



Wedge Holdings Co., Ltd. November 2015 Business Presentation

November 17, 2015



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Period ended September 2015
Financial Results



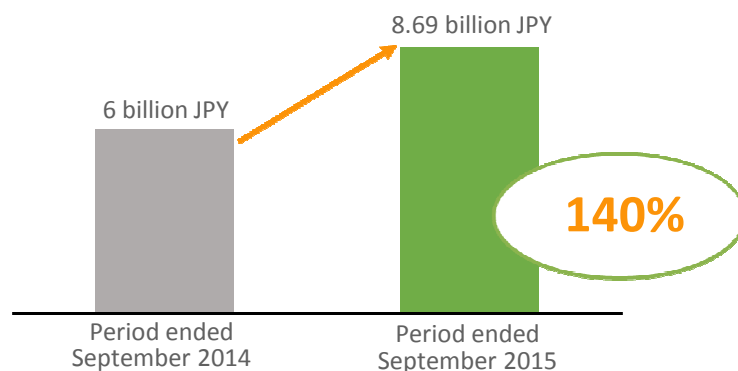
Consolidated Operating Results (P/L)

(Units: million yen)

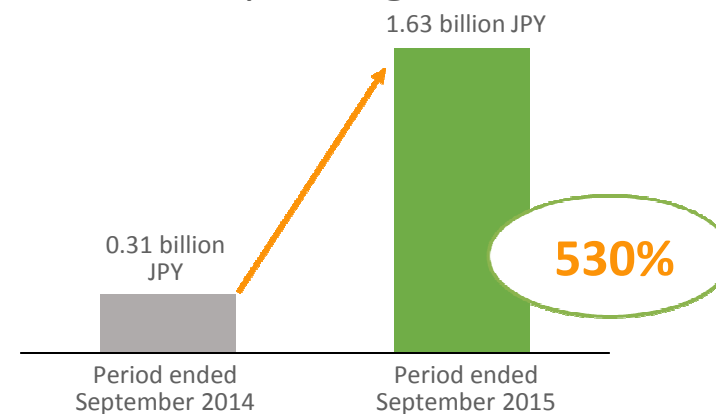
	FY 2015	FY 2014	YOY	Full-year Forecast for FY 2015	Difference from Forecast	Achievement Rate
Sales	8,685	5,995	144.9%	8,700	-15	99.8%
Operating Profit	1,631	311	524.4%	1,600	31	101.9%
Ordinary Profit	1,913	389	491.8%	1,700	213	112.5%
Net Profit	841	80	1051.3%	850	-9	98.9%

Consolidated Operating Results (P/L)

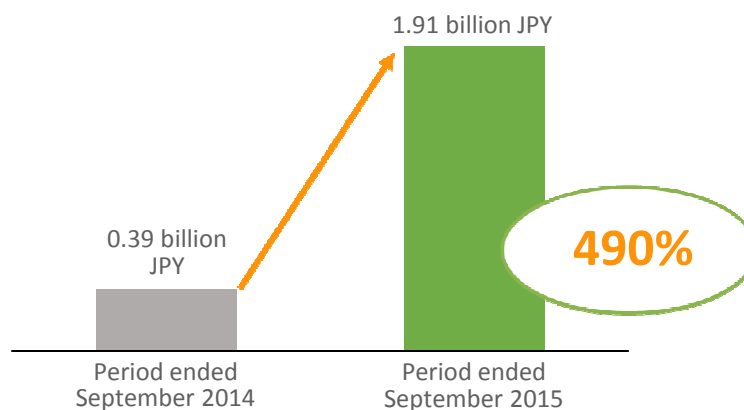
WHD Sales



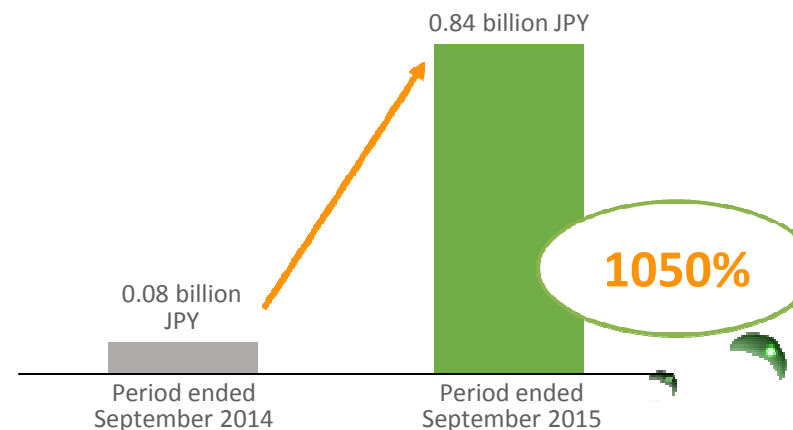
WHD Operating Profit



WHD Ordinary Profit



WHD Net Profit





Consolidated Operating Results (P/L)



Sales

Operating
Profit

**Highest
Record**

Ordinary
Profit

Net Profit



Consolidated Financial Condition (B/S)

(Units: 1,000 yen)

Consolidated Balance Sheet	Period ended Sept 2014	Period ended Sept 2015	YOY
Current assets	23,548,558	29,476,364	125.2%
Fixed assets	4,102,854	6,897,288	168.1%
Investments and other assets (inclusive)	2,604,792	5,049,311	193.8%
Total assets	27,651,412	36,373,652	131.5%
Current liabilities	11,423,280	11,226,133	98.3%
Fixed liabilities	5,129,835	7,202,108	140.4%
Total liabilities	16,553,116	18,428,242	111.3%
Total shareholders' equity	5,340,387	6,205,430	116.2%
Total net assets	11,098,296	17,945,410	161.7%

Current ratio	206.1%	262.6%
Fixed ratio	76.8%	111.1%
Shareholders' equity ratio	19.3%	17.1%
D/E ratio	297.8%	283.0%

Financial Results by Segment

(Units: 1,000 yen)

Segment		Period ended 2014 September	Period ended 2015 September	YOY
Finance Business	Sales	5,373,421	8,172,089	152.08%
	Segment Profit	508,711	1,845,411	362.76%
Entertainment Business	Sales	620,939	513,095	82.63%
	Segment Profit	149,197	82,248	55.13%


[Equity method subsidiary]

Resort Business	Sales	576,438	629,312	109.17%
	Net Profit	43,446	114,502	263.55%



Finance Segment - Factor Analysis



1. Business expansion and profit growth in Cambodia
 2. Recovery in profitability and business expansion in Thailand
 3. Business startup and expansion in Laos
- 



