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Stock Exchange Listing: Tokyo Stock Exchange Section 1
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Medium-Term Plan “Vision 2020” Update

W-Scope Corporation (WS, or the Company) updated existing Medium-Term Plan announced in August 2016. The renewed “Vision 2020” is a plan that runs up to fiscal year ending December 2020.

Purpose of the renewed Medium-Term Plan is to clarify the Company’s medium to long-term business strategy in response to our customers’, i.e. lithium-ion battery makers’, large-scale capital expenditure. Battery makers plan to expand supply capacity to meet potential demand for batteries equipped with electric vehicles, that is expected to rapidly surge from the middle of 2018.

The Company plans to expand production capacity by 3x compared to the level as of the end of 2016.

Vision 2020

1. Vision

To become a leading company as a specialist manufacturer of membrane films.

2. Primary Strategy for Growth

① Lithium-ion battery separator business

Demand for lithium-ion batteries is forecast to dramatically grow as environmental restriction on sale of fossil-fuel automobiles are globally adopted.

Under such a trend, as a supplier of lithium-ion battery core components, WS implements the following growth strategy;

- **Expanding production capacity in line with the market growth**
- **Enhancing productivity by introducing large-scale production lines**
- **Tackling to reduce production cost**
- **Maintaining superior quality that assures safety of electric vehicles**

② Grasping New Business Opportunities

Currently, the Company only produces separator for lithium-ion batteries. However, its production technology is fundamentally a technology to manufacture membrane films. WS continues to develop new areas of business as follows to broaden business coverage:

- **Energy-related : next generation batteries, capacitors etc.**
- **Water treatment : Ion exchanger, water treatment filters**
- **HVAC-related : Irreversible filters etc.**
- **Medical use : Dialysis membrane, artificial skin**

3. CAPEX Plan

7 separator production lines located in 3 factory sites owned by W-Scope Korea in Chungcheong Buk-do, Republic of Korea, have already been up and running, with the 8th line is under mass trial production and the 9th line to start. In addition, the Company has 4 coating lines under operation and plan to increase further 2 lines by the end of this fiscal year.

Furthermore, at W-Scope Chungju Plant (WCP), a production subsidiary in Chungju, Republic of Korea, construction of plant premises and installation of production facilities are under preparation. 2 new lines are expected to start operating in the first half of 2018. The site is as large as 70,000-tsubo (circa 200,000sqm). WCP plans to continue investing on 12 large-scale production lines in total.

4. Numerical target (consolidated)

(¥ million, %)	FY12/2016 (Actual)	FY12/2017 (Guidance)	FY12/2018 (Target)	FY12/2019 (Target)	FY12/2020 (Target)
Sales	9,048	10,000	18,000	28,000	40,000
Operating Profit	2,370	1,000	3,600	5,600	10,000
ROE	11.8%	2.6%	12.0%	Aim for over 12.0%	

FOREX Assumption

JPY/USD	108.6	1H 112.3 2H (Est) 110	110
JPY/KRW1000	93.6	1H 98.4 2H (Est) 100	100
KRW/USD	1160.5	1H 1,142 2H (Est) 1,100	1,100

※Since August 2016, the Company has started disclosing operating profit prediction instead of that of operating profit margin. Furthermore, FY12/18 sales target number was revised due to change in FOREX assumption under renewed Medium-Term Plan.

Numbers related to earnings guidance and target disclosed in this material were made based on currently available information. Actual results may differ due to a variety of factors.