November 26, 2024

Company name: W Scope Corporation
Representative: President Choi Won-Kun
(Code: 6619 TSE Prime)
Contact: Director Ouchi Hideo
(https://w-scope.co.jp/ir/contact.html)

Notice of Revision of Full-Year Consolidated Earnings Forecasts

We have revised the full-year consolidated earnings forecast for the fiscal year ending January 2025, which was "undecided" in the "Notice of Differences between Consolidated Earnings Forecasts and Results Values for the Second Quarter (Interim Term) of the Fiscal Year Ending January 2025, Recognition of Non-Operating Income and Loss, and Revision (withdrawal) of Consolidated Earnings Forecast for the Full Year" announced on September 12, 2024.

1. Revisions to the Fiscal 2025 Fiscal Year Forecast

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Per share Net Income
Previously announced outlook (A) (September 12, 2024)	Millions of yen -	Millions of yen -	Millions of yen -	Millions of yen -	Yen -
Current revised outlook (B)	31,000	△850	△1,800	△2,300	△41.88
Change (B-A)	-	-	-	-	
Change (%)	-	-	-	-	
(Reference) Results for the previous fiscal year (Year ended January 31, 2024)	48,043	3,865	4,600	939	17.07

2. Reason for the amendment

In the "Notice Concerning the Difference between Consolidated Performance Forecast and Actual Performance Value for the Second Quarter of the Fiscal Year Ending January 2025 (Interim Term) and the Recognition of Non-Operating Profit and Loss, and Revision (withdrawal) of the Consolidated Performance Forecast for the Full Year," announced on September 12, 2024, it was difficult to reasonably calculate the consolidated performance forecast for the full year due to the possibility that W-SCOPE CHUNGJU PLANT CO., LTD (hereinafter referred to as WCP) was excluded from the consolidated subsidiary from the third quarter and became an equity-method affiliate. Therefore, the full-year consolidated performance forecast for the fiscal year ending January 2025 was withdrawn and "undecided." Since it was now possible to calculate the full-year consolidated earnings forecasts for the year ending January 2025 with a certain degree of rationality, we have announced these forecasts.

WCP net sales and operating profit/loss are not included in our consolidated accounts due to the transfer to an equity-method affiliate from the third quarter of the current fiscal year. Therefore, net sales and operating profit/loss for the fiscal year ending January 2025 are expected to decline significantly. However, this will be included in non-operating profit/loss of equity-method affiliates (for more information, please refer to the "Notes on Changes in Consolidated Subsidiaries (Equity-method Affiliated Companies)" announced on November 14, 2024).

In addition to the above factors, we expect a significant decline in sales of separators for automotive batteries from the third quarter due to factors such as the recent slump in the business climate surrounding the European EV market. In the ion-exchange membrane business and separators for ESS batteries, we are working to conclude new contracts.

In terms of operating income, we are aggressively pushing forward with management rationalization through cost reductions, but we do not anticipate being able to cover fixed costs due to factors such as a decline in machine utilization rates in line with a decline in production volume due to a slump in sales volume, and we also expect to incur inventory write-downs on some models due to factors such as a decline in sales prices.

With regard to ordinary income, in line with the transfer of WCP into an equity-method affiliate from the third quarter as described above, we have taken 36.23% of WCP's forecasted net income /loss (our WCP shareholding ratio and our 100% subsidiary, W-SCOPE KOREA CO., LTD.).

Profit attributable to owners of parent primarily reflects interim net income attributable to non-controlling interests through the second quarter.

[Cautionary Statement with Respect to Forecasts]

Earnings forecasts are based on information available at the time of publication. Actual results may differ from these forecasts for a number of reasons.