

The background features a close-up of vibrant green leaves with visible veins, some with water droplets. A white silhouette of the United States map is centered behind the text.

Wedge Holdings Company Limited Business Presentation August 2013

August 29, 2013



www.wedge-hd.com

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3rd Quarter Cumulative Financial Results

Consolidated Operating Results (P/L)

(unit : 1000 yen)

	3rd Quarter September 2012	3rd Quarter September 2013	YOY
Sales	2,419,212	3,533,668	146.1%
Operating Profit	604,637	735,653	121.7%
Recurrent Profit	661,284	821,059	124.2%
Current Net Profit	172,598	614,367	356.0%

Revenue comparison excluding irregular factors in each period

(unit : 1000 yen)

Irregular Factors Excluded	3rd Quarter September 2012	3rd Quarter September 2013	YOY
Sales	2,419,212	3,533,668	146.1%
Operating Profit	477,156	735,653	154.2%
Recurrent Profit	495,711	790,259	159.4%
Current Net Profit	130,777	149,465	114.3%

Major irregular factors that occurred and revised value of data

Irregular Factors	3rd Quarter September 2012	3rd Quarter September 2013	Affected Profit Stage
ADA Reimbursement	-127,481	0	Operation Profit
Foreign Exchange Gains	-38,092	-30,800	Recurrent Profit
Gain on Change in Equity	0	-190,595	Current Net Profit
Loss on Change in Equity	31,383	0	Current Net Profit
Gain on Negative Goodwill	0	-258,607	Current Net Profit
Reduction of Deferred Tax Assets	92,369	15,100	Current Net Profit

Consolidated Financial Position (B/S)

(unit : 1000 yen)

Consolidated B/S	September 2012	3rd Quarter September 2013	YoY
Current Assets	7,537,356	15,158,316	201.1%
Fixed Assets	2,919,440	3,803,846	130.3%
(Breakdown) Investments and other assets	2,217,052	2,982,050	134.5%
Total Assets	10,456,797	18,962,162	181.3%
Current Liabilities	2,417,769	4,832,410	199.9%
Fixed Liabilities	1,535,781	3,969,985	258.5%
Total Liabilities	3,953,551	8,802,396	222.6%
Shareholders' Total Equity	4,734,041	5,383,173	113.7%
Total Net Assets	6,503,246	10,159,766	156.2%

Current Ratio	311.7%	313.7%
Fixed Ratio	61.7%	70.7%
Equity Ratio	45.3%	28.4%
D/E Ratio	74.2%	152.9%

Segment Results

(unit : 1000 yen)

Segments		3rd Quarter September 2012	3rd Quarter September 2013	YoY
Finance Business	Sales	1,562,791	2,907,625	186.05%
	Segment Profit	584,846	870,018	148.76%
Entertainment Business	Sales	541,487	447,510	82.64%
	Segment Profit	206,886	77,083	37.26%
(Total)	Sales	2,419,212	3,533,668	146.07%
	Segment Profit	604,637	735,653	121.67%

※Product Sales Business has been transferred in the 2nd quarter and therefore is excluded from the consolidated results

Main Topics

Substantial increase in consolidated net assets

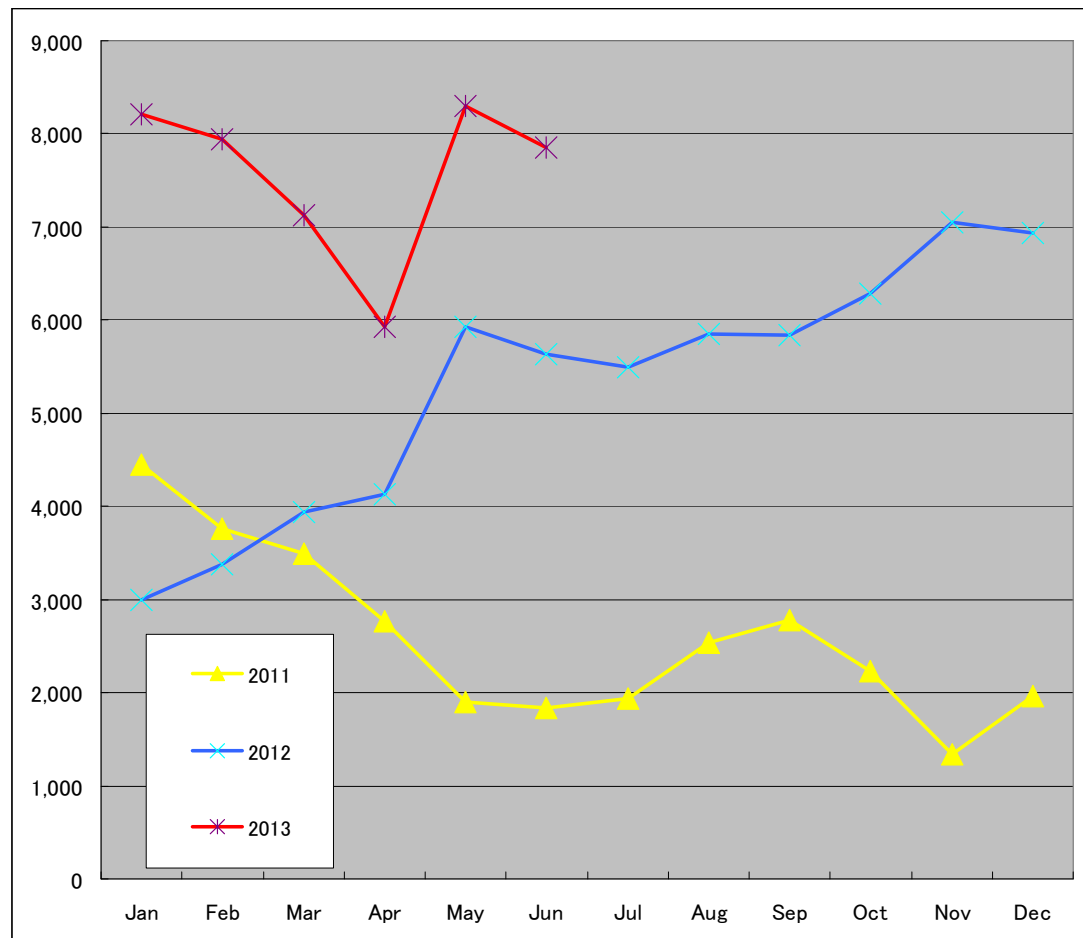
Consolidated B/S	September 2012	3rd Quarter September 2013	Margin	YoY
Total Net Assets	6,503,246	10,159,766	3,656,520	156.2%

