

# Results for the Three Months ended June 30, 2021



July 31, 2021

**AUTOBACS SEVEN CO., LTD.**

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# 1Q FY March 2022 Consolidated P/L

## Increases in sales and income: Income increased significantly, reflecting the recovery trend, despite the impact of COVID-19.

Businesses that were seriously affected by the COVID-19 pandemic in the same period of the previous year continued to recover in the first three months under review, especially in the domestic AUTOBACS business. The domestic AUTOBACS business remained strong, principally in mainstay car electronics and tires.

\*Starting from the beginning of the first three months under review, the Group adopted the Accounting Standard for Revenue Recognition, etc. (Actual results for the same period of the previous year are actual results before the application)

	1Q ended June 30, 2021			1Q ended June 30, 2020		
	(Billion Yen)	Actual result	% of Sales	YoY change ratio	Actual result	YoY change ratio
<b>Net sales</b>		<b>52.2</b> (53.2)	—	+16.1% (+18.3%)	45.0	-10.9%
<b>Gross profit</b>		<b>17.6</b> (17.7)	<b>33.8%</b>	+17.2% (+17.6%)	15.0	-7.2%
<b>SG&amp;A</b>		<b>16.1</b> (16.2)	<b>30.9%</b>	+10.5% (+11.3%)	14.6	-2.7%
<b>Operating income</b>		<b>1.5</b> (1.4)	<b>2.9%</b>	+229.7% (+218.1%)	0.4	-62.1%
<b>Non-operating Income/expenses</b>		<b>0.1</b> (0.1)	<b>0.4%</b>	-36.3% (-36.3%)	0.3	+109.1%
<b>Ordinary income</b>		<b>1.7</b> (1.6)	<b>3.3%</b>	+124.8% (+117.7%)	0.7	-44.0%
<b>Net profit *</b>	*Net profit = Profit attributable to owners of parent	<b>1.0</b> (1.0)	<b>2.1%</b>	+189.6% (+175.2%)	0.3	-54.6%

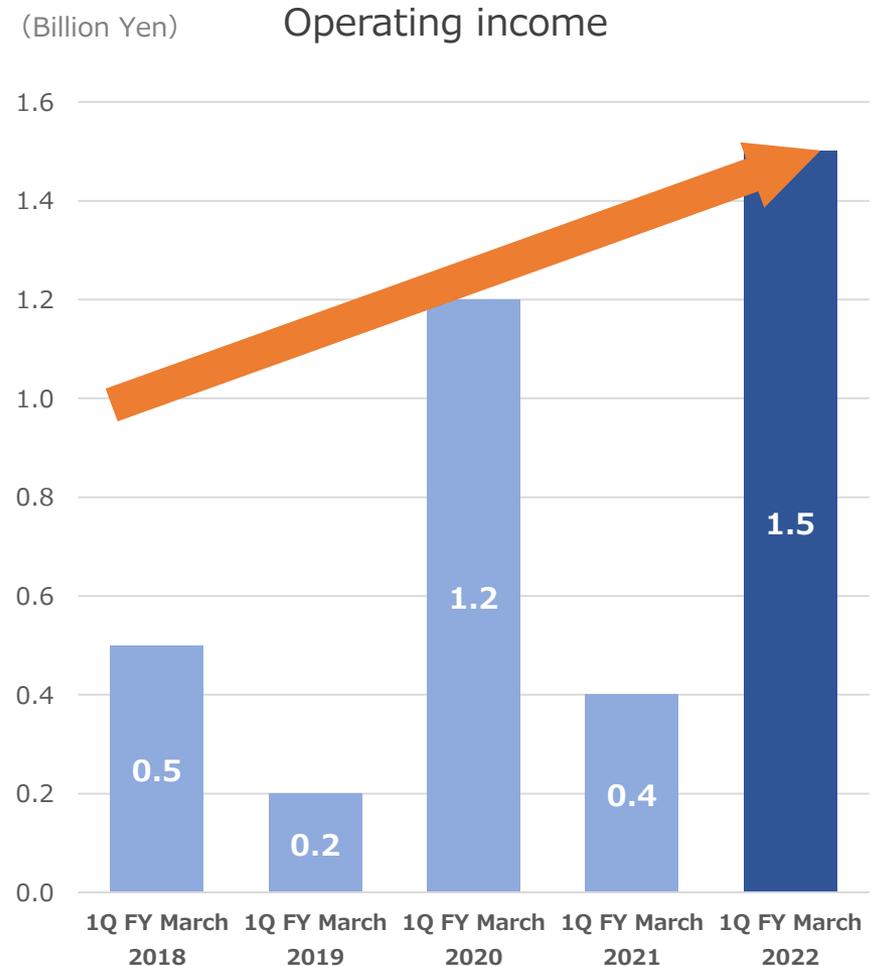
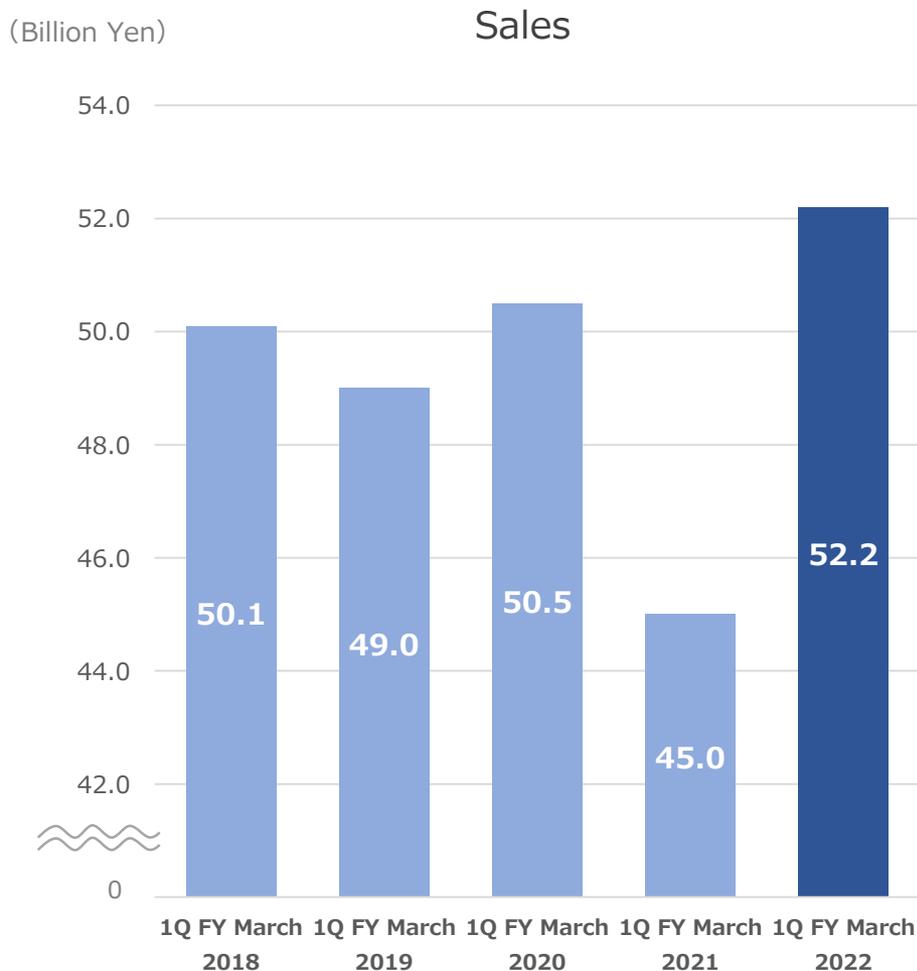
Amounts are rounded down to the nearest hundred million yen.  
% of Net Sales and YoY comparisons are calculated in yen.

