demand for used EVs will grow in the used car market.	Medium/long term	Medium	—	• Efforts to make it possible to appropriately evaluate the conditions of used EVs in “Goo inspection,” which is a service of disclosing the information on used cars

The assumed span of the impact is as follows.
Short term: up to 2025, Medium term: 2026 to 2030, Long term: 2031 to 2050

4 Indicators and Targets

[Results based on indicators]

Total greenhouse gas emissions for the fiscal years ending March 31, 2023 and 2024 are as follows. We will continue to work toward setting targets that contribute to the reduction of greenhouse gas emissions from a medium-to long-term perspective.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Scope 1 : Direct emissions (t-CO ₂)	3,154.6	3,925.9
Scope2 : Indirect emissions (t-CO ₂)	4,238.7	4,685.6
Scope1 +Scope2 subtotal (t-CO ₂)	7,393.2	8,611.6
Scope3 : Other than Scope1 and 2 (t-CO ₂)	163,845.6	175,679.1

Human Capital and Diversity



Initiatives for Human Capital and Diversity

The PROTO Group has upheld human capital and diversity as another vital management issue and we shall proactively promote the disclosure of information concerning the “Governance” and “Strategy” and “Indicators and Targets” while clarifying our strategies and measures for business operations. As the challenges and initiatives of each group company differ depending on the type of industry, area, etc., we have stated the initiatives for human capital and diversity of our company.

1 Governance

For the basic policies, issues to be addressed, etc. regarding human capital and diversity, the management section takes a central role in holding sectional meetings, to discuss and design measures for grasping our personnel portfolio, offering learning opportunities, and improving the engagement of executives and employees for the purpose of energizing individuals and organizations. Regarding the investment in human capital, the Board of Directors of our company checks whether it is in line with our corporate goals, management ethos, and expected images of employees, and whether the allocation of managerial resources and our business portfolio are effective when setting a long-term vision. In addition, the Board of Directors oversees the progress of each activity, has discussions, and gives advice. Our company will actively allocate managerial resources for investing in human capital, which creates corporate value.

2 Strategy

We believe that the know-how of our executives and employees is an important element in elevating our corporate value in the medium to long term. Viewing our executives and employees as valuable human resources, we strive to establish a harmony between the work and lives of all employees and arrange an employment environment in which it is easy to work to allow them to fully utilize their abilities in addition to working toward the enrichment of opportunities for growth, such as in-house training.

Development of the employment environment

We are working toward the work-life balance of all employees and strives to develop a comfortable employment environment to allow them to make full use of their abilities.

[Improvement of work-life balance of employees who are rearing a child]

- To spread knowledge about available programs, provide information and develop a consultation system for employees in order to protect the health of female employees during pregnancy and after childbirth
- To promote male employees to take leave when their child is born
- To promote employees to take childcare leave and develop an environment that allows employees to easily return to the workplace
- To develop programs available to employees who are rearing a child
- To spread knowledge about various programs, such as childcare leave and limitations of overtime and late night work based on the Child Care and Family Care Leave Act, childcare leave benefits based on the Employment Insurance Act and prenatal and postnatal leave based on the Labor Standards Act

Recently, we have been working toward the enrichment of the programs, such as raising the family allowance, extending the period of shortened working time for child-rearing employees (until the child is in the third grade of elementary school) and developing a system for staggered work hours.

[Review of working style and development of various working conditions]

- Implementation of measures for reducing overtime work
- Implementation of measures for promoting employees to take annual paid leave
- Introduction of ubiquitous workstyles, such as working from home and telework

In order to support these measures, we have adopted a telework program matching the actual situation, raising the allowance for moving to a different location to start a new job and also allowing a free dress code, etc. to allow employees to work in a way that suits them. Furthermore, we adopted the flextime system in April 2024.

Next-generation development support measures

Through continuation and promotion of trial employment targeting workers introduced by Hello Work (Public Employment Security Office) on a short-term basis, the Company continues promoting vocational training.

Enrichment of opportunities for growth

For the purpose of enriching opportunities for the growth of our executives and employees, we organize inhouse training, etc. Furthermore, we have adopted a system for the development of human resources in order to make them function as the pool of human resources for the succession plan. This personnel development program is considered as a process to produce the next-generation management who will create the future of our company. We select candidates from our company and train them as the next-generation management in accordance with our company's Corporate Ideology.

3 Indicators and Targets

We consider the success of women as one of management issues, and it is working on creating a workplace environment to address the issues, including reforming internal awareness. Specific efforts include appointing women as directors (three female directors as of June 2024), setting up a consultation desk on securing the health of female workers on the Company's Intranet, promoting acquisition of childcare leave and leave before and after childbirth, and promoting acquisition of leave for fathers when a child is born.

Ensuring diversity

We aim to create a corporate culture in which all employees, regardless of nationality, gender, age, disability, etc., can work independently, actively, autonomously, happily and vigorously. To this end, we recognize that the vitality that comes from the diversity of our human resources is an important source of human capital, and we plan to actively recruit a diverse workforce, including women, non-Japanese, and people with disabilities, as well as proactively engage in human resource allocation, training, education, and promotion. On our website, we have set out plans and quantitative targets for the percentage of women hired, ratio of average years of service of women to average years of service of men, and the development of an employment environment that supports the balancing of work and family life for workers who are raising children (Japanese version only).

[Quantitative targets①]

To increase the ratio of women to newly recruited employees to 50% or over
Outline of initiatives:

Boost the recruitment of women

From April 1, 2021 Proactive promotion targeting female students

From April 1, 2023 To organize internships to boost the recruitment of women

From April 1, 2025 To set up a desk exclusively for the recruitment of women

	Timing	Ratio of employed women (%)		
		Full-time employees	Part-time workers	Overall
Current situation	March 2024	21.0	75.7	41.4
Plan	March 2025	47.0	50.0	48.0
	March 2026	50.0	50.0	50.0

[Quantitative targets②]

To increase the ratio of average working years for women to average working years for men to 55% or higher
Outline of initiatives:

To close the difference in average working years between men and women

From April 1, 2021 To improve the workplace culture by revising practices that are based on the view of gender roles

From April 1, 2023 To create opportunities for interaction between women as part of supporting the creation of a network over multiple site

From April 1, 2025 To regularly spread the information about the childcare leave program, shortened working hours, etc. with the company's newsletter

	Timing	Difference between male and female employees in average employment period (%)
Current situation	March 2024	39.8
Plan	March 2025	53.5
	March 2026	55.0

Promotion of Women and Non-Japanese to Management Positions

As of March 31, 2024, we have 49 female employees and 1 non-Japanese employees. As the percentage of female employees is still small, it is difficult to set a measurable target for promotion to management positions, but we will first work to improve the number of employees promoted to management positions by improving their respective employment results, and we will consider disclosing the results in the future.

