(Summary Translation)

March 29, 2021

To whom it may concern:

Company name:	W-SCOPE Corporation
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Announcement Regarding Issuance of New Shares through an International Offering

W-SCOPE Corporation (the "Company") hereby announces that at its board of directors meeting on March 29, 2021, it resolved to issue new shares through an international offering (the "International Offering"), as detailed below.

Background and Purpose of the International Offering

■ Background of the International Offering

The Company and its subsidiaries are mainly engaged in development, production and sales of separators, one of the four principal components of lithium-ion secondary batteries ("LiBs"). Recently, demand for LiBs is rapidly growing as a result of an increasing momentum to transition to eco-friendly vehicles (such as hybrid vehicles and electric vehicles ("EVs")) motivated by tightening environmental regulations globally.

While the demand for LiBs may experience a temporary decline due to COVID-19, it is expected to expand globally in the future thanks to regulatory incentives for eco cars, including subsidies for the purchase of EVs and the restriction on the sale of and access by gasoline-powered or diesel-powered vehicles given and imposed by governments of European countries, as well as a shift in the U.S. government's approach to environment and energy. As various battery manufacturers selling LiBs to car manufacturers are enhancing their mass production systems to respond to anticipated growth in demand, the Company is also required to expand its separator production capacity under the long-term supply agreement that the Company entered into with its business partner in May 2019, which agrees on the total amount of supply for the five years from 2020 to 2024.

Since its establishment, the Company had been mainly engaged in the sale of LiB separators for consumer products (such as mobile phones, smart phones and PCs). However, several years ago, when demand for LiB separators for EV use began increasing, the Company started developing new products and establishing additional manufacturing facilities with the main focus on developing and establishing systemized mass production for LiB separator products with the aim of selling them in advanced countries for EV use. While demand for LiB separators for EV use has grown each year, and in the process of moving toward full-fledged product development with car manufacturers, battery manufacturers and battery component manufacturers, the Company has incurred costs that far exceeded its initial budget due to an increase in the production volume of sample products as a result of acceleration of the battery development plans, strengthening of quality control procedures, and the increase in the production lines subject to audit. The Company has recorded consolidated operating loss since FY 2018. Consolidated operating profit returned to the black in the fourth quarter of FY 2020, and the W-SCOPE group aims to continue earning profits in the coming years while recovering the above-mentioned upfront costs. However, as a result of continuously posting operating loss and ordinary loss until FY 2020, as of the end of FY 2020, the Company was in breach of its financial covenants with respect to part of its long-term borrowings. These circumstances have given rise to material uncertainty related to the Company's going concern status as of the end of FY 2020.

In order to overcome this situation, the Company has confirmed with its lenders that they do not intend to exercise, at the end of March 2021, their right to accelerate the maturity of the borrowings for which the Company's financial covenants have been breached, and they intend to allow the maturity date to be rescheduled for the borrowings due in March 2021. The Company will discuss with its lenders the specifics of the waiver and the proposed changes to the repayment date and other repayment terms with respect to the borrowings which are to be rescheduled. Meanwhile, it remains a priority for the Company to strengthen its financial base, and as mentioned above, the Company is required also to secure funds for future investment in equipment and facilities to enhance its separator production capacity to accommodate business partners' increasing demand. For these reasons, the Company has resolved to raise funds through the International Offering.

■ Purpose of the International Offering

The purpose of this fund raising is to eliminate material uncertainty related to the Company's going concern status and strengthen the Company's financial base by reducing its outstanding borrowings from banks and addressing its financial covenant breach so that the Company can promptly respond to its business partners' requests for supply resulting from the expected further increase in demand for EV use, and to secure funds for future investment in equipment and facilities, as mentioned above.

