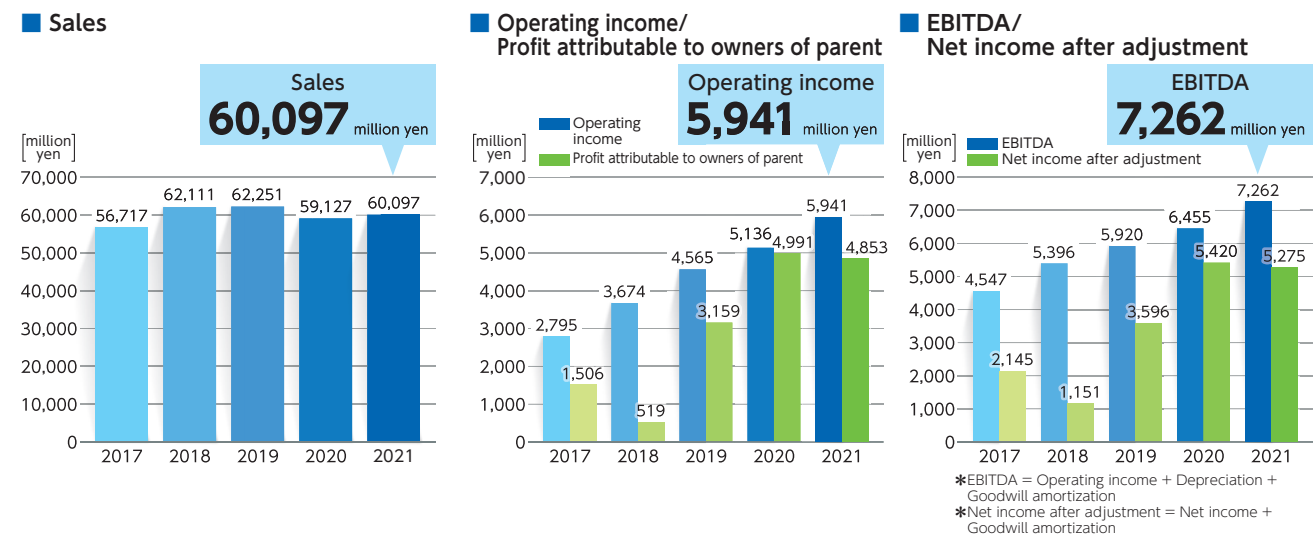


Highlights of Business Results

Financial highlight	2017	2018	2019	2020	2021
Sales	56,717	62,111	62,251	59,127	60,097
Operating income	2,795	3,674	4,565	5,136	5,941
Ordinary income	2,883	3,735	5,004	5,354	6,118
Profit attributable to owners of parent	1,506	519	3,159	4,991	4,853
EBITDA *1	4,547	5,396	5,920	6,455	7,262
Net income after adjustment *2	2,145	1,151	3,596	5,420	5,275

*1 EBITDA= Operating income+ Depreciation + Goodwill amortization
 *2 Net income after adjustment = Net income + Goodwill amortization



Corporate Profile

Corporate Name	PROTO CORPORATION
Established	June 1, 1979 (Founded: October 1, 1977)
Common Stock	1,849 million yen (As of March 31, 2021)
Shares Outstanding	41,925,300 shares (As of March 31, 2021)
Head Offices	1-23-14 Aoi, Naka-ku, Nagoya-shi, Aichi 460-0006 Japan 6-18-1 Nishishinjuku, Shinjuku-ku, Tokyo 160-0023 Japan
Branch Offices	Sapporo, Sendai, Takasaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto (35 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	1,416 (consolidated) / 553 (non-consolidated) (As of March 31, 2021)
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya Stock Exchange, First Section
Subsidiary (As of October 31, 2021)	<div> 1. AUTOWAY Co., Ltd. 2. TIRE WORLD KAN BEST CO., LTD. 3. GOONET EXCHANGE (Former Kings Auto) 4. PROTO-RIOS INC. 5. CAR CREDO Co., Ltd. 6. CAR BRICKS Co., Ltd. 7. PROTO SOLUTION Co., Ltd. </div> <div> 8. OKINAWA CALL STAFF SERVICE Co., LTD 9. Associe Co., Ltd 10. PROTO Ventures 11. PROTO Ventures 2 Investment Limited Partnership 12. Onion Inc. 13. CAR CREDO (Thailand) Co., Ltd. 14. UB Datatech, Inc. ※Investment ratio: 33.3% </div>



