



**Financial Results Presentation Materials
for the Second Quarter
of the Fiscal Year Ending June 30, 2019
(From July 1 to December 31, 2018)**

WILLPLUS Holdings Corporation
(First Section of the Tokyo Stock Exchange: 3538)

Growth Strategies

Initiatives for the Fiscal Year Ending June 30, 2019

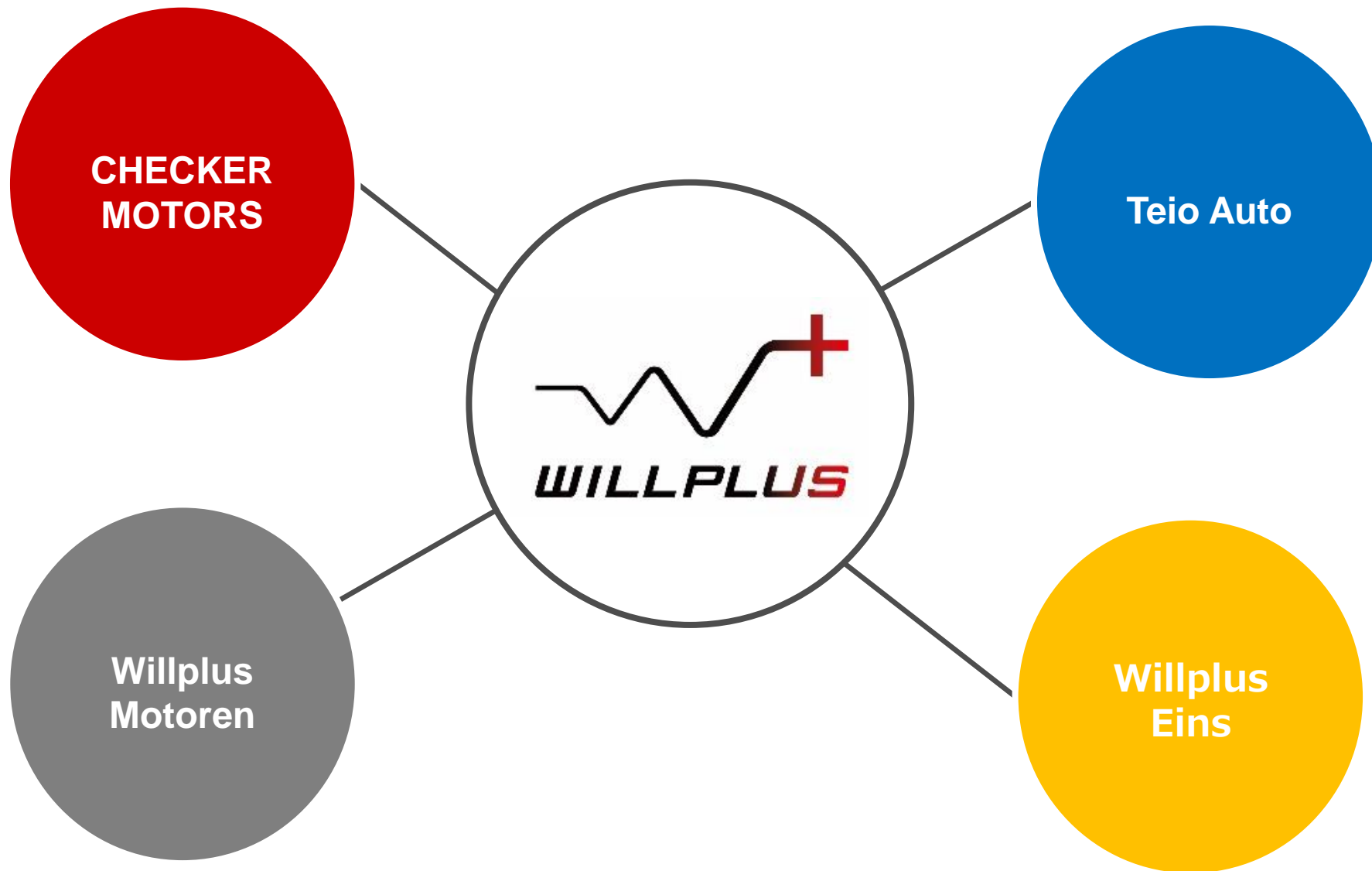
Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2019

Consolidated Financial Forecasts for the Fiscal Year Ending June 30, 2019

Shareholder Returns

Appendix

GROWTH STRATEGIES



Multi-brand Strategy

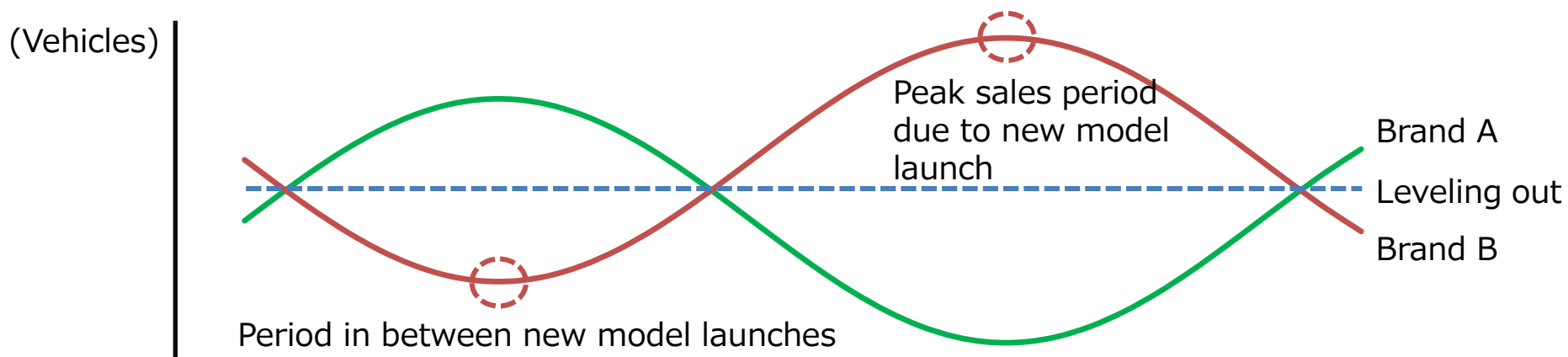
Dominant Strategy

M&A Strategy

Multi-Brand Strategy

Level out the impact of differences in the timing of launching new models among brands by carrying a total of ten brands

Illustration of how the impact of differences in the timing of launching new models is leveled out

