

January 31, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Under Japanese GAAP]

Summary of Quick Financial Announcement of Consolidated Financial Information for the Nine Months Ended December 31, 2024.

Company name: AUTOBACS SEVEN CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 9832
 URL: <https://www.autobacs.co.jp/>
 Representative: Yugo Horii, Representative Director & Chief Executive Officer
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Note: Amounts less than 1 million Yen have been rounded down. A figure in () indicates a loss or a negative figure.)

1. Consolidated financial results for the Nine Months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Unit: Millions of Yen except for per share information, and % information which indicates increase or decrease(.))

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	188,216	4.8	9,945	10.6	10,769	15.7	7,639	(16.1)
December 31, 2023	179,637	0.8	8,991	(8.4)	9,311	(5.7)	9,106	29.4

Note: Comprehensive income: 7,753 million yen for the Nine Months ended December 31, 2024: (13.5%)

8,965 million yen for the Nine Months ended December 31, 2023: 4.1%

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	97.68	—
December 31, 2023	116.82	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	246,069	132,013	53.6	1,679.75
March 31, 2024	194,948	129,152	66.1	1,652.71

(Reference) Equity: As of December 31, 2024: 131,849 million yen

As of March 31, 2024: 128,845 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	30.00	—	40.00	70.00
Fiscal year ending March 31, 2025	—	30.00	—		
Fiscal year ending March 31, 2025 (Forecast)			—	30.00	60.00

Note: Revisions to dividend forecasts published most recently: None

Breakdown of Year-end dividend for the Fiscal year ended March 31, 2024

Ordinary dividend: 30.00 yen Commemorative dividend: 10.00 yen

3. Forecast for the fiscal year ending March 2025 (from April 1, 2024 to March 31, 2025)

(Unit: Millions of Yen, percentage figures denote year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	240,300	4.5	12,000	49.8	12,500	54.4	7,700	21.2	98.10

Note: Revisions to financial forecasts published most recently: None

4. Notes

- (1) Significant changes in the scope of consolidation during the period: None
Newly included: — companies
Excluded: — companies
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
1. Changes in accounting policies due to revisions to accounting standards and other regulations: None
2. Changes in accounting policies due to other reasons: None
3. Changes in accounting estimates: None
4. Restatement: None

(4) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	82,050,105 shares
As of March 31, 2024	82,050,105 shares

2. Number of treasury shares at the end of period

As of December 31, 2024	3,557,000 shares
As of March 31, 2024	4,090,227 shares

3. Average shares outstanding over quarter

Nine months ended December 31, 2024	78,207,187 shares
Nine months ended December 31, 2023	77,955,443 shares

※Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

※Proper use of earnings forecasts, and other special matters

(Statement regarding the proper use of financial forecasts)

These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from forecasts of this report.

5. Qualitative Information Concerning the Nine Months Ended December 31, 2024

(1) Explanation of business results

During the first nine months of the fiscal year under review, the Japanese economy maintained a moderate recovery trend with improvements in employment and income. Nonetheless, the economic outlook remained uncertain due to the sluggish consumer spending attributable to high consumer prices.

As a trend in the domestic automotive-related industry, the number of new cars sold remained below the level of the previous year due to the suspension of production and shipping by some automakers, while the number of used cars registered remained at a slightly higher level than the previous year. The business of automotive goods and services remained challenging due in part to the rising consumer prices.

In this environment, the Group aims to provide “Mobility Lifestyle Infrastructure” for customers on a global scale and is pursuing initiatives with key strategies, including the creation of touch points, the development and supply of products and solutions, and the establishment of new business domains, based on its 2024 Medium-term Business Plan, “Accelerating Towards Excellence.”

As a result, the Group’s sales during the first nine months of the consolidated fiscal year under review increased by 4.8% year on year, to 188,216 million yen, gross profit increased by 9.9% year on year, to 65,897 million yen, and selling, general, and administrative expenses increased by 9.7% year on year, to 55,952 million yen, resulting in operating income of 9,945 million yen, an increase of 10.6% from a year earlier. Ordinary income increased by 15.7% year on year, to 10,769 million yen. As a result, profit attributable to owners of parent decreased by 16.1% year on year, to 7,639 million yen. In the previous fiscal year, the Company transferred two subsidiaries that engaged in the BMW/MINI authorized dealership business and recorded an extraordinary income of 3,971 million yen.

Results by business segment are as follows.