❖ **Net assets over 10 billion yen. Substantially increased by approximately 3.65 billion yen.**

【Finance Business】

Continuous increase of new contracts

❖ Transition of New Monthly Contracts



【Finance Business】

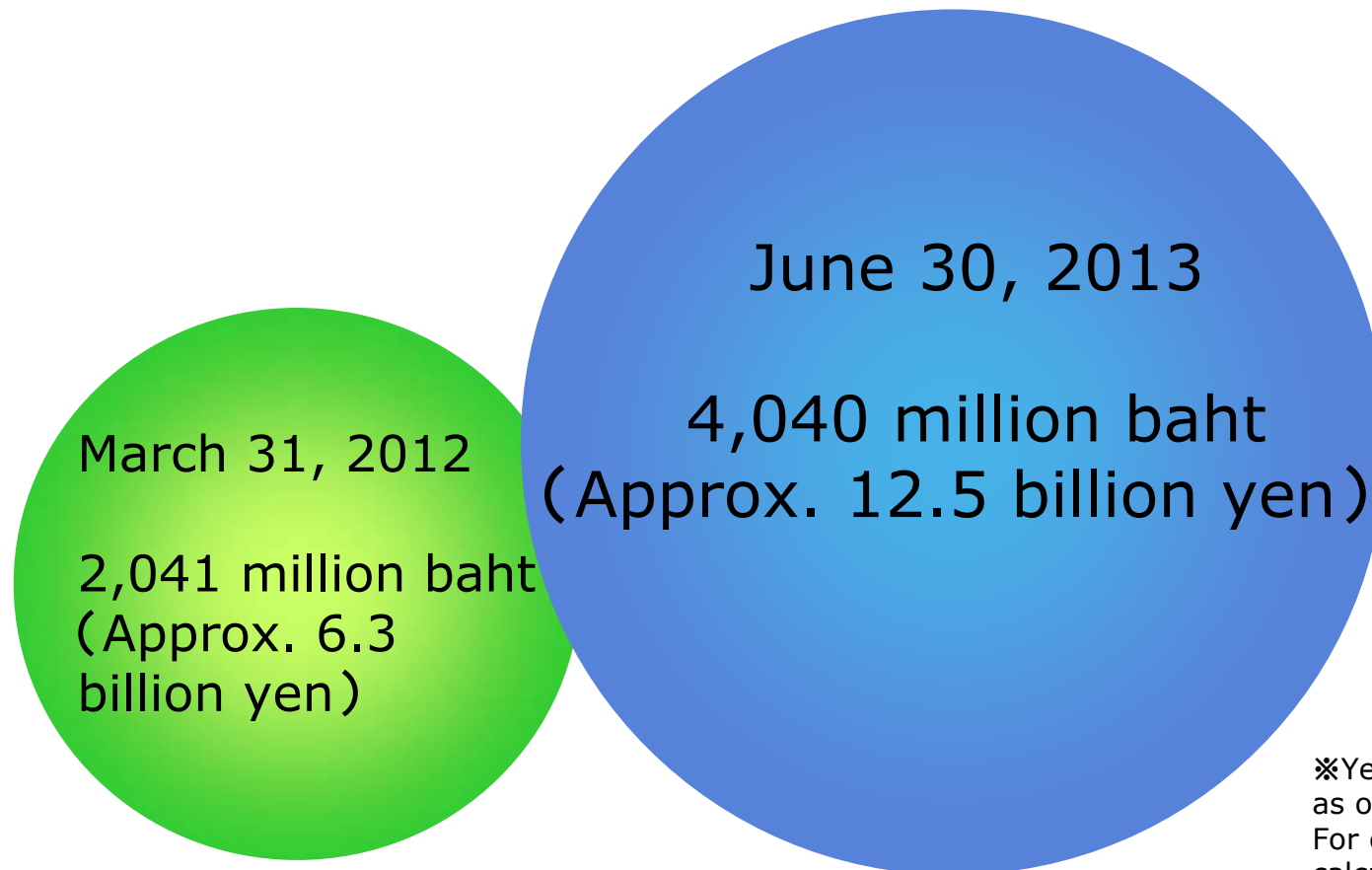
Results of increased contracts greatly reflected in profits

❖ Segment Profit

Segments		3rd Quarter September 2012	3rd Quarter September 2013	YoY
Finance Business	Sales	1,562,791	2,907,625	186.05%
	Segment Profit	584,846	870,018	148.76%

