

Financial Results
for the Three Months Ended June 2022
(April 1,2022 to June 30,2022)



DX promotion in the mobility field



**Expanding earnings through
data x AI technology**



Securities Code:4298

July 29, 2022
(Investor Meeting August 3, 2022)

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Corporate Philosophy

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

Corporate Profile

Established	June 1, 1979
Business Description	Providing mobility-related information DX promotion in the mobility field
Head Offices	23-14, Aoi 1-chome, Naka-ku, Nagoya 460-0006, Japan 6-18-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Stock Exchange Listing	Tokyo Stock Exchange Prime Market Nagoya Stock Exchange Premier Market (Securities Code : 4298)



President
Kenji Kamiya

Business Results and Indicators for the Fiscal Year Ended March 31, 2022

Net sales	57.4 billion yen	market capitalization	46.2 billion
Operating income	6.4 billion yen	PER	9.97 times
ROE	15.4%	PBR	1.10 times

As of July 28, 2022

Since joining the company as a new graduate in 1990, I have always taken on challenges with the mindset and determination to work to become the president. We have taken on many endeavors and evolved from the company that launched the first used car information magazine in Japan to a company centered on DX in the mobility field. This term marks our 45th anniversary.

We will do our best to continue to be a company loved by shareholders and investors through our corporate philosophy “to convert the data of today into the wisdom of tomorrow, and contribute to society with dreams, inspirations, and joy.”

Features of PROTO CORPORATION



45

**YEAR OF
EXPERIENCE**

① A leading company in used car information media

- Operates the famous car information media, Goo-net
- Holds a market share of **about 60%** of used car dealers, making the company one of the best in the industry

② Provides comprehensive support for DX in the mobility area

- Promotion of DX** in the areas of used cars, maintenance, and new cars
- Expanding profit opportunities using **data and AI** technology

③ Aiming for high growth with the new medium-term management plan

Target for FY March 2025

Sales of **125 billion yen**, an operating income of **10 billion yen**, and an **ROE of 12%** or higher

Results for FY March 2022

Sales of 57.4 billion yen, an operating income of 6.4 billion yen, and an ROE of 15.4%

Performance summary

(Q1 FY2023 Results & Full Year Plan for FY2023)

Executive Summary for the first quarter of the fiscal year ending March 31, 2023

Both sales and operating income significantly exceeded the previous year's results and this fiscal year's plan.

unit: million yen	Actual results for the previous period	Plan	Result
	Q1/FY2022 Apr-Jun 2021	Q1/FY2023 Apr-Jun 2022	Q1/FY2023 Apr-Jun 2022
Net sales	13,661	20,254	23,784 YoY+74.1% Comparison to Plan+17.4%
Operating Income	1,780	1,641	2,082 YoY+16.9% Comparison to Plan+26.8%
Ordinary Income	1,865	1,674	2,100 YoY+12.6% Comparison to Plan+25.4%
Net Income	2,281	1,121	1,398 YoY(38.7%) Comparison to Plan+24.7%

■ Both sales and operating income exceeded this fiscal year's plan for major group companies.

■ Net sales significantly exceeded both the previous year's results and the current year's plan due to the continued strong performance of the platform business from the previous year, the progress in passing on to sales prices in tire and wheel sales despite the impact of the weak yen and soaring raw material prices, and the increased demand for tickets as the infection situation of the new type coronavirus has temporarily settled.

■ Operating income significantly exceeded both the previous year's results and this fiscal year's plan, mainly due to an increase in gross profit resulting from higher sales

■ The previous year saw a gain on the sale of shares in PROTO MEDICAL CARE (2.14 billion yen)

PL by segment for the first quarter ending March 31, 2023

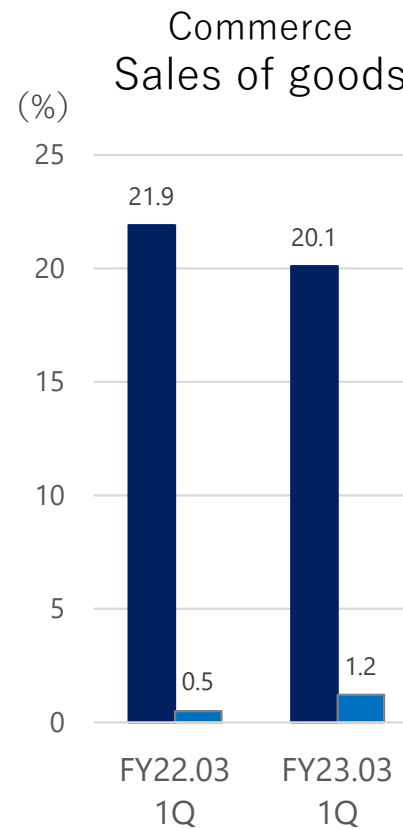
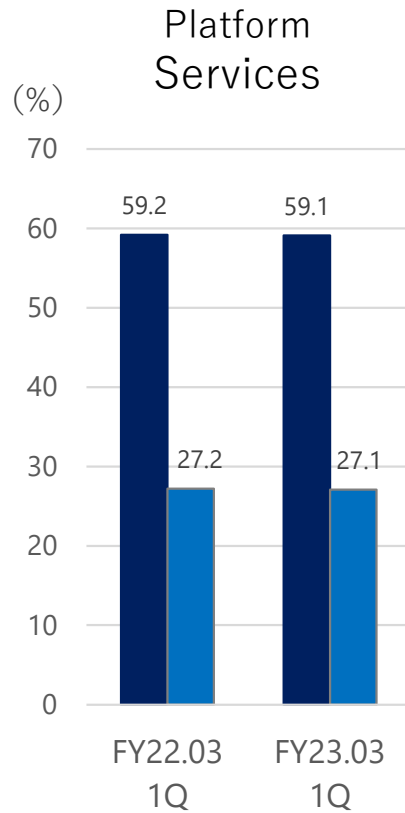
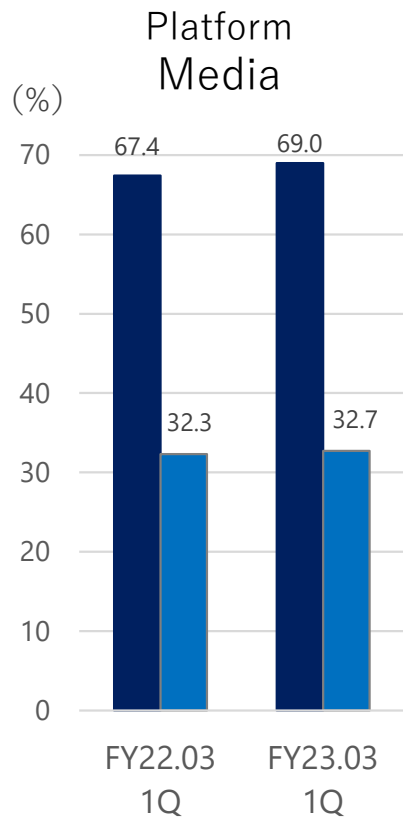
		[unit: million yen]	Result Q1/FY2022 Apr-Jun 2021	Plan Q1/FY2023 Apr-Jun 2022	Result Q1/FY2023 Apr-Jun 2022	YoY	Comparison to Plan
P l a t f o r m	Net sales		6,986	7,039	7,364	+378	+325
	Operating Income		2,184	2,127	2,328	+143	+200
M e d i a	Net sales		5,630	5,626	5,925	+294	+299
	Operating Income		1,816	1,742	1,937	+121	+194
S e r v i c e s	Net sales		1,355	1,413	1,439	+84	+26
	Operating Income		368	384	390	+22	+5
C o m m e r c e	Net sales		5,390	12,122	15,233	+9,842	+3,110
	Operating Income		27	(59)	107	+80	+166
S a l e s o f g o o d s	Net sales		5,390	5,751	6,544	+1,153	+793
	Operating Income		27	(38)	79	+52	+118
T i c k e t s a l e s	Net sales		-	6,371	8,688	+8,688	+2,317
	Operating Income		-	(20)	28	+28	+48
O t h e r B u s i n e s s	Net sales		1,285	1,092	1,186	(99)	+94
	Operating Income		164	98	123	(41)	+24
Management Division	-		(596)	(524)	(477)	+119	+47
T o t a l	Net sales		13,661	20,254	23,784	+10,122	+3,530
	Operating Income		1,780	1,641	2,082	+301	+440