\*The figures in the upper row are based on a simple comparison between the actual results for the current fiscal year and those for the previous fiscal year.

\*Figures in the parentheses in the bottom row show those that do not reflect the application of the Accounting Standard for Revenue Recognition, etc.

# 1Q FY March 2022 Consolidated P/L Five Years Transition

## Highest income in the past five years

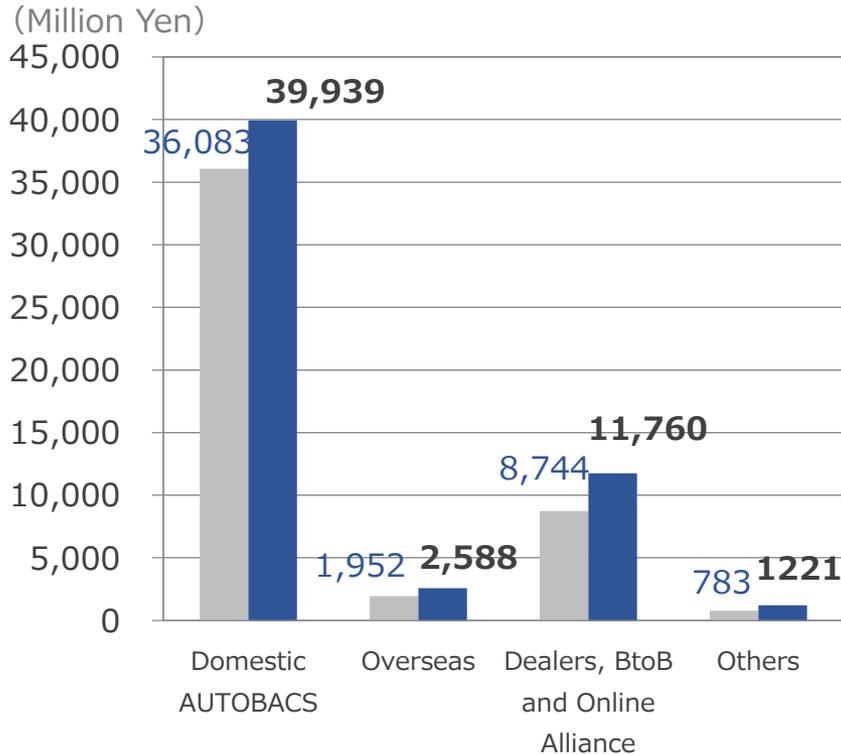


Amounts are rounded down.

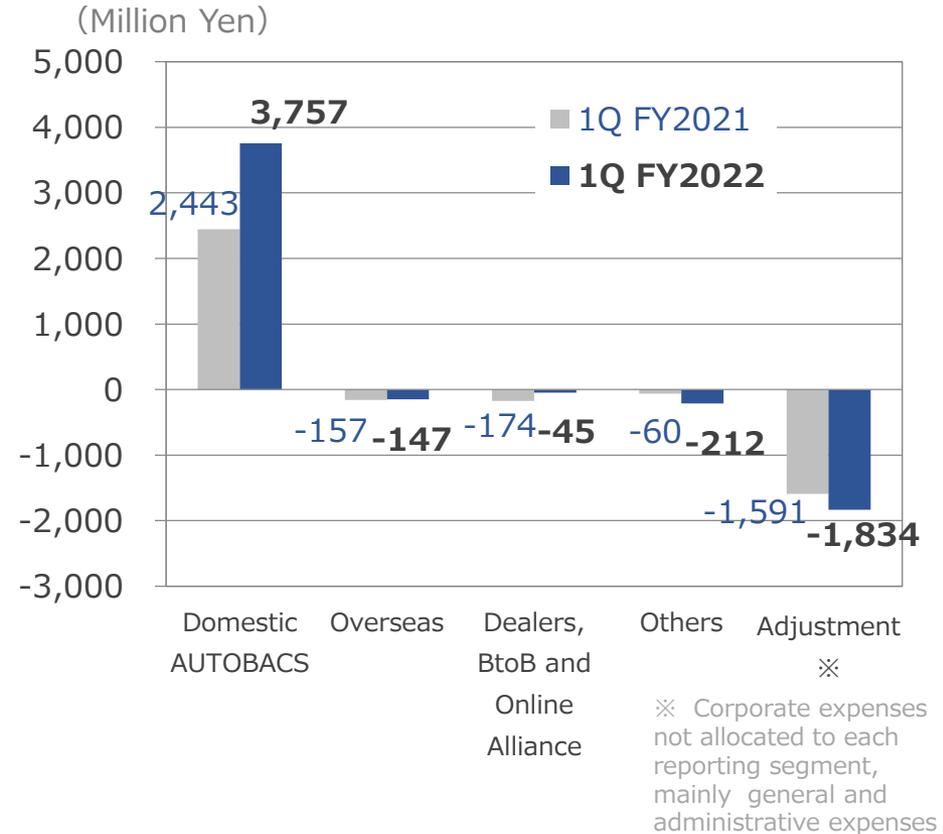
The figures for the previous fiscal year and earlier have not been reclassified to reflect the new presentation method.

# Sales and Profits of Reporting Segments

## Sales



## Profits



From FY2022, Changed the segment name from the conventional "Car dealership, BtoB and Internet Business" to "Car dealership, BtoB and Online alliance Business". This change does not affect the segment information.

Round down to the nearest million Yen  
Before elimination of transaction between segments

The figures for the previous fiscal year have not been reclassified to reflect the new presentation method.