Entertainment Segment - Factor Analysis



1. Preparation in business planning, development, and sales
2. Expansion in Asia
3. New business launch



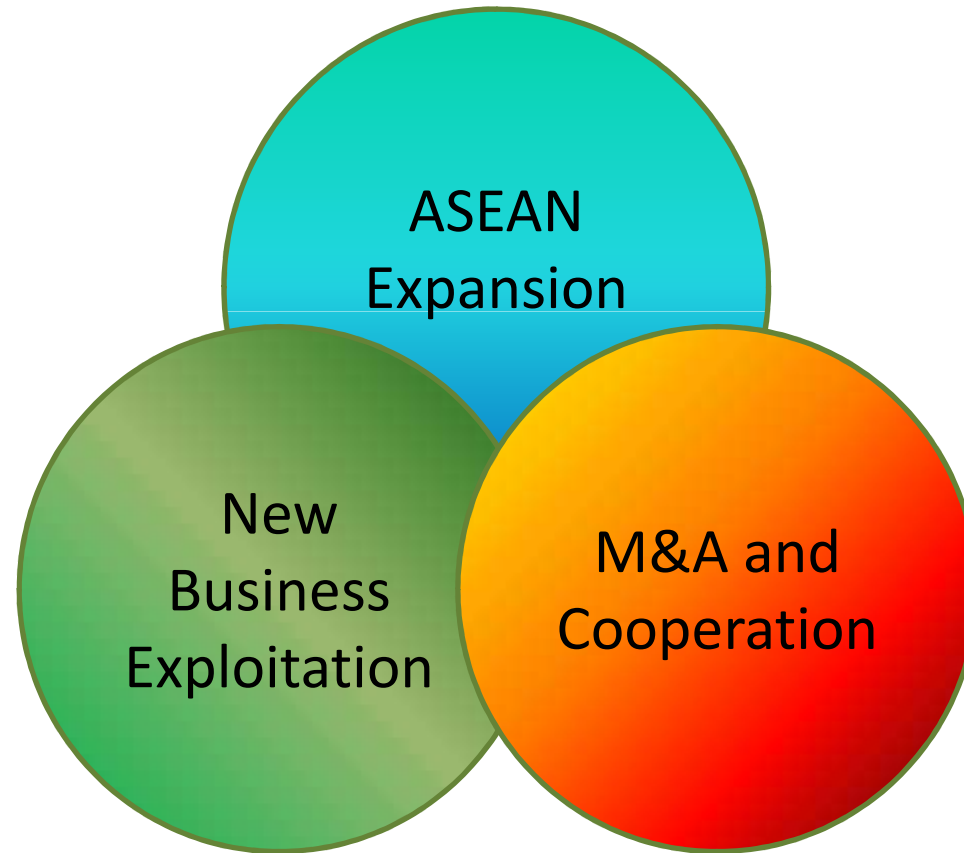


**Progress and Strategies
by Business**

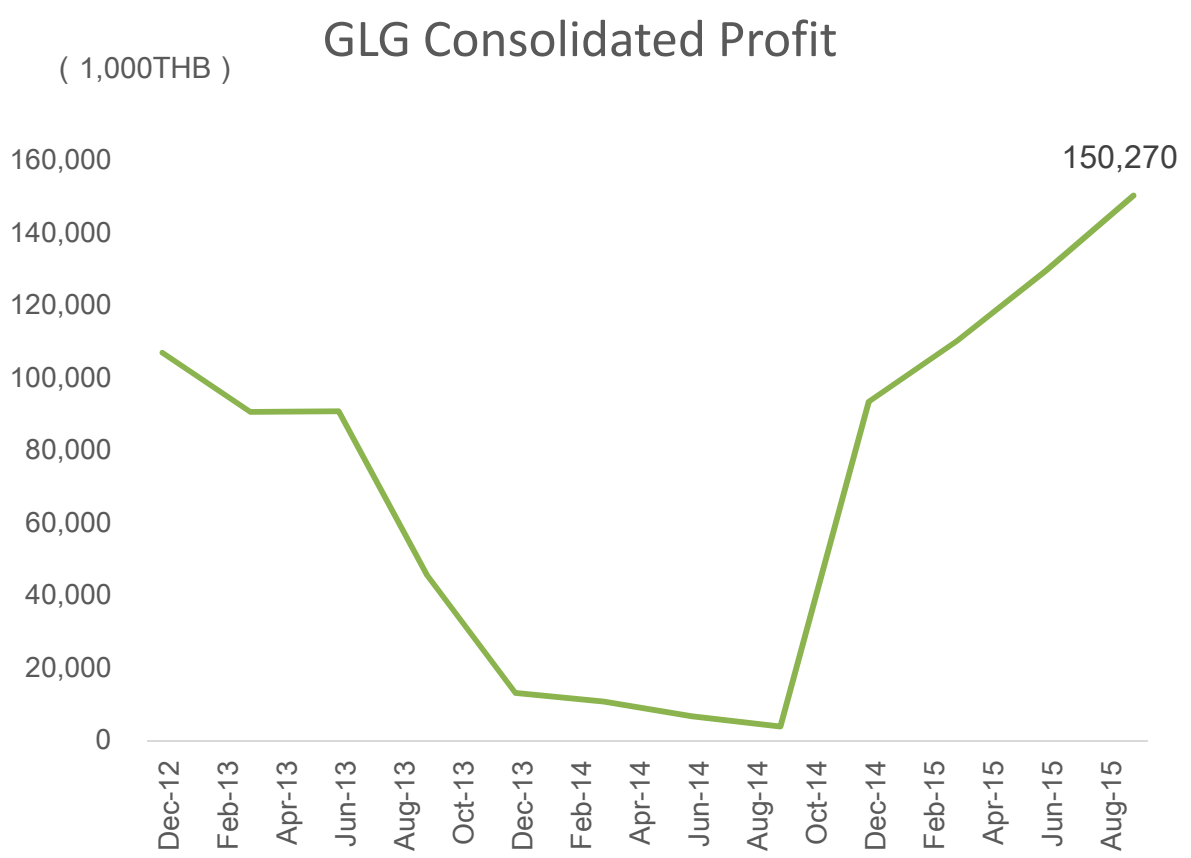




Finance / ACCELERATION PLAN 2015

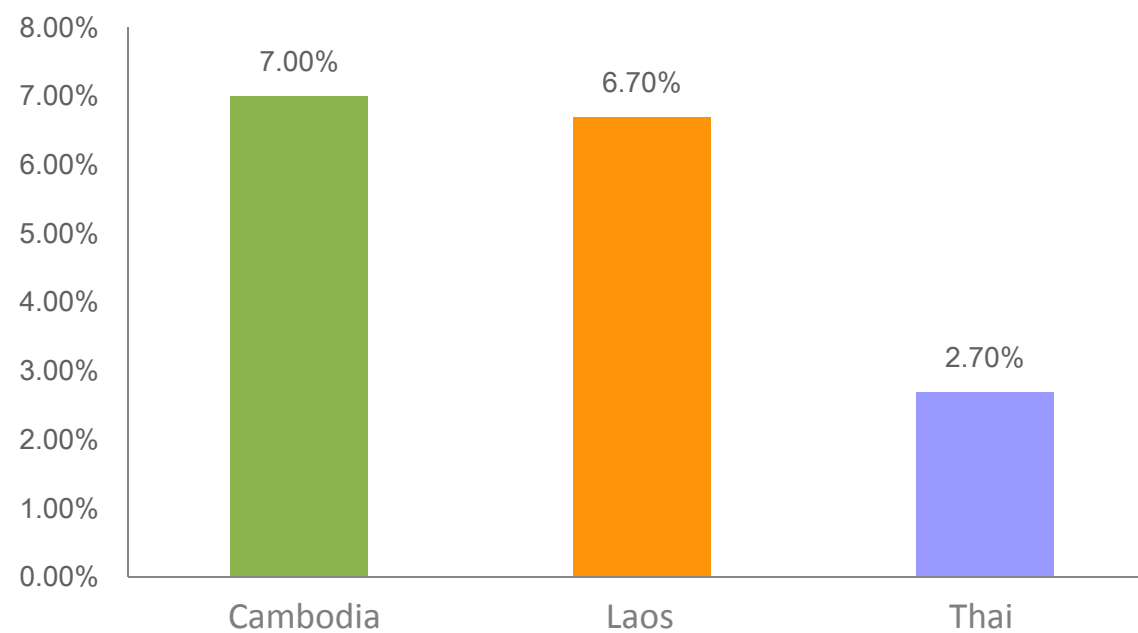


GL Quarterly Profit



Economic Growth Rate by Country

2015 Economic Growth Rate Outlook by Country (World Bank)





Business Development by Country



1. Cambodia: Continuing growth of grass-root economy
“Growth and new development”
 2. Laos: Continuing growth of grass-root economy “Making profits and acquiring the top share instantly”
 3. Thai: Trend of economic stagnation “Improving profitability and new development to tackle recession”
 4. Indonesia and Vietnam: “Expediting M&A negotiation”
- 




Cambodia



1. Exclusive contract with HONDA NCX for motorcycle finance
Cooperation with KUBOTA for agricultural machine finance
2. Bad debt rate: 0.4%

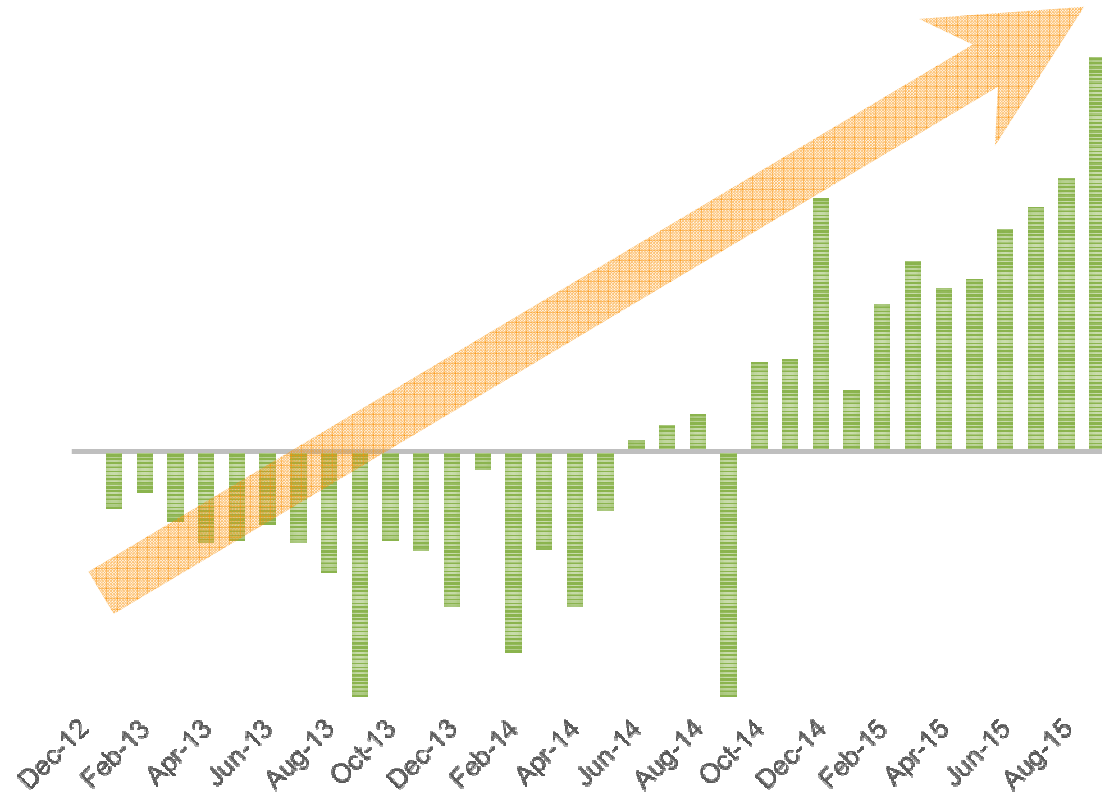
Forecasted Future profits: Surpass non-consolidated profit of Thai land business (quarterly profit of 80 million THB)

1. Credit Examination Capability and Collection Know-how applied for grass-root economy customers
