



Wedge Holdings Co., Ltd. November 2013 Business Presentation

26th November 2013





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- Preparation 2: Partner with new dealers in new regions
- Preparation 3: Development of new customers for recovered motorcycles



Part 3 **Status Quo & Future Preparations (Measures) -continued**

- **Finance Business (GLF, Cambodia)**

- Preparation 1: Initiate exclusive agreement with Honda NCX (with 98% market share)
- Preparation 2: Establishment of sales offices throughout Cambodia
- Preparation 3: Partnership with SIAM KUBOTA for new agricultural machine lease

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- Preparation 1: Acquisition of new customers, contents and relate closely with existing customers
- Preparation 2: Maintain a "Open-Door" environment which promotes pioneering spirits.
- Preparation 3: Advance with multi-lingual development in Asia.

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Consolidated Annual Financial Results

Consolidated Operating Results(P/L)

(Units : 1000 yen)

	Q4 September 30, 2012	Q4 September 30, 2013	YoY
Sales	3,319,524	4,875,275	146.9%
Operating Profits	842,610	791,122	93.9%
Recurrent Profits	894,137	857,917	95.9%
Net Profits	172,274	490,908	285.0%

Consolidated Financial Condition(B/S)

(Units: 1000 yen)

Consolidated Balance Sheet	Fiscal Year Ending September 30, 2012	Fiscal Year Ending September 30, 2013	Year-on-year
Current assets	7,537,356	15,330,482	203.4%
Fixed asset	2,919,440	3,865,298	132.4%
Investments and other assets (inclusive)	2,217,052	2,750,090	124.0%
Total assets	10,456,797	19,195,780	183.6%
Current liabilities	2,417,769	5,379,742	222.5%
Fixed liabilities	1,535,781	4,079,936	265.7%
Total liabilities	3,953,551	9,458,578	239.2%
Total shareholders' equity	4,734,041	5,259,714	111.1%
Total net assets	6,503,246	9,739,202	149.8%

Current ratio	311.7%	285.0%
Fixed ratio	61.7%	73.5%
Shareholders' equity ratio	45.3%	27.4%
D / E Ratio	74.2%	170.4%

Segment Results

(Units:1000 yen)

Segment Reoprt		Q4 Fiscal 2012	Q4 Fiscal 2013	Year-on-year
Finance Business	Sales	2,210,390	4,113,405	186.09%
	Segment Profits	862,087	979,567	113.63%
Entertainment Business	Sales	695,495	582,972	83.82%
	Segment Profits	249,027	108,961	43.75%
Total	Sales	3,319,524	4,875,275	146.87%
	Segment Profits	842,610	791,122	93.89%

※Merchandising business has been transferred in Q2 and therefore is excluded from consolidation

Equity method investment earnings (prior to amortization of goodwill) of Zeavola Resort greatly increased compared to last year

