

## Consolidated Financial Results for the Year Ended March 31, 2020 【Japanese GAAP】

Summary of Quick Financial Announcement of Consolidated Financial Information For the Year  
Ended March 31, 2020

Company name : AUTOBACS SEVEN CO., LTD.

Code number : 9832

(URL <https://www.autobacs.co.jp/>)

Headquarters : Tokyo, Japan

Company Representative : Kiomi Kobayashi, Representative Director

Contact for further information : Hiroyuki Takano, General Manager, Finance & Accounting Department

Telephone : +81-3-6219-8787

Stock exchange listing : Tokyo

Annual meeting of shareholders : June 23, 2020

Start of cash dividend payments : June 24, 2020

Submission of Annual Securities Report : June 24, 2020

Supplementary materials prepared : Yes

Financial results information meeting held : None

### 1. Results for the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

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

#### (1) Results of operations:

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

|                              | Net sales   |        | Operating income                 |       | Ordinary income                            |       |
|------------------------------|---|--------|----------------------------------|-------|--|-------|
| Fiscal year ended            |   | %      |                                  | %     |  | %     |
| March 31, 2020               | 221,400   | 3.5    | 7,585                            | 1.4   | 8,059                                      | (1.7) |
| March 31, 2019               | 213,840   | 0.7    | 7,478                            | (4.0) | 8,203                                      | (0.3) |
| Note: Comprehensive income : | 2,599 million yen for the year ended March 31, 2020 : (43.0%) |        |                                  |       |  |       |
|                              | 4,563 million yen for the year ended March 31, 2019 : (3.4%)  |        |                                  |       |  |       |
|                              | Profit attributable to owners of parent                       |        | Basic net income per share (Yen) |       | Basic net income per share - diluted (Yen) |       |
| Fiscal year ended            |   | %      |                                  |       |  |       |
| March 31, 2020               | 3,764   | (31.4) | 47.10                            |       | -  |       |
| March 31, 2019               | 5,485   | 1.5    | 66.58                            |       | -  |       |

|                   | Net income<br>to shareholders'<br>equity | Ordinary income to<br>total assets | Operating income<br>to net sales |
|-------------------|--|------------------------------------|----------------------------------|
| Fiscal year ended | %  | %                                  | %                                |
| March 31, 2020    | 3.1                                      | 4.6                                | 3.4                              |
| Fiscal year ended |  |                                    |                                  |
| March 31, 2019    | 4.4                                      | 4.4                                | 3.5                              |

Reference: Equity income on a affiliates:

For the year ended March 31, 2020 : 267million Yen

For the year ended March 31, 2019 : 365million Yen

(2) Financial position:

(Unit: Millions of Yen except for per share information)

|                   | Total assets | Total net assets | Equity ratio | Net assets per<br>share (Yen) |
|-------------------|--------------|------------------|--------------|-------------------------------|
| Fiscal year ended |              |                  | %            |                               |
| March 31, 2020    | 172,799      | 119,966          | 69.0         | 1,493.43                      |
| Fiscal year ended |              |                  | %            |                               |
| March 31, 2019    | 181,391      | 124,187          | 68.1         | 1,526.59                      |

(Reference) Equity : For the year ended March 31, 2020 : 119,251 million Yen

For the year ended March 31, 2019 : 123,582 million Yen

(3) Statements of cash flows:

(Unit: Millions of Yen)

|                   | Operating<br>activities | Investing<br>activities | Financing<br>activities | Ending balances<br>of<br>cash and cash<br>equivalents |
|-------------------|-------------------------|-------------------------|-------------------------|---|
| Fiscal year ended |                         |                         |                         |   |
| March 31, 2020    | 10,603                  | (3,370)                 | (9,684)                 | 28,051  |
| Fiscal year ended |                         |                         |                         |   |
| March 31, 2019    | 4,447                   | (3,078)                 | (9,876)                 | 30,531  |

## 2.Dividends

|  | Dividends per share                                      |                   |                                |          | (Yen)  |
|--|--|-------------------|--------------------------------|----------|--|
|  | First<br>Quarter   | Second<br>Quarter | Third<br>Quarter               | Year-end | Full Year                                      |
| Fiscal year ended<br>March 31, 2019              | -  | 30.00             | -                              | 30.00    | 60.00  |
| Fiscal year ended<br>March 31, 2020              | -  | 30.00             | -                              | 30.00    | 60.00  |
| Fiscal year ended<br>March 31,2021<br>(forecast) | -  | 30.00             | -                              | 30.00    | 60.00  |
|  | Total Dividends Paid<br>(Full Year)<br>(Millions of Yen) |                   | Payout Ratio<br>(Consolidated) |          | Dividends<br>paid/Net Assets<br>(Consolidated) |
|  |  |                   |                                | %        | %  |
| Fiscal year ended<br>March 31, 2019              | 4,905  |                   | 90.1                           |          | 3.9  |
| Fiscal year ended<br>March 31, 2020              | 4,793  |                   | 127.4                          |          | 4.0  |
| Fiscal year ended<br>March 31,2021<br>(forecast) | -  |                   | 87.1                           |          | -  |

## 3. Forecast for the fiscal year ending March 2021(from April 1, 2020 to March 31, 2021)

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

|        | Net sales                                  |      | Operating income                   |     | Ordinary income |     |
|--------|--|------|------------------------------------|-----|-----------------|-----|
|        |  | %    |                                    | %   |                 | %   |
| Annual | 223,800                                    | 1.1  | 7,600                              | 0.2 | 8,100           | 0.5 |
|        | Profit attributable to<br>owners of parent |      | Basic net income<br>per share(Yen) |     |                 |     |
|        |  | %    |                                    |     |                 |     |
| Annual | 5,500                                      | 46.1 | 68.88                              |     |                 |     |

#### 4. Other

(1) Significant changes in subsidiaries during the year ended : None

(2) Changes in accounting policies, accounting estimation change and restatement

- |  |        |
|--|--------|
| 1. Changes due to changes in accounting standard               | : Yes  |
| 2. Changes due to changes in accounting standard except (2)-1. | : None |
| 3. Changes due to accounting estimation change                 | : None |
| 4. Restatement   | : None |

Note: For further details, please refer to “7. Notes on the consolidated financial statements”, “Changes in Accounting Policy”.

