August 9, 2016

Notice of formulating medium-term management plan, "Vision 2018"

W-SCOPE Co., Ltd. (hereinafter, WS), have updated the medium-term management plan announced in August 2015, so we have a medium-term management plan until December 31, 2018 "Vision 2018", as follows.

The Company has committed to capital investment plans to double the current production scale. Upon the Group further accelerated to aim to be a leading company as a membrane film specialized manufacturer, we have formulated medium-term management plan, "Vision 2018", towards the next 10 years, sustainable growth and maximize corporate value of the Group it will strive to.

In our medium-term management plan, by executing a growth strategy based on expansion and commitment to the new business of existing separator business, we have set a counting plan as the target.

1. Vision

We aim to be the leading company, as a membrane film specialized manufacturer.

2. Basic strategy for growth

① Separator business for lithium-ion battery

Lithium-ion batteries, the increase in demand due to capacity expansion and application diversification in consumer applications, rapid market expansion due to market expansion, such as the global electric vehicle plug-in hybrid cars will have been expected in the automotive applications. In the separator market for lithium-ion battery that these received WS to production is expected significant growth. By the following basic strategy of these assumptions will continue to direct the growth.

- Focus on a product to technology trends taking advantage of the features of the wet separator
- Both of price competitiveness and profitability by improving productivity and mass production effect
- Implement a sustained and aggressive line investment in order to fulfill the supply responsibility to customers
- Expansion of business with a lithium-ion battery manufacturers Global Top 10 companies customers

② Efforts to new business

Business at the moment has remained in the separator for lithium-ion batteries, but the aim of entry into the new applications of the membrane film, we are working on new business. Specifically, we are considering lithium ion capacitor, for redox flow battery, fuel cell and industrial applications, the deployment of the desalination for ion exchange filters and medical applications.

By the following basic strategy of these assumptions will continue to aspire to growth.

- Take full advantage of the accumulated production technology in the separator
- Because of the unique technology establishment, carry out research and development to take advantage of the public subsidy
- Efficiently advance the applications developed by the collaboration with potential customers

3. Capital investment plan

In addition to the WS in the existing site (first compartment and second compartment a total of about 110,000㎡) we have secured a third compartment (about 200,000㎡). WS we have secured the expansion room of about 16. July 31 2016, six of the line is the running, will fulfill the corresponding expansion of the five main line of the next three years, the investment in the coating line, to supply responsibility and customer needs to customers. Specific capital investment plan assumes the following.

- WS actively expand the main line of the third generation, realize the supply capacity expansion and productivity improvement
- 2018 end-of-year production capacity target of more than 250% (2015 year-end)
- 3 equipment total investment of 18.5 billion yen or more in the year, research and development expenses budget assumes more than 15 billion yen

4. Numerical targets (on a consolidated basis)

	December31, 2015(Actual)	December31 , 2016(forecast)	December31, 2017(plan)	December31, 2018(plan)
amount of sales	7,488 million yen	10,000 million yen	13,000 million yen	17,000 million yen or more
Operating margin	25.6%	26.0%	20.0% or more	20.0% or more
ROE	15.6%	14.0%	12.0% or more	12.0% or more

Prerequisite

JPY/USD	121.1	First half 111.6 Second half 105.0	115.0	105.0
JPY/1,000KRW	107.0	First half 94.4 Second half 100.0	110.0	100.0
KRW/USD	1,131.5	First half 1,182.2 Second half 1,050.0	1,050.0	1,050.0
Tax rate	10.9%	20.0% or less	11.0%	20.0% or less

(Note) December 31, 2017 (plan), we have changed the operating profit margin and ROE from August 2015 published.
Forecast of future performance that are described in this document, plan, etc. have been prepared on the basis of the information available at this time, actual results may differ materially due to various factors.

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