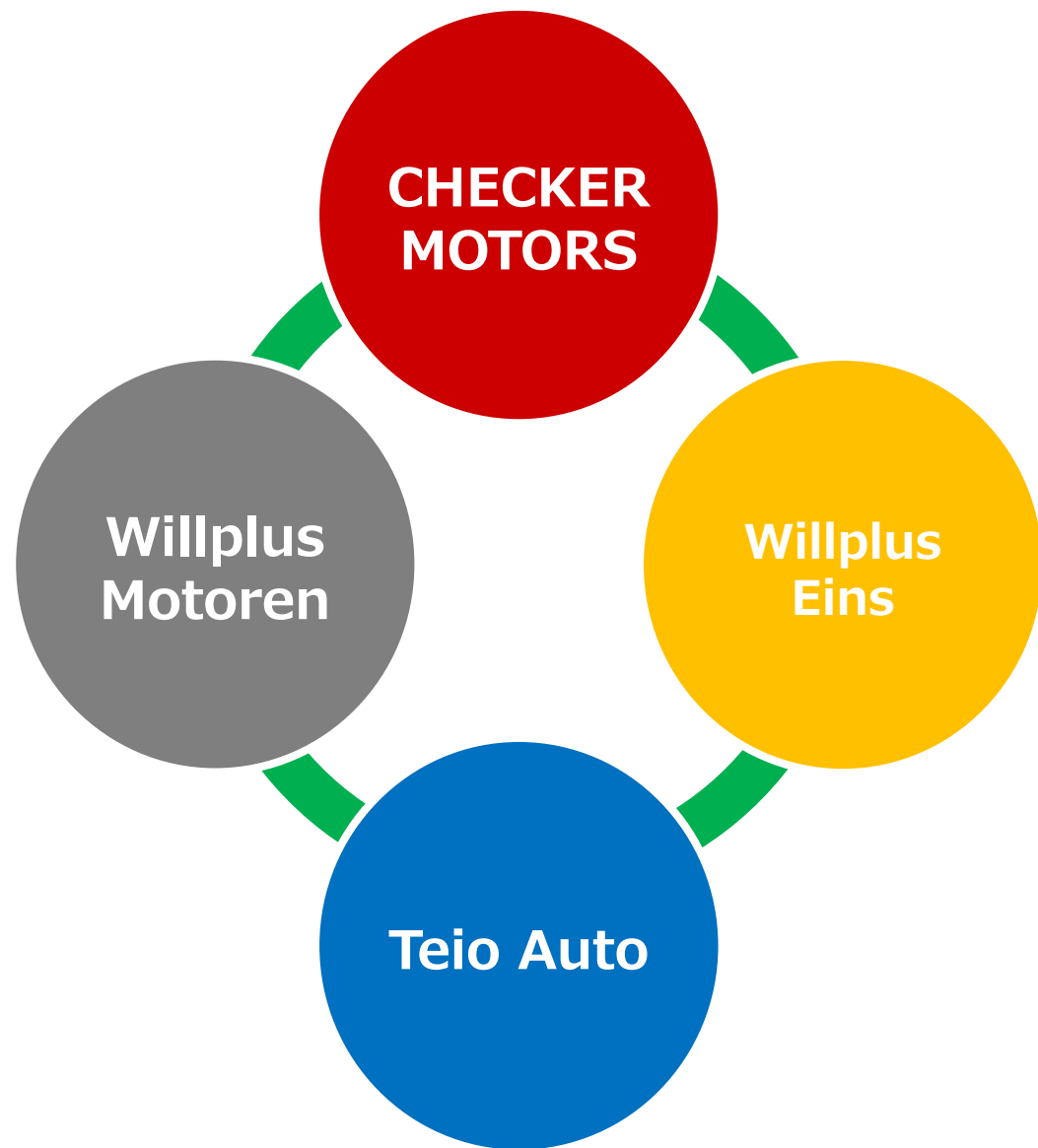
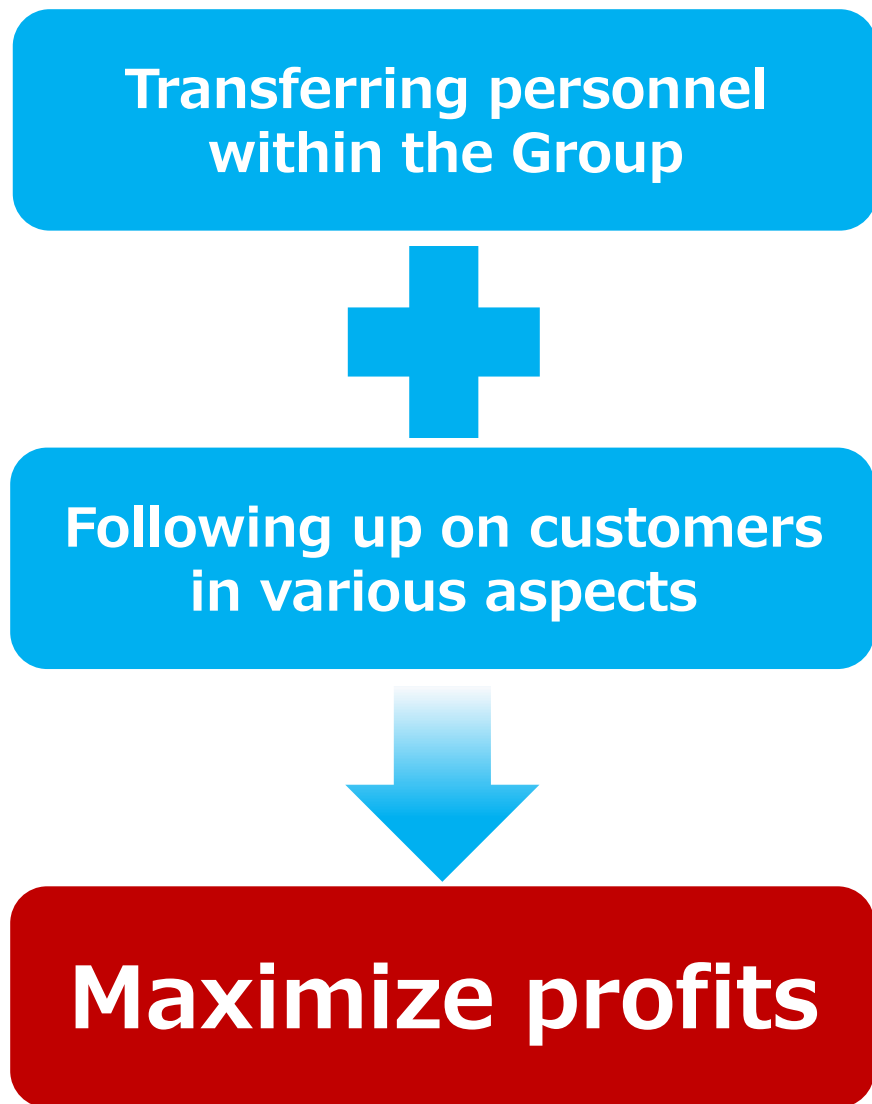


2017 new models



2018 new models





1

Expanding new areas

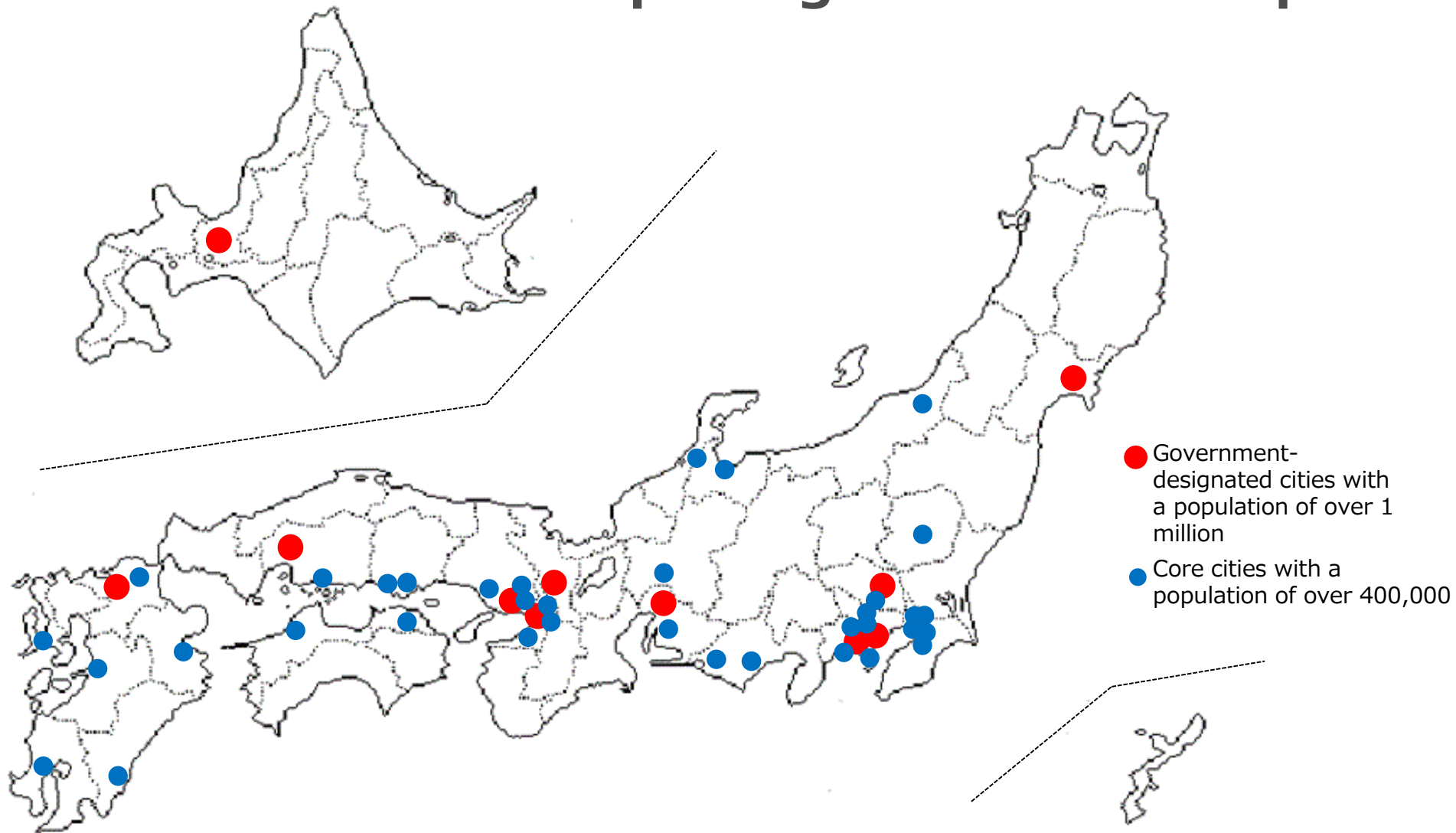
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**Acquisition new brands
(Multi-Brand Strategy)**