From the perspective of promoting the activities of women, we will work to increase the number of options for women's career development by proactively improving the employment environment to support workers who are raising children to balance their professional lives.

Promotion of mid-career hires to management positions

As of March 31, 2024, the ratio of mid-career hires to management positions was 77.5%, and the ratio of mid-career hires to total employees was 78.9%.

Consideration toward the health and labor environment of our employees

With regard to consideration toward the health and labor environment of our employees, we pay sufficient attention to the health management of our employees, considering the results of annual health check-ups and recommending re-examinations if necessary. Furthermore, we have been reducing the overtime work of our employees through the elevation of productivity by improving the labor environment.

Toward the Realization of Well-being

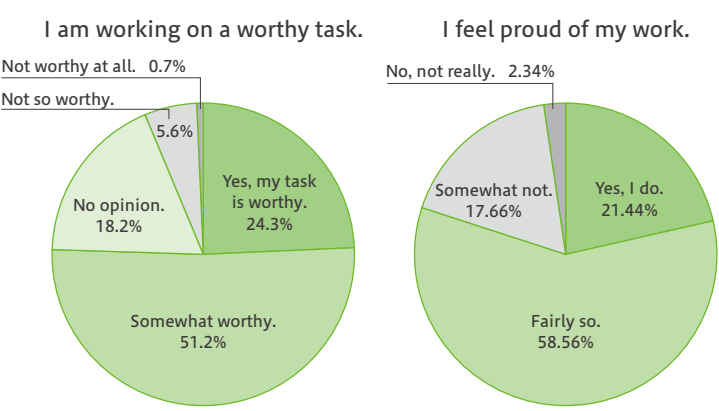
To maintain and promote the well-being and health of our employees, we implement various measures that ensure mental and physical health. In April 2024, we adopted a flextime system and a system that allows paid leave by the hour to offer work styles that suit childcare, nursing care, and other diverse individual life circumstances while enhancing employees' autonomy, improving productivity, and securing human resources in the recruitment market.

1 Initiative to ensure 100% participation in regular health checkups and follow-up examinations

We have established a procedure for all employees to submit a "health checkup completion report." As part of our initiative to promote secondary examinations, we monitor the status of these examinations, including the results, and disclose this information on the company's intranet monthly. Furthermore, to enhance health awareness among individual employees, we have incorporated health-related items into meetings with supervisors. By managing health in this manner, we have successfully kept the ratio of employees who have undergone a health checkup high.

2 Implementation of stress checks and workplace environment improvement

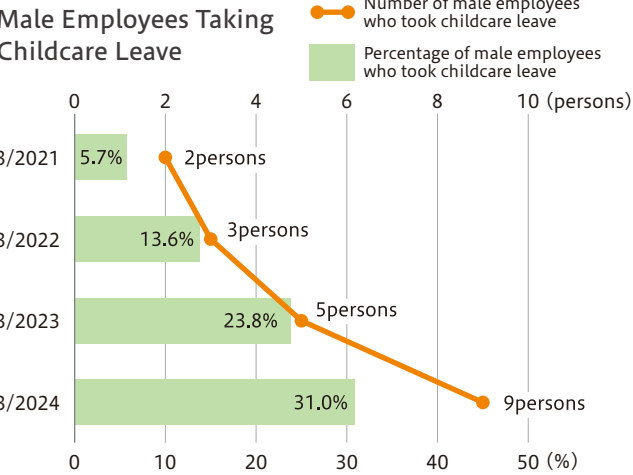
To create a workplace environment where every employee can feel a sense of fulfillment in their daily work and thrive, we have implemented stress checks and workplace improvements to prevent mental health issues among our employees. We have all employees undergo a stress check and actively encourage employees identified as highly stressed to consult with our occupational health physician. Based on the results of these stress checks, we conduct organizational factor analyses and report the findings to the board of directors and department heads. Additionally, the results of our employee satisfaction survey indicate that approximately 80% of employees approach their work positively. Through these efforts, we will continue to work on improving our workplace environment.



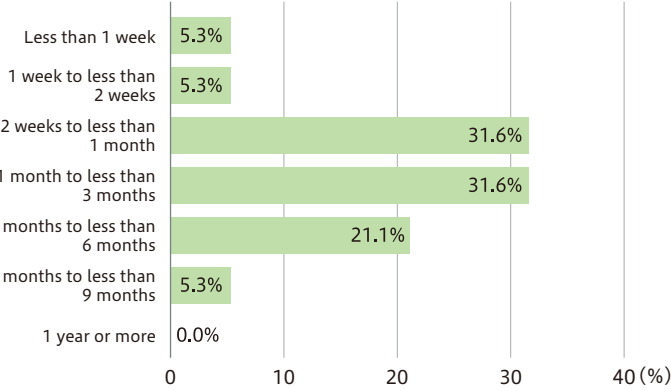
3 Efforts to improve the ratio of employees who have taken childcare leave

We have implemented systems such as maternity leave (before and after birth), paternity leave (for a newborn child), childcare leave, and reduced working hours, and we also proactively provide and disseminate information regarding work-life balance in various situations to all employees. By doing so, we aim to foster a corporate culture that supports childcare leave. Additionally, we conduct roundtable discussions and interviews with male employees who have taken childcare leave and employees raising children, which are featured in our company newsletter, and conduct training sessions for managers to increase their awareness of these systems to promote a change in mindset. Furthermore, we conduct meetings with employees both before and after their childcare leave to listen to their concerns and provide personalized support. Specifically, we offer individual consultations, including explaining the childcare leave system and calculating the "Employment Insurance Benefits for Childcare Leave" and "Social Insurance Premium Exemptions" applicable to each employee's case. These consultations are tailored to each employee's specific situation.

