

**Fiscal Year Ending June 30, 2020**

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# **Financial Results Presentation Materials for the Second Quarter**

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

# Contents

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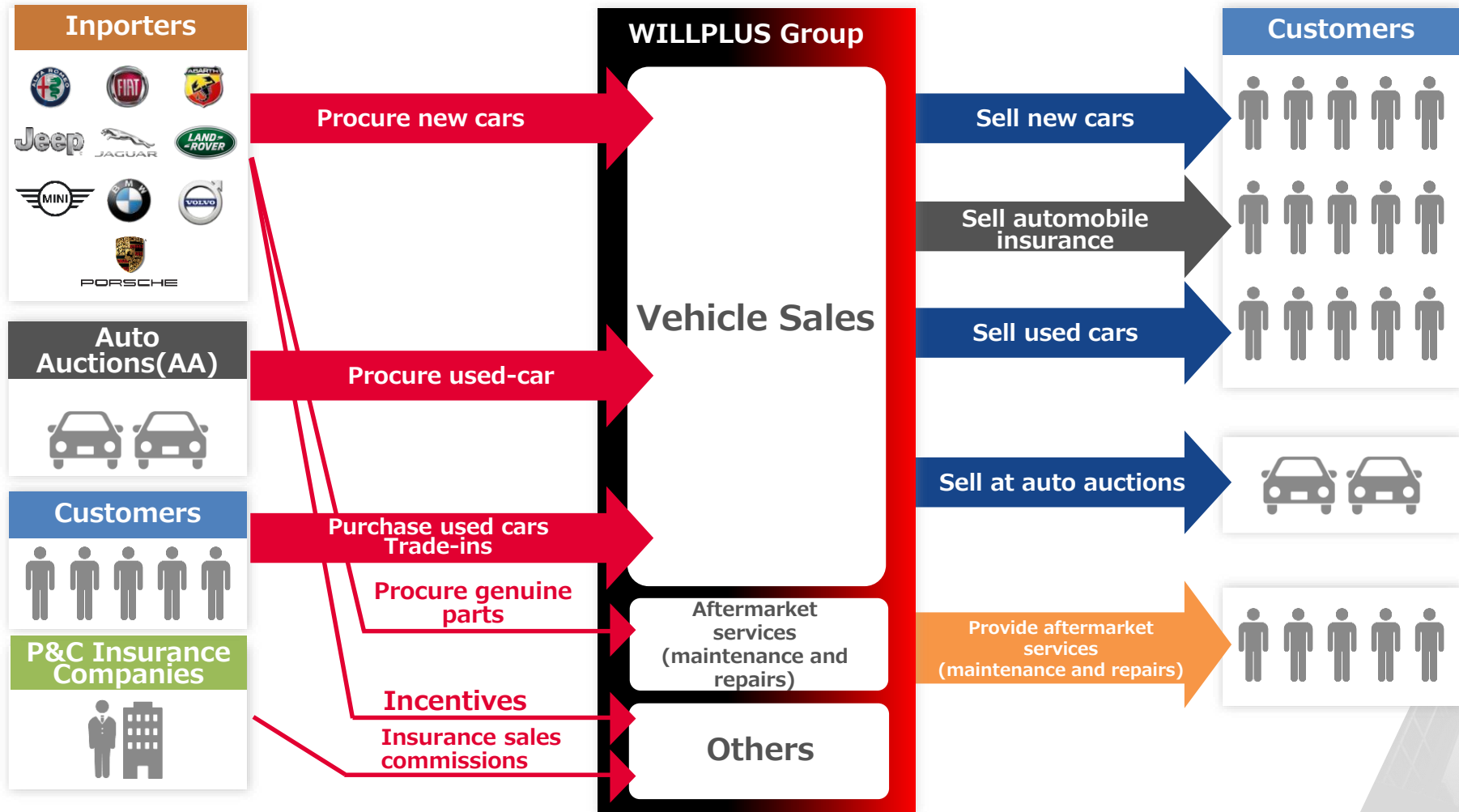
- + **Description of Business**
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- + **Initiatives in the Fiscal Year Ending June 30, 2020**
- + **Consolidated Financial Results for the Fiscal Year Ending June 30, 2020**
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- + **Shareholder Returns**
- + **Appendix**

# Description of Business

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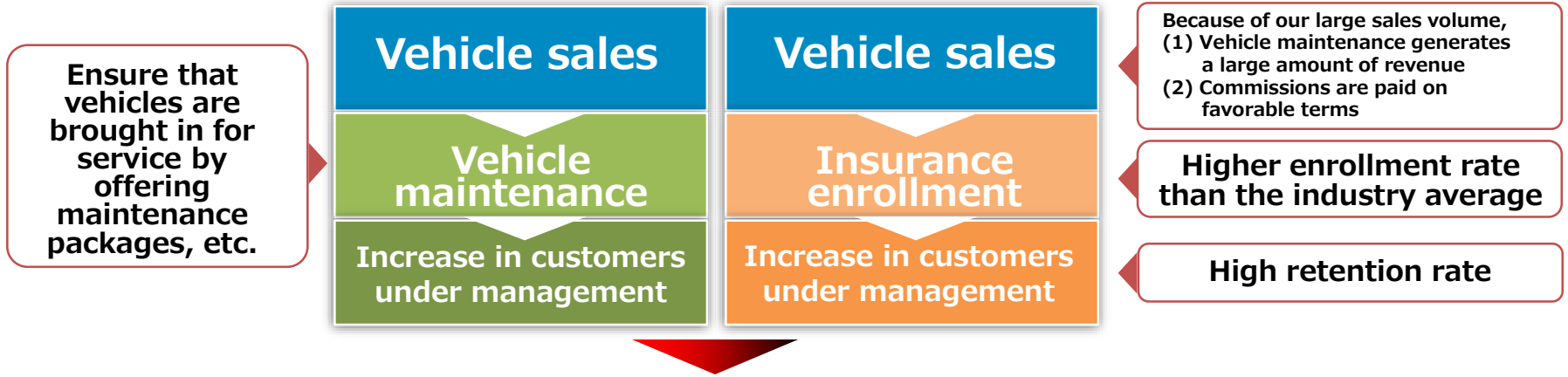
# Description of Business

Engaged in new cars, used cars, auto auction sales, vehicle maintenance and other services

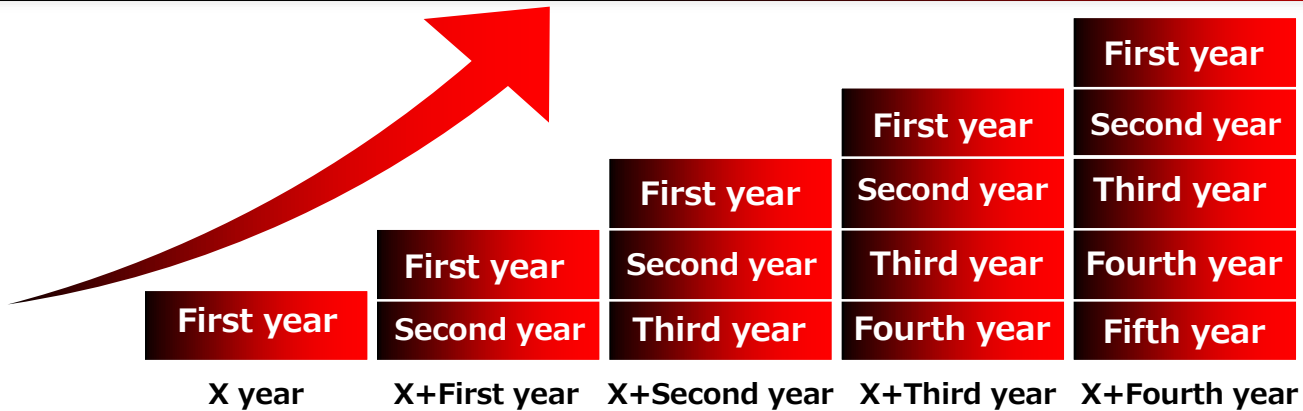


# Recurring Revenue-Based Businesses

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

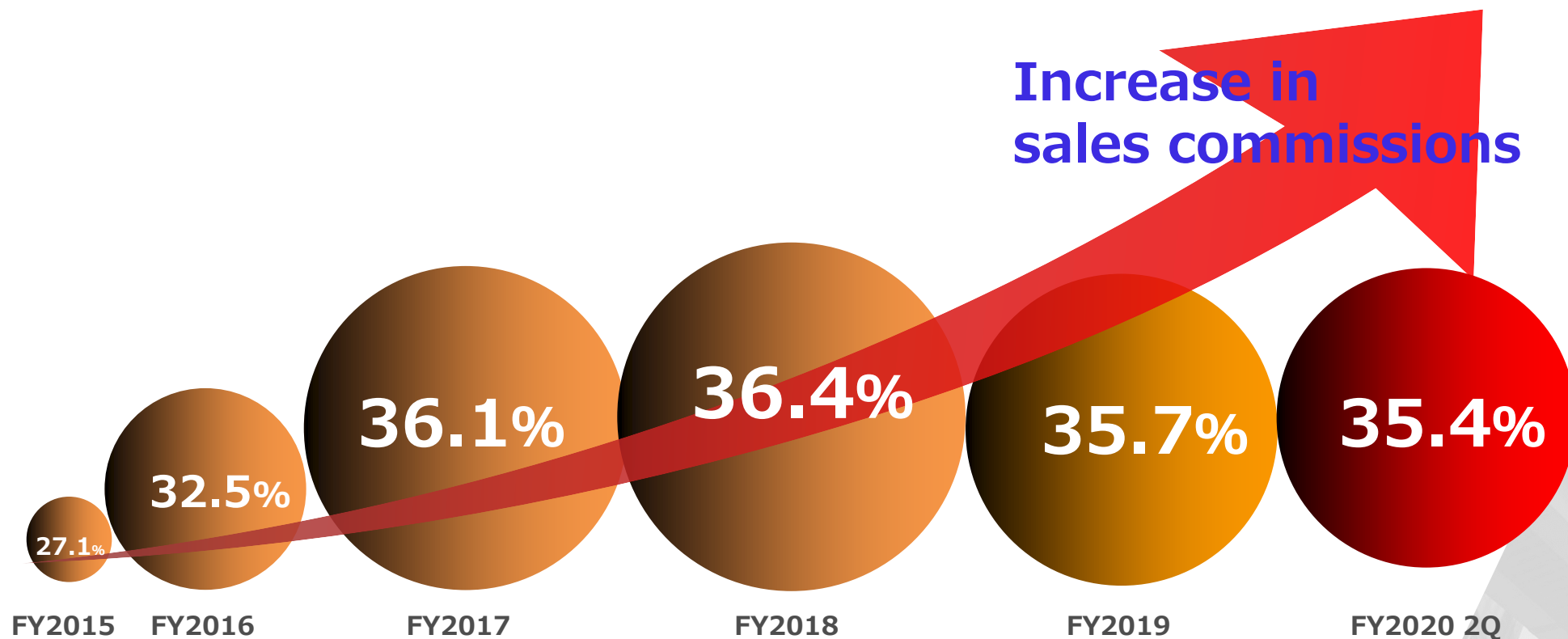


Steady revenues from a recurring revenue-based business model



# Recurring Revenue-Based Businesses

Although the voluntary automobile insurance attachment rate decreased 0.3 point year on year, sales commissions have increased year after year.



