



Financial Results for the Three Months Ended June 2023 [April 1,2023 to June 30,2023]

PROTO CORPORATION

Tokyo Stock Exchange Prime Market
Nagoya Stock Exchange Premier Market
Securities Code: 4298

July 31, 2023
[Investor Meeting August 7, 2023]

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Performance Summary

[Q1 FY2024 Results]

Overview of company-wide performance

- Both sales and operating income are progressing smoothly against the plan.
- Ordinary income and net income significantly exceeded the plan due to the impact of gain on valuation of derivatives.

[unit: million yen]	Plan Q1/FY2024 Apr-Jun 2023	Result Q1/FY2024 Apr-Jun 2023	Comparison to Plan	Actual results for the previous period Q1/FY2023 Apr-Jun 2022	YoY
Net sales	25,650	27,220	+6.1%	23,784	+14.4%
Operating Income	1,770	2,231	+26.1%	2,082	+7.2%
Ordinary Income	1,766	2,755	+56.0%	2,100	+31.2%
Net Income attributable to owners of parent	1,196	1,808	+51.2%	1,398	+29.3%

Key points of company-wide performance and performance by segment

Key points of company-wide performance

- Sales in all segments increased YoY and exceeded the plan.
- Operating income increased compared to the previous year and achieved the plan due to an increase in the number of contracted IDs for "DX products using data and AI technologies" to meet customers' DX needs and promote DX in the mobility domain.

Key points of performance by segment

Platform

- Increase the number of transactions in each business area of used cars, maintenance, and new cars, and increase industry share.

Commerce

- Profitability of ticket sales business improved due to review of product mix.

Other Business

- Sales and operating income grew as okinawa basketball inc. became a consolidated subsidiary.

Used car field

[Media]

Expansion of market share, growth in both sales and operating income

As the demand for used cars subsided, it is difficult to increase fee-paying shops, but we increased our market share steadily. By meeting the needs for DX of registration of information to be listed, growth in both sales and operating income.

Maintenance field

[Media]

Expansion of market share, and promotion of priority products

As a result of strengthening new corporate sales, the number of new client factories expanded as planned, and the number of installations of "Goo Failure diagnosis," which is an on-board diagnostic (OBD) system, and "MOTOR GATE PIT IN," a unified system for managing vehicles to be repaired, increased. Going forward, the company plans to expand sales of optional products to new clients, such as maintenance shops, in order to improve the ARPA/month.

New car field

[Services]

Meeting the needs for DX from clients, we increased the number of contract IDs for DX products.

Meeting the needs for DX of business negotiation, we increased the number of contracts for DX products. Based on a "DataLine SalesGuide car replacement Proposal Movie," the number of dealers that have adopted "DataLine SalesGuide" increased.

In addition, the number of dealers that have adopted "DataLine AI Assessment" increased, so sales and operating income grew.

Maintenance sheet metal software

[Services]

Reinvigorate business performance by expanding the number of new customers

Net sales and operating income declined from the previous year due to the failure to acquire new customers and higher cost of sales. The company will continue to strengthen its new sales structure to expand new system transactions and improve business performance.

Tire and wheel sales

[Sales of goods]

Sales and unit sales grew despite soaring raw material prices due to a review of selling prices.

The augmentation of costs for procuring made-in-Japan and imported tires and aluminum wheels was passed on to selling prices, and sales quantities increased. The improvement of logistics systems, too, contributed to the sales growth.

The decline in gross profit margin and operating income margin was due to a sharp increase in the cost of imported tires following the depreciation of the yen.

Continue to review selling prices as appropriate to improve profitability as well as sales growth.

Used car export

[Sales of goods]

Delays in used car exports due to the impact of new car exports

Export of new vehicles has been the top priority, and during the quarter, the company was unable to ship used vehicles to Malaysia, Hong Kong, and North America, its main export destinations, due to a lack of available space on vessels. In Malaysia and Hong Kong, this situation has been largely resolved since May, and earnings have been improving. Earnings in North America are also expected to improve from late July.

Ticket sales

[Ticket sales]

We strengthened its EC sales capabilities by sourcing and promoting profitable products.

With stable funds, we were able to procure profitable products, and improved profitability. As our company provided the know-how to promote products in the Internet, EC sales improved.

Net Sales and Operating Income by Segment

[unit: million yen]		Plan	Result	Comparison to Plan	Actual results for the previous period	
		Q1/FY2024 Apr-Jun 2023	Q1/FY2024 Apr-Jun 2023		Q1/FY2024 Apr-Jun 2023	Y o Y
Platform	Net sales	7,535	7,767	+3.1%	7,364	+5.5%
	Operating Income	2,088	2,430	+16.4%	2,328	+4.4%
Media	Net sales	6,109	6,309	+3.3%	5,925	+6.5%
	Operating Income	1,724	2,041	+18.4%	1,937	+5.3%
Services	Net sales	1,425	1,457	+2.2%	1,439	+1.3%
	Operating Income	364	389	+7.0%	390	(0.3%)
Commerce	Net sales	16,422	17,316	+5.4%	15,233	+13.7%
	Operating Income	137	163	+18.6%	107	+51.4%
Sales of goods	Net sales	6,956	7,166	+3.0%	6,544	+9.5%
	Operating Income	75	62	(17.1%)	79	(21.1%)
Ticket sales	Net sales	9,466	10,150	+7.2%	8,688	+16.8%
	Operating Income	61	100	+62.6%	28	+256.9%
Other Business	Net sales	1,691	2,136	+26.3%	1,186	+80.1%
	Operating Income	75	137	+82.6%	123	+11.7%