(3) Shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)

Fiscal year ended March 31, 2020 :84,050,105 shares

Fiscal year ended March 31, 2019 :84,050,105 shares

2. Number of treasury stock at the end of period

Fiscal year ended March 31, 2020 : 4,199,076 shares

Fiscal year ended March 31, 2019 : 3,097,001 shares

3. Average shares outstanding over period

Fiscal year ended March 31, 2020 : 79,918,140 shares

Fiscal year ended March 31, 2019 : 82,385,019 shares

※These financial results are not subject to audit by certified public accountants or auditing firms.

※Statement regarding the proper use of financial forecasts and other special remarks

(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, these might be cases in which actual results materially differ from forecasts of this report.

※Autobacs Seven Co., Ltd. planned to hold the Analysts Meeting in May. However, we have decided to cancel the Analysts Meeting, as a result of considering the health and security of analysts and investors based on the spread of COVID-19 coronavirus.

In addition, we plan to upload the materials related to the financial results explanation to our website.

## 5. Analysis of Business Results and Financial Position

### (1) Explanation of Business Results

#### - Business Results

During the consolidated fiscal year under review, the Japanese economy was brisk after an improvement in corporate performance as well as employment and income situations. However, its outlook was unclear, with a slide in consumer spending after the consumption tax rate increase and an impact of the COVID-19 coronavirus pandemic.

On the domestic front, the automotive-related industry during the period faced an uncertain outlook due to a reactionary plunge in demand following the rush demand ahead of the consumption tax hike in October 2019 and sales price increase announced by tire manufacturers. The number of used car registrations and the number of new vehicles sold were both lower than the previous fiscal year. Sales of automotive goods remained flat from the previous fiscal year, reflecting growing awareness of safe driving in society.

To respond to the dramatically changing business circumstances surrounding the Group in a dynamic and flexible manner, the Company newly formulated a Five-Year Rolling Plan 2019 to establish its direction for the next five years, starting in the consolidated fiscal year under review.

In particular, the Company will aim to establish and link six networks for offering services suited to the scenarios in which customer use cars with a view toward achieving medium- and long-term growth. The six networks are Multi-Dealer Network, Pit Service Network (to provide optimal services), Next-Generation Maintenance Network (to respond to next-generation technologies), AUTOBACS Chain Network, Overseas Alliance Network, and Online Network (to enhance relationships with customers).

For the consolidated fiscal year under review, the Company focused its efforts on the establishment of these six networks and the linkage between them while working also on construction of business foundations. In the Domestic AUTOBACS Business, the Company's effort include the optimization of management resources, the retail revenue improvement, the revision of experimental stores and the reconstruction of IT infrastructure and distribution. In the Overseas Business, the Company contracted its unprofitable retail business and expanded the profitable wholesale business.

Consolidated profit and loss results are as follows.

#### [Net sales and gross profit]

The Group's consolidated sales during the fiscal year under review increased by 3.5% year on year, to 221,400 million yen, and gross profit rose by 4.7% year on year, to 70,746 million yen.

#### [Selling, general, and administrative expenses and operating income]

Selling, general, and administrative expenses increased by 5.1% year on year, to 63,160 million yen, resulting in operating income of 7,585 million yen, an increase of 1.4% from a year earlier.

Personnel and other expenses rose after the Group took over of a member company of the AUTOBACS franchise chain in Japan and an operating company that engaged in vehicle inspections and maintenance services. In addition, information processing expenses also surged for strengthening the information infrastructure and for responding to the change in the Japanese imperial era and the consumption tax hike.

#### [Non-operating income, non-operating expenses, and ordinary income]

Non-operating income climbed by 1.4% year on year, to 2,424 million yen. Non-operating expenses increased by 17.1% year on year, to 1,950 million yen.

Consequently, ordinary income fell by 1.7% year on year, to 8,059 million yen.

#### [Extraordinary income and loss]

Extraordinary income included a gain on step acquisition of 93 million yen after the reorganization of an equity-method affiliate into a subsidiary. Extraordinary losses stood at 2,248 million yen, including an impairment loss of non-current assets worth 1,950 million yen.

#### [Income taxes]

Income taxes decreased by 205 million yen from the previous fiscal year, to 2,083 million yen.

[Profit attributable to owners of parent]

Profit attributable to owners of parent decreased by 31.4% year on year, to 3,764 million yen.

Net income per share stood at 47.10 yen. The ratio of net income to net sales fell from 2.6% in the previous fiscal year to 1.7%, and return on equity (ROE) decreased from 4.4% in the previous fiscal year to 3.1%.

The results by business segment are as described below.

[Domestic AUTOBACS Business]

Net sales in this segment increased by 0.2% year on year to 179,377 million yen, due in part to the acquisition of shares of a member corporation of the AUTOBACS franchise chain to make it into one of the Company's consolidated subsidiaries in the consolidated fiscal year under review as well as in the preceding consolidated fiscal year. Gross profit rose by 1.8% year on year to 56,420 million yen, following an increase in consolidated subsidiaries. Selling, general and administrative expenses surged by 5.6% year on year to 42,848 million yen, reflecting growing expenses for store renovations and for sales promotion as well as an increase in consolidated subsidiaries. As a result, segment profit dropped by 8.7% year on year to 13,572 million yen.

For the fiscal year under review, total sales for the domestic AUTOBACS chain (including franchise stores) decreased by 0.2% year on year, both on a same-store basis and on an overall-store basis.

At domestic AUTOBACS chain stores, sales were buoyant with mounting awareness of safe driving and rush demand before the consumption tax hike in October 2019. After the consumption tax increase, sales turned very poor due to a reactionary plunge in demand and record-breaking warmth in winter.

The Company took steps to boost sales with active sales promotion activities, such as the 45th Anniversary Sale. However, performance in the fourth quarter was hit by people staying at home in response to the spread of COVID-19.

