

Financial Results for the Three Months Ended June 2021 (April 1, 2021 to June 30, 2021)

PROTO CORPORATION (4298)
July 30, 2021
(Investor Meeting August 4, 2021)



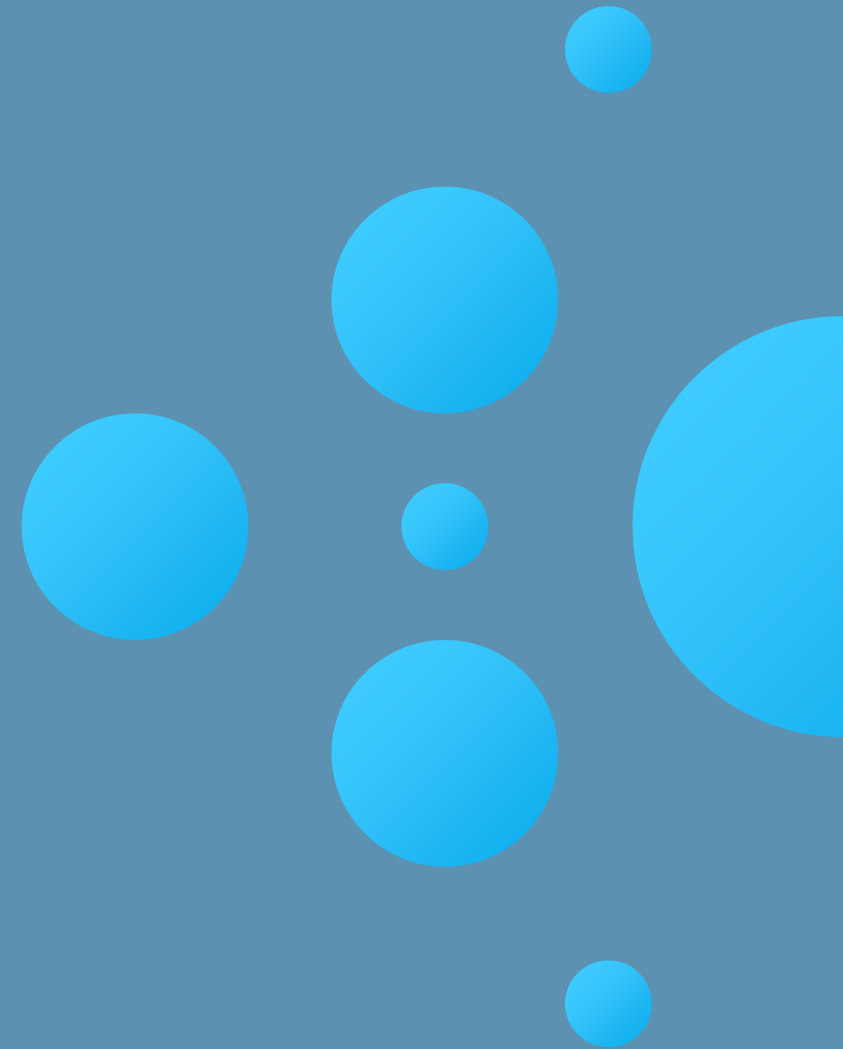
INDEX

FY2022 Q1

Apr2021 - Jun2021

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2. Our company's activities
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Overview of Results



Quarterly Results Highlights

Increase in both sales and profit due to steady growth in used and new car fields and used car export *1
Record high operating income for the first quarter

Business Results

- Net sales: 13,661 million yen YoY +7.3% *1
- Operating income: 1,780 million yen YoY +18.5%

Ad-related

- Net sales: 5,543 million yen YoY +7.6% *1
- Sales of MOTOR GATE and MG Calendar were strong

Information and Service

- Net sales: 1,393 million yen YoY +12.0% *1
- Steady growth in new car business, progress in introduction of DataLine SalesGuide and AI assessment

Sales of goods

- Net sales: 5,413 million yen YoY +13.8% *1
- Used car exports increased due to strengthened alliances

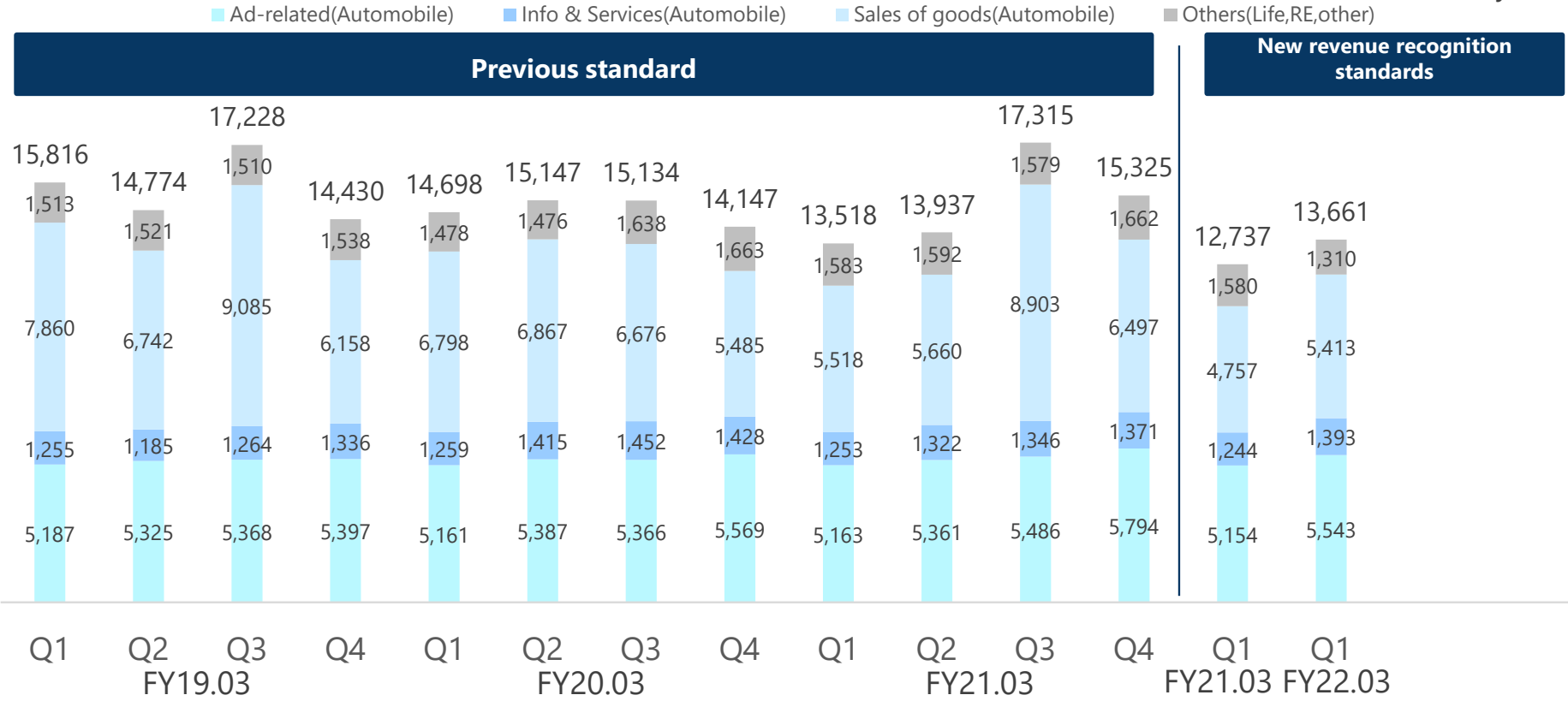
*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Quarterly Results

Consolidated sales: 13,661 million yen (YoY: +7.3%)*1

Used cars (MOTOR GATE, MG Calendar), new cars (DataLine SalesGuide), and exports of used cars were steady.

(million yen)



*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

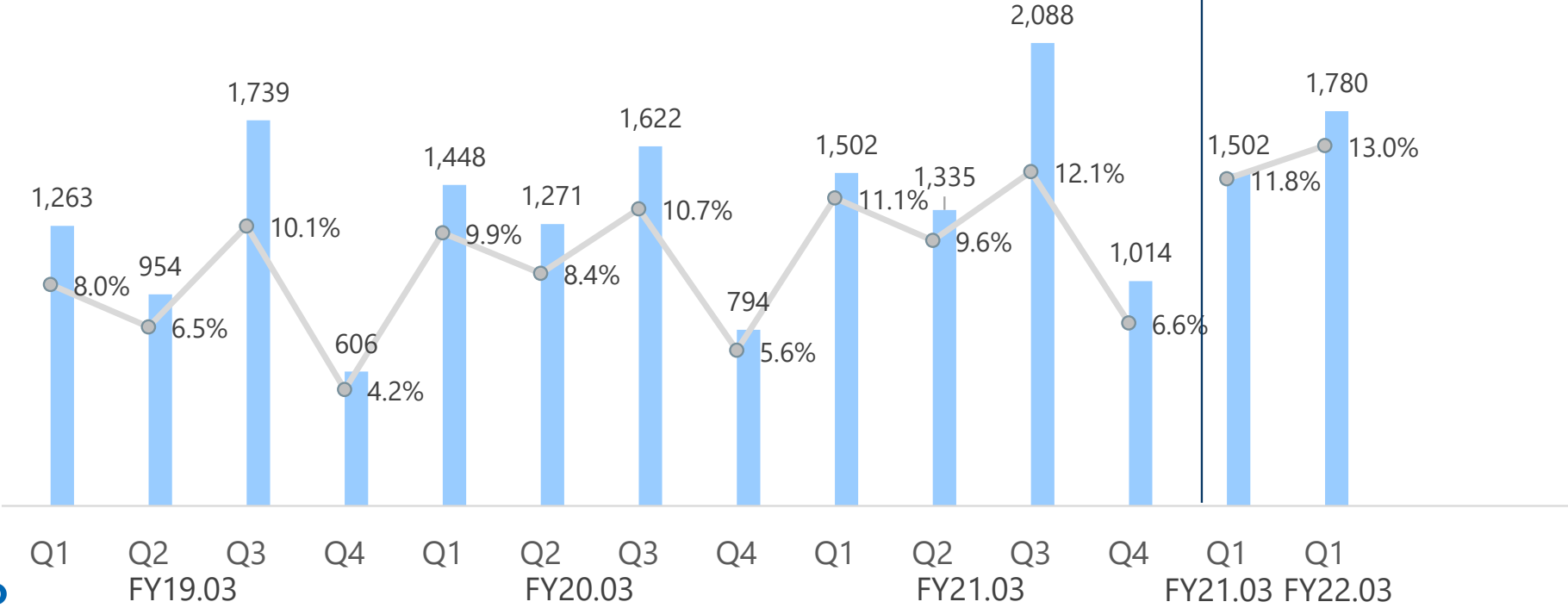


Quarterly Results

Consolidated operating income: 1,780 million yen (YoY: +18.5%) due to an increase in gross profit
Record high operating income for the first quarter

Operating income OP Margin (million yen)

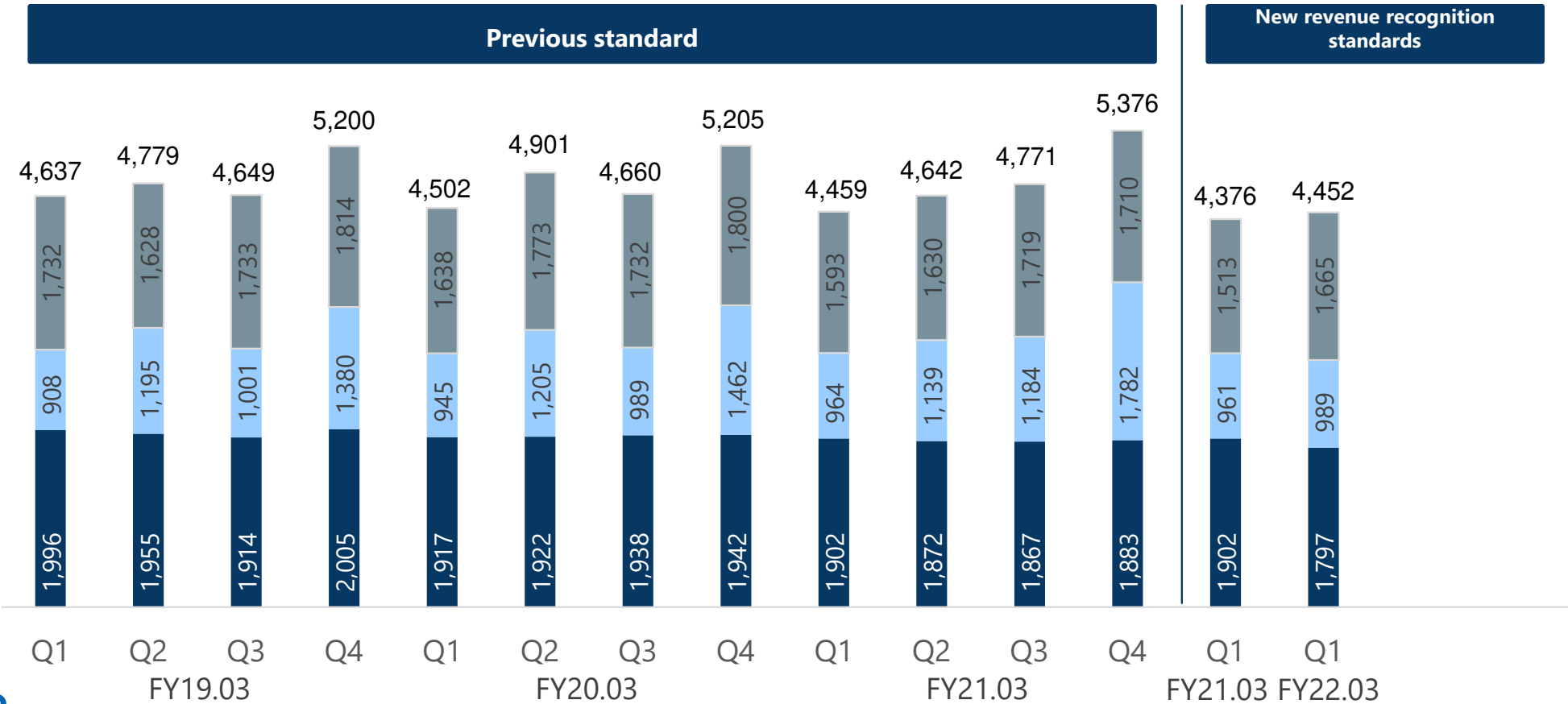
Previous standard **New revenue recognition standards**



Quarterly Results

SG&A Expenses: 4,452 million yen (YoY: +1.7%)*1
 Despite M&A advisory expenses, SG&A expenses were flat YoY

(million yen)



*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Quarterly Results

[unit: million yen]	Q1/FY2021 *1 Apr-Jun 2020		Q1/FY2022 *1 Apr-Jun 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Net Sales	12,737	100.0%	13,661	100.0%	924	+7.3%
Gross Profit	5,879	46.2%	6,233	45.6%	353	+6.0%
EBITDA	1,829	14.4%	2,096	15.3%	266	+14.6%
Operating Income	1,502	11.8%	1,780	13.0%	277	+18.5%
Ordinary Income	1,554	12.2%	1,865	13.7%	310	+20.0%
Net Income	1,017	8.0%	2,281	16.7%	1,263	+124.2%

Gain on sales of stocks of subsidiaries and affiliates (extraordinary income) of 2.14 billion yen was recorded due to the transfer of shares of PROTO MEDICAL CARE.