Rapid leasing growth from business expansion

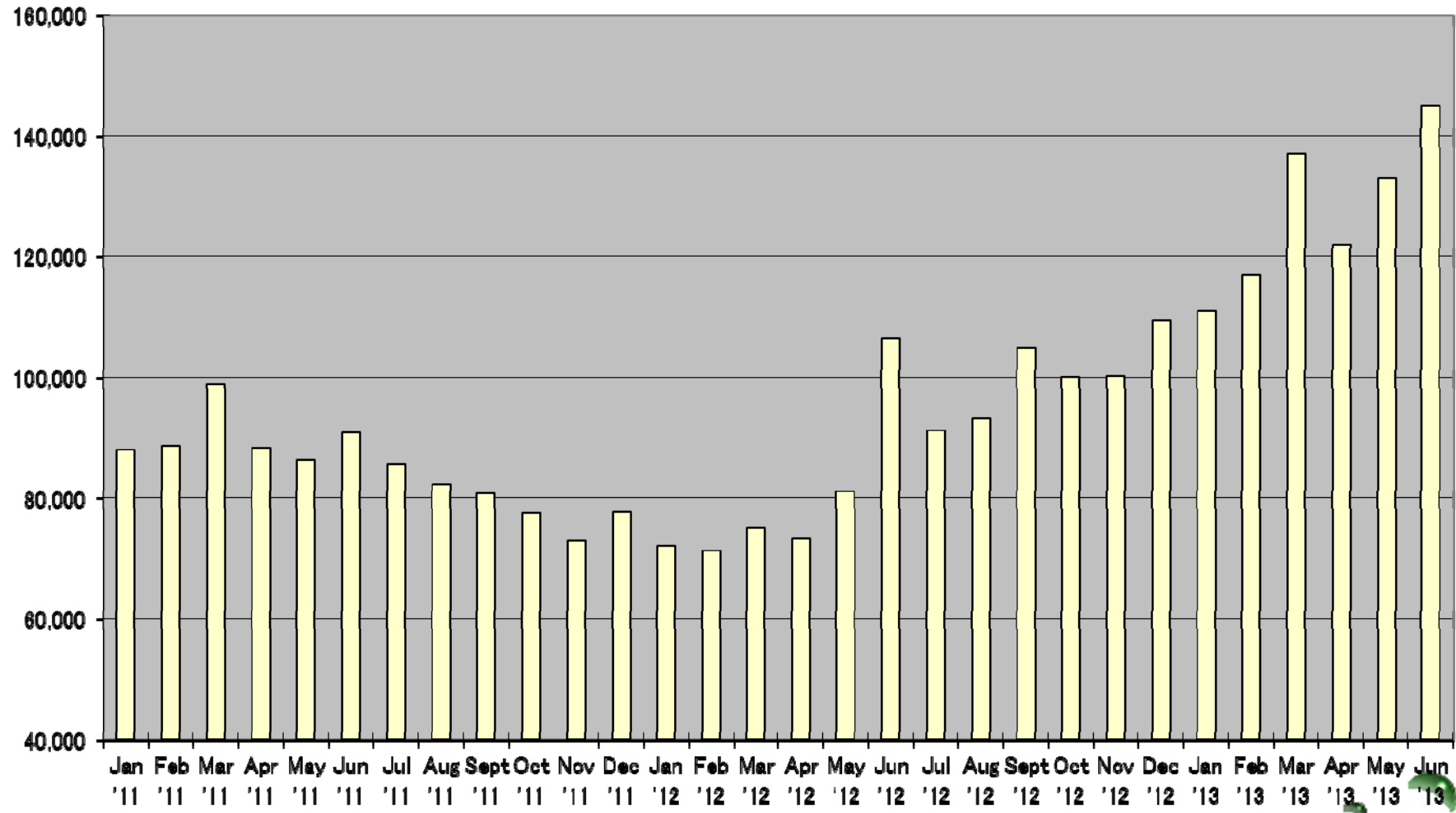
- ❖ Approximately 98% of port-folio growth within a year



※Yen-denominated value as of August 20, 2013
For convenience of calculation, 1 baht is equivalent to 3.11yen

Finance Business Steady Increase of Revenue

Revenue



【Entertainment Business】 Weak Sales, Struggle Continues

(単位：千円)

Segments		3rd Quarter September 2012	3rd Quarter September 2013	YoY
Entertainment Business	Sales	541,487	447,510	82.64%
	Segment Profit	206,886	77,083	37.26%

- ❖ **Sluggish royalty income of Card Game continues**
- ❖ **Declined profits due to decrease of book publishing and editing business**
- ❖ **Record of Sales of new Card Game**
 - Phase 1 development of a new card game order has been completed. Sales are expected to be recorded in each of the following quarters.

【Other Businesses】 Zeavola Resort's Contribution

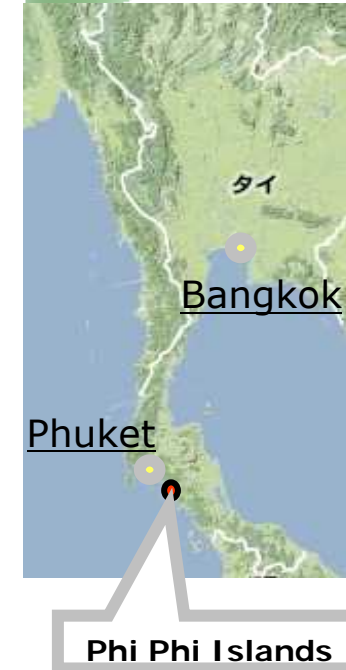
- ❖ Zeavola Resort's equity method investment earnings year-on-year significantly increased to a record high.