3

**Expand the market
share of existing brands**

Candidate areas for opening new dealerships



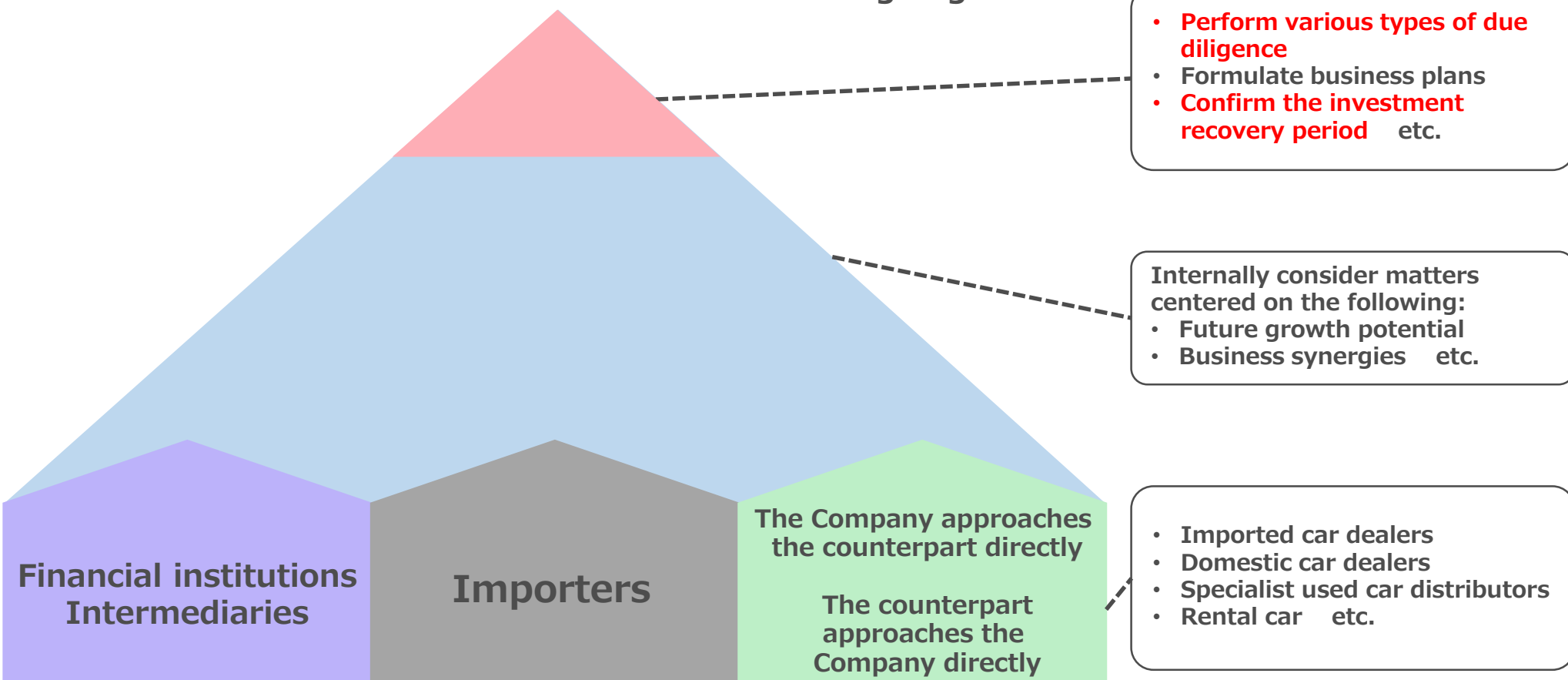
Brands not yet carried



Brands targeted through M&As:
Over 9

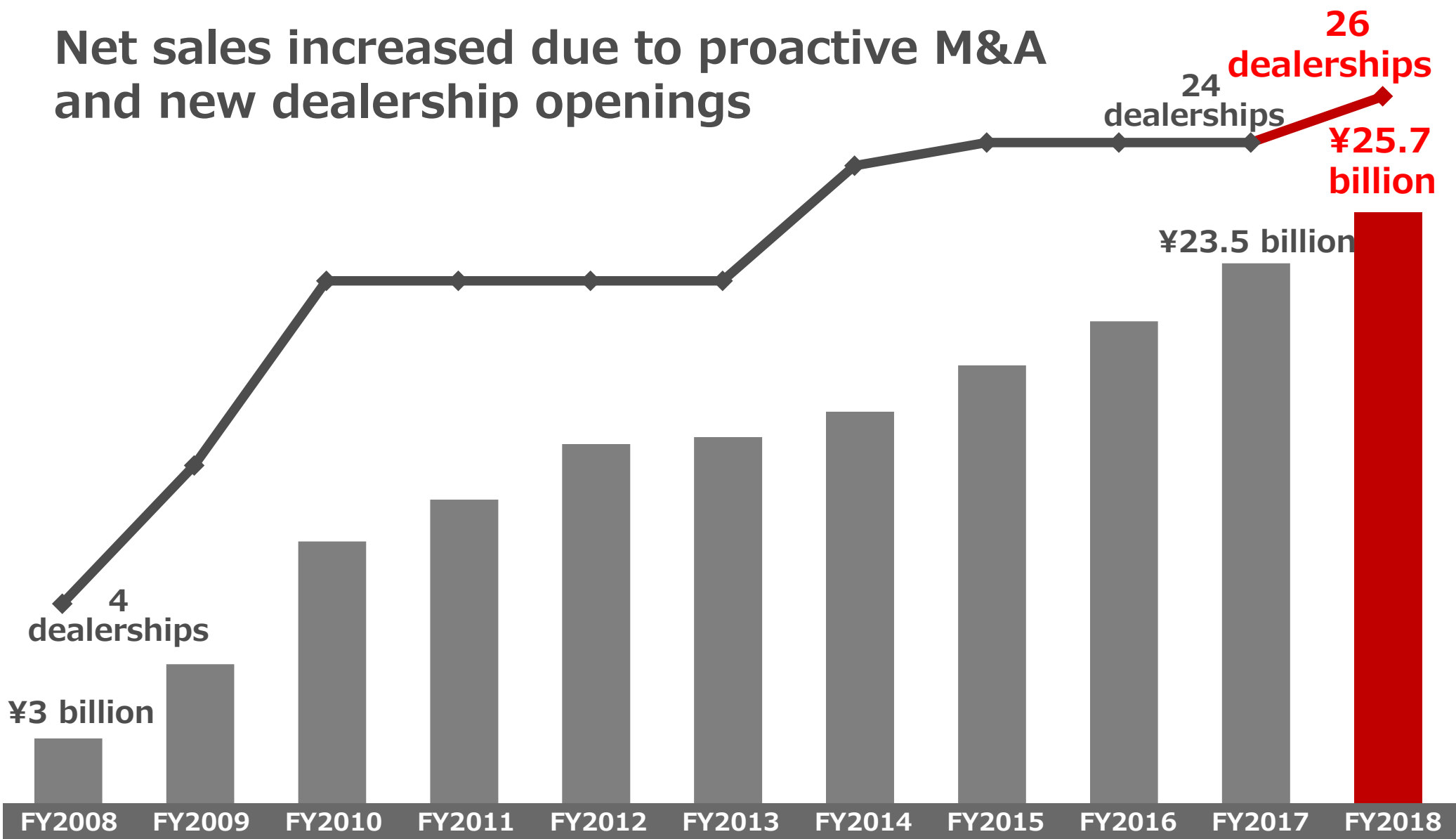
Identification and execution of M&A deals

- Identify deals through such means as referrals from financial institutions and other intermediaries, and proposals put forward by importers and business owners
- Conduct due diligence only on M&A deals that meet the Company's criteria for initiating investment and execute the M&A deals following negotiations



Trend in the Number of Dealerships and Net Sales

Net sales increased due to proactive M&A and new dealership openings



INITIATIVES FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Newly opened the JEEP Meguro dealership
on November 23, 2018

- Promote the dominant strategy through existing brands



Initiatives Related to Opening Dealerships

Took over Porsche Center Sendai on December 1, 2018

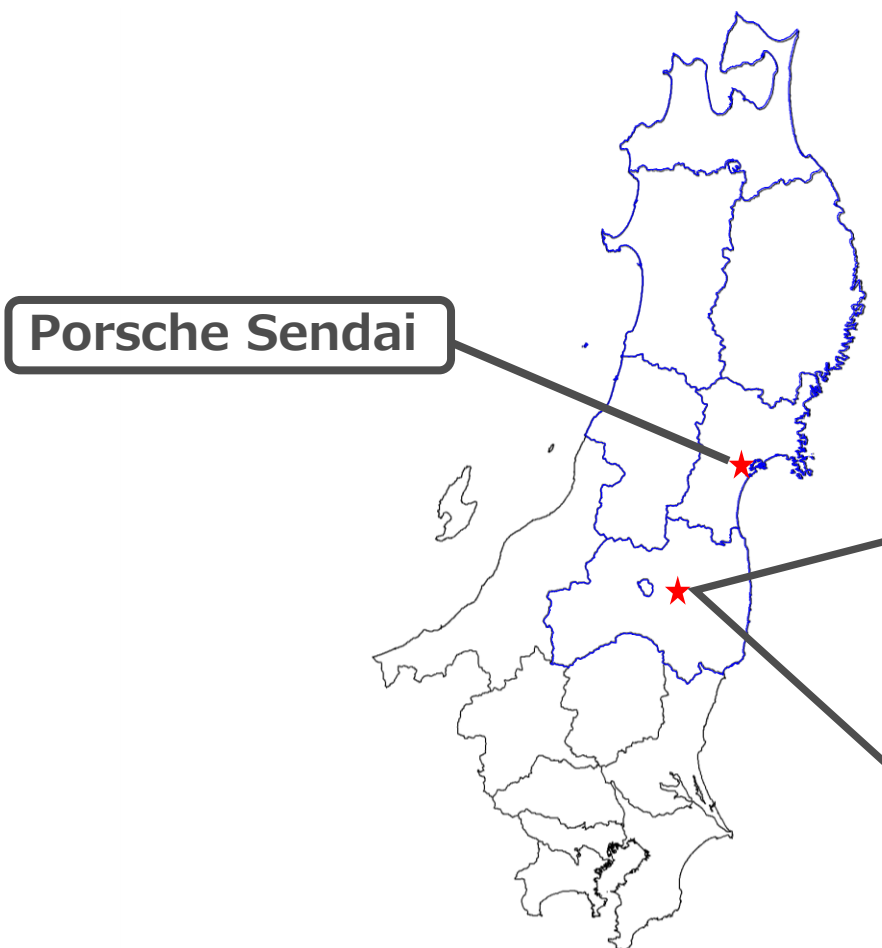
- Enter the Tohoku area for the first time
- Promote the multi-brand strategy through **new brands**