[unit: million yen]	Q1/FY2021 *1 Apr-Jun 2020		Q1/FY2022 *1 Apr-Jun 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
SG&A Expenses	4,376	34.4%	4,452	32.6%	76	+1.7%
Employment Cost	1,902	14.9%	1,797	13.2%	(104)	(5.5%)
Advertising Cost	961	7.5%	989	7.2%	28	+3.0%
Other Expenses	1,513	11.9%	1,665	12.2%	152	+10.1%

Employment cost decreased mainly due to the transfer of shares in PROTO MEDICAL CARE. As for other expenses, advisory expenses for M&A were recorded.

 *1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Quarterly Results by Segment

Net Sales [unit: million yen]	Q1/FY2021 *1 Apr-Jun 2020		Q1/FY2022 *1 Apr-Jun 2021		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	(b)-(a)	%
Automobile-related	11,156	87.6%	12,351	90.4%	1,195	+10.7%
Ad-related	5,154	40.5%	5,543	40.6%	389	+7.6%
Information and services	1,244	9.8%	1,393	10.2%	149	+12.0%
Sales of goods	4,757	37.4%	5,413	39.6%	655	+13.8%
Lifestyle-related	981	7.7%	667	4.9%	(313)	(32.0%)
Real Estate	35	0.3%	36	0.3%	0	+2.3%
Other Business	564	4.4%	606	4.4%	42	+7.5%
Total	12,737	100.0%	13,661	100.0%	924	+7.3%

Operating Income [unit: million yen]	Q1/FY2021 *1 Apr-Jun 2020		Q1/FY2022 *1 Apr-Jun 2021		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	(b)-(a)	%
Automobile-related	1,786	16.0%	2,210	17.9%	424	+23.8%
Lifestyle-related	81	8.3%	55	8.3%	(25)	(31.8%)
Real Estate	33	93.8%	36	100.9%	3	+10.0%
Other Business	22	3.9%	59	9.7%	37	+167.9%
Management Division	(420)	-	(581)	-	(161)	-
Total	1,502	11.8%	1,780	13.0%	277	+18.5%

Following the transfer of shares in PROTO MEDICAL CARE on June 1, 2021, the Lifestyle-Related Information segment saw a decrease in both sales and profits.

*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

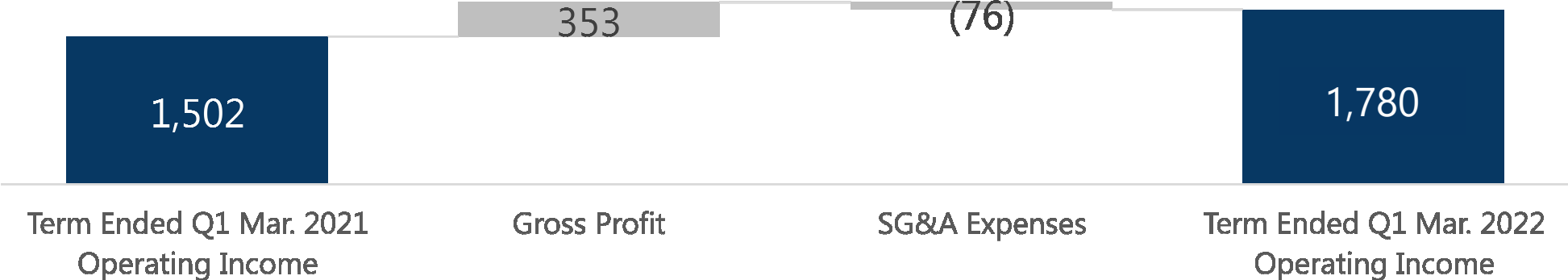
Overview of Q1(Apr-Jun)/FY March 2022

By company, PROTO CORPORATION led the way in profit growth.

Operating Income Breakdown *1

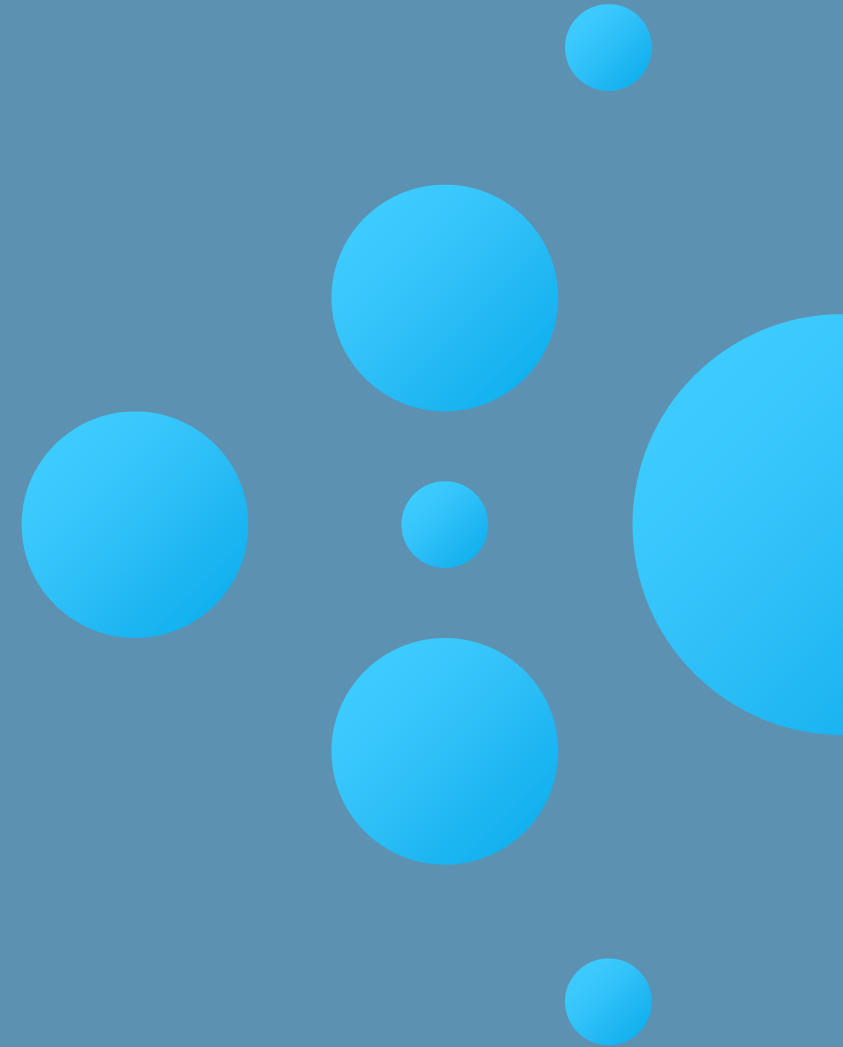
(Million yen)

Gross Profit Breakdown		SG&A Breakdown		Operating Income Breakdown	
	+353		(76)		+277
PROTO CORPORATION	+ 335	PROTO CORPORATION	(133)	PROTO CORPORATION	+ 201
PROTO-RIOS	+14	PROTO-RIOS	(4)	PROTO-RIOS	+9
AUTOWAY	+90	AUTOWAY	(94)	AUTOWAY	(4)
TIRE WORLD KAN BEST	+36	TIRE WORLD KAN BEST	(13)	TIRE WORLD KAN BEST	+22
GOONET EXCHANGE	+32	GOONET EXCHANGE	+3	GOONET EXCHANGE	+36
PROTO MEDICAL CARE	(146)	PROTO MEDICAL CARE	+128	PROTO MEDICAL CARE	(18)



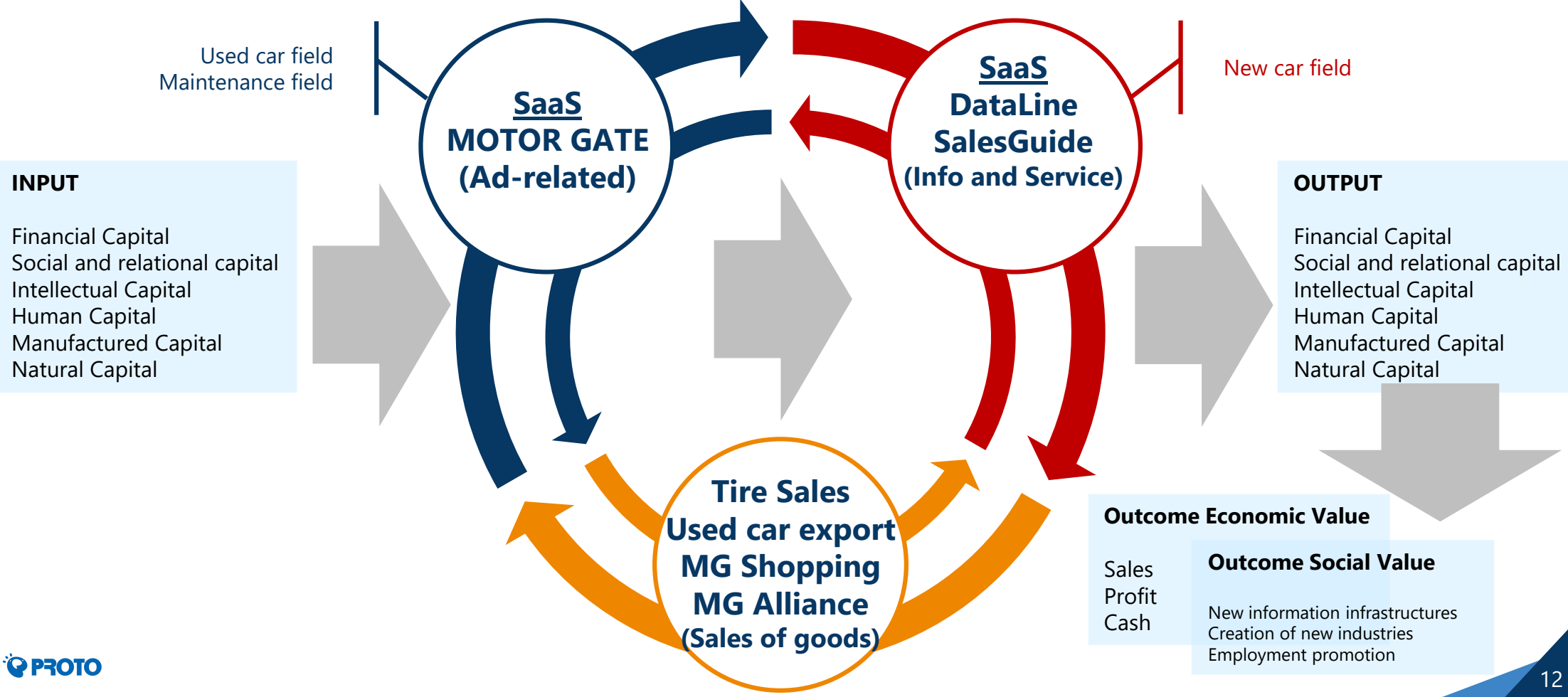
*1: Compared to the same period of the previous fiscal year based on the new revenue recognition standards.

Our company's activities



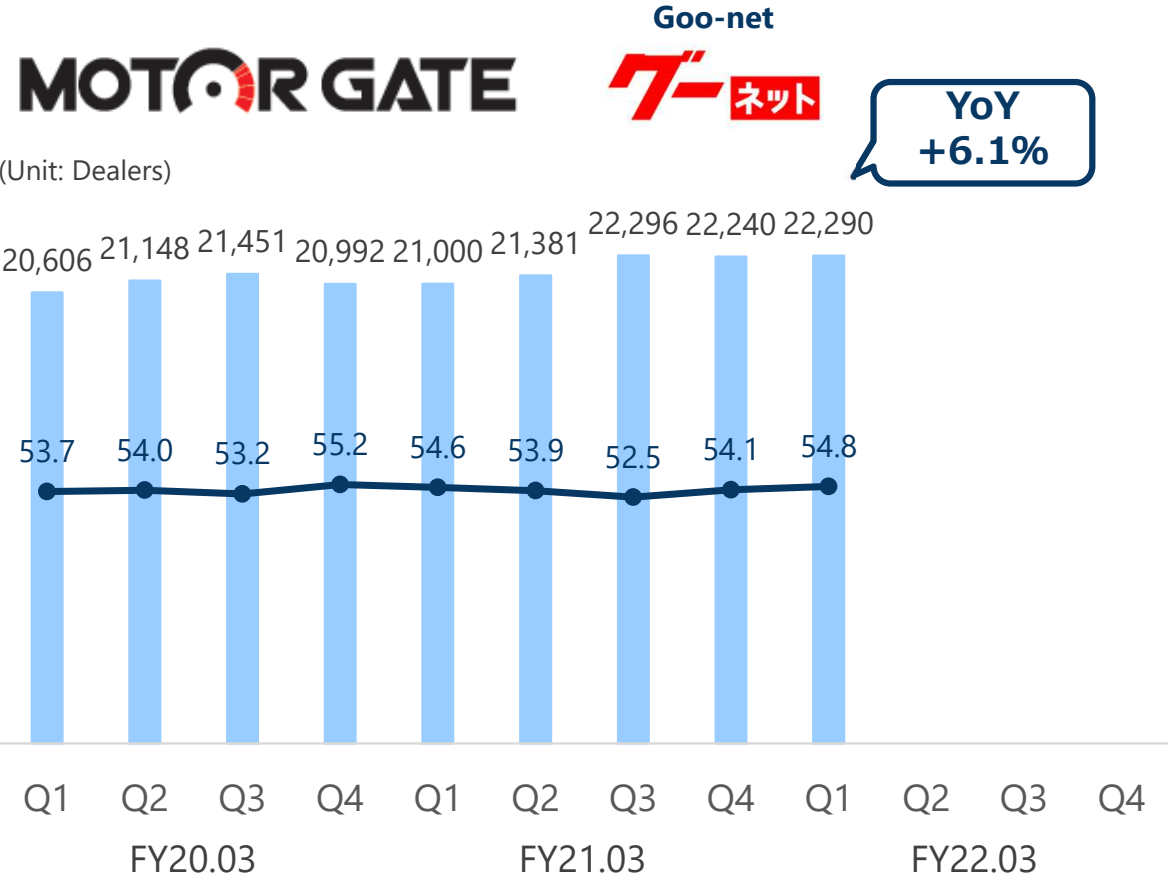
Business Strategy : Creating Corporate Value for the PROTO Group

Create business synergies by leveraging each segment's customer base, etc.