 2. Light-Asset Business Model using IT system directly connecting to the head office without any branch office and its know-how on sales, examination and collection enable speedy business expansion (this business model to be applied to other Asian countries in the future)
- 



Cambodia

GLF Net Profit



Motorcycle (since 2012)



1. Increase in number of POS location from 80 (end of Oct. 2014) → **141** end of Oct. 2015
2. Growing even in rainy season (low season) 1,500 units -> 2,000 units
High season starts from now and number of units sold expected to exceed **3,000**.
3. Increase examination capable areas
Within 25 KM from POS -> Within 50 KM

Agricultural Machine (since January 2014)



1. Increase in number of POS location
12 (end of Oct. 2014)
-> **23** (end of Oct. 2015)
2. Growing even in rainy season (low season)
4.6 units last year -> 32 units
High season starts from now and
number of units sold targeted to reach
120.

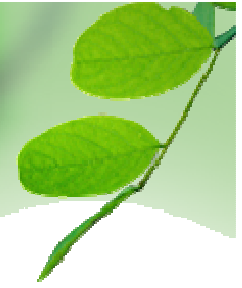
Solar Power Generation System (since May 2015)



1. Non-grid area (without electric transmission lines) accounts for over 70% of country land
2. Strong demands for electrical appliances and electricity by people of grass-root economy
3. Available in **8** provinces
Monthly number of new contracts
-> Over **100** contracts
* 24 provinces and municipality



SME Financing

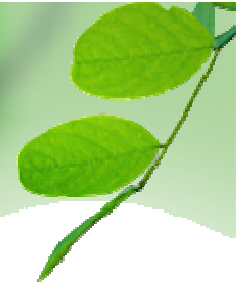


- Starting financing for SME including dealers
- Developing at other international market simultaneously