# Segment Information

\*For reference purposes only

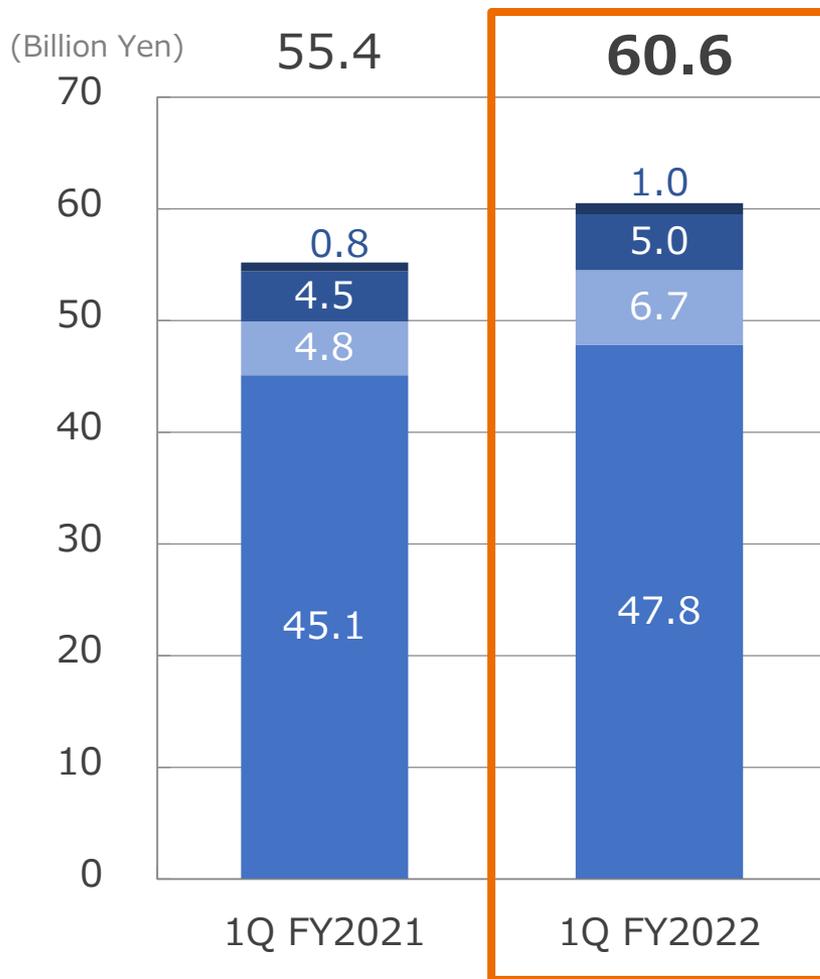
		(Million Yen)	1Q FY March 2022	1Q FY March 2021	YoY*	Summary
<b>Domestic AUTOBACS Business</b>	Sales		<b>39,939</b>	36,083	+10.7%	The business, which was affected significantly by the COVID-19 pandemic in 1Q of the previous fiscal year, continued to show a recovery in 1Q of the current fiscal year. Sales of car electronics rose thanks to the strategic procurement of merchandise, despite the global shortage of semiconductors. Operating income increased significantly.
	Gross profit		<b>13,512</b>	12,088	+11.8%	
	SG&A		<b>9,754</b>	9,644	+1.1%	
	Operating income		<b>3,757</b>	2,443	+53.8%	
<b>Overseas Business</b>	Sales		<b>2,588</b>	1,952	+32.6%	Sales recovered mainly due to the lifting of lockdowns in France, among other countries. SG&A expenses increased in reaction to a partial decline of temporary rent and other expenses in the previous fiscal year.
	Gross profit		<b>1,200</b>	947	+26.8%	
	SG&A		<b>1,348</b>	1,104	+22.1%	
	Operating income		<b>-147</b>	-157	—	
<b>Car Dealer, BtoB and Online Alliance Business</b>	Sales		<b>11,760</b>	8,744	+34.5%	The business, which was affected by the COVID-19 pandemic in 1Q of the previous fiscal year, made a recovery in 1Q of the current fiscal year. Meanwhile, sales and SG&A expenses increased at two companies acquired in April 2021. Operating loss declined.
	Gross profit		<b>2,529</b>	1,756	+44.1%	
	SG&A		<b>2,574</b>	1,930	+33.4%	
	Operating income		<b>-45</b>	-174	—	
<b>Other Business</b>	Sales		<b>1,221</b>	783	+55.9%	Sales and SG&A expenses increased chiefly due to the expansion of the lifestyle business.
	Gross profit		<b>421</b>	276	+52.4%	
	SG&A		<b>634</b>	337	+88.2%	
	Operating income		<b>-212</b>	-60	—	
<b>Reconciling items</b>	Operating income		<b>-1,834</b>	-1,591	—	

Amounts are rounded down to the nearest million yen. YoY comparisons are calculated in yen.

The figures for the previous fiscal year have not been reclassified to reflect the new presentation method. Reference YoY comparison is a simple comparison of the actual results for the current period with the actual results for the LY.

# Retail Sales in Total AUTOBACS Group Stores

**RETAIL SALES INCLUDING FCs: 60.6 billion yen (+9.4% YoY)**



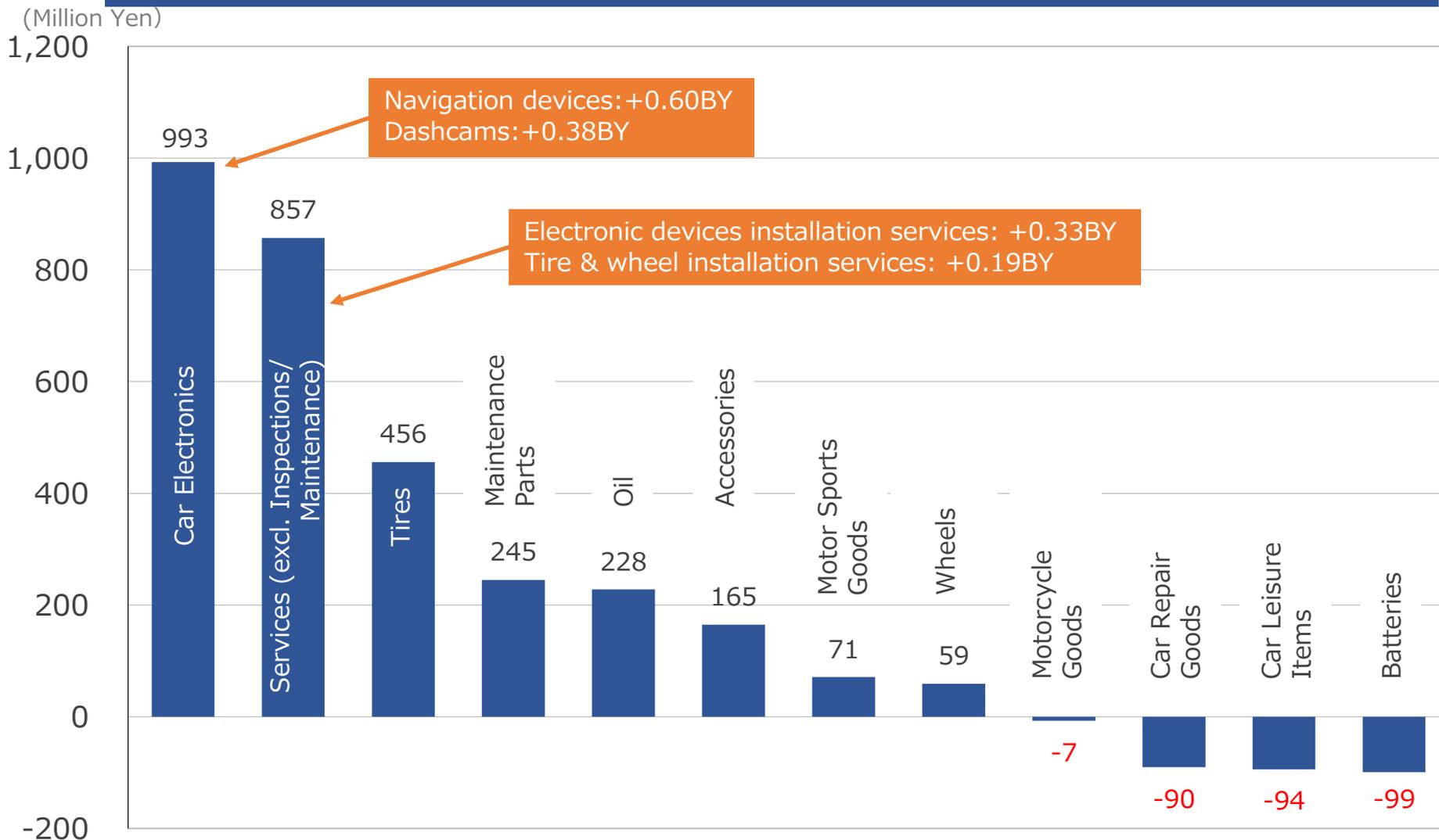
	Result	YoY
<b>Second hand goods &amp; Fuel</b>	<b>1.0BY</b>	+20.2%
<b>Statutory safety inspection</b>	<b>5.0BY</b>	+9.9%
	158,000 Cars	+10.0%
Number of fully certified & designated stores	430 stores	±0 store
<b>Car purchase &amp; sales</b>	<b>6.7BY</b>	+38.5%
	6,934 cars	+23.0%
Number of fully certified & designated stores	392 stores	-10 stores
<b>Car related goods &amp; services</b>	<b>47.8BY</b>	+6.0%

Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

Amounts are rounded down to the nearest million yen. YoY comparisons are calculated in yen.

# Sales Variance by Merchandise

Sales\* changes by merchandise category(YoY change in amount; total store basis)



Sales at all domestic store formats. Total store basis.  
Amounts are rounded down.

# Performance by Overseas Subsidiaries

(Million Yen)	France		Singapore		China		Malaysia		Australia		Thailand	
Number of stores	<b>10</b>		<b>2</b>		<b>0</b>		<b>4</b>		<b>0</b>		<b>20</b>	
Period	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q
Net sales	<b>1,544</b>	1,097	<b>333</b>	301	<b>180</b>	168	<b>9</b>	5	<b>484</b>	226	0	146
SG&A	<b>896</b>	708	<b>149</b>	118	<b>54</b>	38	<b>7</b>	8	<b>120</b>	92	0	60
Operating income	<b>-67</b>	-120	<b>5</b>	59	<b>-5</b>	8	<b>-4</b>	-5	<b>36</b>	-23	0	-17
Business conditions	Retail sales recovered, reflecting the gradual lifting of restrictions on outings. SG&A expenses increased in reaction to a partial decline of temporary rent and other expenses in the previous fiscal year.		Sales increased despite the implementation of another lockdown, starting from May. Sales decreased at SK Automobile Pte. Ltd, a subsidiary that provides sheet metal maintenance services, reflecting a decline in the number of repairs given a traffic slowdown.		Wholesale climbed, mainly due to efforts made to increase the number of authorized dealers and develop new wholesale customers. SG&A expenses increased in reaction to a decline resulting from restrictions on activities amid the COVID-19 pandemic in the previous fiscal year.		Instructions for the partial business suspension were issued under the government's on-and-off orders for activity restrictions. With infections spreading, sales continued to face challenging circumstances. The operating loss declined due to the reduction of expenses.		Wholesale increased thanks to car electronics and transceivers, coupled with sales activities such as the introduction of new goods, offsetting the impact of lockdowns in certain areas.		The Company transferred and acquired shares of SAB and changed it from a consolidated subsidiary to an equity-method company in October 2020. The transfer created operation led by a local party.	

Amounts are rounded down.

# 1Q FY March 2021 Overview of Business Results

## Car Dealership Business

- ✓ Acquired all shares of TA Import Co., Ltd., a company that operates authorized Audi dealers, in April 2021. (Development of its third brand following BMW and MINI)
- ✓ Sales, which were affected by the COVID-19 pandemic in 1Q of the previous fiscal year, recovered steadily in 1Q of the current fiscal year.



## BtoB Business

- ✓ Acquired all shares of Joyful Shaken & Tire Center Co., Ltd, a company that operates its facilities for statutory safety inspection, maintenance, and tire sales, in April 2021.
- ✓ Established a business alliance Nissan Motor Co., Ltd. in April 2021. To start with, the Company agreed and signed a contract to supply automotive goods such as car interior goods and car washing goods handled by the Group to Nissan Motor.