Rush demand for tires occurred due to the impact of the retail price hikes implemented in the wake of price increases for products supplied by tire manufacturers at the time of the consumption tax hike. In and after December 2019, the temperature was high in the eastern and western parts of Japan and snowfall was record low on the Sea of Japan coast. That resulted in poorer sales of snow tires than in the previous fiscal year.

In the area of car electronics, sales of dashboard cameras remained strong, reflecting the introduction of an extensive lineup of high-end models, including those with dual cameras or 360-degree panoramic view cameras, in response to tailgating incidents reported since August 2019, along with the rise in safety awareness among customers on driving. In addition, the Pedal Watcher, a device that prevents accidents caused by errors in the use of the accelerator and brake by a driver, continued to attract customers' attention, as the Tokyo Metropolitan Government and other administrative authorities included it in the list of items eligible for subsidies.

Moreover, the Company expanded the merchandise lines of its private brand AQ. (Autobacs Quality.) and its brands that inspire car-related lifestyles, JKM and GORDON MILLER, improving the appeal of its merchandise. Meanwhile, it has been continuously bolstering operations at its stores and proceeding with hardware renovations, including sales floors and service pits.

In the statutory safety inspection and maintenance services, the Company selected AUTOBACS GUYS from among the mechanics actually working in stores. As representatives of professional and friendly staff, they were featured in its television commercials and in-store advertising activities. The Company enhanced its efforts by promoting reservations for the next statutory safety inspection and 15-minute acceptance inspection. However, the number of vehicles that underwent statutory safety inspection and maintenance services fell by 2.2%, to around 634,000, due partly to a downturn in the number of vehicles subject to statutory safety inspection that commenced in the third quarter.

In the automobile purchase and sales segment, the Company closed unprofitable stores, while focusing on and strengthening sales activities to achieve an increase in vehicle purchases. That led to buoyant B2B sales to automobile auctions. The total sales volume was up by 1.2% year on year, to approximately 31,500 units.

Under the JACK & MARIE brand, Japan's first car-oriented lifestyle shop, the Company opened JACK & MARIE Grandberry Park in Machida, Tokyo in November 2019, bringing the Company's total operation of real stores under this brand to five.

The total number of stores in operation in Japan stood at 585 as of the end of March 2020, after three stores were opened and 11 closed down during the period.

[Overseas Business]

The Group's overseas consolidated subsidiaries have applied IFRS 16 Leases from the beginning of this fiscal year, but the impact on profit and loss for the consolidated fiscal year under review is immaterial.

Sales for the Overseas Business increased by 4.8% year on year, to 11,756 million yen, and the segment loss was 360 million yen (as opposed to segment loss of 783 million yen in the preceding fiscal year.)

In the overseas regions where the Group operates, especially in France, the spread of COVID-19 has been affecting the business operations since the fourth quarter.

The retail and service business in Thailand enjoyed a year-on-year increase in sales thanks to the opening of a small store in the PTG Group's gas station mall in November 2019, along with a new store previously opened in April of the same year. In France, sales dropped due to the spread of COVID-19 infection in addition to the store transfer. The Company acquired shares in SK AUTOMOBILE Pte. Ltd, a company operating a body repair, painting and maintenance factory in Singapore, in November 2019, and SK AUTOMOBILE Pte. Ltd became a consolidated subsidiary of the Company.

In the wholesale business, sales grew steadily, mainly supported by engine oil made in Japan for overseas markets, and the Company is pursuing initiatives to expand sales channels for the future.

Sales increased in the Group's business in China, buoyed by a significant rise in the wholesale volume there. In October 2019, AUTOBACS made additional investments into the CarHouse Group, aiming to expand its wholesale business and enhance collaboration for manufacturing of private brand products in China. Consequently, the CarHouse Group became an equity-method company of AUTOBACS. In Singapore, introduction of wholesale for private brand (PB) goods such as windshield wipers have increased mainly for convenience stores and hypermarkets, and efforts on BtoB and online sales were also implemented. In Australia, the Company endeavored to increase earnings in the Group's overseas wholesale business by way of AudioXtra Pty Ltd., a company that became a consolidated subsidiary in October 2018.

As a result of three stores opening and four stores closure, the total number of overseas stores stood at 45.

[Car Dealership, BtoB and Internet Business]

Sales for the Car Dealership, BtoB and Internet Business increased by 28.2% year on year, to 38,482 million yen, and the segment profit was 54 million yen (as opposed to 1,076 million yen segment loss in the preceding fiscal year).

In the imported car dealer business, in April 2019 the Company established AUTOBACS DEALER GROUP HOLDINGS Co., Ltd., which manages the imported car dealership business, to bolster its management system and further increase earnings. The Company took steps to strengthen the sales system of each sales base, while bolstering services, in addition to boosting sales of new and used cars.

In the BtoB business, the Company made Seiwa Automobile Sales Co., Ltd., which is engaged in statutory safety inspection and maintenance for automobiles and in body work and painting and other businesses in Shiga Prefecture, a wholly owned subsidiary in June 2019, as part of establishing network with automobile maintenance service operators in order to push ahead with profit expansion. Sales and profit improved at CAP Style Co., Ltd., which was established through integration of two wholesalers of automotive and other goods in the previous fiscal year, chiefly due to optimization of sales activities. In the fleet business, an area of increased focus for the Company in terms of aiming to capture corporate demand, the sales volume of driving safety support merchandise, including dashboard cameras, expanded along with the growth in transactions with nationwide operators.

In the Internet business, the Company worked on the renewal of its merchandise lineup and promotions, while aiming to expand sales through digital marketing initiatives on the strength of artificial intelligence technologies. In addition, the Company made preparations for updating its website in the next fiscal year.

[Other Business]

Sales in the other businesses decreased by 4.1% year on year, to 2,117 million yen, and the segment

profit declined by 4.2% year on year, to 410 million yen.

## (2) Analysis of financial position

### -Status of balance sheet items

#### [Current assets]

Current assets decreased by 9,630 million yen from those at the end of the previous fiscal year, to 98,227 million yen. While merchandise increased after the new consolidation of a subsidiary, accounts receivable – other dropped due chiefly to a decline in purchase rebates.