Male Employees Taking Childcare Leave

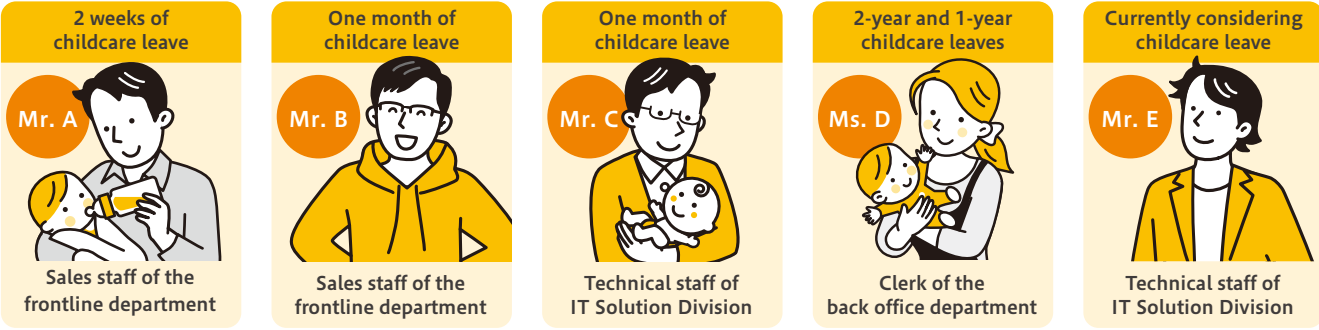


Percentage of each childcare leave period



Employees' Roundtable Discussions about Childcare Leave

We regularly hold group discussions with employees who have taken childcare leave, those planning to do so, and those considering it. These discussions focus on the experiences of employees who have taken childcare leave, including their thoughts and feelings, preparations before taking leave, changes after returning to work, and the support they received from colleagues.



Reasons for taking childcare leave

Mr. A ▶ As more and more people were taking childcare leave each year, I began to think about taking it. When I heard that a senior employee in the same department was taking childcare leave, I was surprised and thought, "I didn't know I could really take it!" It was easy for me to express my desire to take childcare leave as my seniors had taken it.

Mr. B ▶ I had not thought about taking childcare leave at first, but my immediate supervisor told me that they would support me so that I could take childcare leave, which helped me decide to take the leave. I am grateful to my supervisor for creating an environment that made it easy for me to take childcare leave.

Good things about taking childcare leave
Thoughts and changes in work after returning to work

Mr. C ▶ The good thing about taking childcare leave is that it has strengthened our family ties. While I had sometimes felt that I was the one working, I came to understand the challenges of child-rearing and developed a greater appreciation and respect for my wife. Additionally, I have been able to apply my experience of facing the challenges with the extensive preparations and unexpected situations during childcare to my work.

Ms. D ▶ Since returning to work, I have been working shorter hours, and am conscious of working efficiently by waking up at 4:30 am to complete tasks such as laundry and preparing breakfast before my children wake up. I have been striving to simplify tasks within my working hours and leave work on time by devising new ways to work. I believe that my work efficiency has improved compared to before I took childcare leave.

Duration of childcare leave

Mr. A ▶ I took two weeks from the day my second child was born, to be with the child the moment the child was born. During the childcare leave, I traveled back and forth between the hospital where my wife was hospitalized and home to take care of our older child. I was glad to be able to devote myself to childcare.

Mr. C ▶ I took one month of childcare leave immediately after my child's birth. As my wife was exhausted from childbirth, I resolved to handle all household chores and childcare, except breastfeeding. Now that my wife is returning to work, I am considering taking another six months of childcare leave.

Balancing work and childcare

Mr. E ▶ My department has a supportive atmosphere for taking childcare leave, but I feel a barrier to taking it due to the difficulty of handing over work in a short period. Since I can support my family even with telework, I am considering the option of not taking childcare leave. Please tell me the reasons why I should take it.

Ms. D ▶ Instead of stressing about not being able to reply right away or fix problems when working from home, I believe it is better to hand over tasks in a planned manner so that you can take proper breaks and enjoy your time off.

Mr. C ▶ Even if I were working remotely to support my family, I believe that inconsistent support could actually lead to dissatisfaction from my family members. While preparing for childcare leave was challenging, I was delighted that my team members were very supportive and eager to help.

Corporate Governance

Basic Policy on Corporate Governance

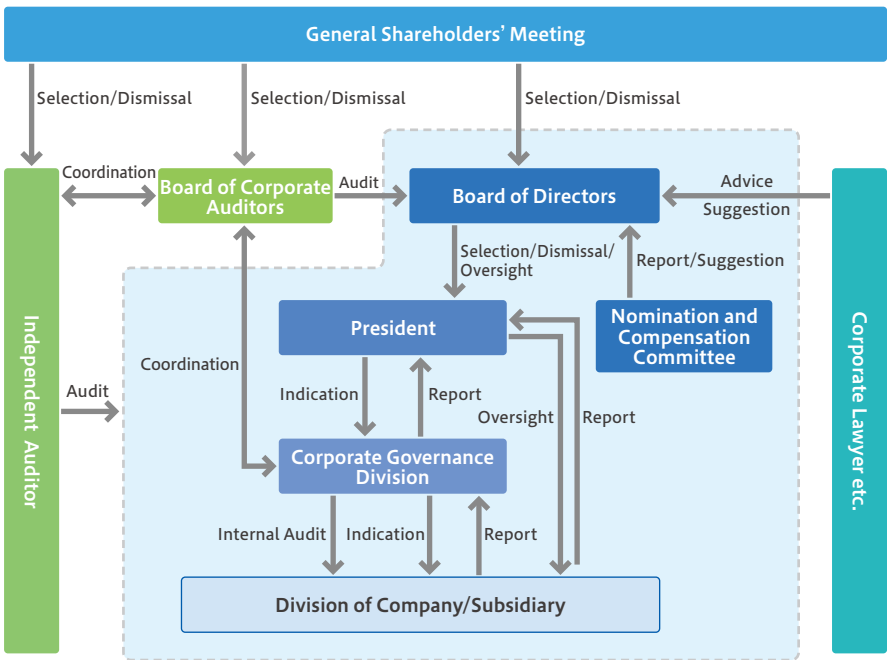


The purpose of corporate governance is to engage in highly transparent and sound management that earns the trust of the society, in addition to enhancing corporate value by ensuring consistent and stable profits and future expansion of the Group's business. We believe that managing the business while taking constant care to maximize profits for stakeholders including customers, employees, shareholders, investors, business partners, government, and local communities helps enhance its value as a member of society. We will continue working hard to establish a highly transparent and sound management system by implementing thorough compliance (observance of laws and regulations), reinforcing monitoring functions, and disclosing information in a timely, appropriate, and fair manner.

Corporate Governance System

1 Board of Directors

As the Company's decision-making body, the Board of Directors currently consists of twelve directors (of whom four are outside directors (1 male, 3 females)). They hold regular monthly meetings and extraordinary meetings as necessary and deliberate and resolve matters that are stipulated in the "Rules of the Board of Directors." The directors have the authority to execute the business in charge and play a role for monitoring and overseeing the actions of other directors and matters to be discussed at the Board of Directors. In order to limit the number of directors to 20 and further clarify the responsibilities of directors, the Articles of Incorporation stipulate that the term of office of directors shall be until the conclusion of the Ordinary General Shareholders' Meeting concerning the business year to end within one year after election of the directors. In addition, the Company has the executive officer system aimed at delegating the directors' authority over business execution according to the size of the company and the expansion of the organization. In the executive officer system of the Company, the executive officers responsible for a specific division are given the same authority as the directors, and they must report to the Board of Directors from time to time regarding the execution status of the duties in charge.