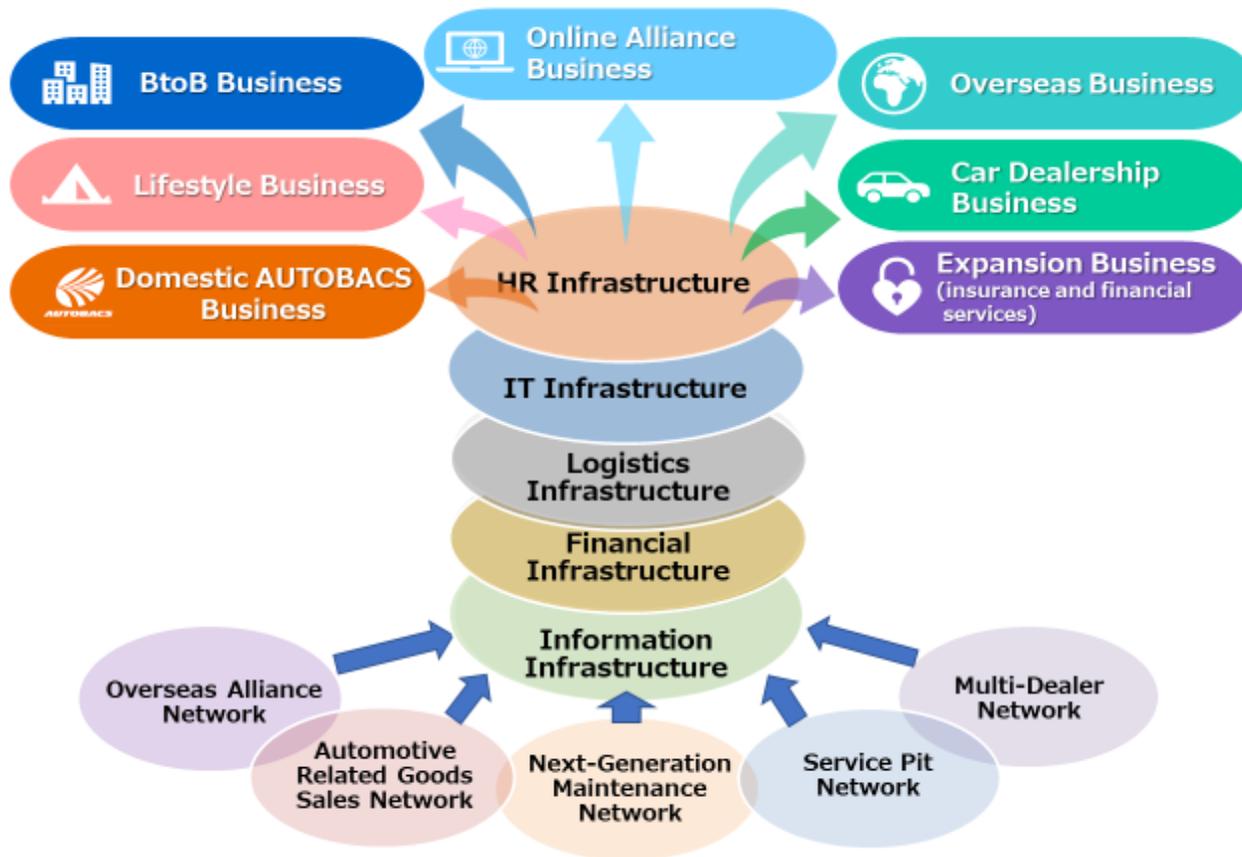
## Online Alliance Business

- ✓ The Company launched the "KURUMA NO EN" service, a flea market app that allows individuals to buy and sell used cars, thereby offering a safe and secure platform connecting seller and buyers.



# Five-Year Rolling Plan

Promote the expansion of contact points with customers through the establishment and coordination among networks



“Seven Businesses” “ Five Infrastructures” “Six Networks”

## A Comprehensive Business Alliance Agreement Was Concluded With the BS-summit\* Business Cooperative (August 20, 2020)

Next-Generation  
Maintenance  
Network

Service Pit  
Network

### Efforts to create networks



- About 600 AUTOBACS stores + 380 BS-summit companies
- One-stop car maintenance network for customers
- Experimental verification began in Kyushu, Kanto and Tohoku
- Established new ADAS Calibration Center in Kumamoto in July 2021 and offered an open facility as a community-based factory for common use.



\*A nationwide body shop network with about 380 members

# Opened a new ADAS Calibration Center in Kumamoto (Sharing facility for vehicle specific maintenance work)1

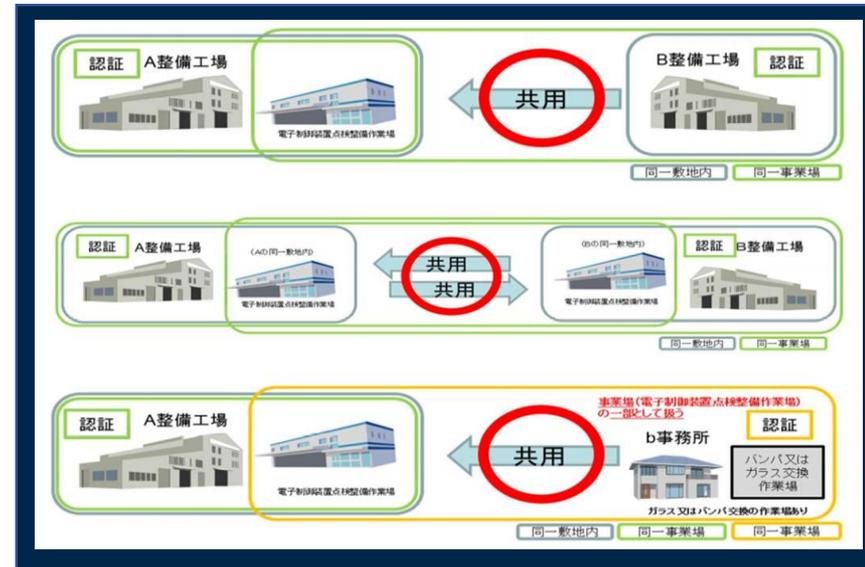
July 7, 2021

-Sharing of distant workplaces and facilities defined by the Ministry of Land, Infrastructure, Transport and Tourism-

## Next-Generation Maintenance Network

- Offer an open facility by making the Super AUTOBACS / Kumamoto Higashi Bypass a factory
- Enable local maintenance service operators to use a facility that is equipped with ADAS Calibration.
- Undertaking outsourced work on a contract basis.

## Efforts to create networks



Devices installed in commercially available vehicles for sensing the front area.

Camera (Compound eye-based/single eye-based), millimetric-wave radar, infrared radar

Single-lens camera type



Camera and millimeter wave radar combined type



## Opened a new ADAS Calibration Center in Kumamoto (Sharing facility for vehicle specific maintenance work) 2

July 7, 2021

-Sharing of distant workplaces and facilities defined by the Ministry of Land, Infrastructure, Transport and Tourism-

- Provided an explanation about collaboration and common facilities to concerned parties including local maintenance service operators.



A photo of a new calibration area launch event



Representative Director Chief Executive Officer: Kiomi Kobayashi



President of BS Summit Business Cooperative: Mr. Isobe



## Acquire All Shares in TA Import Co., Ltd. That Operates Authorized Dealers of Audi (April 1, 2021)

### Multi-Dealer Network

## Efforts to create networks

- Promoting the creation of contact points with premium car users of imported cars, etc. as part of our efforts to build the multi-dealer network.
- Start operating the third brand following BMW and MINI.



April 2021

Started operation as BACS Advance Co., Ltd.

## Acquired All Shares in Joyful Shaken & Tire Center Co., Ltd., a Nonconsolidated Subsidiary of Joyful Honda Co., Ltd. (April 1, 2021)

Next-Generation  
Maintenance  
Network

Service Pit  
Network

Automotive  
related Goods  
Sales Network

### Efforts to create networks

- Operates statutory safety inspection and tire center on the site of home center at six bases mainly in northern Kanto.
- Provide customers using the home centers with secure and safe merchandise and services.
- Promote business expansion and the creation of synergies with automotive goods sales in the area of statutory safety inspection and maintenance services the market for which is expected to grow.



