29 March 2018

Company Name: W-Scope Corporation
Stock Exchange Listing: Tokyo Stock Exchange Section 1 (Stock code: 6619)
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Extinguishment of share acquisition rights (stock option with charge) and associated extraordinary income

W-Scope Corporation notifies that extraordinary income shall be incurred with extinguishment of share acquisition rights, as detailed below;

1. Extinguished share acquisition rights

(1)	Date of issue	16 March 2016
(2)	Beneficiaries (option holders)	Staff members and directors of parent and subsidiaries
(3)	Exercise period	1 April 2018 - 31 March 2021
(4)	No. of remaining rights issues (※)	1,775 options
(5)	No. of stocks yet to be exercised	Equivalent to 355,000 shares
(6)	No. of rights to be extinguished	1,775 options
(7)	No. of rights after extinguishment	1,775 options

※ All of the 4th stock acquisition rights resolved to be issued at a resolution of the Board of Directors on 16 March 2016 have been extinguished by combining with the extinguishment of share acquisition rights on 31 March 2017

2. The 4th share acquisition rights (stock options with charge), issued on 31 March 2016, had conditions to be able to exercise the options. Since the condition (6)1(b) was not satisfied, the options were extinguished.

   An extract from the prospectus for the 4th share acquisition rights is shown as below;

<Conditions to exercise 4th share acquisition rights>

W-Scope Corporation 4th Share Acquisition Rights Prospectus
3. Details of share acquisition rights
(6) Conditions for exercise the options
1) Option holders can exercise the said stock acquisition rights up to the limit on the pro rata basis, if sales and operating profit in fiscal year December 2016 as well as 2017 announced in audited financial statement satisfy the condition described in (b) below. If pro rata converted options include less than a whole share, the fractions will be omitted. Furthermore, if there were important change in definition of sales and operating profit, due to, for example, introduction of IFRS, rationally reviewed conditions for exercising the options would be agreed at the Board of Directors meeting.

(b) In case that sales and operating profit surpassed USD114 million and JPY2.34 billion respectively in FY12/2017
1/2 of the total stock options outstanding allocated to beneficiaries can be exercised from the 1st of the month after submission of the Yukashoken Hokokusho for the year.

3. Date of extinguishment 31 March 2018

4. Extraordinary profit
   There will be reversal of allowance for share acquisition rights in total of JPY8 million yen to be appeared as an extraordinary profit in the first quarter of 2018.

5. Impact to 2018 earnings will be negligible.