Laos



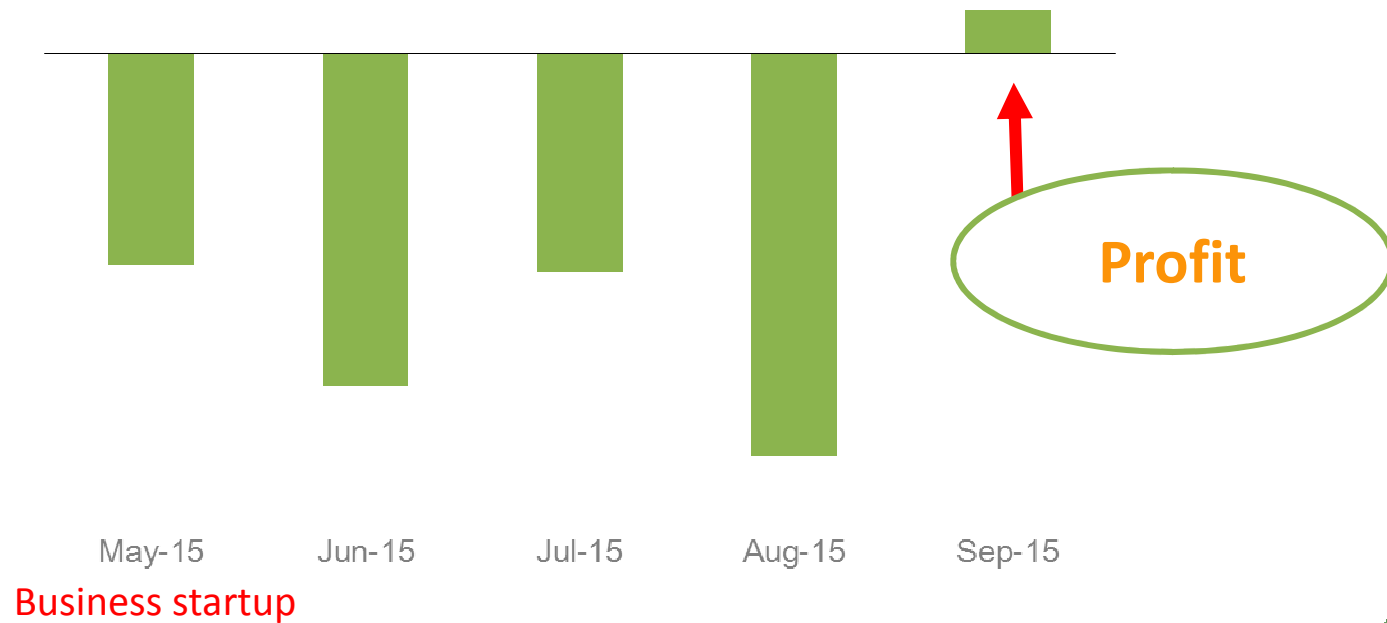
1. Established in 2014, obtained finance lease license from Bank of Laos in May 2015
2. Utilizes examination capability on grass-root economy customers
3. Light-Asset Business Model using IT system directly connecting to the head office without any branch office and its know-how on sales, examination and collection enable speedy business expansion
4. Started business with two financial products for motorcycle and agricultural machine



Finance / Laos

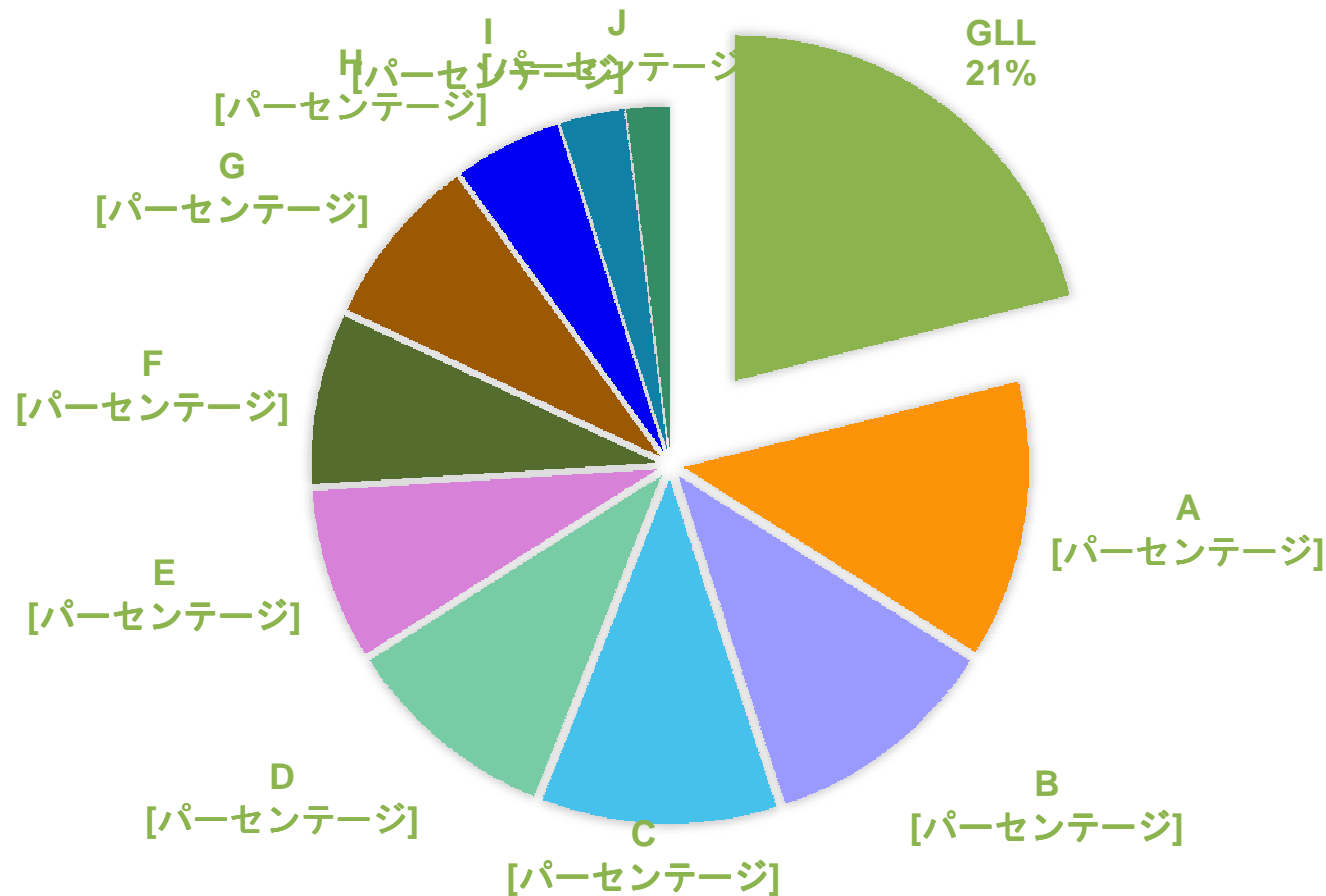
*Became profitable only after 5 months from startup
More profit growth expected in the future*

