



Wedge Holdings Co., Ltd. September 2014 Business Presentation

4th September 2014

 **Wedge**Holdings

 www.wedge-hd.com

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Overall Review





Third Quarter Financial Results

Consolidated Operating Results(P/L)

(Units: 1000 yen)

	Q3 Sept 2013 Period	Q3 Sept 2014 Period	YOY
Sales	3,533,668	4,152,637	117.5%
Operating Profits	735,653	317,981	43.2%
Recurrent Profits	821,059	389,463	47.4%
Net Profits	614,367	79,131	12.9%

Consolidated Financial Condition(B/S)

(Units: 1000 yen)

Consolidated Balance Sheet	Q3 Sept 30, 2013 Period	Q3 Sept 2014 Period	YoY
Current assets	15,330,482	17,423,425	113.7%
Fixed asset	3,865,298	3,730,214	96.5%
Investments and other assets (inclusive)	2,750,090	2,597,619	94.5%
Total assets	19,195,780	21,153,639	110.2%
Current liabilities	5,379,742	6,351,928	118.1%
Fixed liabilities	4,078,836	4,463,108	109.4%
Total liabilities	9,458,578	10,815,037	114.3%
Total shareholders' equity	5,259,714	5,338,845	101.5%
Total net assets	9,737,202	10,338,602	106.2%

Current ratio	285.0%	274.3%
Fixed ratio	73.5%	69.9%
Shareholders' equity ratio	27.4%	25.2%
D / E Ratio	170.4%	190.6%

Segment Results

(Unit: 1000 yen)

Segment		Q3 Sep 2013 Period	Q3 Sep 2014 Period	YOY
Finance Business	Sales	2,907,625	3,668,129	126.16%
	Segment Profits	870,018	461,402	53.03%
Entertainment Business	Sales	447,510	483,543	108.05%
	Segment Profits	77,083	132,191	171.49%

* Merchandising business has been transferred in last consolidated fiscal year and therefore is excluded from consolidation.



