



1 April 2022

Company Name: W-SCOPE Corporation
Stock Exchange Listing: Tokyo Stock Exchange Section I
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Notice regarding cancellation of description of "Notes on Going Concern Assumption"

We are pleased to inform you that the "Notes on Going Concern Assumptions" is no longer included in the Securities Report submitted on March 31, 2022. The details are as follows.

At the end of the previous consolidated fiscal year, the Group had an event or situation that raised material doubts about the going concern assumption. The reason for this is that it violated the financial covenants on deadline profits of the Company's long-term borrowings and the convertible bond-type bonds with stock acquisition rights of the consolidated subsidiary.

As a result of efforts to increase production and sales volume and improve production efficiency in order to resolve such events or situations, the Group returned to profitability in the previous fiscal year. The Group will continue to work to generate continuous profits by expanding sales and optimizing production, centered on customers with long-term supply agreements, from the next consolidated fiscal year onward.

Due to such corporate efforts, it is highly possible that the consolidated earnings forecasts for the next consolidated fiscal year announced in the financial statements dated February 14, 2022 will be 38,000 million yen in sales, 5,000 million yen in operating income, and 4,000 million yen in ordinary income. In terms of funding, WCP applied for listing on the KOSDAQ market, which is the Korean stock market, in February 2022, and it is difficult for WCP to lend directly to the Company. Therefore, in February 2022, we raised 200 million yen from a financial institution. In addition, we plan to use the funds of VVSK, whose operating income has returned to the black from the fourth quarter consolidated accounting period, to cover our working capital.

As a result of the above measures taken by the Group, the cash flow of the Company has improved and the working capital for the time being is sufficient, so no significant uncertainty regarding the premise of a going concern is recognized and We decided to eliminate the annotation.

We have caused concerns to our shareholders and other related parties, but the Group will endeavor to further expand its business base and strengthen its financial base, and we ask for your continued support.