# Growth Strategies

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**Multi-Brand Strategy**

**Dominant Strategy**

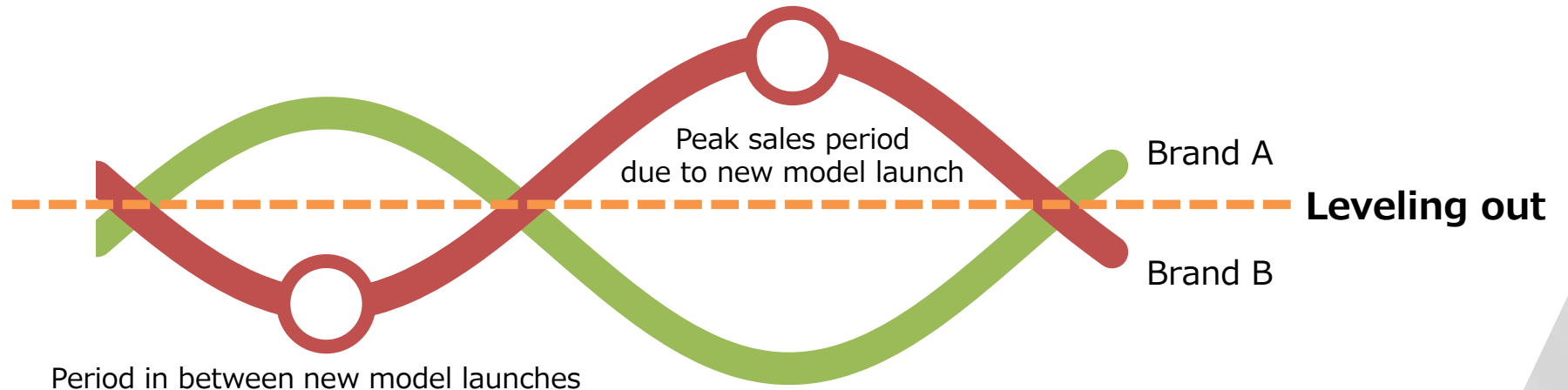
**M&A Strategy**



# 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



**X year new models**

  <b>Giulia</b>	  <b>XC60</b>	  <b>X3</b>
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**X+1 year new models**

  <b>Wrangler</b>	  <b>STELVIO</b>	  <b>X2</b>
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## Dominant dealer networks (examples)



### Kanagawa area dealer network

- ❶ Jaguar/Land Rover Shonan (Approved Hiratsuka)
- ❷ Jaguar/Land Rover Shonan (Shonan Showroom)
- ❸ Jaguar/Land Rover Shonan (Service Center)
- ❹ JEEP Fujisawa Shonan
- ❺ Alfa Romeo Fujisawa Shonan
- ❻ FIAT/ABARTH Fujisawa Shonan

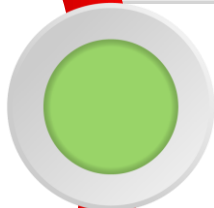


### Kitakyushu area dealer network

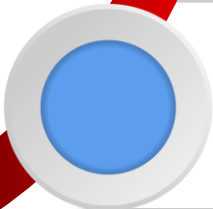
- ❶ VOLVO Car Kitakyushu
- ❷ JEEP Kitakyushu
- ❸ BMW Kokura
- ❹ BMW Yahata
- ❺ MINI Kokura
- ❻ Jaguar/Land Rover Kitakyushu



**Expanding new areas**



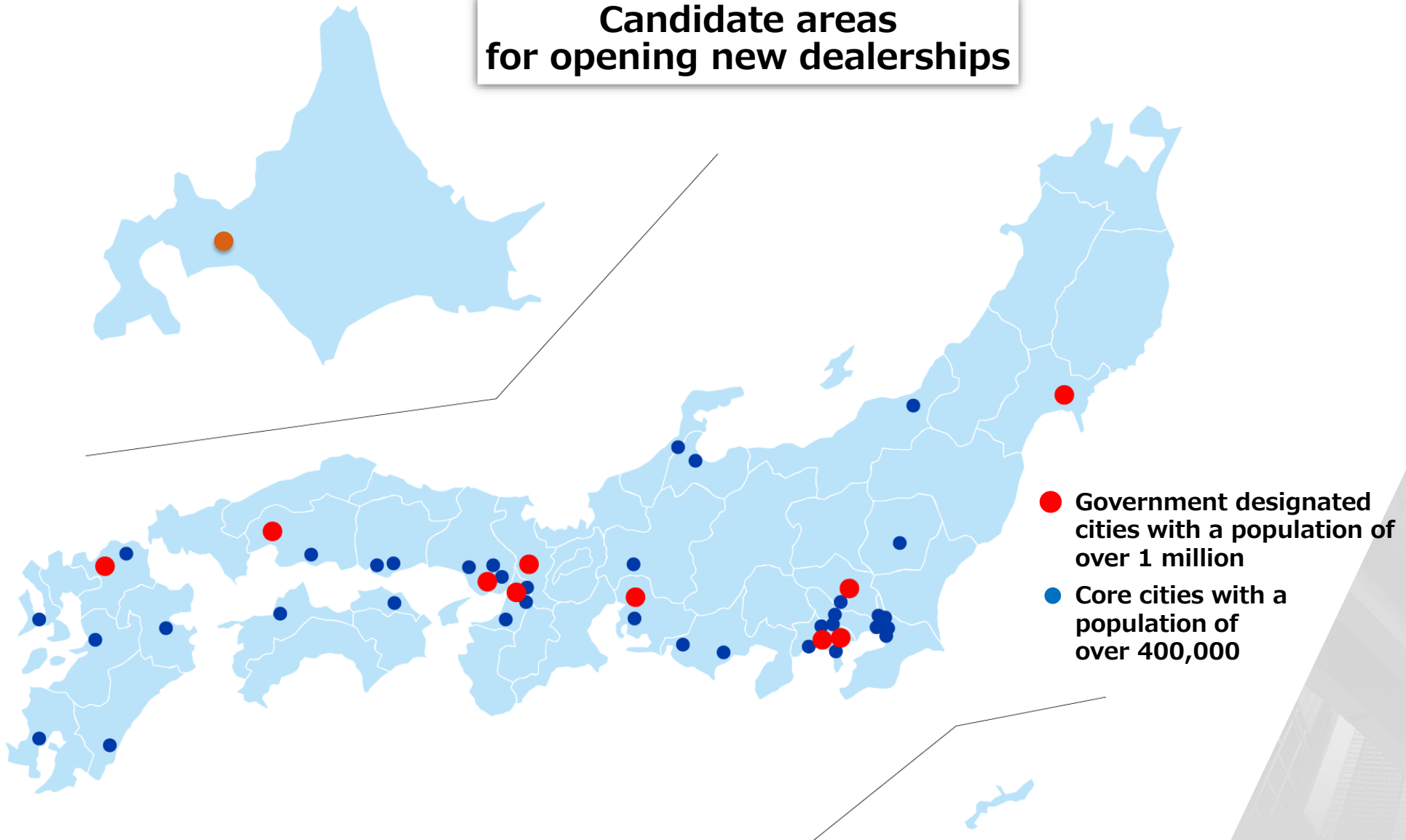
**Acquisition new brands  
(Multi-Brand Strategy)**



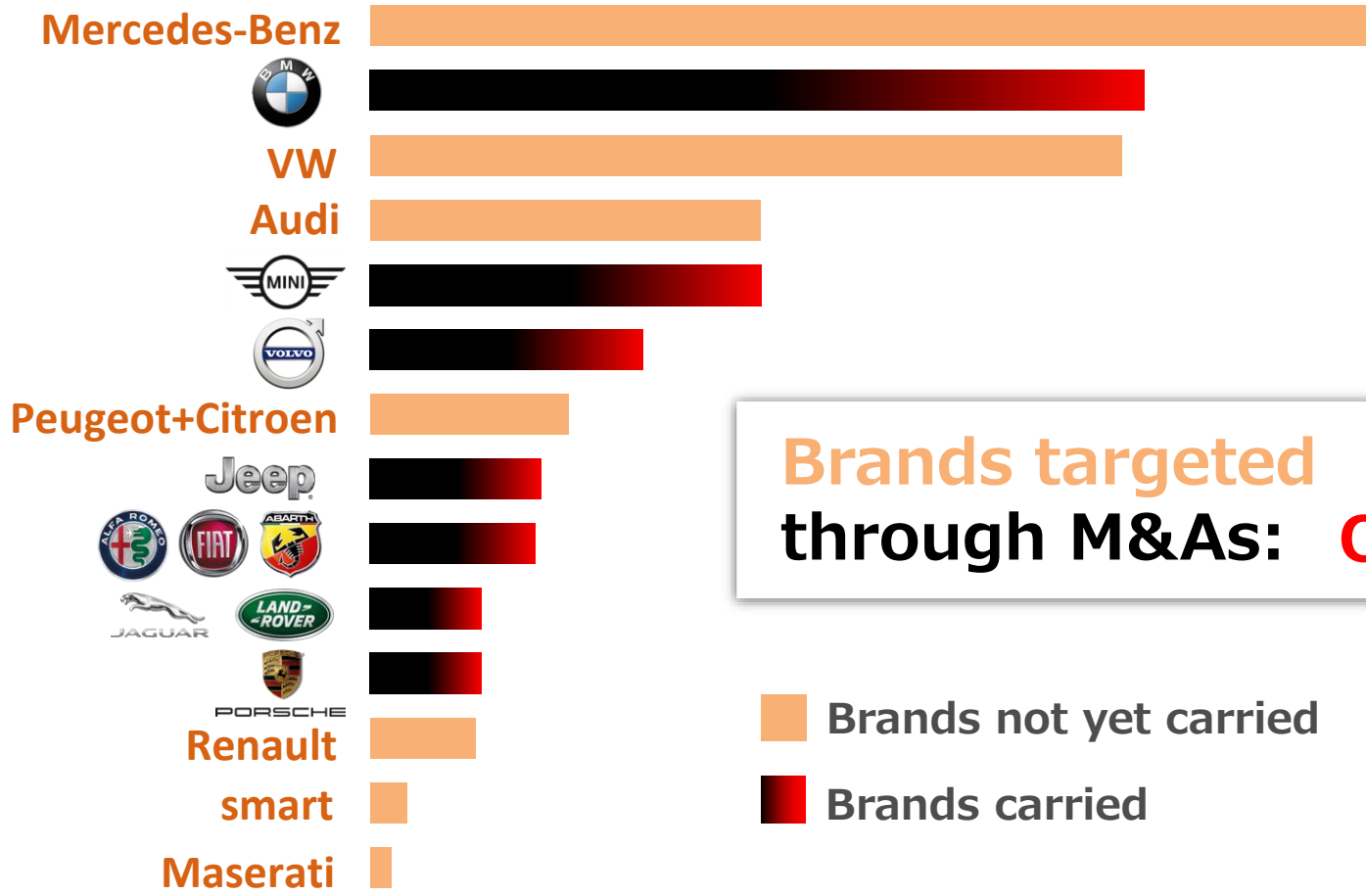
**Expand the market  
share of existing brands**

# M&A Strategy

## Candidate areas for opening new dealerships



## Brands not yet carried



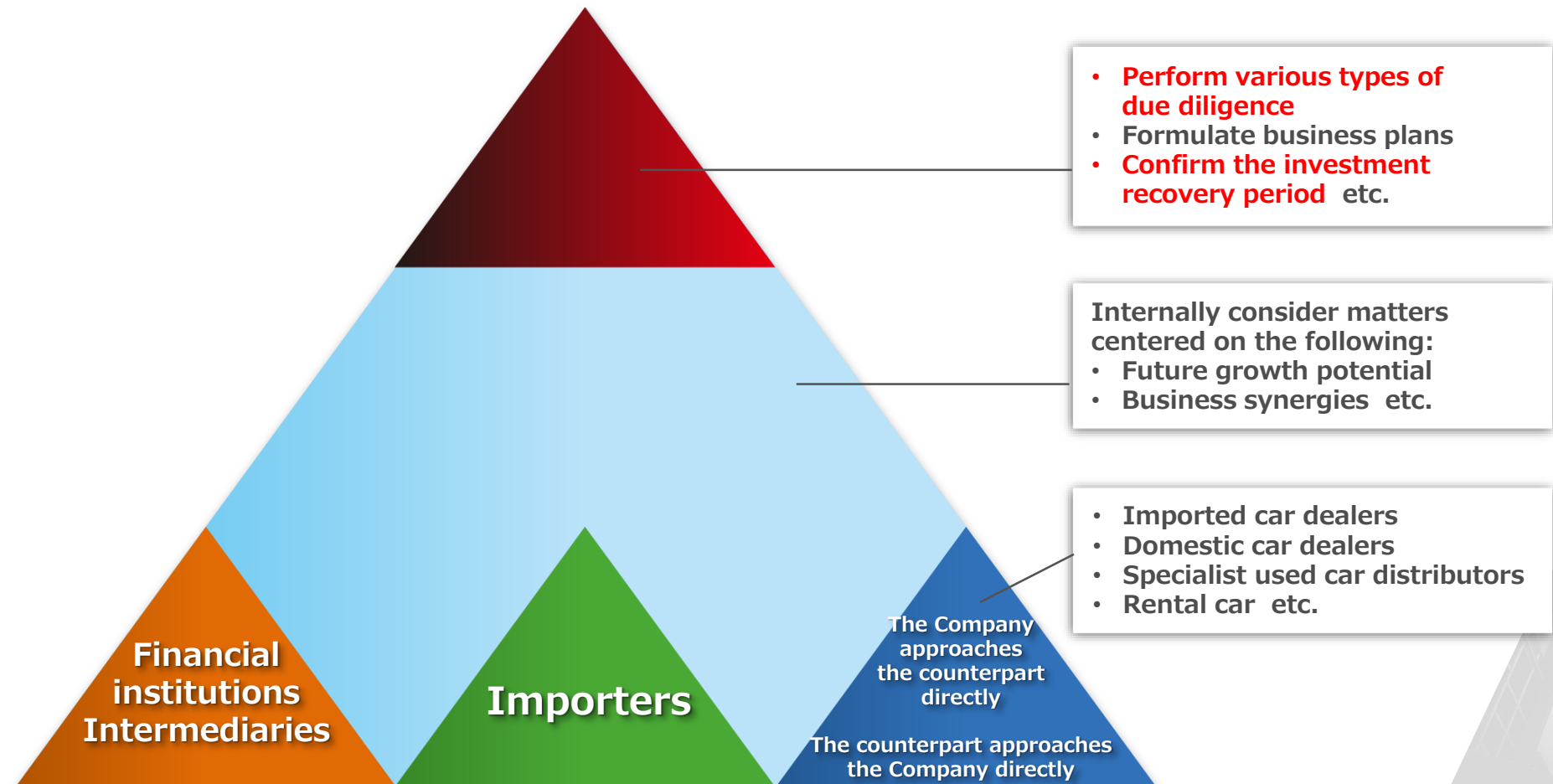
Brands targeted through M&As: **Over 9**