Corporate website

IR site

PROTO CORPORATION

<https://www.proto-g.co.jp/>

<https://www.proto-g.co.jp/IR/>

Printed in Japan

2021 Annual (ESG) Report





Corporate goal and ideology

Corporate goal

— A company that continues to change for the future —
CHANGING COMPANY

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 convert the data of today into the wisdom of tomorrow,
and contribute to society with dreams, inspirations, and joy.**

We want our company to be an entity brimming with a sense of expectation to change the future by connecting people through “Dreams,” “Impressions” and “Fun!”. This super smart society which skillfully uses AI will greatly change people’s lifestyles and workstyles, but what lies in the foundation of those who create such a society is a more human-like sensitivity. Depicting “Dreams” in this society of the future, human beings being “Impressed,” and above all having “Fun!”. Such human-like actions continue to bring forth new values in society. The times are facing an unprecedented turning point, and what was once considered to be common sense is no longer applicable today. We look at this change not as a threat, but as a “Perfect Opportunity to Depict our Dreams for the Future,” and when each of our employees to try to achieve their “Dreams,” it will depict society through “Impressions” and “Fun!”.

Thinking about the dreams of the future is fun,
being impressed is even more fun, and
endeavoring to achieve them is even more fun.

We want to lead this era of AI, placing value in our advancement, our creativity and above all, our humanity.

Personality **R**ealize **O**riginal **T**otal **O**ffer

We “realize” “original” products based on our “personality” and
“totally offer” them to society.



Top Message

President Kenji Kamiya



Providing "peace of mind" to Goo-net users

Our company operates the car information media "Goo-net" in order to meet the expectations of users who want to "select an ideal car" in the used car market where information asymmetry tends to occur. Also, in order to provide highly transparent information, our corporate group conducts approximately 610,000 car inspections annually. By disclosing detailed information on the condition of inspected used cars, we create an environment where users can purchase used cars with confidence.

The Future of PROTO CORPORATION

In 1977, we published Japan's first used car information magazine, and in the late 1990s, we launched the Internet version of Goo-net. Since then, with the goal of establishing a position in the automotive industry, we have expanded into many fields including the new car field, maintenance field, used car export field, tire field, and aftermarket. Currently, we are promoting DX in various fields and releasing products utilizing big data and AI under the management philosophy of "to convert the data of today into the wisdom of tomorrow, and contribute to society with dreams, inspirations, and joy."

Our goal is to build the No.1 platform in the automotive information industry by using the vast amount of data we have obtained so far, and to provide comprehensive support for car owners. We also aim to create new businesses that would contribute to solving social issues by utilizing the resources of our automobile-related business.

About ESG Initiatives

We recognize that the ESG perspective is essential in considering the future of management and in evaluating current management. Through dialogue with our various stakeholders, we will accurately understand the demand of society and take appropriate action to create social value (contribution to solving social issues) and economic value (profits generated by increasing corporate value), with the aim of realizing a sustainable society.

Position to be pursued in the future

**Innovating car life through DX,
aiming to build the industry's No.1 platform**



Basic Policy for Sustainability

Our management philosophy is "to convert the data of today into the wisdom of tomorrow, 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 making these efforts, we will fulfill our responsibility to society by accurately grasping the demand of society through responsible dialogue with our diverse stakeholders (customers, employees, shareholders, investors, business partners, government, local communities, etc.) and taking appropriate action.

Environment

We believe that sustainability is an important matter when an enterprise continues its activities. As part of our efforts to address global environmental issues, we are promoting the switch to LED lighting, office automation equipment, and servers that consume less power. The electricity consumption of PROTO CORPORATION in the fiscal year ended March 31, 2021 was 926,553 kwh, and we will continue to promote the continuous reduction of electricity consumption.

