Value Creation Model

Input | Activities for Value Creation | Output/Outcome

Changes in the Business Environment Society, automobiles, and people's way of life change ever more rapidly

Six Capitals

Financial capital
Sound financial basis and stable earning capacity

Social and relationship capital
Unique franchise system and reliable AUTOBACS brand

Human capital
Roughly 15,000 human resources at AUTOBACS chain

Manufactured capital
1,300 domestic and overseas sales outlets, procurement and logistics network

Intellectual capital
Private-brand product development capability, product selection and sales space creation expertise

Natural capital
Energy, plastics, and all other environmental resources

Management Philosophy

Shaping a Future Where People and Mobility Connect —With More Joy and Greater Freedom

Business Activities

2024 Medium-term Business Plan

Accelerating Towards Excellence

Aim to provide "Mobility Lifestyle Infrastructure" for our customers on a global scale

Three Strategies

"Create touch points"
to continue to support mobility lifestyles
P23

"Develop and supply products and solutions"
tailored to mobility lifestyles
P24

"Establish new business domains"
in response to changes in mobility lifestyles
P25

Human Resources Strategy	Corporate Governance	Quality Control	Compliance
P36	P41	P32	P46

Materiality P33

Creation of businesses that solve social issues	Enhancing efforts that consider the environment and society	Development of organization and personnel	Sustainable and strong management base

Outcome

New value that meets the fundamental needs of our customers

- Self-expression
- Experience & Discovery
- Greater Convenience
- Environmentally Friendly
- Annoyance Relief
- Safety & Security

Output

FY2026 Performance Targets

Consolidated net sales	280.0 billion yen
Consolidated operating income	15.0 billion yen
ROIC	7.0%

- Sustainable Growth
  Achieving a high-profit structure
- Expanding value delivered through our services
- Empowering diverse talent
  Realizing an organization that creates innovation
- Expanding store count and formats
  Streamlining procurement and logistics
- Increasing private brand product ratio
  Strengthening competitiveness through DX advancement
- Reducing environmental impact
  Realizing a circular and symbiotic society

Purpose

Ensuring the safety of our communities while driving and enriching customers' lives

Business Environment Analysis (Business Environment, Risks and Opportunities)

Changes in the Business Environment	Risks	Opportunities	Related Initiatives (Pillars of the Growth Strategy)
Automotive industry • Technological innovations such as electrification and autonomous driving are advancing • The shift from car "ownership" to "usage" is progressing as car-sharing and subscription service usage increases • Industry consolidation is becoming pronounced as M&A by companies from other sectors and expansion into peripheral business areas accelerate • EV promotion policies	• Delay in responding to technological advances • Increase in logistics costs • Loss of EV/hybrid vehicle sales opportunities • Soaring costs of raw materials • Ongoing yen depreciation and rising prices • Decline in purchase appetite due to rising prices	• Entry to new market • Capturing demand for new products • Establishing a position as a major dealer of ZEVs • Evolution of content and expansion of points of contact with customers by leveraging DX • Creation of new points of contact with customers through collaboration with other industries • Increased maintenance demand due to the longevity of vehicles • Establishment of a competitive edge through early response to advances in automobile maintenance • Improvement of efficiency of production and logistics processes	→ P16 **Growth Strategy** → P17 **Long- term Vision Overview** → P18 **2024 Medium-term Business Plan Overview** P23 **Create Touch Points** P24 **Develop and Supply Products and Solutions** P25 **Establish New Business Domains**
Society • Changes in customer purchasing behavior accompanying the maturation of society • Changes in customer composition due to low birthrate and aging population • Diversification of customer needs			
Capital markets • Request for securing profitability exceeding capital costs • Request for strengthening governance functions	• Damage to corporate value due to failure to respond to the market pressure for improvement • Dysfunctional governance	• Enhancement of corporate governance and risk management • Enhancement of corporate value by practicing management conscious of capital costs and return on invested capital	→ **Capital Cost- and Stock Price-Conscious Management** P19 Message from the General Manager of Corporate Management → **Corporate Governance System Supporting Growth Strategy** P41 **Corporate Governance**
Employees • Labor shortages • Diversity • Low birthrate and aging population • Requests for consideration of human rights	• Difficulty in hiring personnel • Increase in employee turnover • Increase in overtime • Increase in personnel costs	• Building a sustainable organization that simultaneously achieves growth for the company and employees • Hiring of diverse human resources • Improvement of operational efficiency using DX	→ P36 **Strengthening Human Capital** → P38 **Improving Status of Certified Mechanics and Fostering Them**
Environment • Trends toward achieving carbon neutrality • Automotive environmental regulations by country	• Physical risks due to natural disasters, etc. • Transition risks such as stricter environmental regulations, etc.	• Increase in demand for eco-friendly products • Entry to ZEV-related markets	→ P36 **Response to Climate Change** → P37•39 **Promoting Environmentally Conscious Business** → P38 **Promoting Spread of Safe and Secure EVs toward Realization of a Zero-carbon Society**