	3rd Quarter 2012	3rd Quarter 2013	YoY
Sales	377,796	510,032	135.0%
Equity Earnings	22,556	63,790	282.8%

Zeavola Resort's Features

❖ Phi Phi Islands, Thailand's Luxury Resort

- Possession of the largest private beach on the island
- Customer base extended from Europeans to wealthy Asians



High customer satisfaction and repeaters

- ❖ Constantly top rated in leading travel information sites



The screenshot displays the TripAdvisor page for Zeavola Resort. At the top, the TripAdvisor logo is visible, followed by a search bar and navigation tabs for Home, Ko Phi Phi, Hotels, Flights, Restaurants, Things to Do, Best of 2013, and Your Friends. The breadcrumb trail indicates the location: Home > Asia > Thailand > Krabi Province > Ko Phi Phi Don > Ko Phi Phi Don Hotels > Zeavola Resort. The main heading is "Zeavola Resort" with a 5-star rating and an "Add to trip" button. Below this, the address "11 Moo 8 Laem Tong, Koh Phi Phi | Ao Nang, Muang, Ko Phi Phi Don 81000, Thailand" and a link to "Hotel amenities" are provided. A large section features a professional photo of the resort's wooden buildings and a swimming pool, with a "Professional photos" caption. To the right, a booking section titled "Enter dates for best prices" includes "Check In" and "Check Out" date pickers, a "Show Prices" button, and logos for travel partners like agoda.com, hotel.com, and Expedia. Below the professional photos, there are "616 traveler photos" and a link to "718 reviews from our community" with a "Write a Review" button.

High Reputation as a Natural Resort

- ❖ Evaluated for its coral reef, birds conservation and environmental education
- ❖ Aims to be a sustainable resort with unique water reserve facilities.



The background of the slide features a light green, textured surface with a torn-paper effect at the top. Several green leaves are scattered across the top and right edges. A bright yellow rounded rectangle is centered on the page, containing the text "Prospects & Future Efforts".

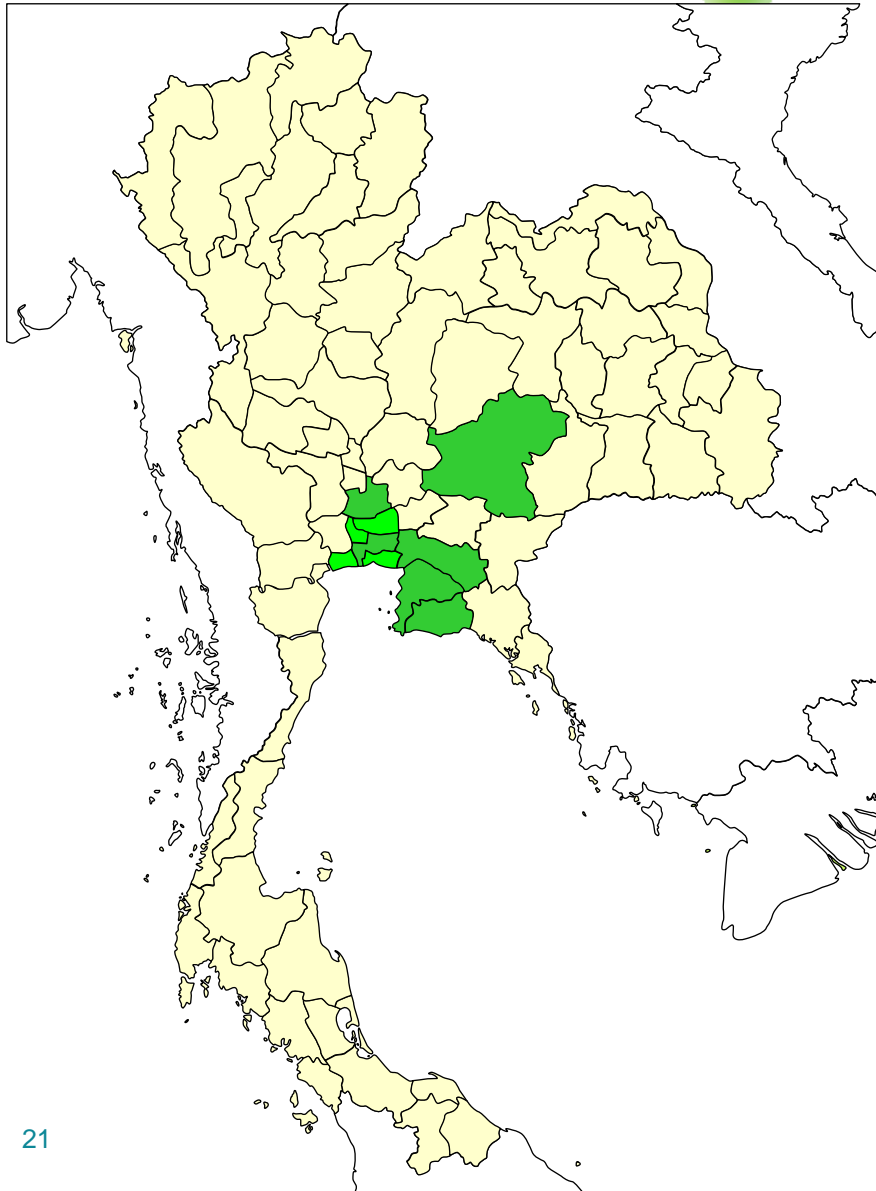
Prospects & Future Efforts

Further growth in Thailand

❖ Pursuit of Further Business Expansion for Finance Business in Thailand



Area Expansion in Thailand



Operations of GL in the 1st half of 2013

-  Province with GL HQ and branches
-  Province of operating regions with business partners
-  Province without GL branches