Gross profit margin and operating margin by segment

Gross profit margin

Operating margin

Promote profitability improvement in each segment



※1 COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. which correspond to ticket sales, are included in the group from this fiscal year.

Summary of First Quarter Results for the Fiscal Year Ending March 31, 2023

Both platform and commerce exceeded the previous year's results and this fiscal year's plan by a wide margin.

Platform

① Used car field

Sales expansion of DX products from the perspective of users visiting Goo-net contributed to higher monthly unit prices.

② Maintenance field

Monthly unit price increased significantly due to an increase in the number of shops installing MOTOR GATE PIT IN and other factors.

③ New car field

As the number of DataLine SalesGuide dealers increased, the monthly unit price steadily increased.

Commerce

① Sales of goods

Despite the impact of yen depreciation and raw material price hikes, both net sales and operating income exceeded the previous year's results and the current year's plan due to the shift of selling prices to tires and wheels.

② Ticket sales

Both net sales and operating income significantly exceeded this year's plan due to higher-than-expected ticket sales, as the new coronavirus infection situation settled down and restrictions on activities were eased, as well as enhanced purchase and sales of shareholder gift tickets and other items with high gross profit margins.

Forecast for Fiscal Year Ending March 31, 2023 (No change from May 13, 2022 announcement)

[unit: million yen]	FY March 2022 (results)	FY March 2023 (plan)	Q1/FY2023 Apr-Jun 2022 (result)	For the fiscal year ending March 31, 2023
Net sales	57,446	85,681 YoY+49.1%	23,784 Progress rate 27.8%	In addition to the growth of existing businesses, sales are expected to increase significantly due to the consolidation of COSMIC Group* (as of April 1).
Operating Income	6,422	6,500 YoY+1.2%	2,082 Progress rate 32.0%	Implement upfront investment while promoting sales expansion of highly profitable DX products
Ordinary Income	6,622	6,650 YoY+0.4%	2,100 Progress rate 31.6%	AUTOWAY Co., Ltd. had a foreign exchange gain of 240 million yen for the year ended March 31, 2022
Net Income	5,880	4,450 YoY(24.3%)	1,398 Progress rate 31.4%	2.14 billion yen gain on sale of shares in PROTO MEDICAL CARE for the year ended March 31, 2022
Capital investment	1,234	1,590 YoY+28.8%	-	Promoting data platform construction
Depreciation	877	1,059 YoY+20.7%	-	Due to increase in capital expenditures
E P S	146.34yen	110.71円 YoY(24.3%)	-	See 「Net Income」
Dividend per share	35yen	35yen	-	Scheduled to remain the same as the previous fiscal year