In addition, although the social impact of climate change-related risks is weaker than that of social and governance risks due to the nature of our business, we voluntarily incorporate environmental resource reduction and energy conservation into our business activities and promote them through the operation of the Internal Control Committee in order to enhance sustainability not only for ourselves, but also for the automobile-related industry and society as a whole. In the future, we will contribute to the promotion of the transition to a decarbonized society by proactively taking measures against climate change based on the TCFD framework.



Social

Eliminating and addressing information asymmetry in the used car industry

In the used car market, where information asymmetry tends to occur, we stand between sellers and buyers through our car information media "Goo-net" and provide a sufficient amount of information for decision-making, while pursuing high transparency and reliability of the quality of the information, in order for users (buyers) to purchase used cars with peace of mind.

**The Goo-net website (Japanese version) is here → <https://www.goo-net.com/>*

Car condition information disclosure service

In order to pursue the high transparency and reliability of the quality of information, we conduct the "ID cars (Goo-inspection + Used Cars Certified by Makers)" service for the disclosure of car condition information and provide inspection information.

This information allows users to purchase used cars with peace of mind, as they can check the condition of the exterior, interior, engine, restoration history, etc. through the online "Vehicle Condition Appraisal Report," which in turn contributes to the high purchase rate in Goo-net.

**For more information about ID cars is here (Japanese version) → <https://www.idsyaryo.com/>*

**For more information about Goo-inspection, is here (Japanese version) → <https://www.goo-net.com/kantei/>*

Promoting digitalization in the automotive industry

Our company is promoting DX in the automobile-related industry and is investing in software to improve operational efficiency and user communication.

Business operation streamlining tool for used car dealers **MOTOR GATE AI**



Based on photos of used cars, AI automatically generates information about used car listings on Goo-net and comments about car models, which contribute to the improvement of access. It reduces data registration time for used car dealers by approximately 50% (compared to conventional systems).

Business operation streamlining tool for new car dealers **DataLine AI Assessment**



By combining our big data and artificial intelligence (AI), this service can instantly and automatically calculate the appraisal value of each car. The system improves the efficiency of the assessment of cars, which is said to be difficult because the condition varies from one car to another.

Business operation streamlining tools for automotive maintenance shops **AI Chatbot**



The AI staff member "LinKa" listens to each user's desired service through chat, and guides the user to make a reservation for the date and time of the visit to a maintenance shop. The system provides users with optimal information about the technical and difficult-to-understand maintenance work, and improves the efficiency of operations at maintenance shops through the use of AI for reception work.

In addition to the above, we have also released a variety of other services.

We will continue to develop DX-related services and contribute to the promotion of digitization and business efficiency improvement in the automotive industry.

Social

Aiming to be a company where employees can work with enthusiasm and energy

We believe that in order to fulfill our corporate social responsibility, it is important to not only respect human rights, but also promote businesses that contribute to the sustainability of people, society, and the planet. To this end, we have established the Charter of Corporate Behavior, which serves as the foundation for all our corporate activities, and we strive to act with high ethical standards.

**The full text of the Charter of Corporate Behavior is here (Japanese version)*
→ <https://www.proto-g.co.jp/proto/charter.html>

Ensuring Diversity

We aim to create a corporate culture in which all employees, regardless of nationality, gender, age, or disability, can work independently, proactively, and autonomously, with enthusiasm and joy. To achieve this goal, we recognize that the vitality derived 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, the non-Japanese, and people with disabilities, as well as to take proactive measures in the placement, training, education, and promotion of these people.

On our website, we have set out plans and quantitative targets for the ratio of female employees, the average length of service of female employees, and the development of an employment environment that supports the balancing of work and family life for workers who are raising children.