Initiatives Related to Opening Dealerships

Newly opened the Porsche Center Koriyama on January 12, 2019

Two dealerships **cover the entire Tohoku business area**



Rendering of Porsche Center Koriyama

Initiatives Related to Opening Dealerships

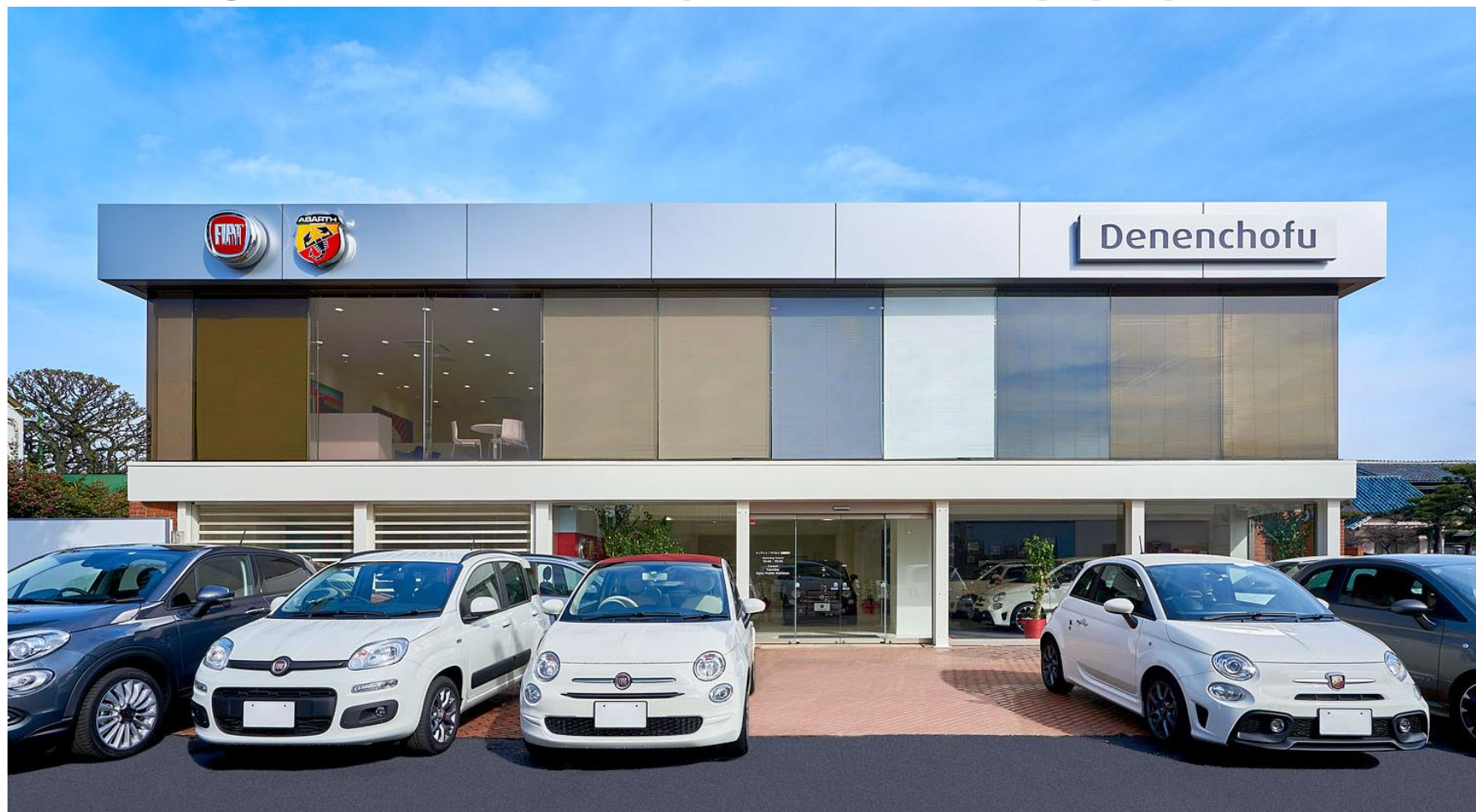
Renovated and reopened JEEP Kitakyushu on January 5, 2019
Conforming to the latest corporate identity (CI) features



Initiatives Related to Opening Dealerships

Renovated and reopened FIAT/ABARTH Denenchofu on
January 12, 2019

Conforming to the latest corporate identity (CI) features



Initiatives Related to Opening Dealerships

Relocated and reopened VOLVO Car Kurume on January 12, 2019

Conforming to the latest corporate identity (CI) features



Initiatives Related to Opening Dealerships

Relocated and reopened VOLVO Car Kitakyushu on January 26, 2019

Conforming to the latest corporate identity (CI) features



Newly opened the MINI Yamaguchi (temporary location) dealership on March 1, 2019

- **Enter the Chugoku area for the first time**



Initiatives Related to Opening Dealerships

Newly opened the MINI NEXT Shunan dealership on March 1, 2019

- Cover the entire Yamaguchi Prefecture business area for the MINI brand



Initiatives Related to Opening Dealerships

Scheduled to take over the business of Jaguar Land Rover Mitaka on April 1, 2019



ABOVE & BEYOND

**Group to move to
a 31 dealership system**

Proactively Invest in Dealerships

Invest in existing dealerships

Address CI changes

- Provide various retail experiences for each brand in conformity with the latest CI features
- Provide high-quality services through cutting-edge facilities, etc.

Relocate and reopen

- Relocate to prime sites with outstanding visibility and convenience
- Enhance management efficiency

Open new dealerships

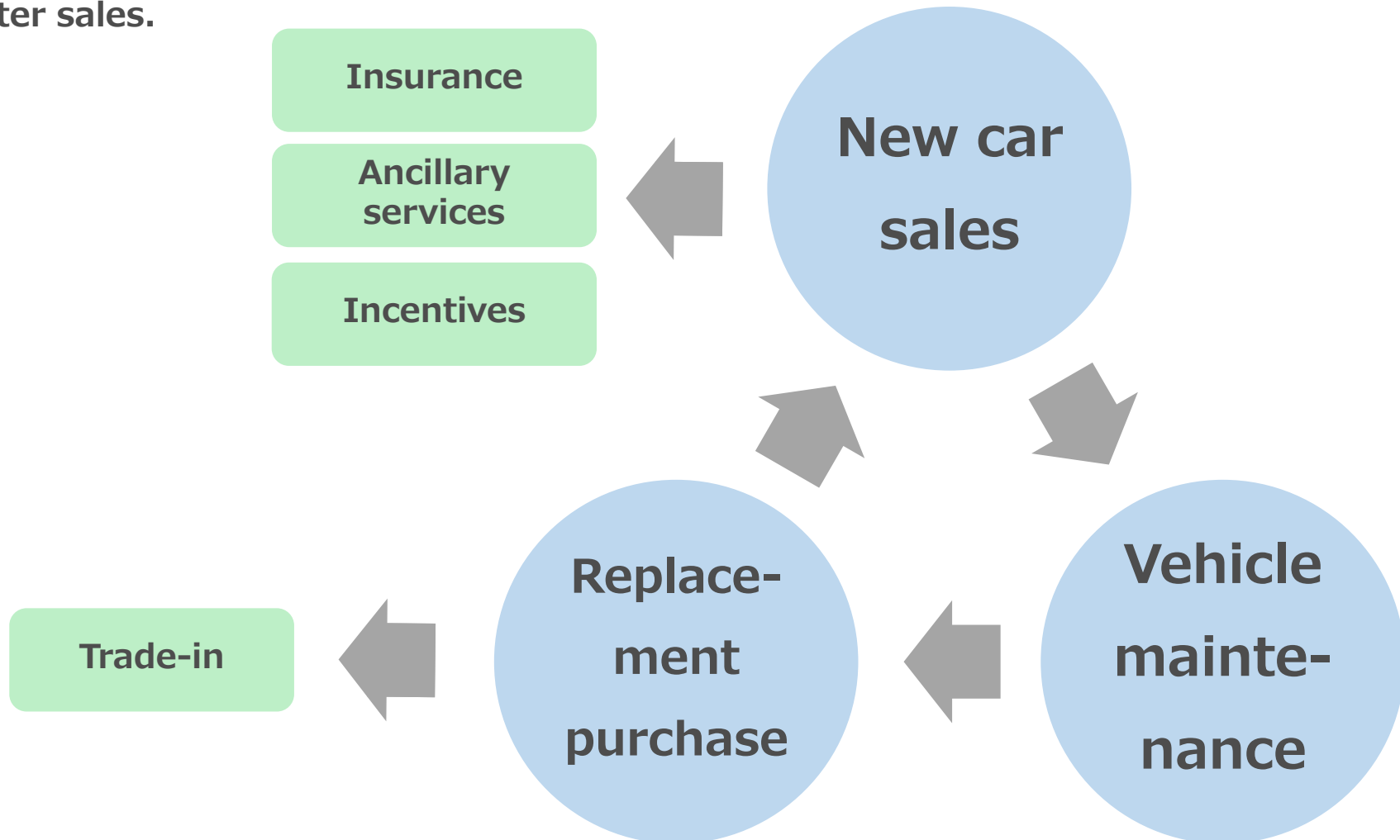
- Expand business areas
- Reinforce existing areas
- Expand the business of existing brands

Increase the number of customers visiting dealerships and the number of repeat customers by improving customer satisfaction

Enhance earnings 

Focus on New Car Sales

- Because used cars can be sold nationwide over the Internet, making it is possible to sell all used cars without after sales contract.
- New cars are often sold within the territory, **enabling long-lasting relationships to be built** after sales.