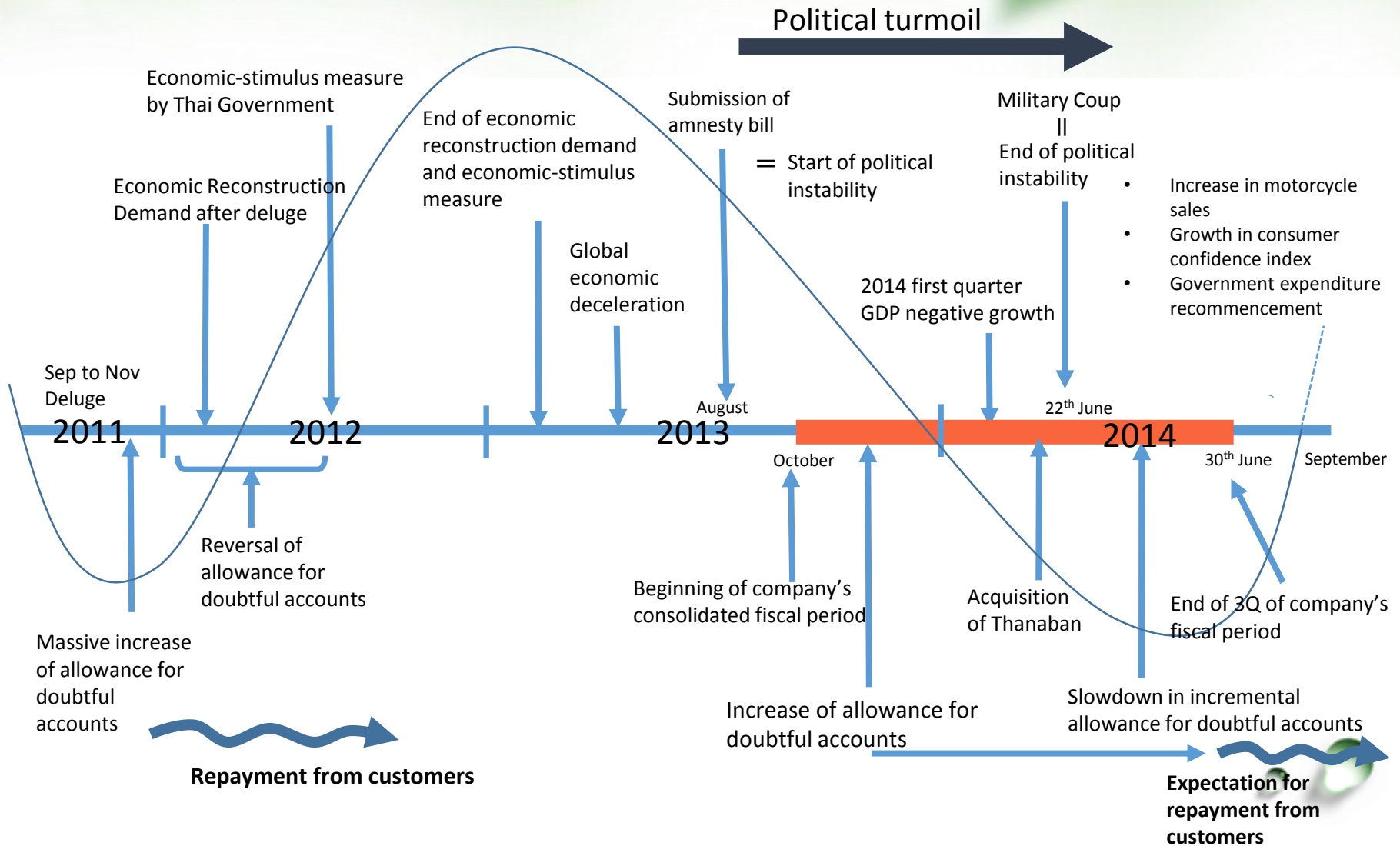
Finance Business



Thailand

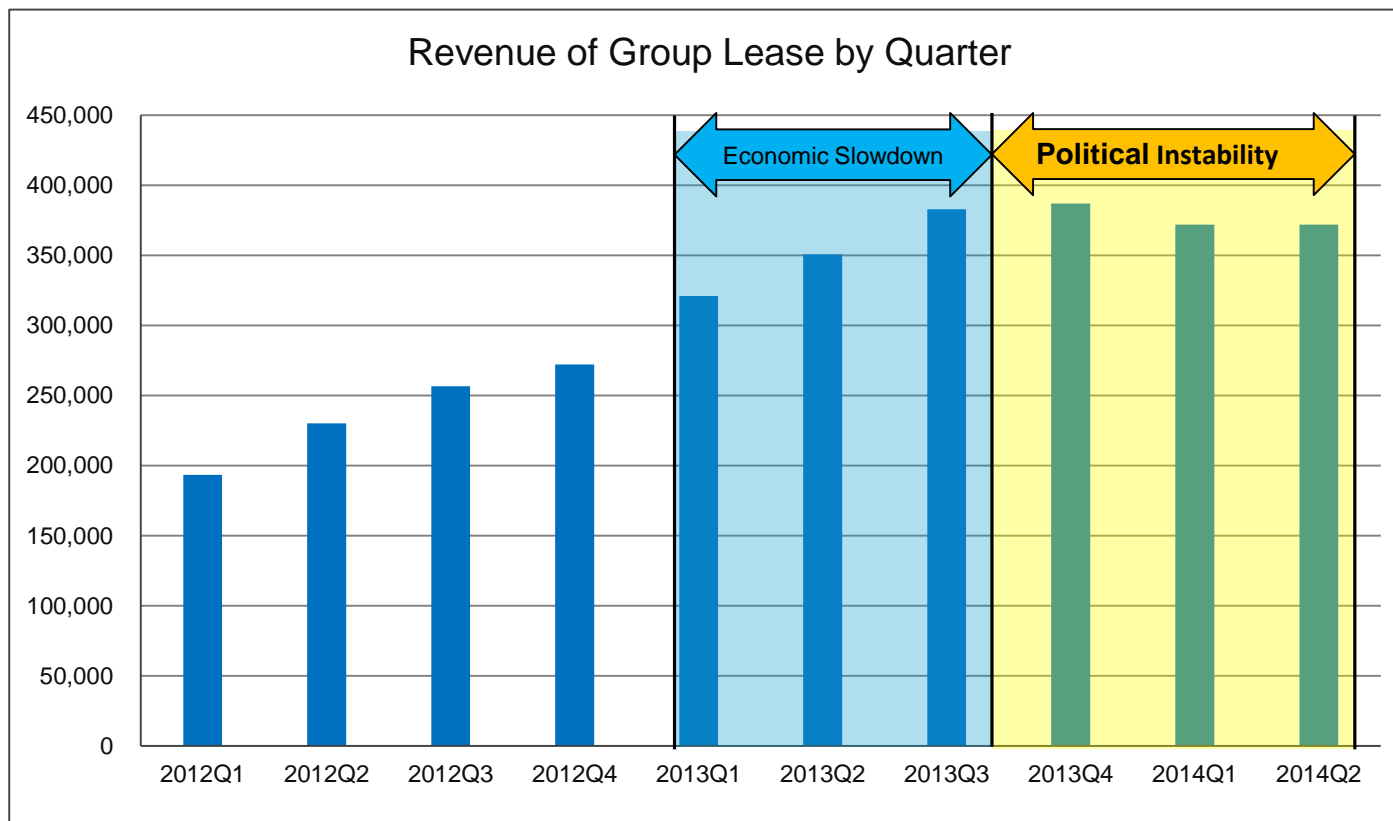


Situation in Thailand



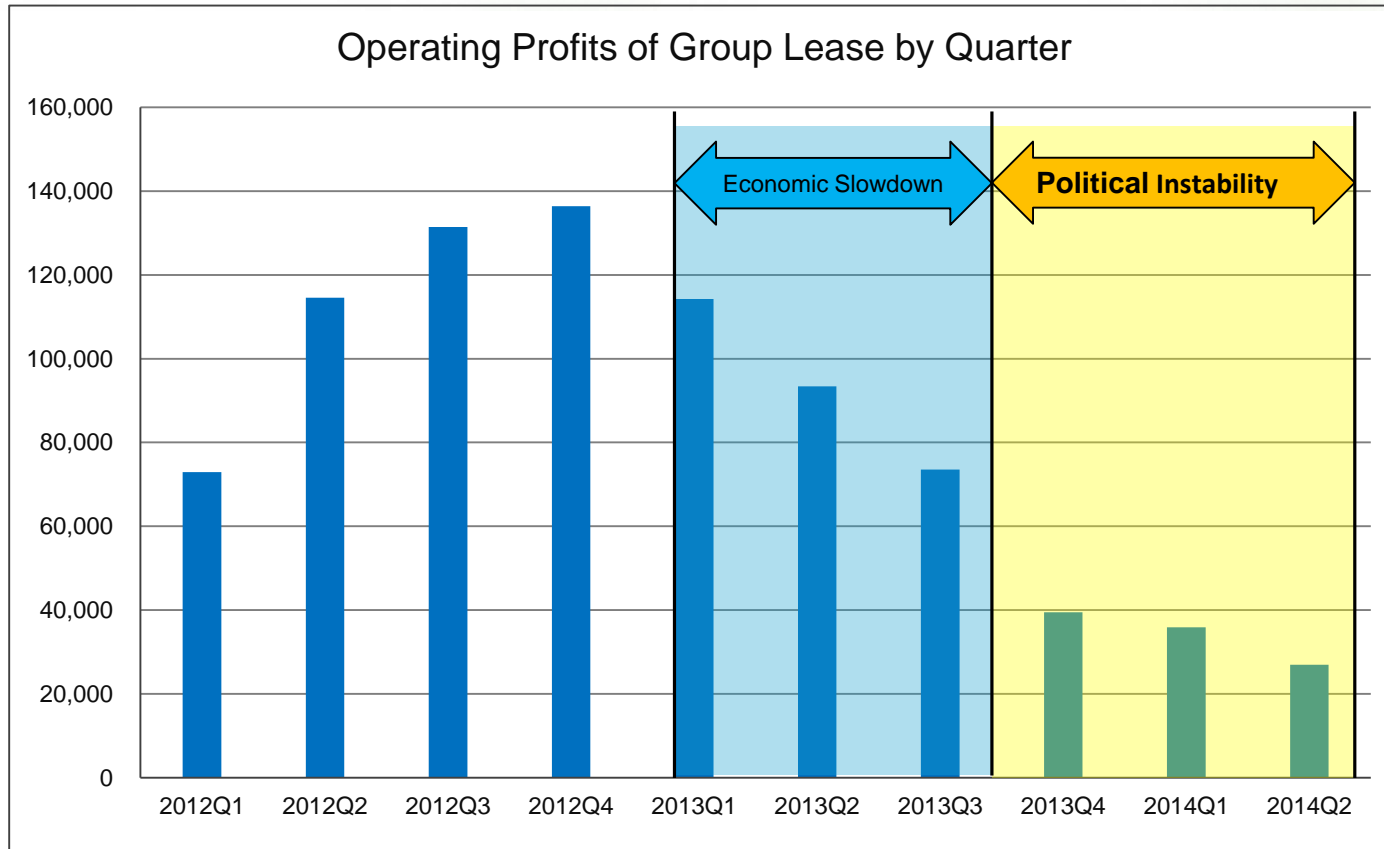


Group Lease Revenue



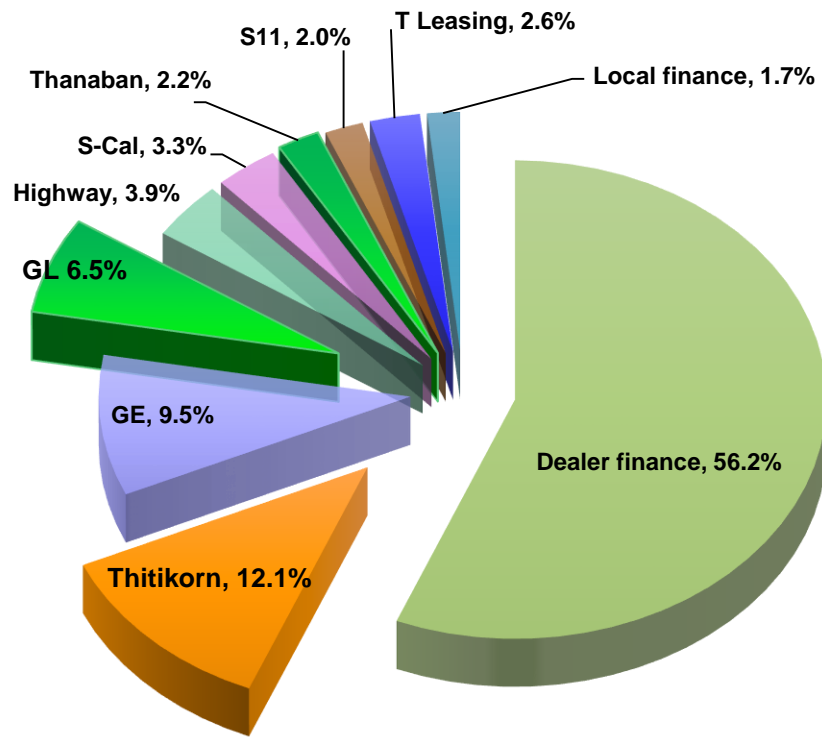


Operating Profits of Group Lease





Thai Motorcycle Lease Market

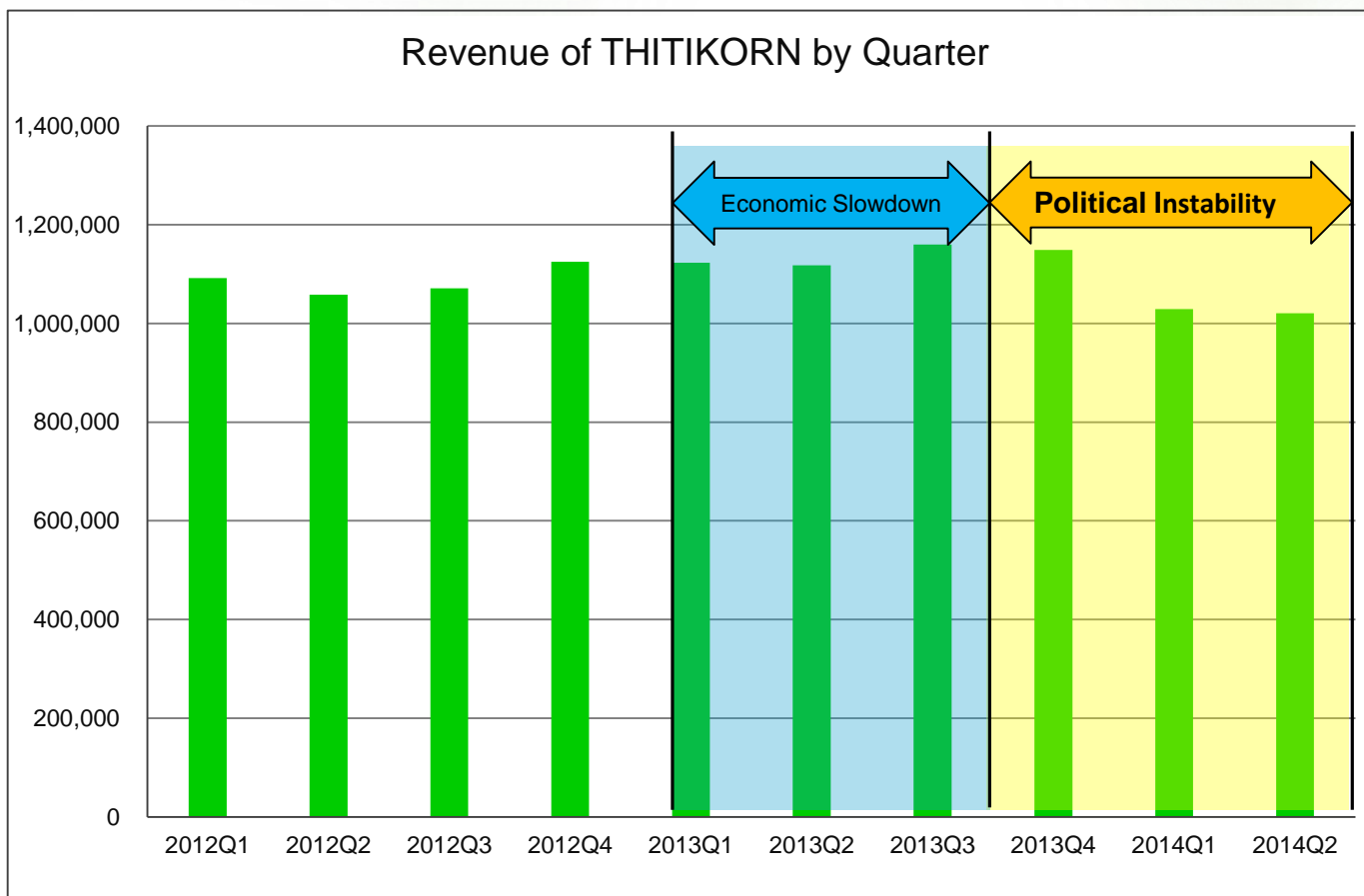


2012 Market Share

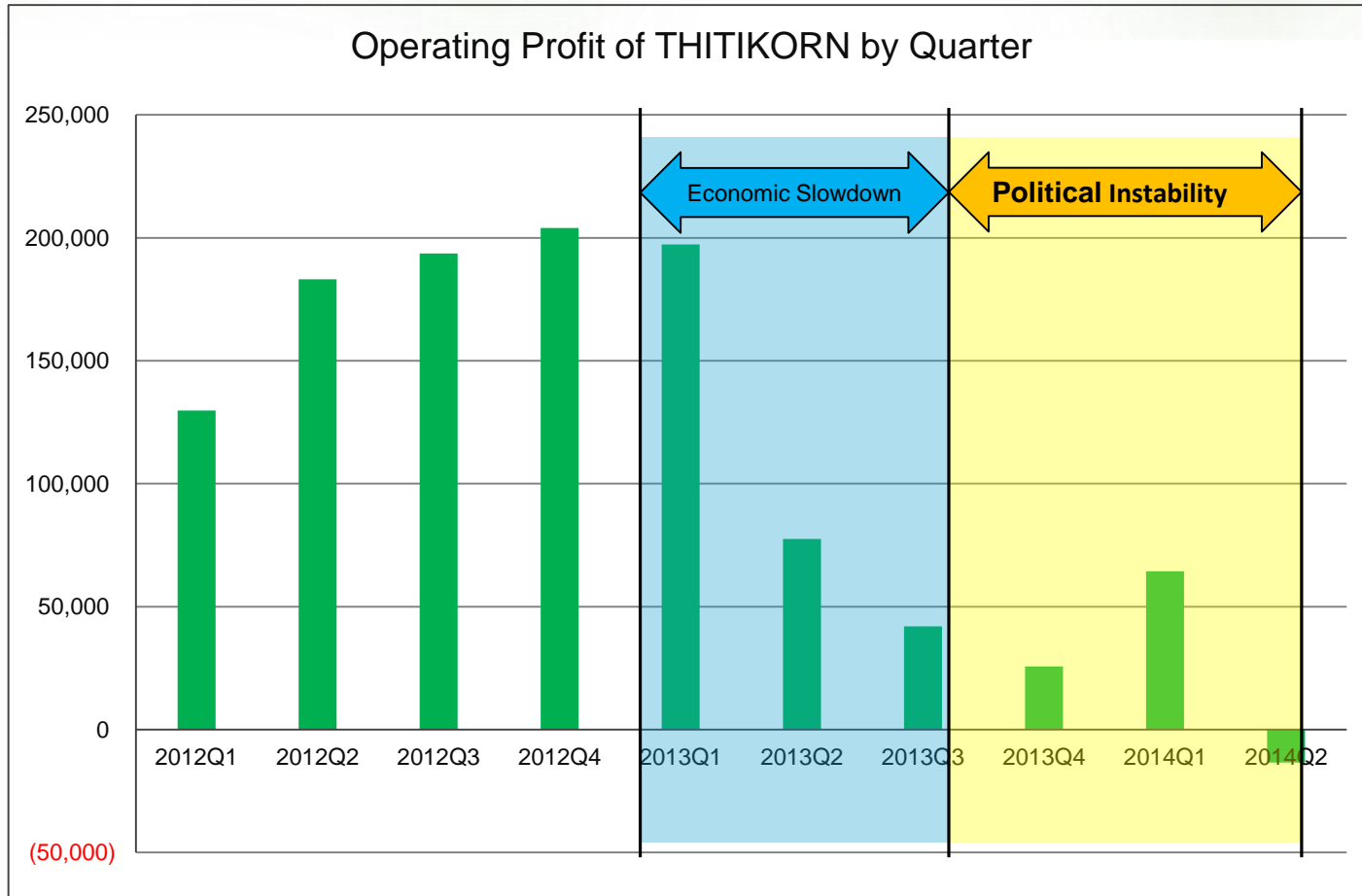




THITIKORN Revenue