■ Brands not yet carried  
■ Brands carried

# M&A Strategy

## Identification and execution of M&A deals

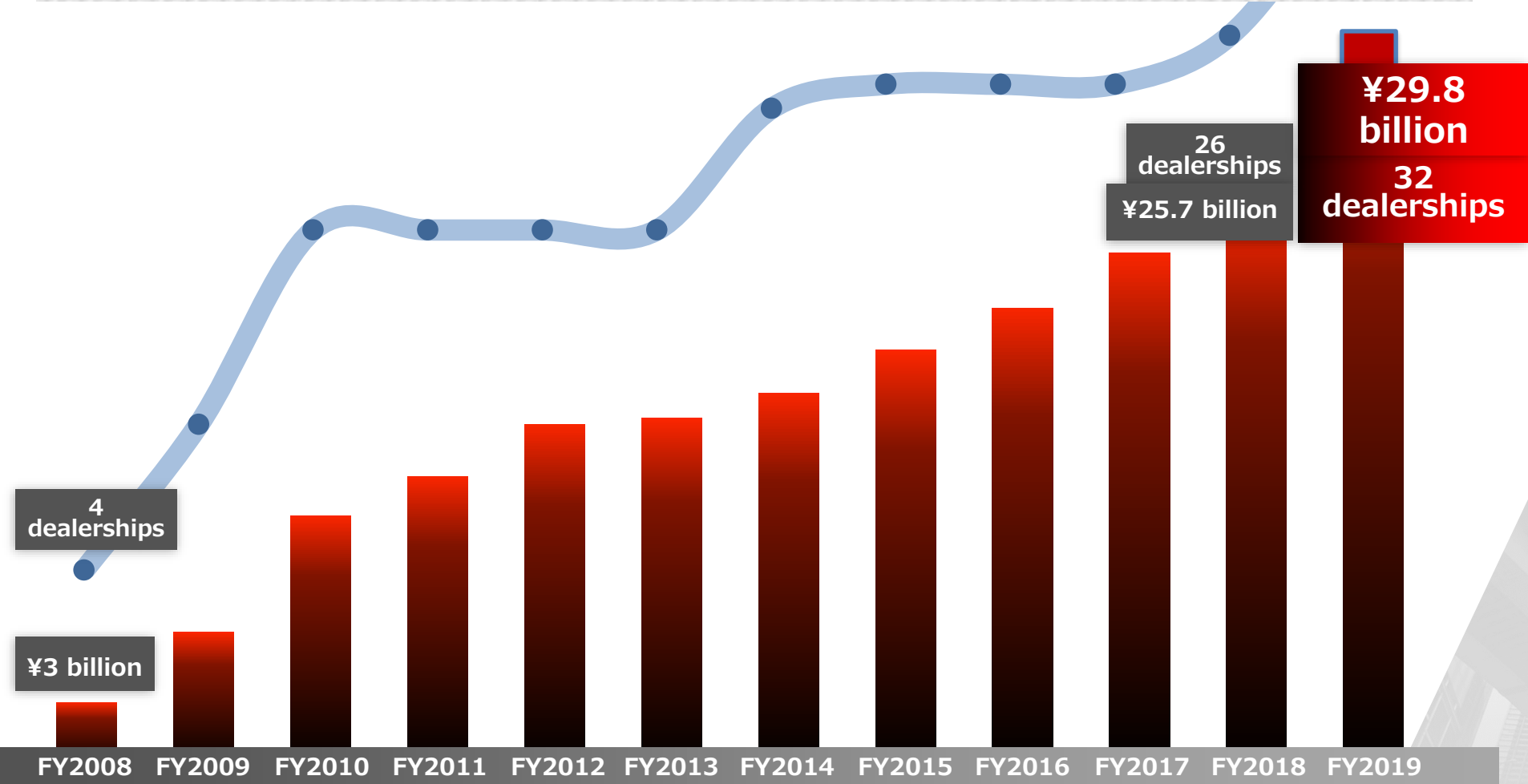
- Identify deals through such means as referrals from financial institutions and other intermediaries, and proposals put forward by importers and business owners
- Conduct due diligence only on M&A deals that meet the Company's criteria for recovering investment and execute the M&A deals following negotiations



# 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, 2020

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# Initiatives Related to Opening Dealerships

Renovated and reopened MINI Hakata and MINI NEXT Hakata dealerships  
on November 16, 2019

Conforming to the latest corporate identity (CI) features



# Initiatives Related to Opening Dealerships

Newly opened the CHECKER MOTORS Approved Munakata dealership on November 30, 2019

The Group's first specialist imported and used car dealership



# Initiatives Related to Opening Dealerships

Relocated and reopened the MINI Yamaguchi and MINI NEXT Yamaguchi dealerships on January 4, 2020

Relocated to more favorable sites

Conforming to the latest corporate identity (CI) features



# 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

## Invest in new dealerships

### 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

# Consolidated Financial Results for the Fiscal Year Ending June 30, 2020

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# Consolidated Financial Highlights

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- **Net sales: ¥17,981 million (Up 31.5% YoY)**
- **Operating profit: ¥748 million (Up 32.4% YoY)**

## **Main reasons for the increase in net sales**

- Sales were solid for JEEP and VOLVO vehicles, and various high-priced brand vehicles
- A net increase as the Group started carrying the Porsche brand
- Used car sales, sales from vehicle maintenance and other services, which are recurring revenue-based businesses, trended firmly

## **Main reasons for the increase in operating profit**

The cost of sales ratio increased due to a higher ratio of high-priced vehicles, and selling expenses rose in line with growth in net sales. However,

- Gross profit increased atop growth in net sales
- The SG&A expense ratio decreased 0.9 point on the back of efforts to effectively utilize management resources and reduce waste

# Consolidated Statements of Income

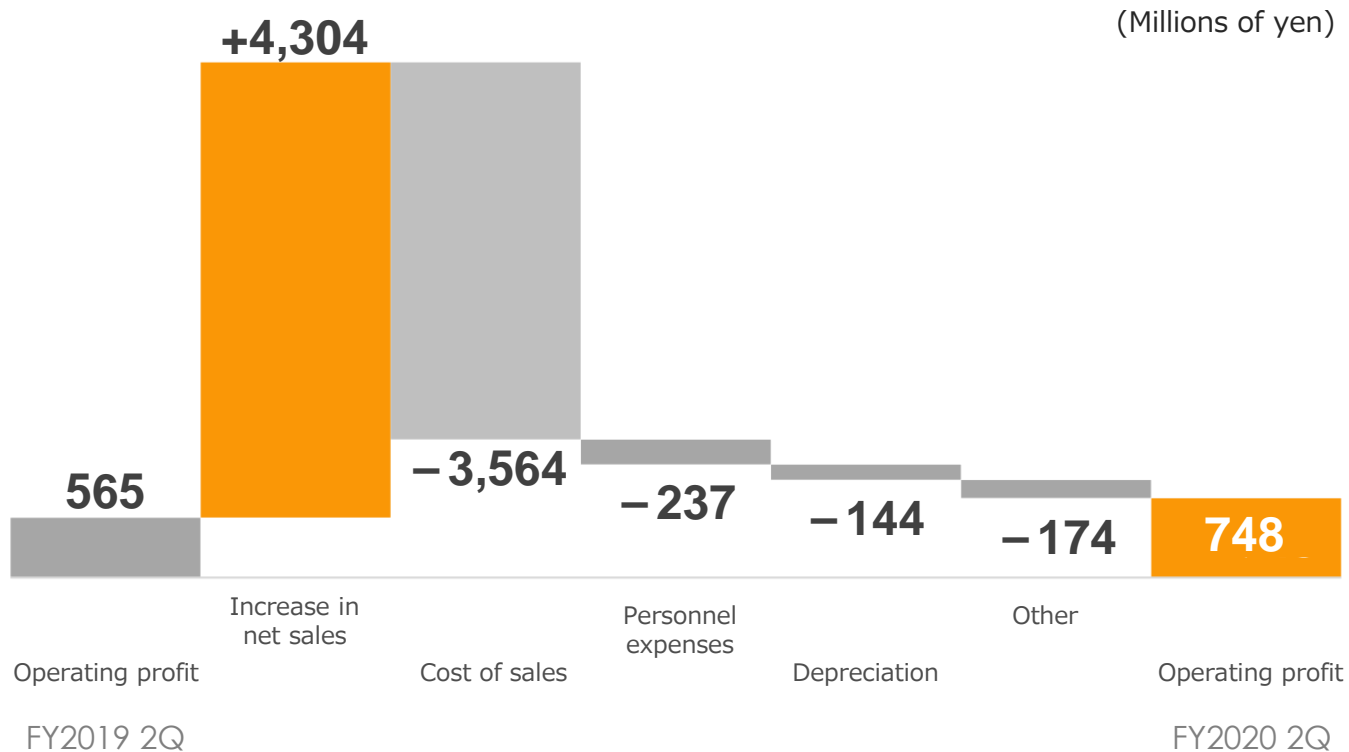
(Millions of yen)	FY2019 2Q	FY2020 2Q	Change	Percent Change
Net sales	13,677	17,981	+4,304	+31.5%
Operating profit	565	748	+ 183	+ 32.4%
Operating profit margin	4.1%	4.2%	+0.1 Pt	—
Ordinary profit	559	754	+194	+34.8%
Ordinary profit margin	4.1%	4.2%	+0.1 Pt	—
Profit	336	490	153	+45.7%
Profit margin	2.5%	2.7%	+0.2 Pt	—

