



15 November 2021

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 Stock Exchange Listing: Tokyo Stock Exchange Section I
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Notice of Revision of Consolidated Earnings Guidance for the Year Ending 31 December 2021

W-Scope Corporation (hereafter 'the Company') has revised its forecast of consolidated results for the year ending 31 December 2021 (1 January 2021 to 31 December 2021) as follows:

Revision of Guidance for FY21 (1 January 2021 ~ 31 December 2021)

(¥mil)	Sales	Operating Profit	Recurring profit	Net profit attributed to the parent's shareholders	EPS (¥)
Previous guidance (A)	28,000	3,500	1,000	1,000	22.06
Revised guidance (B)	28,000	1,200	—	—	—
Change (B-A)	—	△2,300	—	—	
Change (%)	—	—	—	—	
FY20 earnings results	18,479	△2,837	△7,821	△11,174	△299.28

Reasons for the revision of the full-year earnings forecast

The Company maintains FY21 sales forecast at ¥28,000mil thanks to 1) continuing strong demand from its main customers in the fourth quarter (Q4) of the current fiscal year (FY21 / December year-end), following the third quarter (Q3), and 2) the benefit from the expansion of its production facilities.

On the other hand, the full-year operating profit will likely fall by ¥2,300mil from the initial forecast to ¥1,200mil. The main reasons for this are; 1) despite the significant recovery in sales, the production optimisation plan has been delayed by several months due to a delay in the approval process for a new production line, which has resulted in a shortfall in production volumes, 2) as a result, the fixed cost burden as a percentage of products has increased, 3) the transportation cost is expected to increase significantly as the export shipment volume from South Korea is expected to grow significantly, but due to the disruption of the global shipping situation, the products have to be transported by air.

Since it is difficult to estimate at this time the options on convertible bond-type stock acquisition rights issued by subsidiaries and other factors, the forecast for ordinary income and net income attributable to the parent company for the full year has not yet been determined. This assessment will be conducted by an external evaluation body at the end of the current fiscal year and will be reflected in the FY21 results.

In view of the above factors, the figures published on 15 February 2021 have been revised. The assumed exchange rates are ¥110 yen to the US dollar and ¥95.50 yen to the 1,000 won.

Note on the forecast of financial results

The forecasts are based on information available at the time of writing and actual results may differ from the forecasts due to a range of factors.