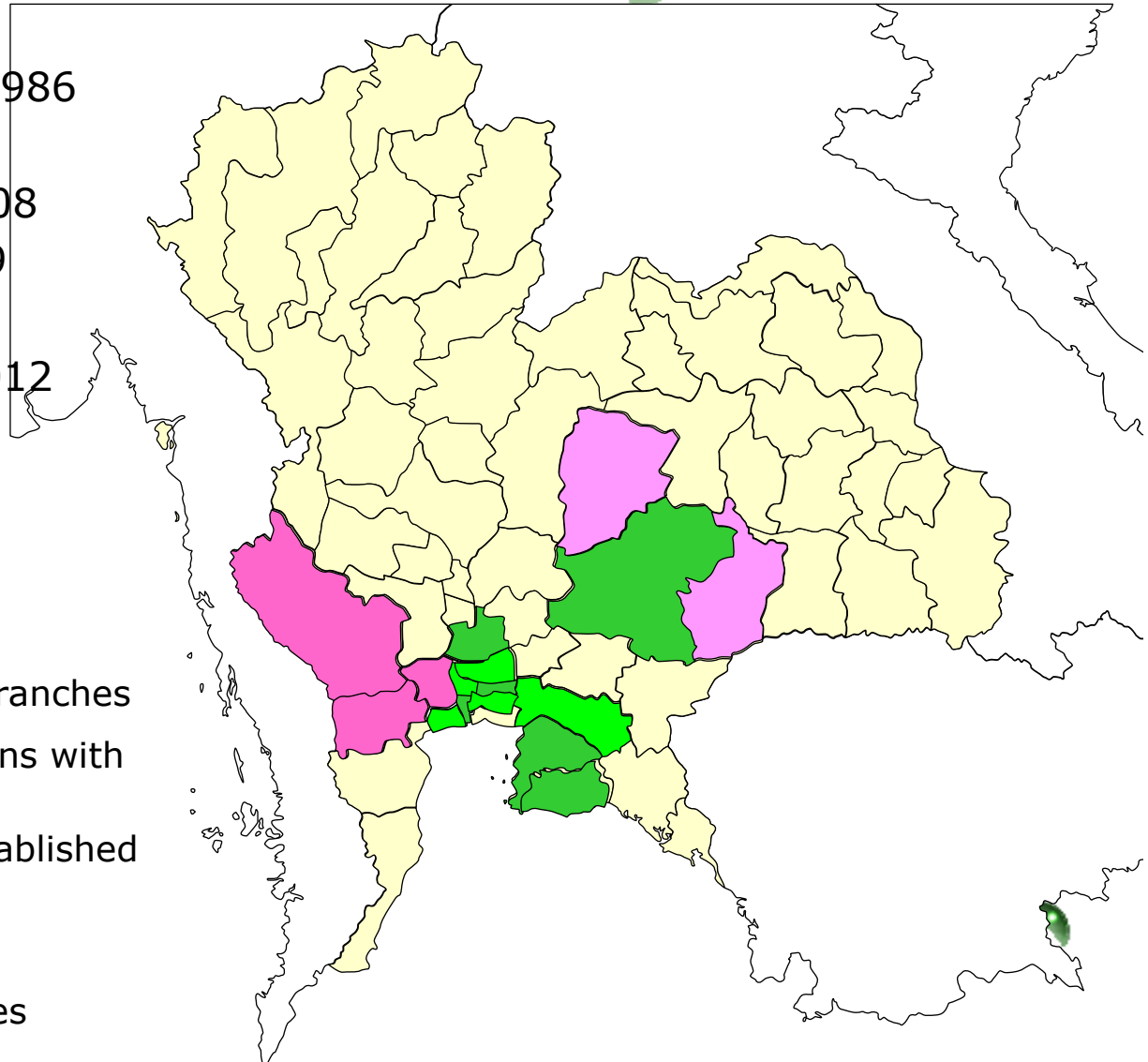
History of GL's regional expansion

Expansion Phase of GL Sales

Offices

- 1. Head of office (BKK) May 1986
- 2. Ayutthaya Jul 2008
- 3. Amata (Chonburi) Sept 2008
- 4. Nakornrachasrima Jul 2009
- 5. Rayong Aug 2009
- 6. Borwin (Chonburi) Feb 2012
- 7. Chaiyaphum Aug 2013
- 8. Buri Rum Aug 2013

- Provinces with GL HQ and branches
- Provinces of operating regions with business partners
- Provinces with branches established in August
- Upcoming regions
- Province without GL branches



Economic Situation in Thailand

❖ Downward revision of GDP growth forecast

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Thailand Cuts Growth Outlook as Economy Enters Recession

By Suttinee Yuvejwattana - Aug 19, 2013 3:10 PM GMT+0900



4 COMMENTS

QUEUE



Thailand cut its 2013 growth forecast as the country entered recession for the first time since the global financial crisis, with rising household debt limiting central bank scope to support the economy. Stocks fell.