	2012 Q4	2013 Q4	YoY
Sales	414,983	628,705	151.5%
Equity Method Investment Earnings	59,742	69,937	117.1%

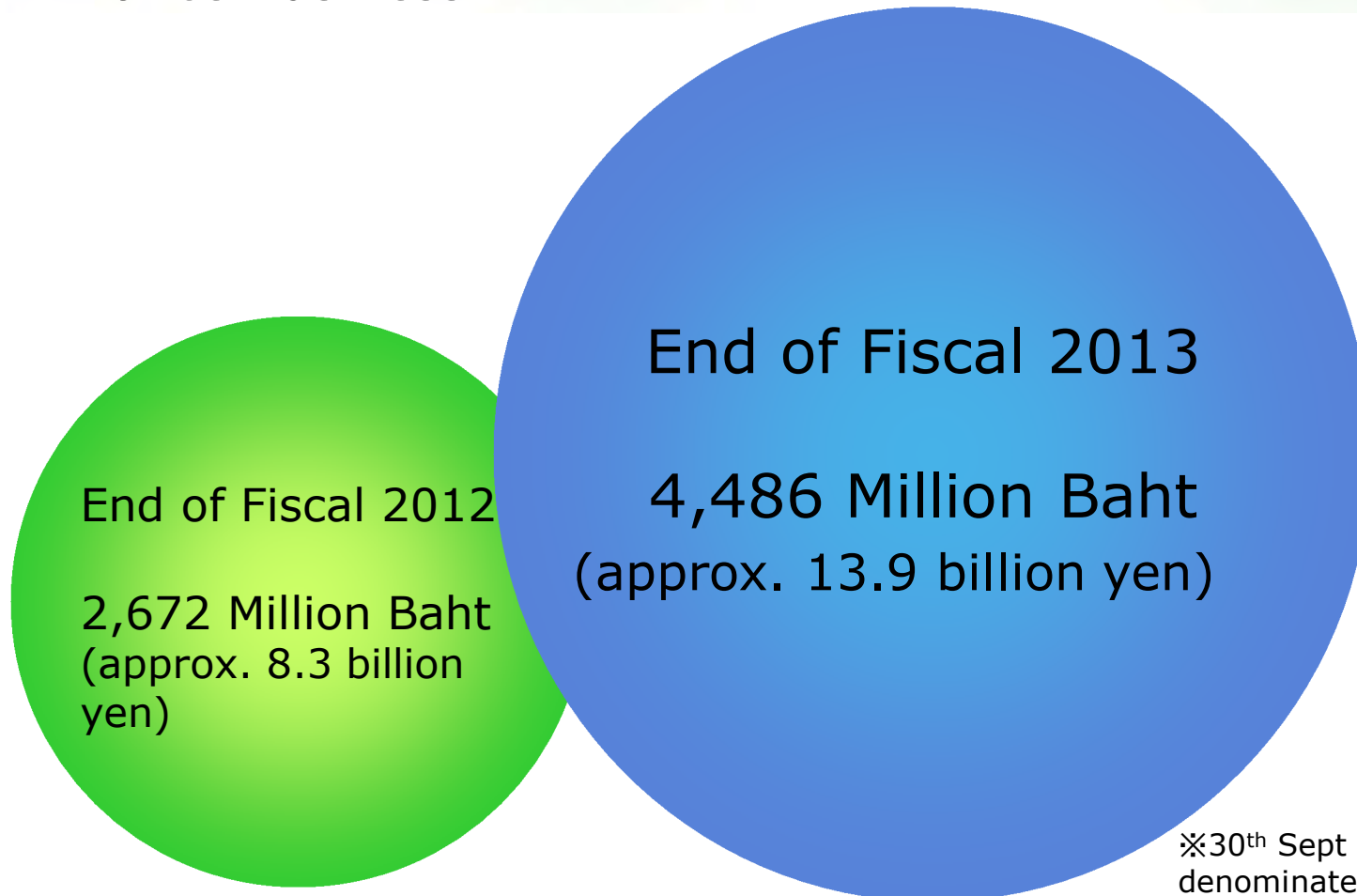


Main Topics



Rapid Loan Increment from Business Expansion

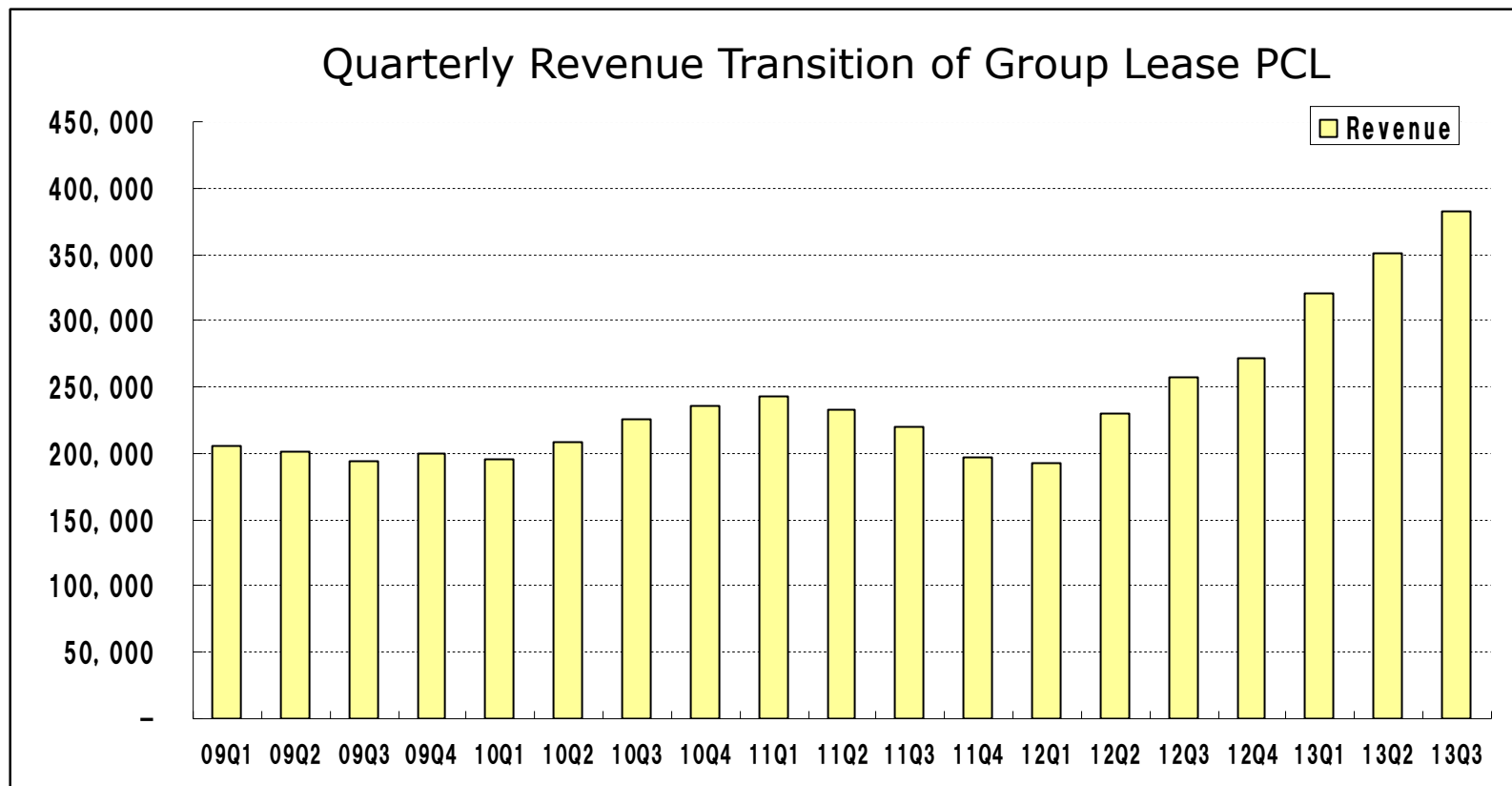
- ❖ Approximately 68% annual growth in total loans (portfolio) of Finance Business