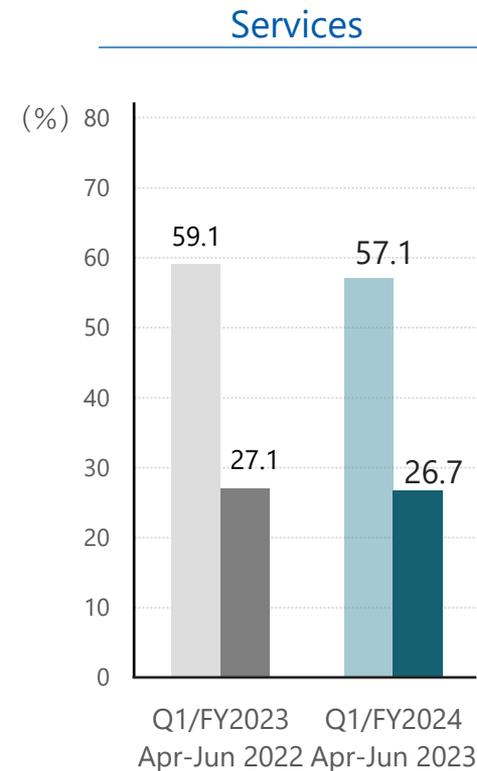
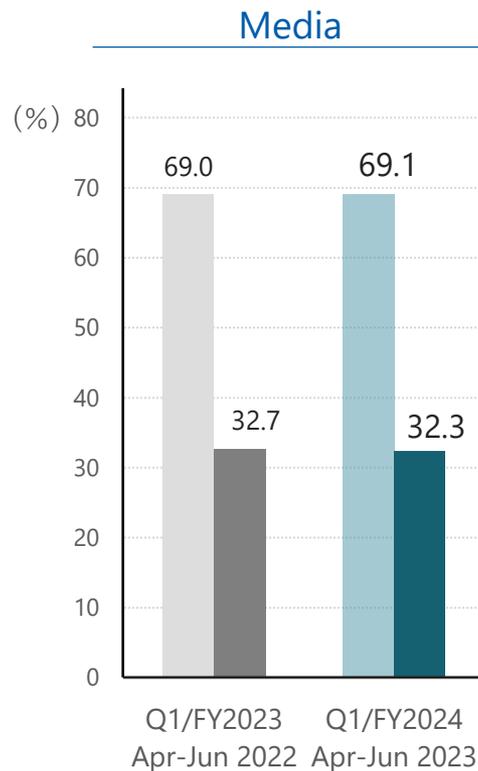
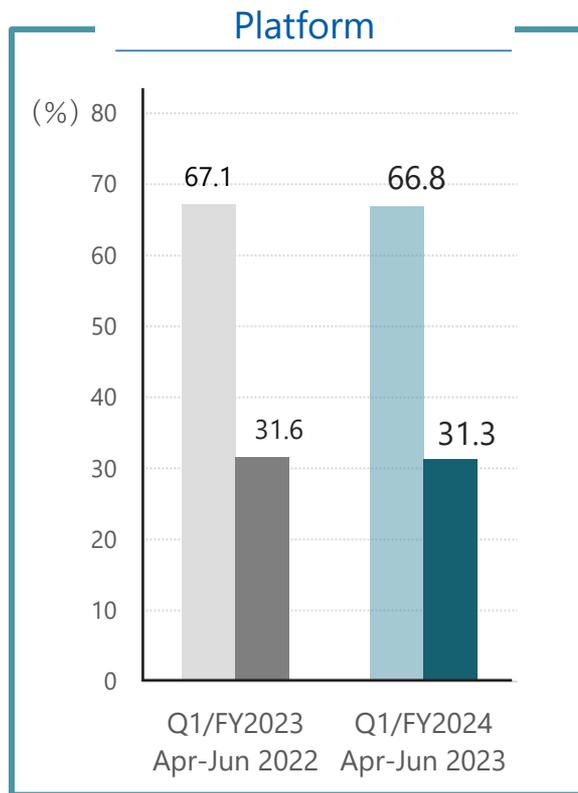
Platform Segment Revenue margin

Platform

- Gross profit margin ratio on Media remained steady as the number of contracted IDs for DX products expanded.

■ Gross profit margin ■ Operating income margin

* IN the new car field , both gross profit margin and operating income margin improved.