Gross domestic product unexpectedly shrank 0.3 percent in the three months through June from the previous quarter, when it contracted a revised 1.7 percent, the National Economic and Social Development Board said in Bangkok today. Only one of 11 analysts surveyed had predicted a decline. The economy rose a less-than-estimated 2.8 percent from a year earlier.

Enlarge image

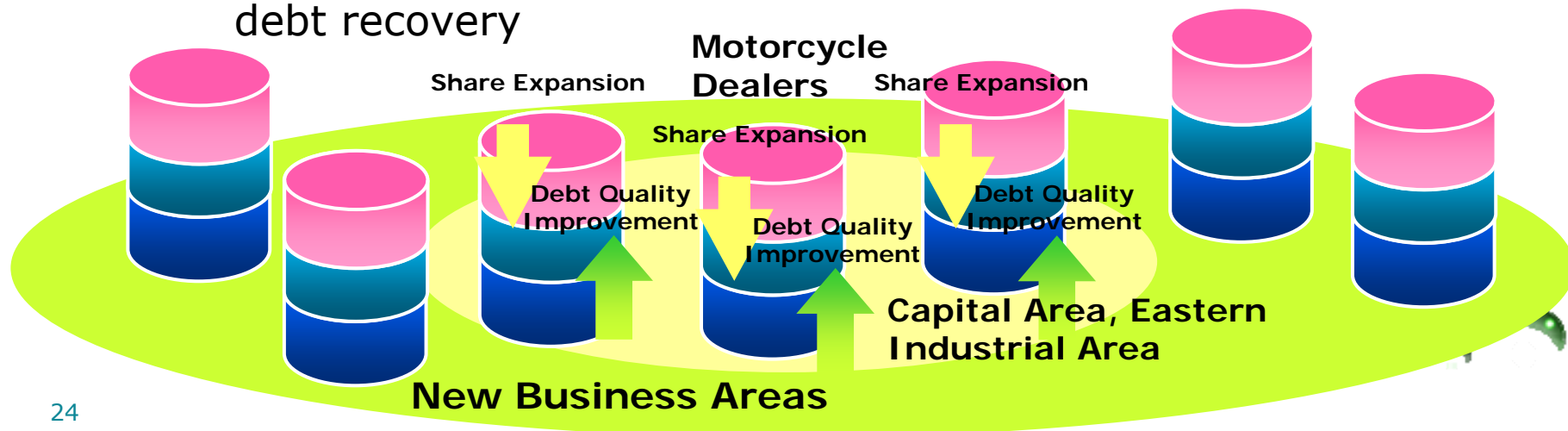


Thai policy makers are struggling to sustain growth as government spending plans are delayed, while a slowdown in China curbs demand for exports from Southeast Asian nations.

Further Enhance Profitability in Thailand

❖ GL's Marketing Strategy: From area dominant to area expansion

- 2011~1st half of 2013 Actively expands portfolio through strengthening sales
 - Primary Objectives: Increase new dealers within the area. Increase total amount of new contracts through expansion of business shares within dealers.
- 2nd half of 2013~ Profit maximization through expansion of new business areas and enhancement of existing region's credit quality.
 - Primary Objectives: Expansion of dealers in new areas. Improve good customer ratio by strengthening credit management and debt recovery






Business Plans for Cambodia



- ❖ June 31, 2013 Initial Consolidation
 - Advanced with the perfection of product line-ups and related services.
 - Continuous expansion of business network.

 - ❖ 4Q 2013(Oct~Dec) Contribution of Monthly Revenue
 - Proceed with regional expansion to establish sales offices in all dealers throughout the nation.

 - ❖ Business Scale to be Comparable to 2012's Thailand by the End of 2015
 - Increase in both sales and profits along with the accumulation of portfolio
- 