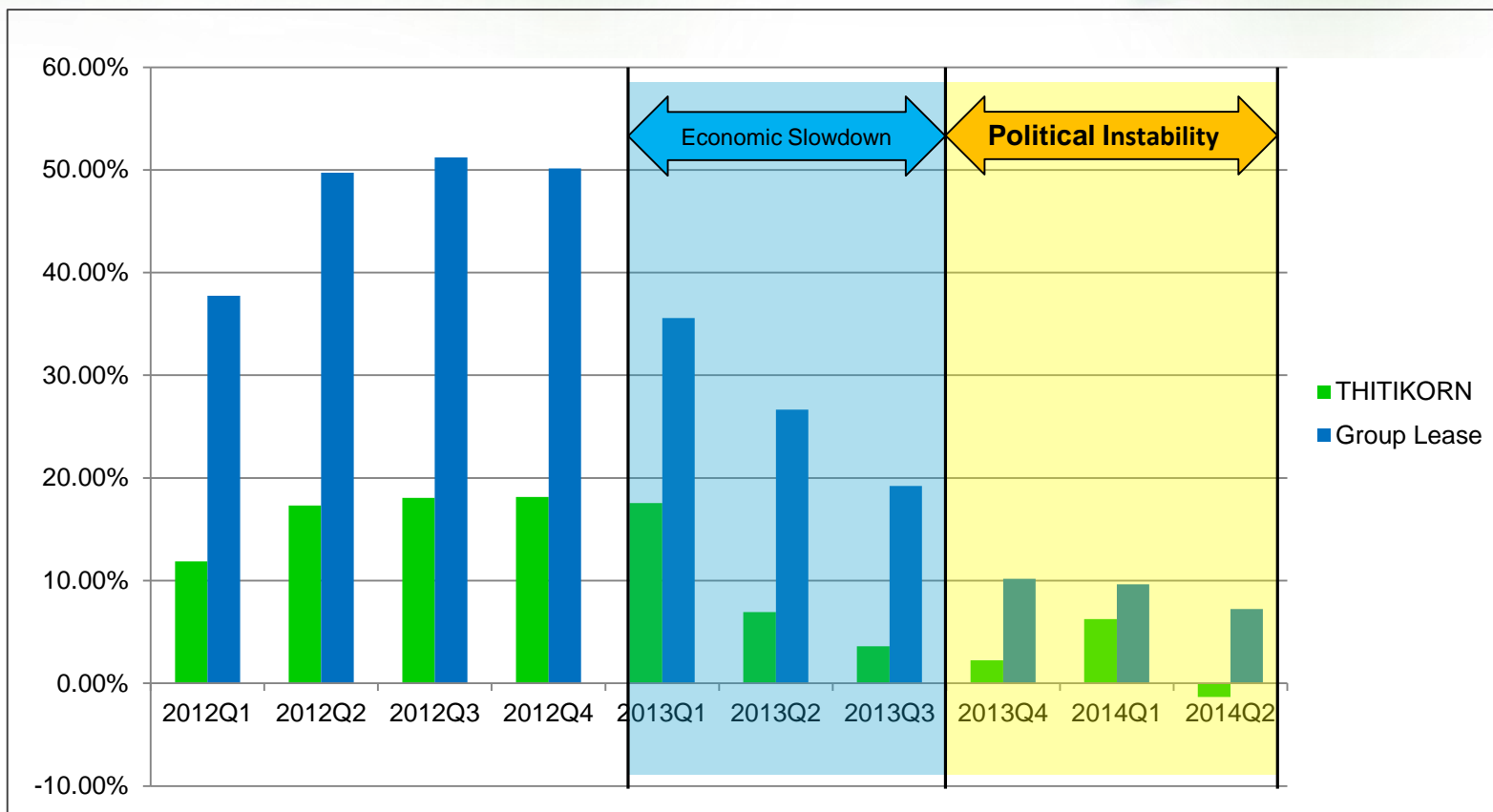


Operating Profits of THITIKORN





Operating Profit Ratio Comparison





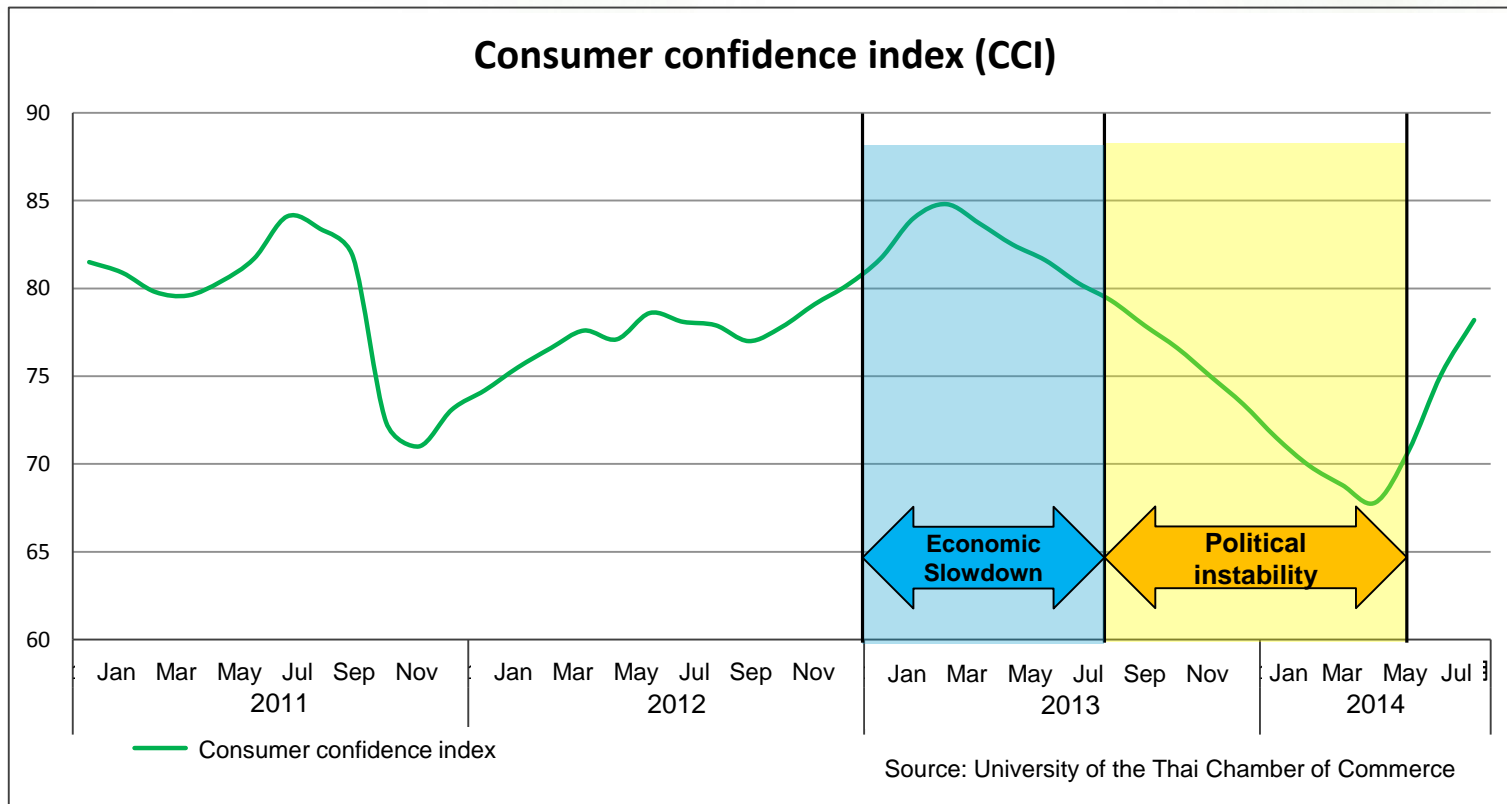
Summary (Market)



- ❖ **Finance business sector saw a decline in profit due to the sharp slowdown in Thai economy at the beginning of 2013**
- ❖ **Political turmoil has taken a toll on Thai economy.**

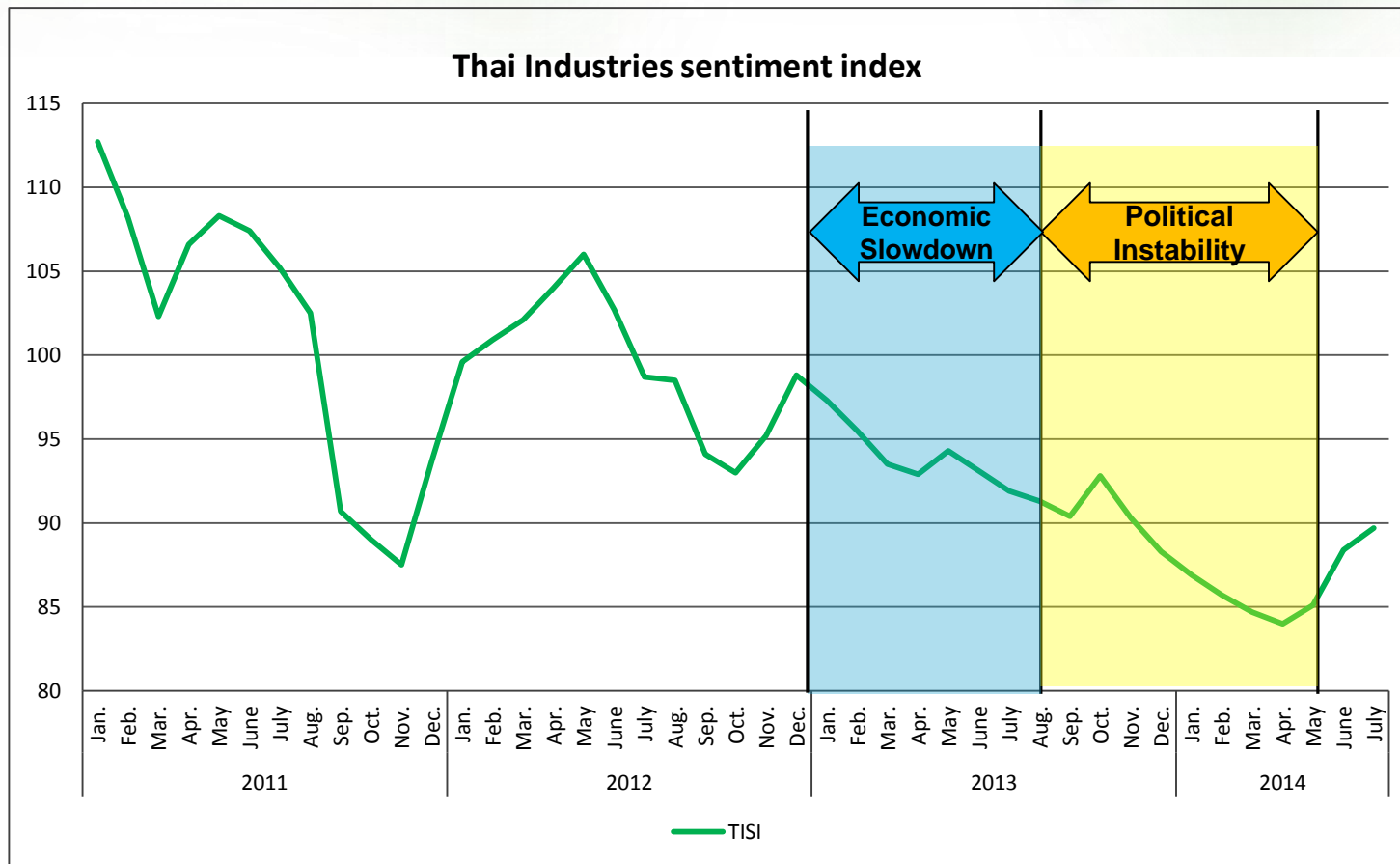


Consumer confidence index (CCI)





