Strategy 1 “Create Touch Points” to Continue to Support Mobility Lifestyles

Enhancing economies of scale through base expansion

In addition to accelerating the expansion of our core AUTOBACS stores, we are actively pursuing M&A targeting key areas of our growth strategy and new store brand development—namely tire sales, vehicle purchasing and sales* , and statutory inspections and maintenance. Through the expansion of store locations, we aim to acquire more customers and enhance economies of scale.

*including new car dealerships

Measures

- ⊕ **1. Expansion of AUTOBACS stores: +13 stores**
- ⊕ **2. Expansion of new store brands: +3 stores**
- ⊕ **3. Expansion through M&A: +101 stores**

Expanding 117 new locations

1 | Expansion of AUTOBACS stores

In FY2024, we opened 13 new AUTOBACS stores, approximately four times the number opened in the previous fiscal year. By revising our store opening scheme and shortening the review period, we have re-accelerated store expansion. We plan to open 10 new stores in FY2025.

AUTOBACS Yurihonjo Store

2 | Expansion of new store brands

We are actively expanding our new store brands, including “AUTOBACS CARS,” which specializes in vehicle purchasing and sales; “AUTO IN Shaken & Tire Center,” which focuses on tire sales and vehicle inspections; and “Smart+1,” which specializes in car washing and coating services. In addition to opening stores under the comprehensive AUTOBACS format—which offers automotive goods, inspections, maintenance, and vehicle transactions—we are developing specialized formats tailored to regional characteristics and target customer segments. Through this approach, we aim to meet a wider range of customer needs and attract new customers.

AUTO IN Shaken & Tire Center Kumamoto Tamana store

3 | Expansion through M&A

Through M&A, we have expanded our network to a total of 101 stores, including used car dealerships, Honda-authorized dealerships, and tire specialty stores. We remain committed to actively growing our network through further M&A opportunities.

Key Area 1: “Tire sales”

BEE LINE Corporation

BEELINE Yukuhashi R10

January 2025

We have made BEE LINE Corporation, which operates 73 tire specialty stores (including franchisees) primarily in the Kyushu region, a subsidiary. The company offers tires at competitive prices and provides speedy and meticulous tire replacement services. We are working to strengthen our competitiveness by expanding our tire sales market share.

Key Area 2: Vehicle purchasing and sales

Otoron Co., Ltd.

Otoron Takasaki

August 2024

Otoron Co., Ltd., which operates used car dealerships specializing in in-house loans, has become a subsidiary. Otoron runs its own branded stores, offering in-house loans based on proprietary credit screening, and has 16 stores across 12 prefectures, primarily in the metropolitan area.

Tokatsu Holdings Co., Ltd.

Honda Cars Matsudo Higashi

October 2024

We have acquired Tokatsu Holdings Co., Ltd., a consolidated subsidiary that operates Honda authorized dealerships. The company operates 12 dealerships within Chiba Prefecture. With the acquisition, our group now operates authorized dealerships for three brands: Audi, BYD, and Honda.

Strategy 2 “Develop and Supply Products and Solutions” Tailored to Mobility Lifestyles

Cost reduction through consolidation/Enhancing price competitiveness

Our group is streamlining organizations and functions related to the supply chain of products, which are the source of our revenue, to reduce costs and enhance price competitiveness.

We are also implementing changes to the franchise chain package, aiming to improve customer satisfaction through measures including revising royalty rates, maintaining nationwide standardized tools for stores, and strengthening staff training systems.

Measures

- **1. Promotion of supply chain management**
- **2. Changes to the franchise chain package**
- **3. Reform of headquarters functions and operations**

1 | Promotion of supply chain management

From a supply chain management perspective, we are promoting structural reforms from a group-wide optimization viewpoint across three key functions: product procurement and development, logistics, and sales.

As Phase 1, we consolidated product procurement and development functions. Effective April 1, 2025, we absorbed the product procurement and development operations of a subsidiary, and integrated them with AUTOBACS SEVEN’s corresponding functions. This enables us to enhance competitiveness through the development of high-quality, low-cost private brand products. We will sequentially proceed with the integration of logistics and sales functions going forward.