Launch of New Models

FY2019

JEEP



Wrangler

Alfa Romeo
FIAT
ABARTH



Alfa Romeo STELVIO

BMW



X4



8 Series



3 Series Sedan

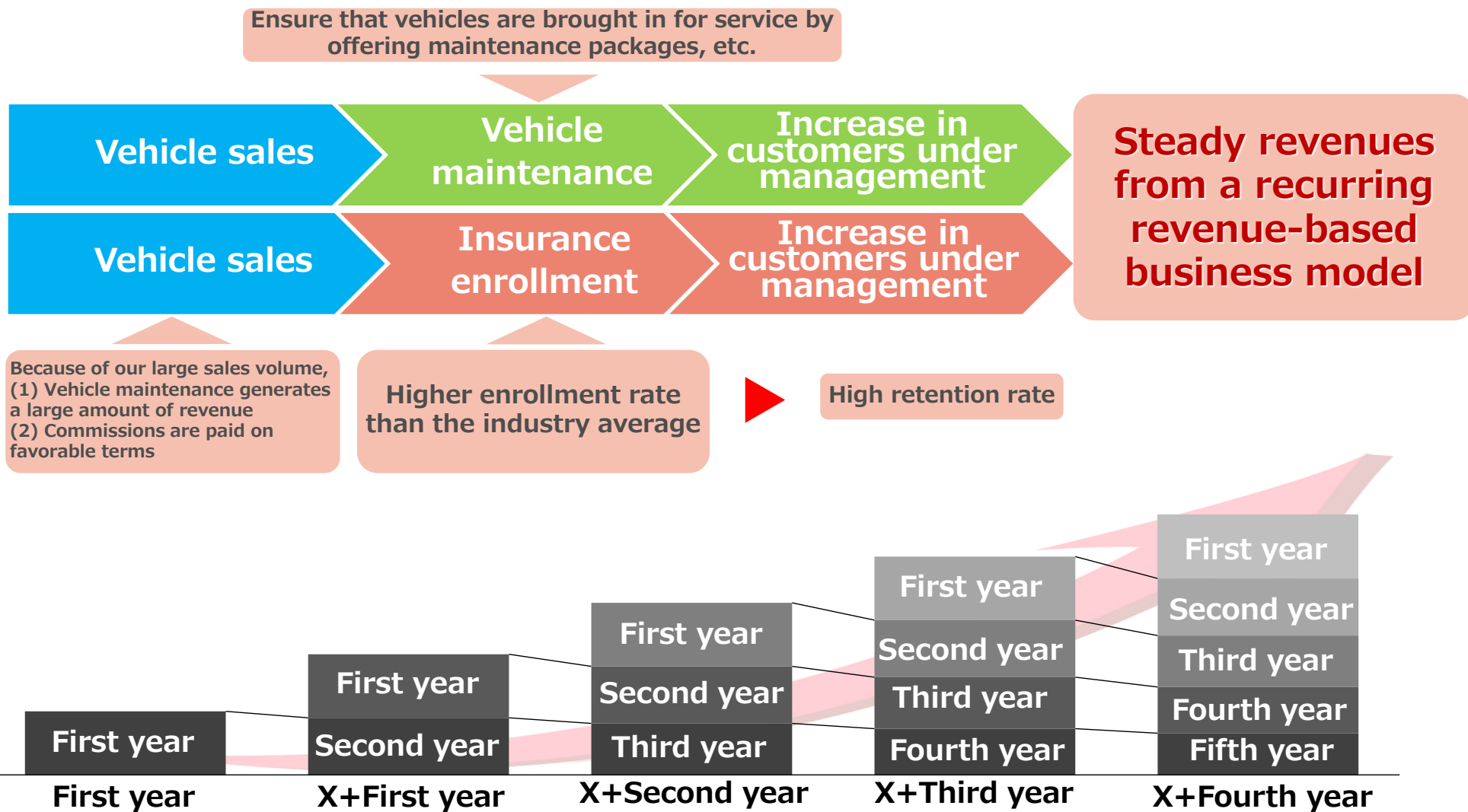
VOLVO



V60

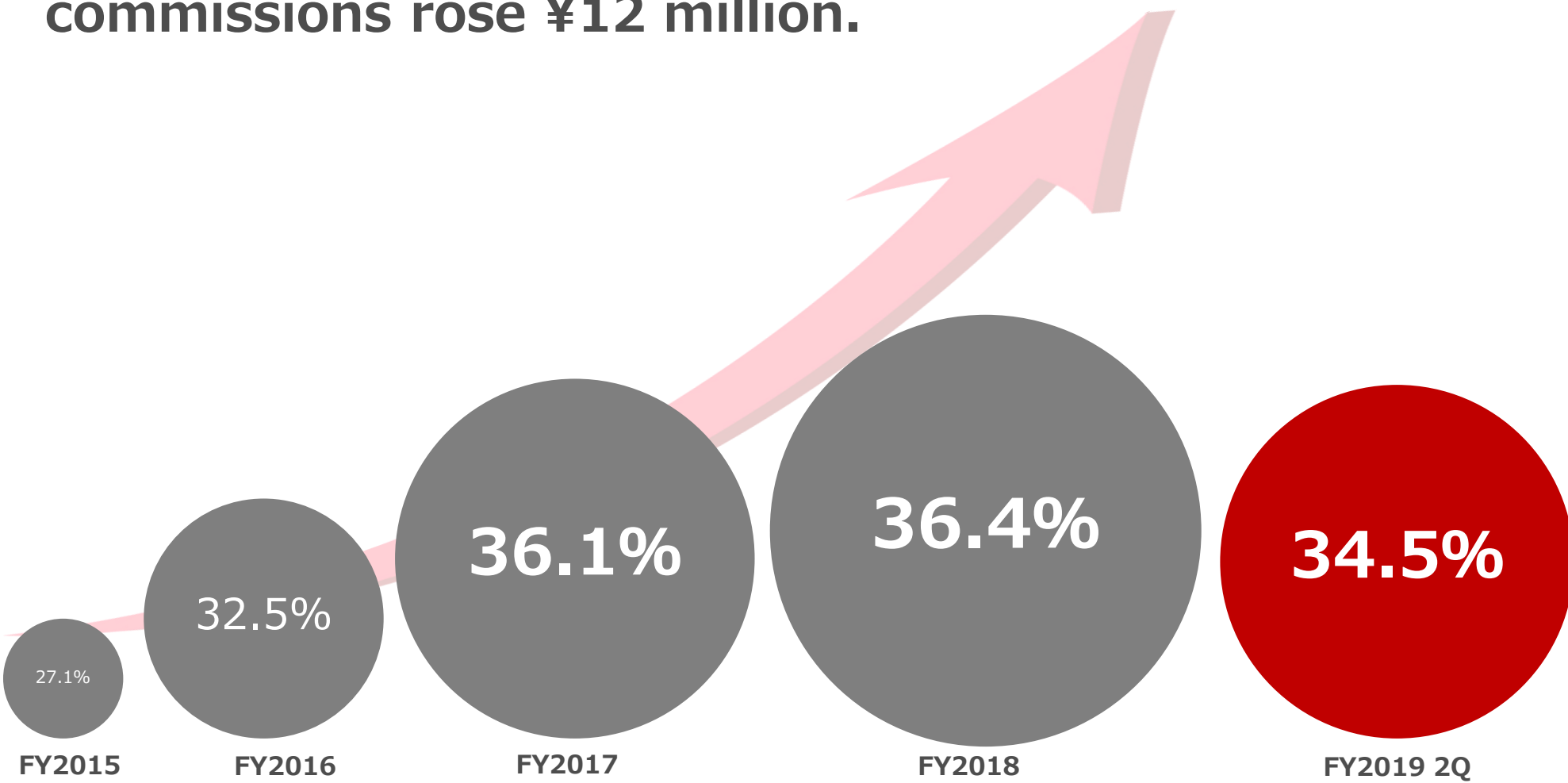
Recurring Revenue-Based Businesses

The vehicle maintenance and other business has a recurring revenue-based business model.



Recurring-Revenue-Based Business

Although the voluntary automobile insurance attachment rate decreased 1.9 points year on year, sales commissions rose ¥12 million.



CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR ENDING JUNE 30, 2019

Consolidated financial results

Net sales: ¥13,677 million (Up 9.7% YoY)

Operating profit: ¥565 million (Down 14.3% YoY)

Main reasons for the increase in net sales

- New car sales were solid for JEEP, MINI and VOLVO
- Used car sales were solid for VOLVO
- A net increase as the Group started carrying the Jaguar Land Rover and Porsche brands
- Sales from vehicle maintenance and other services, which are recurring revenue-based businesses, trended firmly
- Recorded record YoY net sales