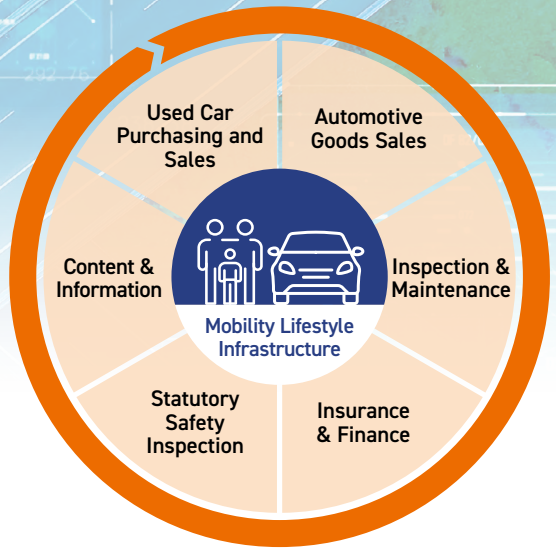
Our Strategic Direction

Mobility Lifestyle Infrastructure

The number of passenger vehicles owned in Japan exceeded 60 million by the end of March 2025. Within the domestic automotive aftermarket* where our group operates, businesses targeting these vehicles include automotive goods and services sales, statutory safety inspections, maintenance, used car sales, auto insurance, and vehicle rentals (rental cars, leases). The market size is estimated at approximately 20 trillion yen.

Our group aims to serve as the essential infrastructure enabling all vehicle owners and users to experience safe, secure, and enjoyable mobility lifestyles. While maintaining our core business of automotive goods and services sales at our founding AUTOBACS stores, we are expanding beyond traditional boundaries. Our business now encompass statutory safety inspections, maintenance, used car purchasing, and solution proposals in the BtoB domain. We conduct our business activities with the goal of continuously supporting the mobility society.

*The automotive aftermarket refers to the market for products and services provided after a new vehicle is sold.



Strategic Policy

From Automotive Goods to Mobility After-Sales: Expanding Our Business Domain

In order to become a “Mobility Lifestyle Infrastructure,” a presence that continues to support a mobility lifestyle, we must expand our business area from the “automotive goods and services sales business” that defines us as AUTOBACS to an “integrated mobility after-sales market player” that comprehensively handles various products and services needed when using cars.

We have established “enhancing areas of overwhelming strength,” “creating products and services that will strengthen connections,” and “establishing mechanisms for engagement” as the three main pillars for becoming an integrated mobility after-sales market player, which serve as the Group’s growth strategy policy.

The AUTOBACS SEVEN Group aims to establish a business model that acts as a concierge leading to the resolution of diverse vehicle-related issues. By establishing this business model across the entire Group including consolidated subsidiaries, rather than limiting it to the AUTOBACS brand, we will improve our competitive advantage, strengthen points of contact with customers, and achieve sustainable growth.