Business Strategy : SaaS - MOTOR GATE (Ad-related)

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



Number of dealers
22,290

Churn rate
(12-month average)
1.9%

ARPA/Month
JPY54.8K

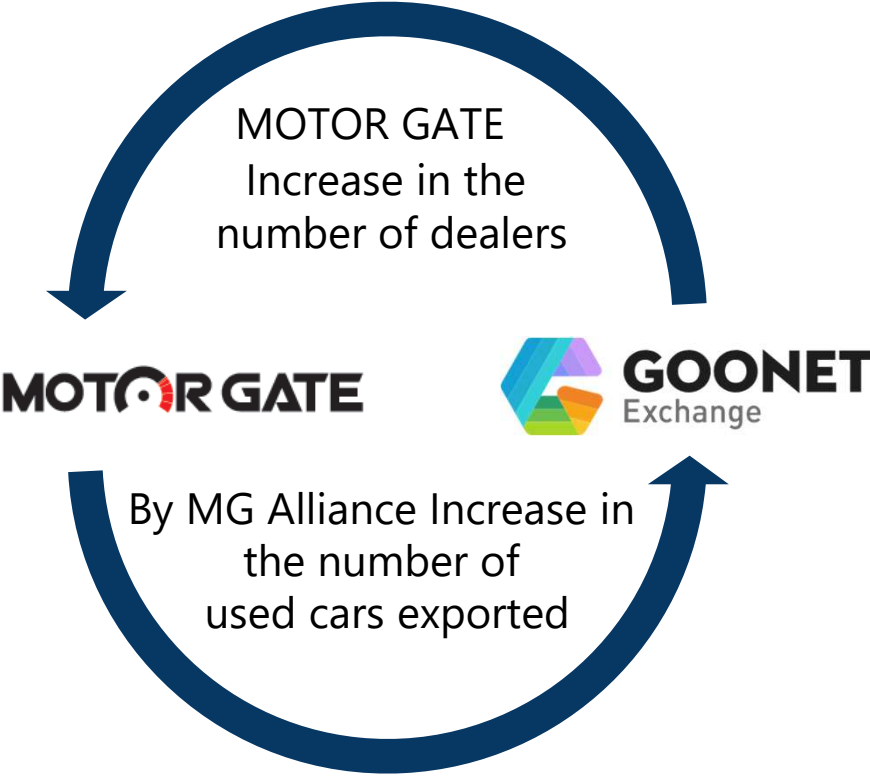
MRR *1
(June,2021)
JPY1.22Bn

*1: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

Business Strategy : Promotion of MG Alliance using MOTOR GATE

By MG Alliance

Expanding the number of used cars exported by GOONET EXCHANGE



Export of used vehicles in Japan (2020):
1,251,000 units

Business Model of MG Alliance

Intermediary commission model for used car export

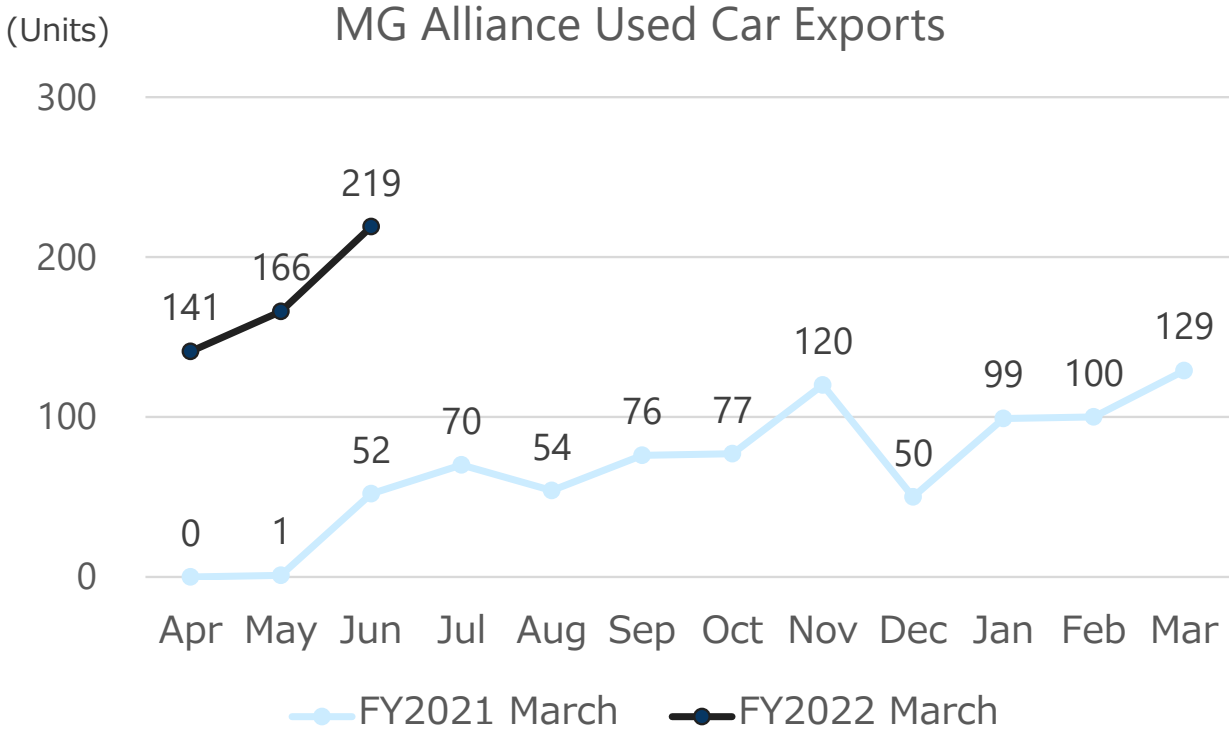
- Used car export transactions using MOTOR GATE
- Targeting vehicles registered with MOTOR GATE that can be sold by overseas dealers (approx. 100,000 vehicles in June 2021)

Trends in the Used Car Export Market

- Strong demand for used car exports of over 1.2 million units per year (approx. 50% of annual used car retail volume)
- Expansion of export transactions due to emphasis on inventory turnover at used car dealers

Business Strategy : Promotion of MG Alliance using MOTOR GATE

GOONET EXCHANGE returned to profitability by promoting alliances with used car exporters, which was started in the previous fiscal year. Promoting further expansion of used car export volume.



Differentiation by Goo-inspection (used car inspection information)

Expand the number of vehicles that can be sold by overseas dealers

Expand the number of vehicles that can be sold by overseas dealers from 100,000 to 150,000 by March 2022.

Increase the number of used vehicles exported by MG Alliance

Expand the number of used vehicles exported through MG Alliance



Strengthen sales support for used car dealers

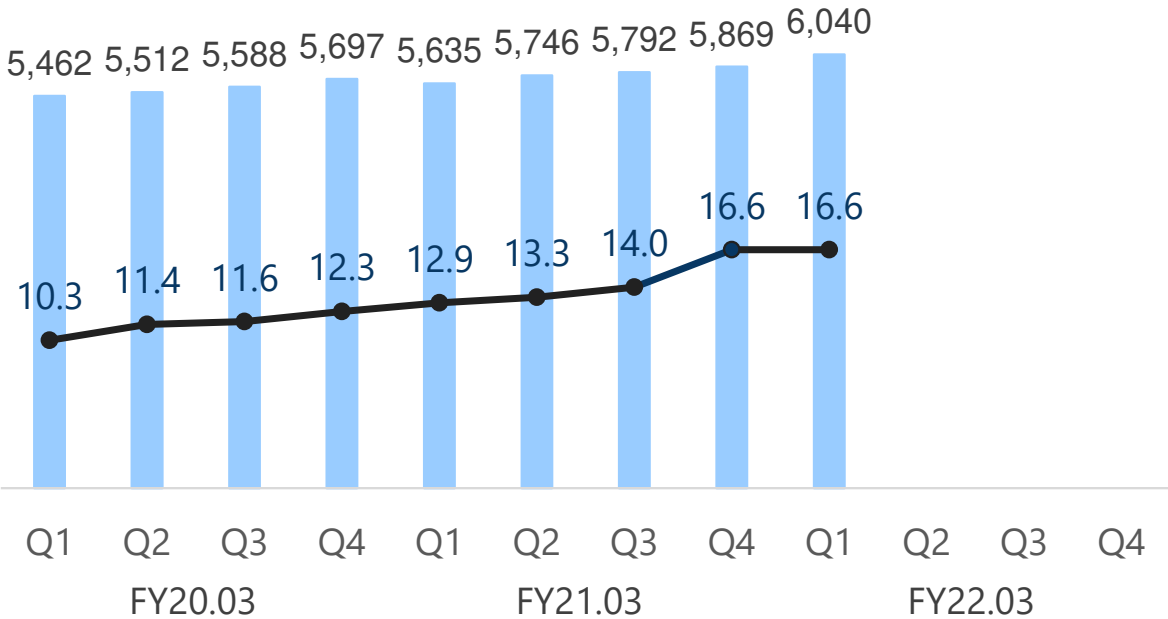
Expand sales channels to overseas markets and improve inventory turnover

Business Strategy : SaaS – DataLine SalesGuide (Info and Service)

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



(Unit: Dealers)



Number of dealers
6,040

Churn rate
(12-month average)
0.6%

ARPA/Month
JPY16.6K

MRR *1
(June,2021)
JPY0.1Bn

*1: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

Financial Strategy

The 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, ensuring financial soundness, and strengthening returns to our stakeholders.

Financial Policy

Sustainable enhancement of corporate value

Realization of ROE of 12% or more (excluding extraordinary gains and losses)

promoting investment in growth

Promote M&A and business investment with ROIC in mind

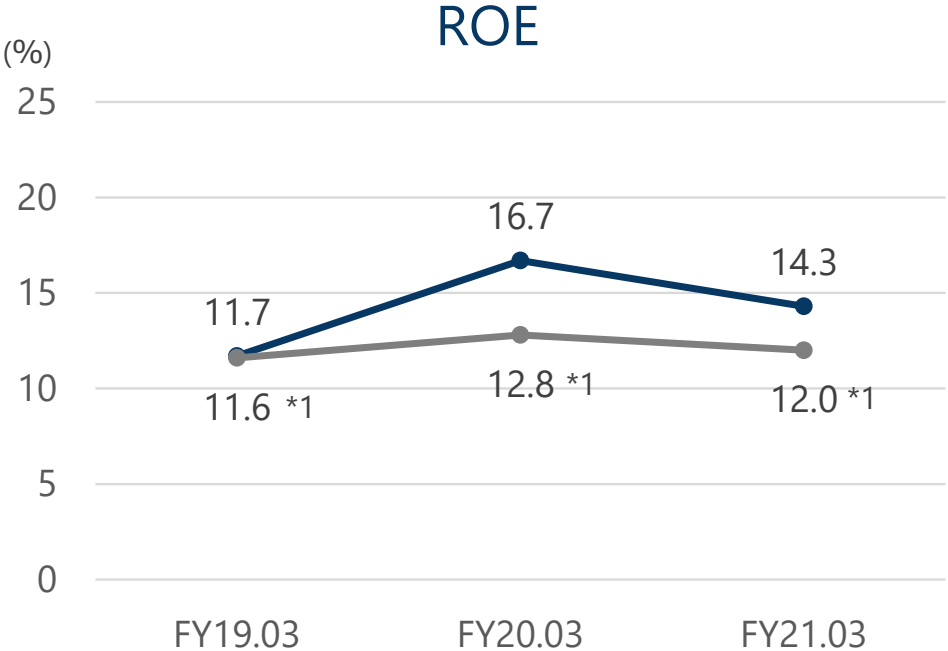
ensuring financial soundness

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

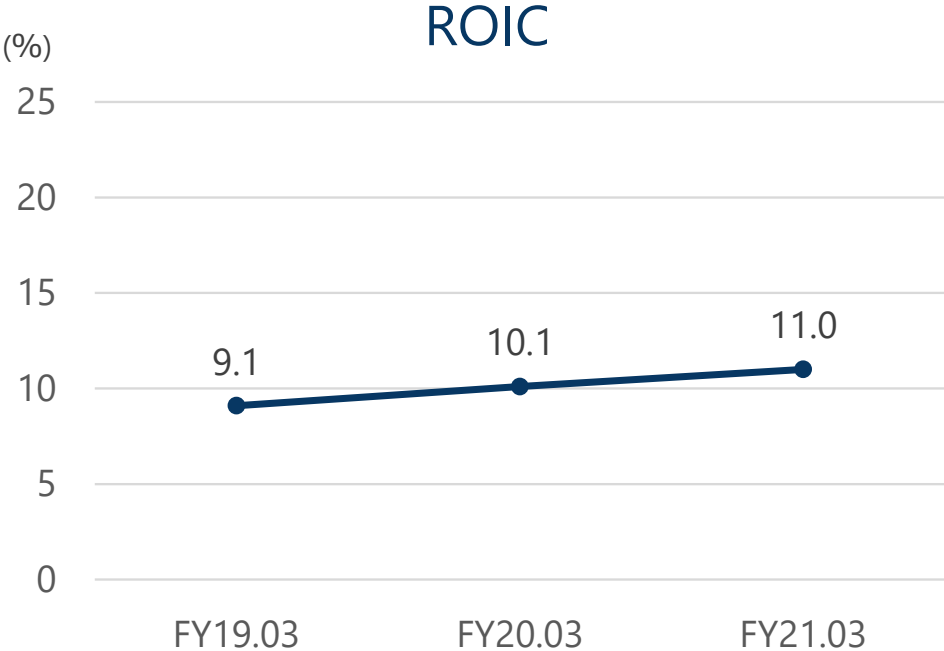
Financial Strategy : ROE and ROIC



*1: Adjusted ROE excluding extraordinary gains/losses

ROE

Improve the total asset turnover ratio through sales growth as well as improve the profit margin on sales.