From the second quarter of the current fiscal year, the Company changed the classification of reporting segments. With respect to comparisons with results for the same period of the previous year, comparisons and analyses were made based on figures for the six-month period a year before reclassified into revised segments.

[AUTOBACS Business]

In the AUTOBACS Business, net sales increased by 5.6% year on year, to 150,702 million yen, and the segment profit increased by 12.9%, to 16,944 million yen.

Sales of the entire domestic AUTOBACS chain (including franchise stores) increased 4.6% year on year on a same-store basis and 5.1% year on year on an overall basis.

In the domestic AUTOBACS chain, demand for winter goods including snow tires and tire chains increased due to the cold weather and snowfall. Sales of maintenance parts such as oil and batteries grew against the backdrop of increased demand for going out during the New Year’s holidays. Sales from services associated with these products also remained strong.

As for private brands, the Company has been focusing on developing and selling valuable products that meet various customer needs. Regarding “AUTOBACS Quality.(AQ.),” in addition to the automobile goods, the Company launched “AQ. Pit Menu,” a low-priced and high-quality original pit service.

As for statutory safety inspection and maintenance services, service pit bookings via the Web became increasingly popular. The number of bookings via the official app increased 19.7% year on year. The number of vehicles that underwent statutory safety inspection and maintenance services decreased 1.0% year on year, to approximately 474,000, while the number of vehicles subject to statutory safety inspections began to increase in the second half of the fiscal year.

As for automobile sales, sales for auction performed strong against the backdrop of an increase in the unit prices of used cars, while the retail sales of new and used car fell below the number in the previous year. As a result, the total number of automobiles sold in the Domestic AUTOBACS Business

decreased by 3.7% year on year, to approximately 22,000, while total sales amount increased by 7.8% year on year, to 26,840 million yen.

As for store openings and closures in Japan, 19 new stores opened and three stores closed, and the number of stores increased from 1,003 (including 414 annex stores and in-store shops) at the end of March 2024 to 1,019 (including 416 annex stores and in-store shops). The stated number of stores began to include annex stores and in-store shops at the beginning of the fiscal year ending March 2025.

Overseas retail sales recorded a decrease, reflecting the impact of the closure of two stores in France in the previous fiscal year. In Singapore, works at service pits performed well by capturing demand for maintenance parts for existing vehicles due to the price increase of certificate of entitlement (COE).

The total number of stores outside Japan, with 35 new store openings and one store closure, increased from 109 as of the end of March 2024, to 143.

[Consumer Business]

Sales for the Consumer Business increased 6.6% year on year, to 20,018 million yen, and segment loss was 827 million yen (compared to a segment loss of 942 million yen in the same period of the previous year).

In the car dealership, AUTOBACS DEALER GROUP HOLDINGS Co., Ltd., which is a consolidated subsidiary of the Company, has converted a company that operates Honda official dealers into a consolidated subsidiary effective on October 1, 2024. As a result, it now operates three authorized dealerships for Audi, BYD and Honda. It has also converted a company that engages in electric facility-related work, installation and management into a consolidated subsidiary effective on October 1, 2024. In the previous fiscal year, the Company transferred two subsidiaries that engaged in the BMW/MINI authorized dealership business.

In the used car purchasing and sales, the Company opened “AUTOBACS CARS Kashiwa Oi,” the first large store of AUTOBACS CARS, a car purchase and sales store of the AUTOBACS Group, in October 2024. In addition, the Company has converted a company that operates an in-house loan based used car sales business into a consolidated subsidiary effective on August 30, 2024.

MOBILA, a comprehensive website that offers car life information services, now additionally provides a car life map function. It displays real-time seasonal information, such as information on tourism, events and restaurants, cherry blossoms, red and yellow leaves in fall and illumination events all over the country together with images on the map.

The subsidiary that operates the “AUTO IN Shaken & Tire Center,” a business specializing in vehicle maintenance, performed well against the background of demand for vehicle maintenance. Moreover, there was a steady increase in the number of subscribers to the AUTOBACS Corporate Membership System, which enables companies to make lump sum payments for the purchase of items for company cars, including maintenance parts and automotive goods and services.

[Wholesale Business]

Sales for the Wholesale Business decreased by 2.9% year on year, to 27,235 million yen, and segment profit decreased by 25.5 to 478 million yen.