## Formed a Business Alliance With Nissan (April 20, 2021)

Automotive  
related Goods  
Sales Network

### Efforts to create networks

- Formed a business alliance with Nissan crossing the boundaries between industries to improve customer convenience and create a richer car life culture.
- Planning to supply some of our automotive goods to Nissan, collaborate in planning and developing NISSAN/NISMO brand items, and co-host events and sales opportunities for the products.
- Planning to expand sales of our products to new international markets.
- Reached an agreement and entered into a contract to supply Nissan with our automotive goods such as car interior items and car wash supplies from the first half of the fiscal year 2021.



right) Representative Director Chief Executive Officer: Kiomi Kobayashi  
Left) Nissan Motor Co., Ltd. Senior vice president, Global Aftersales:  
Kent O'Hara

# CtoC: The KURUMA NO EN Service, a Flea Market App That Facilitate the Purchase and Sale of Used Cars. (April 12, 2021)

## Online Network

## Efforts to create networks

- Launched the “KURUMA NO EN” service, a flea market app that allows individuals to buy and sell used cars, thereby offering a safe and secure platform connecting seller and buyers.
- The consumption tax is not applicable to transactions between individuals, in principle.
- Disintermediation (no broker or middleman is involved)



[Conceptual image of the traditional trading of used cars]



[Conceptual image of the “KURUMA NO EN”-based trading of used cars]

※An exhibitor is requested to pay a use fee equivalent to 10% of the net price of the vehicle.



# Promotion of ESG and SDGs 1

## -Past Initiatives-



Environmental	Social	Governance
<p>Established environmental policy in 2011</p> <p>Simplified packaging of products (resource saving)</p> <p>Used car air fresheners repurposing program</p> <p>Installation of mega solar etc.</p>	<p>Traffic safety initiative</p> <p>Support for next-generation human resource development</p> <p>Health initiative</p> <p>Initiative for diversity work style etc.</p>	<p>Corporate governance system</p> <p>Management for CSR</p> <p>Communication with stakeholders etc.</p>
 	 	

# Promotion of ESG and SDGs 2

-Current and Future Initiatives-

## Launched a project led by Chief Executive Officer (January 2021)

Present

Recognizing social issues

Reexamination of materiality

Redefining the value creation story

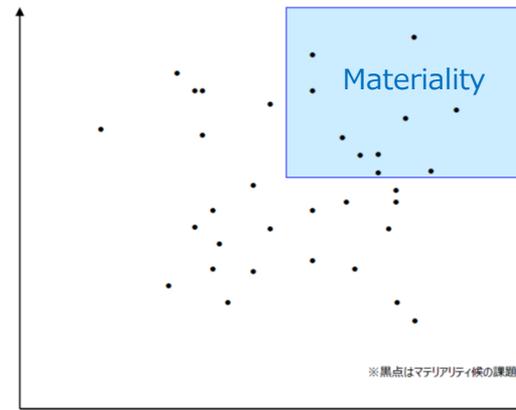
Identify materiality

Set KPIs for materiality

Integrate into business strategy

hereafter

Importance to stakeholders (Social)



Importance to the company (economic)

SUSTAINABLE DEVELOPMENT GOALS



# Promotion of ESG and SDGs 3

## Our ideal

# Professional & Friendly

### Recognition of social issues

### Materiality under consideration

1. Realization of a cyclical and symbiotic society



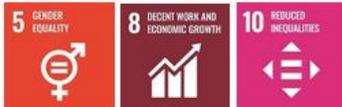
2. Response to climate change



3. Revitalization of local communities



4. Pursuit of diverse human resources and diverse work styles



5. Creating healthy and rewarding jobs



**1** Creation of businesses that solve social issues

Develop new businesses that contribute to SDGs/open innovation/deal with EV etc.

**2** Enhancing efforts that consider the environment and society

CO2 reduction such as energy saving/Reduce burden on the environment/Coexistence with the local community etc.

**4** Sustainable and strong management base

ESG management/digital transformation/social contribution etc.

**3** Growing organizations and human resources

Develop next-generation human resource and mechanics/work-style reforms/health management/D&I etc.

## Acquisition and Cancellation of Own Shares

### Acquisition of own shares

Acquisition period	Type of shares to be acquired	Aggregate number of shares to be acquired	Aggregate purchase price of shares
From May 11, to September 30, 2021	Shares of common stock of the Company	Up to 2,000,000 shares*	Up to JPY 3,000,000,000

\*2.5% of total shares outstanding (excluding treasury stock)

### Cancellation of own shares

Planned date of cancellation	Type of shares to be cancelled	Aggregate number of shares to be canceled
May 17, 2021	Shares of common stock of the Company	2,000,000 shares*

\* 2.4% of total shares outstanding (including treasury stock)

(Reference) Treasury stock as of June 30, 2021

Total number of shares outstanding (excluding treasury stock): 82,050,105 shares

Total number of treasury stock: 2,223,251 shares

(Reference:  
Application of Accounting Standard for Revenue Recognition, etc.)

Starting from the beginning of the first quarter of the fiscal year ending March 31, 2022, the Group adopted the Accounting Standard for Revenue Recognition, etc.

### Sales with return rights

The Group implemented a change to adopt a method in which net sales and amounts equivalent to the cost of sales are not recognized for goods that are expected to be returned

### Transactions through agents

For transactions in which the Company's role is that of an agent, revenue is recognized with a net amount that offsets sales and cost of sales.

### Consideration to be paid to customers

Consideration paid to customers, which had been recorded in SG&A expenses, was reduced from net sales.

### Obligation to be fulfilled at some point in time or for a certain period of time

Revenue is recognized at a point in time or over a period of time when the customer receives the benefits of maintenance.

The amounts of impacts due to the application of the Accounting Standard for Revenue Recognition, etc.

1Q FY  
March 2022

(Million Yen)

<b>Net sales</b>	-1,002
<b>Sales cost</b>	-941
<b>SG&amp;A</b>	-114
<b>Operating income</b>	+53
<b>Ordinary income</b>	+53
<b>Net profit</b>	+53

# Automobile Purchase and Sales Business

Total **6,934** cars, YoY **+23.0%**

## BtoB Sales

Details	No. of cars sold
To AUTOBACS SEVEN	131
Sales to AA via AUTOBACS SEVEN	1,035
Direct sales from stores	3,161
<b>BtoB total</b>	<b>4,327</b>