The three pillars for becoming an integrated mobility after-sales market player

Enhancing areas of overwhelming strength

Ensuring a competitive advantage in tire sales and vehicle maintenance beyond the AUTOBACS brand

- Expanding the share of domestic tire sales
- Promoting lifetime customer creation by capturing vehicle maintenance demand (B2C & B2B)

Creating products and services that will strengthen connections

Expanding sales channels and enhancing the product and service lineup across the car life cycle

- Providing a wide range of products and services through integration of online and physical stores
- Expanding the lineup of products and services that contribute to improving store repeat rates

Establishing mechanisms for engagement

Establishing a business model that eliminates hassle for customers by combining customer data and vehicle data

- Integrating management of customer data and vehicle data across the Group through DX
- Establishing a system that stays with customers throughout their life of car ownership like a concierge

Beyond AUTOBACS Vision 2032

Growth Target

Consolidated net sales FY2032

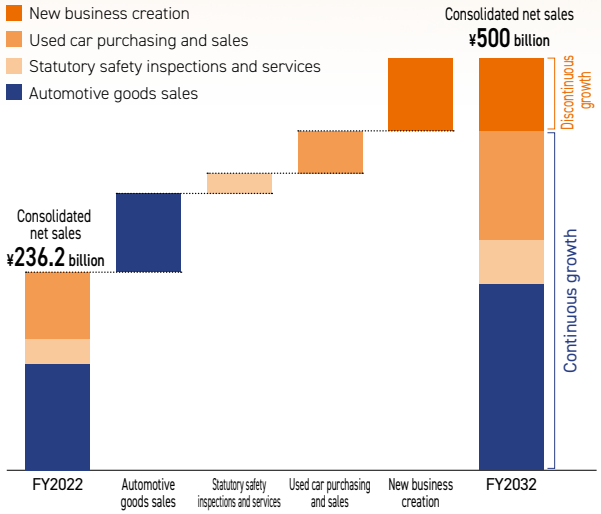
¥500 billion

Through continuous growth and disruptive innovation, we aim to achieve consolidated sales of ¥500 billion by fiscal year 2032.

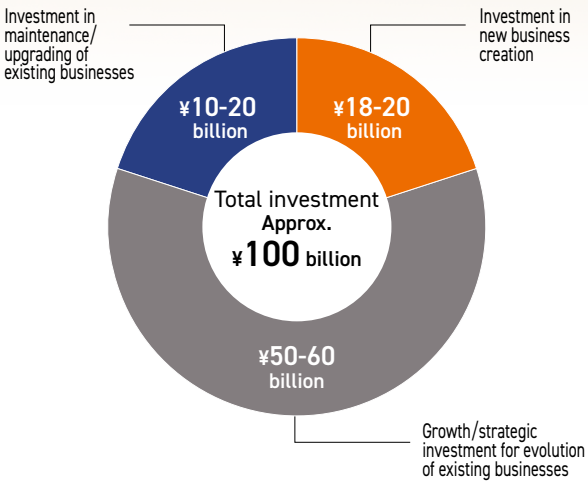
While steadily growing our core business, we will continue to challenge upstream areas of the automotive industry by creating new businesses such as expanding ZEV offerings, creating the micro-mobility market, and building a mobility information platform.

By fiscal year 2032, we will invest approximately ¥100 billion to expand our business. This investment will support maintaining and renewing existing businesses, funding growth and strategic initiatives, and creating new businesses.

Envisaged Business Growth



Envisaged Scale of Investment



FY2023 to FY2032

Long-term Vision KPI Targets

We have set and announced domestic KPI targets to achieve consolidated sales of ¥500 billion.

In our key areas of “statutory safety inspections” and “used car purchasing and sales,” we aim to expand our market share by growing existing businesses and acquiring locations through M&A and other means.