ROIC

Promote M&A and business investment with ROIC in mind

Financial Strategy : Regarding profit sharing with shareholders

Strengthen returns to stakeholders based on improved profitability while ensuring financial soundness

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

	FY March 2019 Results	FY March 2020 Results	FY March 2021 Results	FY March 2022 Forecast
2 nd Quarter	12.5 yen	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	17.5 yen
Year-End	12.5 yen	13.75 yen (Including commemorative dividend: 1.25 yen)	12.5 yen	17.5 yen
Annual	25 yen	27.5 yen (Including commemorative dividend: 2.5 yen)	25 yen	35 yen

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.

ESG : Improvement of Corporate Governance

Strive to improve corporate governance, which is the basis for increasing corporate value, and build a governance structure that meets the requirements of the prime market.

Composition of the Board of Directors

Election of at least 1/3 of independent outside directors at the general meeting of shareholders to be held in June 2021

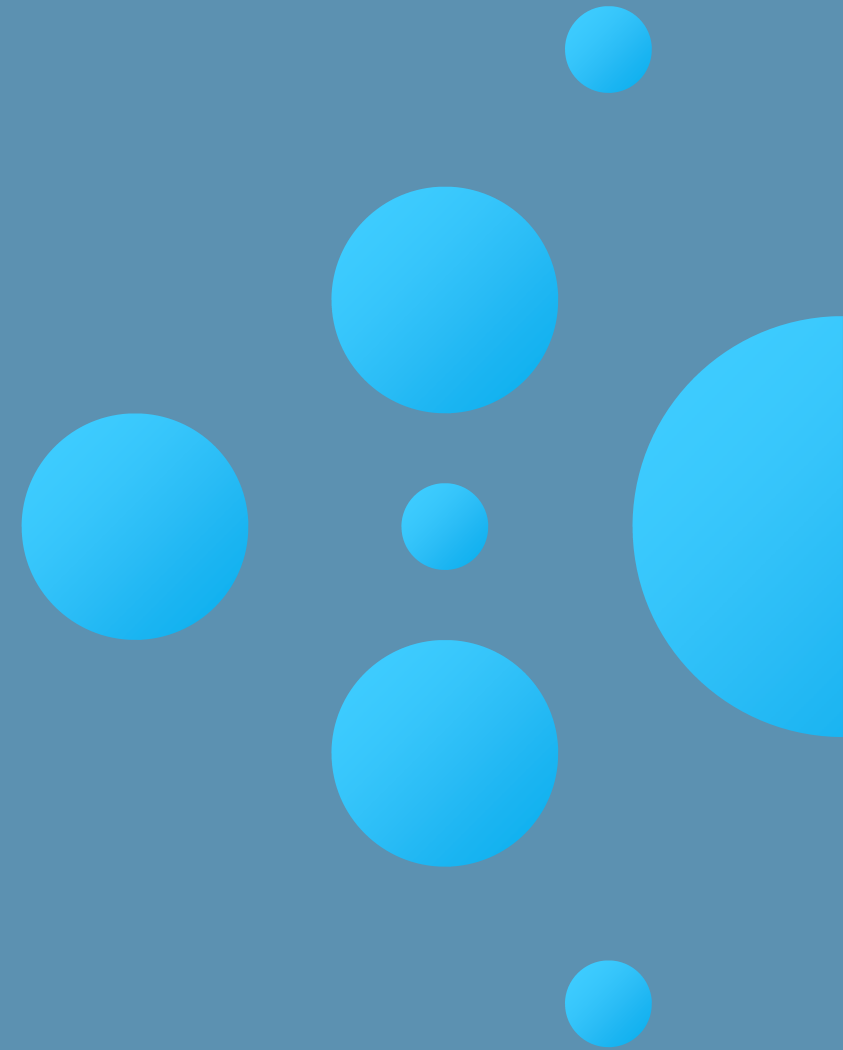
Establishment of Nomination and Compensation Committee

Establishment of the Nomination and Compensation Committee at the July 2021 Board of Directors meeting

For the Prime Market

In July 2021, the Company received a notice from Tokyo Stock Exchange, Inc. that it meets the listing maintenance criteria for the "Prime Market" as a result of the initial assessment of compliance with the listing maintenance criteria for the new market category.

APPENDIX



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



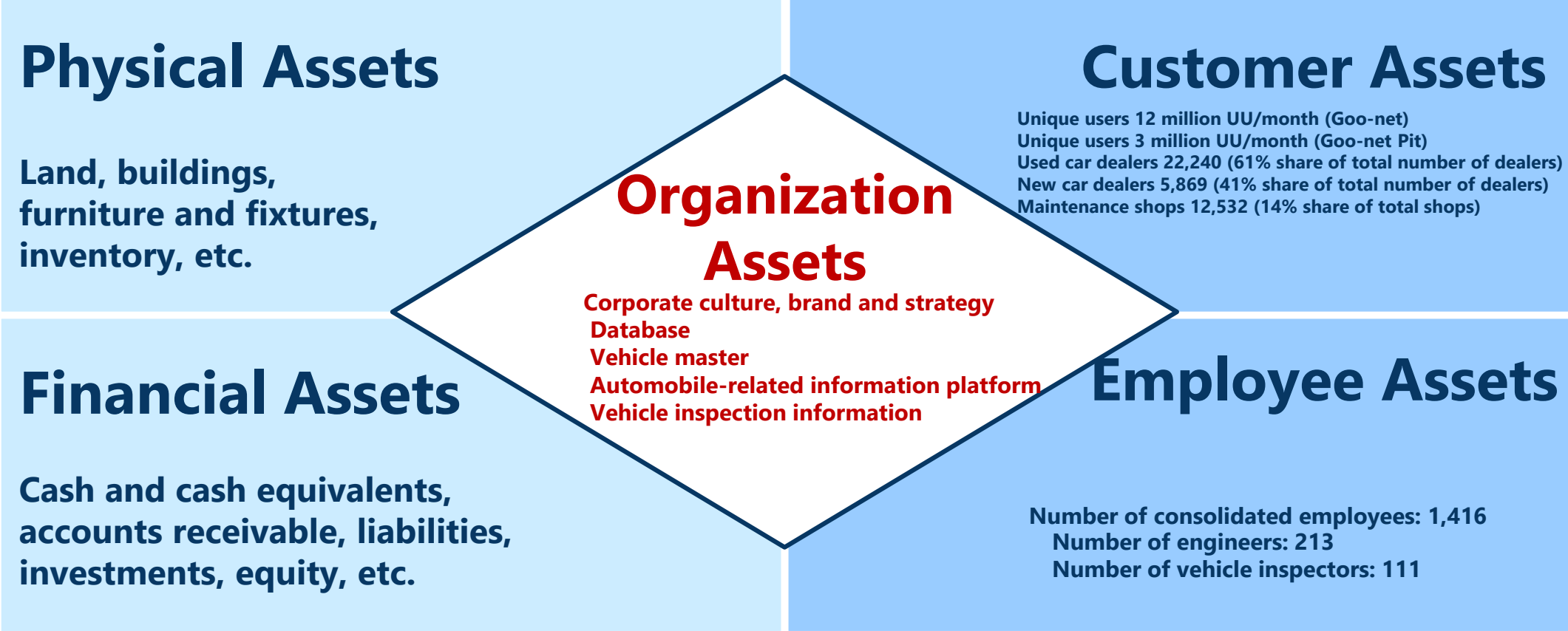
Trust from shareholders



Future and results

About our assets and strengths

Leveraging organization assets to drive DX in the industry



Position (vision) to be pursued in the future

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

Future: Total support for car life

The No. 1 platform in the automotive information industry

Total support for car life, including used cars, new cars, maintenance, and tires



Create new businesses by utilizing the resources of the automobile-related business

Current: Promotion of DX

DX promotion in each field

- Used Car
- New car
- Maintenance
- Used car export
- Tire

Past: Expansion of automobile-related information field

Maximizing the Number of Transaction Companies

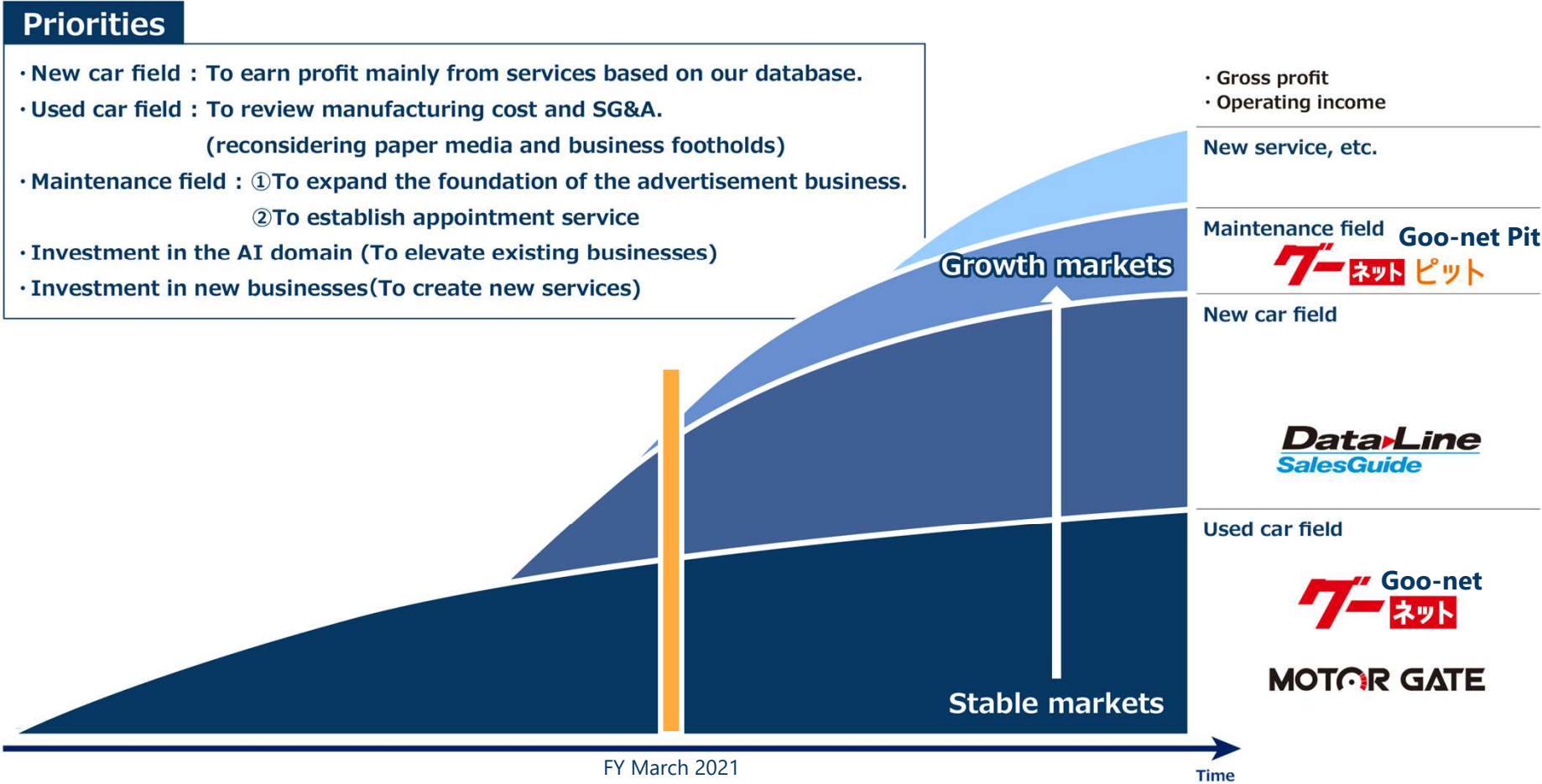
- Used car : Goo-net, MOTOR GATE
- New car : DataLine SalesGuide
- Maintenance : Goo-net Pit

Used car export: Goo-net Exchange

Tire: AUTOWAY, TIRE WORLD KAN BEST

Initiatives for the Future

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



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.**

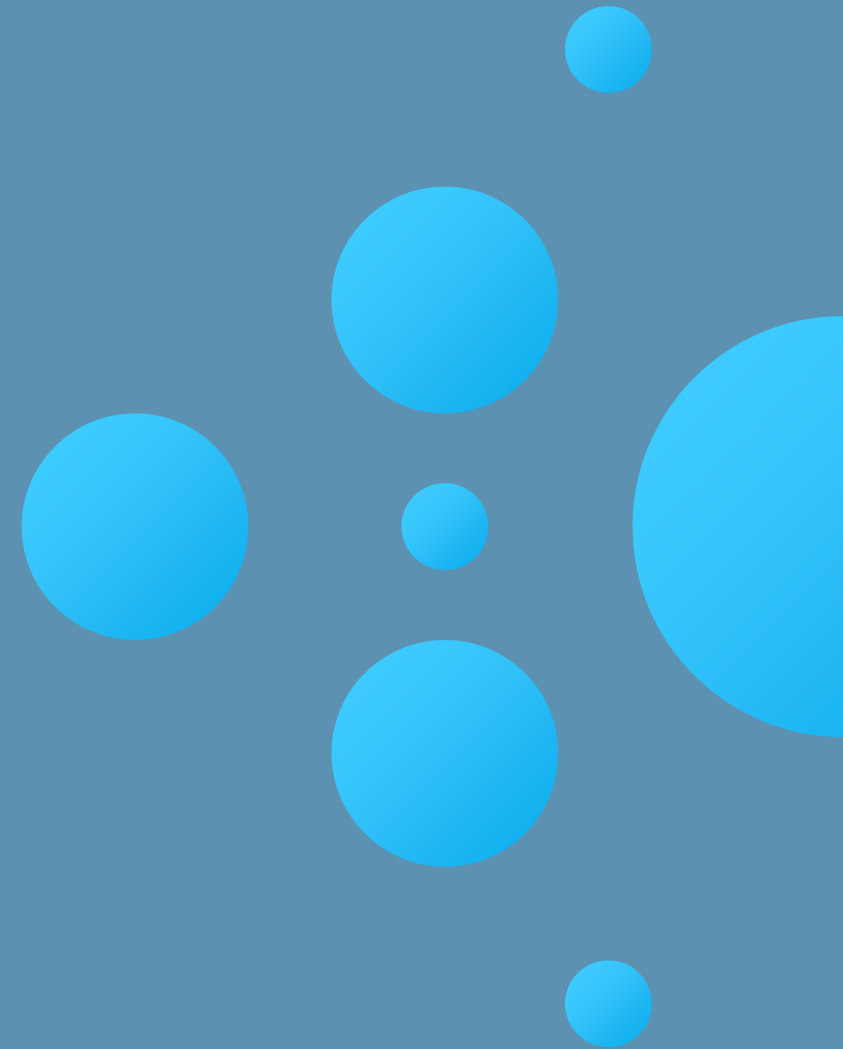
■ Concerning important business indicators

Along with the growth of gross profit and operating income, we have positioned ROE and EPS as important business indicators.