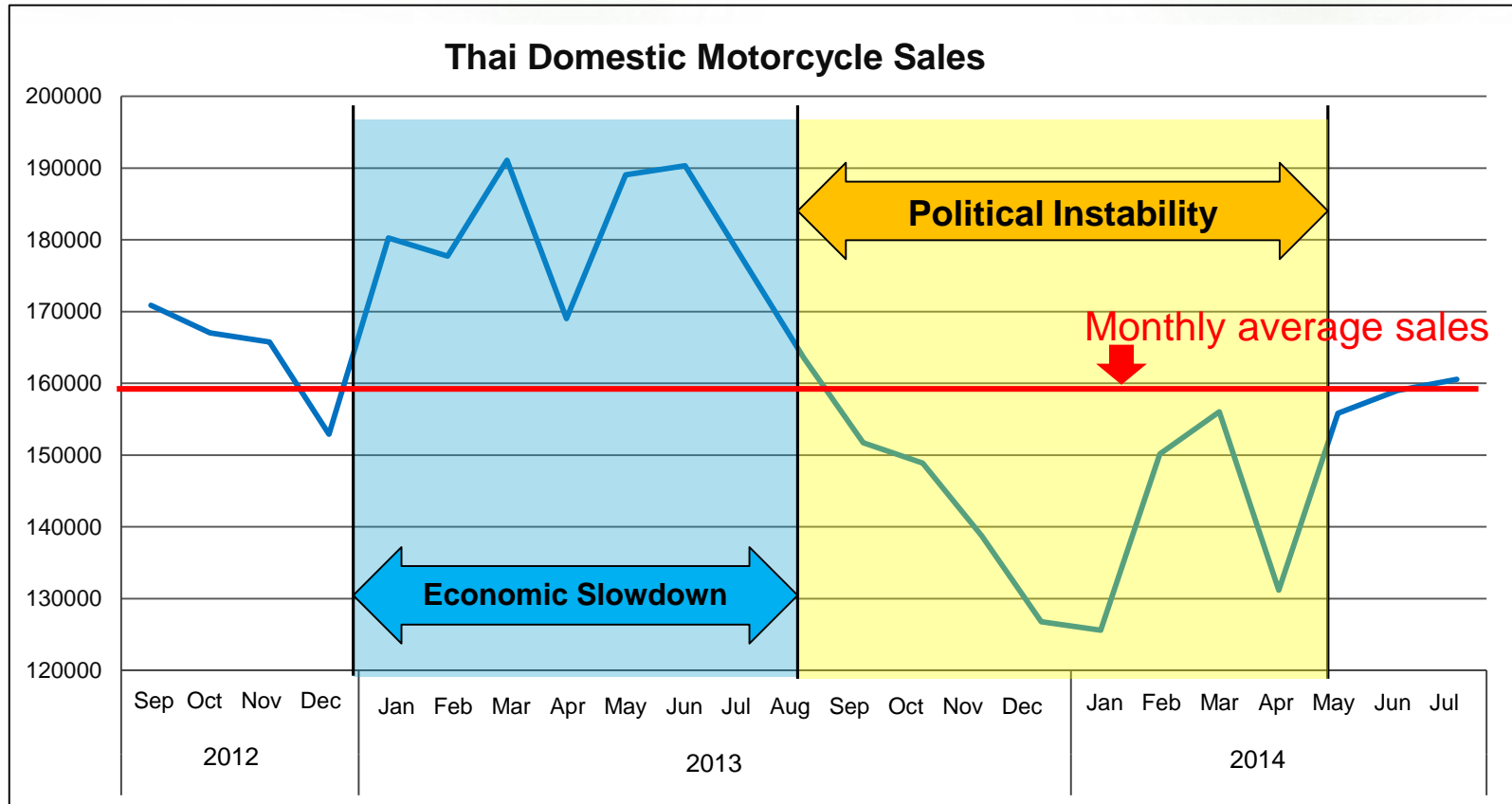
Thai Industries sentiment index



Source: Federation of Thai Industries (FTI)



Thai Domestic Motorcycle Sales



Source: The Dairy NNA Thai version



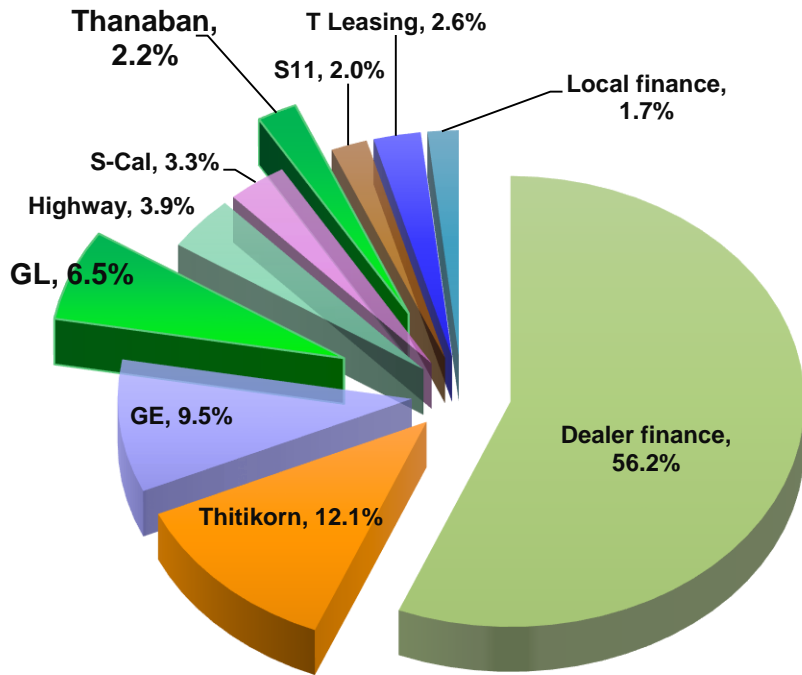
Market (Current)



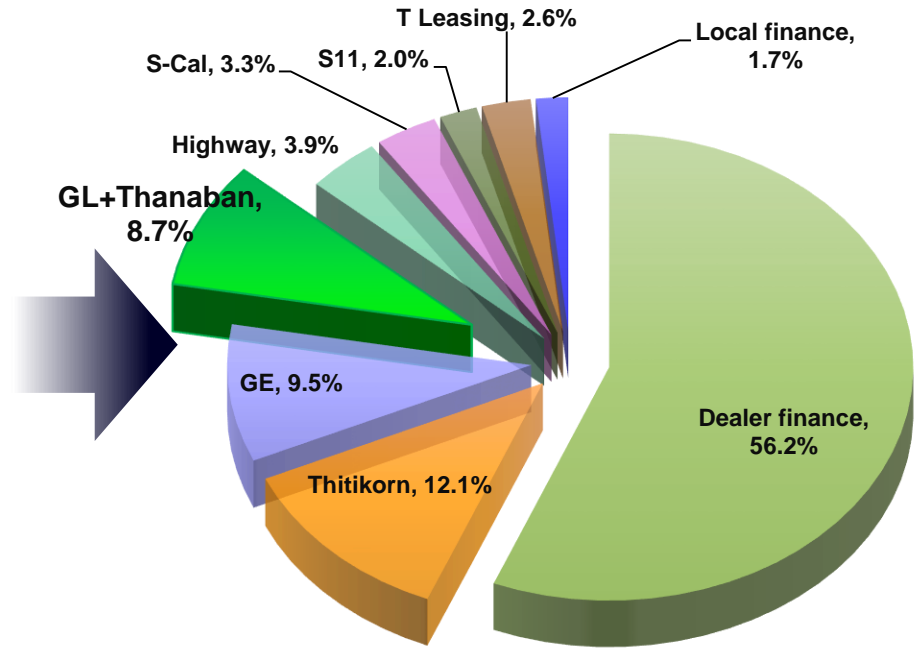
**Rapid improvement in grassroots economy
for our customers**

- ❖ **Unpaid rice pledging scheme to be paid by Junta**
- ❖ **Due to recovery of the manufacturing industry, factory workers resumed work overtime again.**