Long-term Vision Domestic KPI Targets

	Group Stores	Statutory Safety Inspection	Used Car Purchasing & Sale
Target for FY2032	1,300 stores	1 million units	150,000 units
FY2024 Results	1,152 stores	690,000 units	43,000 units

※The targets and results for this KPI apply to the AUTOBACS SEVEN Group (parent company + domestic subsidiaries) and domestic AUTOBACS franchisee corporations.

Aim to provide “Mobility Lifestyle Infrastructure” for our customers on a global scale

Strategy to Realize the “Mobility Lifestyle Infrastructure”

“Create touch points”
to continue to support mobility lifestyles

Enhancing economies of scale through base expansion

“Develop and supply products and solutions”
tailored to mobility lifestyles

Cost reduction through organizational and functional consolidation / Enhancing price competitiveness

“Establish new business domains”
in response to changes in mobility lifestyles

Proactive initiatives to secure future revenue streams

FY2026 Performance Targets

Consolidated net sales

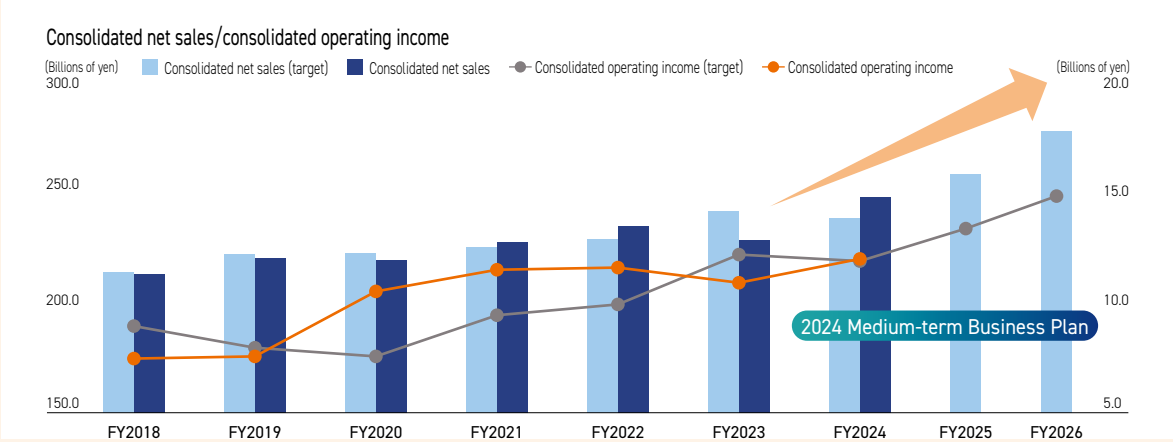
280.0 billion yen (FY2024: 249.5 billion yen)

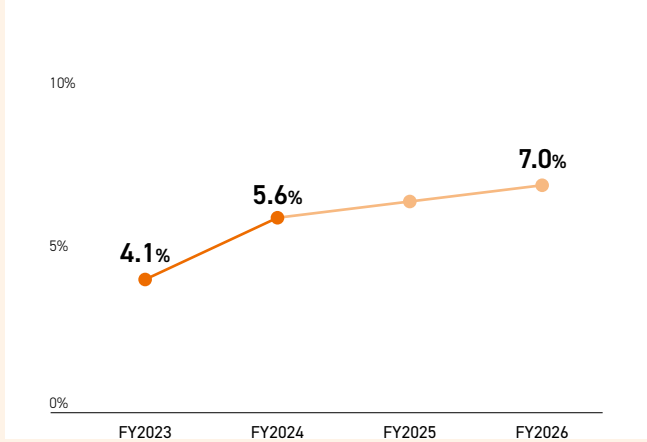
Consolidated operating income

15.0 billion yen (FY2024: 12.1 billion yen)

ROIC

7.0% (FY2024: 5.6%)





*Operating income in FY2023: excluding the temporary decrease (about 3.0 billion yen) due to the change in franchise chain package