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To whom it may concern

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(Progress report) Regarding the establishment of independent third-party committee

We, Wedge Holdings CO., LTD, announced on 14 November 2017 that Group Lease PCL (GL) released the financial statements for the third quarter of 2017 and received a qualified audit opinion for the financial statements. We would like to announce that today the board of directors of Wedge Holdings have resolved to establish an independent third-party committee to investigate the fairness of the transactions excluded from the audit opinion which concluded it as qualified. The details are as indicated below.

1. Reasons for the establishment of independent third-party committee

(1) Announcement from The Securities and Exchange Commission (SEC)

On 16 November 2017, SEC announced that they filed a criminal complaint with the Department of Special Investigation (DSI) against Mr. MITSUJI KONOSHITA, the then CEO of GL for falsification and corporate fraud case. The subject transactions for its investigation are loan transactions from Group Lease Holdings PTE LTD (GLH), a wholly owned subsidiary of GL, to borrowers in Cyprus and Singapore amounting to USD 54million. The SEC alleges the loans were transferred from the lender group companies by instruction of Mr. MITSUJI KONOSHITA and finally the group companies repaid installments to GLH.

The interest revenue from the transactions were overstated which caused an impact on GL's financial statements to exaggerate the loan transactions since the loan's interest rate was approximately 14-25% per year. As a result, Mr. MITSUJI KONOSHITA was unqualified for holding the positions of directors and executives of any issuing and listed companies and no longer held such positions as of that date. Moreover, on 19 October 2017 SEC announced that if GL's directors do not amend the financial statements and permit to present a false or inaccurate financial statements, this might be failure to comply with Section 312 of the Securities and Exchange Act.

(2) Revised auditor's opinions from GL's independent auditor

On 27 October 2017, GL received from its independent auditor revised audit reports with the opinion changed from "Unqualified" to "Disclaimer". The revision and modification are subject to financial statements of 3 quarters below.

+ Consolidated financial statements for the year ended on 31 December 2016 (Dated 28 February 2017)

+ Quarterly financial statements for the first quarter ended 31 March 2017 (Dated 12 May 2017)

+ Quarterly financial statements for second quarter ended 30 June 2017 (Dated 15 August 2017)

(3) Reasons for Revised audit report from GL's independent auditor

The Auditor stated their reasoning for the change of opinion in the revised report which is that the "Because of that executive being legally charged and under ongoing official investigation and the ongoing legal process that have yet to be concluded and also the limitation as a professional auditor in searching for real status of these loan transactions when the real borrowers could be the Company itself, I am therefore unable to carry out any additional tasks further except to await for an official legal consideration and investigations for the final outcome since the authority has more scope and power to search for the true position. Therefore, under this circumstance that is now known to me, I have to modify my previous opinion on the consolidated financial statements and the Company's financial statements...to the present opinion that I am unable to render the respective opinions for those related period." The changes made to the Revised Report relate only to the auditor's opinion. The statement of financial position, statement of comprehensive income, statement of change in equity, and statement of cash flows all remain unchanged.

(4) GL's Response

GL had a discussion with our auditing firm while simultaneously reviewing the financial statements and loan accommodations up to this point, and decided to allocate an allowance to all the related loans and uncollected interest. This is a response to the notification from Thailand's Security Exchange Committee on 19th October 2017, and at the same time, and this is also integrating all the possibility of probable loss generation, and therefore we believe that we are providing stakeholders with an opportunity to judge the soundness of GL's financial statements.

As stated above, because of the reasons that all the problematic transactions on financial statements have been dealt with, the auditing firm's opinion upon the third quarterly financial statements on December 2017 is that the audit report of qualified opinion is received.

For the details regarding the allowance that is generated when establishing GL's third quarterly financial statements on December 2017, please refer to "The Notification about the Occurrence of the Events that Causes Significant Effect on Financial Statements at the Subsidiary Group Lease PCL", which is released on 14th November 2017.

(5)The Company's Response

The Company has carefully discussed with our auditing firm about the GL's reception of the qualified opinion's review report which GL has received by releasing their third quarterly financial statements on December 2017. As a result, the qualified opinion is publicised saving for the section of loan and other interest income against the Cyprus and Singapore's debtors. Hence, the Company determined that it is appropriate that those excluded transactions' appropriateness and effectiveness to be evaluated by external experts, and therefore today, we resolved of setting up the third-party panel.

We believe that, taking into the investigation result by the third-party panel account, we reflect the transaction into the Company's consolidated financial statement.

2. The purpose of set up of the independent committee

To investigate the below points on loan receivables to the borrowers in Cyprus and Singapore and its interest income:

- (1) the fact of this transaction
- (2) the appropriateness of this transaction
- (3) the possibility if there is any legal issue and responsibility on this transaction
- (4) the others which the committee recognizes to investigate

3. composition of independent committee

The independent committee is composed of members who do not have any stake in the company. Therefore, there is independency and neutrality of the independent committee.

The appointment of the committee has been done according to Guideline for independent committee in misconduct of companies (revised on 17 December, 2010) " which was settled by Japan Federation of Bar Associations.

(reference) member of committee

Position	Name	Licentiate	Others
Chairman	Tetsuya Takano	Lawyer	Partner, Daichi Law office
Committee	Hajime Nose	Certified accountant	Representative director, Tokyo Financial Advisors co.,Ltd.
Committee	Kohei Yamada	Certified accountant	Representative, LR accounting

*independent committee will appoint a lawyer in charge of the investigation, and delegate whole of the investigation including field investigation.

4 . Further schedule

The company and GL will thoroughly cooperate the investigation of the fact which the independent committee conducts, and work to confirm the appropriateness and the validity of transaction. The result of investigation by independent committee will be disclosed promptly.

Progress report of the investigation is expected to be submitted by the independent committee around 11 December, 2017.

It's not confirmed yet how much the impact on the business result is and will be informed promptly once confirmed.

We would like to show our deepest apologies to all those concerned parties, including investors, for the troubles.

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