■ Business indicators

	FY March 2022 Plan	FY March 2022 Forecast	Forecast of Business Indicators
ROE	Over 12.0%	14.7%	Forecast of achievement
EPS (Net income per share)	100.00 yen	139.82 yen	Forecast of achievement
Gross profit	CAGR 6.4%	CAGR 1.8%	Expected to be unachieved
Operating income	CAGR 9.4%	CAGR 10.1%	Forecast of achievement

APPENDIX (Corporate Profile)



Corporate Profile

Corporate Name	PROTO CORPORATION																			
Founded	October 1, 1977																			
Established	June 1, 1979																			
Common Stock	1,849 million yen (As of March 31, 2021)																			
Shares Outstanding	41,925,300 shares (As of March 31, 2021)																			
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 (35 Sales Outlets Nationwide)																			
Fiscal Year-end	March 31																			
Number of Employees	Consolidated: 1,416 (As of March 31, 2021) Parent: 553 (As of March 31, 2021)																			
Stock Exchange Listing	Tokyo Stock Exchange, First Section and Nagoya Stock Exchange, First Section																			
Subsidiary	<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)</td> <td style="width: 33%;">10. PROTO Ventures (Full subsidiary, established in April 2019)</td> </tr> <tr> <td>2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)</td> <td>11. PROTO Ventures 2 Investment Limited Partnership (Full subsidiary, established in April 2021)</td> </tr> <tr> <td>3. GOONET EXCHANGE (Former Kings Auto) (Full subsidiary since April 2012)</td> <td>12. CAR CREDO (Thailand) Co., Ltd. (Shareholder ratio 49% ,established in December 2018)</td> </tr> <tr> <td>4. PROTO-RIOS INC. (Full subsidiary since October 2002)</td> <td>13. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011) * The company is currently under liquidation.</td> </tr> <tr> <td>5. CAR CREDO Co., Ltd. (Full subsidiary, established in February 2012)</td> <td></td> </tr> <tr> <td>6. CAR BRICKS Co., Ltd. (Shareholder ratio 66% ,established in May 2017)</td> <td></td> </tr> <tr> <td>7. PROTO SOLUTION Co., Ltd. (Full subsidiary, established in April 2007)</td> <td></td> </tr> <tr> <td>8. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017)</td> <td></td> </tr> <tr> <td>9. Associe Co., Ltd (Full subsidiary since October 2019)</td> <td>(As of July 30, 2021)</td> </tr> </table>		1. AUTOWAY Co., Ltd. (Full subsidiary since April 2013)	10. PROTO Ventures (Full subsidiary, established in April 2019)	2. TIRE WORLD KAN BEST CO., LTD. (Full subsidiary since April 2015)	11. PROTO Ventures 2 Investment Limited Partnership (Full subsidiary, established in April 2021)	3. GOONET EXCHANGE (Former Kings Auto) (Full subsidiary since April 2012)	12. CAR CREDO (Thailand) Co., Ltd. (Shareholder ratio 49% ,established in December 2018)	4. PROTO-RIOS INC. (Full subsidiary since October 2002)	13. PROTO MALAYSIA Sdn. Bhd. (Full subsidiary since September 2011) * The company is currently under liquidation.	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 SOLUTION Co., Ltd. (Full subsidiary, established in April 2007)		8. OKINAWA CALL STAFF SERVICE Co., LTD (Full subsidiary since October 2017)		9. Associe Co., Ltd (Full subsidiary since October 2019)	(As of July 30, 2021)
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Major Shareholders

Financial Data (Consolidated)

Shares outstanding (million, March 2021)	41.9
DPS (¥, FY March 2022, Forecast)	35.0
EPS (¥, FY March 2022, Forecast)	139.82
BPS (¥, FY March 2021)	893.97
ROE (% , FY March 2021, Net income basis)	14.3
ROA (% , FY March 2021, Ordinary income basis)	13.0
Equity ratio (% , March 2021)	72.7
Potential share dilution (million)	-
Foreign ownership (% , March 2021)	27.67

Major Shareholders

	(Shares : Thousands)	% Held
1) Mugen Corporation	13,614	32.47%
2) The Master Trust Bank of Japan, Ltd. (Trust Account)	2,964	7.07%
3) JPLLC CLIENT SAFEKEEPING ACCOUNT	2,741	6.53%
4) PROTO CORPORATION	1,766	4.21%
5) JP MORGAN CHASE BANK 385632	1,137	2.71%
6) Custody Bank of Japan, Ltd.(Trust Account)	1,000	2.38%
7) CLEARSTREAM BANKING S.A.	974	2.32%
8) Hiroichi Yokoyama	887	2.11%
9) Yoshihiro Yokoyama	724	1.72%
10) JPMBL RE NOMURA INTERNATIONAL PLC 1 COLL EQUITY	690	1.64%

(As of March 31, 2021)

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    

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.

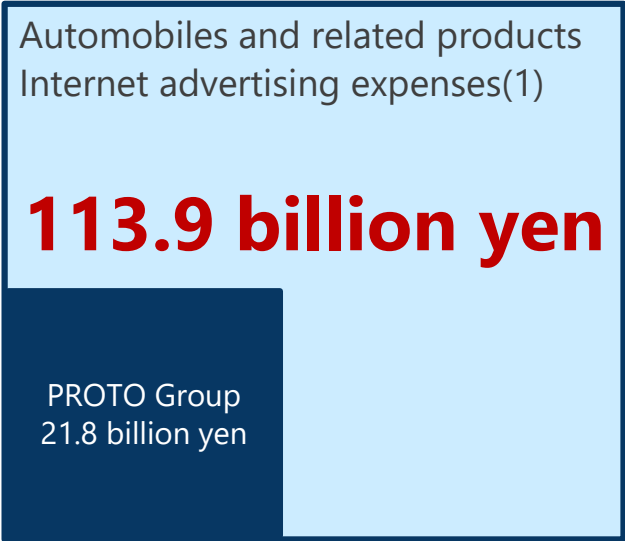
Sales are mainly from advertisement income related to nursing and welfare and rental sales of welfare equipment.

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

Sales are mostly from the BPO business.

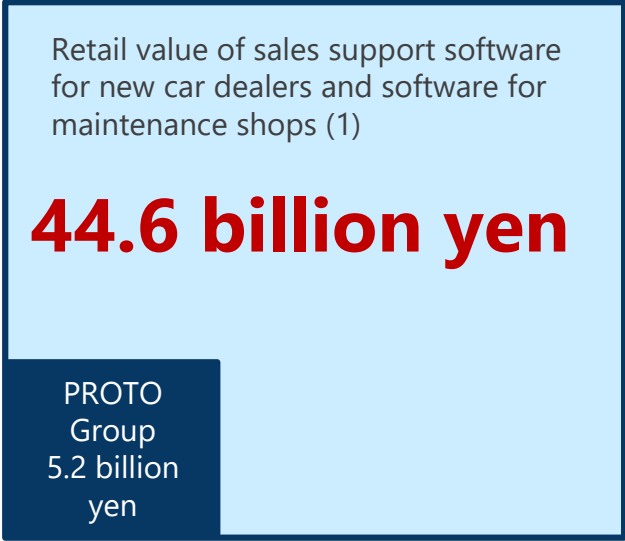
Potential market size

Ad-related(SaaS) (Internet advertising expenses)



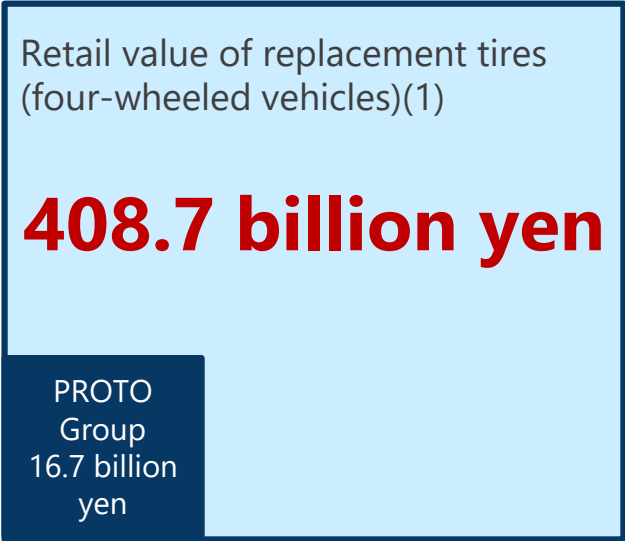
(Notes) 1. Estimated by PROTO based on "Advertising Expenditures in Japan in 2020" by Dentsu.

Information and Service(SaaS) (Sales support software for new car dealers, software for maintenance shops)



(Notes) 1: Estimated by PROTO based on the number of new car dealers, the number of maintenance shops and the unit price per customer.

Sales of goods (Domestic replacement tires)

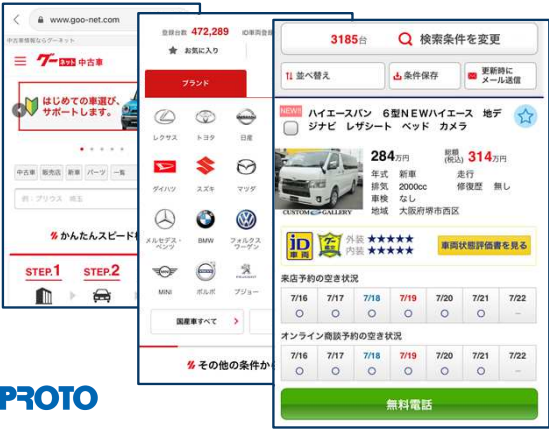


(Notes) 1: Estimated by PROTO based on "2020 Replacement Tire Sales" by THE Japan Automobile Tyre Manufacturers Association, Inc.

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.