Main reasons for the decrease in operating profit

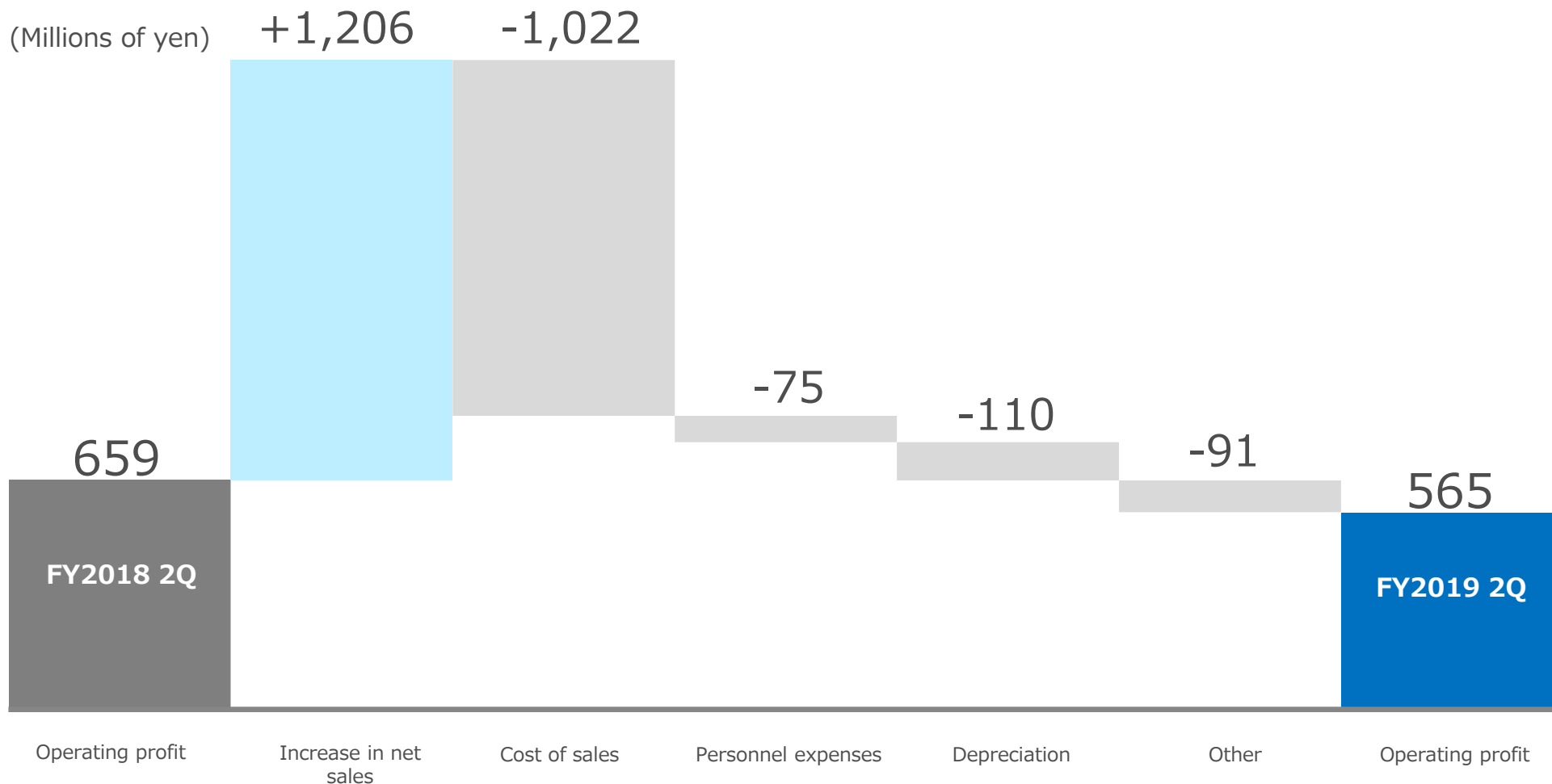
- Increase in depreciation in connection with acquisition of dealership equipment and facilities and increase in demonstration cars
- Increase in personnel expenses due to reinforcement of existing dealerships, start of carrying new brands and new openings
- Generation of various expenses in connection with acquisition of dealership equipment and facilities for new openings or relocations from 3Q onward

Consolidated Statements of Income

(Millions of yen)	FY2018 2Q	FY2019 2Q	Change	Percent change
Net sales	12,470	13,677	+1,206	+9.7%
Operating profit	659	565	-94	-14.3%
Operating profit margin	5.3%	4.1%	-1.2Pt	-
Ordinary profit	656	559	-96	-14.7%
Ordinary profit margin	5.3%	4.1%	-1.2Pt	-
Profit	408	336	-71	-17.6%
Profit margin	3.3%	2.5%	-0.8Pt	-

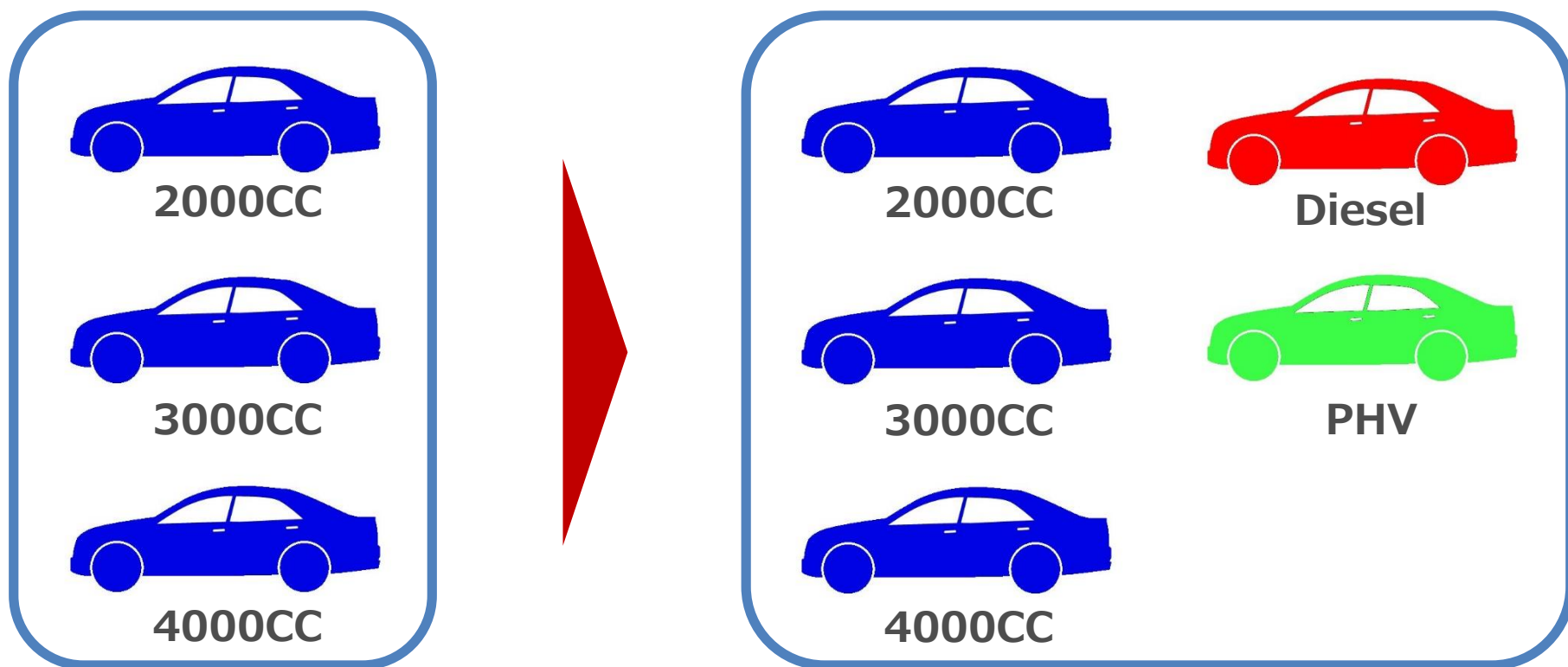
Trend in Operating Profit (Analysis of Changes)

- Net sales increased year on year for same period in every category, centered on new and used cars
- Depreciation increased in connection with increase in demonstration cars and acquisition of dealership equipment and facilities for new openings
- Various expenses increased as the Group started carrying Jaguar Land Rover and Porsche



Increase in Depreciation of Demonstration Cars

There has been an increasing trend in the number of demonstration cars as different types of engines become available.



Consolidated Balance Sheets (Assets)

(Millions of yen)	FY2018	FY2019 2Q	Change	Percent change
Current assets	7,212	7,728	+516	+7.2%
Cash and time deposits	1,463	1,109	-354	-24.2%
Accounts receivable - trade	148	129	-19	-12.8%
Merchandise	4,703	5,425	+721	+15.3%
Non-current assets	4,100	5,362	+1,262	+30.8%
Property, plant and equipment	3,121	4,200	+1,079	+34.6%
Intangible assets	390	473	+82	+21.1%
Total assets	11,312	13,091	+1,779	+15.7%
Ordinary profit to total assets	12.1%	4.6%	-7.5Pt	-

Consolidated Balance Sheets (Liabilities and Net Assets)

(Millions of yen)	FY2018	FY2019 2Q	Change	Percent change
Current liabilities	5,215	6,852	+1,636	+31.4%
Accounts payable - trade	2,143	2,811	+667	+31.1%
Short-term loans payable	900	1,700	+800	+88.9%
Current portion of long-term loans payable	539	434	-104	-19.4%
Non-current liabilities	1,302	1,175	-127	-9.8%
Long-term loans payable	1,113	911	-201	-18.1%
Asset retirement obligations	146	208	+62	+42.4%
Net assets	4,793	5,064	+270	+5.7%
Total liabilities and net assets	11,312	13,091	+1,779	+15.7%
Equity to total assets	42.4%	38.7%	-3.7Pt	-
Return on equity	18.2%	6.8%	-11.4Pt	-

Statements of Cash Flows

(Millions of yen)	FY2018 2Q	FY2019 2Q	Change	Main components	FY2018 2Q	FY2019 2Q
Operating CF	33	-33	-67	Profit (loss) before income taxes Decrease (increase) in inventories Increase (decrease) in notes and accounts payable – trade	647 -494 -56	557 -1,254 661
Investing CF	-171	-747	-575	Purchase of property, plant and equipment Payments for transfer of business Payments for lease and guarantee deposits	-163 – -1	-529 -160 -80
Financing CF	-169	425	595	Net increase (decrease) in short- term loans payable Repayments of long-term loans payable Cash dividends paid	100 -207 -87	800 -306 -76
Net increase (decrease) in cash and cash equivalents	-307	-354	-47			
Cash and cash equivalents	1,108	1,109	1			

Increase in inventories: ¥1,254 million

- Inventories increased by two bases' worth after starting to carry Porsche
- Stocked up on MINI vehicles as production will halt temporarily from April due to Brexit
- Inventory turnover of used cars worsened as a result of focusing on new car sales for some brands
- Used car inventories increased due to greater than normal number of trade-ins and purchases in December



