



30 September 2021

Company Name: W-Scope Corporation
Stock Exchange Listing: Tokyo Stock Exchange Section I
Representative: Won-Kun Choi, President & CEO
Contact: Hideo Ouchi, Director of Corporate Strategy & Planning
TEL: +81-(0)3-5436-7155

Update on Partial Transfer of Shares in a Consolidated Subsidiary

As announced in the "Notice of Partial Transfer of Shares in a Consolidated Subsidiary and Recording of Extraordinary Gain (Gain on Sales of Shares in an Affiliated Company)" dated September 13, 2021 (hereafter "the Notice"), the Company today repaid in full its debt of approximately ¥11.6 billion (balance as of August 31, 2021). As a result, the situation in which the Company was in breach of its financial covenants has been resolved.

Furthermore, in "7. Impact on Consolidated Business Results" of the Notice, we announced that we expect to record an extraordinary gain of approximately ¥13 billion as a gain on sales of shares in affiliates in the third quarter of the fiscal year ending December 31, 2021. However, although the gain will be recorded as a gain on the sale of shares in an affiliated company in the non-consolidated statement of income, the entire amount is expected to be transferred to capital surplus in the consolidated statement of income because the share transfer does not involve a change in subsidiaries. The impact of the share transfer on the Company's consolidated earnings has not yet been determined. In the event that there is any matter that needs to be disclosed in the future, we will announce them as soon as they are determined.