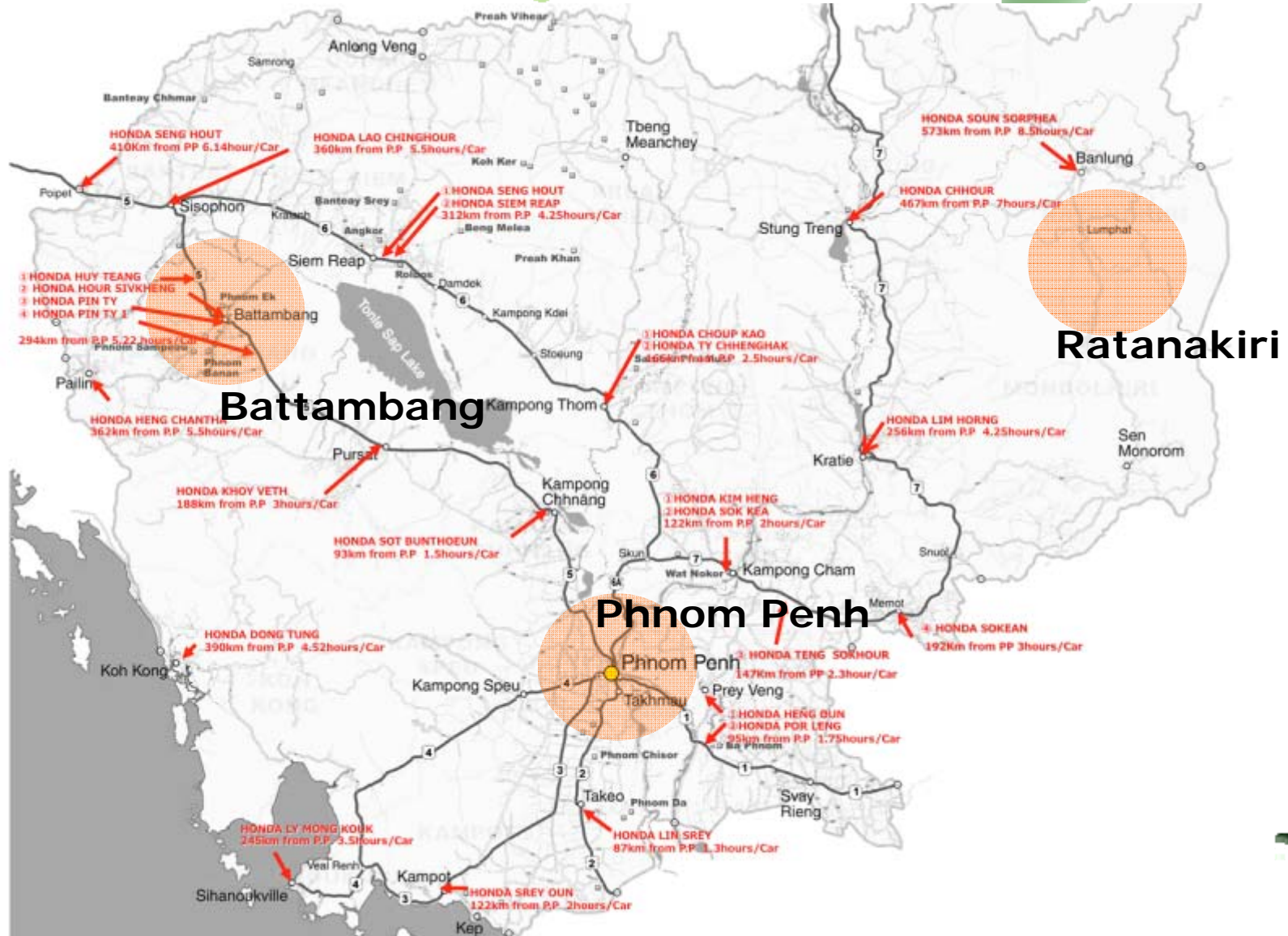
Establishment of Business Structure in Phnom Penh

- ❖ Established sales offices in all retailers within the capital area.