※30th Sept 2013 Yen-denominated exchange rate. For convenience, calculation is of 3.11 yen per Baht

Steady Increase in Revenue

- ❖ **Increasing trend in revenue of Finance Business continues together with the expansion of portfolio**



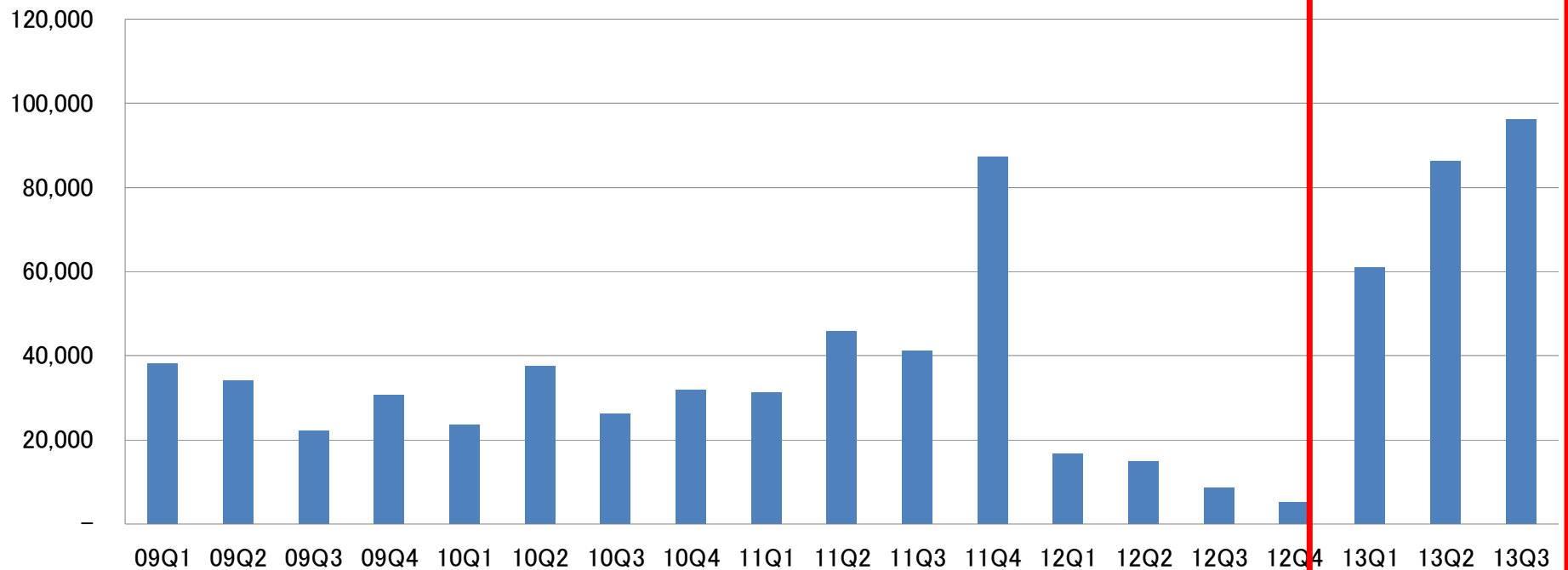
Increased Amount of Allowance for Bad Debts Recorded

Main reason for the increase in allowance for bad debt

- Continuous expansion of portfolio from the previous year
- Low level from temporarily allowance increase due to flood
- Conservative shift of allowance for bad debt level during the end of 2012.