Future Response

- For new cars, inventories affected by temporary factors will be optimized going forward
- For used cars, focus will be placed on sales and management aware of further inventory turnover and inventories optimized

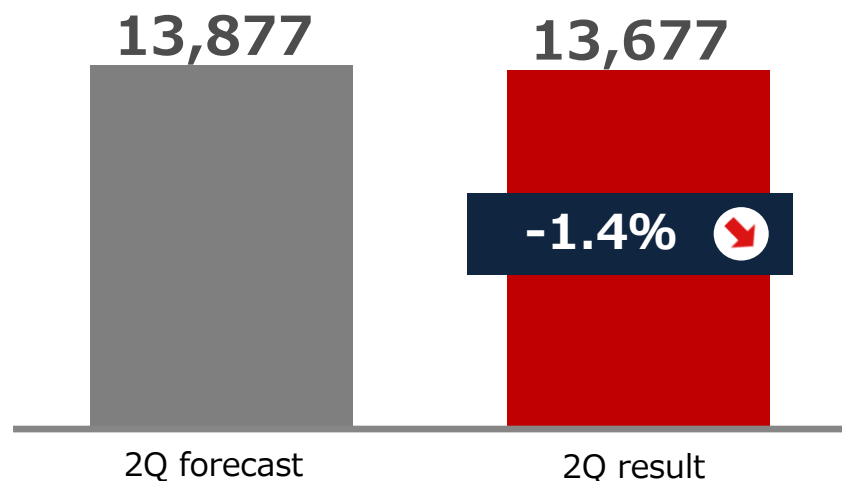
2Q comparison between forecast and actual results

(Millions of yen)	FY2019 2Q forecast	FY2019 2Q results	Change	Percent change
Net sales	13,877	13,677	-200	-1.4%
Operating profit	594	565	-29	-4.9%
Operating profit margin	4.3%	4.1%	-0.2Pt	-
Ordinary profit	587	559	-27	-4.7%
Ordinary profit margin	4.2%	4.1%	-0.1Pt	-
Profit	374	336	-37	-10.1%
Profit margin	2.7%	2.5%	-0.2	-

Second quarter (cumulative) actual results against forecast

Net sales

(Millions of yen)

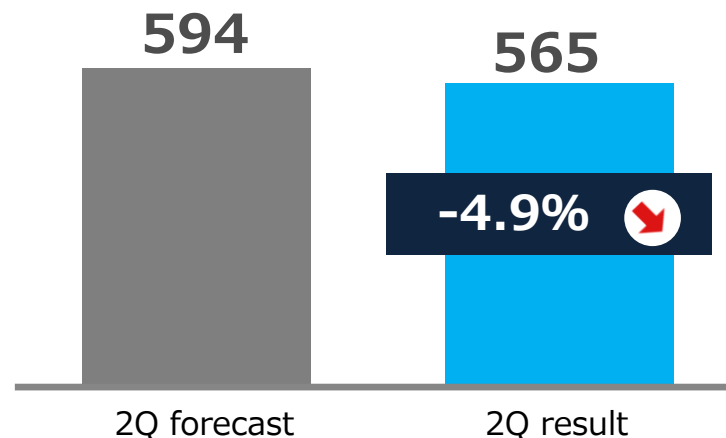


Main reasons for net sales decrease

- New car sales were solid in Jaguar Land Rover and Porsche and MINI brands. Insurance sales commissions and vehicle maintenance increased in line with an increase in customers under management
- Meanwhile, for some brands, performance was below forecast due to delayed starts of deliveries from manufacturers of some brands and insufficient inventory provision leading to delayed deliveries

Operating profit

(Millions of yen)

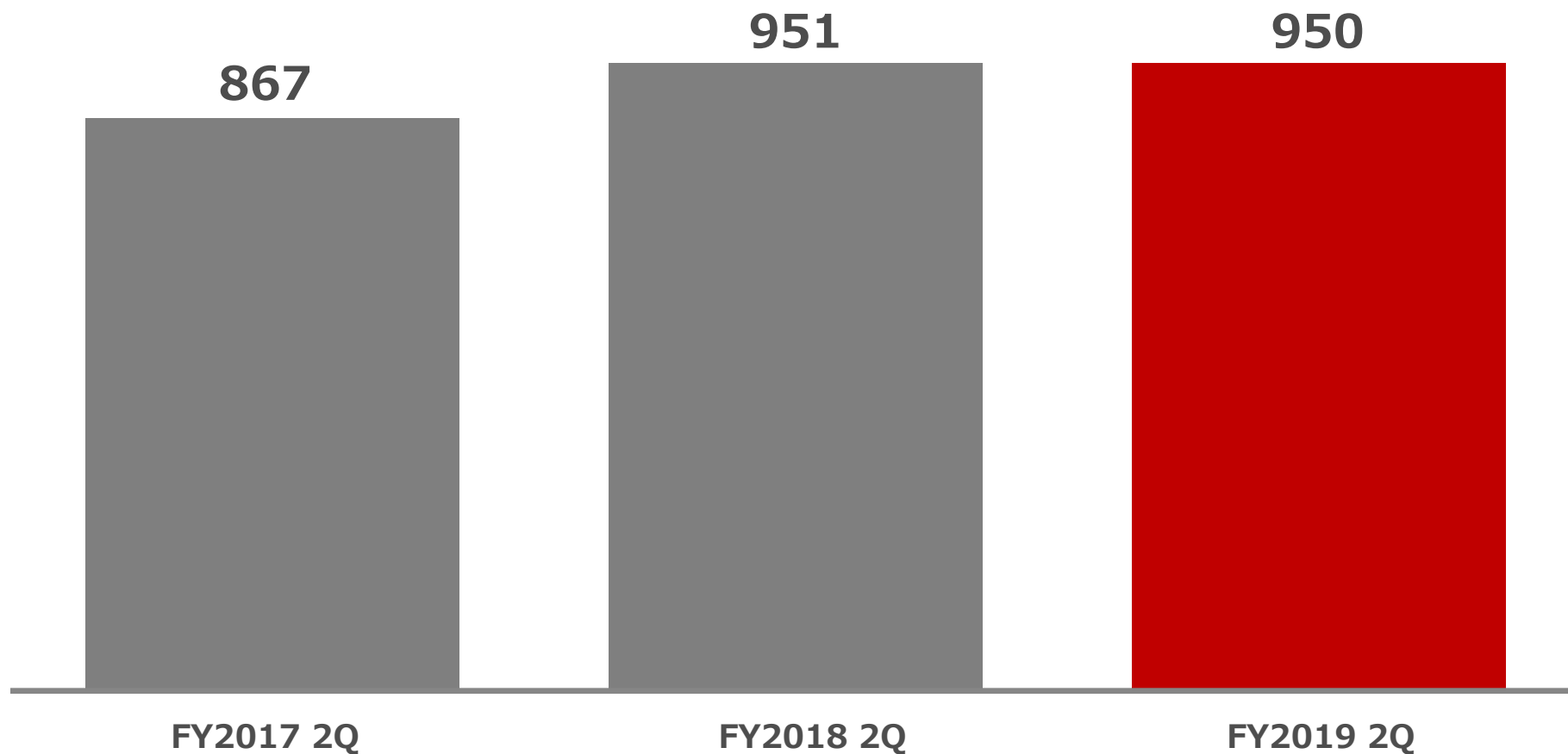


Main reasons for operating profit decrease

- Depreciation rose due to a rise in the price of demonstration cars as vehicle performance improved, an increase in the number of demonstration cars possessed and turnover of replacement vehicles as a service
- Recruitment costs and sales promotion expenses increased due to new dealership openings

EBITDA decreased ¥1 million year on year.

(Millions of yen)



EBITDA = Operating profit + Depreciation +
Amortization of goodwill

CONSOLIDATED FINANCIAL FORECASTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Consolidated Financial Forecasts

Net sales: ¥29,510 million (Up 14.5% YoY)

Operating profit: ¥1,344 million (Up 6.6% YoY)

- Continue to focus on new car sales, primarily new models
- Steadily accumulate recurring revenue-based businesses
- Full-year contributions from Alfa Romeo Ota, as well as Jaguar Land Rover Shonan
- Net increase from the opening of JEEP Meguro, Porsche Center Koriyama

Consolidated Financial Forecasts

(Millions of yen)	FY2018 (Actual)	FY2019 (Forecast)	Change	Percent change
Net sales	25,770	29,510	+3,740	+14.5%
Operating profit	1,261	1,344	+82	+6.6%
Operating profit margin	4.9%	4.6%	-0.3Pt	-
Ordinary profit	1,255	1,331	+76	+6.1%
Ordinary profit margin	4.9%	4.5%	-0.4Pt	-
Profit	815	850	+35	+4.3%
Profit margin	3.2%	2.9%	-0.3Pt	-

2Q progress against full-year forecast

Net sales

Operating profit

Ordinary profit

Profit

(Millions of yen)