Development foreseen in 2013

Expansion throughout Cambodia in 2013



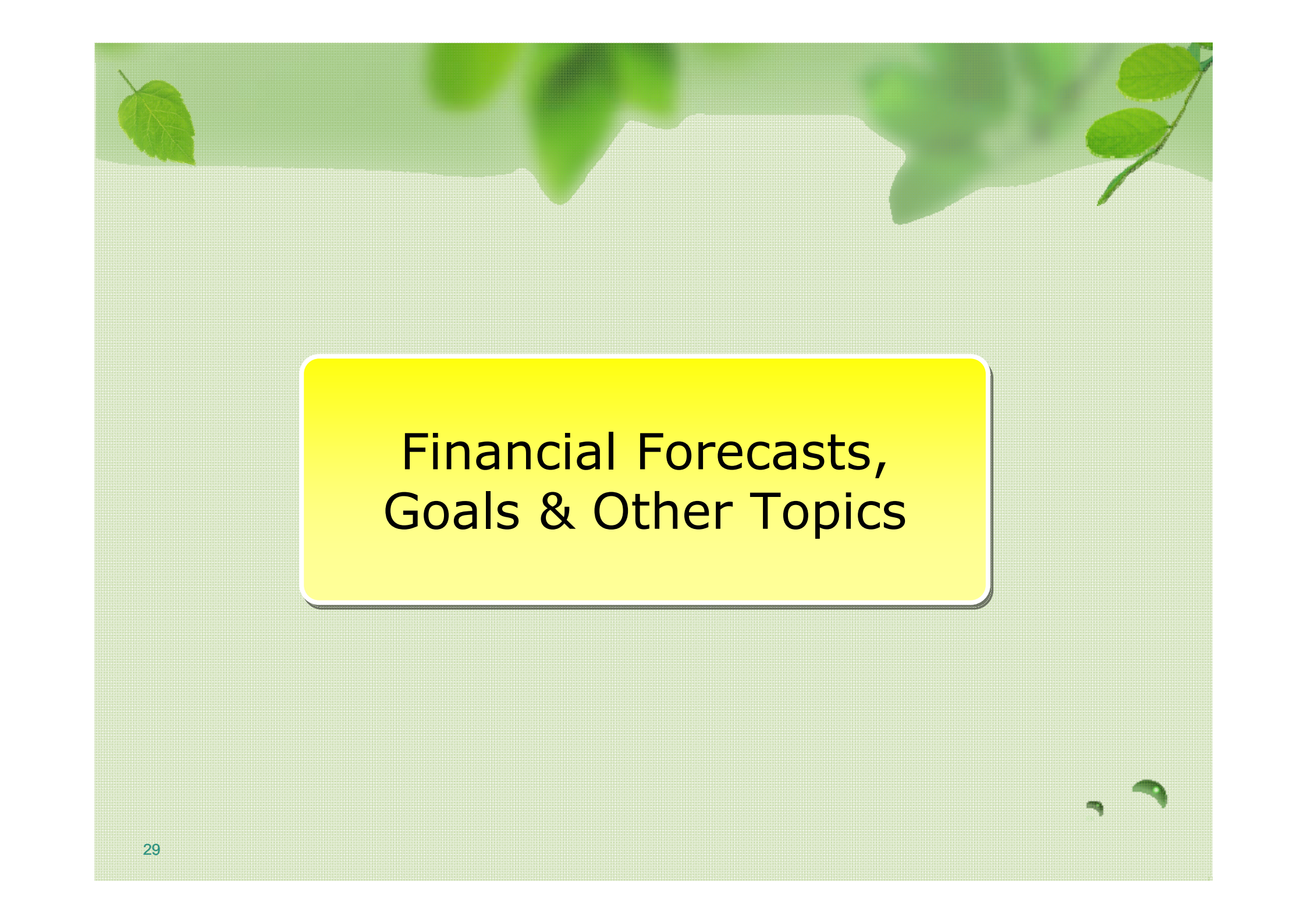
Outlook of Entertainment Business

❖ Promoting the Development of Card Game Business

- Development contract for the second production title “Shingeki no Kyojin” (Advance of the Giants) with GREE Entertainment Products Inc.

❖ Proceeding with the expansion of Card Game related business





Financial Forecasts, Goals & Other Topics

Financial Forecast for September 2013

❖ Revised annual earning forecast

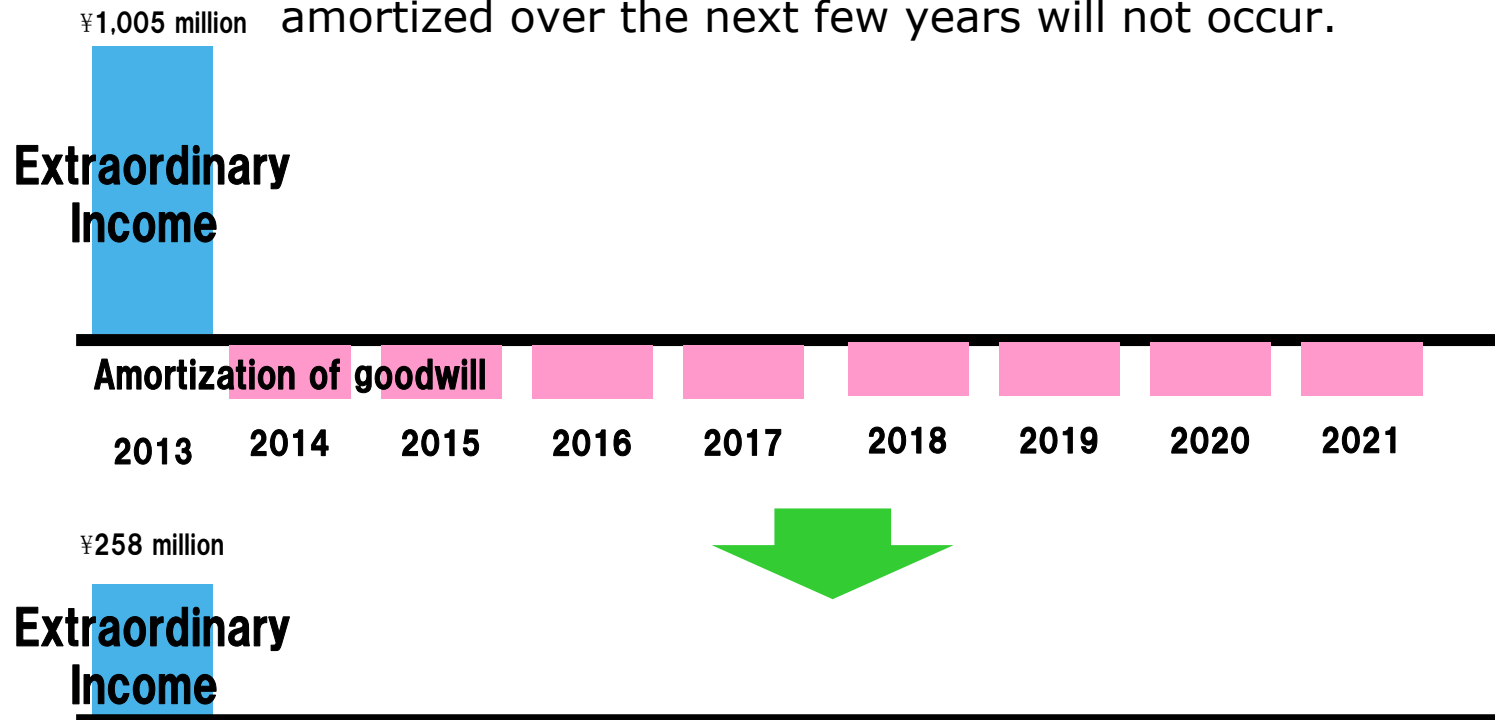
	2012 Results	2013 Initial Earning Forecast	2013 Revised Earning Forecast
Sales	3,319	4,500	4,900
Operating Profit	842	1,250	950
Recurrent Profit	894	1,250	1,050
Current Net Profit	172	1,400	650

- Significant tendency in increment of sales due to increased accumulated contracts of the Finance Business.
- Revised the accounting for 1,005 million yen of extraordinary income from the sale of securities which was expected to be recorded, securities gained to be treated as unrealized gains.
- 258 million yen gain on negative goodwill and 72 million yen gain on change in equity of extraordinary income generated along with the above process.

Effects of Change Processing of Extraordinary Income

❖ Effects from the rescheduling of extraordinary income record

- Demerit
 - Estimated record of extraordinary income decreased 750 million yen from 1,005 million yen
- Merit
 - Expected goodwill occurred from the recording of extraordinary income eliminated. Thus cost that will be amortized over the next few years will not occur.





Thank you!

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