GLL Net Profit



Motorcycle Finance / Laos

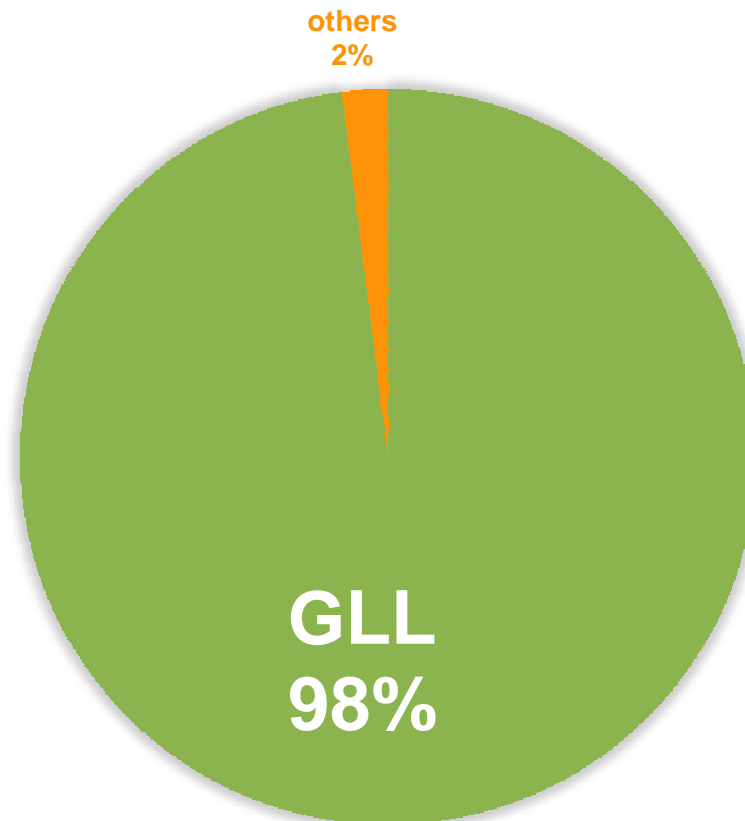
Acquired the top share in motorcycle lease market only after 5 months from startup





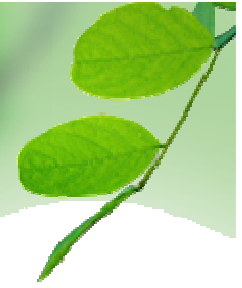
Finance / Laos

Kubota lease service covered almost 100% by September





Thailand



1. Quick response to export stagnation and political turmoil started 2013
2. Proactively conducted bad-debt disposal in 2014
3. Continues repressive sales activity and strict examination for new motorcycle finance
4. Improves group cash flow resourced from loan collection performed
5. Growth of asset secured financing and used motorcycle financing

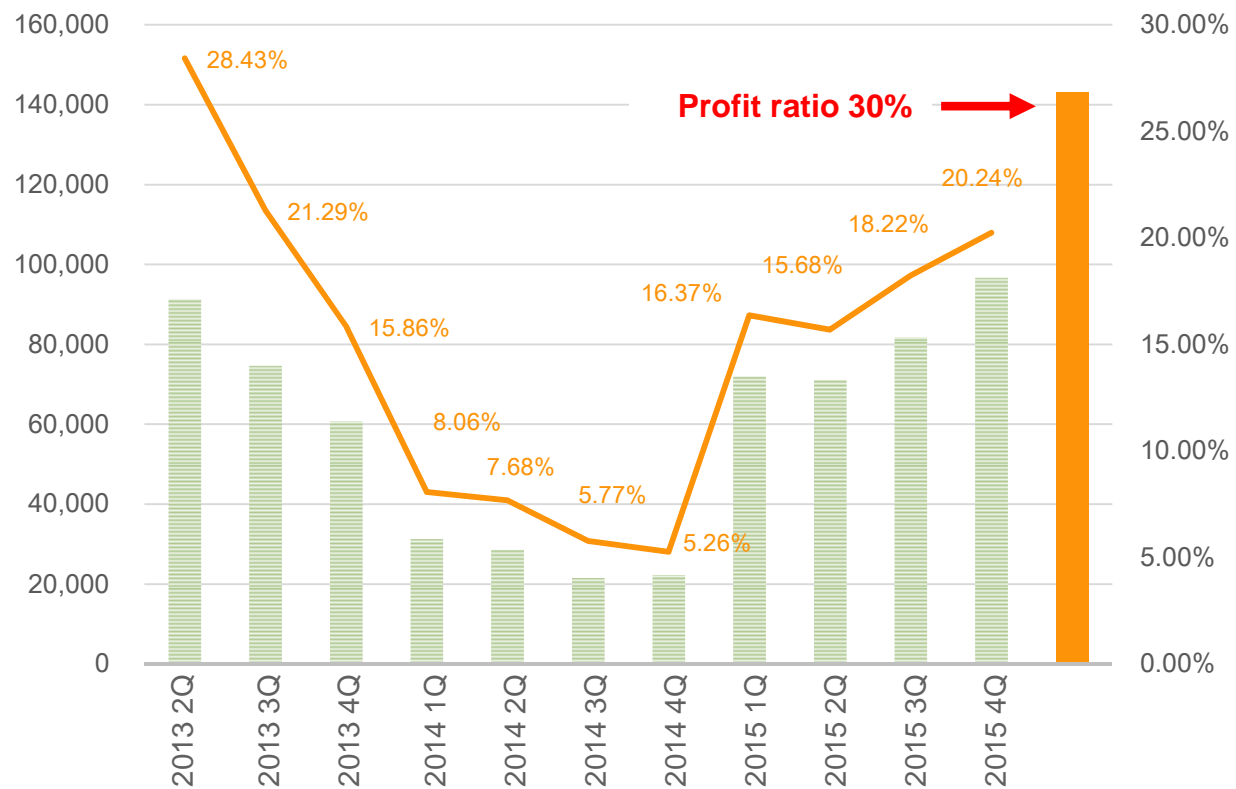


Finance / Thailand

GL NET PROFIT

(1,000 THB)

143 million THB



New Motorcycle (since 1986)



1. Shrinking motorcycle market in 2015
-> Counter measures of “repressive sales activity” and “strict examination” already taken since 2014
2. Economic stagnation since 2013
-> Proactively conducted bad-debt disposal in 2014
Bad-debt amount: 140 million THB -> 83 million THB (decrease by approximately 40%)
Bad-debt rate: 6.5 -> 5% (estimated)
3. Started big used motorcycle auction in 2014 to control used vehicle distribution
-> Loss from motorcycle sale: 130 million THB -> 90 million THB (decreased by approximately 32%)

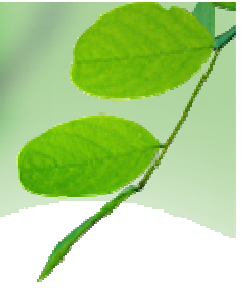
Asset-secured Financing (Acquired in 2014)



1. Obtained know-how by acquisition of Thanaban in 2014
2. Having advantages in the slow economy
3. Increase in number of POS 0 last year -> **26** locations
4. Lower bad-debt rate than existed new motorcycle financing 6.5% for new motorcycle -> **2.3%**



Finance / Other Topics




- Plan to start business in Indonesia in 2016
 - PT Jtrust Finance Indonesia -
- Started financing for used motorcycle and car (0 location last year -> 52 locations)
- Started financing service for SME customers