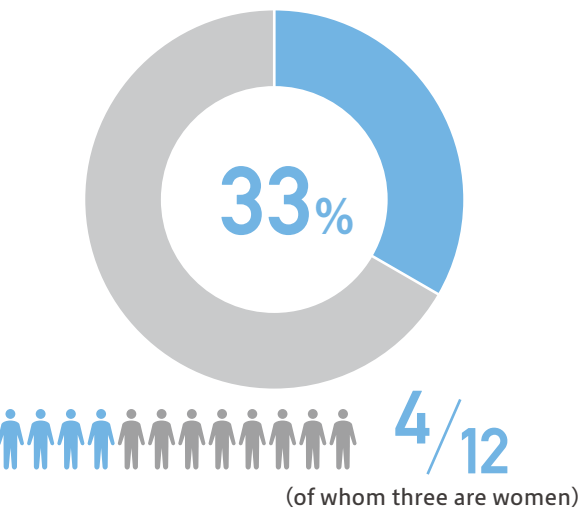


2 Board of Auditors

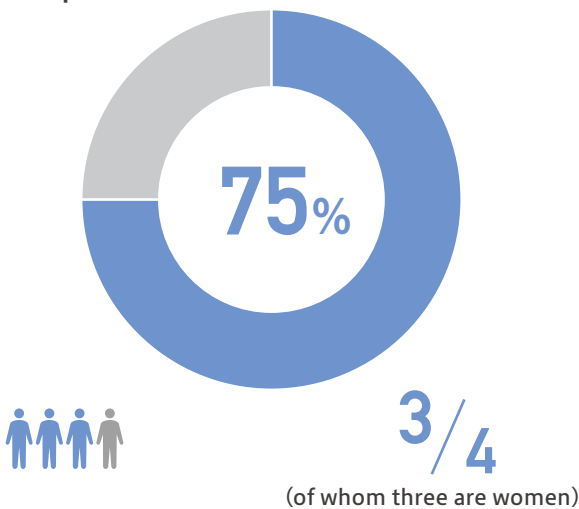
Currently, the Company is strengthening the system to monitor and supervise corporate management by the Board of Auditors, currently consisting of four auditors (out of which, four are outside auditors). A meeting of the Board of Auditors is basically held once a month to share information among the auditors. The auditors check the status of execution of duties by the director and status of the development and operation of internal control of the Company by attending the Board of Directors, inspecting documents and interviewing related parties. In addition, at the end of each fiscal year, based on the audit results of the accounting auditor, audits are conducted mainly using business reports, financial statements, supplementary schedules, and other shareholder meeting submissions, and the auditors submit reports to the president. The Company's Articles of Incorporation stipulate that the maximum number of corporate auditors of the Company shall be five.

Structure of the Board of Directors and the Nomination and Compensation Committee

Proportion and number of outside directors on the Board of Directors



Proportion and number of outside directors on the Nomination and Compensation Committee



Activities of the Nomination and Compensation Committee

Meeting date	Attendance	Major items discussed
August 2023	All three members present	We reviewed the fiscal year ended March 31, 2023, checked the basic policy, and identified issues. The Nomination and Compensation Committee plan for the fiscal year ending March 31, 2024.
October 2023	All three members present	Listing of director candidates Reconsideration of the composition of compensation for executives
December 2023	All three members present	Achievements and evaluation of director candidates, and their appropriateness Revisions to the compensation system for executives, and appropriateness of evaluation results
January 2024	All three members present	Decision on the new executive system (decision on results to be reported to the Board of Directors) Decision on the compensation for executives (determining compensation for executives based on the evaluation of achievements and the evaluation of each director)
March 2024	All three members present	Director candidates to be announced at the 46th Regular General Shareholders' Meeting, skill matrix and reasons for the election of new outside directors to be stated on the Notice of Convocation of this Meeting

We have established the Nomination and Compensation Committee as a discretionary advisory body to the Board of Directors to strengthen the independence, objectivity, and accountability of the functions of the Board of Directors related to the nomination and compensation of directors. The Nomination and Compensation Committee discusses matters when consulted by the Board of Directors and reports the results of the discussions to the Board of Directors. The Nomination and Compensation Committee is composed of three directors, including two outside directors who are independent from management, and is chaired by Ms. Yumiko Sakurai, an outside director. The members of the Nomination and Compensation Committee for the fiscal year ending March 2024 are as follows: Outside Director Yumiko Sakurai, Outside Director Eriko Kitayama, President and Representative Director Kenji Kamiya. For the fiscal year ending March 2025, the Committee consists of four directors, including three outside directors who are independent from management, and Ms. Eriko Kitayama, an outside director, serves as chairperson. For the fiscal year ending March 2025, the members of the Nomination and Compensation Committee are as follows: Outside Director Eriko Kitayama, Outside Director Mika Kimata, Outside Director Mari Suzuki, President and Representative Director Kenji Kamiya.



Board of Directors Skills Matrix

Position	Name	Business Management	Legal Affairs/ Compliance	Finance and Accounting/ Tax Affairs	Marketing/ Sales	IT/Digital	Human Resources/ Development
Chairman and Representative Director	Hiroichi Yokoyama	○	○				○
President and Representative Director	Kenji Kamiya	○	○		○		
Vice President and Representative Director	Mitsuhiro Munehira	○			○	○	
Senior Managing Director	Motohisa Yokoyama	○	○	○			
Senior Managing Director	Toru Shiraki	○			○	○	
Senior Managing Director	Noriyuki Udo	○			○		○
Managing Director	Shigeyoshi Shimizu	○	○	○			
Director	Akihiro Matsuzawa	○			○	○	
Outside Director	Eriko Kitayama	○			○		○
Outside Director	Masami Kajiura	○			○		○
Outside Director	Mika Kimata			○			
Outside Director	Mari Suzuki		○				

We select and nominate candidates for the Board of Directors based on a comprehensive judgment that they fully understand the Company's management philosophy, have sufficient knowledge and experience to fulfill their roles and responsibilities, and have the insight to ensure compliance with laws and regulations and corporate ethics. The Board of Directors determines director candidates based on a matrix listing the principal skills, careers, and expertise of each director, taking into consideration the combination of the number of directors and areas of expertise appropriate to the organizational structure of the company.