GL: Transition of Allowance for Bad Debts

Thousand Baht



**Status Quo &
Future Preparations
(Measures)**



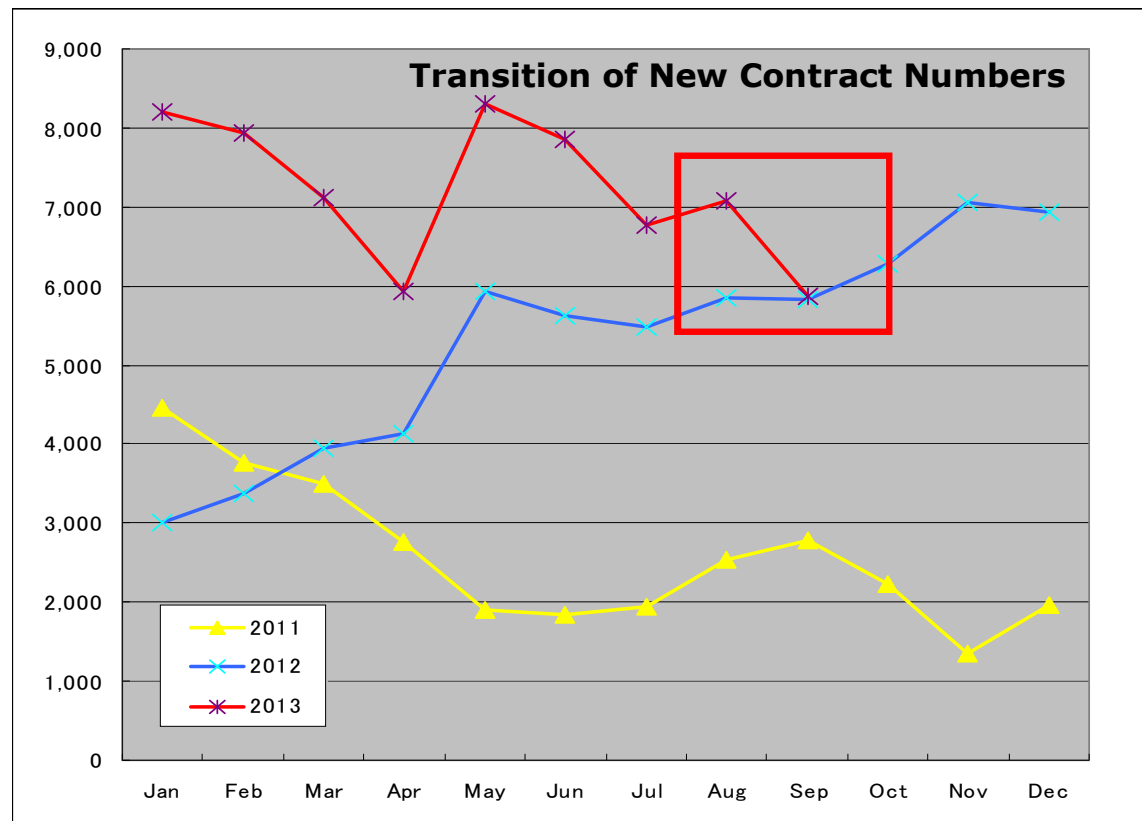
Finance Business (GL, Thailand)

- ❖ **3 preparations which have been implemented in GL**
 - 1. Tighten screening process in existing dealers.**
 - 2. Partner with new dealers in new regions.**
 - 3. Development of new customers for recovered motorcycles**

Finance Business (GL, Thailand)

❖ Preparation 1: Tighten screening process in existing dealers.

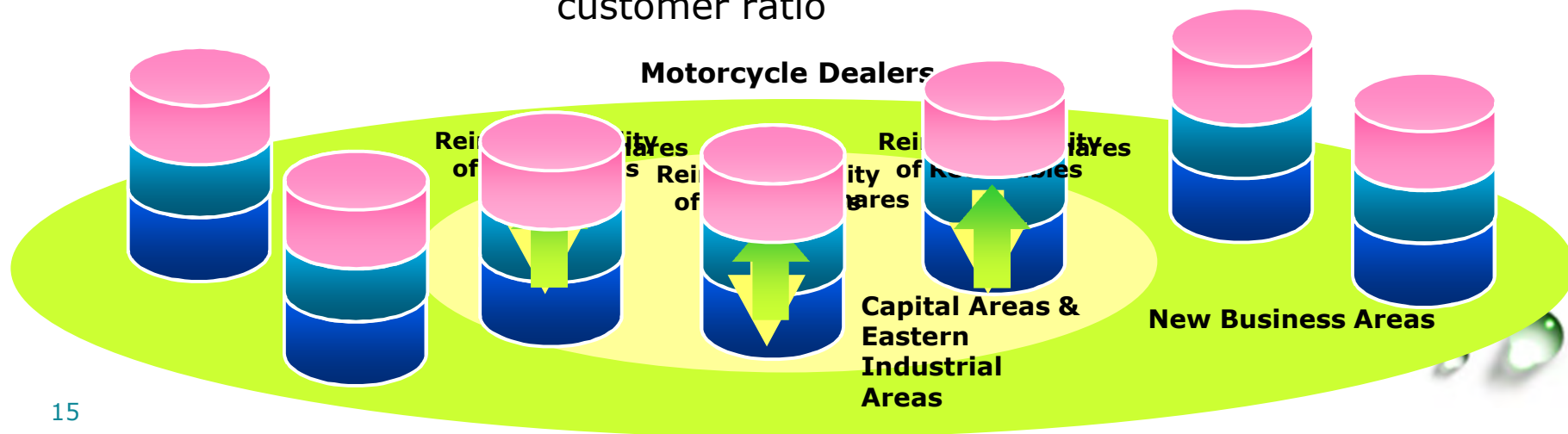
Although the latest number of new contracts are decreasing, this measure corresponds to the economic slowdowns in Thailand to improve the quality of receivables, decrease bad debts and increase future profits.