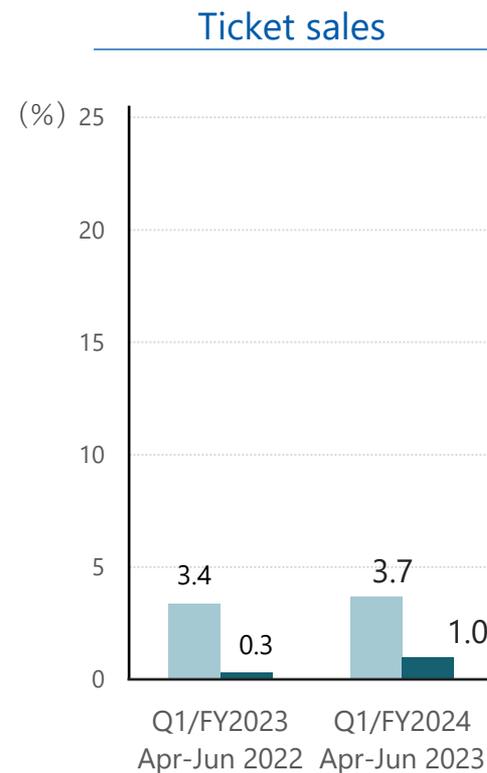
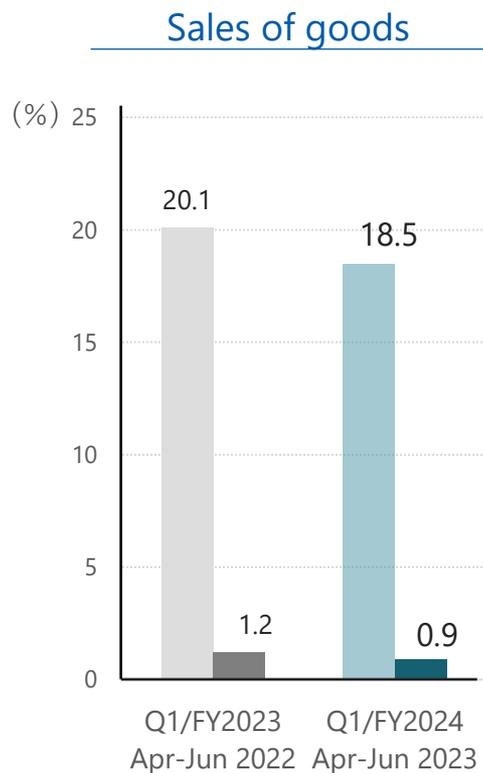
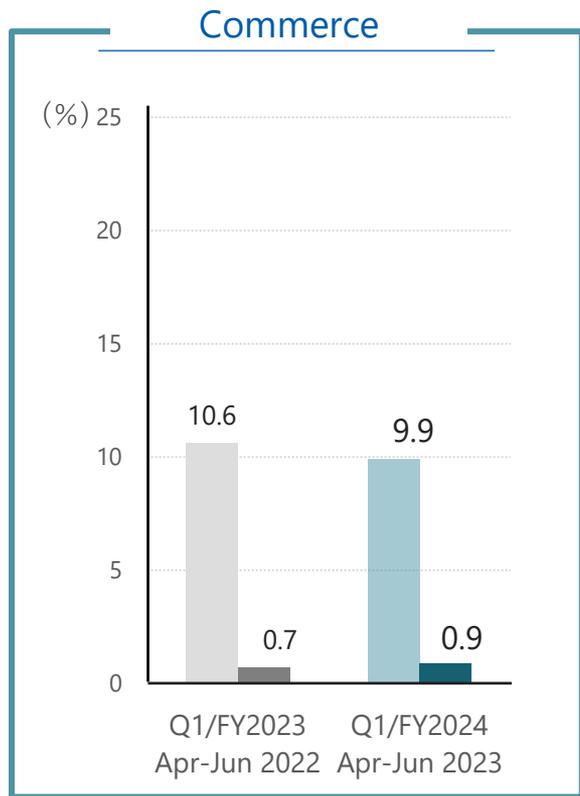


Commerce Segment Revenue margin

Commerce

- Continue to promote improved profitability in both Sales of goods and Ticket sales.

■ Gross profit margin ■ Operating income margin



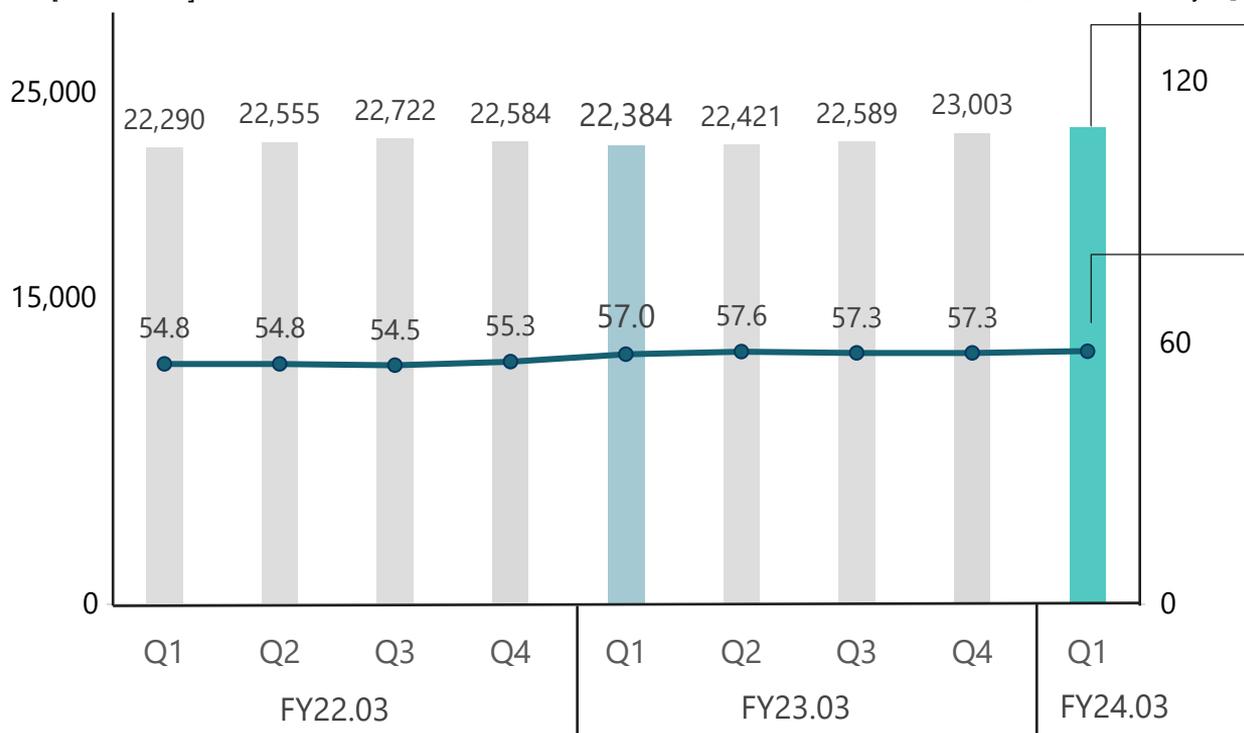
Number of dealers and ARPA/Month in the used car field