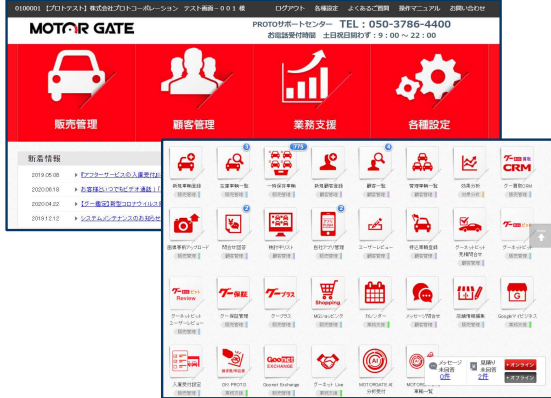
Subsidiary for inspection



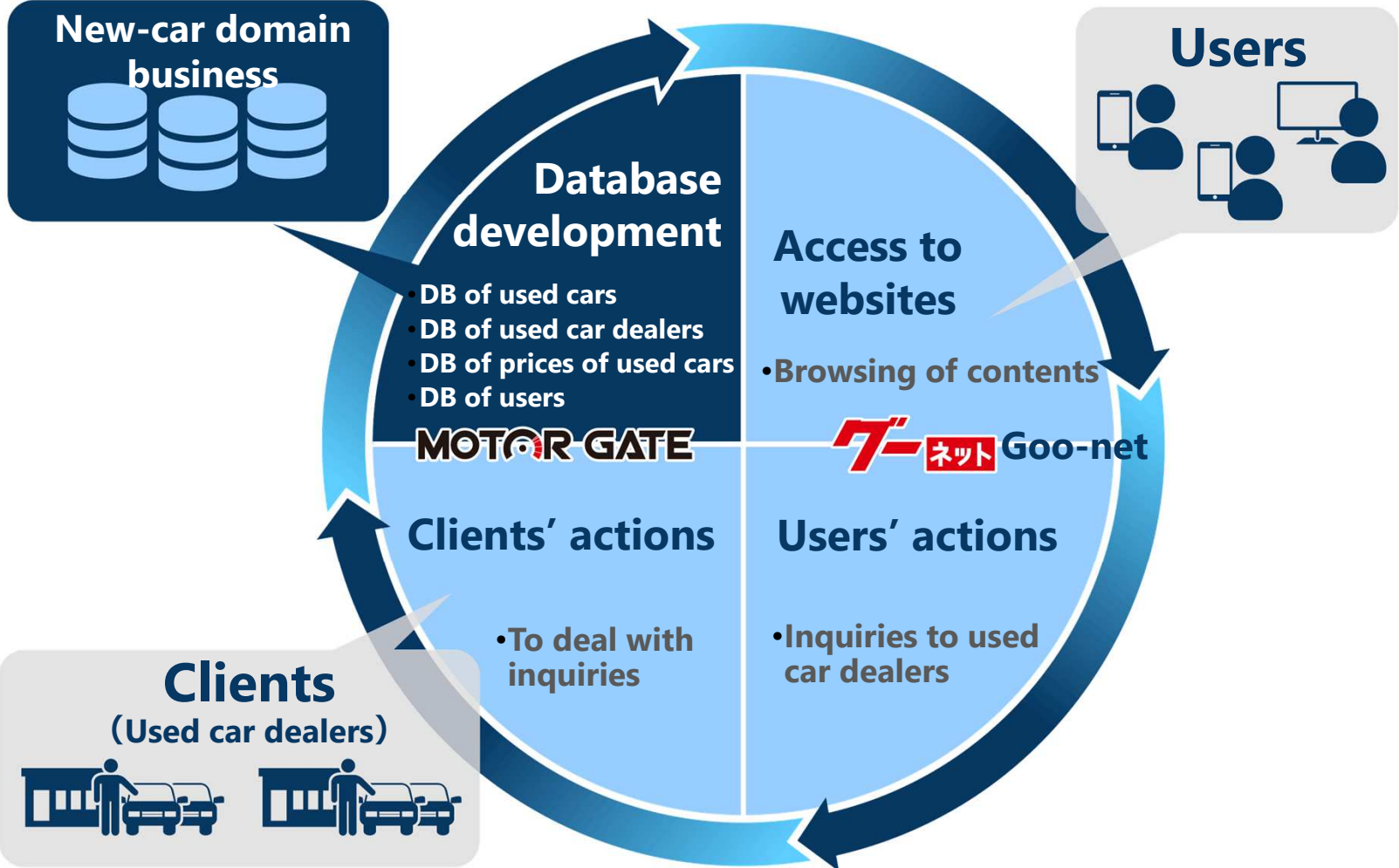
- Used car inspection service (about 610,000 vehicles per year, FY 3/2021)
- Charging system: charge per vehicle

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









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.

<p>Goo-net  No. of used cars listed 512,306</p>	<p>With vehicle condition information 202,882</p> <p>あんしん、まる見え。 </p> 	<p>Goo-inspected Cars</p> 
	<p>No evaluation report on vehicle status</p>	<p>Certified Pre-Owned Cars</p>  

In-house production of the automobile inspection function

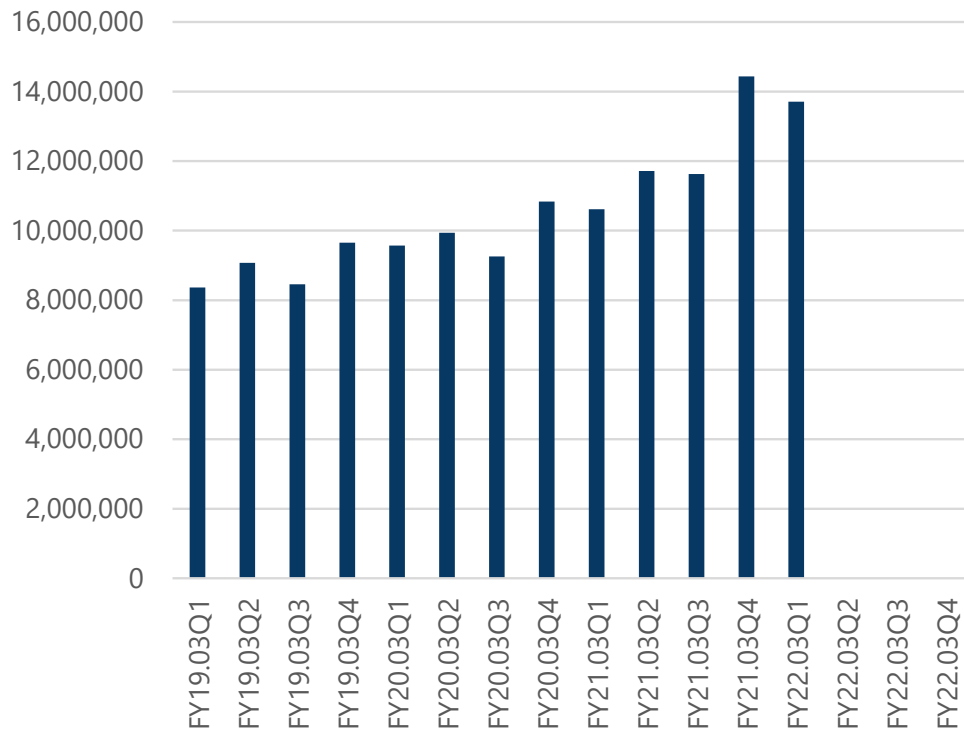
Outline and illustration of Goo-inspection (example)



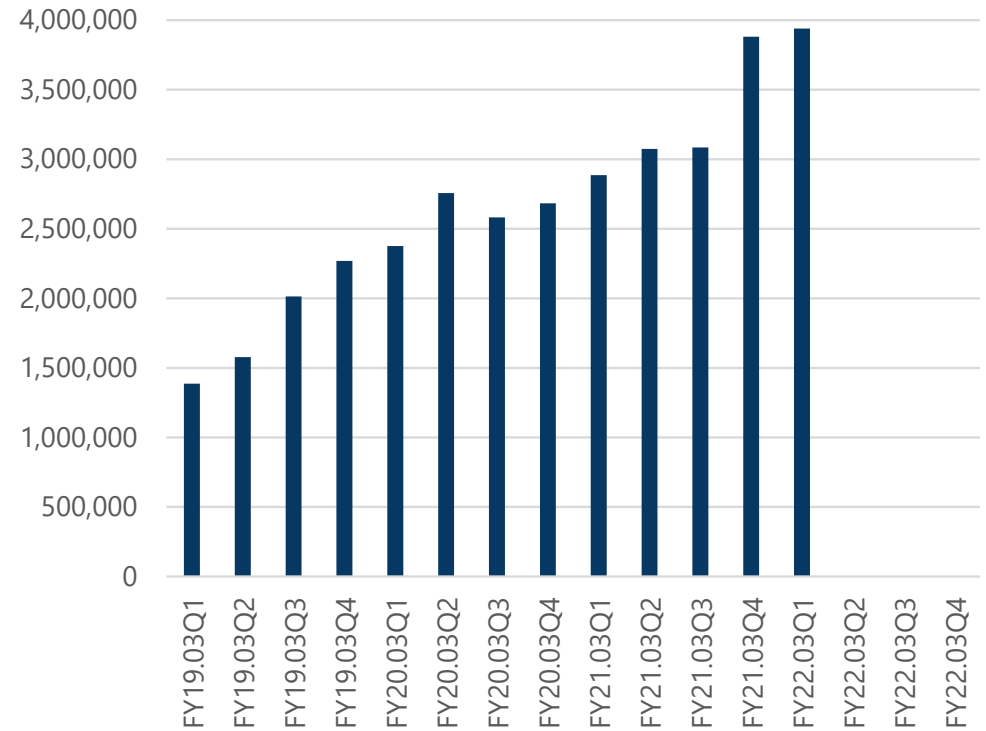
Note: For reference: No. of cars whose status info has been disclosed by competing media: 58,897 (as of July 15, 2021)