PB Gasoline Additive

PB Car Air Conditioner Filter

2 | Changes to the franchise chain package

Starting in April 2024, we revised our franchise chain package. In addition to adjusting royalty rates, we have incorporated new nationwide standardized measures.

These include the implementation of the “Safety Pit Camera” across all stores, enabling customers to view service pit operations via smartphone, as well as enhancements to staff training—both in basic customer service and specialized areas such as pit services.

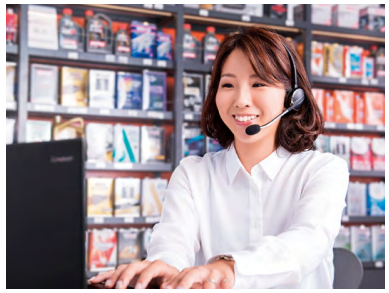
Safety Pit Camera

3 | Reform of headquarters functions and operations

At AUTOBACS Chain Headquarters, we are reviewing back-office functions and consolidating departments, while working to reassign personnel to customer-facing locations such as stores.

Through continuous business reviews and operational improvement initiatives across the company and within each department, by April 2025, approximately 40% of headquarters personnel had undergone placement optimization compared to April 2023, resulting in significant labor savings in headquarters operations.

Furthermore, to support stores without requiring permanent personnel transfers, we have established and are operating a work system in which employees assigned to headquarters departments continue their regular duties while also handling customer service tasks at stores or call centers for a set number of days. Additionally, we are working to improve productivity at headquarters by simplifying business processes, including revamping the headquarters intranet and reviewing internal application systems.



Call Center Staff at Work

Store Staff at Work

Strategy 3 “Establish New Business Domains” in Response to Changes in Mobility Lifestyles

Proactive initiatives to secure future revenue streams

In addition to expanding existing businesses, we are proactively pursuing initiatives such as electric vehicle (EV) sales, the development of EV-related solutions, and the introduction of new electric mobility options. These efforts aim to establish new business domains that will serve as future revenue sources.

We are also taking on the challenge of commercializing services that contribute to solving social issues, and we continue to promote the creation of new businesses through innovation and social value.

Measures

- **1. EV sales and development of EV-related solutions**
- **2. Expansion of electric mobility offerings**
- **3. Launch of VEEMO Welfare services**

1 | EV sales and development of EV-related solutions

Our group aims to promote the safe and secure adoption of EVs to help realize a zero-carbon society. To this end, we are advancing the operation of EV dealerships and the development of charging infrastructure.

In terms of charging infrastructure maintenance, we have set a target to install EV fast chargers at 100 AUTOBACS Group stores by 2030. As of the end of FY2024, installations had been completed at 16 stores.

For EV sales, our subsidiary, Backs e-Mobility Co., Ltd., operates three authorized dealerships for electric vehicle manufacturer BYD: BYD AUTO Nerima, BYD AUTO Utsunomiya, and BYD AUTO Tokyo Bay Shinonome.

BYD AUTO Nerima

EV Rapid Charger

2 | Expansion of electric mobility offerings

The AUTOBACS Group began handling electric mobility products, such as electric kickboards, which are seeing growing demand as new modes of transportation, in February 2024. We are currently focusing on expanding both the product lineup and the number of stores offering these electric mobility products. By the end of FY2024, the number of stores handling them had increased to 38.

Furthermore, starting in May 2025, we opened a store on the rental and subscription mall “Kauriru,” operated by TENT Inc., and launched subscription and rental services for electric mobility products.

3 | Launch of VEEMO Welfare services

VEEMO Welfare is a solution that allows users to reserve accessible parking spaces for individuals with disabilities or physical impairments in advance via smartphone. It aims to prevent the inappropriate use of these spaces—a growing societal issue—while improving convenience for users. In May 2025, the service was introduced at Narita International Airport (Narita City, Chiba Prefecture). Moving forward, we aim to expand its implementation to large commercial facilities, hospitals, public institutions, and other locations nationwide, working toward the realization of a society where everyone can move with peace of mind.

