



25 July 2022

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 Stock Exchange Listing: Tokyo Stock Exchange Prime
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Notice of Earnings Guidance Revision and recording of non-operating income

Based on recent business trends, W-Scope Corporation revises FY2022 consolidated earnings guidance announced on February 14, 2022 as follows, and As a result, we will record non-operating income (foreign exchange valuation gain) in the second quarter of FY2022.

Earnings guidance revision

Revision for the First half of FY 2022 guidance for the period between 1 Jan 2022 and 30 June 2022

	Sales	Operating Profit	Recurring Profit	Net Profit attributable to owners of parent	EPS
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous guidance (A)	17,000	1,850	1,300	450	8.26
Newly revised guidance (B)	20,000	2,600	3,500	2,000	36.62
Difference (B-A)	3,000	750	2,200	1,550	
Difference (%)	17.6	40.5	169.2	344.4	
Earnings results as of Q2/21	12,686	(107)	(598)	(412)	(8.35)

Revision for the full-year guidance for the period between 1 Jan 2022 and 31 December 2022

	Sales	Operating Profit	Recurring Profit	Net Profit attributable to owners of parent	EPS
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous guidance (A)	38,000	5,000	4,000	1,400	25.70
Newly revised guidance (B)	44,000	5,500	6,000	3,000	54.40
Difference (B-A)	6,000	500	2,000	1,600	
Difference (%)	15.7	10.0	50.0	114.2	
Earnings results as of FY12/21	29,966	1,898	(3,411)	(2,943)	(56.67)

Reasons for revision

In the first half of the fiscal year ending December 2022, sales volume exceeded the initial plan by about 10% due to stable growth in demand from major customers for both consumer and automotive applications. In addition, the average yen exchange rate against the US dollar during the first half was 122.87 yen, which was about 9% weaker than the setting at the time of the initial budget plan. Based on these factors, sales are expected to increase by 3,000 million yen from the initial plan to 20,000 million yen.

In terms of operating income, raw material costs and utility costs are on the rise, but we are continuing to work on improving productivity, and sales volume has increased by about 20% year-on-year, achieving a reduction in manufacturing costs. Due to these factors, operating income from the initial plan to the first half is expected to increase by approximately 750 million yen from the initial plan to 2,600 million yen.

Ordinary income is expected to increase by 2,200 million yen from the initial plan to 3,500 million yen due to the recording of foreign exchange valuation gain (non-operating income) of 1,000 million yen on US dollar-denominated receivables and payables.

In the outlook for the second half of the fiscal year ending December 2022, demand from major customers is expected to remain firm as planned at the beginning of the fiscal year, and we plan to increase the sales volume of coating separators, which are in high demand. From

the third quarter onward, new coating lines will be put into operation, and sales volume will increase. In addition, assuming that the US dollar will continue to appreciate in terms of exchange rates, by reviewing the average exchange rate for the full year, sales in the second half will be 24,000 million yen, and the cumulative total for the full year will be 44,000 million yen.

As for the outlook for operating income, we expect to reach 2,900 million yen in the second half and 5,500 million yen for the full year by continuing to improve production. Ordinary income and net income have also been revised by incorporating this revision.

The assumed exchange rates for the third quarter and thereafter are 135 yen per one US dollar and 1,200 KRW per one US dollar.

Disclaimer regarding earnings guidance

Earnings guidance was made based on currently available information. The actual results may differ from the guidance due to various factors that may occur in the future.