Finance Business (GL, Thailand)

❖ Preparation 2: Build partnerships with new dealers in new regions: From Area Dominant to Regional Expansion

- 2011-1st half of 2013 Aggressive portfolio expansion from areal business reinforcements
 - Main Objective: Areal expansion of new dealers, Increase of total new contracts from expansion of transaction shares.
- 2nd half of 2013~ Maximize profits from expansion in new business areas and reinforcing quality of receivables in existing regions.
 - Main Objective: Dealer expansions in new areas Credit management and recovery strength for improvement in trusted customer ratio



ASEAN Integration & Asia Highway

- ❖ **North-South Economic Corridor (NSEC, AH2)**
 - China(Kunming)-Thailand-Singapore
- ❖ **East-West Economic Corridor (EWEC, AH123)**
 - Vietnam(Da Nang)-Thailand-India
- ❖ **Second East-West Economic Corridor (AH1)**
 - Mekong Delta Economic Corridor
 - Bangkok-Phnom Penh-Ho Chi Minh








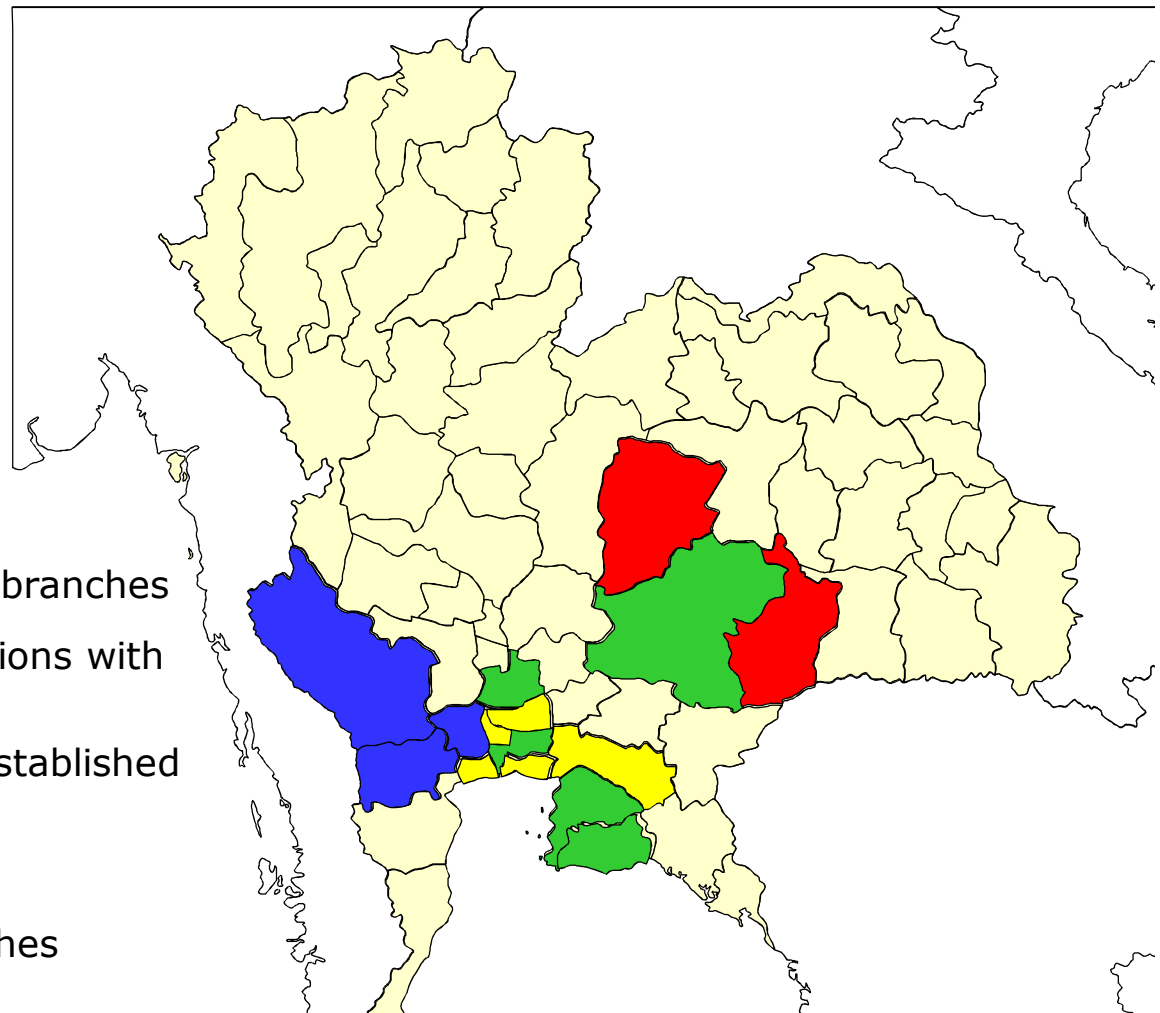
Finance Business (GL, Thailand)

Preparation 2: Partner with new dealers in new regions: From Area Dominant to Regional Expansion

With the economic slowdown in Thailand, dealers are welcoming the partnerships with GL and new sales offices are being established.

