



September 9, 2016

Notice of Signing the MOU of the Factory Site and Decision on Capital Investment **for Coating Production in South Korea**

The Company signed the MOU to acquire a new factory site other than May 30, 2016 disclosure in addition to the two districts for operations of its Korean subsidiary, W-SCOPE KOREA CO., LTD. to construct a high-value-added coating separator production base that Company is strategically advancing in South Korea. It is hereby announced that the Company decided to add two lines of coating separator production facilities in the first stage, as follows.

<Outline>

1. Purpose

The Company presently expects brisk demands for separators for lithium-ion batteries in the rechargeable battery market on account of increase in orders received from leading manufacturers of lithium-ion batteries for CE applications and global market expansion for vehicular applications including electric cars (EV). Our customers, the battery manufacturers, are pursuing the high-density, high-output and safety.

Under such circumstances, demands from our business partners of coating separator which is excellent in heat resistance are strong, especially, the rapid expansion of demand for EV is expected in the future of the developed countries (Europe, United States, South Korea, Japan, etc.) . Currently the Company has two lines of coating separator which is in the first factory site, in addition, the Company has decided to acquire third factory site which is located next to the existing factory, which is capable of installing up to 18 lines of coating equipment. For the first step, the Company decided to add two lines of coating separator production facilities.

2. Conditions of the memorandum executed

Address: Ochang Industrial Park, Chungchong-pukto, the Republic of Korea (Next to second factory site)

Total investment amount: US\$30 million (equivalent to 3.1 billion yen) within 5years after the MOU.

Area of the site: approx. 33,000 m²

Method of acquisition: lease contract for 40 years

Preferential treatment, etc.: Preferential treatment of land rent, corporate tax reduction (equivalent level to existing equipment), etc.

3. Future promotion plans

This investment decision are as follows.

Investment amount: First stage will be 15 billion KRW in total (equivalent to 1.5 billion yen)

Investment outline: two lines of coating separator production and other incidental facilities

Scheduled time for volume production: second quarter of 2017

<Impact on business performance>

There will be no impact on the business results for the current fiscal year. The capital investment plan for the site acquired above is under development. Impact of increase in the production capacity on the business results for and after the following fiscal year will be disclosed as soon as the plan is developed.

<Production capacity>

Upon operations of two lines for which decision on investment is made as described above in addition to the existing production line, W-SCOPE Group estimates the coating separator production capacity increase of more than 200% as compared to the production capacity as of the end of 2015.

<Others>

The capital investment at the first stage above will be covered by the commitment type term loan of 14 billion yen which have disclosed in July 4, 2016.

W-Scope Corporation
Choi Won-Kun, Representative Director
Listed on the First Section of the Tokyo Stock Exchange, code 6619

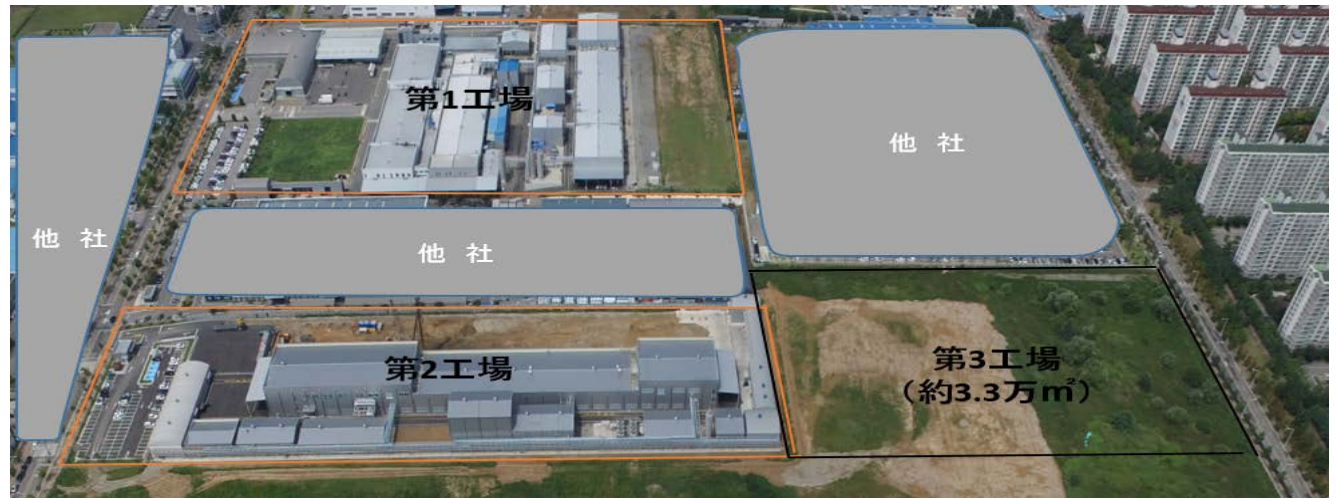
Please direct inquires to Kunihiko Takei, CFO and Director of Corporate Development
TEL: +81-3-5436-7155

Annex

[Outline of the site]



[Land layout plan]



[Comparison of sites]

	First factory*	Second factory*	Third factory	Chungju factory*
Time of agreement	November 2005	July 2015	September 2016 scheduled	2nd half of 2016 scheduled
Site area	Approx. 76,000 m ²	Approx. 35,000 m ²	Approx. 33,000 m ²	Approx. 200,000 m ²
Number of installed lines	Lines #1 to 5 (Line #5 volume production migration)	Lines #6 to 9 (for Lines #6 and 7, volume production migration, Lines #8 and 9, under construction)	-	-
Number of lines which can be installed	7 lines	4 lines	Coating separator production facilities 18 lines	14 lines
Capital investment funds			Of the total amount of 3.1 billion yen, 1.5 billion yen for the coating equipment and other incidental facilities at the first stage	Of the total amount of 31.5 billion yen, 13.5 billion yen for the production facilities at the first stage and about 5.0 billion yen for the coating equipment and other incidental facilities
Fund-raising plan	Appropriated.	Appropriated.	Appropriated.	Appropriated.

*That has been referred to as the Block1, Block2, New block at the time of May 30, 2016 disclosure, are changed to First factory, Second factory, Chungju factory respectively.