

Company Name: W-Scope Corporation
 Stock Exchange Listing: Tokyo Stock Exchange Prime Market
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Notice Concerning Revision of Earnings Forecasts

We inform you that we have revised the earnings forecast announced on 11 May, 2023, as follows, based on recent earnings trends.

● Revision of Earnings Forecast

(¥MIL)	Sales	Operating Profit	Recurring Profit	Net Profit attributed to shareholders of the parent	EPS (¥)
Forecasts (A)	24,000	2,500	2,100	700	12.69
Actual Results(B)	23,520	2,731	3,236	410	7.44
Change (B-A)	△479	231	1,136	△289	
Change (%)	△2.0	9.3	54.1	△41.4	
First Half of FY22 Earnings	20,198	2,755	3,517	2,064	37.80

Reasons for the difference

Regarding the consolidated results for the first half of the fiscal year ending January 31, 2024 the weak JPY (vs. USD) was a positive factor for sales, but the unit price of some models of separators for automotive batteries sales volume decreased due to a drop in prices and delays in customer approvals for additional production lines, sales of ion-exchange membranes, a new business, were partly postponed until after the third quarter of the current fiscal year. As a result, it is expected to be 23,520 million yen, a decrease of 479 million yen from the plan.

Operating income is expected to be 2,731 million yen, an increase of 231 million yen from the plan, mainly due to a decrease in transportation costs of approximately 650 million yen due to the stabilization of overseas logistics.

Recurring profit is expected to be 3,236 million yen, an increase of 1,136 million yen from the plan, due to interest income of 297 million yen and foreign exchange gain of 316 million yen on USD-denominated receivables and payables. As for the breakdown of the change in ordinary income, W-Scope Korea Co., Ltd. (WSK) is expected to be approximately 1 billion yen lower than planned, W-Scope Chungju Co., Ltd. (WCP) is expected to increase by approximately 2 billion yen from the plan.

Quarterly net income attributable to shareholders of the parent company is expected to decrease by 289 million yen to 410 million yen due to differences in the investment ratios of each subsidiary (WSK 100%, WCP 35.9%).

The consolidated earnings forecast for the full year ending January 2024 remains unchanged from the previous forecast. This is because the demand for separators for automotive batteries is expected to increase further from the third quarter of the current fiscal year; so sales are expected to grow steadily in line with the full-year forecasts. This is due to that we are proceeding with the evaluation of mass-produced samples and that sales of ion-exchange membranes are expected.

[Important Note on Earnings Guidance]

Earnings forecasts have been prepared based on currently available information, and actual performance may differ from forecasts due to various factors in the future.