Thai Motorcycle Lease Market

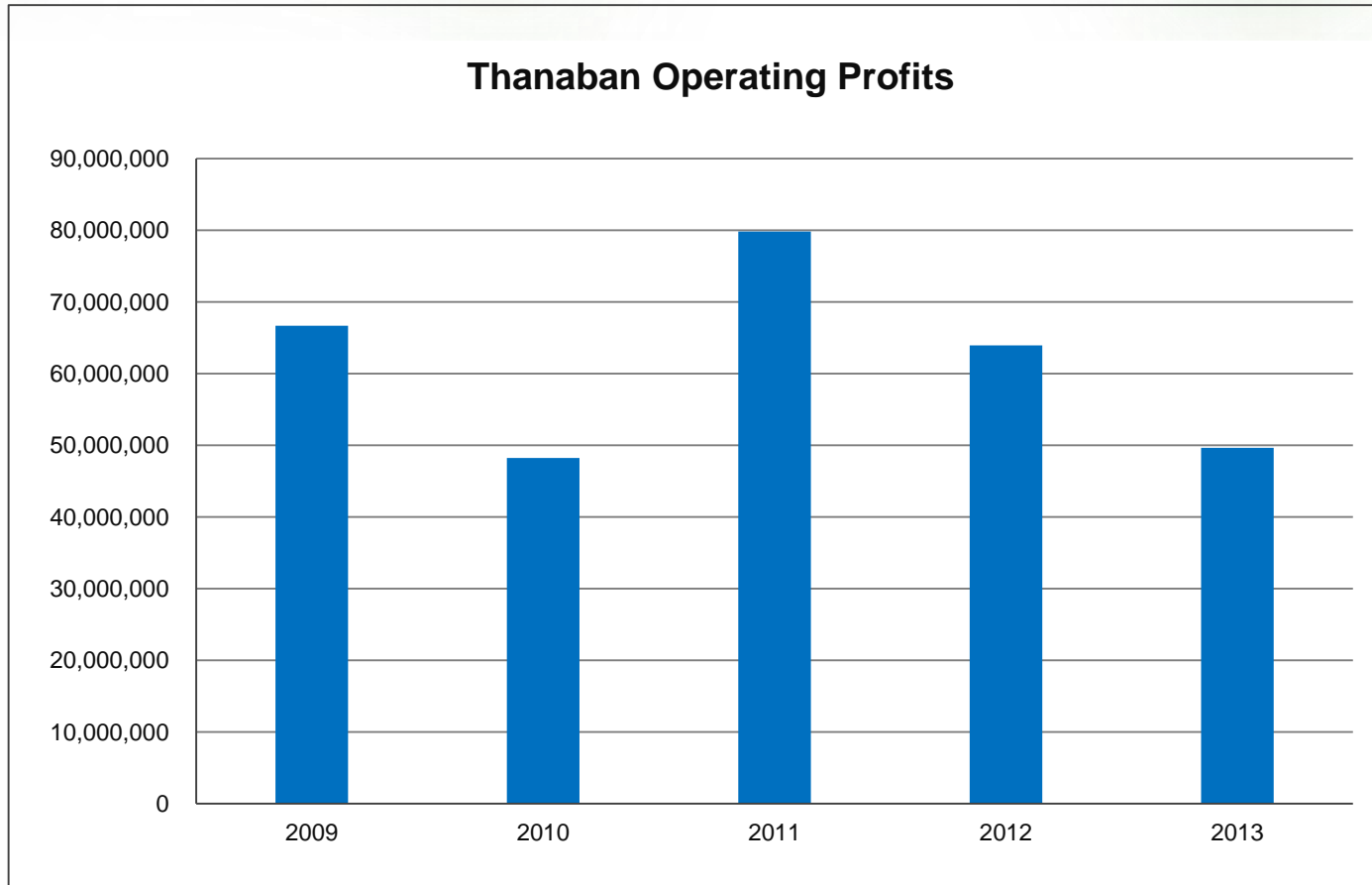


2012 Market Share

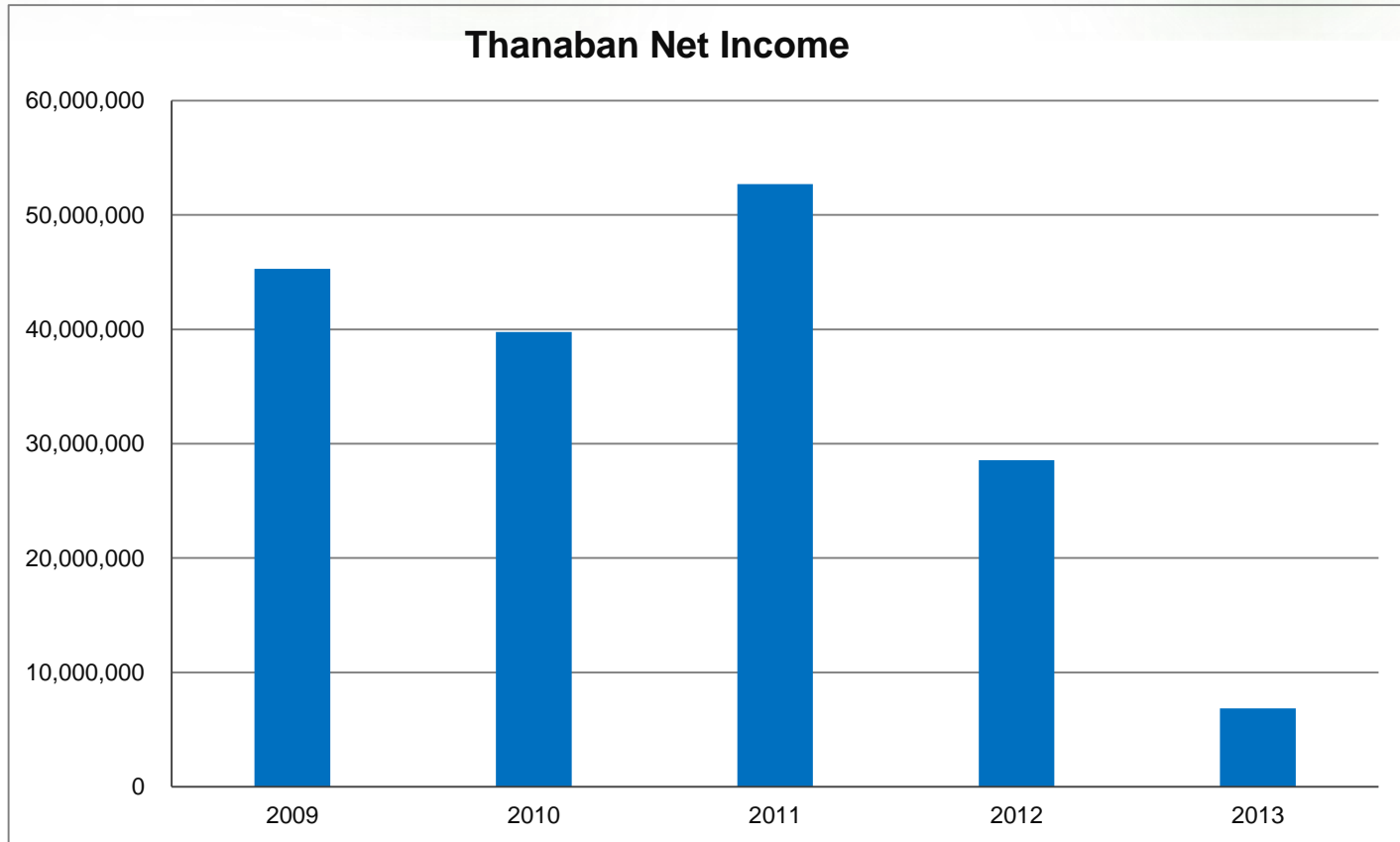


2014 (estimated) Market Share

Thanaban Operating Profits



Thanaban Net Income





Issues at Thanaban



- 1. Operating costs include overhead expenses and personnel expenses for dispatched staff due to parent bank will be GL's profit when it will be consolidated.**
- 2. Operations in branches and sales offices were not efficient.**
- 3. The company was suffered severely from Thai political and economy's impact**



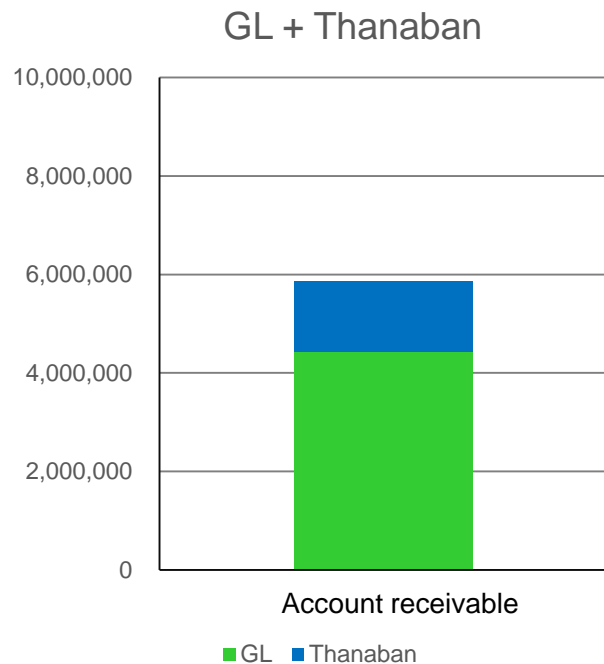
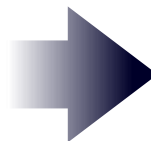
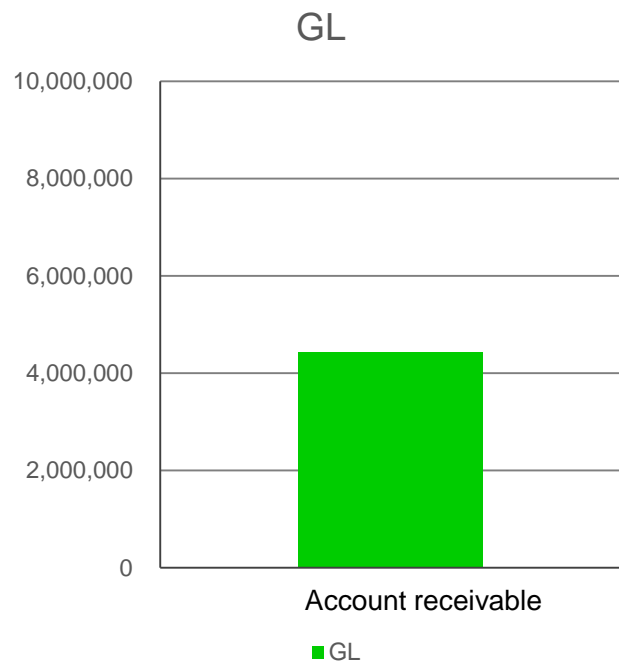
If Thanaban is consolidated ...



Account Receivable

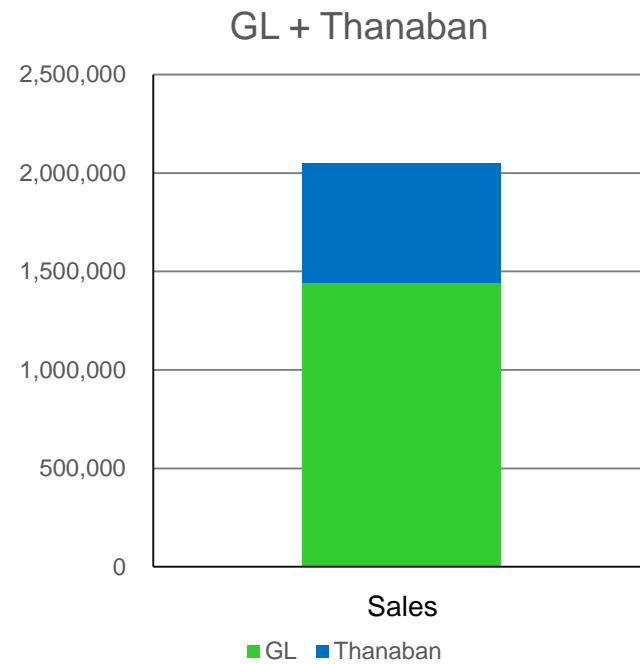
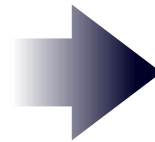
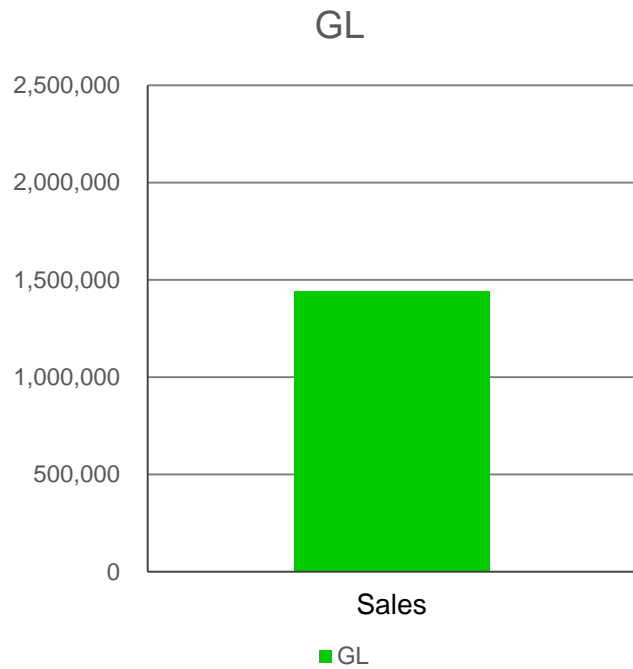