**Net sales and profits both increased year on year, along with improved profit margins**

**+** The operating profit margin rose 0.1 point

# Trend in Operating Profit (Analysis of Changes)

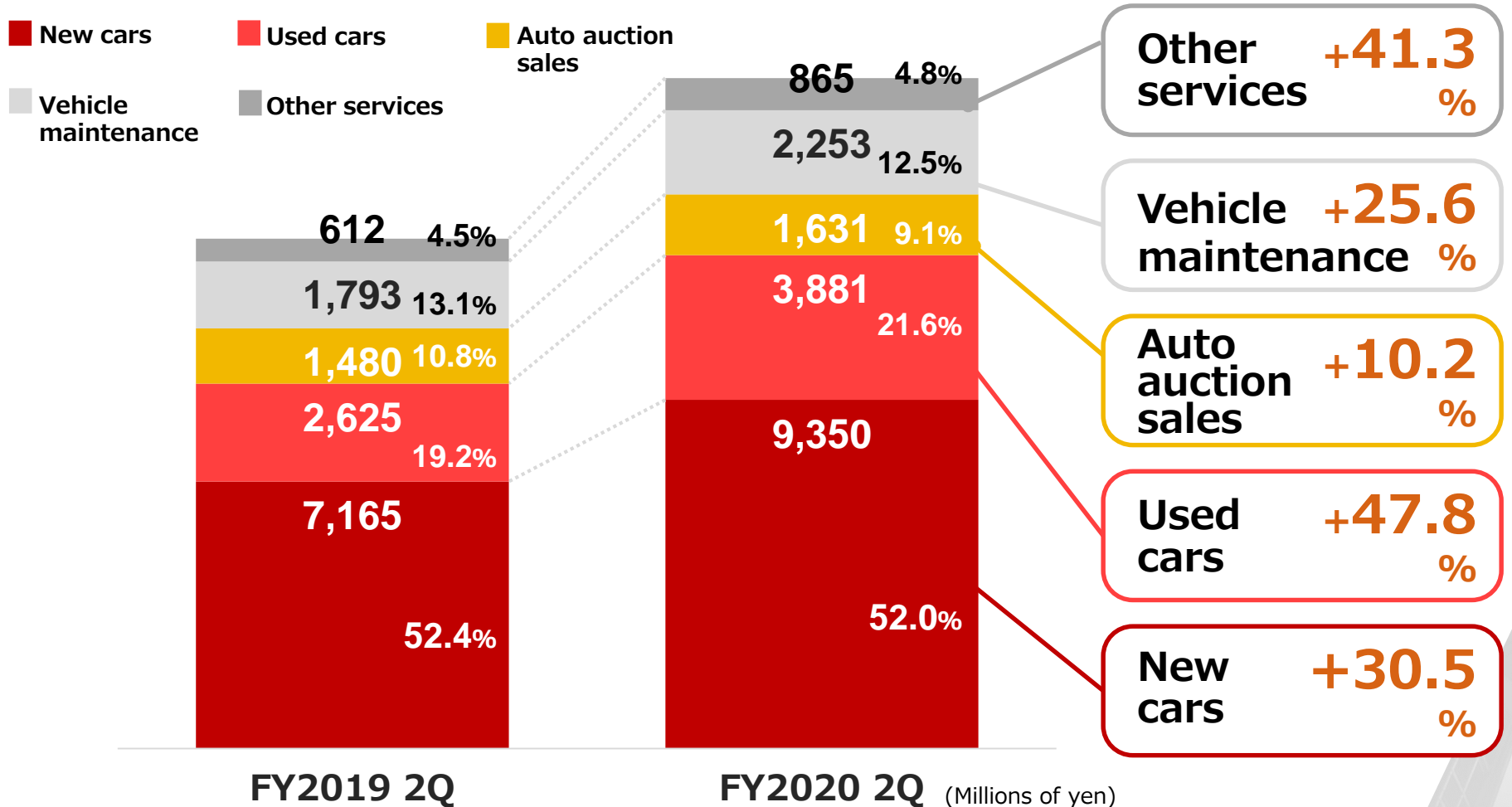
- Net sales increased year on year in every category, centered on new and used cars
- Increase in depreciation
- Increase in expenses accompanying an increase in the number of dealerships





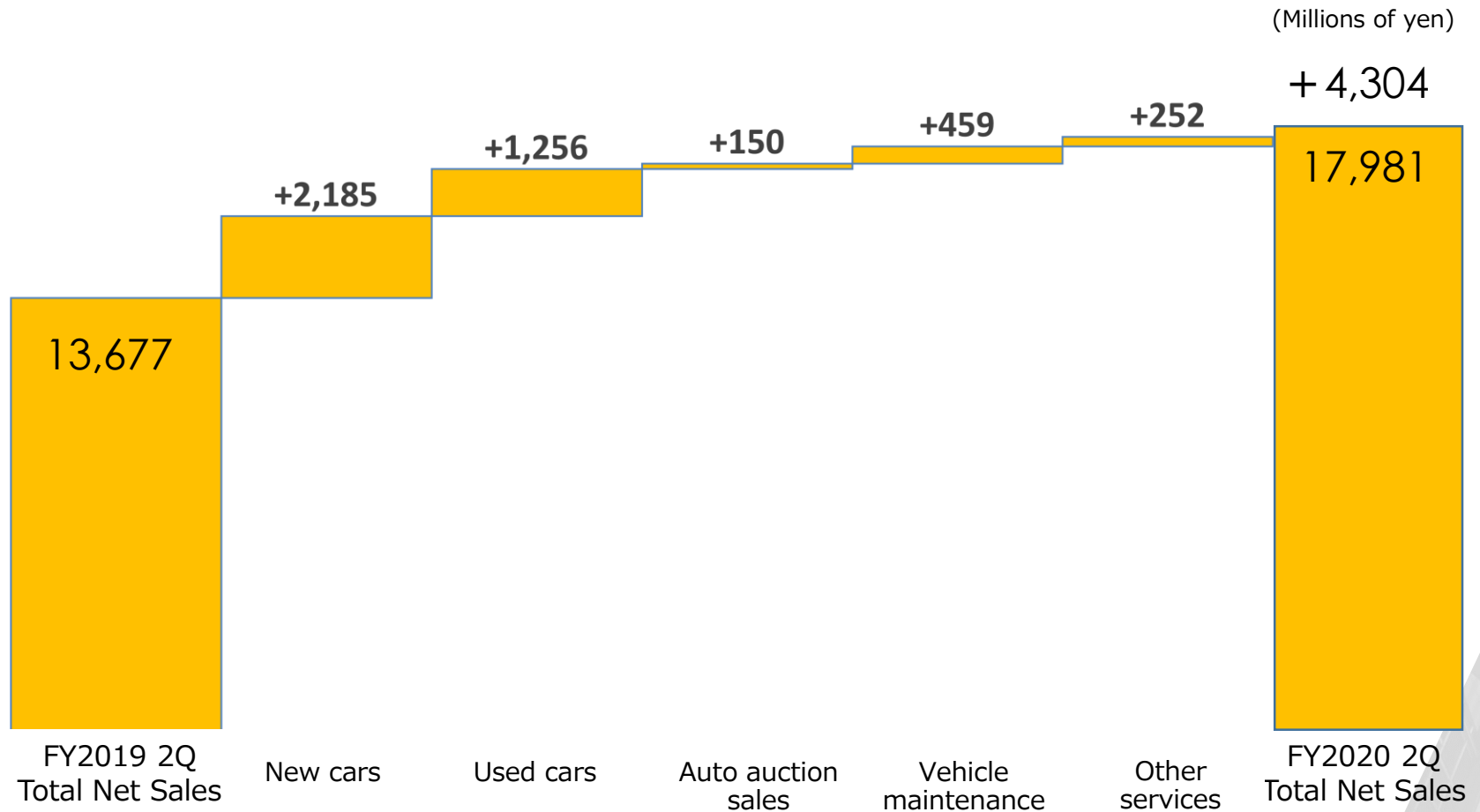
# Net Sales by Category

## ■ Sales increased year on year in every category



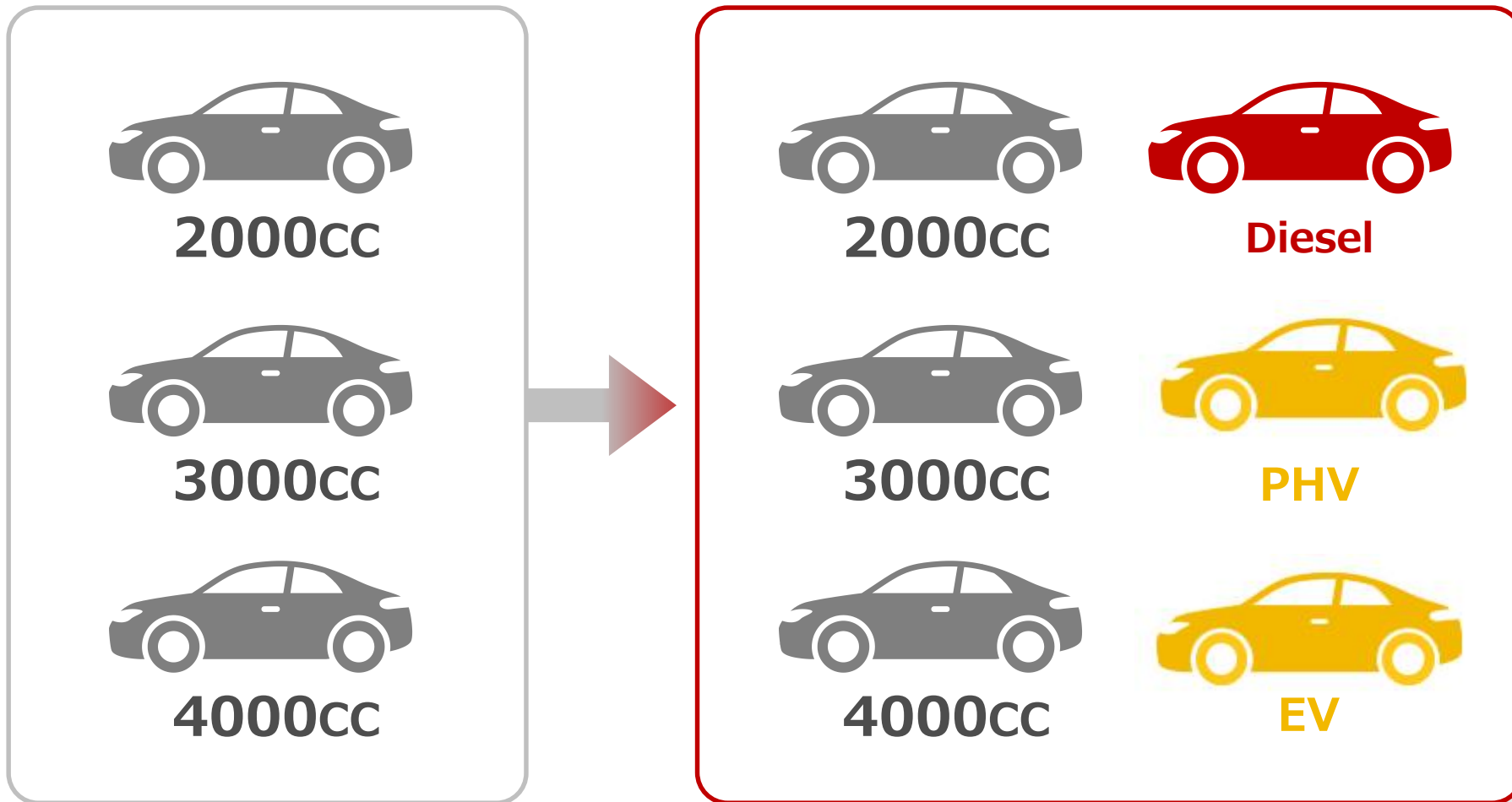
# Analysis of Changes in Net Sales by Category

- Sales increased year on year across all categories, centered on new cars



# Increase in depreciation for demonstration cars

An increasing trend in the number of demonstration cars as a more diverse array of engines becomes available



# Consolidated Balance Sheets (Assets)

(Millions of yen)	FY2019	FY2020 2Q	Change	Percent change
<b>Current assets</b>	<b>8,247</b>	<b>9,337</b>	+1,089	+13.2%
Cash and deposits	1,412	842	-569	-40.3%
Merchandise	5,338	6,929	+1,590	+29.8%
<b>Non-current assets</b>	<b>6,425</b>	<b>6,962</b>	536	+8.3%
Buildings and structures	2,546	2,791	+245	+9.6%
<b>Total assets</b>	<b>14,673</b>	<b>16,299</b>	+1,625	+11.1%
Ordinary profit to total assets	8.6%	4.9%	-3.7 Pt	-

**Total assets rose by ¥1,625 million**

✦ Of which, merchandise (new and used cars) rose by ¥1,590 million

# Consolidated Balance Sheets (Liabilities and Net Assets)

(Millions of yen)	FY2019	FY2020 2Q	Change	Percent change
<b>Current liabilities</b>	<b>7,492</b>	<b>8,948</b>	+1,456	+19.4%
Accounts payable – trade	2,532	3,276	+744	+29.4%
Short-term loans payable	2,986	3,856	+869	29.1%
<b>Non-current liabilities</b>	<b>1,759</b>	<b>1,510</b>	–249	–14.2%
<b>Total liabilities</b>	<b>9,252</b>	<b>10,459</b>	+1,206	+13.0%
<b>Net assets</b>	<b>5,421</b>	<b>5,840</b>	+418	+7.7%
<b>Return on equity</b>	<b>14.3%</b>	<b>8.7%</b>	–5.6 Pt	–
<b>Equity to total assets</b>	<b>36.9%</b>	<b>35.8%</b>	–1.1 Pt	–

**Liabilities increased primarily due to increases in accounts payable – trade and loans payable, while net assets rose by ¥418 million**

# Consolidated Statements of Cash Flows

(Millions of yen)	FY2019 2Q	FY2020 2Q	Change
Operating CF	-33	-447	-413
Investing CF	-747	-648	+98
Financing CF	425	526	+100
Net increase (decrease) in cash and cash equivalents	-354	-569	-215
Cash and cash equivalents	1,109	842	-266