Platform
[Media]



Number of dealers
[unit: dealers]

ARPA/Month
[unit: thousand yen]



Number of dealers*1

23,263 dealers

[59.5% industry share]

YoY
+3.9%

ARPA/Month

JPY**57.7** K

YoY
+1.2%

Churn rate*2

2.1%

[12-month average]

MRR*3

JPY**13.4**Bn

[June, 2023]

*1: Target markets [In-house research] 39,081 dealers

*2: Churn rate is the value from April 2022 to March 2023.

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

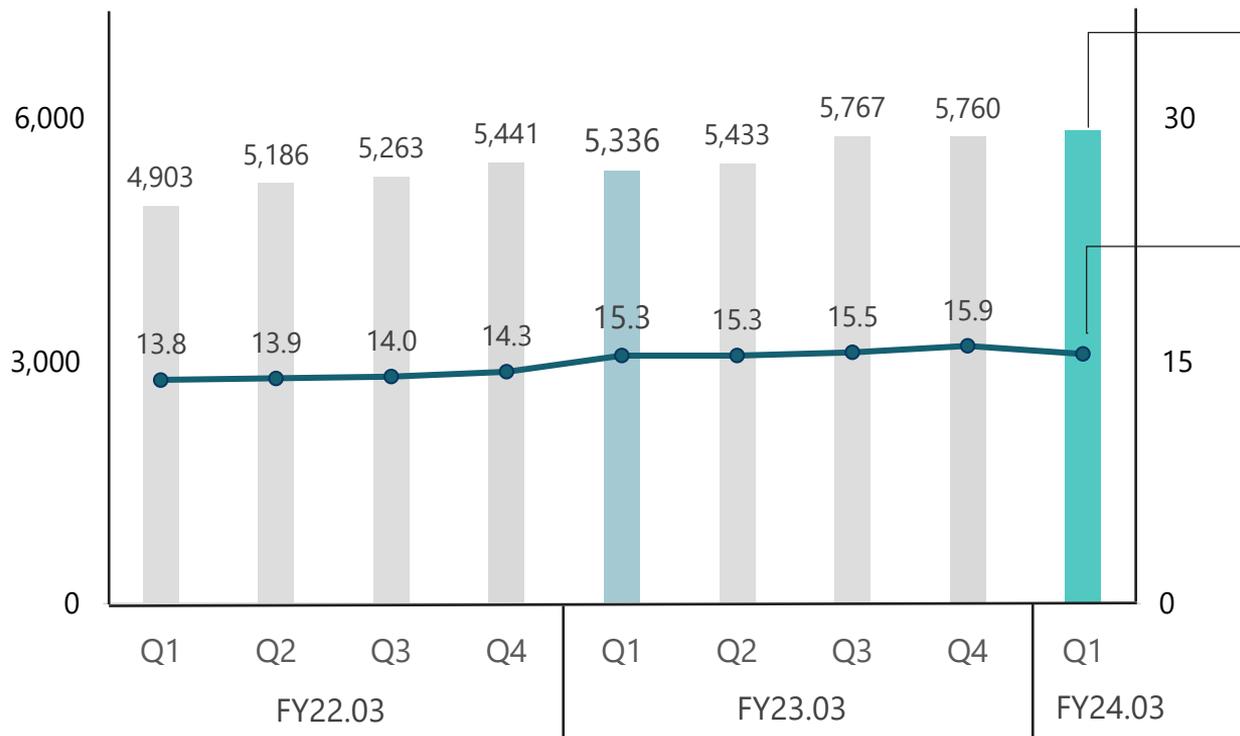
Number of dealers and ARPA/Month in the maintenance field

Platform
[Media]

Goo-net Pit **7-ネットピット**
MOTOR GATE

Number of shops
[unit: shops]

ARPA/Month
[unit: thousand yen]



Number of shops*¹

5,843 shops

[6.4% industry share]

YoY
+9.5%

ARPA/Month*²

JPY **15.4** K

YoY
+0.7%

Churn rate*³

1.3%

[12-month average]

MRR*⁴

JPY **0.9**Bn

[June, 2023]

*1: Target markets [In-house research] 91,790 shops

*2: Includes monthly fee for MOTOR GATE PIT IN.