The proceeds from the International Offering will be primarily used as:

(1) Funds for (a) repayment of the Company's long-term debt from financial institutions for capital investment in the 10th to 13th film formation production lines of W-SCOPE CHUNGJU PLANT CO.LTD., a consolidated subsidiary of the Company, and (b) redemption of bonds; and
(2) Funds for capital investment in the 16th and 17th film formation production lines to be newly installed (the time is yet to be determined) in W-SCOPE CHUNGJU PLANT CO., LTD., a consolidated subsidiary of the Company.

Outline of the International Offering

(1)	Class and number of shares to be offered:	9,000,000 shares of the common stock of the Company, subject as provided below. The above number of shares to be offered is the number of shares for subscription based on the resolution as prescribed in Article 199, Paragraph 1 of the Companies Act relating to an offering for the issuance of new shares through public offering that was adopted at the board of directors meeting on March 29, 2021 (Monday). The Company is to submit to the 16th Annual Shareholders' Meeting scheduled to be held on March 30, 2021 a proposal for an increase in the total number of authorized shares by partial amendment to the Articles of Incorporation as Proposal 1 for the said meeting. Meanwhile, the actual number of shares to be issued may be smaller than the number mentioned above because the Underwriter provided in (3) below is to subscribe to the International Offering to the extent that the total number of issued shares (including the number of dilutive shares) after the completion of the International Offering will not exceed the total number of authorized shares of the Company, and the new shares will be issued only within the number of shares subscribed to by the Underwriter.
(2)	Method of determination of the amount to be paid in:	The amount to be paid in will be determined on a day during the period from April 7, 2021 (Wednesday) through April 9, 2021 (Friday) (the "Pricing Date") through the book-building process, which is equivalent to the process provided under Article 25 of the Rules Concerning Underwriting, Etc. of Securities promulgated by the Japan Securities Dealers Association (the "JSDA").

(3)	Method of offering:	The Underwriter of the International Offering (the "Underwriter") will purchase and underwrite all of the shares mentioned in (1) above, and will offer them in overseas markets, mainly in Europe and Asia (excluding the United States and Canada). The issue price (the offer price) will be determined on the Pricing Date through the book-building process equivalent to the process provided under Article 25 of the JSDA's Rules Concerning Underwriting, Etc. of Securities based on the preliminary pricing range calculated by multiplying the closing price of the common stock of the Company on Tokyo Stock Exchange, Inc. on the Pricing Date (or if no closing price is quoted on the Pricing Date, the closing price on the immediately preceding date) by 0.90 - 1.00 (with any resulting fractions less than JPY 1 being rounded down), taking into account market demand and other circumstances.
(4)	Compensation for the Underwriter:	The Company will not pay any underwriting fees to the Underwriter. Instead, the Underwriter will retain the aggregate amount of the difference between the issue price (the offer price) and the amount payable by the Underwriter to the Company (i.e. the paid-in amount).
(5)	Payment date:	April 13, 2021 (Tuesday)
(6)	Delivery date:	April 14, 2021 (Wednesday)

(7) The determination of the issue price (the offer price), the amount to be paid in, the amounts of the capital and capital reserves to be increased, and any other matters necessary for the issuance of new shares through the International Offering will be left to the discretion of the President & CEO of the Company.

<Reference>

1. Change in the total number of issued shares that will occur as a result of the issuance of new shares

Current total number of authorized shares (as of March 29, 2021)	50,000,000
Current total number of issued shares (as of March 29, 2021)	45,456,600
Number of shares increased by the issuance of new shares (Note)	9,000,000
Total number of issued shares after the issuance of new shares (Note)	54,456,600

(Note) The number of shares indicated is based on the assumption that the proposal for an increase in the total number of authorized shares by partial amendment to the Articles of Incorporation to be submitted to the 16th Annual Shareholders' Meeting scheduled to be held on March 30, 2021 as Proposal 1 for the said meeting is approved and that the Underwriter subscribes to all of the shares for subscription as described in (1) of "Outline of the International Offering" above. If the said proposal is approved and adopted in its original form, the total number of authorized shares of the Company will become 80,000,000.

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