



February 28, 2017

**AUTOBACS announces Transfer of Shares of its Consolidated Subsidiary**

February 28, 2017 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company” Representative Director and CEO: Kiomi Kobayashi) announces transfer of all shares held by AUTOBACS SEVEN in its consolidated subsidiary AUTOBACS YAMAGATA Ltd. (“AB YAMAGATA”) to Shinbo Ltd (“Shinbo”), a member corporation of the AUTOBACS franchise chain.

Details are as follows:

1. Purpose of transfer of shares of subsidiary

AUTOBACS Group is aiming to increase market share and improve store profitability by strengthening its franchise chain business in Japan. As part of the effort, the Company decided to consolidate store ownership in UETSU area, to simplify the operational structure and increase area competitiveness and management efficiency.

2. Outline of transfer of shares of subsidiary

Sinbo, which is one of the Company’s franchisees, is taking over all shares of AUTOBACS YAMAGATA from AUTOBACS SEVEN effective April 1, 2017 (scheduled date).

3. Overview of the transferor company

As of February 28, 2017

(1) Company name:	AUTOBACS YAMAGATA Ltd. (AB YAMAGATA)	
(2) Location:	Yamagata city, Yamagata	
(3) Representative:	Junichi Asano	
(4) Line of business:	Retail of car goods and services (Operation of seven AUTOBACS stores)	
(5) Capital:	JPY 100 million	
(6) Established:	September 2002	
(7) Present relationship between AUTOBACS YAMAGATA and the Company:	Capital relationship	The Company holds 100% of all outstanding shares of AUTOBACS YAMAGATA
	Personnel relationship	An Auditor of AUTOBACS YAMAGATA has been delegated from the Company.
	Business relationship	AUTOBACS YAMAGATA and the Company have concluded AUTOBACS franchise agreement, AUTOBACS CARS franchise basic agreement, AUTOBACS CARS franchise agreement and merchandise sale and purchase agreement.



4. Overview of the transferee Company

As of February 28, 2017

(1) Company name:	Shinbo Ltd (Shinbo)	
(2) Location:	Niigata city, Niigata	
(3) Representative:	Ken Shinbo	
(4) Line of business:	Retail of car goods and services (Operation of six AUTOBACS stores) *	
(5) Capital:	JPY 50 million	
(6) Established:	May 1972	
(7) Present relationship between Shinbo and the Company:	Capital relationship	No relevant items
	Personnel relationship	No relevant items
	Business relationship	Shinbo and the Company have concluded AUTOBACS franchise agreement, AUTOBACS CARS franchise basic agreement, AUTOBACS CARS franchise agreement and merchandise sale and purchase agreement.
	Third-party relationship	Shinbo and the Company have not concluded a third-party relationship.

5. Number of shares to be transferred and Number of shares held before and after the transfer

(1) Number of shares held before the transfer	5,700 shares (Shareholding ratio: 100%)*
(2) Number of shares to be transferred	5,700 shares (Shareholding ratio: 100%)
(3) Number of shares held after the transfer	0 shares (Shareholding ratio: 0%)

6. Scheduled transfer date

- (1) Date of the decision made: February 28, 2017
- (2) Scheduled date of agreement: February 28, 2017
- (3) Scheduled date of transfer: April 1, 2017

7. Effect on performance

The influence of this transaction on AUTOBACS SEVEN's consolidated financial performance is assumed to be low.

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