(Unit: 1000 baht)



Sales

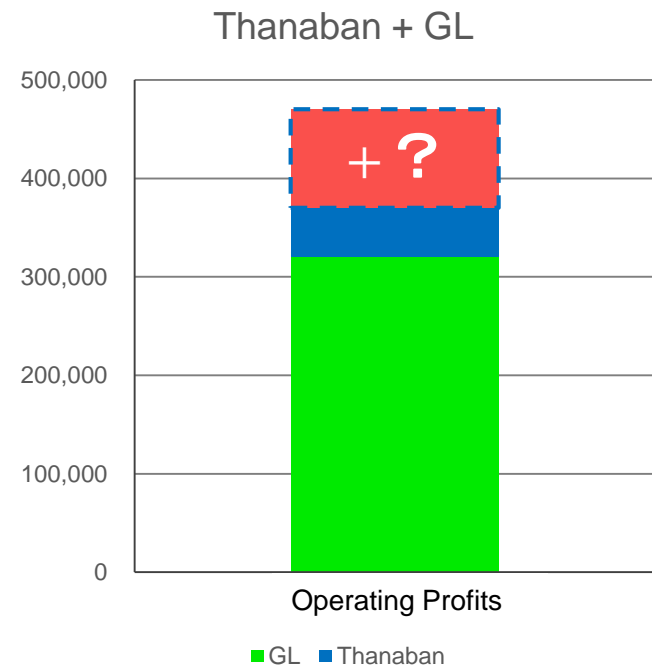
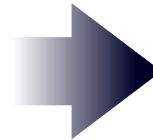
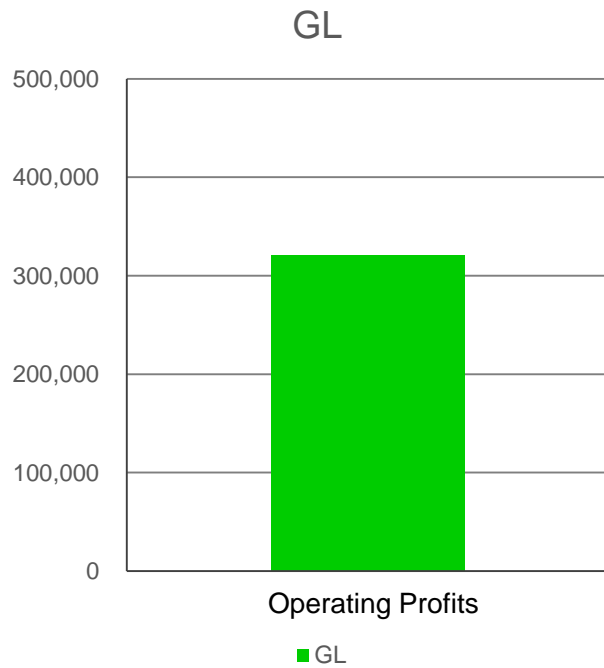
(Unit: 1000 baht)





Operating Profits

(Unit: 1000 baht)





Implementation of Business Restructuring



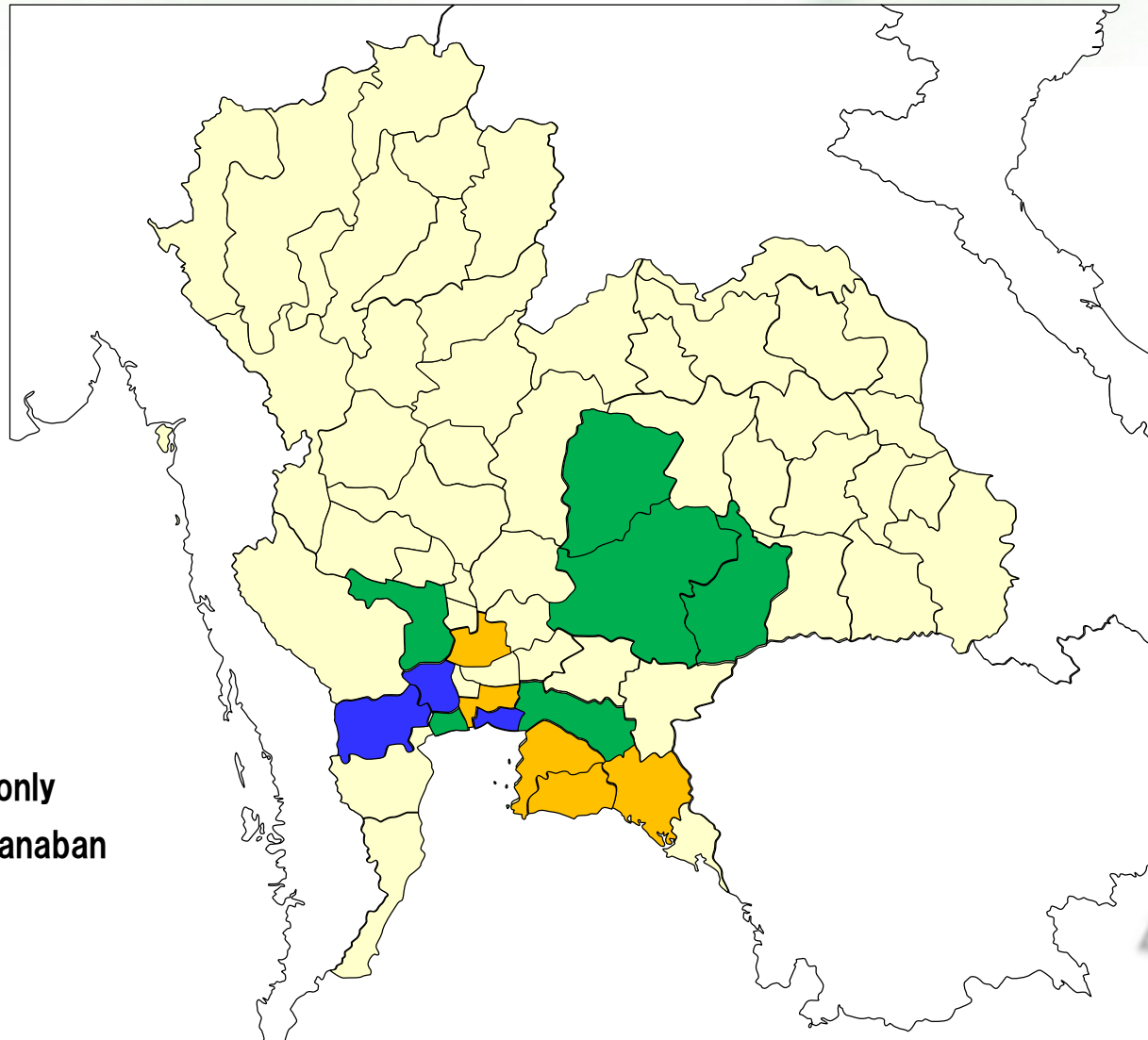
Operation Cost reduction by minimizing overhead expenses

- **Consolidating expenses such as payment to the parent company**
- **Improving efficiency by reorganization of sales office**
- **Favorable turn in Thai economy**

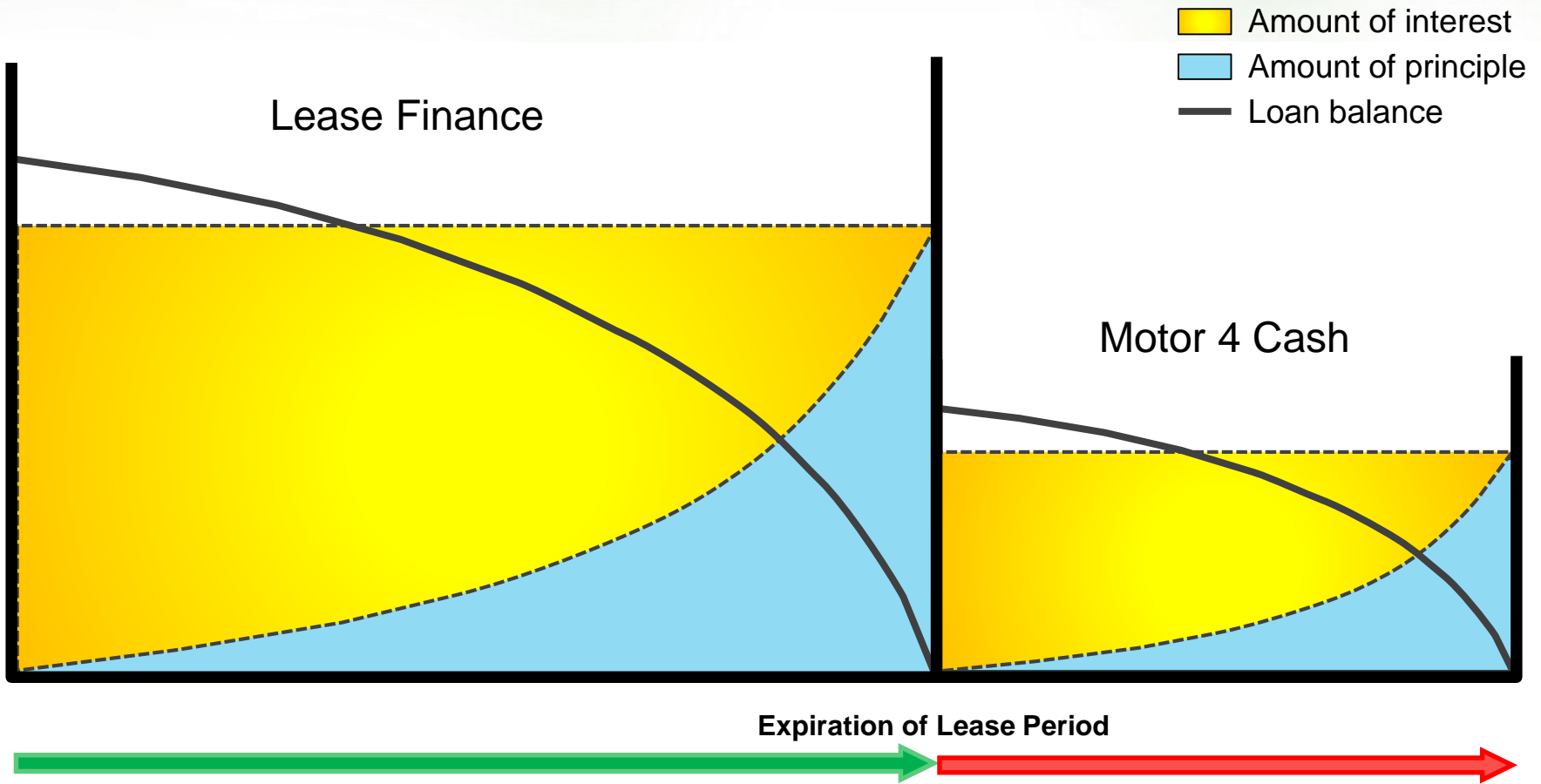
Finance Business (GL, Thailand)