29,510

1,344

1,331

850

13,677

565

559

336

2Q cumulative

Full-year

2Q cumulative

Full-year

2Q cumulative

Full-year

2Q cumulative

Full-year

Vs. full-year 46.3%

Vs. full-year 42.0%

Vs. full-year 42.1%

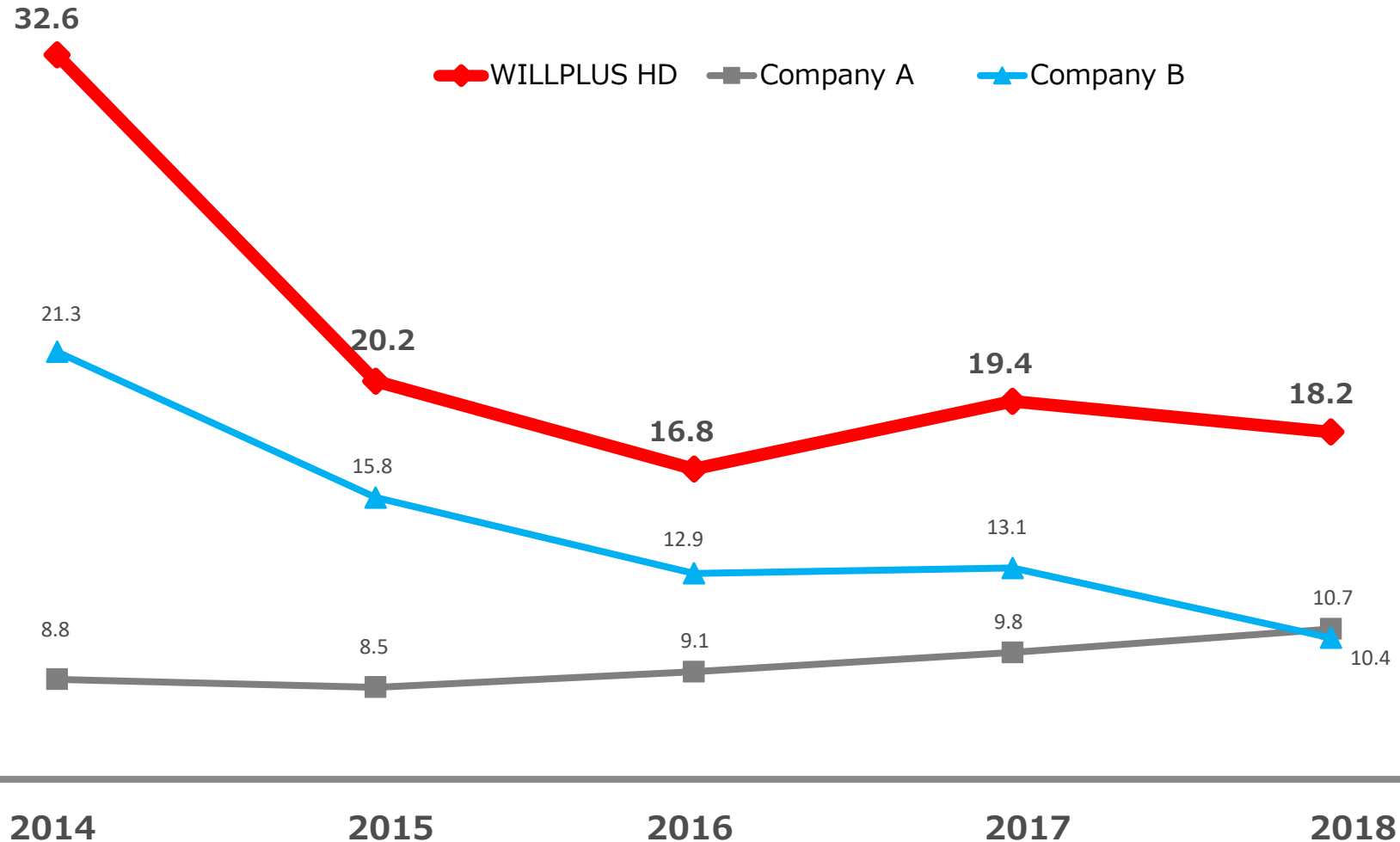
Vs. full-year 39.6%

■ Actual ■ Forecast



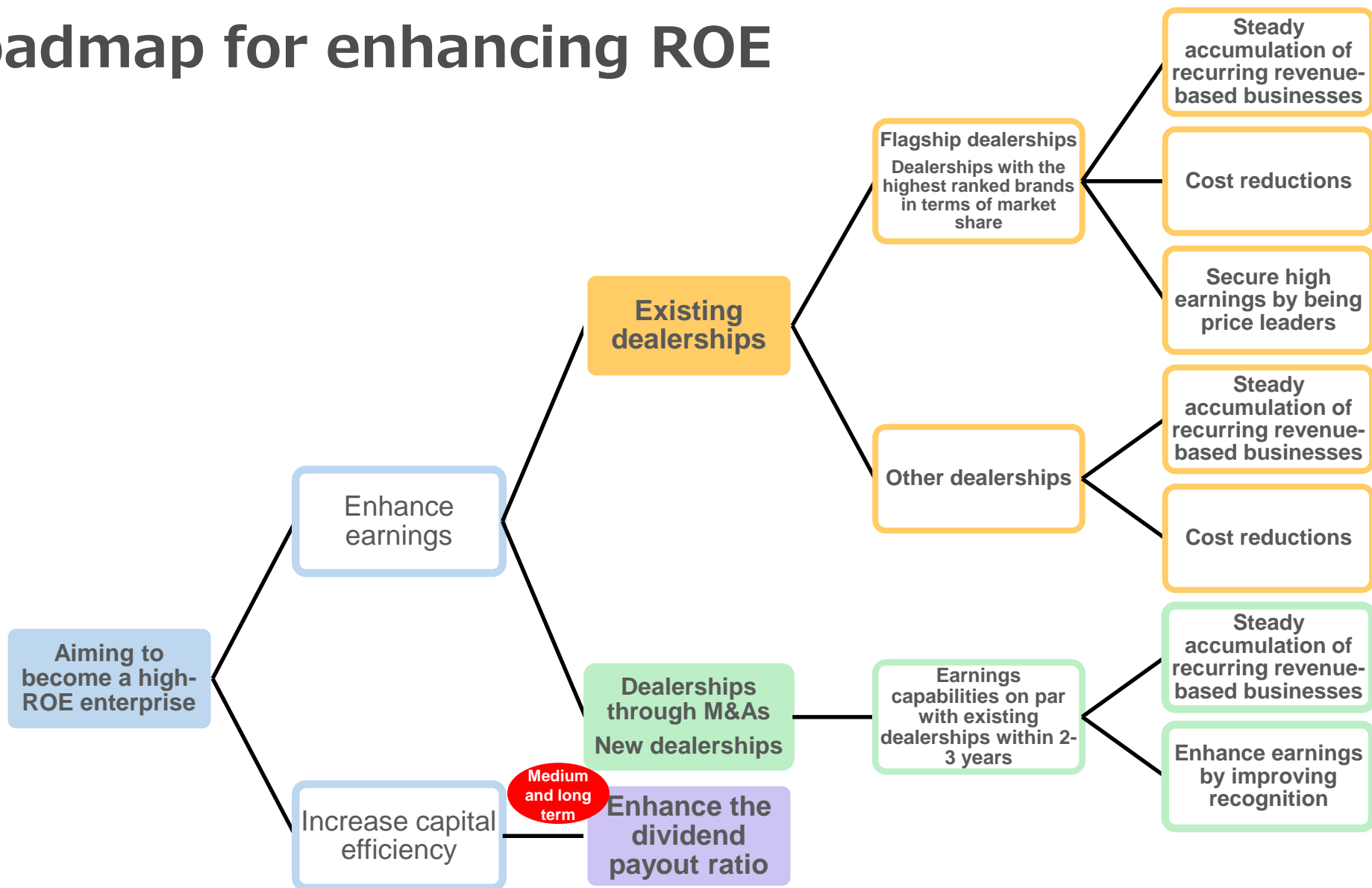
Trend in ROE (Comparison with Competitors in the Same Industry)

ROE maintained at higher levels than competitors



Source: Prepared by WILLPLUS Holdings based on various materials
Note: The fiscal years of the Company end in June, while the fiscal years of Company A and Company B end in March.

Roadmap for enhancing ROE



SHAREHOLDER RETURNS

Maintain stable dividends, targeting a dividend payout ratio of around 15%
 The annual dividend for the fiscal year ending June 30, 2019 is forecast at ¥13.80 per share, an increase of ¥0.60 from the previous fiscal year.

(Per share)	FY2018	FY2019
Interim dividend	¥5.00	¥5.00
Year-end dividend	¥8.20	¥8.80
Annual dividend	¥13.20	¥13.80

Ordinary Shareholder Benefits

The goal is to enhance the appeal of investing in the Company's shares and to encourage a wider range of investors to own the Company's shares.

	Number of shares held*	Record date	Description of benefits
Ordinary shareholder benefits	100 shares	End of June	QUO Card worth ¥1,000

* For shareholders holding at least one share unit (100 shares) or more who are stated or recorded in the shareholder registry of the Company on the record date.

+More pleasure for your future

We will continuously tackle the challenge of presenting customers with lifestyle proposals featuring imported cars, thereby contributing to the happiness of everyone we serve.

These presentation materials contain forward-looking statements such as the forecasts of the Company (including consolidated subsidiaries).

The forward-looking statements concerning plans, forecasts, strategies and other matters in these presentation materials are based on the judgments and assumptions of management reflecting information currently available to the Company. In light of the uncertainties inherent in these judgments and assumptions and the possibility of changes in future business management and internal and external conditions, the Company's actual financial results could differ materially from those forward-looking statements. In addition, information on companies and other entities other than the Company and the WILLPLUS Holdings Group are derived from published information and related sources. Accordingly, the Company cannot guarantee the accuracy of this information.

**For investor-relations inquiries, please contact: Planning Section,
Administrative Department WILLPLUS Holdings Corporation**

E-mail : ir-info@willplus.co.jp

Tel.: (03) 5730-0589 (10 a.m. – 5 p.m. weekdays)

URL : <http://www.willplus.co.jp>