Although establishments of new sales offices will temporarily lower profits, but it is expected to contribute greatly after one year.

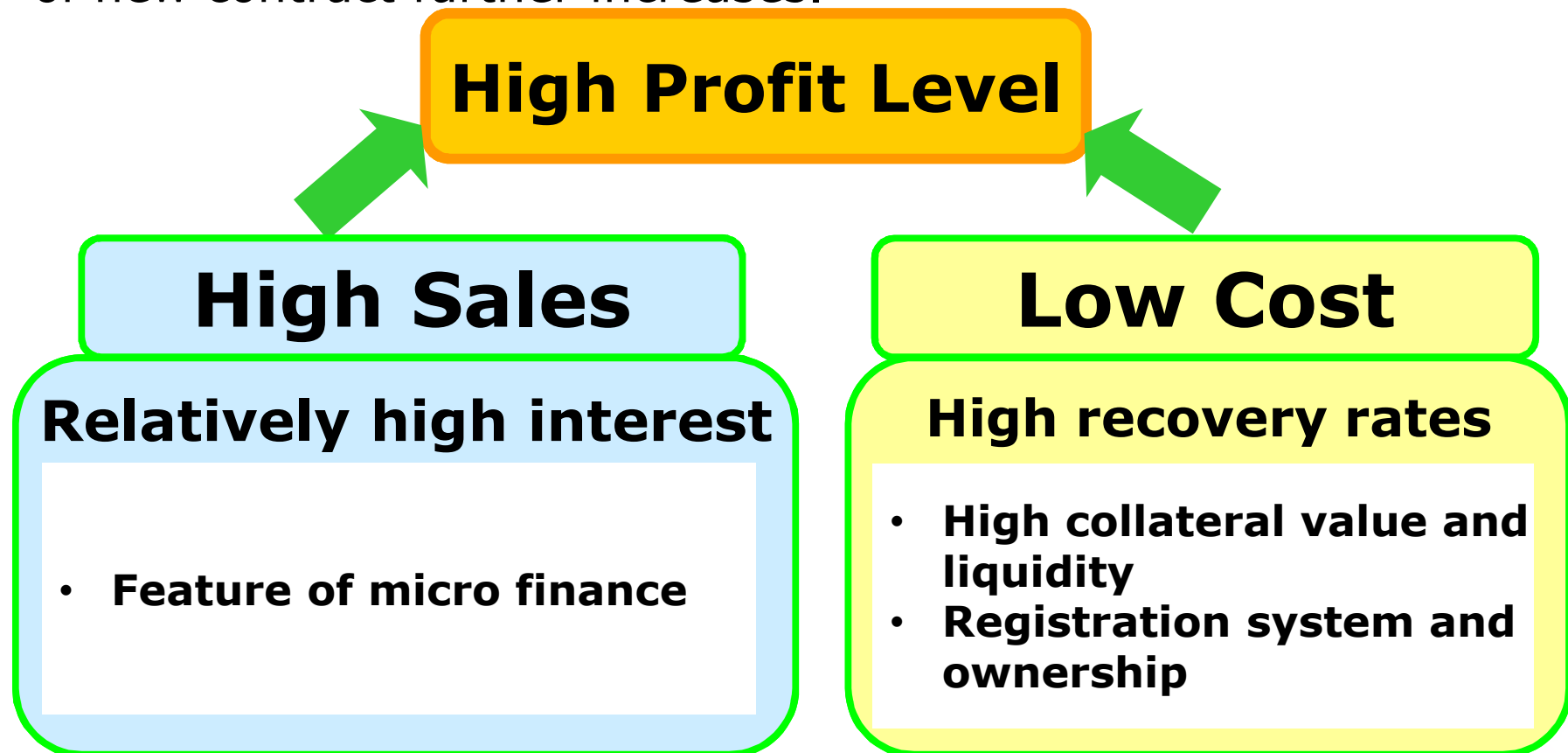
-  Provinces with GL HQ and branches
-  Provinces of operating regions with business partners
-  Provinces with branches established in August
-  Upcoming regions
-  Province without GL branches



Finance Business (GL, Thailand)

❖ Preparation 3: Development of new customers for recovered motorcycles

Maintain the strong “High resale value and liquidity of collaterals” business model of GL in the future where numbers of new contract further increases.





Finance Business (GLF, Cambodia)

❖ 3 preparations which have been implemented in GLF

1. Initiate lease business by entering into an exclusive agreement with Honda NCX which holds 98% market share in Cambodia.
2. Complete establishments of sales offices throughout Phnom Penh and expand establishments throughout Cambodia.
3. Partnership with SIAM KUBOTA to initiate new agricultural machine lease.

Farming Villages in Cambodia





Mechanization will take place in the near future



Finance Business (GLF, Cambodia)

- ❖ **Preparation 1:** Initiate lease business by entering into an exclusive agreement with Honda NCX which holds 98% market share in Cambodia.