## Retail

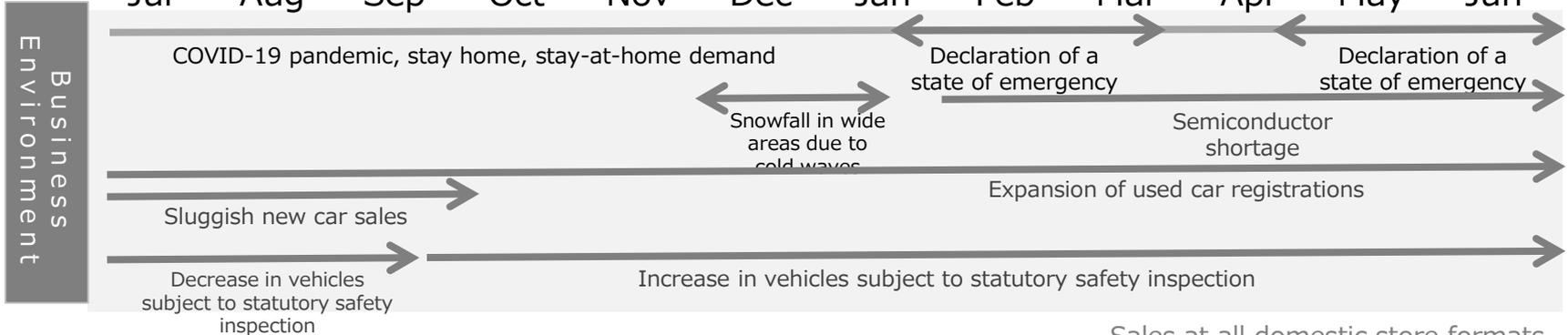
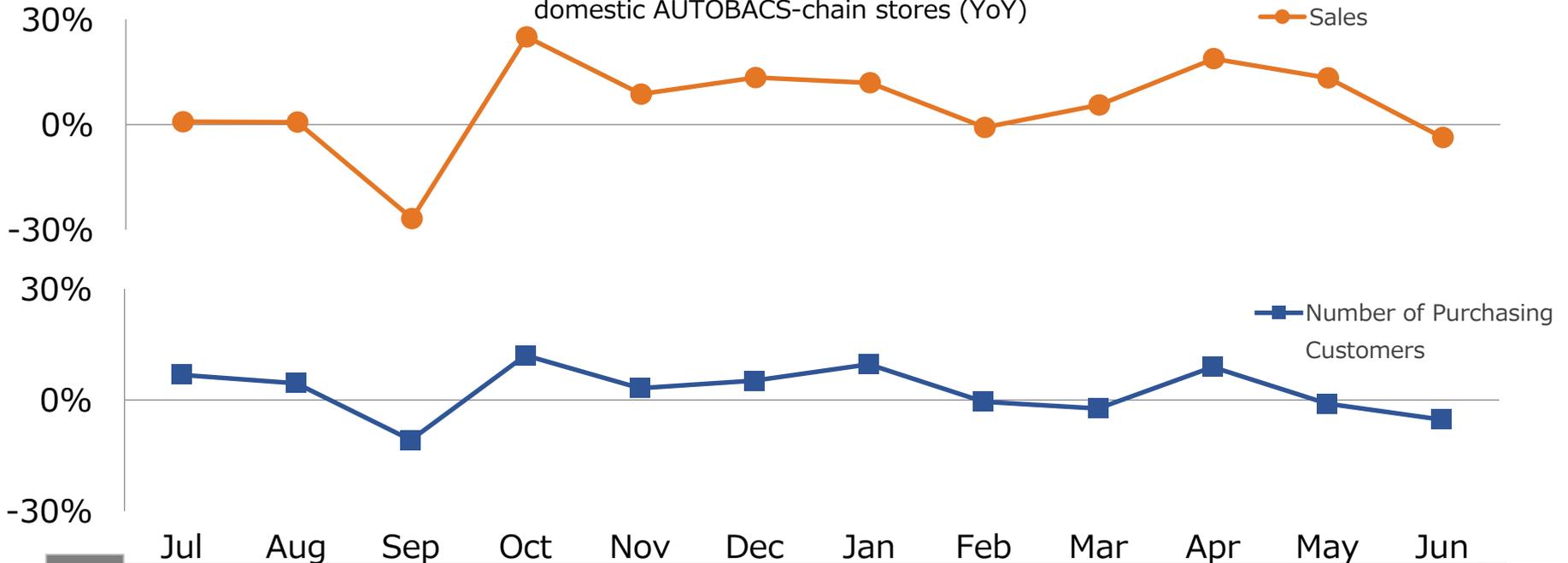
Details	No. of cars sold
Used cars	1,697
New cars	910
<b>Retail total</b>	<b>2,607</b>

Include sales at all domestic AUTOBACS CARS stores

# YoY Change of Sales/Number of Purchasing Customers

**[Same store basis (YoY)]**  
**Sales: +9.4%, Number of purchasing customers: +1.0%**

Same store sales and number of purchasing customers at domestic AUTOBACS-chain stores (YoY)



# Store Openings and Closings

## Domestic stores

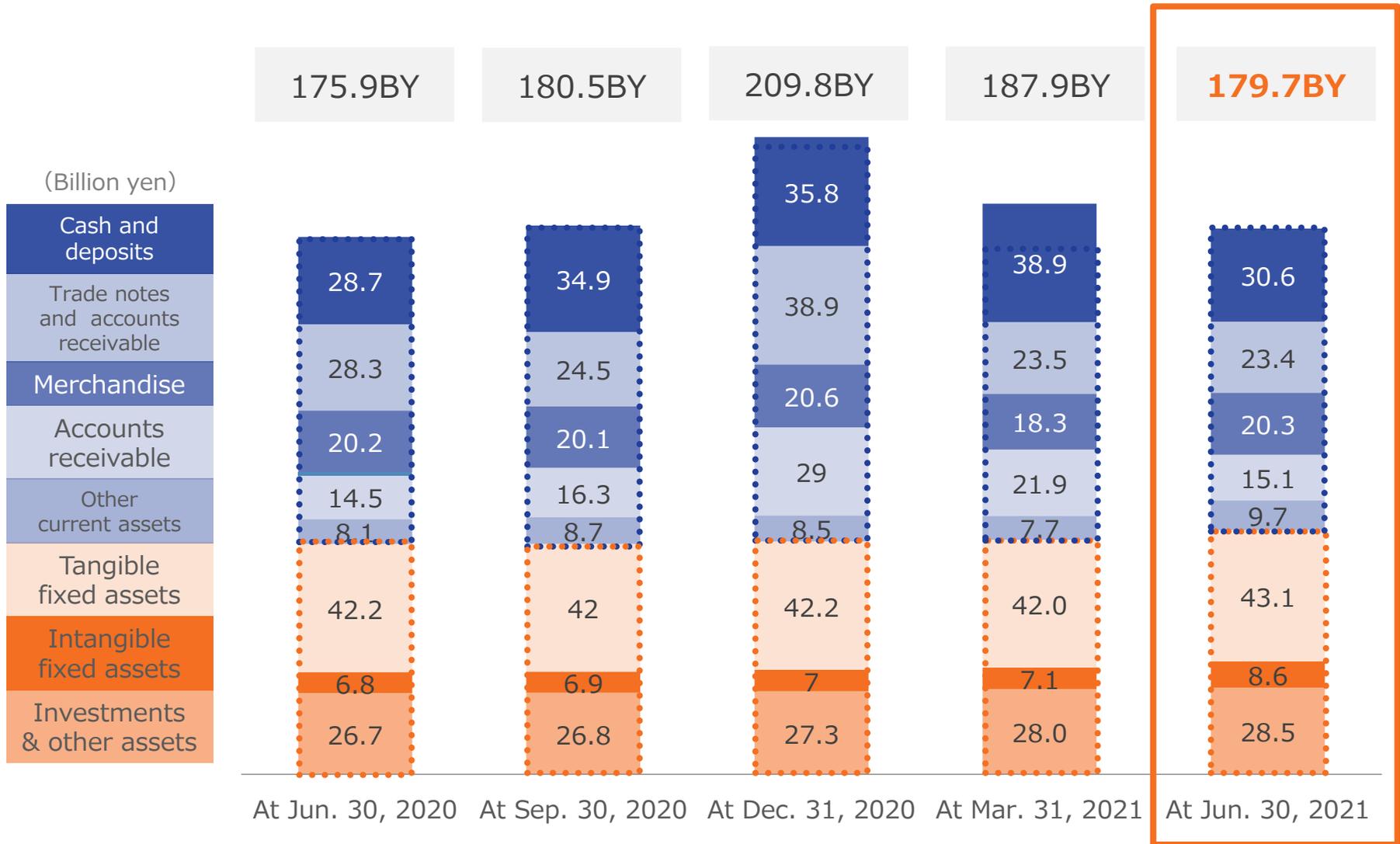
	No. of stores at March 31, 2021	FY March 2022							No. of stores at March 31, 2022
		1Q (Result)			No. of stores at Jun 30, 2021	2Q-4Q (Plan)			
		New	S&B R/L	Close		New	S&B R/L	Close	
AUTOBACS	490	+1	+1/-1		491	+2	+2/-2		493
Super AUTOBACS	74				74				74
AUTOBACS <i>Secohan Ichiba</i>	6				6				6
AUTOBACS EXPRESS	11				11				11
AUTOBACS CARS	3				3				3
<b>Total</b>	<b>584</b>	<b>+1</b>	<b>+1/-1</b>		<b>585</b>	<b>+2</b>	<b>+2/-2</b>		<b>587</b>