With regard to internal directors, the Company takes into consideration the balance of knowledge,experience, and abilities by appointing directors who are well versed in their respective fields based on the results of deliberations by the Nomination and Compensation Committee, which was established as a voluntary advisory body. Outside directors are selected based on the results of deliberations by the Nomination and Compensation Committee, with an awareness of their experience and diversity, including the fields in which they come from. The Company discloses this matrix and other policies regarding the election of directors in the Notice of the General Meeting of Shareholders and other documents.

We select and nominate candidates for corporate auditor based on a comprehensive judgment of their ability to contribute to the soundness of management by striving to maintain and improve the sound management and social credibility of the Group and by auditing the overall execution of duties by directors from an independent, neutral, and objective standpoint. In addition, we consider whether outside directors can fulfill their management supervisory function to the Company's management from a neutral, fair, and objective standpoint. In addition, in the event that there is a suspicion of negligence, misconduct, or material violation of laws, regulations, or the Articles of Incorporation by an officer in the performance of his or her duties, or in the event that the officer is unable to continue to perform his or her duties due to health reasons, the Board of Directors will take the necessary procedures for dismissal.

Situation of Independent Executives

Position	Name	Independent officer status	Reason for Appointment
Outside Directors	Eriko Kitayama	○	As Ms. Eriko Kitayama possesses plenty of experience and broad knowledge of all management affairs as representative director of Champions Group (Japan) Co., Ltd. and GlobeLink Ltd., it was considered that she is suited for overseeing business administration from an independent standpoint and an objective viewpoint, so she was appointed as an outside director.
Outside Directors	Masami Kajiura	○	Mr. Masami Kajiura possesses profound knowledge of the marketing and sales divisions of international enterprises, so it was considered that he is suited for expressing his opinions from an objective viewpoint to improve the rationality and transparency of business administration of Ubicom and overseeing business administration from an independent standpoint and an objective viewpoint by utilizing his broad knowledge and experience as a college professor, and he was appointed as an outside director.
Outside Directors	Mika Kimata	○	Ms. Mika Kimata possesses plenty of experience and knowledge of finance and accounting as a certified public accountant, so it was considered that she is suited for overseeing business administration from an objective viewpoint and has talent and insight for helping improving the soundness and transparency of business administration, and she was appointed as an outside director.
Outside Directors	Mari Suzuki	○	Ms. Mari Suzuki is versed in corporate legal affairs as a lawyer and possesses sufficient insight for business administration, so it was concluded that she would be able to improve the rationality and transparency of management and strengthen the supervising function of the board of directors by giving opinions and suggestions about the governance of the corporate group. Accordingly, she was appointed as an outside director.
Full-time Corporate Auditors (Outside Corporate Auditor)	Shinji Yamada	○	Mr. Yamada has served in key positions at NIPPO LTD. has extensive experience and knowledge as a corporate auditor. He has also been appointed as an Outside Corporate Auditor because we believe that he has the qualifications and insight to audit the business execution of Directors from a fair and objective standpoint and contribute to the improvement of the soundness and transparency of management.
Full-time Corporate Auditors (Outside Corporate Auditor)	Hiroshi Tokano	○	Mr. Tokano has served in key positions at Kirin Brewery Company, Limited and Kirin Group Companies has extensive experience and knowledge as a corporate auditor. He has also been appointed as an Outside Corporate Auditor because we believe that he has the qualifications and insight to audit the business execution of Directors from a fair and objective standpoint and contribute to the improvement of the soundness and transparency of management.
Full-time Corporate Auditors (Outside Corporate Auditor)	Arata Tominaga	○	Mr. Tominaga has a wealth of experience and knowledge in the financial and IT fields, including many years at the Bank of Japan, where he led system development and system risk assessments for financial institutions. He has also been appointed as an Outside Corporate Auditor because we believe that he has the qualifications and insight to audit the business execution of Directors from a fair and objective standpoint and contribute to the improvement of the soundness and transparency of management.
Corporate Auditors (Outside Corporate Auditor)	Hitoshi Saiga	○	Mr. Saiga is a certified public accountant and tax accountant with extensive experience and knowledge in the fields of finance and accounting. In addition, it was concluded, from the fair and objective review of his performance as a director, that he possesses the qualifications and insight to contribute to the improvement in the soundness and transparency of our business administration. Accordingly, he was appointed as an Outside Corporate Auditor.

Reporting Line for Internal Audits

We have formulated a charter of corporate behavior, regulations for compliance with laws, and risk management regulations, and a system to prevent risks from occurring and control them.

In addition, our company has established the Corporate Governance Division (six members) for the purpose of contributing to the improvement of operational efficiency, profitability, and the preservation of our company's assets. Based on the audit plan drafted at the beginning of the fiscal year, the Corporate Governance Division visits each branch office, sales office, and subsidiary in Japan and mainly cross-checks internal rules and practices and audits the management/maintenance status of financial records. With regard to matters pointed out in the audit, our company gives instructions for improvement, checks the results of the subsequent improvement, and strives to improve operations. Our company conducts the audit while maintaining a cooperative system with the Board of Corporate Auditors and Accounting Auditors. As a reporting line, audit results are regularly reported to the President and Representative Director, Auditors, the Board of Corporate Auditors, and the Internal Control Committee. In addition, when matters pointed out in internal audits occur, the details, countermeasures, and progress are reported to the Board of Directors as an internal control report. With regard to the status of cooperation between the Auditors and the relevant Corporate Governance Division, our company strives to share information by exchanging opinions when necessary and confirming the latest status, etc. In addition to regular audits, the Corporate Governance Division receives monthly reports on internal control matters from subsidiaries and reports on internal control matters at the subsidiaries to the Board of Directors at regular meetings.

Furthermore, the Internal Control Committee, which is chaired by the President and Representative Director, meets regularly once a month for the purpose of supervising the status of compliance with the Charter of Corporate Behavior and whether or not the establishment and operation of the internal risk control system are conducted appropriately, and the internal control system is constantly reviewed on the spot.