## Main reasons for cash used in operating activities

Increase in inventories: ¥1,917 million • Upfront purchase of merchandise planned for sale from January onward

## Main reasons for cash used in investing activities

Purchase of property, plant and equipment: ¥609 million • Expenditures for renovating dealerships

# 2Q Comparison between Forecast and Actual Results

(Millions of yen)	FY2020 2Q forecast	FY2020 2Q results	Change	Percent change
Net sales	16,731	<b>17,981</b>	+1,250	+7.5%
Operating profit	660	<b>748</b>	+87	+13.3%
Operating profit margin	3.9%	<b>4.2%</b>	+0.3 Pt	—
Ordinary profit	656	<b>754</b>	+98	15.0%
Ordinary profit margin	3.9%	<b>4.2%</b>	+0.3 Pt	—
Profit	426	<b>490</b>	+64	+15.0%
Profit margin	2.5%	<b>2.7%</b>	+0.2 Pt	—

**Net sales were 7.5% above forecast, while operating profit was 13.3% above forecast**

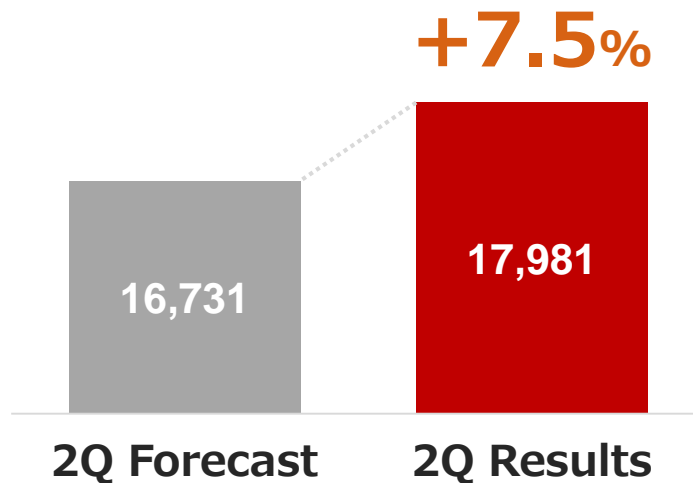
✦ The ordinary profit margin and profit margin also improved

# Highlights of Actual Results against Forecast

## Actual 2Q six-month results against forecast

### Net sales

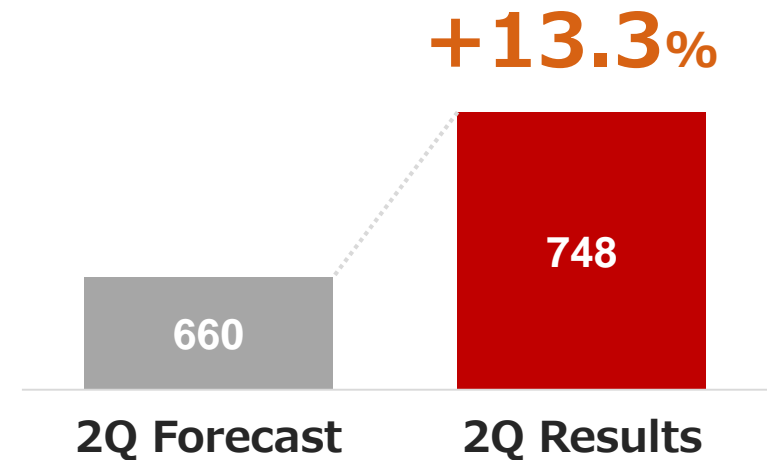
(Millions of yen)



- + New car sales were solid for Porsche, JEEP and VOLVO brands. Insurance sales commissions and vehicle maintenance rose in line with an increase in customers under management

### Operating profit

(Millions of yen)



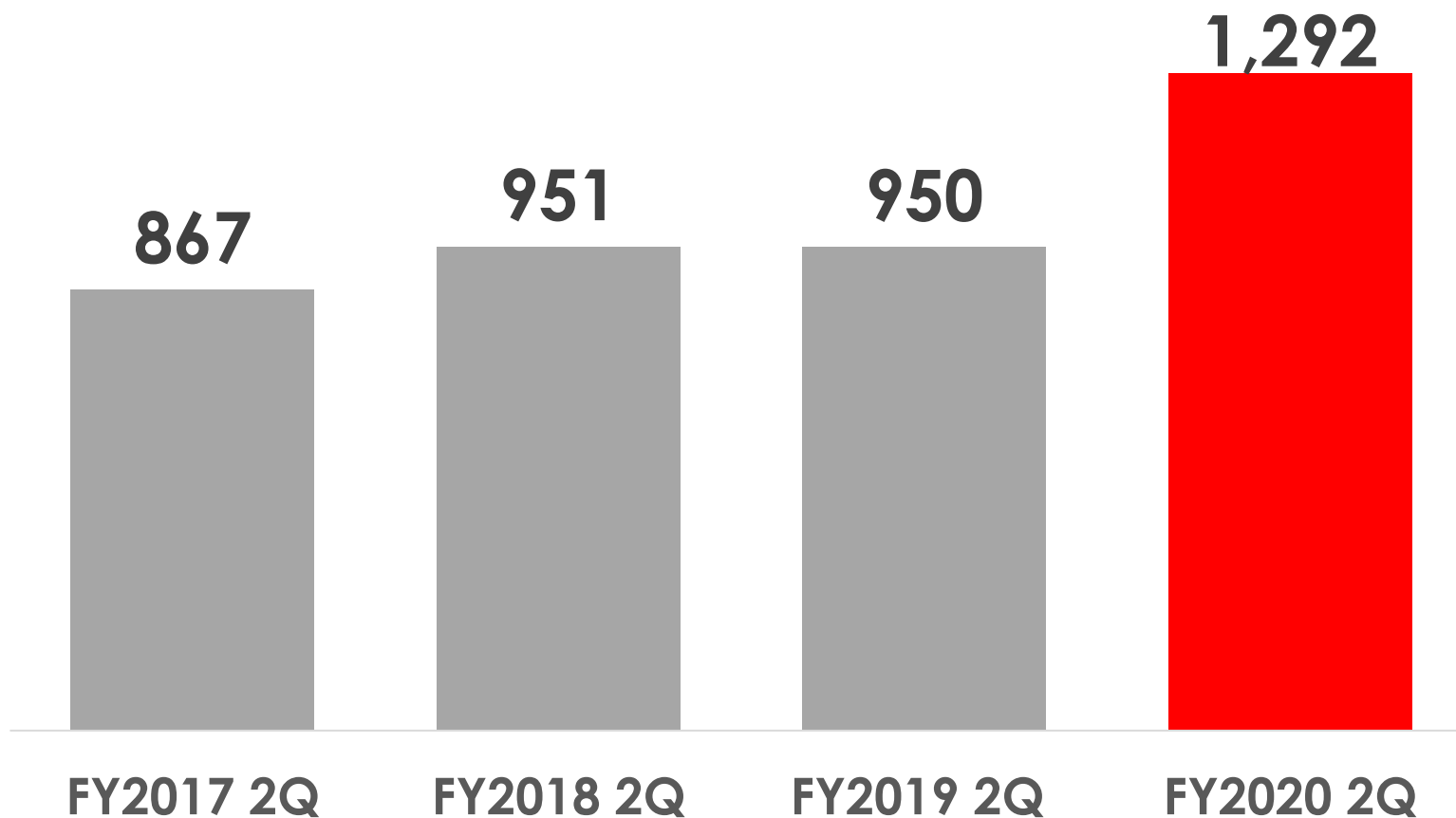
- + Selling expenses increased in line with growth in net sales  
The increase in gross profit outpaced the increase in selling, general and administrative expenses



# EBITDA

EBITDA increased ¥342 million YoY

(Millions of yen)



# Consolidated Financial Forecasts for the Fiscal Year Ending June 30, 2020

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# Highlights of Consolidated Financial Forecasts

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**Net sales: ¥34,639 million (Up 16% YoY)**

**Operating profit: ¥1,393 million (Up 24.6% YoY)**

- Continue to focus on new car sales
- Put emphasis on used car sales as well
  
- Steadily accumulate recurring revenue-based business
- Achieve steady business performance at newly opened dealerships
  
- Effectively use management resources

# Consolidated Financial Forecasts

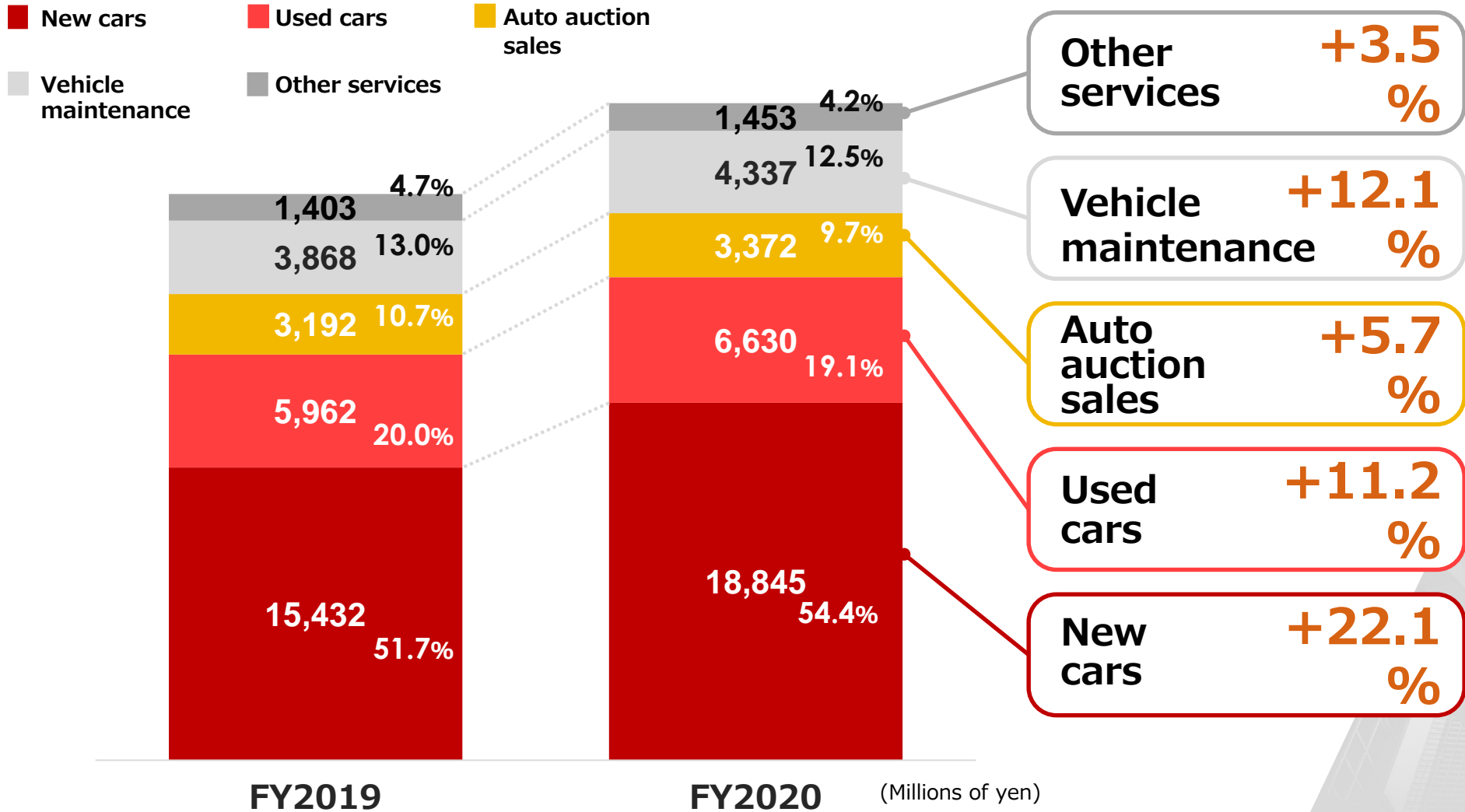
(Millions of yen)	FY2019 (Results)	FY2020 (Forecasts)	Change	Percent change
Net sales	29,860	34,639	+4,779	+16.0%
Operating profit	1,118	1,393	+274	+24.6%
Operating profit margin	3.7%	4.0%	+0.3 Pt	—
Ordinary profit	1,115	1,384	+269	+24.6%
Ordinary profit margin	3.7%	4.0%	+0.3 Pt	—
Profit	730	871	+141	+19.4%
Profit margin	2.4%	2.5%	+0.1 Pt	—