The subsidiary that engages in the wholesale of engine oil and other products and the subsidiary that engages in the wholesale of wheels performed well against the backdrop of snowfall and increased demand for vehicle maintenance. In December 2024, the Company launched its private brand, AQ. Ready-to-use automotive goods have since been available at Seven-Eleven stores nationwide, mainly at those located along major roads mostly visited by car. In addition, the GMLVAN C-01 Limited Edition was released in limited numbers. It is a special model in commemoration of the 50th anniversary of the foundation of AUTOBACS from GORDON MILLER MOTORS, an automotive sub-brand under the GORDON MILLER garage lifestyle brand.

Overseas wholesale sales declined due to a significant decrease in export transactions from Japan. In Malaysia, authorized dealerships increased. In Australia, sales decreased mainly due to a decline in

consumer appetite against the backdrop of inflation and a sharp rise in interest rates. In China, sales increased due to an increase in exports to Japan.

[Expansion Business]

Sales for the Expansion Business increased by 11.8% year on year, to 6,882 million yen, and segment profit increased by 82.2%, to 408 million yen.

(2) Overview of financial condition for the quarter under review

Financial condition is as follows.

Total assets as of December 31, 2024, increased by 51,120 million yen from the end of the previous fiscal term to 246,069 million yen. This was mainly due to an increase in notes and accounts receivable-trade, accounts receivable-other and inventories.

Total liabilities increased by 48,259 million yen from the end of the previous fiscal term to 114,056 million yen. This was mainly due to an increase in notes and accounts payable-trade, long-term borrowings and accounts payable-other.

Total net assets increased by 2,860 million yen from the end of the previous fiscal term to 132,013 million yen. This was mainly due to a decrease in retained earnings due to dividend payment, while profit attributable to owners of parent and disposal of treasury shares in connection with share exchange occurred.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	31,297	33,388
Notes and accounts receivable - trade	22,383	39,672
Merchandise	22,635	28,279
Accounts receivable - other	26,047	36,576
Other	9,859	12,951
Allowance for doubtful accounts	(31)	(71)
Total current assets	112,191	150,797
Non-current assets		
Property, plant and equipment		
Land	24,576	29,072
Other, net	23,676	27,675
Total property, plant and equipment	48,252	56,747
Intangible assets		
Goodwill	1,080	3,929
Other	6,683	7,159
Total intangible assets	7,763	11,089
Investments and other assets		
Guarantee deposits	11,638	12,015
Other	15,116	15,447
Allowance for doubtful accounts	(13)	(27)
Total investments and other assets	26,741	27,435
Total non-current assets	82,757	95,272
Total assets	194,948	246,069
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,050	38,307
Short-term borrowings	11	6,839
Accounts payable - other	15,200	22,734
Income taxes payable	2,109	1,655
Other	9,612	16,953
Total current liabilities	48,984	86,490
Non-current liabilities		
Bonds payable	—	254
Long-term borrowings	6,023	16,328
Provisions	7	7
Retirement benefit liability	256	271
Asset retirement obligations	2,691	3,394
Other	7,832	7,309
Total non-current liabilities	16,812	27,565
Total liabilities	65,796	114,056

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	33,998	33,998
Capital surplus	34,218	34,138
Retained earnings	63,670	65,753
Treasury shares	(6,970)	(6,060)
Total shareholders' equity	124,917	127,830
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,124	1,997
Foreign currency translation adjustment	1,803	2,020
Total accumulated other comprehensive income	3,928	4,018
Non-controlling interests	307	163
Total net assets	129,152	132,013
Total liabilities and net assets	194,948	246,069

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	179,637	188,216
Cost of sales	119,660	122,318
Gross profit	59,977	65,897
Selling, general and administrative expenses	50,985	55,952
Operating profit	8,991	9,945
Non-operating income		
Interest income	67	84
Dividend income	119	133
Share of profit of entities accounted for using equity method	387	612
Lease revenue-system equipment	564	471
Other	776	771
Total non-operating income	1,915	2,074
Non-operating expenses		
Interest expenses	53	95
Lease cost-system equipment	1,149	611
Loss on retirement of non-current assets	39	39
Other	353	503
Total non-operating expenses	1,596	1,249
Ordinary profit	9,311	10,769
Extraordinary income		
Gain on sale of businesses	3,971	—
Gain on bargain purchase	—	1,030
Total extraordinary income	3,971	1,030
Extraordinary losses		
Impairment losses	90	74
Loss on step acquisitions	—	132
Total extraordinary losses	90	207
Profit before income taxes	13,192	11,592
Income taxes - current	3,969	3,117
Income taxes - deferred	106	811
Total income taxes	4,076	3,929
Profit	9,116	7,663
Profit attributable to		
Profit attributable to owners of parent	9,106	7,639
Profit attributable to non-controlling interests	9	23
Other comprehensive income		
Valuation difference on available-for-sale securities	(449)	(126)
Foreign currency translation adjustment	256	150
Share of other comprehensive income of entities accounted for using equity method	42	66
Total other comprehensive income	(150)	90
Comprehensive income	8,965	7,753
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,941	7,729
Comprehensive income attributable to non-controlling interests	24	24