UUs of Goo-net and Goo-net Pit remain steady

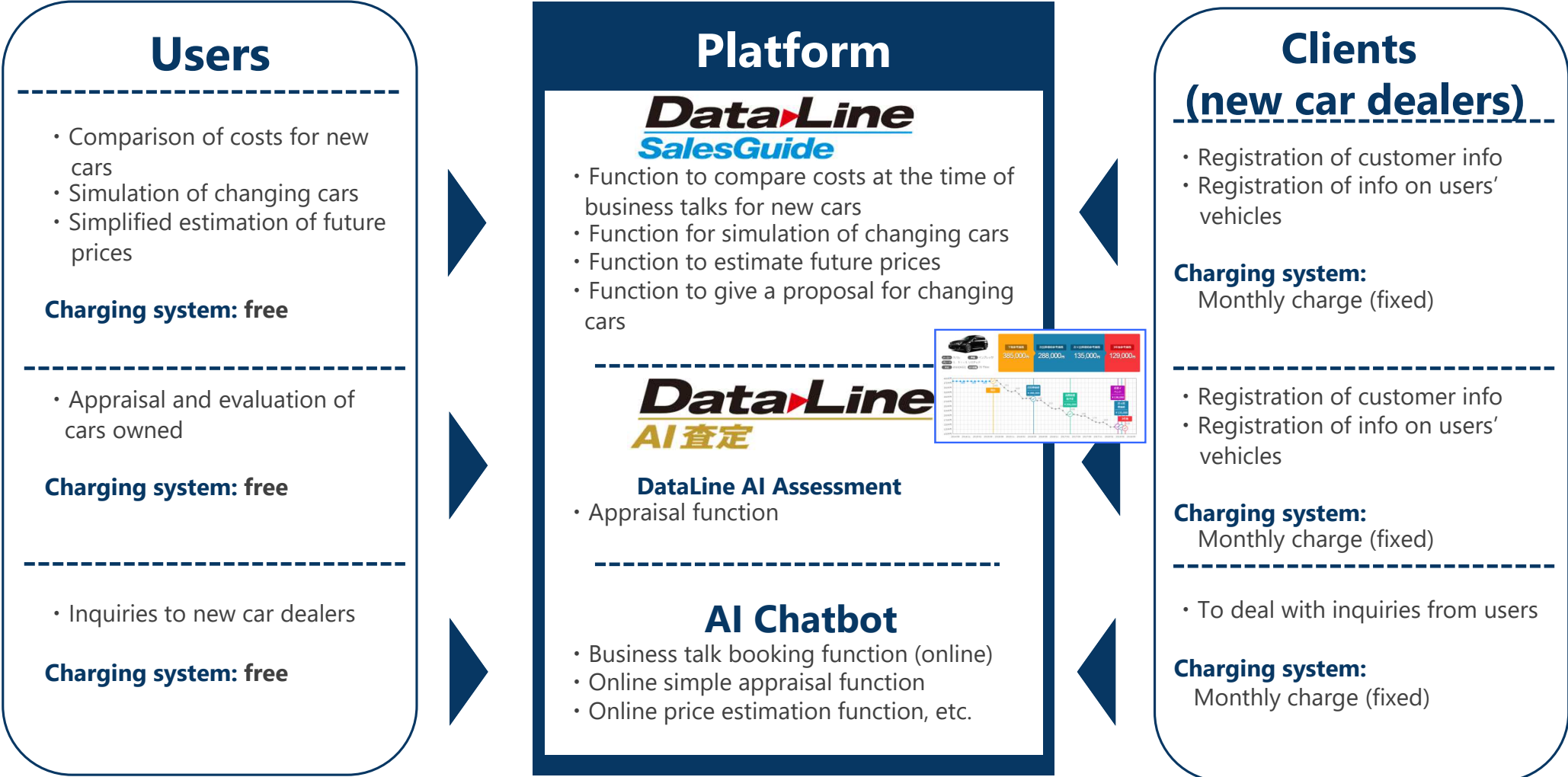
Goo-net UU/3-month average



Goo-net Pit UU/3-month average

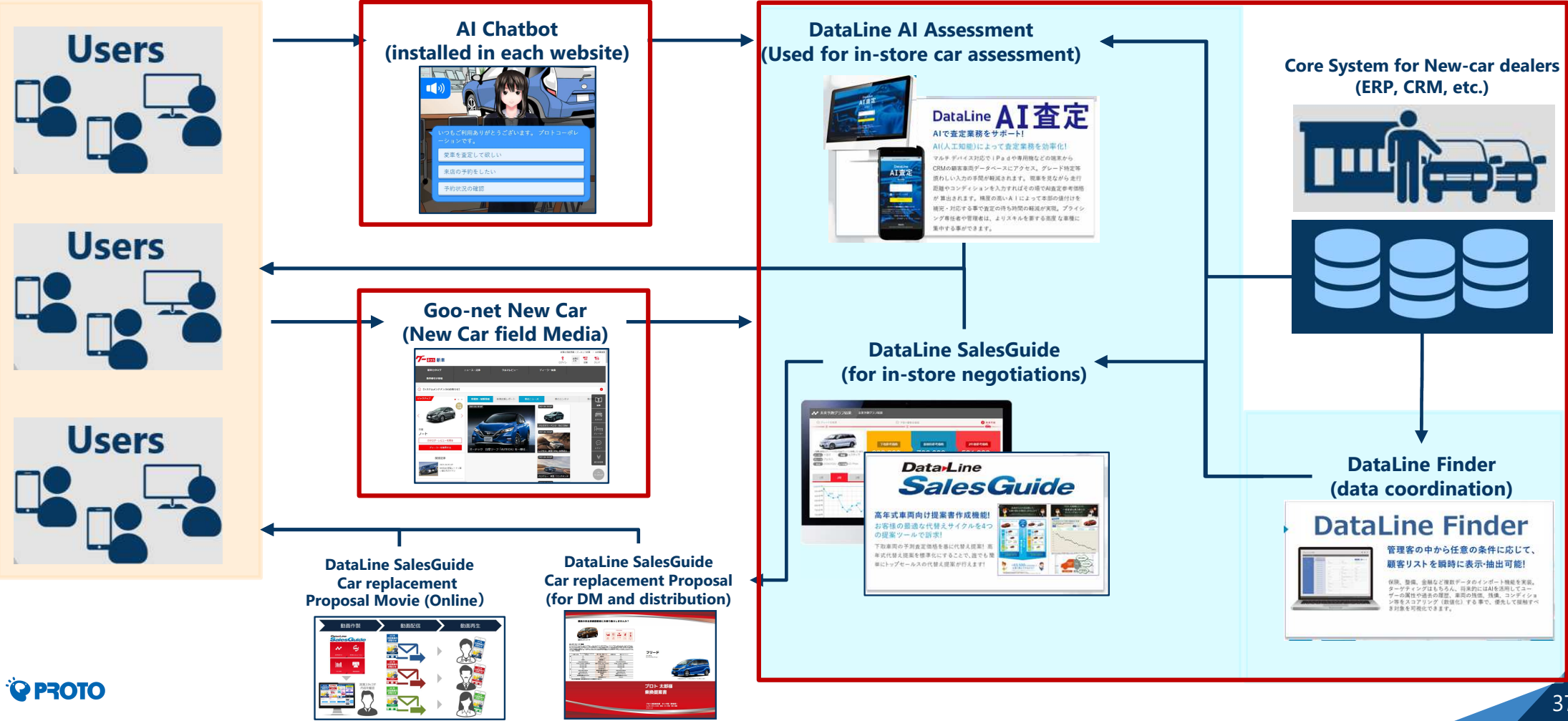


New-car field: Business models of DataLine Series



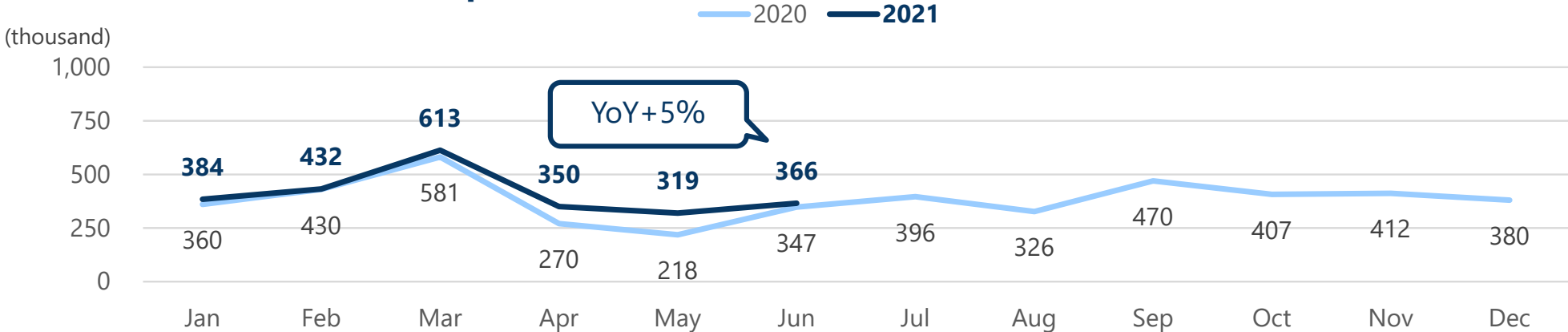
New Car Field: DataLine Series

Promote DX in New car dealers

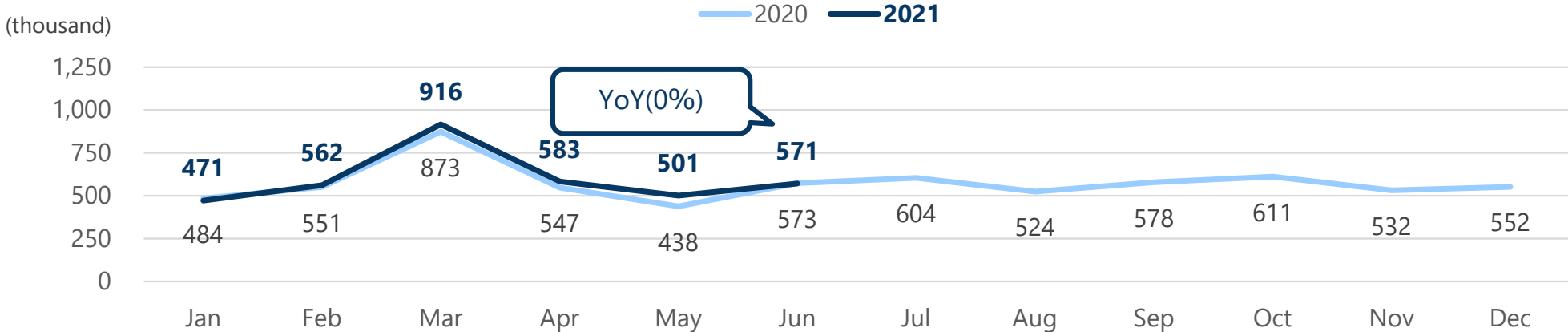


Regarding the domestic automotive market

Sales volume of new cars in Japan



No. of registered used cars in Japan

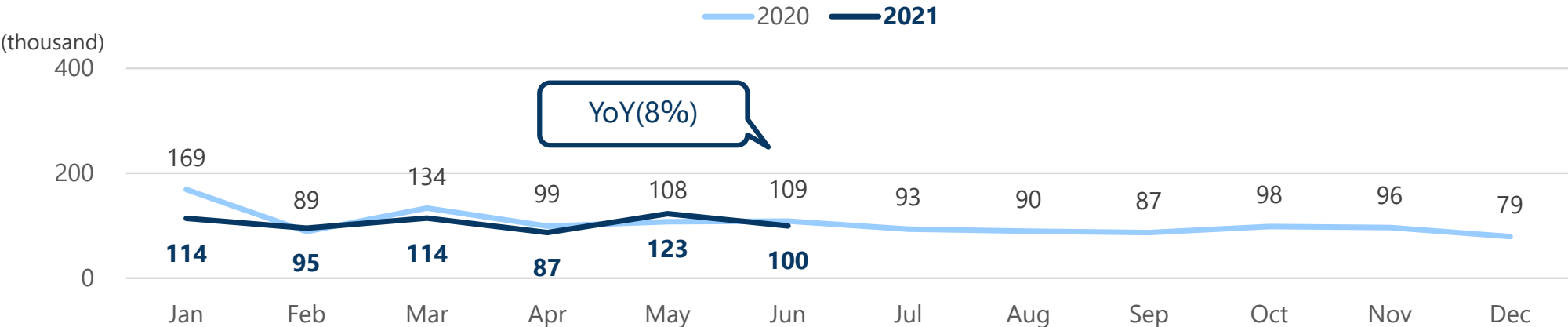


Regarding the domestic automotive market

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



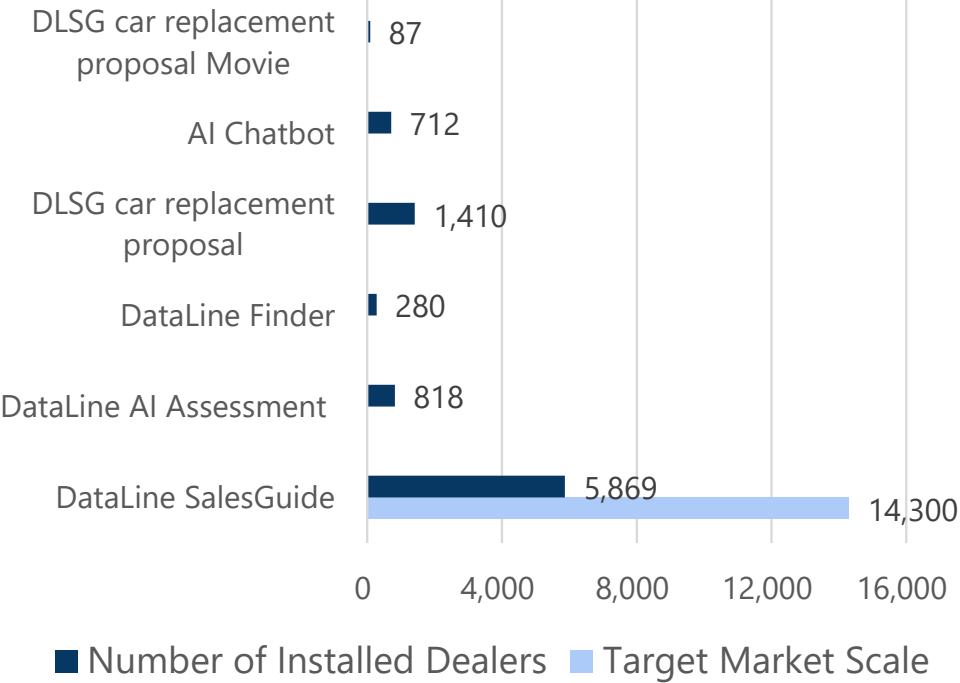
No. of deregistered vehicles for export in Japan



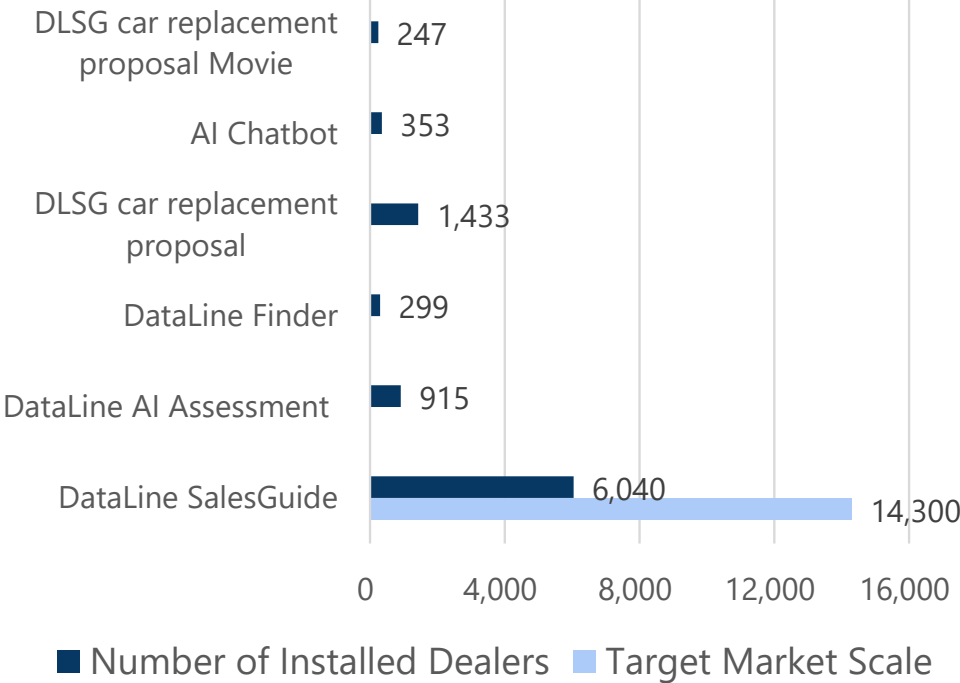
Information and services (new car field)

Expand the number of dealers where products are installed and promote product development to establish an absolute position in the new car field and raise the profit level.

March 2021 (Results)

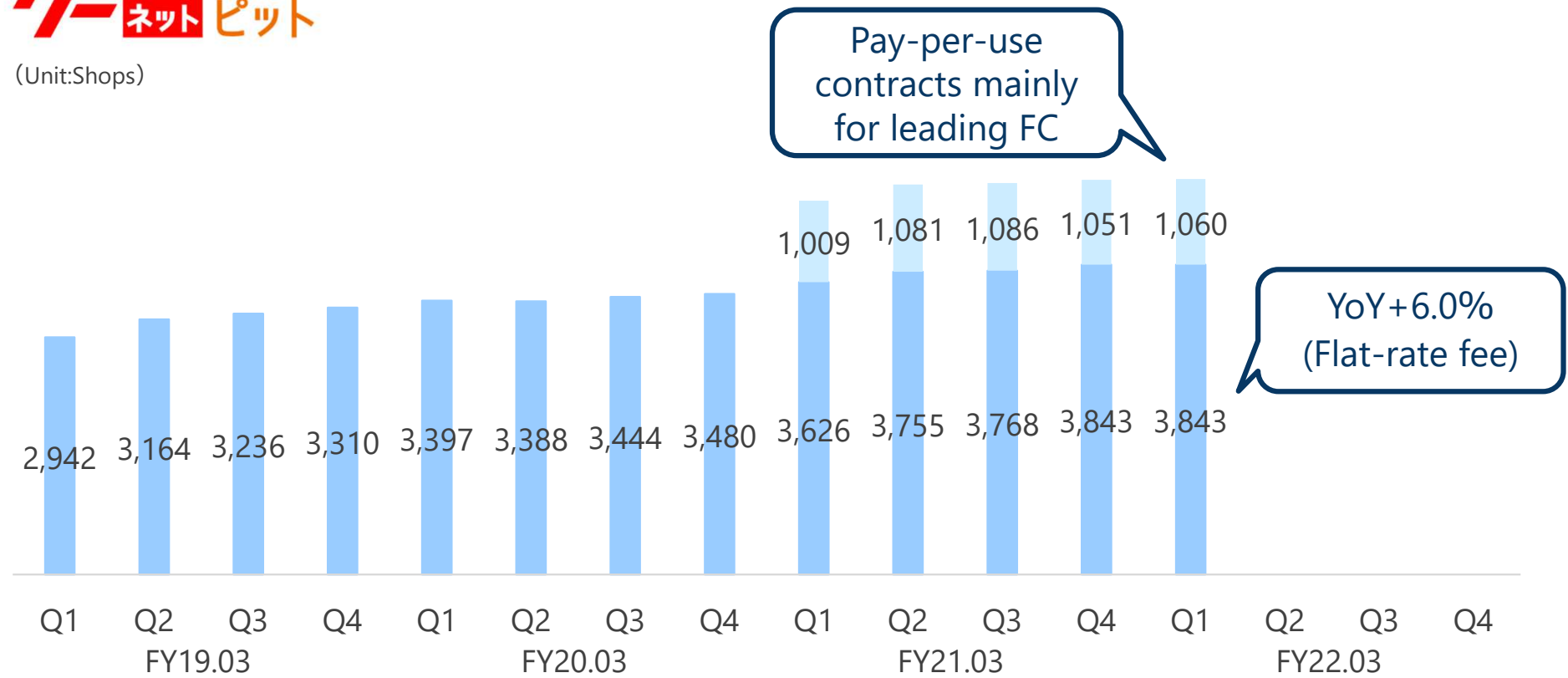


June 2021 (Results)