**Net sales and operating profit are both forecast to increase year on year**

There have been no changes from the initial consolidated financial forecasts

# Net Sales Forecasts by Category

Sales increased year on year in every category



# 2Q Progress

## 2Q progress against full-year forecast

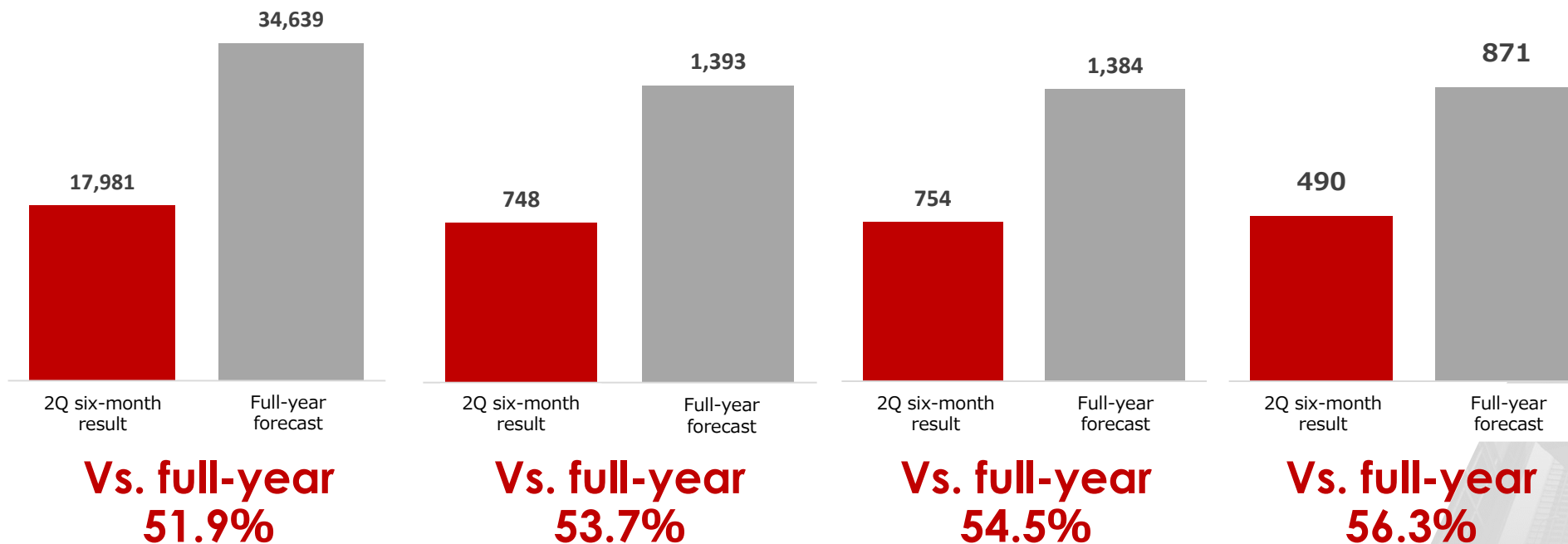
Net sales

Operating profit

Ordinary profit

Profit

(Millions of yen)



# Shareholder Returns

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# SHAREHOLDER RETURNS

Maintain stable dividends, targeting a dividend payout ratio of around 15%

The annual dividend for the fiscal year ending June 30, 2020 is forecast at ¥14.00 per share, an increase of ¥0.20 from the previous fiscal year

(Per Share)	FY2019 results	FY2020 forecast
<b>Interim dividend</b>	¥5.00	¥5.00
<b>Year-end dividend</b>	¥8.80	¥9.00
<b>Annual dividend</b>	¥13.80	¥14.00



# 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

# Appendix

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# Corporate Outline and History

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# Corporate Outline

Tradename	WILLPLUS Holdings Corporation
Representative	Takaaki Naruse, President
Established	October 25, 2007
Head office	Shiba Mita Mori Building 8th Floor, 5-13-15, Shiba, Minato-ku, Tokyo, Japan
Capital	
Listed stock exchange	¥203 million (as of June 30, 2019) First Section, Tokyo Stock Exchange (Securities code: 3538)

## WILLPLUS Holdings Corporation

### CHECKER MOTORS CORPORATION

Importers: FCA JAPAN Limited  
Jaguar Land Rover Japan Limited

Number of dealership: 17 (as of Dec. 31, 2019)

Brands carried



### Willplus Motoren Corporation

Importers: BMW Japan Corporation

Number of dealership: 9 (as of Dec. 31, 2019)

Brands carried



### Teio Auto Corporation

Importers: ¥30 million  
Volvo Car Japan Limited

Number of dealership: 4 (as of Dec. 31, 2019)

Brands carried



### Willplus Eins Corporation

Importers: Porsche Japan KK

Number of dealership: 2 (as of Dec. 31, 2019)

Brands carried



# Corporate History

July 2008  
 Made CHECKER MOTORS CORPORATION a subsidiary  
 ⇒Entered the Kanto area in earnest  
 ⇒Began carrying the FIAT and Alfa Romeo brands

July 2009  
 Took over two directly operated dealerships from Chrysler Japan Co., Ltd.

September 2009  
 Willplus Motoren Corporation. took over the business of five BMW/MINI dealerships  
 ⇒Began carrying the BMW and MINI brands

April 2014  
 Made Teio Auto Corporation a Subsidiary  
 ⇒Began carrying the VOLVO brand

November 2017  
 Established Willplus Eins Corporation

April 2018  
 Took over the business of Jaguar /Land Rover Shonan  
 ⇒Began carrying the Jaguar /Land Rover brands

December 2018  
 Took over the business of Porsche Sendai  
 ⇒Began carrying the Porsche brand  
 ⇒Entered the Tohoku area for the first time

March 2019  
 Newly opened MINI Yamaguchi, MINI NEXT Shunan  
 ⇒Entered the Chugoku area for the first time

April 2019  
 Took over the business of Jaguar/Land Rover Mitaka

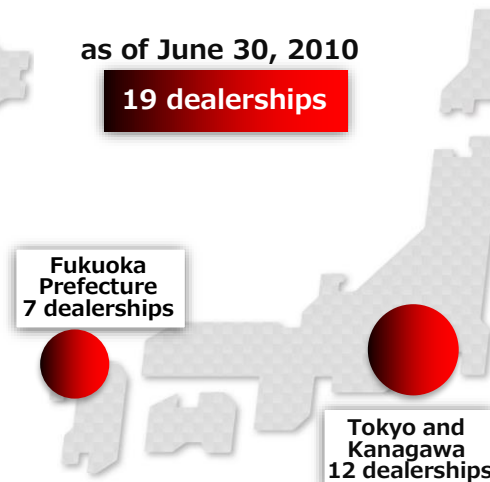
as of June 30, 2007

3 dealerships



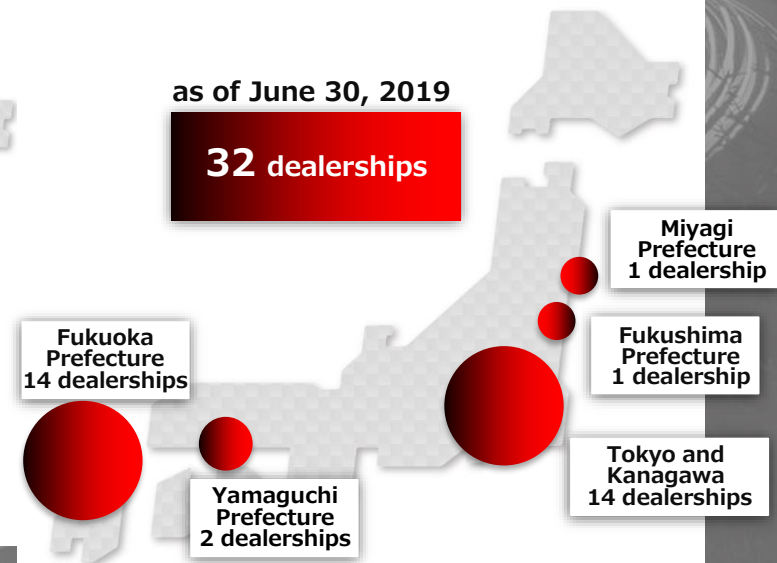
as of June 30, 2010

19 dealerships



as of June 30, 2019

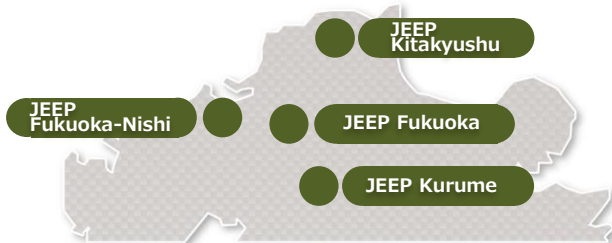
32 dealerships





Jeep **JEEP**  
Wrangler

## KYUSHU AREA



**JEEP Fukuoka**

3-19-3, Mugino, Hakata-ku,  
Fukuoka  
TEL: 092-574-4301



**JEEP Fukuoka-Nishi**

4-5-3, Fukushige, Nishi-ku,  
Fukuoka  
TEL: 092-894-5030



**JEEP Kurume**

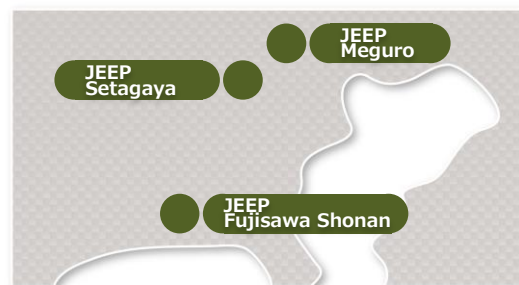
7-1-1, Higashiaikawa,  
Kurume  
TEL: 0942-40-7775



**JEEP Kitakyushu**

1-8-3, Kimachi,  
Kokurakita-ku, Kitakyushu  
TEL: 093-583-0770

## TOKYO AREA



**JEEP Setagaya**

1-34-11, Kaminoge,  
Setagaya-ku  
TEL: 03-3704-1261



**JEEP Fujisawa Shonan**

6-50, Akamatsucho,  
Chigasaki  
TEL : 0467-50-1411



**JEEP Meguro**

2-23-18, Shimomeguro,  
Meguro-ku  
TEL: 03-5436-6631

# Alfa Romeo/FIAT/ABARTH



**Alfa Romeo**  
STELVIO

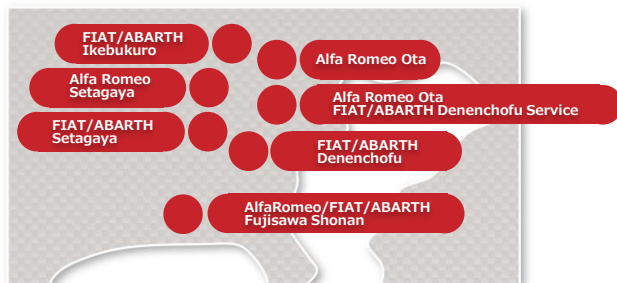


**FIAT**  
500



**ABARTH**  
124 Spider

## TOKYO AREA



**FIAT/ABARTH Denenchofu**

2-7-19, Tamagawadenenchofu,  
Setagaya-ku  
TEL: 03-3722-3722



**Alfa Romeo Setagaya**  
**FIAT/ABARTH Setagaya**

2-4-11, Setagaya, Setagaya-ku  
TEL: 03-5426-4301



**FIAT/ABARTH Ikebukuro**

4-9-2, Komone, Itabashi-ku  
TEL: 03-5917-0377



**Alfa Romeo/FIAT/ABARTH**  
**Fujisawa Shonan**

6-50, Akamatsucho, Chigasaki  
TEL: 0467-50-1421



**Alfa Romeo Ota**

1-3-8, Minamisenzoku, Ota-ku  
TEL: 03-5754-3728



**Alfa Romeo Ota**  
**FIAT/ABARTH Denenchofu Service**

1-3-8, Minamisenzoku, Ota-ku  
TEL: 03-5754-3722

# JAGUAR/LAND ROVER



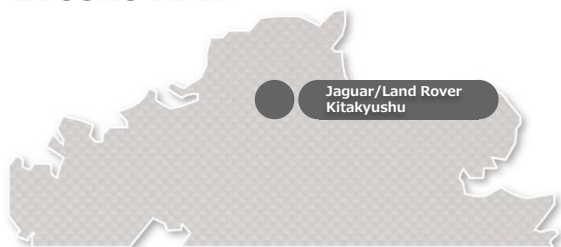
**JAGUAR**  
XF



ABOVE & BEYOND

**LAND ROVER**  
RANGE ROVER VELAR

## KYUSHU AREA



Jaguar/Land Rover Shonan  
Shonan Showroom

2-22, Shiomidai, Chigasaki  
TEL: 0467-39-5517



Jaguar/Land Rover Shonan  
Approved Hiratsuka

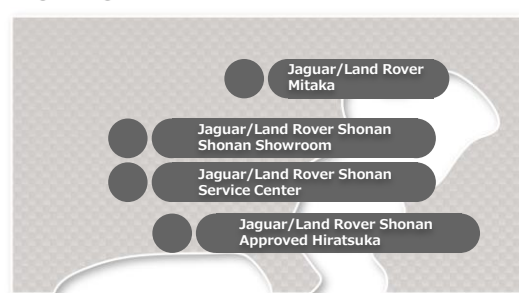
5-10-9, Shinomiya, Hiratsuka  
TEL: 0463-51-4088