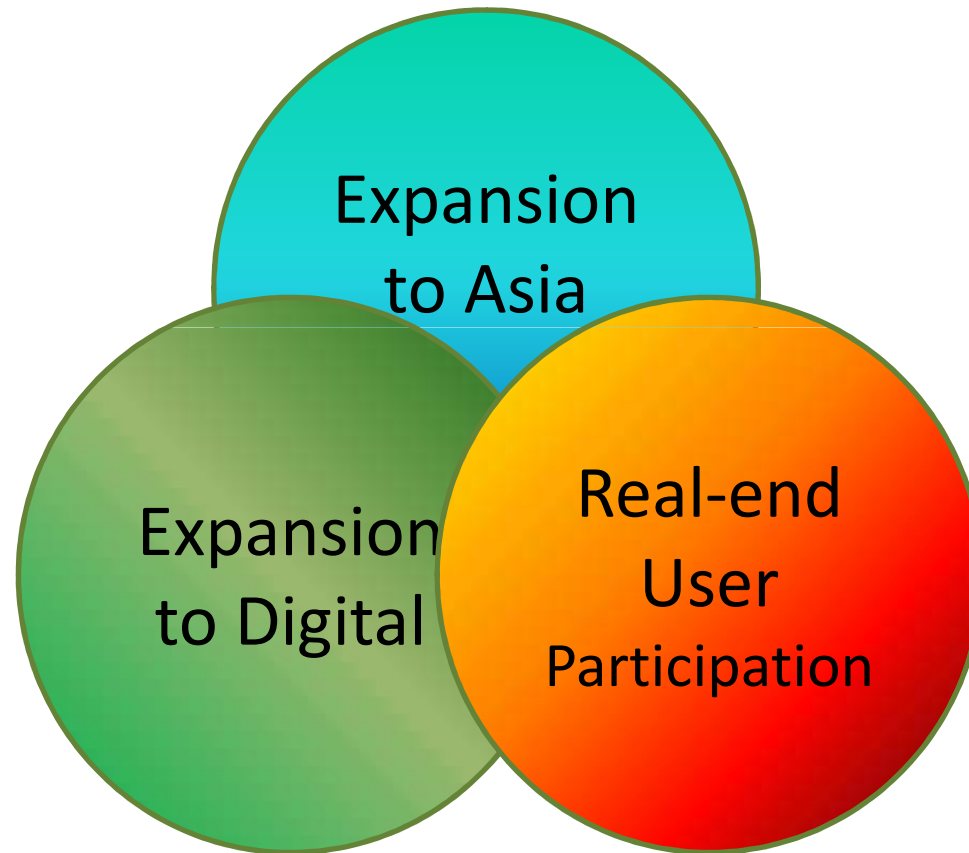
Finance / Future Policies



- Seeking M&A in other countries including Indonesia and Vietnam
 - Global expansion with adaption of localization business
 - Introduction of solar panel financing to Laos
 - Introduction of asset-secured financing and used car financing to Cambodia
 - Started financing service for SME
- 



Entertainment / ACCELERATION PLAN 2015



Expansion to Asia



Expansion to Digital

ICCarddass



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Real end User Participation



The image features a light green background with a subtle grid pattern. At the top, there are several green leaves of varying sizes, some in focus and some blurred. In the center, a bright yellow rounded rectangle contains the text "Capital Increase" in a bold, black, sans-serif font. At the bottom right, there are a few small, dark green leaf fragments.

Capital Increase



Mid-term Management Plan (ACCELERATION PLAN 2015)



Targets


- Sales: 37 billion JPY
- Net profits: 3 billion JPY
- Unrealized shareholder net assets: 90 billion JPY





Necessity for Funding and Benefit to Shareholders



1. Having positive investment opportunities in both finance and entertainment businesses
(= Necessity for funding)
 2. During rapid business expansion period, being capable of high efficiency fund management
(= Capability of utilizing raised fund)
 3. Contributing to increase unrealized shareholder's net assets
(= Increase of mid- to long-term shareholders' profit)
 4. Controlling fundraising cost
(= Increase of mid- to long-term net profit and shareholders' profit)
 5. **“Life Time Investment”**
- 



Plans for Utilizing Fund

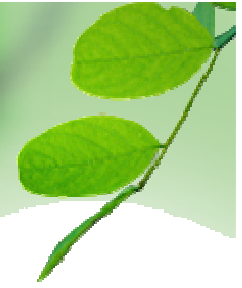


1. Additional acquisition of GL share (3.845 billion JPY)
2. Funding to Resort business (50 million JPY)
3. Funding to Entertainment business (100 million JPY)





GL Warrant

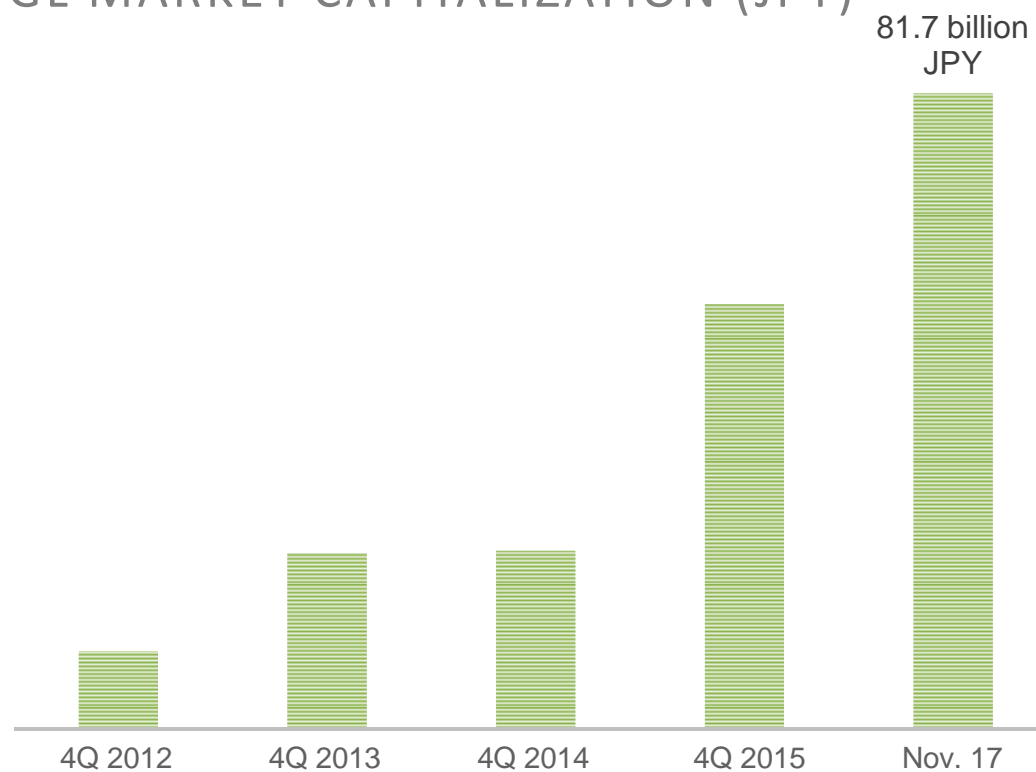


Warrant issuance date	December 2, 2013
Method of issuance	Issue to shareholder
Expire date	Not exceeding 2 years from the date of issuance
Total number of issued warrant	341,568,986 units
Total number of subscribed warrant	133,657,649 units
Exercised price	10 THB