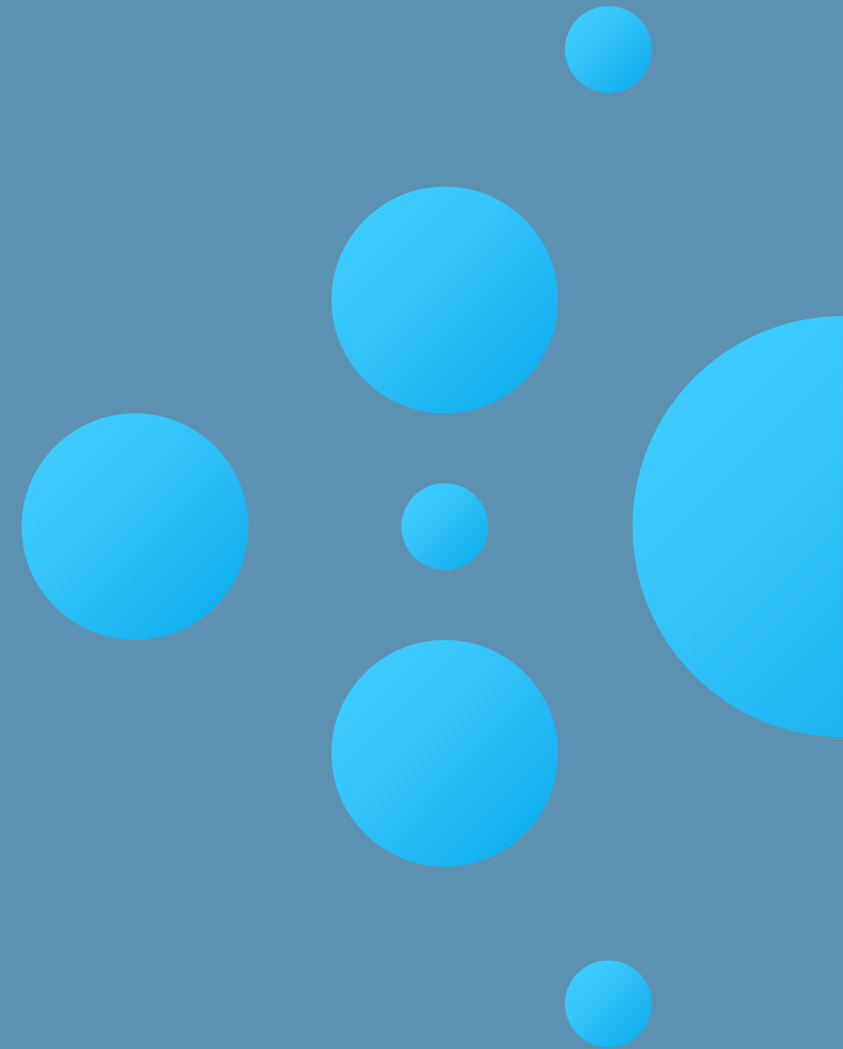


Ad-related (maintenance field)

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



APPENDIX (Financial Data)



Q1/FY March 2022: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2021		As of June 30, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	31,623	64.0%	33,554	65.9%	1,930	106.1%
Non-Current Assets	17,764	36.0%	17,363	34.1%	(400)	97.7%
Current Liabilities	12,126	24.6%	11,903	23.4%	(222)	98.2%
Non-Current Liabilities	1,327	2.7%	1,223	2.4%	(104)	92.2%
Net Assets	35,934	72.8%	37,791	74.2%	1,856	105.2%
Total Assets	49,388	100.0%	50,918	100.0%	1,530	103.1%

[unit: million yen]	As of March 31, 2021		As of June 30, 2021		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	21,705	43.9%	23,518	46.2%	1,813	108.4%
Interest-bearing debt	3,360	6.8%	3,254	6.4%	(105)	96.8%
Net cash	18,345	37.1%	20,264	39.8%	1,919	110.5%

Q1/FY March 2022: Consolidated Statements of Cash Flows

[unit: million yen]	Q1/FY March 2021	Q1/FY March 2022	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	251	(74)	(325)
Cash Flows from Investing Activities	(112)	2,485	2,598
Cash Flows from Financing Activities	(673)	(601)	71
Cash and Cash Equivalents at End of Term	16,799	23,298	6,498

[unit: million yen]	Q1/FY March 2021	Q1/FY March 2022	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets*)	105	314	208
Depreciation (Tangible/intangible fixed assets)	219	218	(0)
Amortization of Goodwill	107	97	(10)

FY March 2022: Consolidated Earnings Forecast

Consolidated Statements of Income [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
	Net Sales	60,097	100.0%	55,787	100.0%	60,000	100.0%	4,212
Gross Profit	25,191	41.9%	24,841	44.5%	25,135	41.9%	294	+1.2%
EBITDA	7,262	12.1%	7,262	13.0%	7,438	12.4%	175	+2.4%
Operating Income	5,941	9.9%	5,941	10.7%	6,100	10.2%	158	+2.7%
Ordinary Income	6,118	10.2%	6,118	11.0%	6,080	10.1%	(38)	(0.6%)
Net Income	4,853	8.1%	4,853	8.7%	5,615	9.4%	761	+15.7%
Net Income per Share(Yen)	120.86	-	120.86	-	139.82	-	18.96	+15.7%

For the fiscal year ending March 31, 2022, the transfer of shares in PROTO MEDICAL CARE is expected to result in a decrease in revenue of approximately 3.0 billion yen, a decrease in operating income of approximately 200 million yen, and an increase in net income of approximately 1.0 billion yen.

In addition, in the Other segment, we expect net sales of approximately 4.6 billion yen to increase due to M&A, etc. at PROTO SOLUTION Co., Ltd.

[unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
	SG&A Expenses	19,250	32.0%	18,899	33.9%	19,035	31.7%	135
Employment Cost	7,525	12.5%	7,525	13.5%	7,206	12.0%	(318)	(4.2%)
Advertising Cost	5,071	8.4%	5,043	9.0%	4,831	8.1%	(212)	(4.2%)
Other Expenses	6,653	11.1%	6,330	11.3%	6,998	11.7%	667	+10.5%

*1 Due to the application of the "Accounting Standard for Revenue Recognition" and other standards from the fiscal year ending March 31, 2022, agency transactions and certain transactions that are deemed to grant options to acquire additional goods or services will be accounted for in accordance with the application of these standards.

*2 Figures are based on the new revenue recognition standard for comparability, but they are unaudited reference figures and may be subject to change as a result of accounting audits.

FY March 2022: Consolidated Earnings Forecast by Segment

Net Sales [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Sales ratio	Results(b)	Sales ratio	Forecast(c)	Sales ratio	(c)-(b)	%
Automobile-related	53,679	89.3%	49,384	88.5%	51,893	86.5%	2,509	+5.1%
Ad-related	21,806	36.3%	21,776	39.0%	22,037	36.7%	260	+1.2%
Information and services	5,292	8.8%	5,257	9.4%	5,521	9.2%	263	+5.0%
Sales of goods	26,579	44.2%	22,349	40.1%	24,335	40.6%	1,985	+8.9%
Lifestyle-related	3,914	6.5%	3,914	7.0%	865	1.4%	(3,049)	(77.9%)
Real Estate	157	0.3%	142	0.3%	121	0.2%	(21)	(14.9%)
Other Business	2,345	3.9%	2,345	4.2%	7,119	11.9%	4,773	+203.6%
Total	60,097	100.0%	55,787	100.0%	60,000	100.0%	4,212	+7.6%

In the fiscal year ending March 31, 2022, the transfer of shares in PROTO MEDICAL CARE will result in a decrease of approximately 3.0 billion yen in net sales and a decrease of approximately 200 million yen in operating income in the lifestyle-related business.

In addition, in the Other segment, we expect net sales of approximately 4.6 billion yen to increase due to M&A, etc. at PROTO SOLUTION Co., Ltd.

Operating Income [unit: million yen]	FY March 2021 (Previous standard)		FY March 2021*2 (New Revenue Recognition Standard)		FY March 2022*1 (New Revenue Recognition Standard)		YoY	
	Results(a)	Profit Margin	Results(b)	Profit Margin	Forecast(c)	Profit Margin	(c)-(b)	%
Automobile-related	7,036	13.1%	7,036	14.2%	7,538	14.5%	501	+7.1%
Lifestyle-related	273	7.0%	273	7.0%	49	5.7%	(224)	(81.9%)
Real Estate	140	89.1%	140	98.3%	102	84.0%	(38)	(27.3%)
Other Business	130	5.6%	130	5.6%	362	5.1%	232	+177.8%
Management Division	(1,639)	-	(1,639)	-	(1,952)	-	(312)	-
Total	5,941	9.9%	5,941	10.7%	6,100	10.2%	158	+2.7%

*1 Due to the application of the "Accounting Standard for Revenue Recognition" and other standards from the fiscal year ending March 31, 2022, agency transactions and certain transactions that are deemed to grant options to acquire additional goods or services will be accounted for in accordance with the application of these standards.

*2 Figures are based on the new revenue recognition standard for comparability, but they are unaudited reference figures and may be subject to change as a result of accounting audits.

Consolidated Earnings (quarterly transition)

[unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4	FY2022 March,Q1 *1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1
Net Sales	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325	13,661			
Gross Profit	5,951	6,172	6,282	6,000	5,962	5,978	6,859	6,391	6,233			
EBITDA	1,760	1,602	1,962	1,130	1,829	1,667	2,418	1,347	2,096			
Operating Income	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014	1,780			
Ordinary Income	1,436	1,341	1,806	769	1,554	1,273	2,045	1,245	1,865			
Net Income	1,035	2,142	1,390	421	1,017	774	1,437	1,624	2,281			

[unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4	FY2022 March,Q1 *1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1
SG&A Expenses	4,502	4,901	4,660	5,205	4,459	4,642	4,771	5,376	4,452			
Employment Cost	1,917	1,922	1,938	1,942	1,902	1,872	1,867	1,883	1,797			
Advertising Cost	945	1,205	989	1,462	964	1,139	1,184	1,782	989			
Other Expenses	1,638	1,773	1,732	1,800	1,593	1,630	1,719	1,710	1,665			

*1 New Revenue Recognition Standard

Consolidated Earnings by Segment (quarterly transition)

Net Sales [unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4	FY2022 March,Q1 *1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1
Automobile-related	13,219	13,670	13,495	12,483	11,935	12,344	15,736	13,663	12,351			
Ad-related	5,161	5,387	5,366	5,569	5,163	5,361	5,486	5,794	5,543			
Information and services	1,259	1,415	1,452	1,428	1,253	1,322	1,346	1,371	1,393			
Sales of goods	6,798	6,867	6,676	5,485	5,518	5,660	8,903	6,497	5,413			
Lifestyle-related	1,044	1,057	1,022	1,044	981	978	954	1,001	667			
Real Estate	46	43	35	35	37	39	40	40	36			
Other Business	388	375	581	583	564	575	584	620	606			
Total	14,698	15,147	15,134	14,147	13,518	13,937	17,315	15,325	13,661			

Operating Income [unit: million yen]	FY2020 March,Q1	FY2020 March,Q2	FY2020 March,Q3	FY2020 March,Q4	FY2021 March,Q1	FY2021 March,Q2	FY2021 March,Q3	FY2021 March,Q4	FY2022 March,Q1 *1	FY2022 March,Q2 *1	FY2022 March,Q3 *1	FY2022 March,Q4 *1
Automobile-related	1,793	1,642	1,981	1,164	1,786	1,605	2,340	1,304	2,210			
Lifestyle-related	51	43	32	42	81	80	60	51	55			
Real Estate	47	42	35	9	33	31	38	37	36			
Other Business	14	17	28	(1)	22	37	50	19	59			
Management Division	(457)	(474)	(456)	(420)	(420)	(418)	(402)	(399)	(581)			
Total	1,448	1,271	1,622	794	1,502	1,335	2,088	1,014	1,780			

Operating Results 10-year Summary

[unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Net Sales	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127	60,097
Operating Income	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136	5,941
Net Income	3,275	2,290	2,627	2,381	(390)	1,506	519	3,159	4,991	4,853
EBITDA*1	6,540	5,161	6,483	6,039	6,149	4,547	5,396	5,920	6,455	7,262
Adjusted Net Income*2	3,680	2,836	3,555	3,308	641	2,145	1,151	3,596	5,420	5,275
Depreciation	288	404	819	879	1,046	1,113	1,089	916	890	898
Amortization of Goodwill	405	546	928	926	1,032	638	632	437	429	422

*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]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Automobile-related	26,704	33,687	50,138	44,056	49,486	51,025	56,100	56,167	52,870	53,679
Ad-related	20,579	21,163	21,412	21,593	21,006	21,231	21,618	21,278	21,485	21,806
Information and services	3,312	3,749	4,464	4,546	5,087	4,893	5,053	5,041	5,557	5,292
Sales of goods	2,813	8,774	24,262	17,915	23,392	24,899	29,429	29,847	25,827	26,579
Lifestyle-related	3,470	3,837	3,541	3,393	3,466	4,236	4,370	4,335	4,168	3,914
Real Estate	166	163	167	164	162	187	213	195	160	157
Other Business	240	597	913	988	1,182	1,268	1,426	1,553	1,928	2,345
Total	30,582	38,287	54,761	48,602	54,297	56,717	62,111	62,251	59,127	60,097
Operating Income [unit: million yen]	FY2012 March	FY2013 March	FY2014 March	FY2015 March	FY2016 March	FY2017 March	FY2018 March	FY2019 March	FY2020 March	FY2021 March
Automobile-related	7,272	5,916	6,217	5,624	5,277	3,939	4,933	5,758	6,582	7,036
Lifestyle-related	228	131	248	338	307	478	370	249	169	273
Real Estate	83	85	69	96	109	147	170	193	135	140
Other Business	(149)	(323)	(140)	(94)	(66)	(136)	(71)	57	58	130
Management Division	(1,589)	(1,599)	(1,659)	(1,732)	(1,554)	(1,633)	(1,728)	(1,693)	(1,809)	(1,639)
Total	5,846	4,209	4,735	4,233	4,071	2,795	3,674	4,565	5,136	5,941

Future Outlook

The IR information in this document includes a future outlook.

Such information other than the past events may be influenced by the risk and uncertainty due to the competition, market, and systems in the field of our company's business. As a result, the outlook based on the assumption and estimation with available information may be different from actual results and performance in the future. We would appreciate your understanding.

For Inquiries

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