29 November 2019

Company Name: W-Scope Corporation
Stock Exchange Listing: Tokyo Stock Exchange Section 1
Representative: Won-Kun Choi, President & CEO
Contact: Hideo Ouchi, Director
TEL: +81-(0)3-5436-7155

Notice of Financing by Convertible Bonds of Subsidiaries

W-SCOPE Corporation(hereinafter referred to as "WS") resolved at the board meeting that W-SCOPE CHUNGJU PLANT CO., LTD. (Hereinafter referred to as WCP), a subsidiary of WS, will issue convertible bonds to Noh & Partners Corporation (Gangnam-gu, Seoul, Korea) on November 11. And signed a convertible bond underwriting agreement on the same day. (as stated in Consolidated Financial Results for the Nine Month Ended September 30, 2019 (dated November 14th) 3. Other (1) Significant events related to going concern assumptions") We hereby inform you that we will issue convertible bonds from November 29th.

1. Overview

In order to prepare for future capital investment, WS considered funding and has already raised approximately 2.8 billion JPY through the issuance of stock acquisition rights. The new funding will be for capital investment through the issuance of convertible bonds of WCP, a wholly-owned subsidiary of WS. The contract funding amount will be 115 billion KRW (approximately 10.3 billion JPY). The contract funding amount is determined by institutional investors by calculating the market capitalization of WCP as 250 billion KRW.

The following is an overview of the convertible bonds to be issued.

Name	WCP 1st private placement convertible bonds
Total issuance	115,000,000,000 KRW
Issue price of each bond	100% of the face value of each bond
Issue Date	November 29, 2019
Maturity date	November 29, 2024
Redemption method	Repayment is made at an amount equal to 6% per annum (compounded) of the par value.
Interest rate	2% per annum
Need for collateral and guarantees	Unsecured, parent company guarantee, subsidiary guarantee, and representative director guarantee
Conditions of stock acquisition rights	
① The class(es) of shares subject to the share options	WCP common stock
② Number of dilutive shares due to issuance of stock acquisition rights	33,293 shares
③ Conversion price	3,454,134 KRW / share However, in the event of a stock split or consolidation, the conversion price is adjusted as appropriate and the conversion price is adjusted under certain conditions.
④ Exercise period	From the day after the issue date of the Bonds to the day before the maturity date of the Bonds
Allocation destinations	Noh & Partners, Corp.
Use of funds	This fund will be used to fund capital investment in the WCP for business expansion.
Other riders	(Claims for Early Redemption by Bondholders) Bondholders may call for the redemption of all or part of the Bonds they hold on or after three years from the date of issuance of the Bonds.

2. Reasons for decision

For several years, WS group had started to prepare for the largescale production system to comply with highly growing European EV's Battery demands.

From this fourth quarter, the No.12th and No.13th large-scale film-production lines will launch for mass production for European EV's battery demand, and we foresee WS group will be profitable, in addition, it is necessary to secure a supply capacity of over 2 billion square meters in five years from 2020 based on the long term supply agreement with a major battery manufacturer, so we have decided to proceed funding to promote capital investment.

3. Future Outlook

Currently, we are negotiating fund raising with several investment companies by WCP convertible bonds, and will continue to raise funds as soon as the agreement is agreed.

4. Other

There is no change in subsidiaries due to the issuance of convertible bonds.

Disclaimer

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.