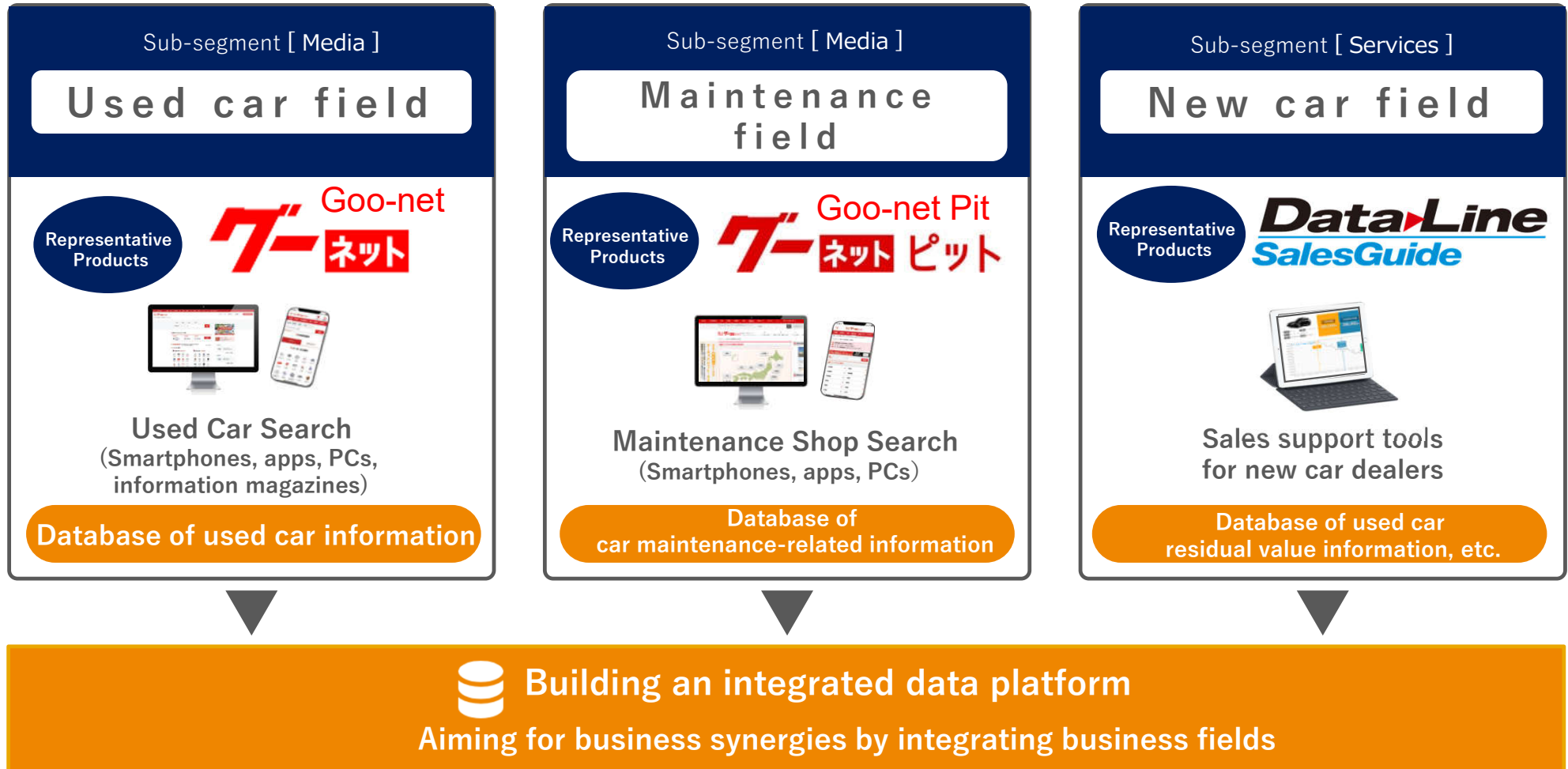
*COSMIC Group : COSMIC RYUTSUU SANGYO CO., LTD. and COSMIC GIFT CARD SYSTEM CO., LTD. 10

Forecast for Fiscal Year Ending March 31, 2023 by segment PL (No change from May 13, 2022 announcement)

[unit: million yen]		FY March 2021(a)	FY March 2022(b)	FY March 2023 plan(c)	YoY (c)-(b)	For the FY March 31, 2023
P l a t f o r m	Net sales	26,896	28,775	29,523	+748	Promote sales expansion of DX products, which are profitable
	Operating Income	6,760	7,835	8,190	+354	Operating income margin 27.7%
M e d i a	Net sales	21,573	23,032	23,711	+678	Promote sales expansion of DX products in the Mobility Business (used car field and maintenance field)
	Operating Income	5,360	6,258	6,605	+347	Operating income margin 27.9%
S e r v i c e s	Net sales	5,323	5,742	5,812	+69	Strengthen data service business in mobility business (new car field)
	Operating Income	1,400	1,576	1,584	+7	Operating income margin 27.3%
C o m m e r c e	Net sales	22,347	24,492	51,674	+27,181	Services primarily intended to provide total support to business partners
	Operating Income	257	66	(24)	(90)	Improvement by strengthening export alliance and internet sales, etc.
S a l e s o f g o o d s	Net sales	22,347	24,492	25,034	+541	Mainly tire and wheel sales and used car export
	Operating Income	257	66	6	(60)	Improvement through strengthening export alliances, etc.
T i c k e t s a l e s	Net sales	—	—	26,640	+26,640	Services of COSMIC Group, whose shares were acquired on April 1.
	Operating Income	—	—	(30)	(30)	We plan to improve by strengthening online sales with our expertise.
O t h e r B u s i n e s s	Net sales	6,544	4,178	4,483	+304	BPO business, investment business by CVC, etc.
	Operating Income	565	437	387	(50)	We will strive for business and profit growth in each of our businesses.
Management Division	-	(1,641)	(1,917)	(2,053)	(135)	Promote DX within the company and strive to improve productivity
T o t a l	Net sales	55,787	57,446	85,681	+28,234	-
	Operating Income	5,941	6,422	6,500	+77	-

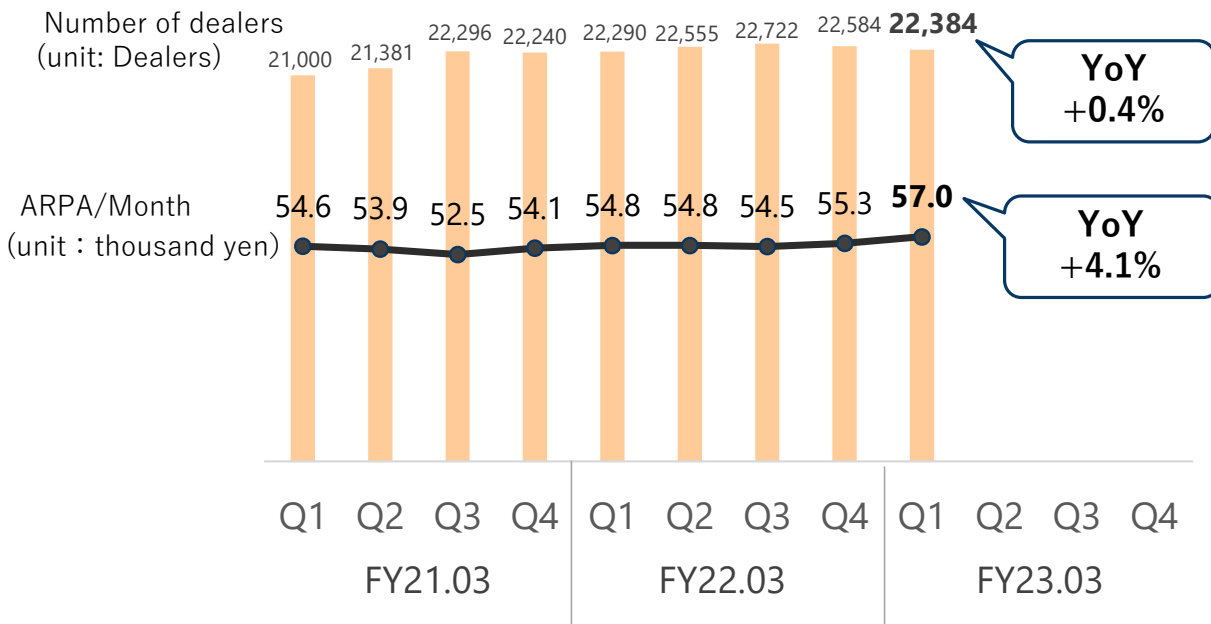
Steady platform business

Overview of the Platform Business



Number of dealers and ARPA/Month in the used car field

Sales expansion of DX products from the perspective of users visiting Goo-net contributed to higher monthly unit prices.