Jaguar/Land Rover Shonan  
Service Center

3-3-7, Shinomiya, Hiratsuka  
TEL: 0463-23-2188

## TOKYO AREA



Jaguar/Land Rover Mitaka

3-25-12, Nozaki, Mitaka  
TEL: 0422-31-1120



Jaguar/Land Rover Kitakyushu

2-9-1, Anoo, Yahatanishi-ku,  
Kitakyushu  
TEL: 093-641-3737



# BMW



## BMW BMW 5 Series Sedan

### KYUSHU AREA

Willplus BMW Yahata

Willplus BMW Kokura

BMW Premium Selection Yahata



**Willplus BMW Kokura**

1-1-25, Tatemachi, Kokurakita-ku,  
Kitakyushu  
TEL: 093-591-1166



**Willplus BMW Yahata**

2-1-1, Momozono, Yahatahigashi-ku,  
Kitakyushu  
TEL: 093-663-6555



**BMW Premium Selection Yahata**

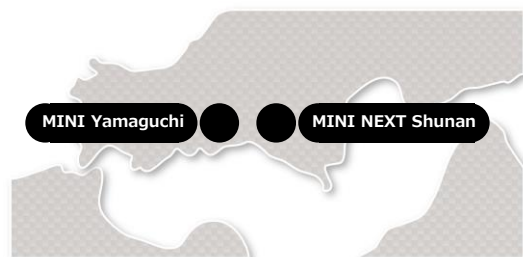
2-1-1, Momozono, Yahatahigashi-ku,  
Kitakyushu  
TEL: 093-663-6555

## KYUSHU AREA



**MINI**  
MINI 3 DOOR

## CHUGOKU AREA



**MINI Kokura**

1-7-10, Kimachi,  
Kokurakita-ku, Kitakyushu  
TEL: 093-571-4132



**MINI Fukuoka-Nishi**

3-33-11, Fukushige, Nishi-ku,  
Fukuoka  
TEL: 092-892-8132



**MINI Hakata**

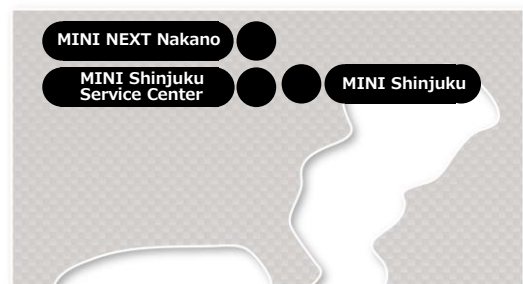
3-19-5, Mugino, Hakata-ku,  
Fukuoka  
TEL: 092-593-9832



**MINI Shinjuku**

6-14-1, Nishi-Shinjuku,  
Shinjuku-ku  
TEL: 03-5909-8632

## TOKYO AREA



**MINI NEXT Nakano/MINI  
Shinjuku Service Center**

2-28-10, Eharacho,  
Nakano-ku  
TEL: 03-3954-5021



**MINI Yamaguchi**

939-1, Asada, Yamaguchi  
TEL: 083-901-3132



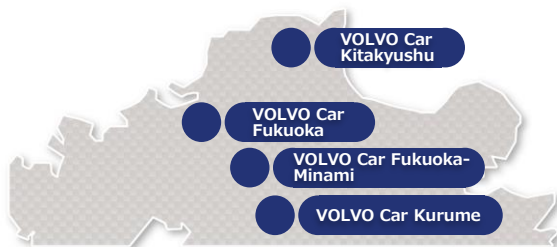
**MINI NEXT Shunan**

13-7, Yokohamacho, Shunan  
TEL: 0834-33-6800



**VOLVO**  
XC40

## KYUSHU AREA



**VOLVO Car Fukuoka**  
3-20-38, Iikura, Sawara-ku, Fukuoka  
TEL: 092-832-2233



**VOLVO Car Fukuoka-Minami**  
4-12-1, Mikasagawa, Onojo  
TEL: 092-504-8800



**VOLVO Car Kitakyushu**  
4-7-22, Ichieda, Tobata-ku, Kitakyushu  
TEL: 093-873-3838

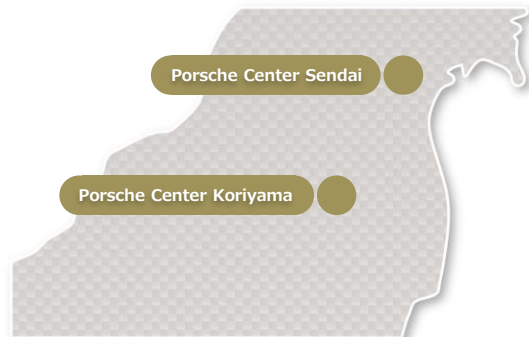


**VOLVO Car Kurume**  
4-1-27, Higashiaikawa, Kurume  
TEL: 0942-45-0960

# PORSCHE



## TOHOKU AREA



Porsche Center Sendai

2-1-13, Yamanotera, Izumi-ku,  
Sendai  
TEL: 022-375-0911



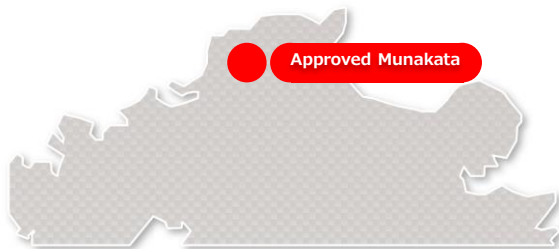
Porsche Center Koriyama

16-200, Matsugasaku, Kikutamachi,  
Koriyama  
TEL: 024-963-1911

# CHECKER MOTORS Co., LTD.



## KYUSHU AREA



# Market Trends

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# Japan's Automobile Market

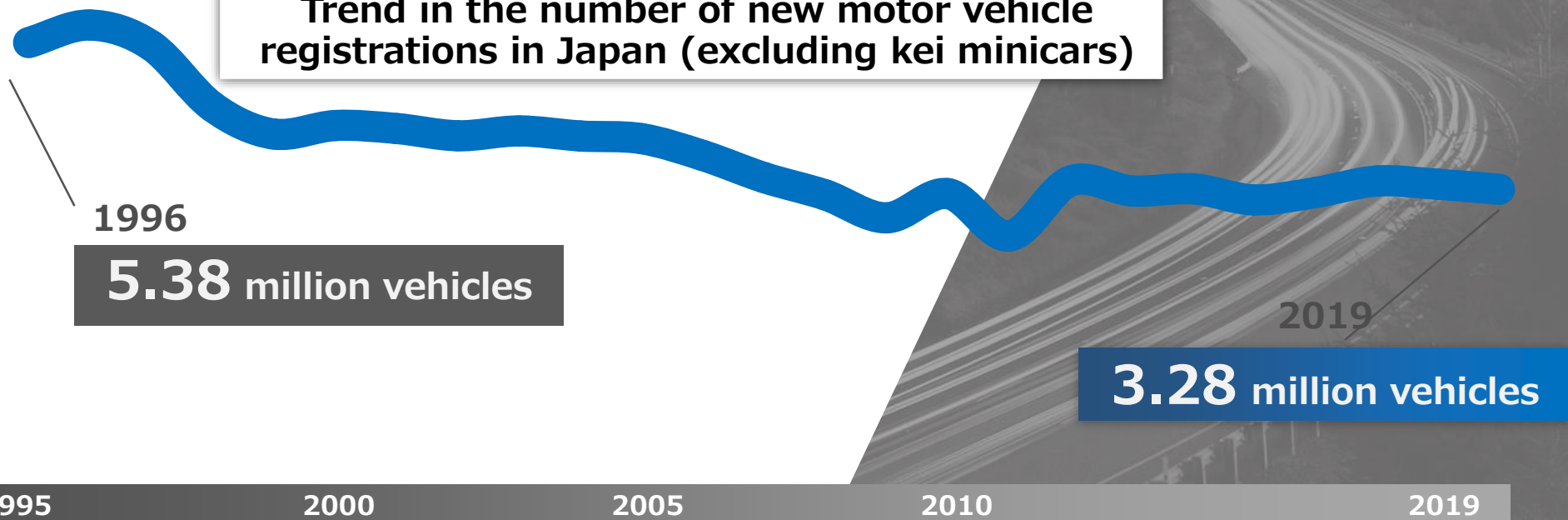
## A declining trend in the number of new motor vehicle registrations in Japan

Aging society with fewer children

Lengthening periods of vehicle ownership due to improved vehicle performance

Changes in consumption styles and preferences

Trend in the number of new motor vehicle registrations in Japan (excluding kei minicars)

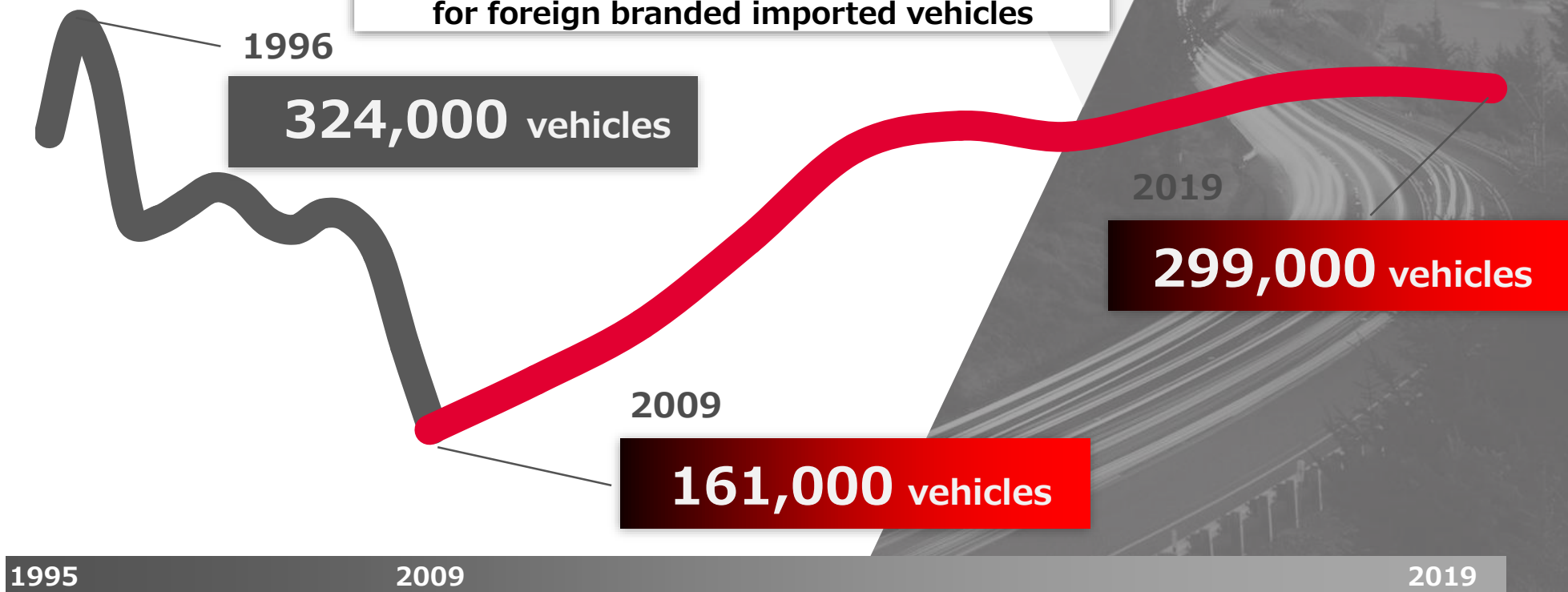


# Japan's Market for Imported Vehicles

## Growth trend in Japan's market for imported vehicles

The number of new motor vehicle registrations has increased since the Lehman Brothers bankruptcy

