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Company Name: W-Scope Corporation
 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 July 25, 2022 as follows , and we are going to record non-operating income (foreign exchange valuation gain) in the third quarter of FY2022.

Earnings guidance revision

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)	44,000	5,500	6,000	3,000	54.40
Newly revised guidance (B)	44,000	7,000	8,600	4,100	74.35
Difference (B-A)	—	1,500	2,600	1,100	
Difference (%)	—	27.2	43.3	36.6	
Earnings results as of FY12/21	29,966	1,898	(3,411)	(2,943)	(56.67)

Reasons for revision

In the second half of the fiscal year ending December 2022, both consumer and automotive applications will continue to trend in the first half of the fiscal year ending December 2022, and demand from major customers is growing steadily. The both are expected to continue in line with the previous earnings forecast. The average exchange rate (vs USD) up to the third quarter was 127.97 JPY/USD. Considering the assumption that the current level will continue in the fourth quarter, consolidated sales are expected to maintain the level of the earnings forecast announced on July 25, 2022.

With regard to manufacturing costs, the improvement in the cost rate continues as a result of the new EV film production line and the expansion of the coating line, which have been in operation since the second half of last year. In addition, exchange rate fluctuations against the KRW are minor compared to the USD exchange rate (average exchange rate for the third quarter is 0.1009 JPY/KRW). We expect this trend to continue at the current level in the fourth quarter. As a result, we expect continued improvement in the operating profit margin for the full year.

In addition, as we expect to post a foreign exchange valuation gain (non-operating income) of 2,000 million yen on USD-denominated receivables and payables in the current third quarter (cumulative total), we have also revised our forecast for ordinary income.

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.