POS coverage map

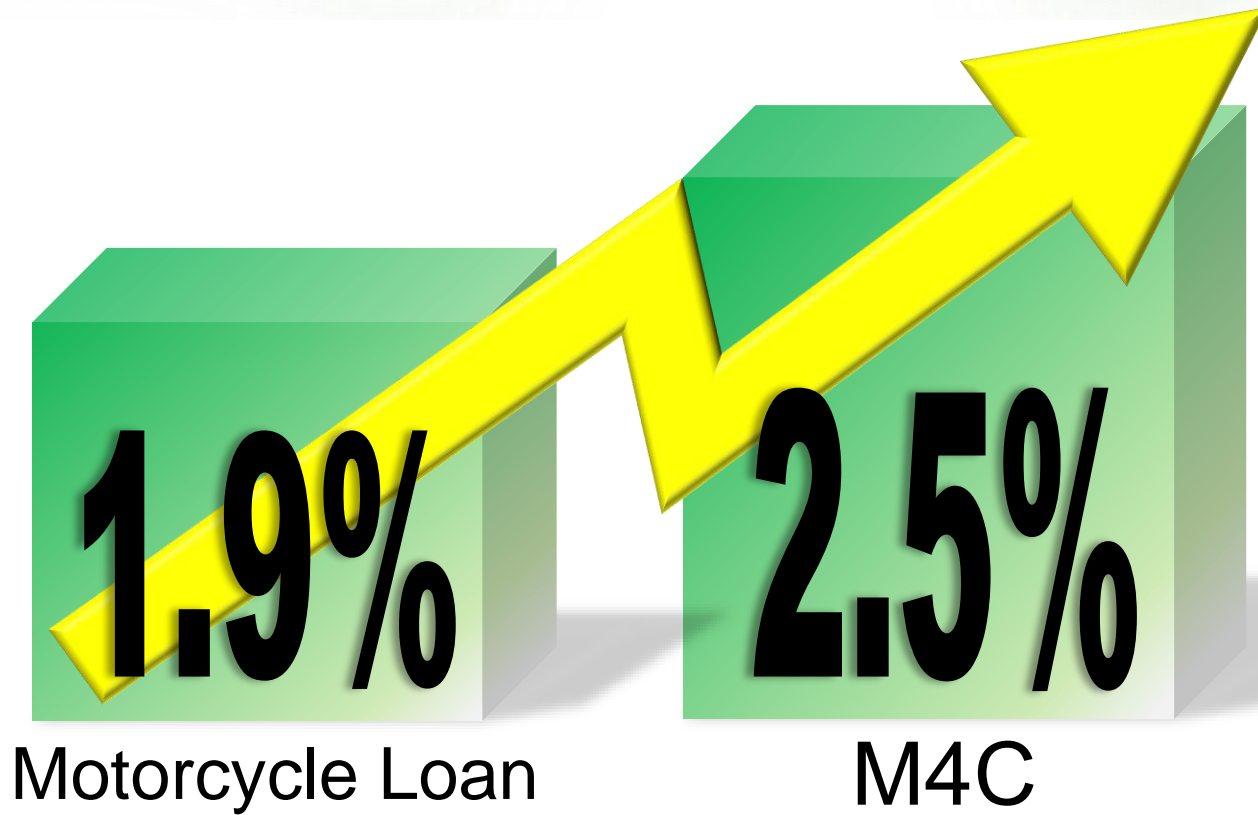
- GL only
- Thanaban only
- GL and Thanaban



Motor 4 Cash



Interest Rate





Thai Domestic Finance Business Outlook

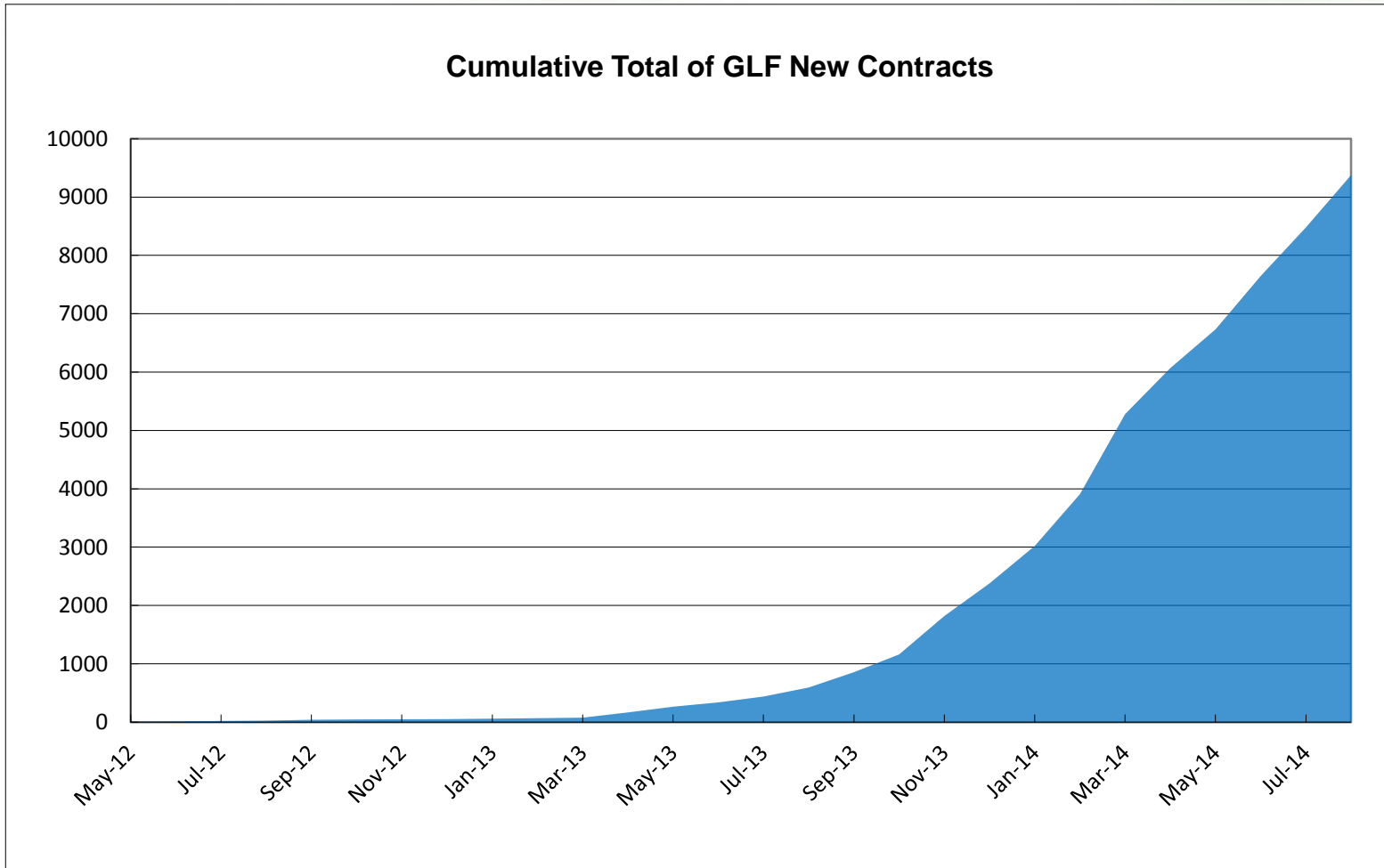


- ❖ **Sign of upturn in Thai economics in the second half of 2014**
- ❖ **Consolidating Thanaban**
- ❖ **New business = Launch M4C product**

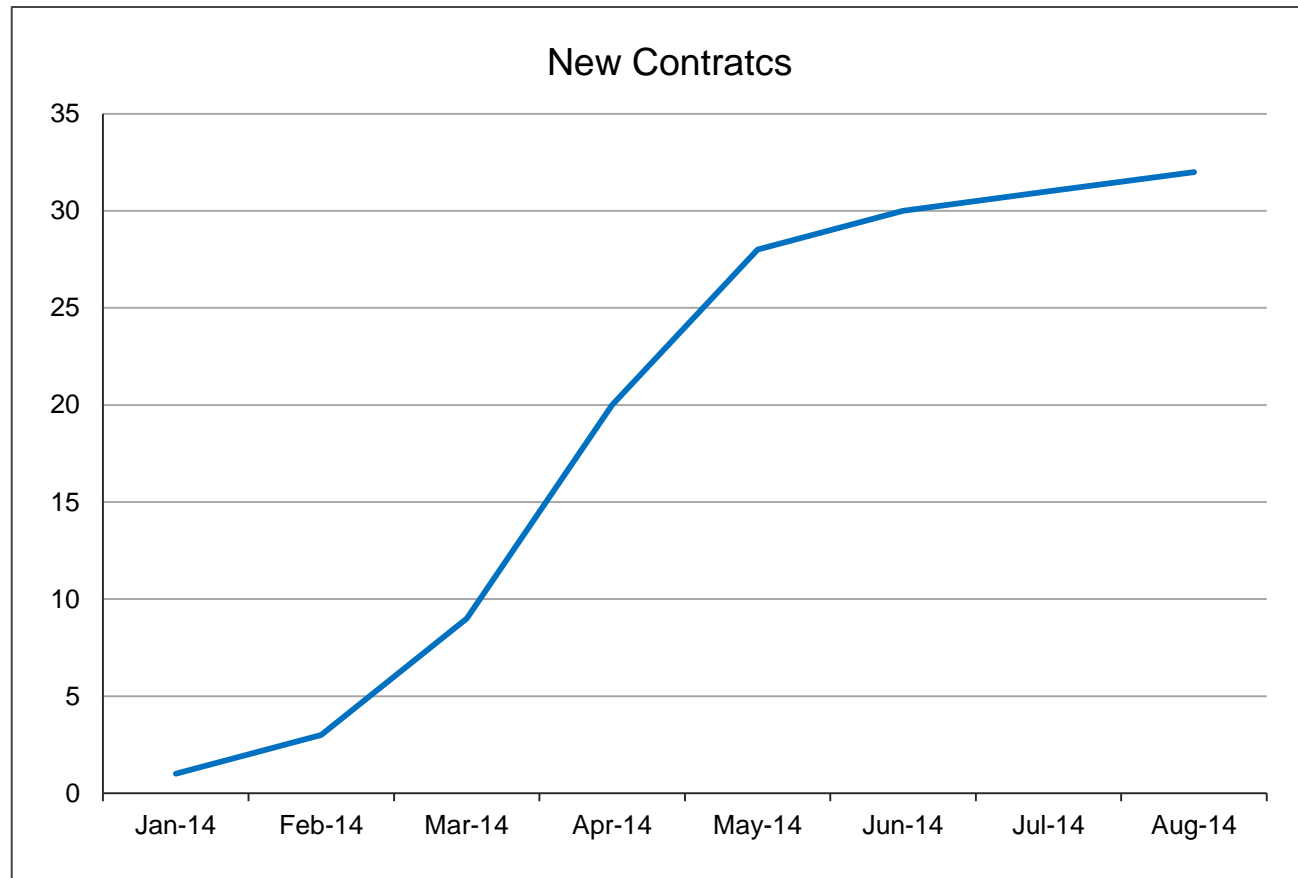


❖ **Cambodia**

Cumulative Total of New Contracts (HONDA)