#### [Property, plant, and equipment and intangible assets]

Property, plant, and equipment climbed by 1,034 million yen from the end of the previous fiscal year, to 42,124 million yen. It is due mainly to the posting of Right-of-use assets by applying the International Financial Reporting Standard (IFRS) 16 Leases.

Intangible assets increased by 819 million yen from the end of the previous fiscal year, to 6,856 million yen. It primarily reflects the generation of goodwill and software acquisition.

#### [Investments and other assets]

Investments and other assets decreased by 813 million yen from the end of the previous fiscal year, to 25,591 million yen. This decline resulted chiefly from reorganization into a subsidiary in business investment.

#### [Current liabilities]

Current liabilities fell by 8,272 million yen from the end of the previous fiscal year, to 36,131 million yen. It is attributable mainly to a decrease in notes and accounts payable – trade.

#### [Non-current liabilities]

Non-current liabilities increased by 3,901 million yen from the end of the previous fiscal year, to 16,701 million yen. It was primarily a result of an increase in lease obligations after an overseas subsidiary applied IFRS 16 Leases.

#### [Total net assets]

Total net assets decreased by 4,220 million yen from the end of the previous fiscal year, to 119,966 million yen. This was mainly attributable to a decrease as a result of the purchase of treasury shares.

#### [Total assets / Total liabilities and total net assets]

Total assets, or total liabilities and net assets, decreased by 8,591 million yen from the end of the previous fiscal year, to 172,799 million yen.

### - Status of consolidated cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the consolidated fiscal year under review decreased by 2,480 million yen from the end of the preceding consolidated fiscal year to 28,051 million yen. This was due to an inflow of funds from operating activities at 10,603 million yen, an outflow of funds from investing activities at 3,370 million yen and an outflow of funds from financing activities at 9,684 million yen.

The status of each cash flow and major factors for increases and decreases are as follows:

Net cash provided by operating activities increased by 6,156 million yen year on year to 10,603 million yen, due primarily to impairment loss increasing by 1,735 million yen and income taxes paid decreasing by 3,196 million yen, despite profit before income taxes decreasing by 1,849 million yen.

Net cash used in investing activities increased by 292 million yen year on year to 3,370 million yen, attributable to proceeds from sales of property, plant and equipment and intangible assets decreasing by 917 million yen, collection of loans receivable falling by 748 million yen and proceeds from sales and redemption of investment securities decreasing by 738 million yen, despite purchase of property, plant and equipment and intangible assets decreasing by 1,188 million and purchase of shares of subsidiaries resulting in the change in scope of consolidation decreasing by 594 million yen.

Net cash used in financing activities decreased by 192 million yen year on year to 9,684 million yen, resulting from a purchase of treasury shares decreasing by 827 million yen, proceeds from long-term



loans payable increasing by 636 million yen and repayments of long-term loans payable decreasing by 582 million yen, despite a net increase in repayments of short-term loans borrowings growing by 1,468 million yen.

6. Consolidated Financial Statements  
(1) Consolidated Balance Sheet

(Millions of yen)

|  | As of March 31, 2019 | As of March 31, 2020 |
|--|----------------------|----------------------|
| <b>Assets</b>                          |                      |                      |
| Current assets                         |                      |                      |
| Cash and deposits                      | 30,679               | 28,233               |
| Notes and accounts receivable - trade  | 25,159               | 21,963               |
| Investments in leases                  | 6,808                | 5,601                |
| Merchandise                            | 19,639               | 20,774               |
| Short-term loans receivable            | 20                   | 4                    |
| Accounts receivable - other            | 22,676               | 18,969               |
| Income taxes receivable                | 365                  | 3                    |
| Other                                  | 2,615                | 2,750                |
| Allowance for doubtful accounts        | (107)                | (73)                 |
| Total current assets                   | 107,857              | 98,227               |
| Non-current assets                     |                      |                      |
| Property, plant and equipment          |                      |                      |
| Buildings and structures               | 41,417               | 41,937               |
| Accumulated depreciation               | (28,013)             | (29,945)             |
| Buildings and structures, net          | 13,404               | 11,991               |
| Machinery, equipment and vehicles      | 7,304                | 7,616                |
| Accumulated depreciation               | (3,317)              | (3,855)              |
| Machinery, equipment and vehicles, net | 3,986                | 3,761                |
| Tools, furniture and fixtures          | 10,909               | 11,176               |
| Accumulated depreciation               | (9,211)              | (9,812)              |
| Tools, furniture and fixtures, net     | 1,698                | 1,363                |
| Land                                   | 21,566               | 21,519               |
| Leased assets                          | 595                  | 571                  |
| Accumulated depreciation               | (194)                | (222)                |
| Leased assets, net                     | 401                  | 348                  |
| Right-of-use assets                    | —                    | 3,219                |
| Accumulated depreciation               | —                    | (521)                |
| Right-of-use assets, net               | —                    | 2,697                |
| Construction in progress               | 33                   | 441                  |
| Total property, plant and equipment    | 41,090               | 42,124               |
| Intangible assets                      |                      |                      |
| Goodwill                               | 1,344                | 1,880                |
| Software                               | 2,412                | 2,861                |
| Other                                  | 2,279                | 2,114                |
| Total intangible assets                | 6,036                | 6,856                |
| Investments and other assets           |                      |                      |
| Investment securities                  | 7,708                | 6,658                |
| Long-term loans receivable             | 3                    | 0                    |
| Deferred tax assets                    | 3,952                | 4,632                |
| Guarantee deposits                     | 13,731               | 13,324               |
| Other                                  | 1,039                | 1,210                |
| Allowance for doubtful accounts        | (30)                 | (234)                |
| Total investments and other assets     | 26,405               | 25,591               |
| Total non-current assets               | 73,533               | 74,572               |
| Total assets                           | 181,391              | 172,799              |