**The full text of the General Business Owner's Action Plan is here (Japanese version)*
→ <https://www.proto-g.co.jp/proto/general.html/>

Initiatives through in-house newsletters

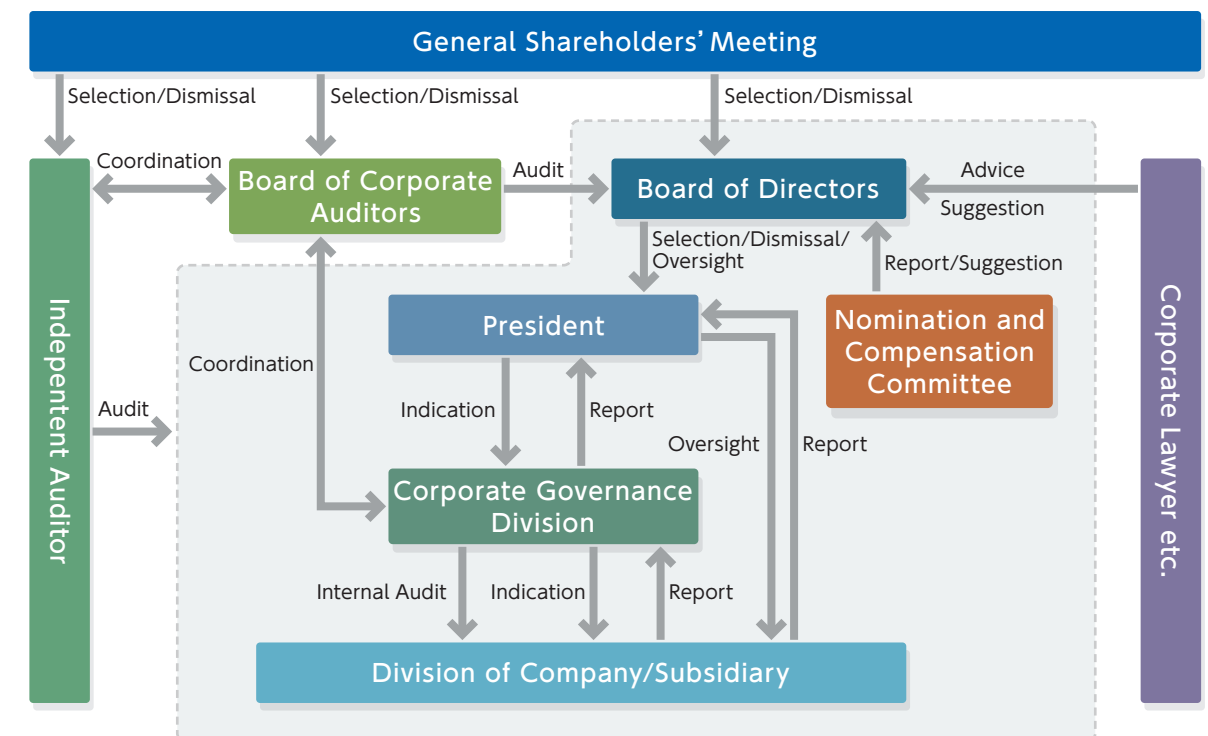
The website contains plans to support employees working while raising children and female employees, and promotes awareness-raising within the company by actively providing information on balancing life events and work.

In addition, the electronic version of the company newsletter offers video streaming. In addition to explanations from the representative director and president when there are announcements to be made to employees, we also distribute videos and other material introducing employees who are active in the company, in an effort to improve employees' engagement.



Corporate Governance

Basic policy for corporate governance



In addition to enhancing corporate value by ensuring consistent and stable profits and further expansion of the Group's businesses, the purpose of corporate governance is to engage in highly transparent and sound management that earns the trust of society. We believe that managing our business while taking constant care to maximize profits for shareholders, clients, employees, and all other stakeholders helps enhance our 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.

**A report on corporate governance, our approach and a summary of the results of our assessment of the effectiveness of our Board of Directors are available on our corporate website (Japanese version)*
→ <https://www.proto-g.co.jp/IR/esg/governance.html>

**For the English version, the report on corporate governance is available.*
→ <https://www.proto-g.co.jp/IR/english/esg/governance.html>