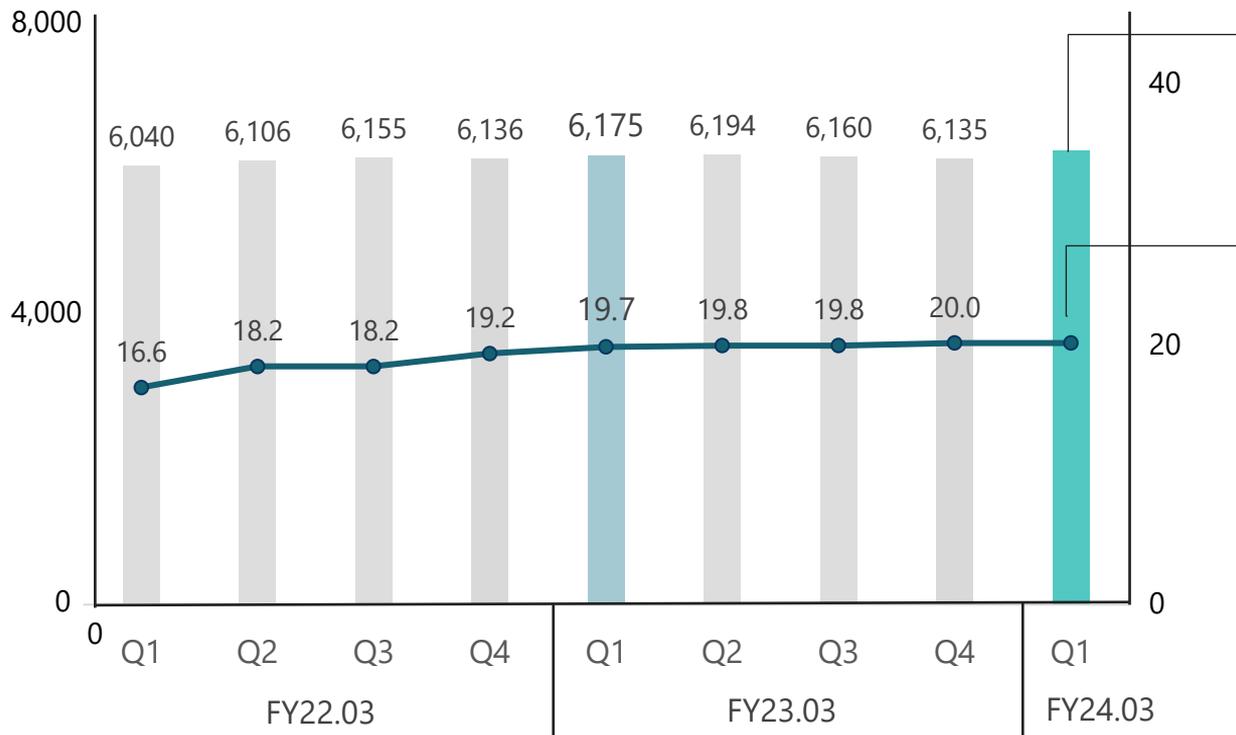
*3: Churn rate is the value from April 2022 to March 2023.

*4: 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

Number of dealers
[unit: dealers]

ARPA/Month
[unit: thousand yen]



Number of dealers*1

6,243 dealers

[43.7% industry share]

YoY
+1.1%

ARPA/Month

JPY20.0 K

YoY
+1.1%

Churn rate*2

0.4%

[12-month average]

MRR*3

JPY1.2Bn

[June,2023]

*1: Target markets [In-house research] 14,300 dealers

*2: Churn rate is the value from April 2022 to March 2023.

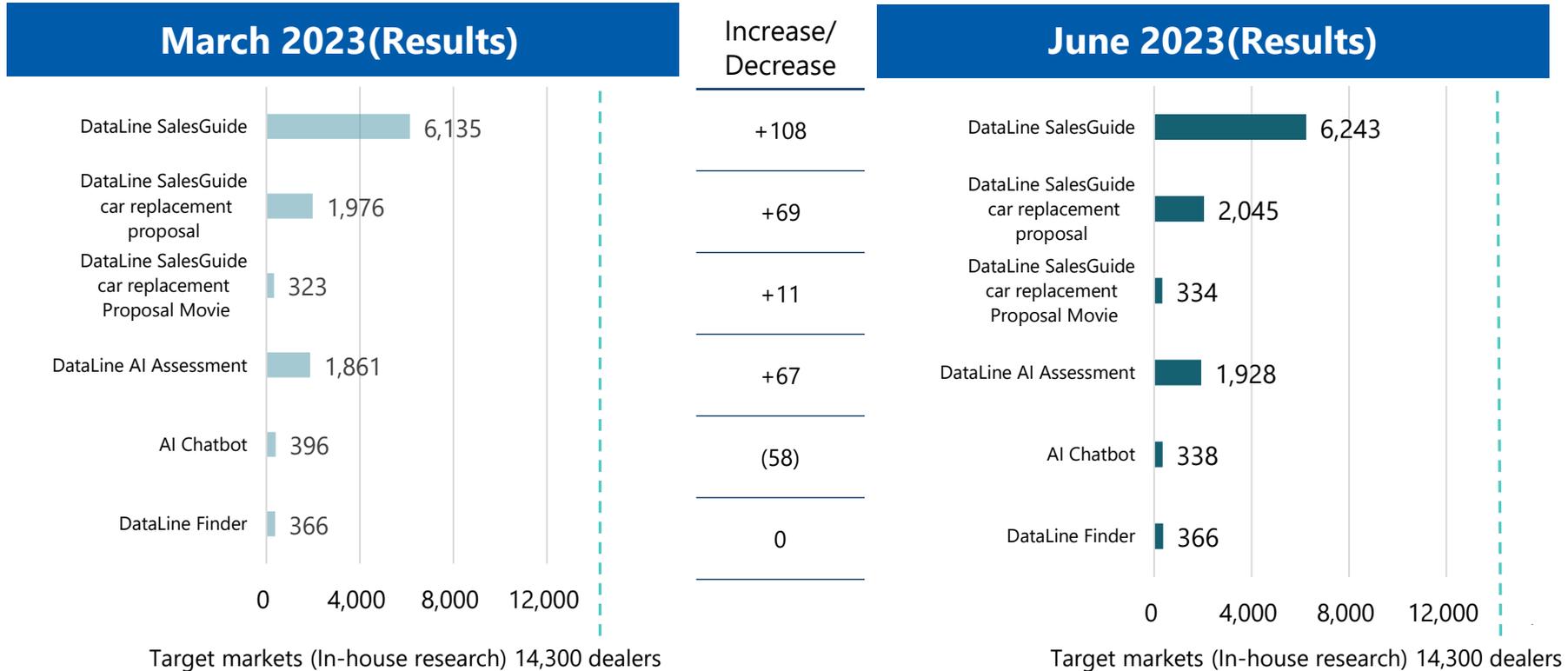
*3: Abbreviation for Monthly Recurring Revenue. This is the total amount of monthly fees for recurring clients as of the end of the applicable month.