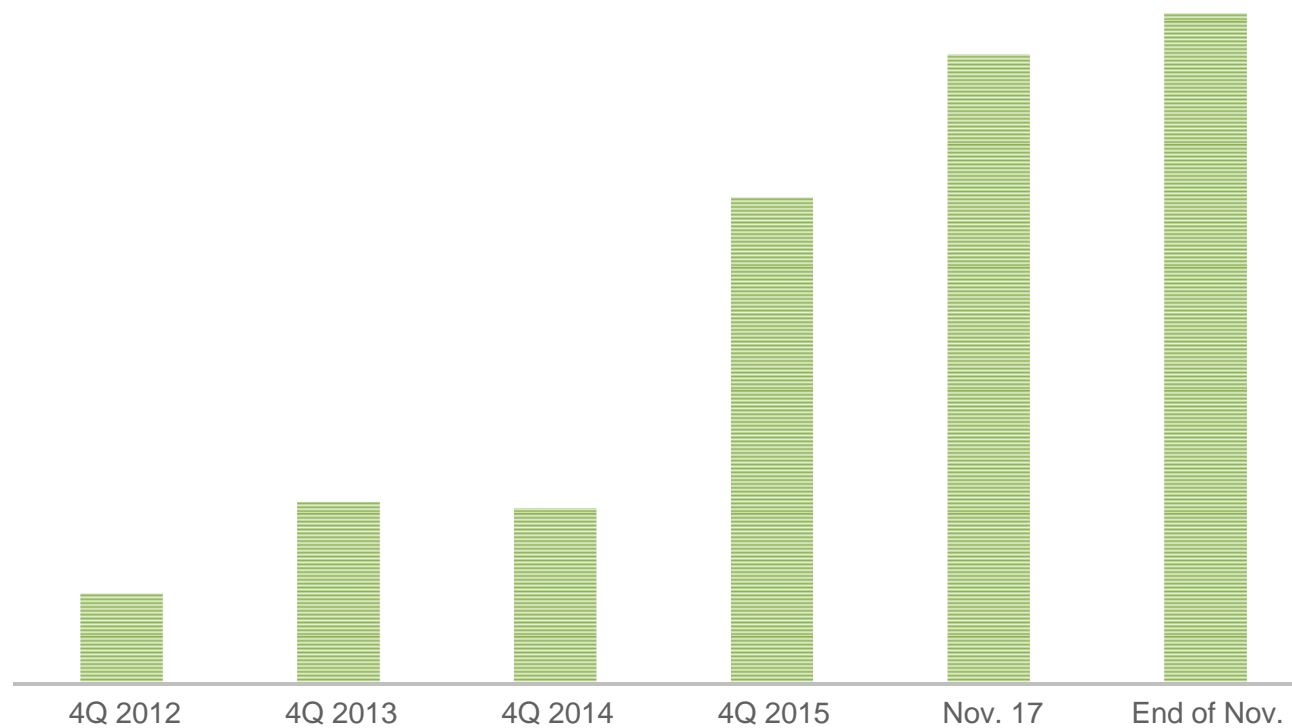
GL Market Capitalization

GL MARKET CAPITALIZATION (JPY)

