



October 27, 2016

Notice Regarding Establishment of a Subsidiary in South Korea

W-Scope Corporation (hereinafter, WS), has established second production subsidiary, "W-SCOPE CHUNGJU PLANT CO., LTD." (hereinafter, WCP) on October 26, 2016.

1. Purpose of establishing a subsidiary

The company is working aggressively to expand the production scale as published in the mid-term management plan, "Vision2018". To cope with these, we have established a new company WCP in South Korea, North Chungcheong Province Chungju region, in addition to W-SCOPE KOREA CO., LTD. (hereinafter WSK), South Korea base of group. In WCP, we will specifically start to work on a factory land acquisition and production capital investment in Chungju area, which was issued on May 30, 2016.

It should be noted to the new company, it is possible to continue to enjoy variety of incentives, such as tax reduction and exemption as well as existing company, WSK. By coupling those incentives with adopting our third generation production process will enhance the further cost competitiveness, and will aim to be a leading company as the specialized membrane film manufacturer.

2. Outline of the subsidiary to be established in South Korea

- | | |
|--------------------------|---|
| 1) Name | W-SCOPE CHUNGJU PLANT CO., LTD. |
| 2) Domicile | Daesowon-myeon, Chungju, Chungchong-pukto, the Republic of Korea |
| 3) Name of the president | Choi Won-Kun (Representative Director of W-Scope Corporation) |
| 4) Major business line | Development, manufacturing and sales of parts and materials for automotive and energy storage batteries and related additional businesses |
| 5) Date of establishment | October 26, 2016 |
| 6) Capital | KRW 950,000,000 (Approx. JPY 88,000,000) |
| 7) Shareholder | 100% owned subsidiary of W-Scope Corporation |

3. Impact on business results

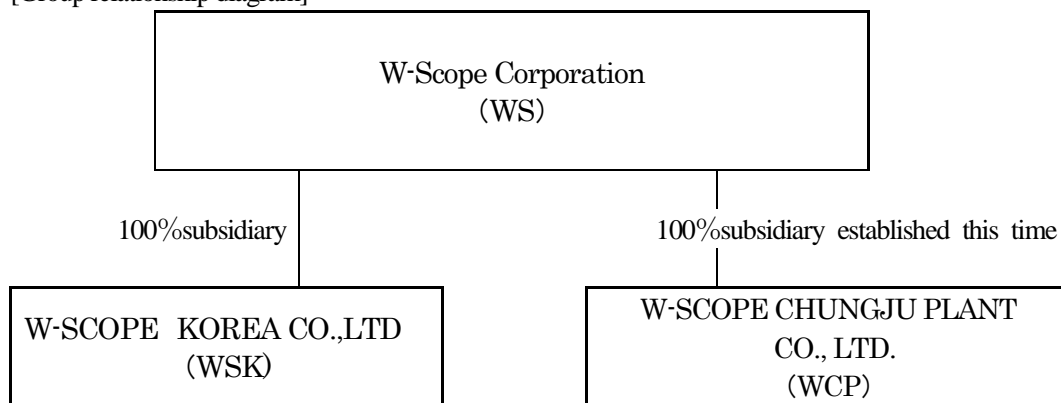
Impact on the Company's consolidated results of the fiscal year ending December 31, 2016 due to this matter will be minor.

W-Scope Corporation
Choi Won-Kun, Representative Director
Listed on the First Section of the Tokyo Stock Exchange, code 6619

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Annex

[Group relationship diagram]



[Outline of the site]



[Comparison of sites]

	First factory	Second factory	Third factory	Chungju factory
Operating body	WSK			WCP
Time of agreement	November 2005	July 2015	September 2016	October 2016
Site area	Approx. 76,000 m ²	Approx. 35,000 m ²	Approx. 33,000 m ²	Approx. 200,000 m ²
Number of installed lines	Lines #1 to 5 (#5 volume production migration)	Lines #6 to 9 (#8 and 9, under construction)	2lines of coating separator production facilities, under construction	Embarked on #10 and 11
Number of lines which can be installed	7 lines	4 lines	Coating separator production facilities 18 lines	14 lines
Capital investment funds			Of the total amount of 3.1 billion yen, 1.5 billion yen for the coating equipment and other incidental facilities at the first stage	Of the total amount of 31.5 billion yen, 13.5 billion yen for the production facilities at the first stage and about 5.0 billion yen for the coating equipment and other incidental facilities
Fund-raising plan	Appropriated.	Appropriated.	Appropriated.	Appropriated.