



May 30, 2016

Notice of Formation of Committed Term Loan **in the Total Amount of 10.0 Billion Yen**

The Company announces that it agreed with the relevant parties to execute the committed term loan, as follows.

1. Scheduled amount of loan

10.0 billion yen in total (four individual agreements)

2. Use of funds

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).

At the site of our Korean subsidiary, W-SCOPE KOREA CO., LTD. in the Ochang Scientific Industrial Complex, six lines are under operation and three lines are to be constructed. In addition, W-SCOPE Group has examined acquisition of a new land to further build up the production capacity. Based on the progress of examination above, it was decided to make a capital investment for four lines of separator production facilities (Lines #10 to 13) and coating equipment and other incidental facilities. The funds of 10.0 billion yen to be raised through the loan above will be appropriated to investment in production lines, etc. to fulfill our responsibility of supply to customers.

For details, please see the "Notice of Issue of New Shares and Offering of Shares" and the "Notice of Decision on Acquisition of the Factory Site and Capital Investment for Production in South Korea" announced this day (May 30, 2016).

Funds for capital investment	Of the total investment amount of 31.5 billion yen for the new factory site, 13.5 billion to be appropriated for production facilities at the first stage and then about 5.0 billion yen for coating equipment and other incidental facilities
Estimated amount of funds to be raised	Capital increase: 8.5 billion yen Bank loan: 10.0 billion yen

3. Terms of the agreement

(1) Committed term loan

- (i) Lenders: Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., The Bank of Yokohama, Ltd. etc.
- (ii) Scheduled date of execution: July 1, 2016
- (iii) Scheduled period of execution: One (1) year six (6) months from January 1, 2017
- (iv) Scheduled date of maturity: June 30, 2025

4. Future outlook

Execution of this agreement will have an insignificant impact on the results for the fiscal year ending December 2016. In addition, the amount to be actually agreed on and other terms and conditions may be changed.

*The committed term loan refers to a term loan under which loan may be provided in installment for a predesignated period of execution up to a specified amount.

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