Financial Information

Financial highlight

	2020	2021	2022	2023	2024
[Millions of yen]					
Net sales	58,746	55,395	57,244	105,317	115,631
Operating profit	5,126	5,847	6,335	7,114	7,894
Ordinary profit	5,310	6,010	6,525	6,683	8,427
Profit attributable to owners of parent	4,957	4,730	5,822	4,189	5,552
EBITDA *1	6,444	7,168	7,574	8,624	9,250
Profit after adjustment *2	5,386	5,152	6,183	4,710	5,771
Cash flow from operating activities	6,014	6,574	4,425	4,200	4,399
Cash flow from investing activities	401	△898	1,565	△4,508	△1,430
Cash flow from financing activities	△4,459	△1,530	△1,547	△2,128	△984
Free cash flow	6,415	5,676	5,991	△307	2,968
Cash and cash equivalents at end of term	17,336	21,485	25,939	23,494	25,485
Total assets	44,640	49,318	54,371	60,286	66,156
Total net assets (capital)	31,848	35,726	40,132	43,015	47,244
Capital	1,849	1,849	1,849	1,849	1,849
[persons]					
No. of employees	1,456	1,416	1,302	1,468	1,523

Data per share

	2020	2021	2022	2023	2024
[yen]					
Basic earnings per share	123.49	117.79	144.91	104.19	137.96
Net assets per share	792.27	888.80	997.54	1,061.24	1,164.80
Dividend per share	27.50	25.00	35.00	35.00	42.50

Management indicators

	2020	2021	2022	2023	2024
[%]					
Operating margin	8.7	10.6	11.1	6.8	6.8
EBITDA margin	11.0	12.9	13.2	8.2	8.0
Return on equity (ROE) *3	16.6	14.0	15.4	10.1	12.4
Return on asset (ROA) *4	12.0	12.8	12.6	11.7	13.3
Capital adequacy ratio	71.3	72.4	73.7	70.8	70.9

* The Company has adopted the "accounting standard regarding revenue recognition" (Corporate Accounting Standards No. 29, March 31, 2020), etc. from the beginning of the Year ended March 31, 2022 consolidated accounting period.

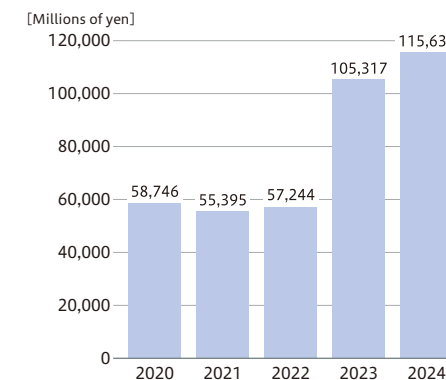
*1 EBITDA= Operating profit + Depreciation + Amortization of goodwill

*2 Net income after adjustment = Profit attributable to owners of parent + Amortization of goodwill

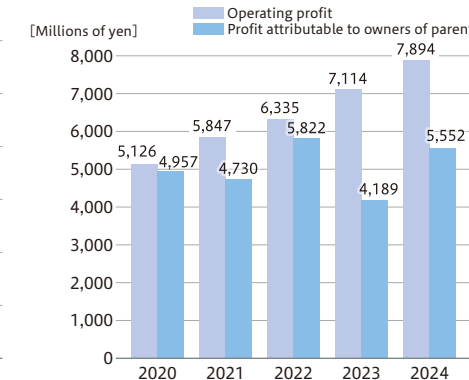
*3 Return on equity (ROE) = Profit attributable to owners of parent ÷ Average equity capital × 100

*4 Return on asset (ROA) = Ordinary profit ÷ Average total assets × 100

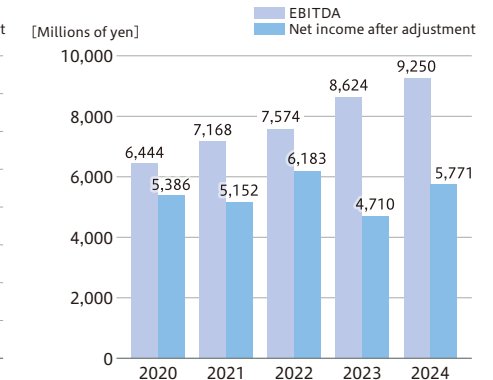
Net sales



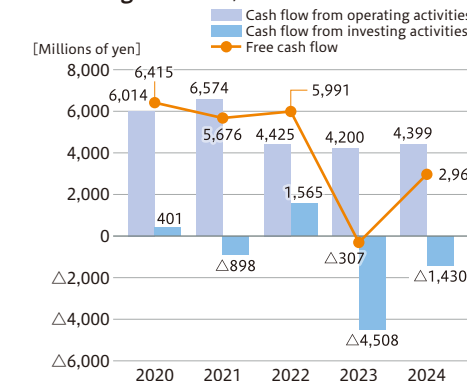
Operating profit / Profit attributable to owners of parent



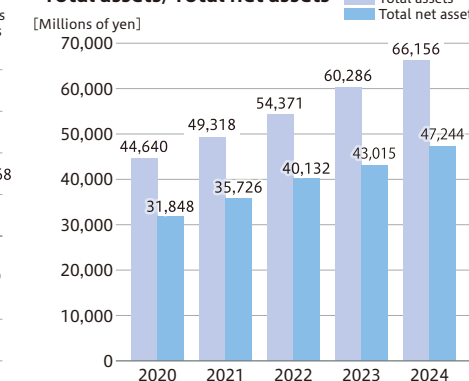
EBITDA / Profit after adjustment



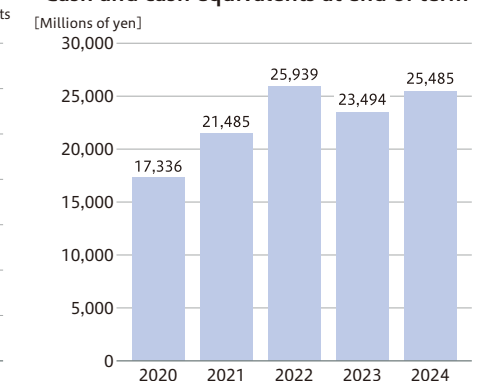
Cash flow from operating/ investing activities, free cash flow



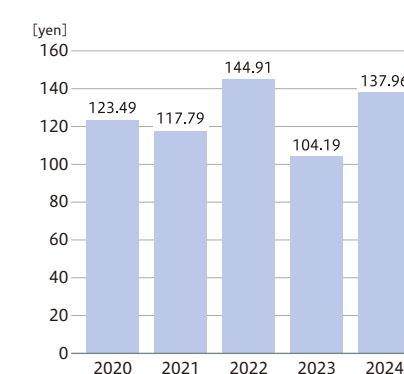
Total assets/Total net assets



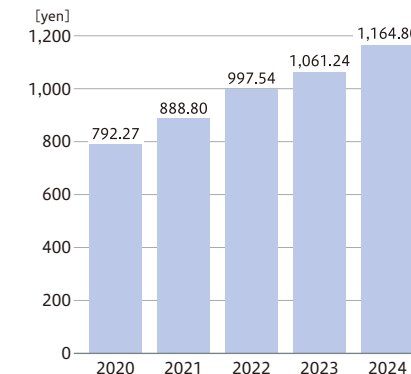
Cash and cash equivalents at end of term