Number of dealers ^{*1}

22,384
 (57.9% industry share)

ARPA/Month

JPY 57.0K

Churn rate

2.0%
 (12-month average)

MRR ^{*2}

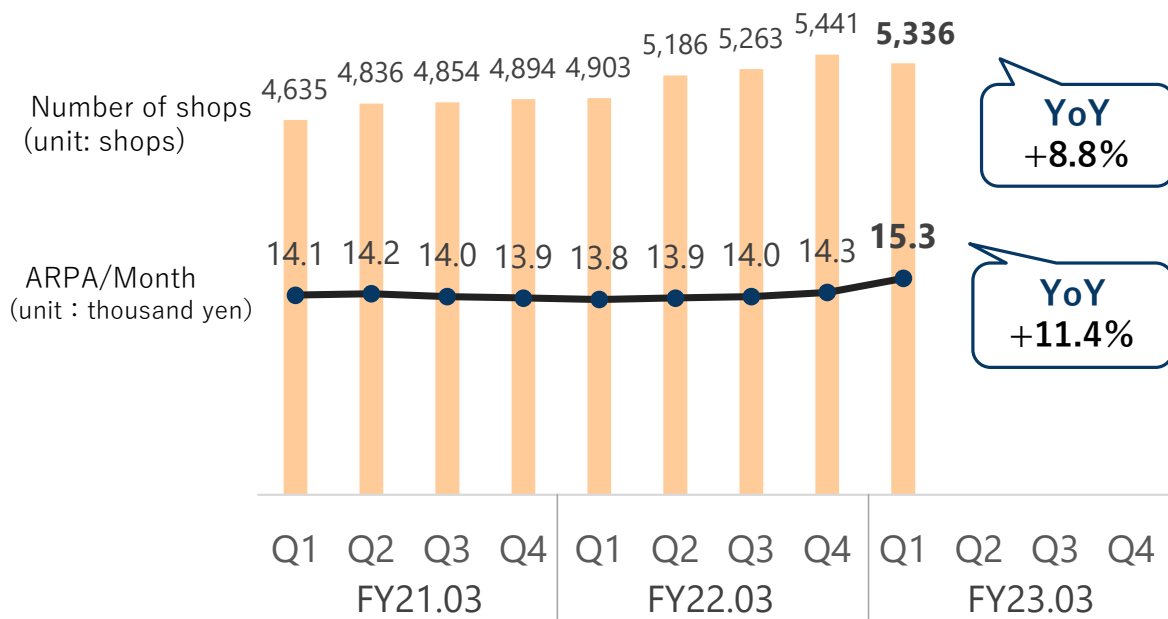
JPY1.27Bn
 (June,2022)

*1:Target markets 38,651 dealers

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

Number of shops and ARPA/Month in the maintenance field

Monthly unit price increased significantly due to an increase in the number of shops installing MOTOR GATE PIT IN and other factors.



Number of shops *1

5,336
 (5.8% industry share)

ARPA/Month

JPY15.3K

Churn rate

1.3%
 (12-month average)

MRR *2

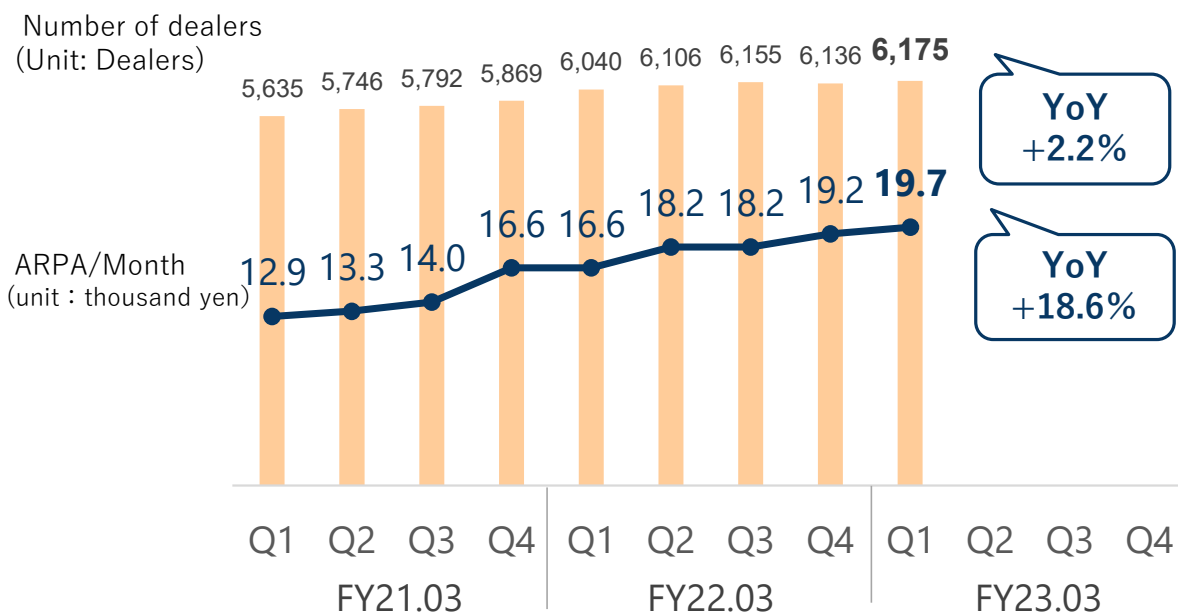
JPY0.08Bn
 (June,2022)

*1 :Target markets 91,790 shops

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

Number of dealers and ARPA/Month in the New car field

Because the system supports sales operations at dealers, it is less susceptible to the market environment, and the number of dealers where the system is installed is steadily increasing.