Number of new motor vehicle registrations for foreign branded imported vehicles

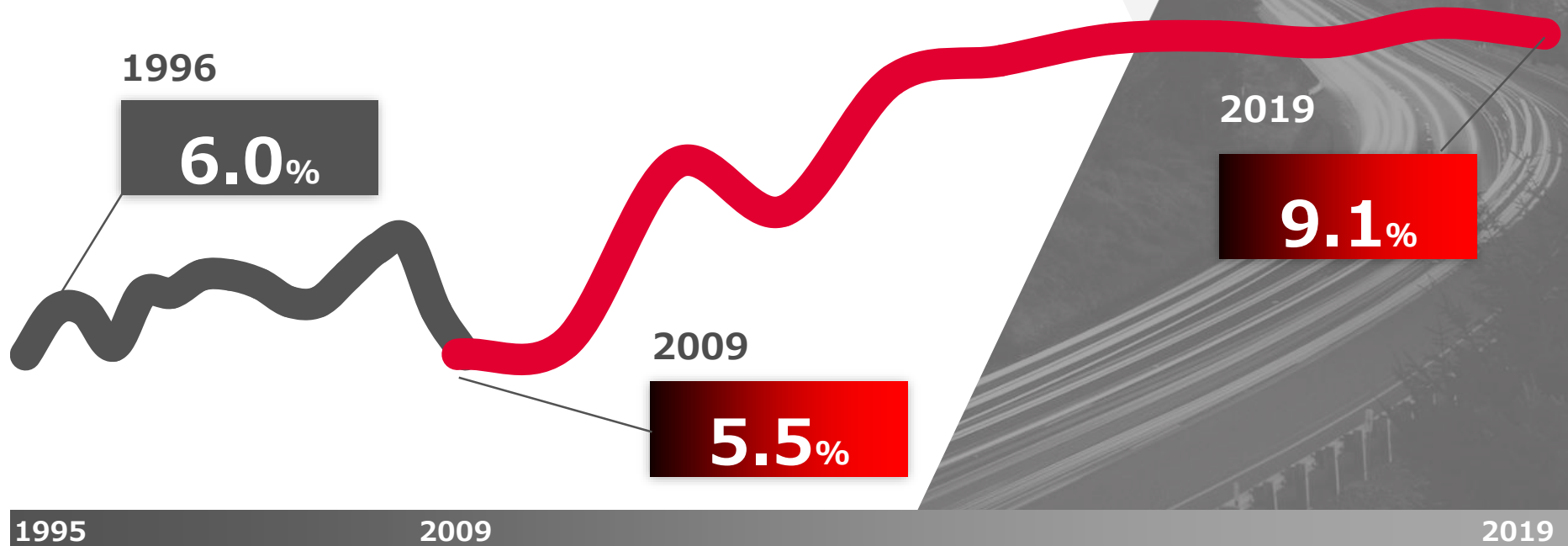




# Japan's Market for Imported Vehicles

The share of imported vehicles in the domestic passenger vehicle market (excluding kei minicars) has increased

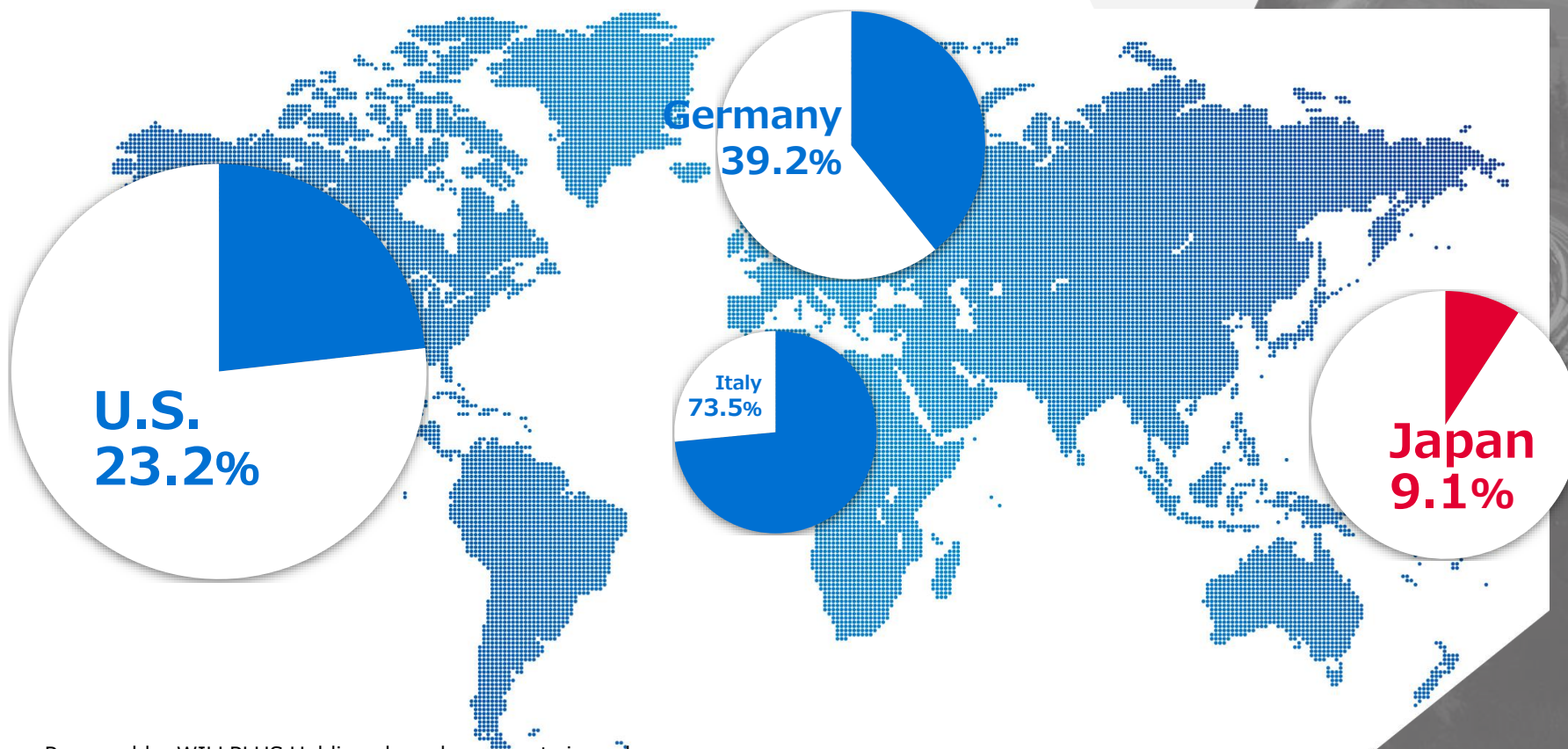
Share of imported vehicle registrations in the number of new motor vehicle registrations in Japan (excluding kei minicars)



# Expand Market Share of Imported Vehicles in Japan

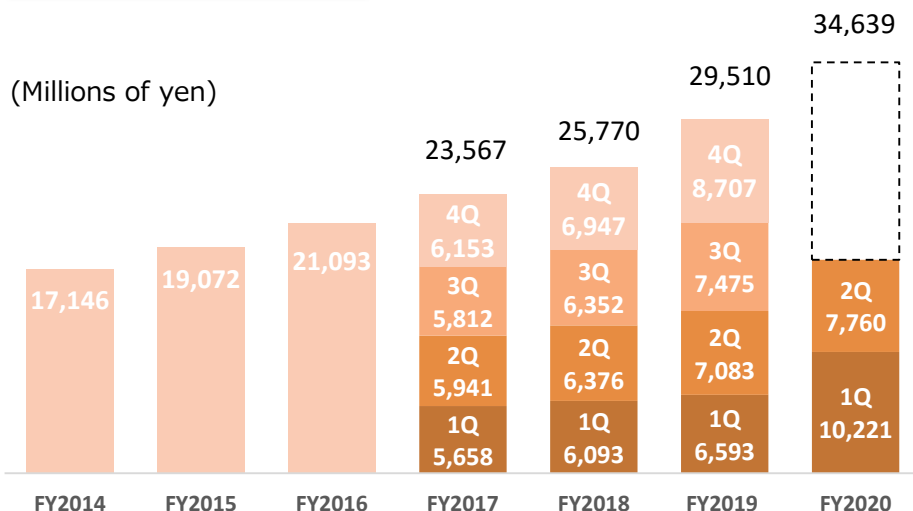
The market share of imported vehicles in Japan is growing, but it is still lower than in various other countries

- The share of imported vehicles in Germany 39.2%, while Germany also carries the following brands:

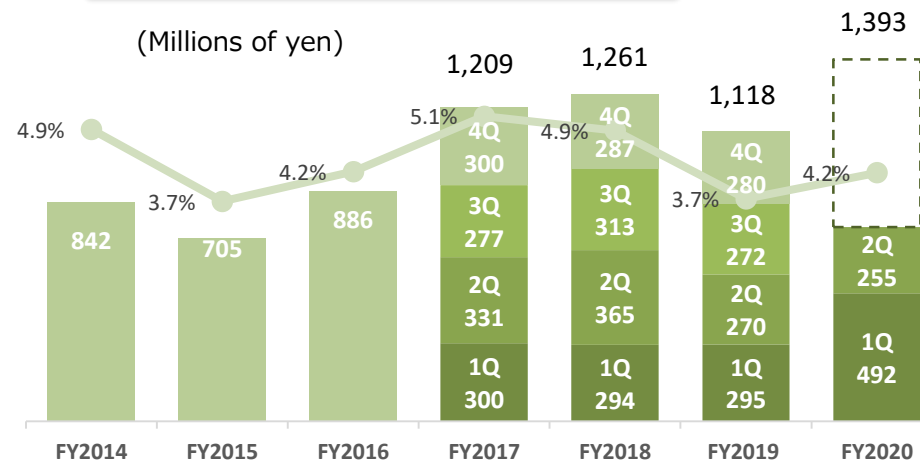


# Results and Stock Price Data

## Trend in net sales

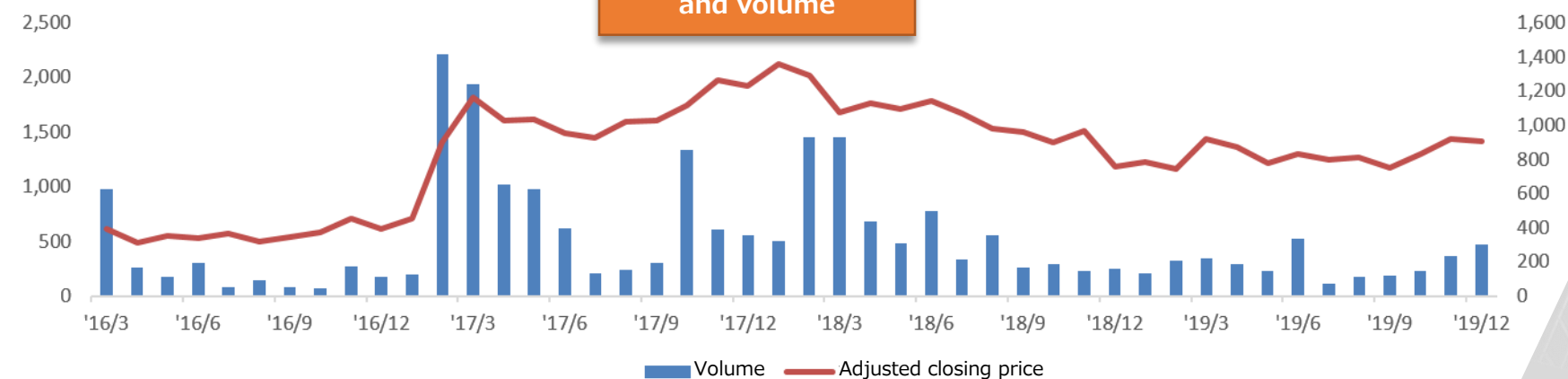


## Trend in operating profit and operating profit margin



(Volume: thousands of shares)

## Trend in stock price and volume



# Disclaimer and Contact Information



## +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

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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.

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Administrative Department, WILLPLUS Holdings Corporation**

**E-mail: [ir-info@willplus.co.jp](mailto:ir-info@willplus.co.jp)**

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