(Millions of yen)

|  | As of March 31, 2019 | As of March 31, 2020 |
|--|----------------------|----------------------|
| <b>Liabilities</b>   |                      |                      |
| Current liabilities  |                      |                      |
| Notes and accounts payable - trade                                   | 21,298               | 12,435               |
| Short-term borrowings  | 2,412                | 1,880                |
| Lease obligations  | 159                  | 654                  |
| Accounts payable - other   | 13,564               | 13,927               |
| Income taxes payable   | 757                  | 1,311                |
| Provision for point card certificates                                | 72                   | —                    |
| Other  | 6,139                | 5,922                |
| Total current liabilities  | 44,404               | 36,131               |
| Non-current liabilities  |                      |                      |
| Long-term borrowings   | 1,300                | 933                  |
| Lease obligations  | 1,120                | 3,835                |
| Deferred tax liabilities   | 414                  | 387                  |
| Provision for retirement benefits for directors (and other officers) | 34                   | 42                   |
| Retirement benefit liability   | 1,479                | 3,238                |
| Asset retirement obligations   | 2,184                | 2,232                |
| Other  | 6,266                | 6,032                |
| Total non-current liabilities  | 12,799               | 16,701               |
| Total liabilities  | 57,203               | 52,833               |
| <b>Net assets</b>  |                      |                      |
| Shareholders' equity   |                      |                      |
| Share capital  | 33,998               | 33,998               |
| Capital surplus  | 34,298               | 34,297               |
| Retained earnings  | 60,172               | 59,110               |
| Treasury shares  | (5,689)              | (7,771)              |
| Total shareholders' equity   | 122,780              | 119,635              |
| Accumulated other comprehensive income                               |                      |                      |
| Valuation difference on available-for-sale securities                | 1,462                | 1,550                |
| Foreign currency translation adjustment                              | 381                  | (16)                 |
| Remeasurements of defined benefit plans                              | (1,042)              | (1,917)              |
| Total accumulated other comprehensive income                         | 801                  | (383)                |
| Non-controlling interests  | 604                  | 714                  |
| Total net assets   | 124,187              | 119,966              |
| <b>Total liabilities and net assets</b>                              | <b>181,391</b>       | <b>172,799</b>       |

## (2) Consolidated Statement of Income and Comprehensive Income

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 213,840                             | 221,400                             |
| Cost of sales   | 146,259                             | 150,653                             |
| Gross profit  | 67,581                              | 70,746                              |
| Selling, general and administrative expenses                  | 60,102                              | 63,160                              |
| Operating profit  | 7,478                               | 7,585                               |
| Non-operating income  |                                     |                                     |
| Interest income   | 63                                  | 63                                  |
| Dividend income   | 78                                  | 65                                  |
| Share of profit of entities accounted for using equity method | 365                                 | 267                                 |
| Commission income   | 62                                  | 59                                  |
| Lease revenue-system equipment                                | 733                                 | 724                                 |
| Insurance claim income  | 158                                 | 114                                 |
| Other   | 927                                 | 1,128                               |
| Total non-operating income                                    | 2,390                               | 2,424                               |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 27                                  | 74                                  |
| Lease cost-system equipment                                   | 805                                 | 790                                 |
| Loss on retirement of non-current assets                      | 103                                 | 91                                  |
| Other   | 729                                 | 993                                 |
| Total non-operating expenses                                  | 1,665                               | 1,950                               |
| Ordinary profit   | 8,203                               | 8,059                               |
| Extraordinary income  |                                     |                                     |
| Gain on sales of investment securities                        | 474                                 | —                                   |
| Insurance claim income  | 929                                 | —                                   |
| Gain on step acquisitions                                     | —                                   | 93                                  |
| Total extraordinary income                                    | 1,403                               | 93                                  |
| Extraordinary losses  |                                     |                                     |
| Impairment loss   | 215                                 | 1,950                               |
| Amortization of goodwill                                      | 190                                 | —                                   |
| Extra retirement payments                                     | 272                                 | —                                   |
| Loss on retirement of non-current assets                      | —                                   | 155                                 |
| Loss on disaster  | 973                                 | —                                   |
| Voluntary product recall-related loss                         | —                                   | 141                                 |
| Loss on arrangement of stores                                 | 201                                 | —                                   |
| Total extraordinary losses                                    | 1,852                               | 2,248                               |
| Profit before income taxes                                    | 7,754                               | 5,905                               |
| Income taxes - current  | 1,944                               | 2,321                               |
| Income taxes - deferred                                       | 345                                 | (238)                               |
| Total income taxes  | 2,289                               | 2,083                               |
| Profit  | 5,464                               | 3,821                               |
| Profit attributable to  |                                     |                                     |
| Profit attributable to owners of parent                       | 5,485                               | 3,764                               |
| Profit (loss) attributable to non-controlling interests       | (20)                                | 57                                  |

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| <b>Other comprehensive income</b>   |                                     |                                     |
| Valuation difference on available-for-sale securities                             | (458)                               | 103                                 |
| Foreign currency translation adjustment   | (87)                                | (395)                               |
| Remeasurements of defined benefit plans, net of tax                               | (349)                               | (875)                               |
| Share of other comprehensive income of entities accounted for using equity method | (5)                                 | (55)                                |
| Total other comprehensive income  | (901)                               | (1,222)                             |
| <b>Comprehensive income</b>   | <b>4,563</b>                        | <b>2,599</b>                        |
| Comprehensive income attributable to  |                                     |                                     |
| Comprehensive income attributable to owners of parent                             | 4,583                               | 2,578                               |
| Comprehensive income attributable to non-controlling interests                    | (20)                                | 20                                  |

(3) Consolidated Statement of Changes in equity  
Fiscal year ended March 31, 2019

