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 Stock Exchange Listing: Tokyo Stock Exchange Section I
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Notice regarding the difference between the forecasts and the actual results

We inform you about the difference between the forecast for the 2nd quarter of the FY21 and the actual results.

●About the difference

(¥MIL)	Sales	Operating Profit (Δloss)	Recurring Profit (Δloss)	Net Profit (Δloss) attributed to shareholders of the parent	EPS (¥)
Forecasts (A)	12,500	1,500	300	300	6.62
Actual Results(B)	12,686	△107	△598	△412	△8.35
Change (B-A)	186	△1,607	△898	△712	
Change (%)	1.48	-	-	-	
2 nd Quarter of FY20 Earnings	6,920	△1,799	△2,887	△2,685	△73.85

Reasons for the difference

In the first half of the fiscal year, demand for in-vehicle batteries and consumer high-end batteries, which we are focusing on, increased, and sales were as planned. In all cases, sales of high-value-added coating separators are steadily increasing.

In terms of operating income, we had decided to invest in manufacturing equipment to prepare for sales growth, but due to the impact of the Corona disaster last year, we postponed the equipment installation period by about half a year.

Due to the postponement of the period for about six months, there has been a delay in establishing a system for increasing production by optimizing production following the currently ongoing expansion of facilities, resulting from a shortage of production volume. A decrease in inventory volumes resulted in a decrease in profit of approximately ¥1,300 million compared with the plan. Due to the above factors, the actual results for the cumulative second quarter were lower than planned, so we will revise the earnings forecast for the first half of the year.

Regarding the full-year earnings forecast, we will refrain from revising the current full-year earnings forecast.

The reason is that the mass production shipment time of the new film formation line, which is scheduled to start mass production from the third quarter, is undecided. This new film formation line has already been installed and commissioned, and we are ready to start mass production shipment promptly, but this is because the line approval procedure of our business partners is in progress at this time. We will promptly disclose the full-year earnings forecast if it is expected that the earnings revision will be necessary as soon as the line approval is completed and the mass production operation time is clarified.

[Important Note on Earnings Guidance]

Earnings guidance was made based on currently available information. The actual results could be different because of various factors that are not known as of now.