VEEMO Welfare

Capital Allocation

Proactively invested in capex and M&A from year one of the Medium-term Business Plan

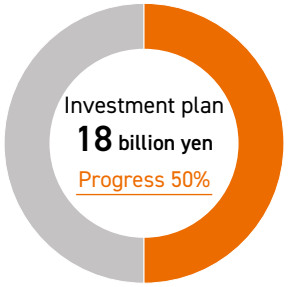
During the period of the Medium-term Business Plan, we plan to allocate capital totaling approximately 35 billion yen in cumulative investments. While prioritizing investments in growth opportunities, we maintain a policy of sustaining a stable annual dividend of 60 yen per share.

Since the first year of the Medium-term Business Plan, we have actively pursued capital expenditures and M&A activities, achieving over 50% progress against the investment plan for the three-year period. In FY2024, the contribution to earnings from subsidiaries acquired through M&A has become evident, contributing to profit growth on a consolidated basis.

We plan to continue expanding our business by advancing new store openings and capital investment in IT and other areas within existing businesses, while also driving M&A to create group synergies.

FY2024 Results

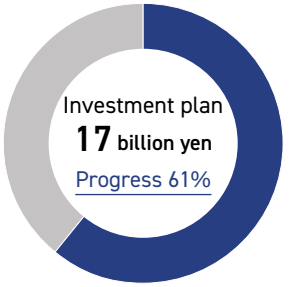
Investment Capital expenditure



Major breakdown

- New store openings 2.5 billion yen
- S/B R/L extension and renovation 0.3 billion yen
- Land 2.4 billion yen
- Investment in information technology 1.2 billion yen
- Other 2.3 billion yen

M&A investment



Major breakdown

- Otoron Co., Ltd.
- Tokatsu Holdings Co., Ltd.
- BEELINE Group, etc.

*Total M&A investment amounts are calculated based on consolidated investment cash flows, deducting cash and deposits held by the acquired company at the time of acquisition from individual investment amounts.

Background of improving the drive of the Medium-term Business Plan

Organizing task teams across departments and subsidiaries Consistent promotion of the plan from the formulation through implementation stages by mid-level and young members

Hironori Suzuki
Department Manager,
Corporate Planning Department

In previous Medium-term Business Plans, the Company has been unable to generate sufficient drive in the implementation stage after announcing the plan. The Company struggled with insufficient concreteness and practical implementation of measures at business departments and subsidiaries. In addition, it was often observed that departments tended to focus on individual optimization, making it impossible to generate sufficient unity and drive as a Group.

In response to such issues, the current Medium-term Business Plan takes a new, unconventional approach, fundamentally revising the process from plan formulation to implementation.

Formulation of the 2024 Medium-term Business Plan began in October 2022 with the formation of a formulation review team composed of 30 members, mainly from among department managers who are candidates for the next generation of executives. Beginning with the fundamental question of whether a Medium-term Business Plan was necessary in the first place, members held repeated discussions on strategies and tactics from a neutral perspective, such as the direction in which the Company should proceed, through analysis of the external environment, the Company itself, and competitors.

Based on the shared understanding that, when executing a plan, it is important that all employees take the plan personally and change their awareness and behavior accordingly, kick-off meetings were held at each site, and the plan was promoted as a management plan that the consolidated Group would work toward together, not passively, but actively.

In the implementation stage, we formed a “Medium-term Business Plan Implementation Taskforce” consisting of approximately 50 members split into nine teams, one for each strategy or measure. This taskforce encouraged cooperation between businesses and departments and regularly monitored progress to improve the effectiveness of implementation. Upon reflection, each team’s activities promoted understanding and dissemination among employees, which led to the steady implementation of each issue and contributed to achieving the first-year targets of the plan.

Going forward, the Corporate Planning Department will take the lead in promoting the Medium-term Business Plan, aiming to achieve the FY2026 management targets by steadily executing the plan’s strategies and key measures.