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 33,998               | 34,298          | 59,639            | (2,773)         | 125,163                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (4,952)           |                 | (4,952)                    |
| Profit attributable to owners of parent   |                      |                 | 5,485             |                 | 5,485                      |
| Purchase of treasury shares   |                      |                 |                   | (2,916)         | (2,916)                    |
| Disposal of treasury shares   |                      | 0               |                   | 0               | 0                          |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | 0               | 0                          |
| Net changes in items other than shareholders' equity  |                      |                 |                   |                 |                            |
| Total changes during period   | —                    | 0               | 532               | (2,915)         | (2,383)                    |
| Balance at end of period  | 33,998               | 34,298          | 60,172            | (5,689)         | 122,780                    |

|   | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 1,924   | 470                                     | (692)                                   | 1,703  | 486                       | 127,352          |
| Changes during period   |   |   |   |  |                           |                  |
| Dividends of surplus  |   |   |   |  |                           | (4,952)          |
| Profit attributable to owners of parent   |   |   |   |  |                           | 5,485            |
| Purchase of treasury shares   |   |   |   |  |                           | (2,916)          |
| Disposal of treasury shares   |   |   |   |  |                           | 0                |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |   |   |   |  |                           | 0                |
| Net changes in items other than shareholders' equity  | (462)   | (89)                                    | (349)                                   | (901)  | 118                       | (782)            |
| Total changes during period   | (462)   | (89)                                    | (349)                                   | (901)  | 118                       | (3,165)          |
| Balance at end of period  | 1,462   | 381                                     | (1,042)                                 | 801  | 604                       | 124,187          |

Fiscal year ended March 31,2020

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 33,998               | 34,298          | 60,172            | (5,689)         | 122,780                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (4,826)           |                 | (4,826)                    |
| Profit attributable to owners of parent   |                      |                 | 3,764             |                 | 3,764                      |
| Purchase of treasury shares   |                      |                 |                   | (2,091)         | (2,091)                    |
| Disposal of treasury shares   |                      |                 | (0)               | 9               | 9                          |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | 0               | 0                          |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                      | (0)             |                   |                 | (0)                        |
| Net changes in items other than shareholders' equity  |                      |                 |                   |                 |                            |
| Total changes during period   | —                    | (0)             | (1,062)           | (2,082)         | (3,144)                    |
| Balance at end of period  | 33,998               | 34,297          | 59,110            | (7,771)         | 119,635                    |

|   | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 1,462   | 381                                     | (1,042)                                 | 801  | 604                       | 124,187          |
| Changes during period   |   |   |   |  |                           |                  |
| Dividends of surplus  |   |   |   |  |                           | (4,826)          |
| Profit attributable to owners of parent   |   |   |   |  |                           | 3,764            |
| Purchase of treasury shares   |   |   |   |  |                           | (2,091)          |
| Disposal of treasury shares   |   |   |   |  |                           | 9                |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |   |   |   |  |                           | 0                |
| Change in ownership interest of parent due to transactions with non-controlling interests             |   |   |   |  |                           | (0)              |
| Net changes in items other than shareholders' equity  | 88  | (398)                                   | (875)                                   | (1,185)                                      | 109                       | (1,075)          |
| Total changes during period   | 88  | (398)                                   | (875)                                   | (1,185)                                      | 109                       | (4,220)          |
| Balance at end of period  | 1,550   | (16)                                    | (1,917)                                 | (383)  | 714                       | 119,966          |

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities  |                                     |                                     |
| Profit before income taxes  | 7,754                               | 5,905                               |
| Depreciation  | 3,726                               | 4,415                               |
| Impairment loss   | 215                                 | 1,950                               |
| Amortization of goodwill  | 319                                 | 250                                 |
| Increase (decrease) in allowance for doubtful accounts                                      | (7)                                 | (52)                                |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | (41)                                | —                                   |
| Increase (decrease) in retirement benefit liability   | (74)                                | 326                                 |
| Extra retirement payments   | 272                                 | —                                   |
| Interest and dividend income  | (141)                               | (129)                               |
| Insurance claim income  | (1,088)                             | (114)                               |
| Interest expenses   | 27                                  | 74                                  |
| Share of loss (profit) of entities accounted for using equity method                        | (365)                               | (267)                               |
| Loss (gain) on sales and retirement of non-current assets                                   | 96                                  | 249                                 |
| Loss (gain) on sales of investment securities   | (485)                               | (0)                                 |
| Loss (gain) on valuation of investment securities   | 3                                   | 16                                  |
| Loss on disaster  | 973                                 | —                                   |
| Loss on arrangement of stores   | 201                                 | —                                   |
| Loss (gain) on step acquisitions  | —                                   | (93)                                |
| Voluntary product recall-related loss   | —                                   | 141                                 |
| Decrease (increase) in trade receivables  | (1,002)                             | 8,044                               |
| Decrease (increase) in investments in leases  | 1,268                               | 1,066                               |
| Decrease (increase) in inventories  | (2,513)                             | (138)                               |
| Increase (decrease) in trade payables   | 334                                 | (9,500)                             |
| Other, net  | (37)                                | (490)                               |
| Subtotal  | 9,435                               | 11,654                              |
| Interest and dividends received   | 147                                 | 144                                 |
| Interest paid   | (27)                                | (74)                                |
| Proceeds from insurance income  | 346                                 | 114                                 |
| Extra retirement payments   | (272)                               | —                                   |
| Payments associated with disaster loss  | (749)                               | —                                   |
| Income taxes paid   | (4,432)                             | (1,235)                             |
| Net cash provided by (used in) operating activities   | 4,447                               | 10,603                              |



