



(TRANSLATION FOR REFERENCE ONLY)

March 31, 2021

To Our Shareholders

Corporate Name: PROTO CORPORATION  
Representative: Kenji Kamiya, President  
Securities Code: 4298  
(TSE and NSE 1st Section)  
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### **Notice Concerning the Recognition of Deferred Tax Assets**

PROTO CORPORATION (the “Company”) today announces the amount of the Total Income Taxes on its consolidated and non-consolidated statements of income for the fiscal year ending March 31, 2021 is expected to decrease by approximately 875 million yen.

As liquidation of the Company's subsidiary PROTO MALAYSIA Sdn. Bhd, is expected to be completed by June 2021, the Company has decided to record deferred tax assets for the future deductible temporary differences (loss on valuation of stocks of subsidiaries and affiliates recorded in previous years) that have become schedulable.

The Company does not revise its consolidated results forecast for the fiscal year ending March 31,2021 at this moment, since the Company is in the process of closing for the fiscal year.