Number of dealers^{*1}

6,175
(43.1% industry share)

ARPA/Month

JPY 19.7K

Churn rate

0.4%
(12-month average)

MRR^{*2}

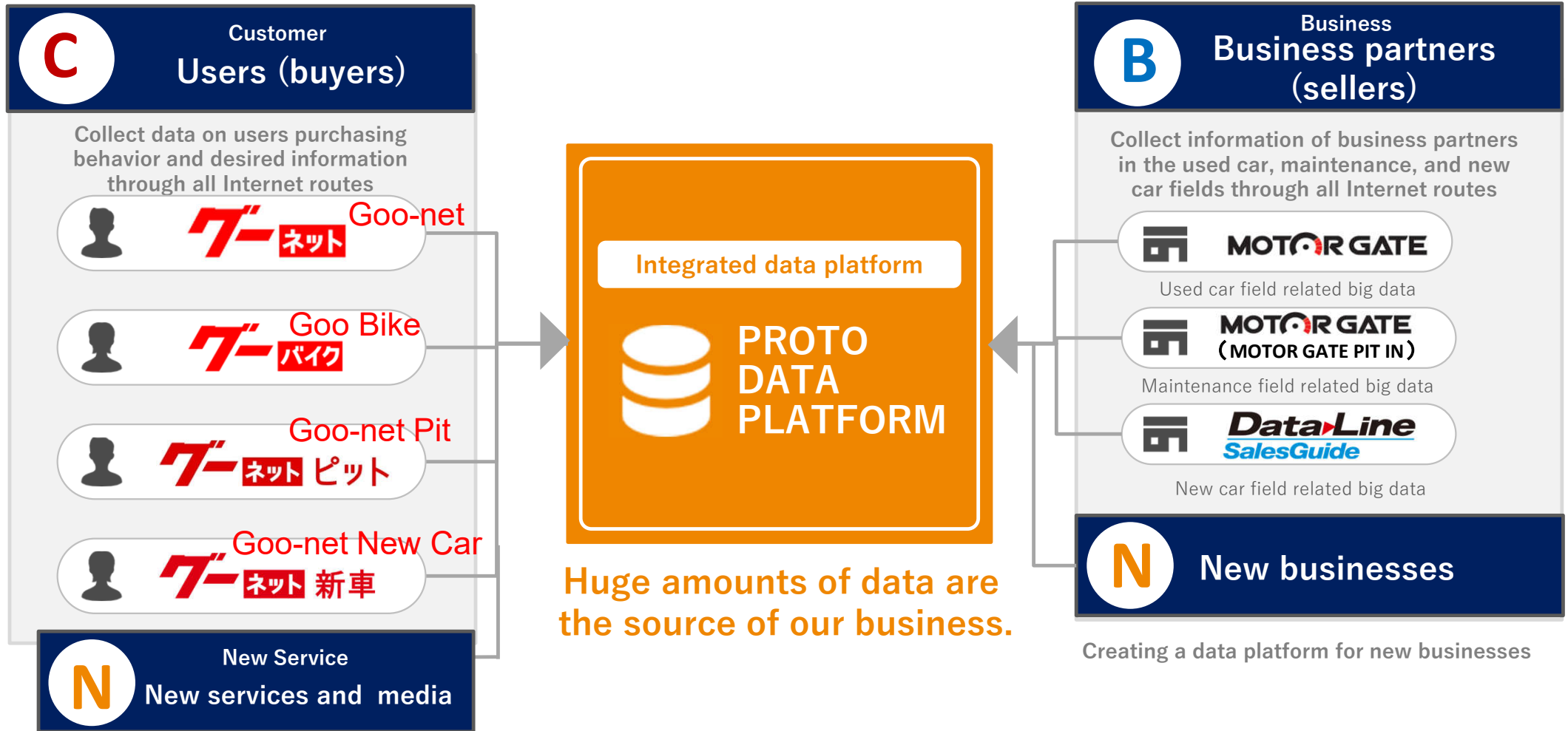
JPY 0.12Bn
(June, 2022)

*1 :Target markets 14,300 dealers

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

Medium-term growth strategy : DX promotion in the mobility field

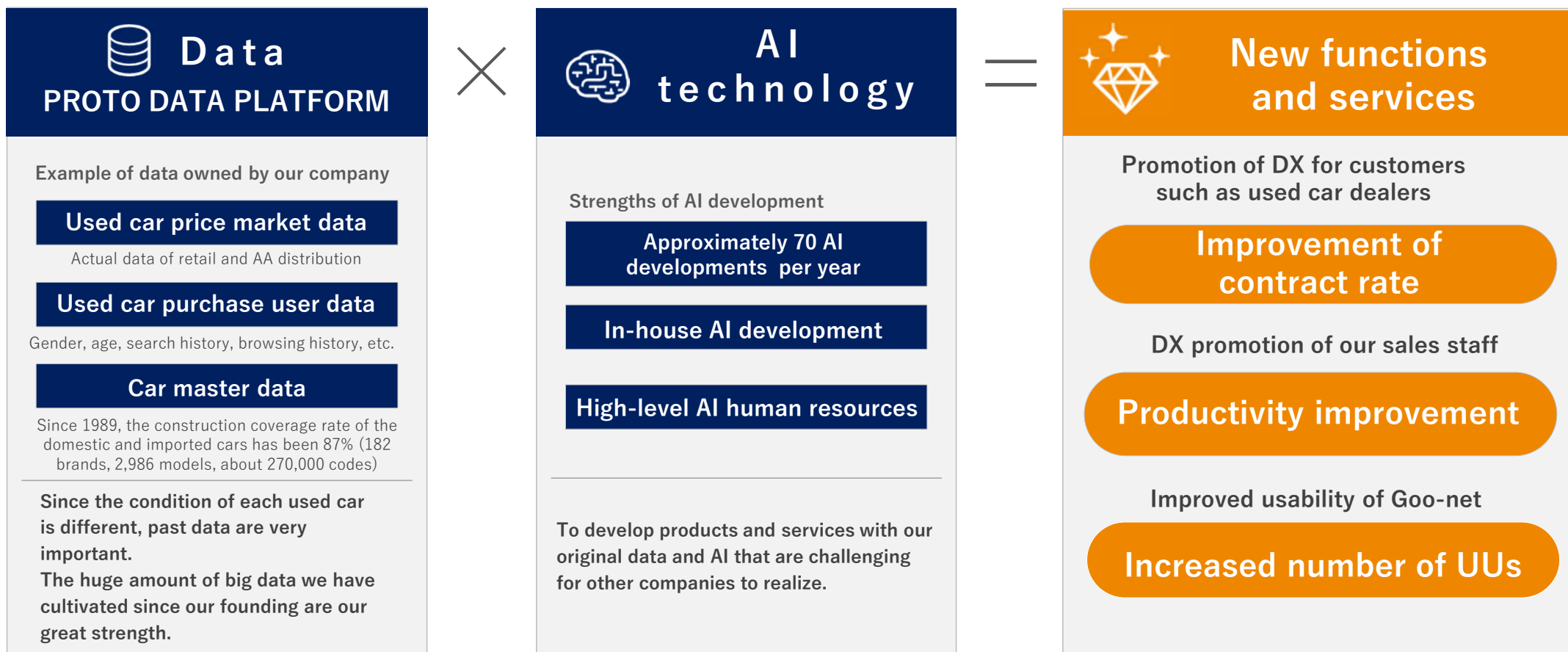
① Construction of a data platform in the mobility field, including M&A