7. Notes on the quarterly consolidated financial statements (Segment Information)

I Nine months ended December 31, 2023

1. Information about sales and profit (loss) and breakdown of sales

(Millions of yen)

	Reportable segments					Reconciling items (Note 1)	Per quarterly consolidated financial statements (Note 2)
	AUTOBACS Business	Consumer Business	Wholesale Business	Expansion Business	Reportable segments		
Sales							
Revenue from contracts with customers	138,718	18,670	19,402	1,008	177,799	—	177,799
Other revenue	26	—	—	1,811	1,837	—	1,837
Revenues from external customers	138,745	18,670	19,402	2,819	179,637	—	179,637
Transactions with other segments	3,948	104	8,643	3,335	16,031	(16,031)	—
Net sales	142,693	18,774	28,046	6,155	195,669	(16,031)	179,637
Operating profit (loss)	15,014	(942)	642	223	14,938	(5,946)	8,991

Notes:

1. The amount (5,946) million yen of "Reconciling items" of Operating profit (loss) is the corporate administrative expense which is not allocable to each reportable segment.
2. Operating profit (loss) corresponds to Operating profit in the Consolidated Statements of Income and Comprehensive Income.

2. Impairment losses of assets, goodwill, and others, by reporting segment

Not applicable.

II Nine months ended December 31, 2024

1. Information about sales and profit (loss) and breakdown of sales

(Millions of yen)

	Reportable segments					Reconciling items (Note 1)	Per quarterly consolidated financial statements (Note 2)
	AUTOBACS Business	Consumer Business	Wholesale Business	Expansion Business	Reportable segments		
Sales							
Revenue from contracts with customers	146,797	19,865	18,579	1,101	186,343	—	186,343
Other revenue	—	—	—	1,873	1,873	—	1,873
Revenues from external customers	146,797	19,865	18,579	2,974	188,216	—	188,216
Transactions with other segments	3,904	153	8,656	3,907	16,622	(16,622)	—
Net sales	150,702	20,018	27,235	6,882	204,839	(16,622)	188,216
Operating profit (loss)	16,944	(827)	478	408	17,003	(7,058)	9,945

Notes:

1. The amount (7,058) million yen of "Reconciling items" of Operating profit (loss) is the corporate administrative expense which is not allocable to each reportable segment.
2. Operating profit (loss) corresponds to Operating profit in the Consolidated Statements of Income and Comprehensive Income.

2. Matters concerning change in reportable segments

In the 2024 Medium-term Business Plan, Accelerating Towards Excellence, which was announced in May 2024, the Company set a new direction of aiming to provide "Mobility Lifestyle Infrastructure" for customers on a global scale, while simultaneously moving forward with a shift toward a structure in which it will focus on two business foundations, namely, retail sales and wholesale sales, in which the Group can fully demonstrate its strength.

To promptly launch initiatives in line with the new direction while accelerating the implementation of strategies, from the interim consolidated fiscal period, the Company has changed the reportable segments previously divided into "Domestic AUTOBACS Business," "Overseas Business," "Car Dealership, BtoB and Online Alliance Business," and "Other Business" to the segments that focuses on retail and wholesale operations.

It changed its segment to four: "AUTOBACS Business," which conducts retail sales to AUTOBACS stores in Japan and overseas and wholesale sales to AUTOBACS stores; "Consumer Business," which operates online sale of automotive goods and services, and the purchase and sale of new and used cars as retail sales other than those conducted in the AUTOBACS Business; "Wholesale Business," which wholesales private brands including lifestyle brands as wholesale sales other than those conducted in the AUTOBACS Business; and "Expansion Business," which handles peripheral businesses such as financing, property/site development, and EV solutions.