New Contracts (KUBOTA)





GL Finance PLC

High-quality Portfolio

30+days delinquency
accounts

49

(0.14%)

30days delinquency
accounts

190

(0.24%)

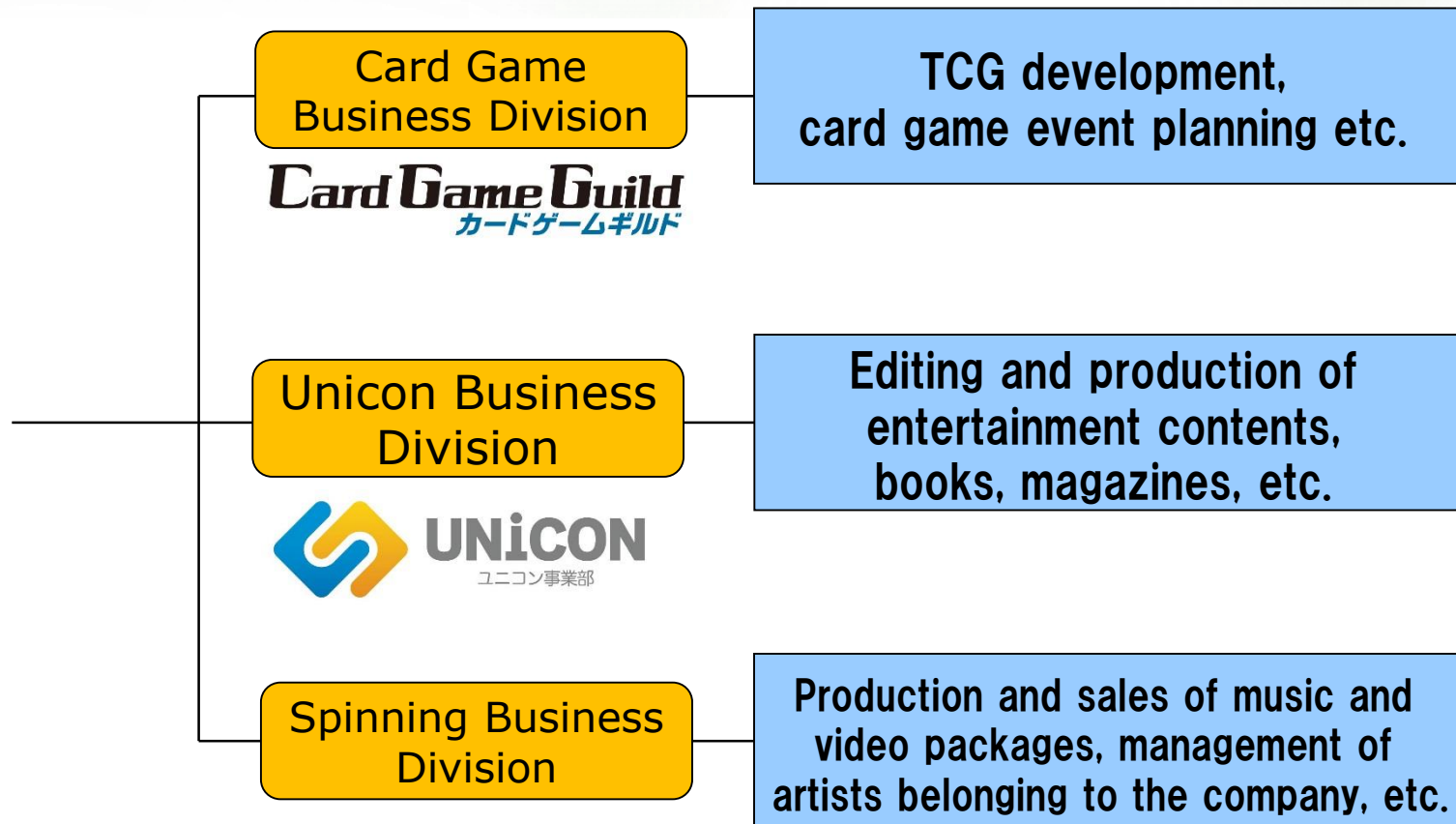
Stolen Units

25

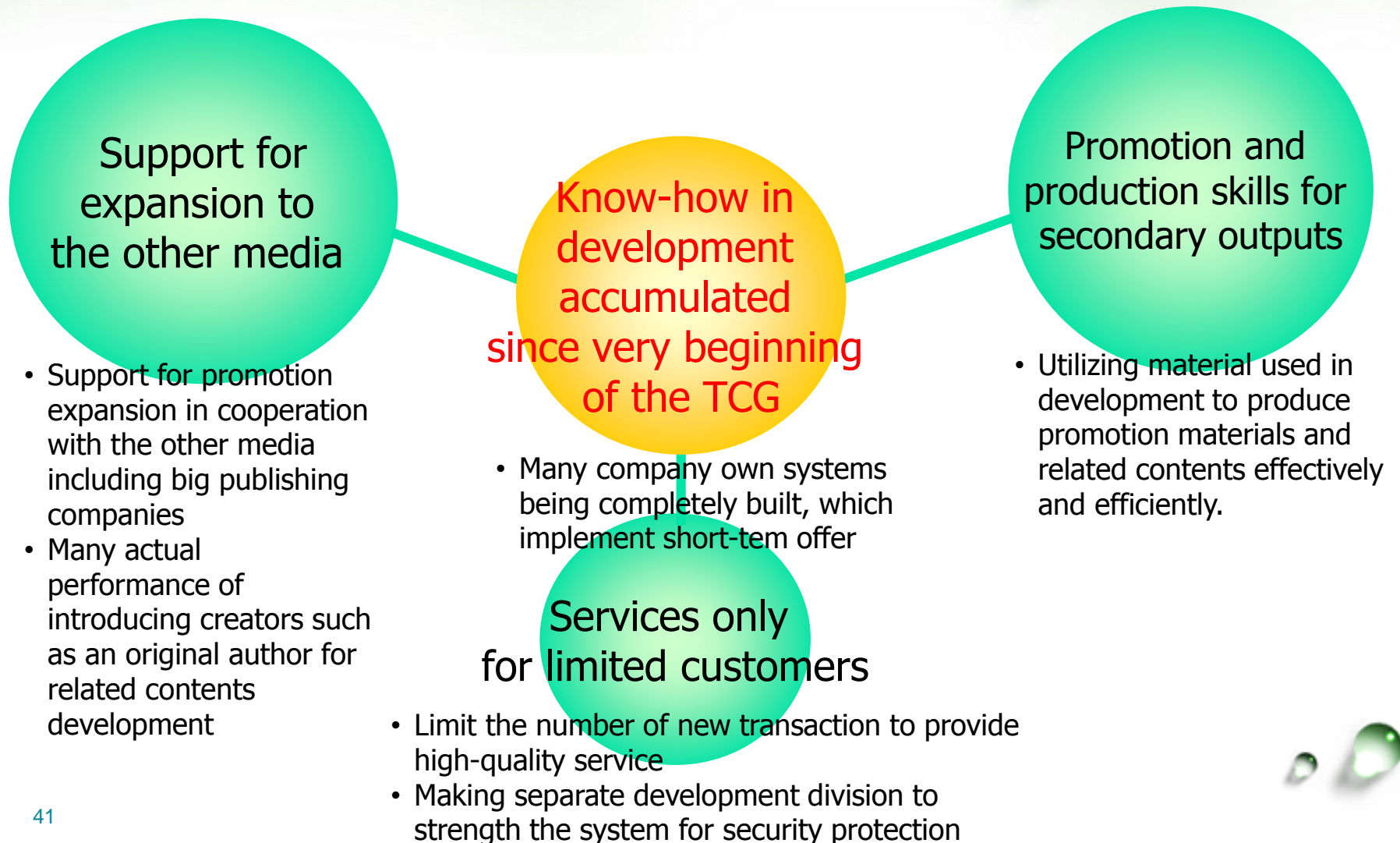
(all insured)

Entertainment Business

Organizational Structure of Wedge Holdings CO., LTD.



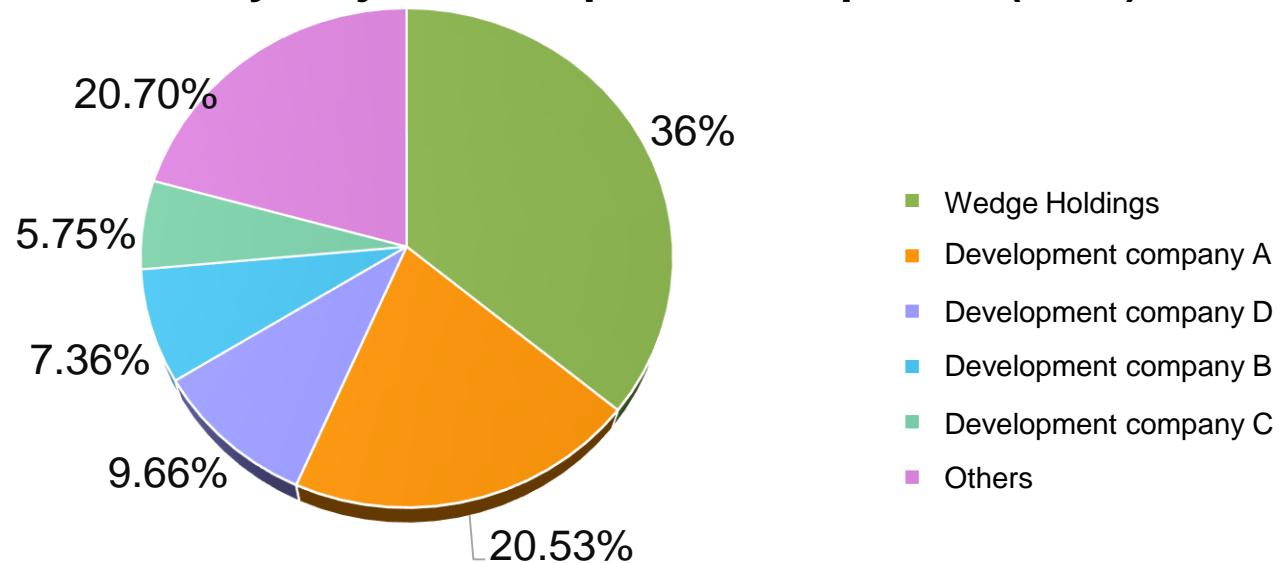
Characteristics of Card Game Business



Achievements in TCG Business

- Continuing the largest sales among the development companies in Japan

TCG Market Share by major development companies (2011)



Source: Game Sangyo Hakusho 2012 (Media Create)



Overall Review



- ❖ **Favorable impacts from the recovery of Thai economy**
 - ❖ **Business Consolidation at Thanaban and execution of new business**
 - ❖ **Cambodia business continues to grow and become profitable**
 - ❖ **Starting and growing new business in Japan**
- 



Thank you!

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