

June 9, 2017

Subject: Clarification on proceedings by foreign supervisory agency

Attention: Secretary-General
The Office of Securities and Exchange Commission

In response to the letter from the Office of Securities and Exchange Commission of Ref: KorLorTor.Por.Sor.935/2560 dated 2 June, 2017, which inquires in relation to the proceedings conducted by foreign supervisory agency, with this letter, I, Mr. Mitsuji Konoshita, would like to provide facts and information to the SEC and the investors as follows:

1. On 1 November 2013, the Japanese Securities and Exchange Surveillance Commission (“**SESC**”) recommended to the Japanese Financial Services Agency (“**FSA**”) to order an administrative monetary penalty to me for the reason of the act of using fraudulent means regarding the securities in Japan in 2010 (“**Recommendation**”). On the same day, FSA made a decision on commencement of trial procedures corresponding to the Recommendation. The “trial procedures” above is not judicial procedures of criminal or civil but administrative procedures and was held at FSA.
2. On 11 April 2017, FSA made the decision ordering myself to pay to the national treasury an administrative monetary penalty (“**FSA Decision**”), citing the following main reasons for its decision. This decision was made not by a judicial court but only by FSA.
 - a) I had the purpose of pumping up the prices of the securities of Wedge Holdings Co., Ltd. (“**Wedge**”);
 - b) I directed Wedge to make disclosures which contained false information that stated that Wedge would expect an acquisition of A.P.F. Hospitality Co., Ltd. (“**APF HOS**”), a holding company of Zeavola Resort, as well as the increase in investment profits such as interest income though in fact Wedge could not expect those mainly for the reason of that the payment to be made for the debentures issued by APF HOS to Wedge (“**Debentures**”) was disguised by transferring funds less than its payment amount;
 - c) I created and carried out the plan of funds transfers for the payment made as above; and
 - d) the prices of the securities of Wedge were pumped up by the series of the acts above.
3. On 11 May 2017, I filed a complaint “*Heisei 29 (Gyou wa) No. 218*” to Tokyo District Court against the State claiming to cancel the FSA Decision. This case is a civil case (any criminal case had never been pended) and will start from a first tier. The complaint states that the FSA Decision has no ground for the reasons mainly as follows:
 - a) the payment of the Debentures was actually made by Wedge;
 - b) I did not control funds transfers since there was no fact or evidence showing that I controlled each of funds transfers;
 - c) I never aimed to pump up the share price of Wedge and it is easily understood that I did not sell but rather decided to subscribe shares in Wedge by a company of which I seated a representative director after share price rose up;
 - d) I had never controlled Wedge or APF HOS to have the relevant transactions or never made any disclosure of Wedge since there were the other responsible people in both

- companies engaged in the said transactions and disclosures relatively which were done by themselves, and there was no fact or evidence showing that I controlled Wedge and APF HOS and made or procured someone to make the relevant disclosures; and
- e) the disclosures mentioned in the FSA Decision never affected share price of Wedge.
4. The first trial date of the case as described in 3. above will be held at Tokyo District Court on 14 July 2017.
 5. On 14 March 2017 which I was interviewed, I was not subject to an order to pay a fine or administrative monetary penalty. Such administrative monetary penalty which is not a criminal fine was issued on 11 April 2017 which is after that. In addition, I was not sued by any authority, but I am the one who filed the case in May 2017. Therefore I would like to confirm that I had no intention to give any false statement or inaccurate information in order to mislead the investors or the SET at all.
 6. The FSA Decision has no impact on Group Lease Public Company Limited (“GL”) and GL’s businesses since the FSA Decision was made directed at me, not at GL, the companies in GL’s group or Wedge (a shareholder of GL). Therefore, the administrative monetary penalty will not be paid by GL, the companies in GL’s group or Wedge and for that, GL, the companies in GL’s group or Wedge will not be financially affected. Additionally, the transactions questioned in the FSA Decision were not made or involved by GL, the companies in GL’s group or Wedge.

Please be informed accordingly. Should you have any queries or would like to request additional documents, please contact me anytime.

Sincerely yours,

(Mr. Mitsuji Konoshita)