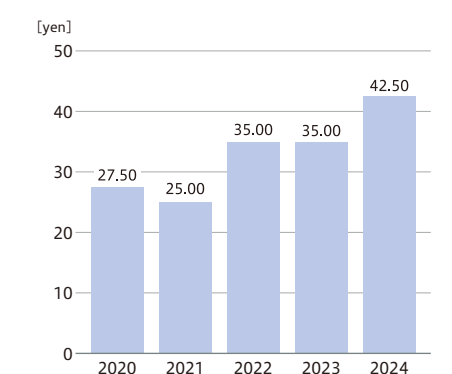
Basic earnings per share



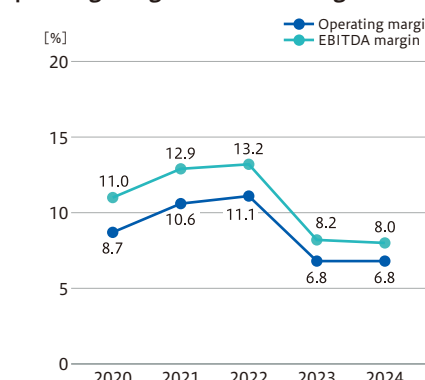
Net assets per share



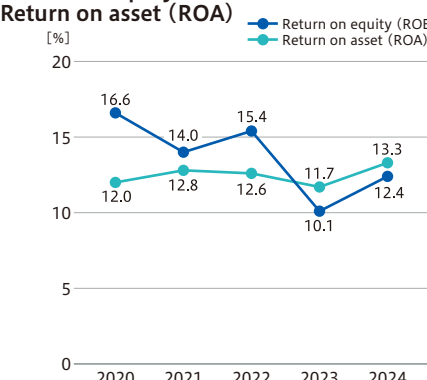
Dividend per share



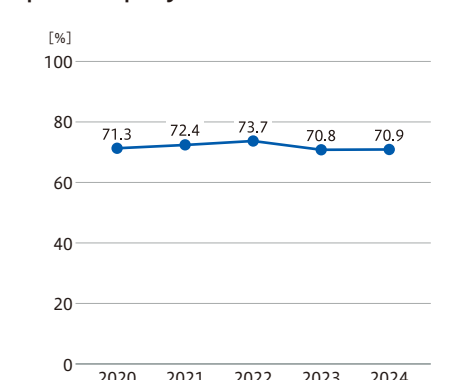
Operating margin / EBITDA margin



Return on equity (ROE) / Return on asset (ROA)



Capital adequacy ratio



Financial Strategy

Financial Strategy

The PROTO Group promotes management that is conscious of the cost of capital, and aims to continuously generate returns that exceed the cost of capital. To achieve this goal, we will strive for business growth based on a balance between promoting investment in growth(Reinvestment in existing businesses,M&A), ensuring financial soundness, and strengthening returns to our stakeholders.

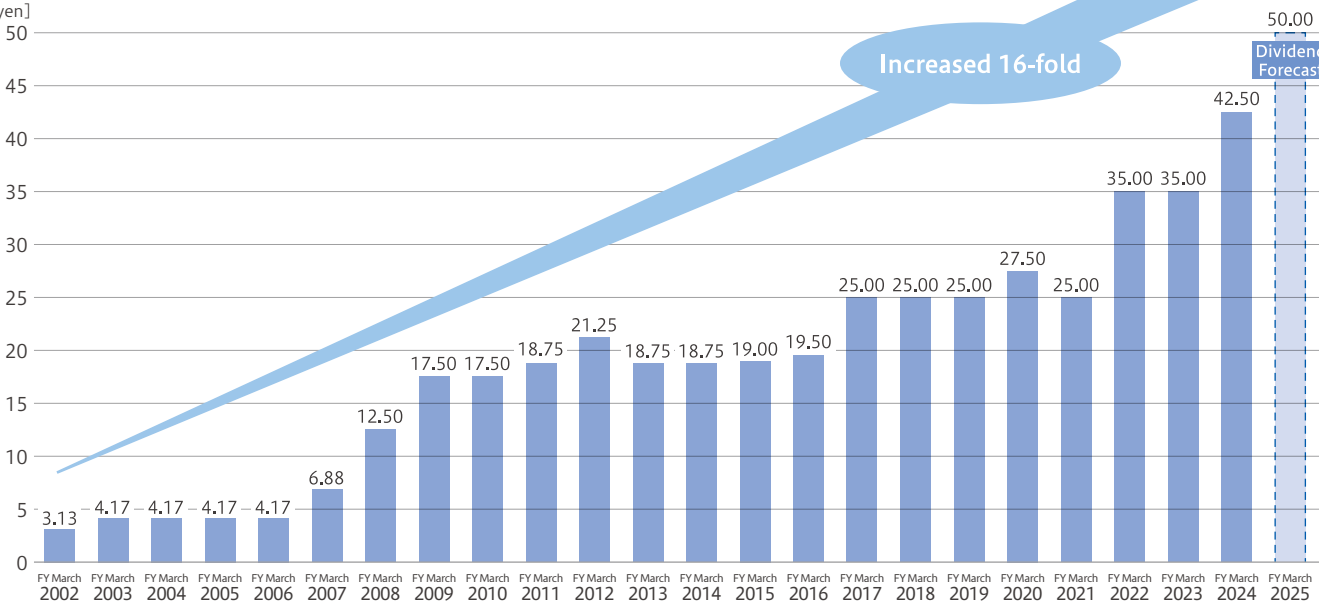
Financial Policy

Sustainable enhancement of corporate value	Realization of ROE of 12% or more
Promoting investment in growth	Promote ROIC-conscious growth and business investment
Ensuring financial soundness	Cash and deposits of approximately 3 months of monthly sales Capital adequacy ratio of 50% or more
Strengthening returns to our stakeholders	Strengthen returns to customers, employees, and shareholders

Policy for Profit Sharing with Shareholders

We will make efforts to return profits to shareholders while comprehensively considering continuous, stable dividends, the enrichment of internal reserves 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.

