

## ■ ■ Part4 Growth Strategy & Investment Highlights



## SWOT



S

Strength

- Location
- Refined Marketing
- Excellent Human Resources
- Efficient Floor Operation
- Synergy Effect from Related Companies

W

Weakness

- Leased Casino Floor

O

Opportunity

- Government's Support Policy
- Rapid growth of Chinese Market
- Recovery of Japanese Economy

T

Threat

- Possibility of New Entry Penetration in the Domestic Market
- Possibility of New Entry in Nearby Countries

## Growth Strategy

### Develop a new market

- **Chinese Market** : Dispatch Personal Marketing Force
  - Favorable Geographical Condition, Well Organized Marketing Network, Agent Marketing through Chinese Travel Agent and Participate in Tourism Exhibitions and Events

### Reinforcing the existing market

- **Existing VIP market in Japan** : Intensify Local Marketing
  - Maintain VIP Marketing
- **Existing middle class market in Japan**: Mass Marketing
  - Diversification of Customer Class

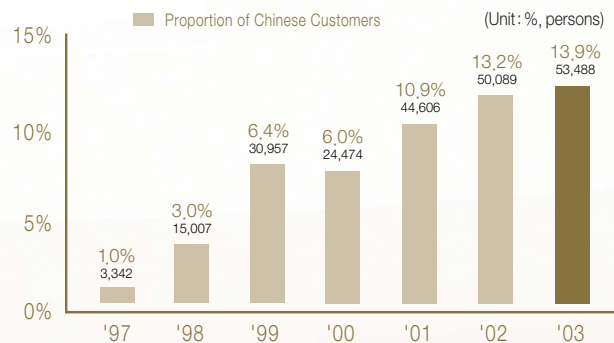


## Growth Potential of the Chinese Market

### Current Status of Chinese Tourists

- Sharply increased after overseas trip liberalization five years ago
- Chinese out-bound tourists in year 2003 : 20 Mil(in year 2002, 17 Mil)
- Incoming Chinese tourists in Year 2003 : 510K(2.5%)(in year 2002, 550K)
- Chinese guest in Walker-hill Casino in year 2003 : 53K(in year 2002, 50K)

The trend of Chinese Customers



### Expect Rapid Market Growth

- **Acceleration of Globalization & Open-door Policy**
  - Joined the WTO in year 2001
  - Host of Summer Olympic Games in year 2008
  - Shanghai World Expo in year 2010
- **Overseas Trip Liberalization**
  - Simplify reporting process for overseas trip (Abolish invitation requirement)
  - Simplify the passport issuing process
- **Increasing Interchange between Korea and China**
  - 178 flights per week
  - There are daily flights for Shanghai, Beijing, Qingdao, Guangzhou, Yantai and Shenyang.
  - Plans to establish Korean consulates in major Chinese cities
- **Reform measures aiming the Chinese market**  
(presented by Korea National Tourism Organization, 2001. 11)
  - Reform entry formalities for Chinese tourist
  - Increase accommodations
  - Bring up Chinese speaking tour guides
  - **Active Casino Publicity**

## Investment Highlights

### Well-Equipped Key Success Factors

- Favorable Geographical Condition
- Excellent Human Resources
- Refined Marketing
- Efficient Floor Operation

### Excellence of the Industry

- Superior industry combined with growth, stability and high profitability

### Shareholder Focused Management Policy

- High Dividend Policy.
- Acquisition of treasury stock to keep fair stock price.
- Consideration of minor shareholders and market.

### Excellent Business Results

- Ordinary Profit Margin : 28.9% (2003)
- Debt - to - Equity ratio : 29.0% (2003)
- Classified as one of the STAR INDEX in KOSDAQ(2004)

### Driving Forces of Future Growth

- Reinforcing the Existing Market
- Open Up the Large Potential Chinese Market