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W-Scope Corporation

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Listed on the First Section of the Tokyo Stock Exchange, code 6619

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Notice of Conclusion of Commitment-Type Term Loan Agreement **for 14 Billion Yen**

The Company announces that it has concluded an agreement to increase the 10 billion yen commitment-type term loan announced in "Notice of Formation of Committed Term Loan in the Total Amount of 10.0 Billion Yen" on May 30, 2016 by 4 billion yen.

1. Agreement Amount

Total of 14 billion yen (four separate agreements)

2. Purpose of Funds

	Before change	After change (after increase)
Total amount	10 billion yen	14 billion yen
Amount of equipment investment	The 1 st stage of the total amount of 31.5 billion yen for investment in new factory sites is 13.5 billion yen for production facilities and <u>5.0 billion yen</u> for coating machinery and other incidental facilities	The 1 st stage of the total amount of 31.5 billion yen for investment in new factory sites is 13.5 billion yen for production facilities and <u>7.5 billion yen</u> for coating machinery and other incidental facilities
Amount of funding	Increase of capital funds <u>8.5 billion yen</u> Bank financing <u>10.0 billion yen</u>	Increase of capital funds <u>7.0 billion yen</u> Bank financing <u>14.0 billion yen</u>

With the Company currently receiving more orders for separators for lithium ion secondary batteries from large lithium ion battery manufacturers for use in consumer appliances, and expansion of the global market for electric vehicles (EV) and other automotive applications, demand is expected to be robust.

Six lines are in operation on the site of the Ochang Scientific Industrial Complex used by the Company's Korean subsidiary W-SCOPE KOREA CO., LTD., with the construction of seven lines in the planning stage. In addition to these, the Group will assign an increased amount in anticipation of aggressive investment in coating machinery and other incidental facilities to meet demand from a wide range of customers in countries such as America, Europe, Japan, South Korea, and China.

3. Content of agreement

(1) Commitment-type term loan

- (i) Lender: Mizuho Bank, Ltd.
- (ii) Borrowing limit: 5.0 billion yen
- (iii) Maturity date: June 2025

(2) Commitment-type term loan

- (i) Lender: Sumitomo Mitsui Banking Corporation
- (ii) Borrowing limit: 5.0 billion yen
- (iii) Maturity date: June 2025

(3) Commitment-type term loan

- (i) Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (ii) Borrowing limit: 2.5 billion yen
- (iii) Maturity date: June 2025

(4) Commitment-type term loan

- (i) Lender: The Bank of Yokohama, Ltd.
- (ii) Borrowing limit: 1.5 billion yen
- (iii) Maturity date: June 2025

4. Future outlook

The conclusion of this agreement and funds borrowed on the basis of this agreement will have only a minor impact on our financial results for the fiscal year ending December 2016.

*A commitment-type loan is a term loan for which the loan disbursement period is set in advance for a specified maximum loan amount and the loan can be drawn down in instalments.