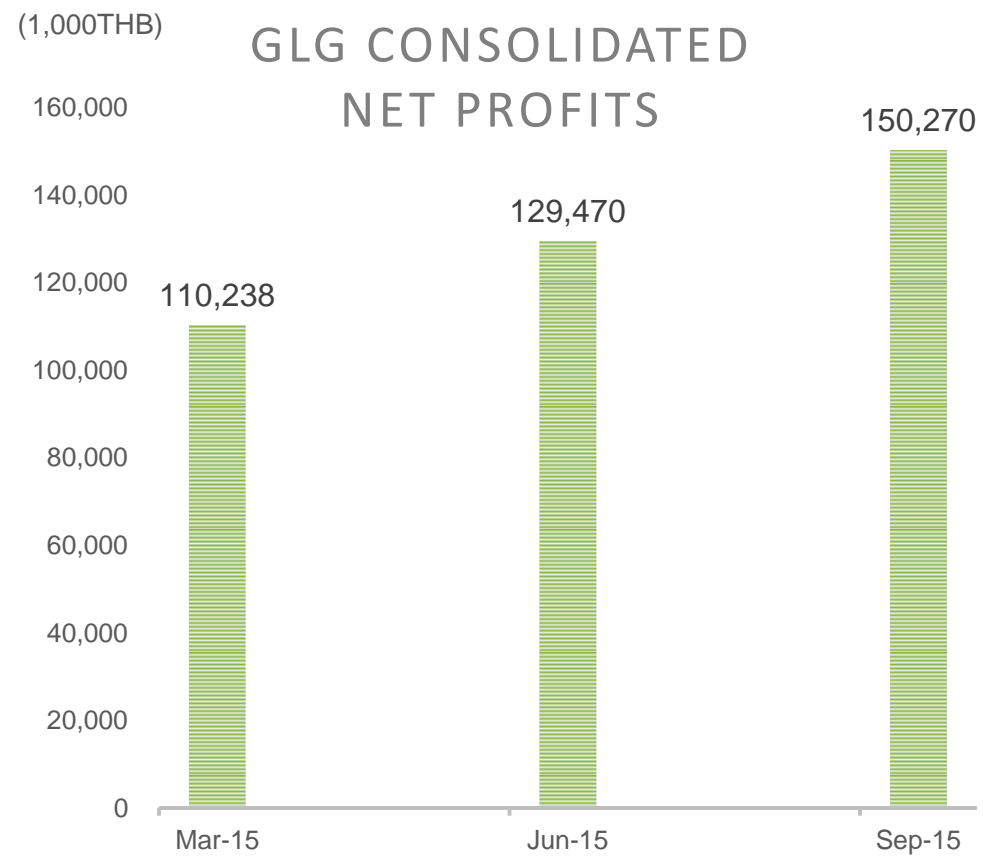


Market Value of GL Share Held by Wedge Holdings

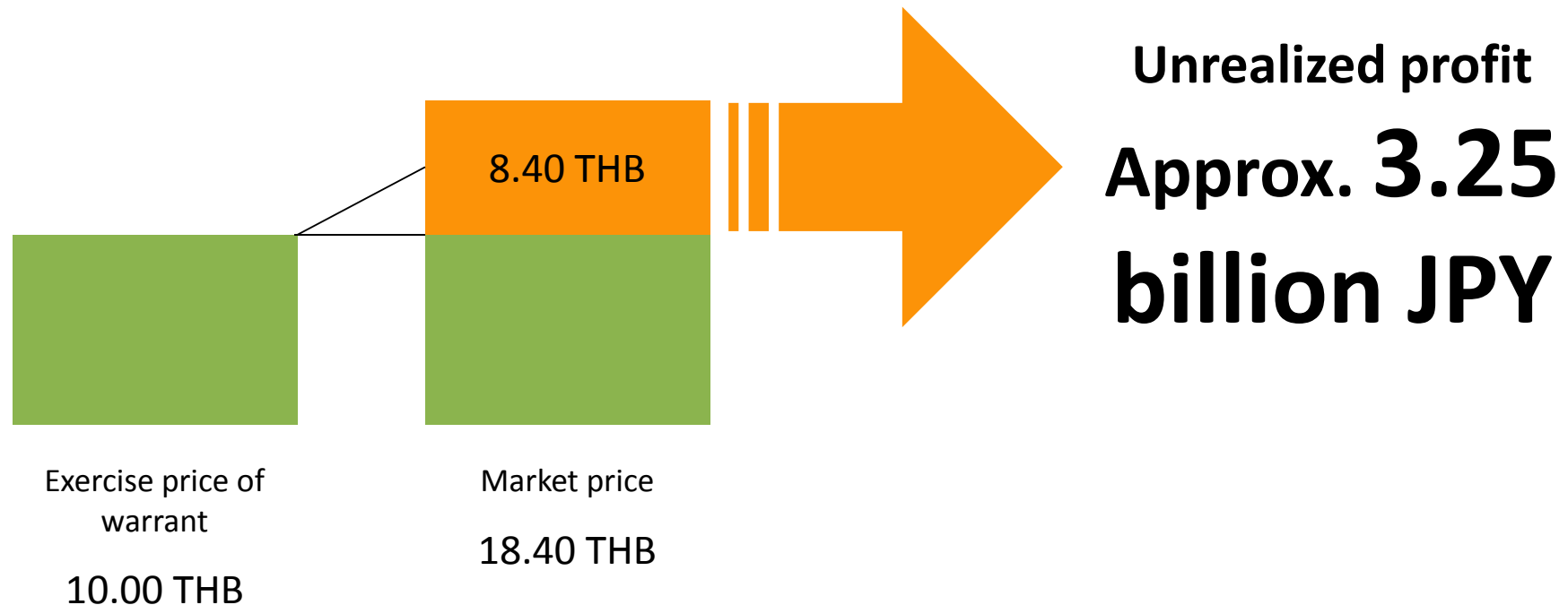
MARKET VALUE OF GL SHARES HELD BY WEDGE HOLDINGS



High Efficiency Fund Management (Achieved Highest Profits)



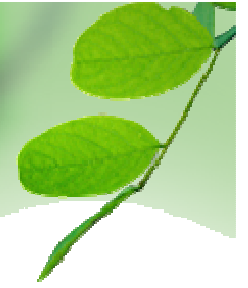
Contributing to Increase Consolidated Unrealized Shareholder Net Assets



* As of November 16



Capital Increase Scheme

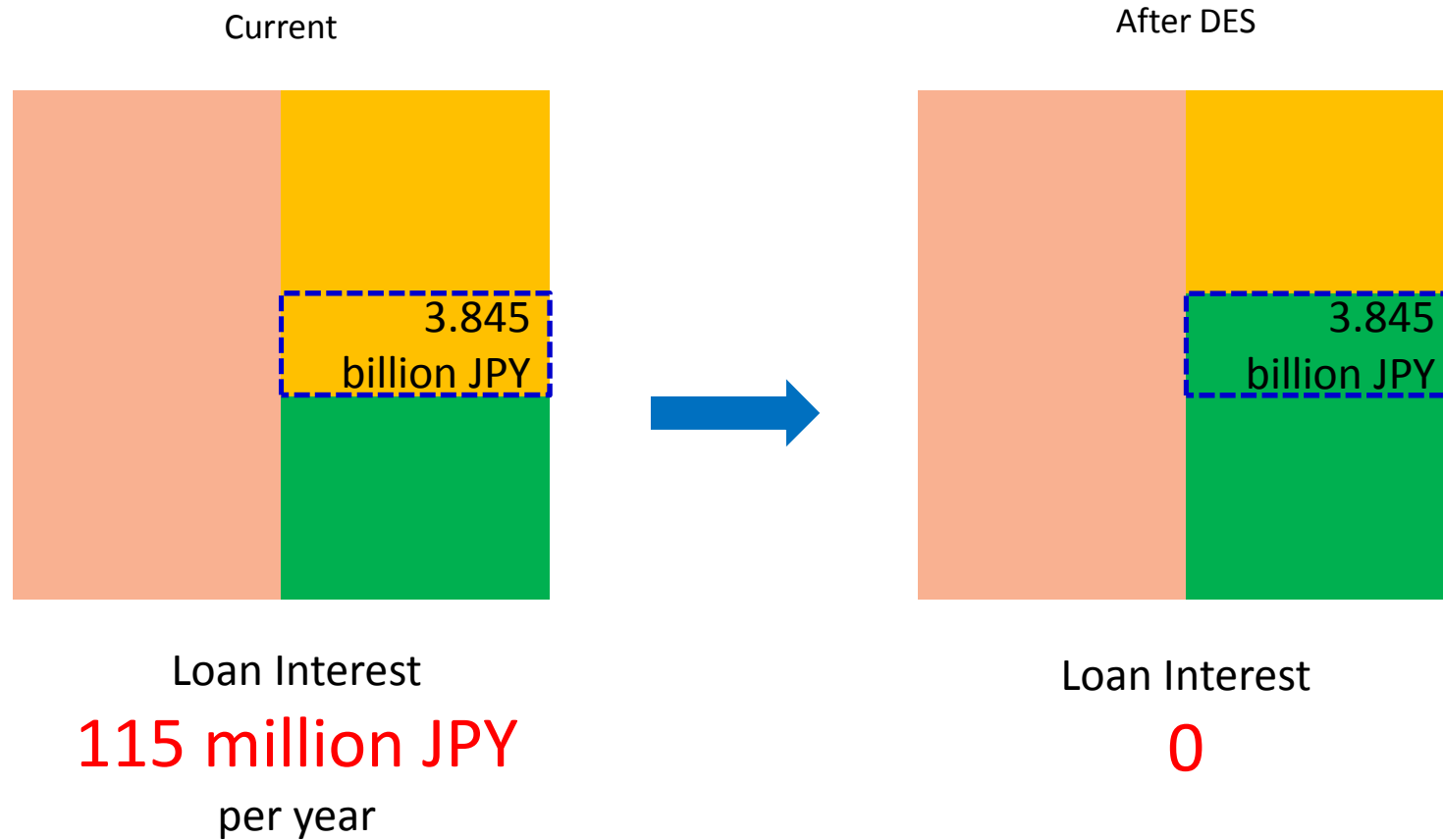


1. Debt Equity Swap (3.845 billion JPY)
2. Share option (0.15 billion JPY)



Controlling Fundraising Cost

NO interest cost permanently by executing DES





Life Time Investment





Thank you!

Contact details for IR-related inquiries
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