1 February 2019

Company Name: W-Scope Corporation
Stock Exchange Listing: Tokyo Stock Exchange Section 1
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Notice of Revision on Earnings Forecast for Fiscal Year 2018

W-Scope Corporation revises earnings forecast previously reviewed on 9 August 2018 after having observed recent business trend;

Revision for the full-year guidance for the period between 1 January 2018 and 31 December 2018

	Revenue	Operating profit	Recurring profit	Net Profit attributable to owners of parent	EPS for the period
	(¥million)	(¥million)	(¥million)	(¥million)	(¥)
Previous guidance (A)	9,100	△2,400	△2,200	△2,100	△67.25
Revised guidance (B)	8,731	△3,348	△3,305	△2,861	△91.53
Difference (B-A)	△368	△948	△1,105	△761	
Difference (%)	△4.0				
Earnings as of end of FY2017	9,517	274	△108	△119	△3. 85

< Reasons for revision >

Sales forecast to December 2018 is revised down by JPY400 million to JPY8,731 million. After decision to prioritise sample production for new electric vehicle project starting after 2019, demand from some customers could not be fulfilled.
Furthermore, additional JPY950 million expenses is expected to incur in the second half of FY2018. As a result, full-year operating loss will be revised to -JPY3,348 million from previous guidance -JPY2,400 million. There are 3 factors that increased expenses in the second half;

1. JPY400 million shortfall in sales is translated to JPY100 million downward impact on operating income.
2. Circa JPY200 million is provided as an allowance for doubtful debt, specifically for sales receivables in China. Those receivables have been recovered in time after rescheduling payments.
3. Additional JPY600 million costs are spent on sample production and audit for production process so that volume production for new EV projects could start earlier than expected.

In addition to the above, Ordinary loss will be about -JPY3,300 million according to the occurrence of currency exchange losses on receivables and payables denominated in foreign currencies and net loss attributable to parent company shareholders will be about -JPY2,800 million according to the record of income tax adjustments etc.

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.