Integrate data acquired from users and business partners into a "data platform"

Medium-term growth strategy : DX promotion in the mobility field

② Development of new products and services that make full use of data and AI technology



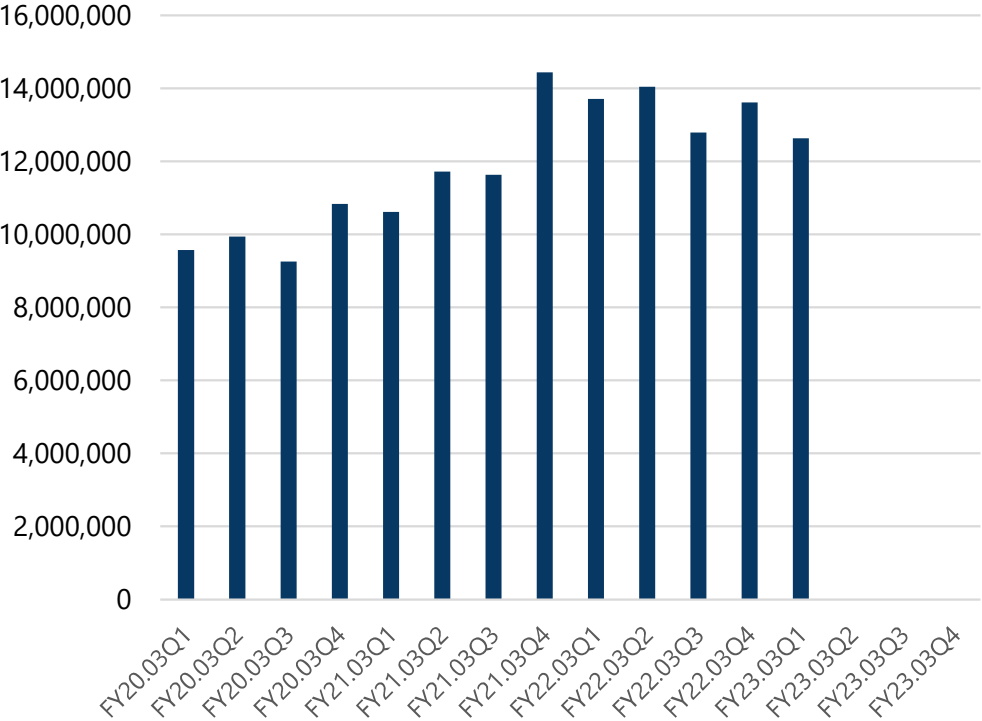
We will continue to promote service development that contributes to DX in the mobility field