Transition of Dividends(per share)

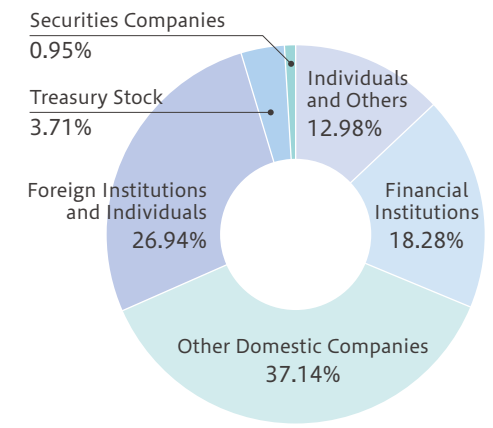


*The dividend for the fiscal year ended March 31, 2012 includes a commemorative dividend of "2.5 yen" for the 10th anniversary of our listing.
*The dividend for the fiscal year ended March 31, 2020 includes a commemorative dividend of "2.5 yen" for the market change to the First Section of the Tokyo Stock Exchange.
*The Company conducted a 1.2-for-1 stock split of common stock on October 26, 2006. In addition, on October 1, 2012 and July 1, 2019, the Company conducted a two-for-one stock split of its common stock. Dividends for the fiscal year ended March 31, 2019 and before have been adjusted retroactively to take into account this impact.

Stock Information

Shareholder Information

Number of Shares Issued
41,925,300shares
Number of Shareholders
4,928persons



Major Shareholders

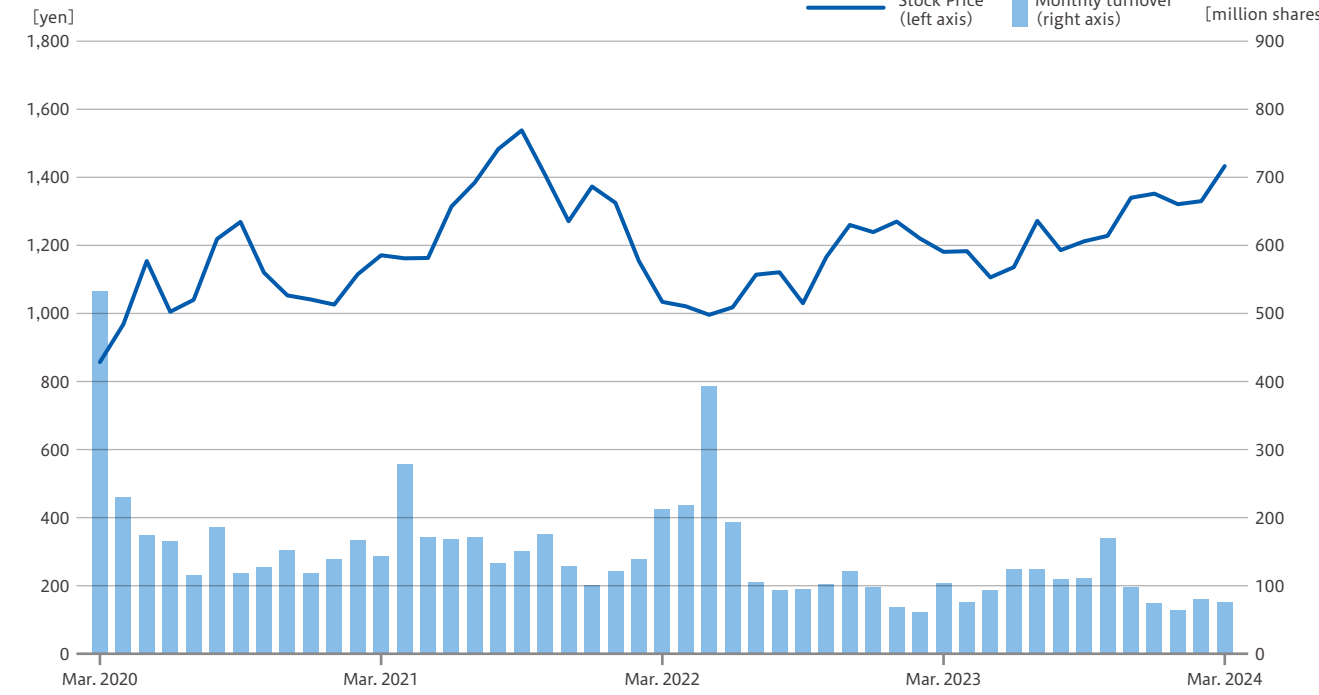
	Shareholder	Number of Shares Held (shares)	Ownership (%)
1	Mugen Corporation	13,614,480	33.72
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	4,484,800	11.10
3	JPLLC CLIENT ASSETS-SK J	1,891,370	4.68
4	Custody Bank of Japan, Ltd. (Trust Account)	1,712,400	4.24
5	PERSHING-DIV.OF DLJ SECS.CORP.	1,658,100	4.10

*We holds 1,553,807 treasury shares, but our company is not included in major shareholders.
*The above ownership was calculated while excluding treasury shares (1,553,807 treasury shares). Treasury shares do not include the shares in our company held by Employee Stock Ownership Plan in accordance with the regulations for issuance of shares.

The Adoption of “ESOP Trust”

In order to improve our business performance in the medium/long term and enhance our corporate value, we will foster the employees’ willingness to get involved with business administration and increase our company’s share price from a medium/long-term viewpoint, to realize “stakeholder-oriented management” and adopt this system as “investment in human capital” for improving our corporate value in a sustainable manner. Through the adoption of ESOP Trust, the employees will be able to receive economic benefits if the share price rises. Accordingly, this system is expected to motivate the employees to perform while considering the share price and work harder. In addition, the voting rights for our company’s shares, which are the assets of ESOP Trust, will be exercised while reflecting the thoughts of the employees, who are beneficiary candidates. Accordingly, this plan is effective for improving corporate value by encouraging employees to get involved with business administration.

Share Price Movement



Company Information

Company Profile

Company Name	PROTO CORPORATION
Common Stock	1,849.21 million yen
Founded	October 1, 1977
Established	June 1, 1979
Number of employee	536 (non-consolidated) / 1,523 (consolidated)
Location of business establishments	[Head Offices] Nagoya, Tokyo
	[Branch Offices] Sapporo, Sendai, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto
	[Sales Offices] Akita, Morioka, Koriyama, Mito, Saitama, Chiba, Yokohama, Niigata, Shizuoka, Numazu, Gifu, Yokkaichi, Toyama, Kyoto, Himeji, Okayama, Yamaguchi, Takamatsu, Kitakyushu, Kagoshima, Toma ROSSO TOGO FARM, Kitchen Labo, MIHAMA AQUA FARM
Stock Exchange Listing	Tokyo Stock Exchange Prime Market / Nagoya Stock Exchange Premier Market (Stock Code 4298)
Corporate Site	https://www.proto-g.co.jp/
Investor Relations Site	https://www.proto-g.co.jp/IR/
Sustainability Site	https://www.proto-g.co.jp/sustainability/



CODE BASE TOKYO / NAGOYA / OKINAWA
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<https://codebase.proto-g.co.jp/>
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History