Appendix

—KPI・Results・business overview—

New Car field Optional Service Number of Installed dealers

- Captured the need to improve operational efficiency for both vehicle delivery and new sales, Increase in the number of locations where DX products are installed.



Full-year earnings forecast [No change from the announcement on May 12, 2023]

[unit: million yen]	FY March 2023 [results]	FY March 2024 [forecast]	YoY
Net sales	105,596	109,380	+3.6%
Operating Income	7,336	7,740	+5.5%
Ordinary Income	6,963	7,730	+11.0%
Net Income	4,424	5,340	+20.7%
Capital investment	2,712	1,803	(33.5%)
Depreciation	988	1,226	+24.2%
EPS	110.05yen	132.81yen	+20.7%
Dividend per share	35yen	35yen	—

Full-year sales and operating income forecast by segment

[No change from the announcement on May 12, 2023]

[unit: million yen]		FY March 2023 [results]	FY March 2024 [forecast]	YoY
Platform	Net sales	30,305	31,570	+4.2%
	Operating Income	8,565	8,793	+2.7%
Media	Net sales	24,431	25,729	+5.3%
	Operating Income	7,100	7,343	+3.4%
Services	Net sales	5,873	5,840	(0.6%)
	Operating Income	1,465	1,450	(1.0%)
Commerce	Net sales	68,548	70,553	+2.9%
	Operating Income	417	881	+111.3%
Sales of goods	Net sales	29,573	31,553	+6.7%
	Operating Income	193	620	+221.2%
Ticket sales	Net sales	38,974	39,000	+0.1%
	Operating Income	223	261	+17.0%
Other Business	Net sales	6,742	7,255	+7.6%
	Operating Income	378	260	(31.2%)

Q1/FY March 2024: Consolidated Balance Sheet

[unit: million yen]	As of March 31, 2023		As of June 30, 2023		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Current Assets	39,537	65.3%	40,374	64.9%	837	102.1%
Non-Current Assets	21,016	34.7%	21,789	35.1%	773	103.7%
Current Liabilities	15,538	25.7%	15,662	25.2%	123	100.8%
Non-Current Liabilities	1,499	2.5%	1,491	2.4%	(7)	99.5%
Net Assets	43,515	71.9%	45,010	72.4%	1,494	103.4%
Total Assets	60,553	100.0%	62,164	100.0%	1,610	102.7%

[unit: million yen]	As of March 31, 2023		As of June 30, 2023		increase and decrease	
	Results(a)	Ratio	Results(b)	Ratio	(b)-(a)	%
Cash and cash equivalents	23,739	39.2%	23,487	37.8%	(252)	98.9%
Interest-bearing debt	4,446	7.3%	4,701	7.6%	254	105.7%
Net cash	19,292	31.9%	18,785	30.2%	(507)	97.4%

Q1/FY March 2024: Consolidated Statements of Cash Flows

[unit: million yen]	Q1/FY March 2023 Results(a)	Q1/FY March 2024 Results(b)	increase and decrease (b)-(a)
Cash Flows from Operating Activities	(764)	897	1,662
Cash Flows from Investing Activities	(1,299)	(742)	556
Cash Flows from Financing Activities	(1,075)	(459)	615
Cash and Cash Equivalents at End of Term	22,781	23,228	446

[unit: million yen]	Q1/FY March 2023 Results(a)	Q1/FY March 2024 Results(b)	increase and decrease (b)-(a)
Investment Amount (Tangible/intangible fixed assets)	200	261	61
Depreciation	226	254	27
Amortization of Goodwill	106	54	(51)

Consolidated Earnings (quarterly transition)

[unit: million yen]	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	FY2023 March,Q1 *1	FY2023 March,Q2 *1	FY2023 March,Q3 *1	FY2023 March,Q4 *1	FY2024 March,Q1 *1
Net Sales	13,518	13,937	17,315	15,325	13,661	12,646	16,384	14,753	23,784	26,027	29,518	26,310	27,220
Gross Profit	5,962	5,978	6,859	6,391	6,233	5,752	6,603	6,037	6,709	6,554	7,688	6,991	7,317
EBITDA	1,829	1,667	2,418	1,347	2,096	1,606	2,366	1,591	2,415	1,907	2,760	1,763	2,541
Operating Income	1,502	1,335	2,088	1,014	1,780	1,304	2,057	1,280	2,082	1,525	2,368	1,360	2,231
Ordinary Income	1,554	1,273	2,045	1,245	1,865	1,365	2,064	1,327	2,100	1,568	1,709	1,584	2,755
Net Income	1,017	774	1,437	1,624	2,281	1,341	1,426	830	1,398	1,002	1,089	933	1,808

