May 30, 2016

Notice of Decision on Acquisition of the Factory Site and Capital Investment for Production in South Korea

The Company decided to acquire a new factory site in addition to the two districts for operations of its Korean subsidiary, W-SCOPE KOREA CO., LTD. (hereinafter referred to as "WSK") to construct a new production base in South Korea. It is hereby announced that the Company decided to add four lines of separator production facilities in the first stage, as follows.

<Outline>

1. Purpose

The Company presently expects brisk demands for separators for lithium-ion batteries in the rechargeable battery market on account of increase in orders received from leading manufacturers of lithium-ion batteries for CE applications and global market expansion for vehicular applications including electric cars (EV).

Under such circumstances, at the site of WSK in the Ochang Scientific Industrial Complex, six lines are under operation and three lines are to be constructed. In addition, W-SCOPE Group has examined acquisition of a new land to further build up the production capacity. On February 22, 2016, the Company executed the memorandum for acquisition of the factory site in the area of about 60,000 *tsubo* with the governments of Chungchong-pukto and Chungju, South Korea. Furthermore, in April 2016, the Company applied for foreign direct investment (FDI) to the Ministry of Strategy and Finance of South Korea. Based on these progress, it was decided to make a capital investment for separator production facilities.

With this investment, the Company has proceeded with the capital investment plan after Vision 2017 (for 2015 to 2017), the medium-term business plan announced in 2015.

2. Conditions of the memorandum executed

Address: Daesowon-myeon, Chungju, Chungchong-pukto, the Republic of Korea

Total investment amount: US$300 million (equivalent to 31.5 billion yen) by 2022

Area of the site: approx. 200,000 m^2

Method of acquisition: lease contract for 50 years

Currently an application for permission to newly establish the district of tax reduction and exemption is being made from the government of Chungchong-pukto of South Korea to the Ministry of Strategy and Finance of South Korea. Upon grant of the permission, the Company will execute a formal agreement on acquisition of the land.

For the outline of the site, please see the attached materials.

3. Future promotion plans

For the production facilities, it is scheduled to execute a contract and place an order with an equipment manufacturer, etc. after July 2016.

Investment amount: First stage will be 18.5 billion yen in total (13.5 billion yen for the production facilities, 5.0 billion yen for the coating equipment and other incidental facilities)

Investment outline: four lines of separator production facilities

Scheduled time for volume production: during 2018

<Impact on business performance>

There will be no impact on the business results for the current fiscal year. The capital investment plan for the site acquired above is under development. Impact of increase in the production capacity on the business results for and after the following fiscal year will be disclosed as soon as the plan is developed.

<Production capacity>

Upon operations of all the four lines for which decision on investment is made as described above in addition to the production line #5 (scheduled to start volume production in August 2016) and the production lines #8 and 9 (scheduled to start volume production during the 2nd half of 2017) (three lines in total), W-SCOPE Group estimates the production capacity increase of about 250% as compared to the production capacity as of the end of 2015.

<Others>

The capital investment at the first stage above will be covered by the funds of 8.5 billion yen raised upon capital increase and the credit line of 10.0 billion yen to be newly provided by banks.

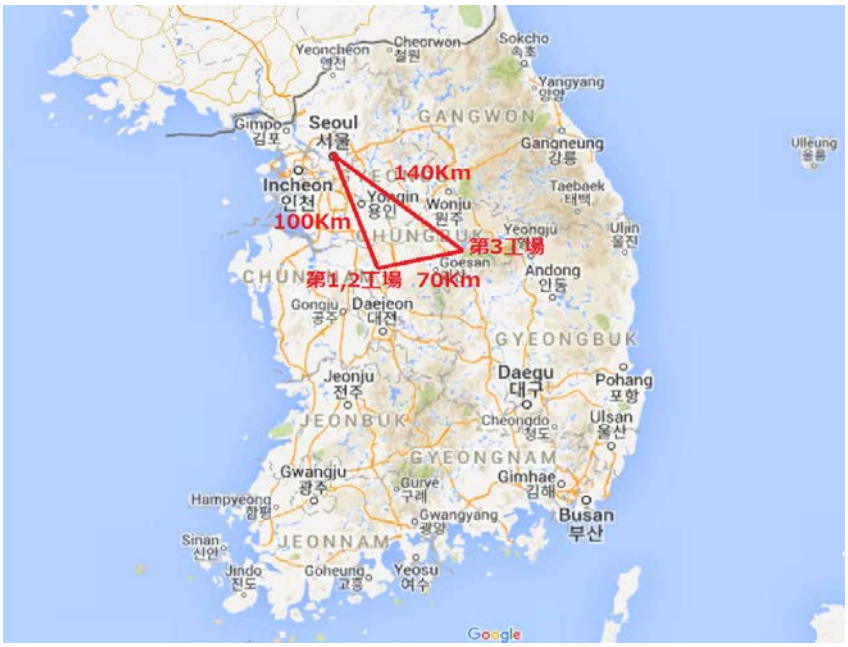
W-Scope Corporation
Choi Won-Kun, Representative Director
Listed on the First Section of the Tokyo Stock Exchange, code 6619

Please direct inquires to Kunihiko Takei, CFO and Director of Corporate Development
TEL: +81-3-5436-7155

Annex

[Outline of the site]

Location: 140 kilometers southeast from Seoul and 70 kilometers east from W-SCOPE KOREA (blocks 1 and 2)



[Land layout plan]



[Comparison of sites]

	Block 1	Block 2	New block
Time of agreement	November 2005	July 2015	2nd half of 2016 scheduled
Site area	Approx. 76,000 m^2	Approx. 35,000 m^2	Approx. 200,000 m^2
Number of installed lines	Lines #1 to 5 (Line #5 under construction.)	Lines #6 to 9 (for Lines #8 and 9, investment decided)	-
Number of lines which can be installed	7 lines	4 lines	14 lines
Capital investment funds			Of the total amount of 31.5 billion yen, 13.5 billion yen for the production facilities at the first stage and about 5.0 billion yen for the coating equipment and other incidental facilities
Fund-raising plan	Appropriated.	Appropriated.	Capital increase: 8.5 billion yen Bank loan: 10.0 billion yen