In addition, segment information for the Nine months ended December 31, 2023 has been disclosed based on the revised reportable segment classification.

3. Impairment losses of assets, goodwill, and others, by reporting segment

(Significant changes in the amount of goodwill)

In the "Consumer Business" segment, the Company has included Otoron Co., Ltd. and PCT Holdings Co., Ltd. in the scope of consolidation due to the new acquisition of both companies' shares. The increase in goodwill resulting from the share acquisition was 2,127 million yen and 785 million yen, respectively, for the Nine months ended December 31, 2024.

(Significant gain on bargain purchase)

In the "Autobacs Business" segment, Puma Ltd., which was an equity method affiliate, was included in the scope of consolidation due to the additional acquisition of shares. The amount of gain on bargain purchase arising from this event was 461 million yen for the Nine months ended December 31, 2024.

In the "Consumer Business" segment, Tokatsu Holdings Co., Ltd has been included in the scope of consolidation due to the acquisition of shares. The amount of gain on bargain purchase recorded

was 568 million yen for the Nine months ended December 31, 2024.

In addition, gain on bargain purchase recorded as extraordinary income is not included in the above segment profit (loss).

(Notes in case significant changes were made to the amount of shareholders' equity)

Not applicable.

(Notes on the Going-concern Assumption)

Not applicable.

(Notes on the quarterly consolidated cash flow statement)

The Company has not prepared the quarterly consolidated cash flow statement for the Nine Months ended December 31, 2024. Depreciation (including depreciation of intangible assets excluding goodwill) and amortization of goodwill for the Nine Months ended December 31, 2024, are as follows.

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	3,736	4,158
Amortization of goodwill	242	256

(Notes on Significant subsequent events)

Business combination by acquisition

At the Board of Directors' meeting of Autobacs Seven Co., Ltd. (the "Company") held on November 28, 2024, the Board has decided to acquire all shares of C6-2 Holdings Co., Ltd. (hereinafter, "C6-2"), the holding company of BEE LINE Corporation (hereinafter, "BEE LINE") which operates 73 tire specialty stores (including franchise stores) named "BEE LINE" mainly in the Kyushu area. The Company acquired all shares of C6-2, making it a wholly owned subsidiary on January 29, 2025.

In addition, the Company has consolidated two subsidiaries of C6-2 including BEE LINE.

1. Outline of business combination

(1) Name and business of acquired company

Name of acquired company: C6-2 Holdings Co., Ltd.

Business: Holding company of the BEE LINE Group, which sells automobile tires and wheels.

(2) Major reason for business combination

With the purpose of ensuring the safety of our communities while driving and enriching customers' lives, AUTOBACS Group has been seeking to realize a sustainable society in which people and cars can continue to co-exist. In May 2024, the Company announced the 2024 Medium-term Business Plan with the title "Accelerating Towards Excellence" to achieve accelerated growth with an eye toward the sustainable improvement of corporate value on a long-term basis.

The share acquisition is part of key measures to expand new bases, including new store openings, and expand channels (100 bases), undertaken as a strategy for the creation of touch points to continue to support mobility lifestyles, which is one of the strategies featured in the medium-term business plan. BEE LINE has expanded its retail store network mainly in the Kyushu area, and has been growing by meeting local customers' needs as a tire specialty store since its founding in 1999. The Company has come to the decision that the inclusion of BEE LINE Corporation in the AUTOBACS Group, contributes to enhancing the competitiveness of its tire sales business, which is considered an important business domain.

The AUTOBACS Group continues to work to provide customers with safety and security and improve their convenience through varieties of businesses, going forward, while also contributing to the sustainable development of the automobile industry by fulfilling its role to solve environmental and social issues.

(3) Date of business combination

January 29, 2025

(4) Legal form of business combination

Acquisition of shares for cash

(5) Company name after combination

No change.

(6) Voting rights acquired through business combination

100%

(7) Main grounds for determining acquiring company

The Company acquired the shares in exchange for cash.

2. Acquisition cost and breakdown by class of consideration

Consideration for acquisition	Cash	5,650 million yen
Acquisition cost		5,650 million yen

3. Description and amount of major acquisition-related expenses

Nothing is confirmed at this time.

4. Amount, causes, amortization method and amortization period of goodwill incurred

Nothing is confirmed at this time.

5. Amounts of assets acquired and liabilities assumed on the date of combination and major breakdown

Nothing is confirmed at this time.