[unit: million yen]	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	FY2023 March,Q1 *1	FY2023 March,Q2 *1	FY2023 March,Q3 *1	FY2023 March,Q4 *1	FY2024 March,Q1 *1
SG&A Expenses	4,459	4,642	4,771	5,376	4,452	4,448	4,545	4,757	4,627	5,028	5,319	5,631	5,085
Employment Cost	1,902	1,872	1,867	1,883	1,797	1,647	1,682	1,722	1,808	1,828	1,913	1,906	1,942
Advertising Cost	964	1,139	1,184	1,782	989	1,421	1,206	1,535	1,132	1,409	1,396	1,690	1,315
Other Expenses	1,593	1,630	1,719	1,710	1,665	1,379	1,656	1,500	1,687	1,790	2,010	2,033	1,827

*1: New Revenue Recognition Standard

Consolidated Earnings by Segment (quarterly transition)

Net Sales [unit: million yen]	FY2022 March,Q1	FY2022 March,Q2	FY2022 March,Q3	FY2022 March,Q4	FY2023 March,Q1	FY2023 March,Q2	FY2023 March,Q3	FY2023 March,Q4	FY2024 March,Q1
Platform	6,986	7,210	7,203	7,375	7,364	7,478	7,622	7,839	7,767
Media	5,630	5,743	5,783	5,875	5,925	6,043	6,137	6,325	6,309
Services	1,355	1,466	1,420	1,500	1,439	1,434	1,485	1,514	1,457
Commerce	5,390	4,750	8,152	6,198	15,233	16,888	19,870	16,555	17,316
Sales of goods	5,390	4,750	8,152	6,198	6,544	6,324	9,671	7,033	7,166
Ticket sales	-	-	-	-	8,688	10,564	10,198	9,522	10,150
Other Business	1,285	685	1,028	1,178	1,186	1,659	2,025	1,871	2,136
Total	13,661	12,646	16,384	14,753	23,784	26,027	29,518	26,266	27,220

Operating Income [unit: million yen]	FY2022 March,Q1	FY2022 March,Q2	FY2022 March,Q3	FY2022 March,Q4	FY2023 March,Q1	FY2023 March,Q2	FY2023 March,Q3	FY2023 March,Q4	FY2024 March,Q1
Platform	2,184	1,843	2,095	1,711	2,328	2,038	2,243	1,956	2,430
Media	1,816	1,412	1,716	1,313	1,937	1,694	1,867	1,600	2,041
Services	368	430	379	398	390	343	375	355	389
Commerce	27	(212)	307	(56)	107	(52)	434	(72)	163
Sales of goods	27	(212)	307	(56)	79	(137)	352	(101)	62
Ticket sales	-	-	-	-	28	85	81	28	100
Other Business	164	90	133	49	123	38	237	(19)	137
Management Division	(596)	(417)	(478)	(425)	(477)	(498)	(546)	(503)	(499)
Total	1,780	1,304	2,057	1,280	2,082	1,525	2,368	1,360	2,231

Corporate Goal

Create change by continuing to challenge itself. CHANGING COMPANY

Features of PROTO CORPORATION

To realize the No. 1 platform in the mobility field

A leading company of the media for used car information, which operates the car information media "Goo-net" and boasts a share of about 60% in the number of affiliated used car dealers.

We promote DX in the fields of used cars, car maintenance, and new cars, by totally supporting DX in the mobility field.

To establish a platform by combining master data, AI, and data, with the aim of developing infrastructure in the mobility field.

To create value by combining master data, AI, and data

Business Results and Indicators for the Fiscal Year Ended March 31, 2023

Net sales	105.5 billion yen	Market capitalization	512 billion yen (As of July 26, 2023)
Operating income	7.3 billion yen	PER	9.21 times
ROE	10.6%	PBR	1.14 times



President
Kenji
Kamiya

神谷健司

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.

Transition of Net Sales and Operating Income

Net Sales
[billion yen]

Nationwide expansion of Goo

Series development of Goo
IT shift in services

Aggressive development of
M&As

Selection and concentration
of business portfolio

Promote data platform
construction

Operating
Income
[billion yen]

1,400

1,200

1,000

800

600

400

200

0

Net Sales

Operating
Income

120

100

80

60

40

20

0

1980.3

1990.3

2000.3

2010.3

2020.3

2023.3

2025.3

October 1995
The first issue of the metropolitan edition of Goo

December 1992
The first issue of the
Kansai edition of Goo

October 1996
Goo-net was started

June 2007
Started offering Goo-inspection in the Tokyo metropolitan area.

August 2001
First issue of Goo Bike
March 2002
First issue of Goo parts

April 2012
Acquisition of shares of
GOONET EXCHANGE

April 2013
Acquisition of shares of
AUTOWAY

December 2013
Opened Goo-net Pit.