End of June 2013 Consolidation

- Improve product lineups and related services
- Continue expansion of business network

2013 Q4 (Oct-Dec) Contribution to Monthly Earnings

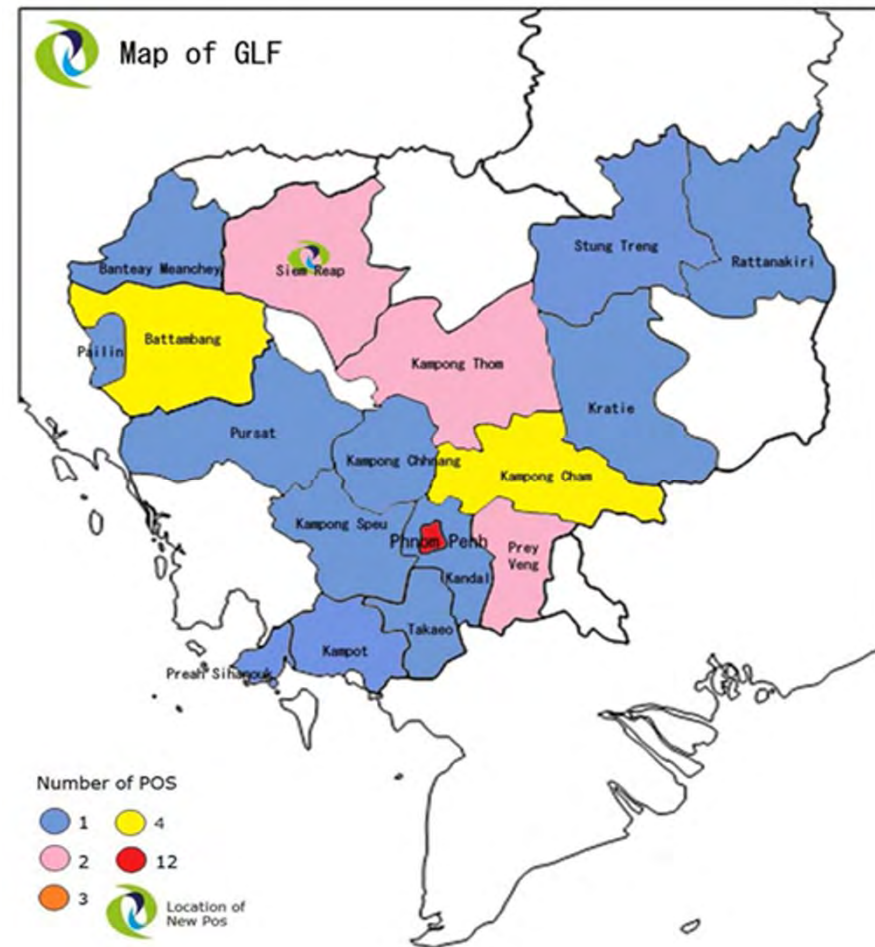
- Advance with regional expansion to set up sales offices in all dealers in Cambodia.

Expand to a business scale comparable to Thailand in 2012 by 2015

- Accumulation of portfolio with increment of both revenue and profits.

Finance Business (GLF, Cambodia)

- ❖ Preparation 2: Complete establishments of sales offices throughout Phnom Penh and expand establishments throughout Cambodia.