Appendix

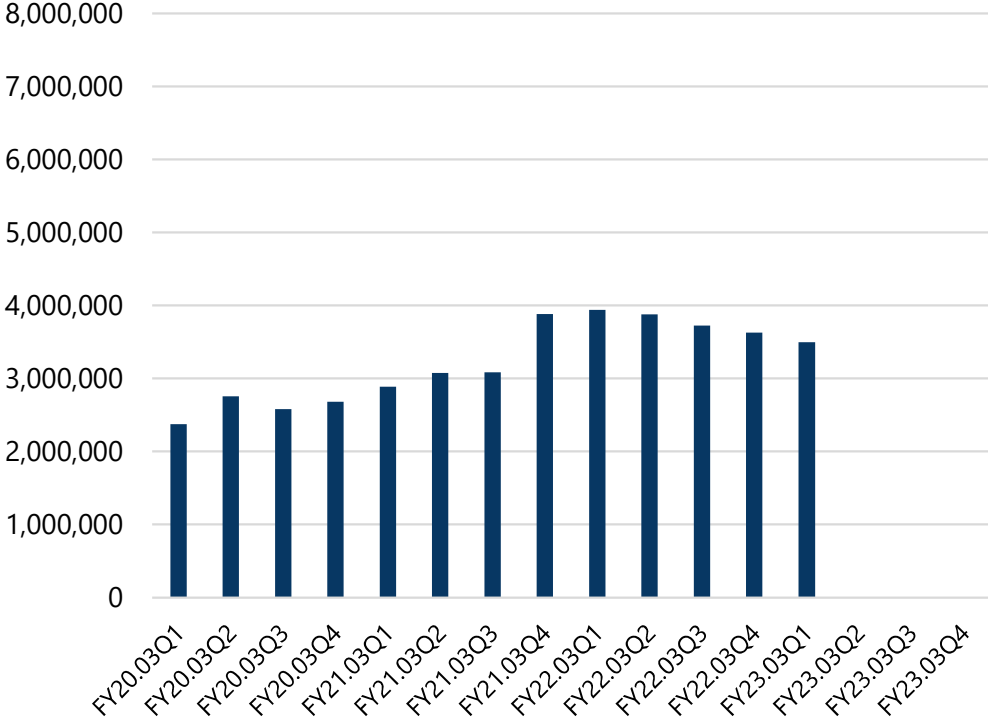
Number of unique users

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

Goo-net UU/3-month average



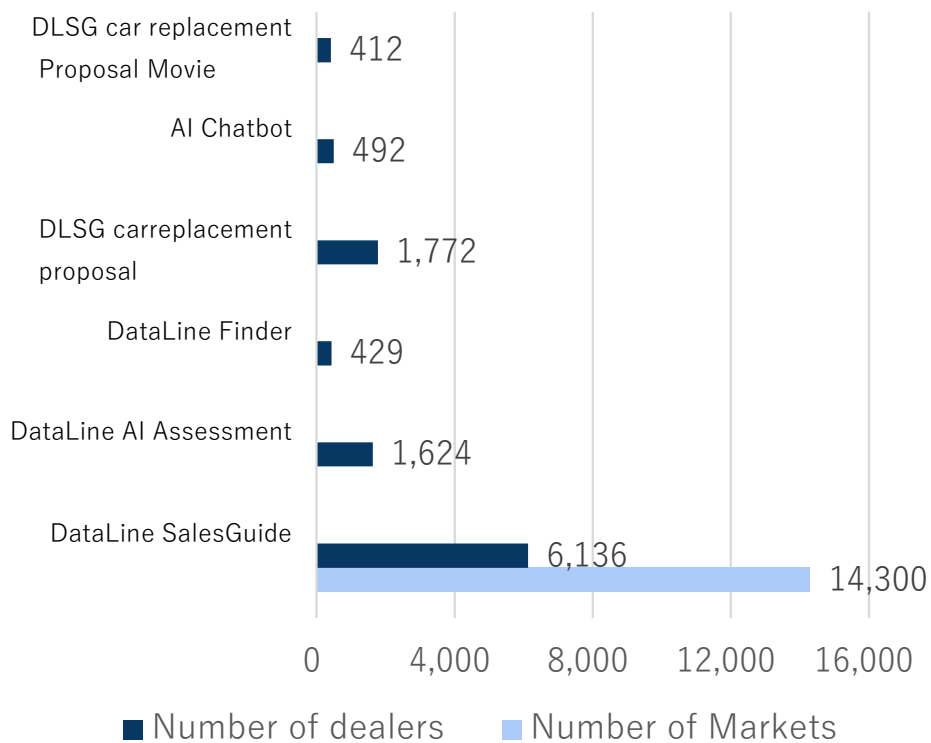
Goo-net Pit UU/3-month average



New Car field Optional Service Number of Installed dealers

Establish an absolute position in the new car field by promoting the development of DX products and expanding the number of dealers where they are introduced.

March 2022(Results)



Increase/
Decrease

(117)

(2)

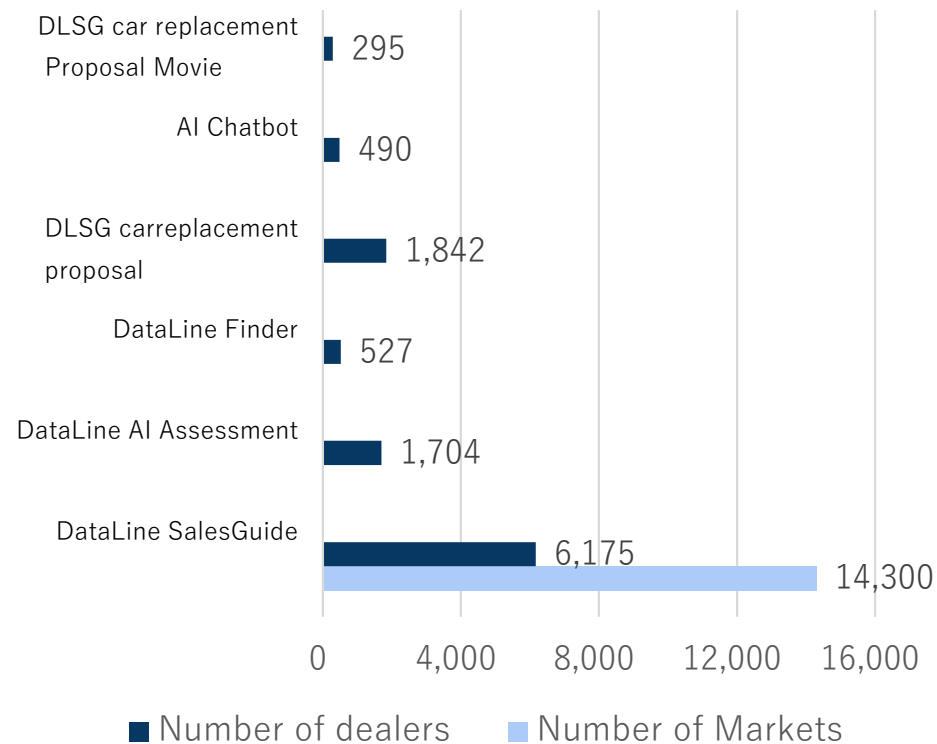
+70

+98

+80

+39

June 2022(Results)



Q1/FY March 2023: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2022		As of June 30, 2022		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	37,635	69.0%	37,636	67.9%	1	100.0%
Non-Current Assets	16,890	31.0%	17,784	32.1%	894	105.3%
Current Liabilities	13,035	23.9%	13,489	24.3%	454	103.5%
Non-Current Liabilities	1,093	2.0%	1,213	2.2%	120	111.0%
Net Assets	40,397	74.1%	40,718	73.5%	321	100.8%
Total Assets	54,525	100.0%	55,421	100.0%	895	101.6%

