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Stock Exchange Listing: Tokyo Stock Exchange Section I
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Announcement of New Medium-Term Management Plan “Vision 2022”

W-Scope Corporation (WS) renewed medium-term management plan that was announced in August 2018 and made a new plan called “Vision 2022” that extends until the end of fiscal year Dec 2022.

Our customers revise up EV lithium ion battery production significantly, in Far East, Europe and US. Purpose of renewal of the medium-term management plan is to detail out sales and investment plans for the period and clarify growth potential of our business.

1. Vision

Our vision is to become a leading company that specialises in membrane films.

2. Generic Strategy for Growth

① Lithium ion battery separator business

Since 2010, the separator market rapidly expanded especially in the Far East for consumer appliances and automotive batteries. The market expanded further thanks to growth strategy with electric vehicle models detailed by European OEM makers.

Electrification of automotive is expected to advance further – some estimates that 50% of global new car sales shall be EV or HEV in 2023.

W-Scope has exchanged supply contract with a core client (battery maker) including supply to automotive appliances, which extends to 2024. Our growth strategy is summarised as follows;

- **Expand production capacity supported by the market growth**
- **Enhance production efficiency by introducing large-scale production lines**
- **Attempt to reduce production cost**
- **Maintain high level of product quality to guarantee safety of EV and high-end consumer appliances**

② New businesses

We currently have a sole product, lithium ion battery separator, in our business. However, the core of our manufacturing is membrane production technology that can be applied to various other products. We continue to develop new products by applying membrane manufacturing expertise in the following business areas;

- **Energy-related: next generation battery, capacitors**
- **Water-related: ion-exchange membrane, water treatment filter etc.**
- **Air-conditioning: irreversible filter**
- **Medical applications: dialysis filter, artificial skin**

3. CAPEX Plan

W-Scope Korea (WSK), a production subsidiary based in the Chungcheong Buk-do district, the Republic of Korea, has already been operating 9 separator mass production lines over 3 industrial sites. There are also 10 coating lines under operation.

Furthermore, at W-Scope Chungju Plant (WCP) in Chungju-city, the Republic of Korea, 2 large-scale separator production lines have started mass production. In the second-half of 2019, additional 2 large-scale lines, fully installed, are starting test run. 2 coating line are under installation and plan to commence volume production within this year.

We plan to continue investing on membrane lines as well as coating lines at WCP.

4. Numerical Target (Consolidated)

(¥million)	FY12/2018 (Actual)	FY12/2019 (Forecast)	FY12/2020 (Target)	FY12/2021 (Target)	FY12/2022 (Target)
Revenue	8,731	13,000	23,000	31,500	45,000
Operating profit	△3,348	△2,600	2,500	6,500	10,000

Note: Sales target figures after 2020 onwards reflect a long-term supply contract with a core client, which will be substantial proportion of sales volume. Therefore, sales are shown in single figure rather than in range of figures as in the previous Medium-Term Management Plan. Some impact from the US-China trade friction is also factored in.

FOREX Assumption

¥ / US\$	JPY110.4	1H (A) JPY110.0 2H (E) JPY105.0	JPY 108
¥/ KRW1000	JPY100.4	1H (A) JPY96.0 2H (E) JPY93.8	JPY 93.8
KRW / US\$	KRW1,100.3	1H (A) KRW1,146 2H (E) KRW1,120	KRW 1,120

Disclaimer

Earnings guidance was made based on currently available information. The actual results may differ from the guidance due to various factors that may occur in the future.