(Millions of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from investing activities</b>   |                                     |                                     |
| Payments into time deposits   | (146)                               | (113)                               |
| Proceeds from withdrawal of time deposits   | 16                                  | 279                                 |
| Purchase of property, plant and equipment and intangible assets   | (4,618)                             | (3,429)                             |
| Proceeds from sales of property, plant and equipment and intangible assets  | 1,484                               | 567                                 |
| Purchase of investment securities   | (0)                                 | —                                   |
| Proceeds from sales and redemption of investment securities   | 742                                 | 4                                   |
| Payments for acquisition of businesses  | (109)                               | —                                   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation                                    | (1,171)                             | (577)                               |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation                      | —                                   | 386                                 |
| Purchase of shares of subsidiaries and associates   | —                                   | (618)                               |
| Loan advances   | (0)                                 | —                                   |
| Collection of loans receivable  | 761                                 | 12                                  |
| Payments of guarantee deposits  | (905)                               | (278)                               |
| Proceeds from refund of guarantee deposits  | 974                                 | 320                                 |
| Other, net  | (104)                               | 76                                  |
| <b>Net cash provided by (used in) investing activities</b>  | <b>(3,078)</b>                      | <b>(3,370)</b>                      |
| <b>Cash flows from financing activities</b>   |                                     |                                     |
| Net increase (decrease) in short-term borrowings  | (839)                               | (2,308)                             |
| Proceeds from long-term borrowings  | —                                   | 636                                 |
| Repayments of long-term borrowings  | (1,123)                             | (540)                               |
| Purchase of treasury shares   | (2,916)                             | (2,088)                             |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | —                                   | (3)                                 |
| Dividends paid  | (4,952)                             | (4,827)                             |
| Other, net  | (44)                                | (552)                               |
| <b>Net cash provided by (used in) financing activities</b>  | <b>(9,876)</b>                      | <b>(9,684)</b>                      |
| <b>Effect of exchange rate change on cash and cash equivalents</b>  | <b>(11)</b>                         | <b>(28)</b>                         |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>(8,518)</b>                      | <b>(2,480)</b>                      |
| <b>Cash and cash equivalents at beginning of period</b>   | <b>39,050</b>                       | <b>30,531</b>                       |
| <b>Cash and cash equivalents at end of period</b>   | <b>30,531</b>                       | <b>28,051</b>                       |

## 7. Notes on the consolidated financial statements

(Notes on the Going-concern Assumption)

Not applicable.

(Changes in Accounting Policy)

Overseas consolidated subsidiaries of Autobacs group have adopted IFRS 16 “Lease” since the beginning of the year ended March 31, 2020. Accordingly, lease transaction as lessee, assets and liabilities are recognized for all leases in principal.

In applying IFRS 16, overseas consolidated subsidiaries adopted the method that it recognizes the cumulative effects by adopting the standard on the adoption start date as permitted by way of transitional measures.

As a result, “Right-of-use assets” of Property, plant and equipment was increased by 4,122 million yen, “Lease obligations” of Current liabilities was increased by 537 million yen and “Lease obligations” of Non-current liabilities was increased by 3,585 million yen, respectively.

The impact on the consolidated profit and loss for the year ended March 31, 2020 is minimal.

## 8. Segment Information

### (1) Outlines reportable segment

The reporting segments of Autobacs Seven Co., Ltd. (the “Company”) are the components of the Company about which separate financial information is available. These segments are subject to periodic examination to enable the Company's Board of Directors to decide how to allocate resources and assess performance.

The companies are engaged in wholesale, retail sales and internet sales of automotive goods and services both in Japan and overseas; automobile purchase and sales; statutory safety inspection and maintenance services; imported car dealership. The companies also provide the AUTOBACS chain with store leasing service and credit related business. The Group has four reporting segments: “Domestic AUTOBACS Business,” “Overseas Business,” “Car Dealer, BtoB and Internet Business” and “Other Business.”

“Domestic AUTOBACS Business” is engaged in whole sale of automotive goods such as Tires and Wheels, Car Electronics to its franchise companies in Japan. It also provides the AUTOBACS chain with store leasing service. Furthermore, it is engaged in sale and installation services of automotive goods, maintenance services, statutory safety inspection, automobile purchase from and sales to domestic customers.

“Overseas Business” is engaged in sale and installation services of automotive goods, maintenance services and operating a sheet metal painting to overseas customers. It also exports automotive goods to overseas franchise companies and other retail companies.

“Car Dealer, BtoB and Internet Business” is engaged in retail sale and service of imported car to domestic customers. It is also engaged in whole sale of automotive goods to domestic DIY stores. Moreover, it is engaged in providing automotive goods through the corporate site and the official app cooperated with real stores. It is engaged in statutory safety inspection, maintenance services and operating a sheet metal painting as well.

“Other Business” is engaged in credit related business, insurance agent, individual credit purchase mediation at franchise companies in Japan and issuing alliance card. It also provides the AUTOBACS chain with store equipment leasing service.

### (2) Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

The accounting treatment methods for the Company's reporting segments have been prepared in accordance with accounting policies used for preparation of the consolidated financial statements.

## (3)Segment sales ,income(loss),assets and others

Fiscal year ended March 31, 2019

(Millions of yen)

|   | Reportable segments        |                   |  |        |                     | Reconciling items | Per consolidated financial statements |
|---|----------------------------|-------------------|--|--------|---------------------|-------------------|---------------------------------------|
|   | Domestic AUTOBACS Business | Overseas Business | Car dealer, BtoB and Internet business | Other  | Reportable segments |                   |                                       |
| Sales   |                            |                   |  |        |                     |                   |                                       |
| Revenues from external customers                                | 177,802                    | 10,927            | 23,451                                 | 1,659  | 213,840             | -                 | 213,840                               |
| Transactions with other segments                                | 1,258                      | 290               | 6,577                                  | 548    | 8,674               | (8,674)           | -                                     |
| Net sales   | 179,060                    | 11,217            | 30,028                                 | 2,207  | 222,514             | (8,674)           | 213,840                               |
| Operating profit (loss)   | 14,869                     | (783)             | (1,076)                                | 428    | 13,437              | (5,958)           | 7,478                                 |
| Assets  | 104,136                    | 8,870             | 17,704                                 | 24,154 | 154,866             | 26,524            | 181,391                               |
| Other items   |                            |                   |  |        |                     |                   |                                       |
| Depreciation  | 2,761                      | 305               | 245                                    | 31     | 3,343               | 180               | 3,523                                 |
| Amortization of goodwill  | -                          | 86                | 43                                     | -      | 129                 | -                 | 129                                   |
| Amortization of goodwill (Extraordinary loss)                   | -                          | -                 | 190                                    | -      | 190                 | -                 | 190                                   |
| Investments in entities accounted for using equity method       | 1,982                      | 472               | 1,950                                  | -      | 4,405               | 67                | 4,472                                 |
| Increase in property, plant and equipment and intangible assets | 3,250                      | 339               | 496                                    | 10     | 4,096               | 522               | 4,618                                 |

Notes:

1. The details of "Reconciling items" are as follows:

- (1) The amount (5,958) million yen of "Reconciling items" of Operating profit (loss) is the corporate administrative expense which is not allocable to each reportable segment.
- (2) The amount 26,524 million yen of "Reconciling items" of Assets is the corporate administrative assets such as cash and deposits which are not belong to each reportable segment.
- (3) At Other items, the amount 180 million yen of "Reconciling items" of Depreciation is the depreciation for the corporate administrative assets. The amount 67 million yen of "Reconciling items" of Investments in entities accounted for using equity method is the investment amount to the affiliated company which is not belong to each reportable segment. the amount 522 million yen of "Reconciling items" of Increase in property, plant and equipment and intangible assets is the mainly amount of capital investment for the corporate administrative assets.