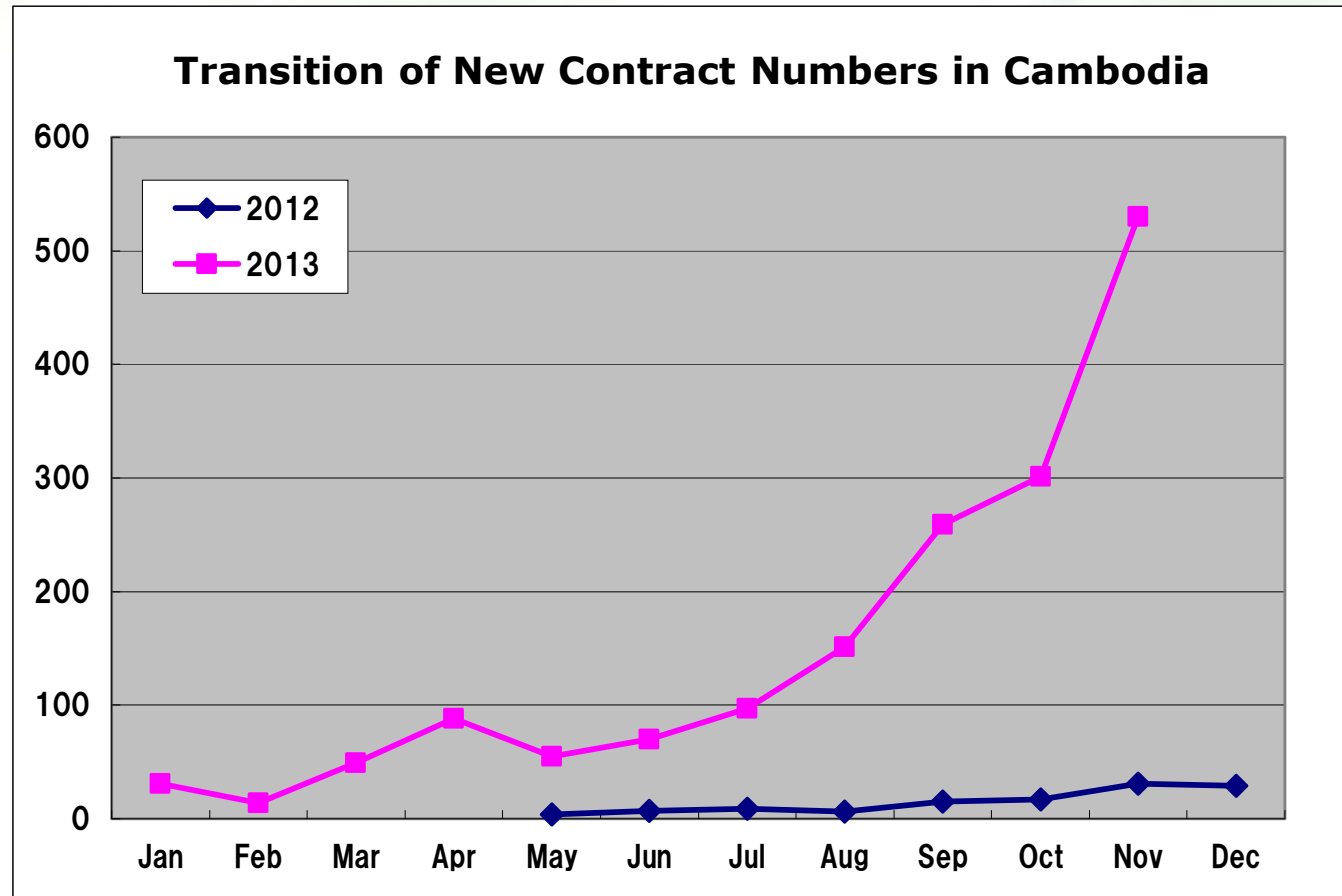


Currently Established Sales Offices



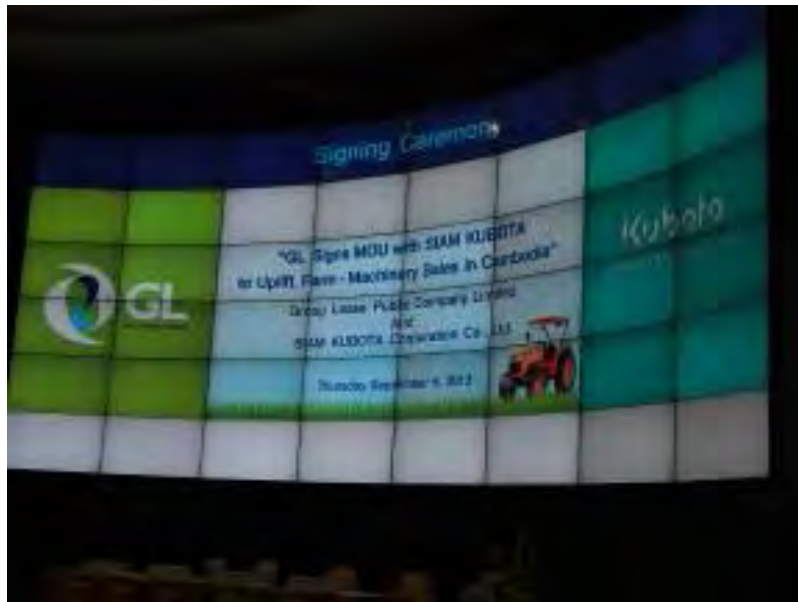
Finance Business (GLF, Cambodia)

Monthly transition of new contract numbers



Finance Business (GLF, Cambodia)

- ❖ Preparation 3: Partnership with SIAM KUBOTA to initiate new agricultural machine lease.





Entertainment Business



- ❖ **Upward battle continues due to the withdrawal of existing customers from the Publishing Business this quarter.**

3 preparations which have been implemented in the Entertainment Business

- 1. Make good use of our game development and editing skills to acquire new customers, contents and relate closely with existing customers.**
- 2. Maintain a “Open-Door” environment which promotes pioneering spirits.**
- 3. Advance with multi-lingual development in Asia.**

Targets and Earning Forecast

Fiscal 2014 Earnings Forecast

❖ Forecasted increase in earnings and profits for revenue and operating profits

	Fiscal 2012 results	Fiscal 2013 results	Earnings Forecast Fiscal 2014
Sales	3,319	4,875	6,200
Operating Profits	842	791	1,200
Recurrent Profits	894	857	1,200
Net Profits	172	490	250

- Expected increase in earnings for Finance Business from increase of accumulative contracts.
- Although fixed costs are expected to increase continuously, decrease in bad debt is anticipated from strict screening processes for new contracts.
- Current net profits is expected to decrease with the assumption that the special income of 374 million yen this term will not occur in the next term.



Thank you!

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