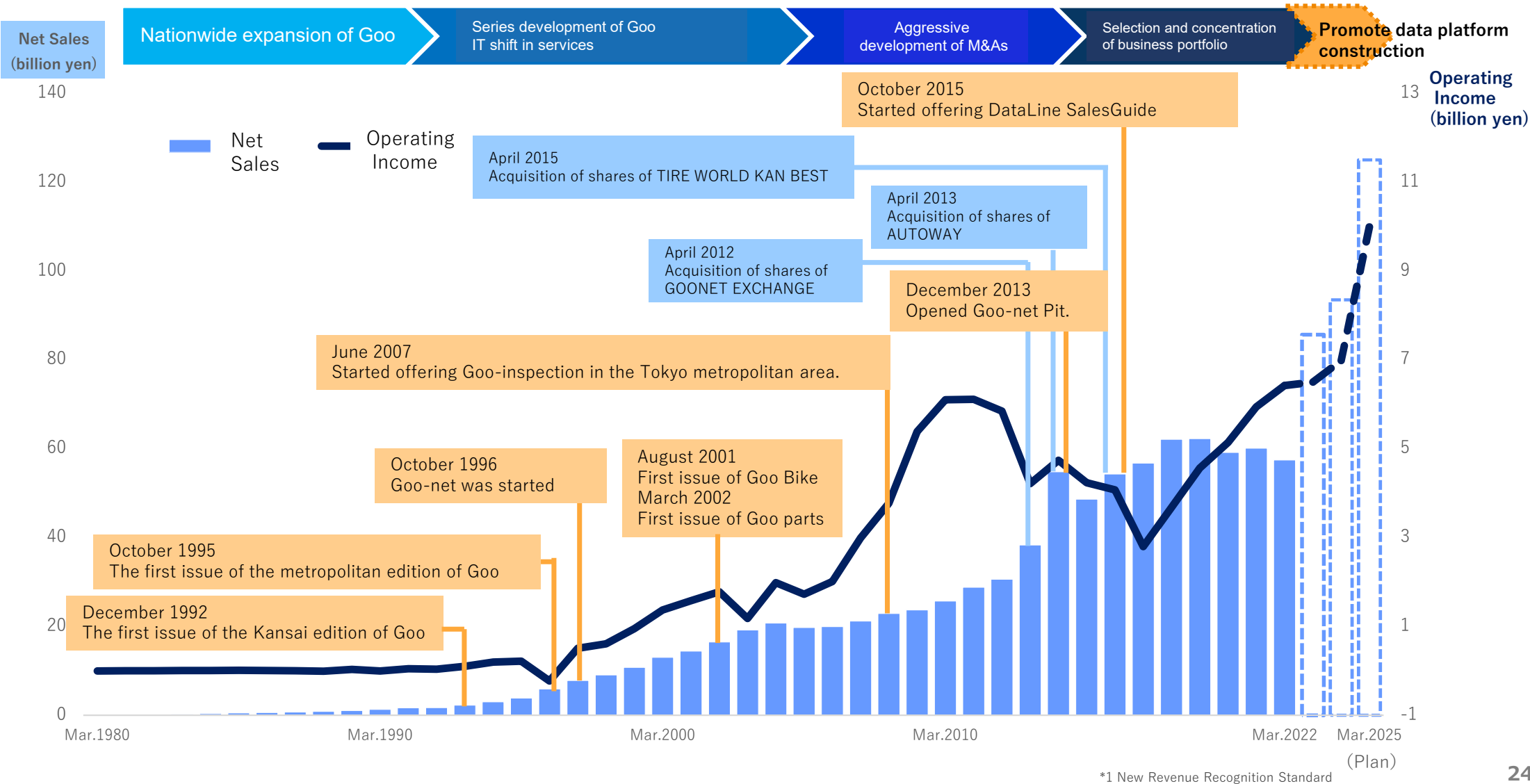
[unit: million yen]	As of March 31, 2022		As of June 30, 2022		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	26,159	48.0%	23,014	41.5%	(3,145)	88.0%
Interest-bearing debt	3,257	6.0%	4,478	8.1%	1,221	137.5%
Net cash	22,902	42.0%	18,536	33.4%	(4,366)	80.9%

Q1/FY March 2023: Consolidated Statements of Cash Flows

[unit: million yen]	Q1/FY March 2022	Q1/FY March 2023	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Cash Flows from Operating Activities	(74)	(764)	(689)
Cash Flows from Investing Activities	2,485	(1,299)	(3,784)
Cash Flows from Financing Activities	(601)	(1,075)	(474)
Cash and Cash Equivalents at End of Term	23,298	22,781	(516)

[unit: million yen]	Q1/FY March 2022	Q1/FY March 2023	increase and decrease
	Results(a)	Results(b)	(b)-(a)
Investment Amount (Tangible/intangible fixed assets)	314	200	(113)
Depreciation (Tangible/intangible fixed assets)	218	226	8
Amortization of Goodwill	97	106	9

Transition of Net Sales and Operating Income



Company Profile

Corporate Name	PROTO CORPORATION	
Founded	October 1, 1977	
Established	June 1, 1979	
Common Stock	1,849 million yen (As of March 31, 2022)	
Shares Outstanding	41,925,300 shares (As of March 31, 2022)	
Head Offices	1-23-14 Aoi, Naka-ku, Nagoya-shi, Aichi 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: 1,302 (As of March 31, 2022) Parent: 534 (As of March 31, 2022)	
Stock Exchange	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market	
Listing Subsidiary	<ol style="list-style-type: none"> 1. AUTOWAY Co., Ltd. 2. TIRE WORLD KAN BEST CO., LTD. 3. GOONET EXCHANGE 4. PROTO-RIOS INC. 5. CAR CREDO Co., Ltd. 6. CAR BRICKS Co., Ltd. 7. PROTO SOLUTION Co., Ltd. 8. OKINAWA CALL STAFF SERVICE Co., LTD 9. Associe Co., Ltd 10. Onion Inc. 	<ol style="list-style-type: none"> 11. PROTO Ventures 12. PROTO Ventures 2 Investment Limited Partnership 13. COSMIC RYUTSUU SANGYO CO., LTD. 14. COSMIC GIFT CARD SYSTEM CO., LTD. 15. okinawa basketball inc. 16. okinawa arena inc. 17. okinawa sports academy inc. 18. CAR CREDO (Thailand) Co., Ltd. 19. UB Datatech, Inc. (Affiliates accounted for by the equity method)

(As of July 29, 2022)

Change in Segment Classification

Previous segment

Segment	Sub-segment
Automobile-related	Ad-related
	Information and services
	Sales of goods
Lifestyle-related	-
Real Estate	-
Other Business	-



New segment

Segment	Sub-segment
Platform	Media
	Services
Commerce	Sales of goods
	Ticket sales
Other Business	-

By separating the mainstay automobile-related information into platform (media and services) and commerce (sales of goods), and sub-segmenting the newly added ticket sales into commerce, the current organizational structure is accurately reflected and the segment classification is changed to be clearer and easier to understand.

Change in Segment Classification

Breakdown by Major Group Companies

Segment	Sub-segment	Details
Platform	Media	PROTO CORPORATION (Media : Used cars, Maintenance,Bike) PROTO SOLUTION (Media) CAR Credo (Appraisal Business) GOONET EXCHANGE (Alliance)
	Services	PROTO CORPORATION (New car) PROTO-RIOS (Software sales)
Commerce	-	AUTOWAY (Tire and wheel sales) TIRE WORLD KAN BEST (Tire and wheel sales) GOONET EXCHANGE (Used car export) PROTO CORPORATION (Sale of goods) PROTO SOLUTION (Sale of goods) COSMIC RYUTSUU SANGYO CO., LTD. · COSMIC GIFT CARD SYSTEM CO., LTD. (Ticket sales)
Other Business	-	PROTO CORPORATION (Agriculture, Real Estate, Others) PROTO SOLUTION (BPO) PROTO Ventures · PROTO Ventures 2 Investment Limited Partnership (Investment) AUTOWAY (Solar power generation) okinawa basketball inc. (Basketball team management)

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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