October 2015
Started offering DataLine SalesGuide

April 2015
Acquisition of shares of
TIRE WORLD KAN BEST

April 2022
Acquisition of shares of
Cosmic group

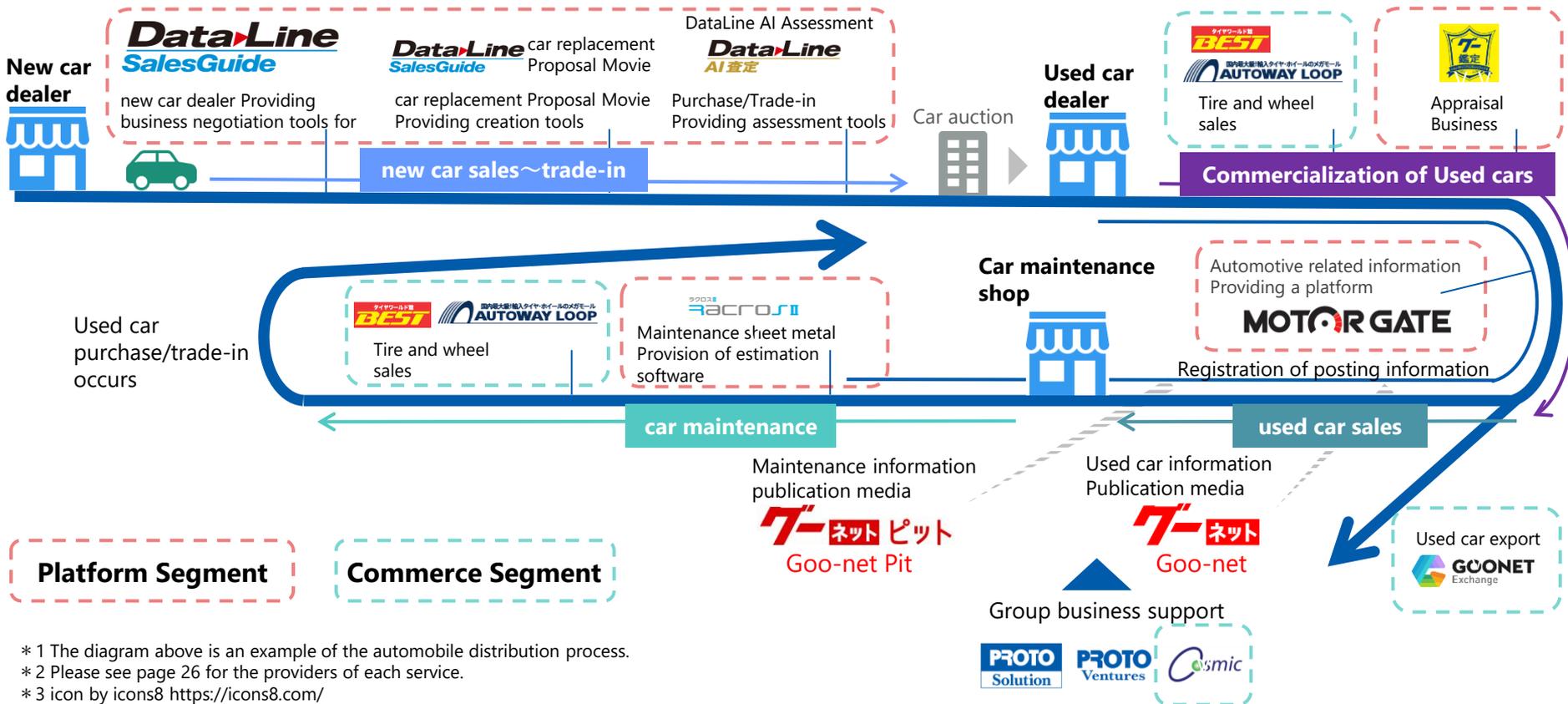
*1 New Revenue Recognition Standard

*2 The figures are those announced on May 13, 2022.

[Plan]

Management support by PROTO Group

- Proto Group provides total support for the management of automobile sales and maintenance businesses.



Business model of our platform

Platform[Media]

* A business model that operates media for users and receives usage fees for the publication management platform of the media

User

- Browsing content
- Inquiries to used car dealers/ car maintenance shops
- Visit reservation, online business meeting reservation

Billing system: Free

Platform

MOTOR GATE

Automotive related information platform

Media

G-net
Goo-net

used car search

G-net **ピット**
Goo-net Pit

car maintenance shop search

Client

used car dealers/car maintenance shops

- used car/maintenance information registration
- Responding to user inquiries

Billing system: MOTOR GATE usage fee [fixed monthly fee/inventory linked type]+ MOTOR GATE various option fee

Platform[Services]

* A business model that provides new car dealers with tools to support business negotiations, appraisals, etc., and earns fees for their use.

User

- Receipt of information from new car dealers

Platform

DataLine
SalesGuide

- Cost comparison function for new car negotiations
- Transfer simulation function
- Future price prediction function
- Transfer proposal function

DataLine DataLine AI Assessment
AI査定

- Assessment function

Client

new car dealers

- Customer information registration
- Customer vehicle information registration

Billing system: Monthly usage fee [fixed monthly amount]+ Various option fees

Breakdown by Major Group Companies

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

Company Profile

Corporate Name	PROTO CORPORATION
Founded	October 1, 1977
Established	June 1, 1979
Common Stock	1,849 million yen (As of March 31, 2023)
Shares Outstanding	41,925,300 shares (As of March 31, 2023)
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, Takaskaisaaki, Nagano, Hamamatsu, Nagoya, Kanazawa, Osaka, Hiroshima, Matsuyama, Fukuoka, Kumamoto(35 Sales Outlets Nationwide)
Fiscal Year-end	March 31
Number of Employees	Consolidated: 1,468 (As of March 31, 2023)、 Parent: 534 (As of March 31, 2023)
Stock Exchange	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Listing Subsidiary	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. 11. PROTO Ventures 12. PROTO Ventures 2 Investment Limited Partnership 13. COSMIC RYUTSUU SANGYO LTD., INC. 14. COSMIC GC SYSTEM LTD., INC. 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 March 31, 2023)

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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