## Overseas stores

	No. of stores at March 31, 2021	FY March 2021			No. of stores at March 31, 2022
		1Q (Result)	No. of stores at Jun 30, 2021	2Q-4Q (Plan)	
France	10		10		10
Thailand	17	+3	20	+11/-1	30
Singapore	2		2		2
Taiwan	6	-1	5	+1	6
Malaysia	4		4	+2	6
Indonesia	3		3	+3	6
Philippines	3		3		3
<b>Total</b>	<b>45</b>	<b>+2</b>	<b>47</b>	<b>+17/-1</b>	<b>63</b>

※S/B=Scrap & Build  
 ※R/L=Relocation

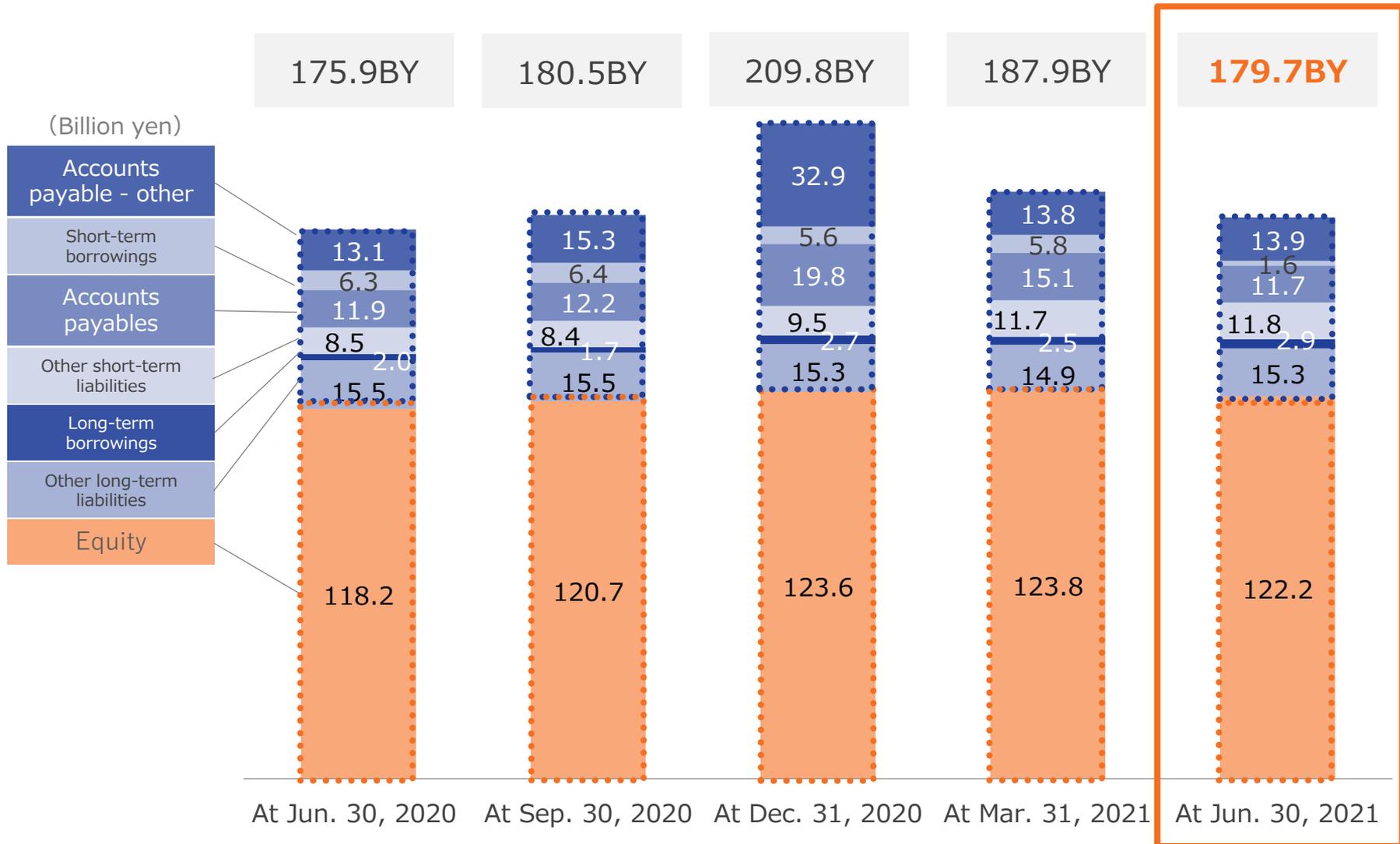
# Balance Sheet: Assets



Amounts are rounded down.

The figures for the previous fiscal year and earlier have not been reclassified to reflect the new presentation method.

# Balance Sheets: Liabilities and Equity



※Amounts are rounded down.

The figures for the previous fiscal year and earlier have not been reclassified to reflect the new presentation method.



## **Forward-Looking Statements**

These materials include forecasts regarding the Company's future plans, strategies, and performance. This information is based on judgments and forecasts made in accordance with information currently available. Actual results may differ materially from forecasts due to such factors as changes in operating circumstances.