2. Operating profit (loss) corresponds to Operating profit in the Consolidated Statements of Income and Comprehensive Income.

Fiscal year ended March 31, 2020

(Millions of yen)

|   | Reportable segments        |                   |  |        |                     | Reconciling items | Per consolidated financial statements |
|---|----------------------------|-------------------|--|--------|---------------------|-------------------|---------------------------------------|
|   | Domestic AUTOBACS Business | Overseas Business | Car dealer, BtoB and Internet business | Other  | Reportable segments |                   |                                       |
| Sales   |                            |                   |  |        |                     |                   |                                       |
| Revenues from external customers                                | 178,110                    | 11,490            | 30,180                                 | 1,618  | 221,400             | -                 | 221,400                               |
| Transactions with other segments                                | 1,266                      | 265               | 8,301                                  | 499    | 10,333              | (10,333)          | -                                     |
| Net sales   | 179,377                    | 11,756            | 38,482                                 | 2,117  | 231,733             | (10,333)          | 221,400                               |
| Operating profit (loss)   | 13,572                     | (360)             | 54                                     | 410    | 13,677              | (6,091)           | 7,585                                 |
| Assets  | 93,420                     | 12,353            | 17,672                                 | 24,048 | 147,495             | 25,303            | 172,799                               |
| Other items   |                            |                   |  |        |                     |                   |                                       |
| Depreciation  | 2,781                      | 868               | 288                                    | 9      | 3,947               | 281               | 4,229                                 |
| Amortization of goodwill  | 58                         | 105               | 87                                     | -      | 250                 | -                 | 250                                   |
| Investments in entities accounted for using equity method       | 2,153                      | 1,590             | -                                      | -      | 3,744               | 77                | 3,822                                 |
| Increase in property, plant and equipment and intangible assets | 1,721                      | 186               | 809                                    | 162    | 2,880               | 549               | 3,429                                 |

Notes:

1. The details of "Reconciling items" are as follows:

- (1) The amount (6,091) million yen of "Reconciling items" of Operating profit (loss) is the corporate administrative expense which is not allocable to each reportable segment.
- (2) The amount 25,303 million yen of "Reconciling items" of Assets is the corporate administrative assets such as cash and deposits which are not belong to each reportable segment.
- (3) At Other items, the amount 281 million yen of "Reconciling items" of Depreciation is the depreciation for the corporate administrative assets. The amount 77 million yen of "Reconciling items" of Investments in entities accounted for using equity method is the investment amount to the affiliated company which is not belong to each reportable segment. the amount 549 million yen of "Reconciling items" of Increase in property, plant and equipment and intangible assets is the mainly amount of capital investment for the corporate administrative assets.

2. Operating profit (loss) corresponds to Operating profit in the Consolidated Statements of Income and Comprehensive Income.

## (4) Impairment loss by reportable segment

Fiscal year ended March 31,2019

(Millions of yen)

|                 | Reportable segments        |                   |  |       |                     | Unallocated amounts and elimination | Per consolidated financial statements |
|-----------------|----------------------------|-------------------|--|-------|---------------------|-------------------------------------|---------------------------------------|
|                 | Domestic AUTOBACS Business | Overseas Business | Car dealer, BtoB and Internet business | Other | Reportable segments |                                     |                                       |
| Impairment loss | 42                         | —                 | 172                                    | —     | 215                 | —                                   | 215                                   |

Fiscal year ended March 31,2020

(Millions of yen)

|                 | Reportable segments        |                   |  |       |                     | Unallocated amounts and elimination | Per consolidated financial statements |
|-----------------|----------------------------|-------------------|--|-------|---------------------|-------------------------------------|---------------------------------------|
|                 | Domestic AUTOBACS Business | Overseas Business | Car dealer, BtoB and Internet business | Other | Reportable segments |                                     |                                       |
| Impairment loss | 754                        | 994               | 201                                    | —     | 1,950               | —                                   | 1,950                                 |

## (5) Amortization and balance of goodwill by reportable segment

Fiscal year ended March 31,2019

(Millions of yen)

|                          | Reportable segments        |                   |  |       |                     | Unallocated amounts and elimination | Per consolidated financial statements |
|--------------------------|----------------------------|-------------------|--|-------|---------------------|-------------------------------------|---------------------------------------|
|                          | Domestic AUTOBACS Business | Overseas Business | Car dealer, BtoB and Internet business | Other | Reportable segments |                                     |                                       |
| Amortization of goodwill | —                          | 86                | 233                                    | —     | 319                 | —                                   | 319                                   |
| Goodwill                 | 217                        | 939               | 188                                    | —     | 1,344               | —                                   | 1,344                                 |

Note: 190 million yen of Amortization of goodwill (Extraordinary loss) is included at Amortization of goodwill of Car dealer, BtoB and Internet business.

Fiscal year ended March 31,2020

(Millions of yen)

|                          | Reportable segments        |                   |  |       |                     | Unallocated amounts and elimination | Per consolidated financial statements |
|--------------------------|----------------------------|-------------------|--|-------|---------------------|-------------------------------------|---------------------------------------|
|                          | Domestic AUTOBACS Business | Overseas Business | Car dealer, BtoB and Internet business | Other | Reportable segments |                                     |                                       |
| Amortization of goodwill | 58                         | 105               | 87                                     | —     | 250                 | —                                   | 250                                   |
| Goodwill                 | 451                        | 972               | 456                                    | —     | 1,880               | —                                   | 1,880                                 |