

Results for the Nine Months Ended December 31, 2023



AUTOBACS SEVEN CO., LTD.
January 31, 2024

Results for the Nine Months Ended December 31, 2023

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|---|------|
| 1. Overview of Business Results | P. 2 |
| 2. Domestic AUTOBACS Business | P. 4 |
| 3. Overseas Business | P. 6 |
| 4. Car Dealership, BtoB and
Online Alliance Business | P. 8 |

TOPICS

- | | |
|-------------------------------------|-------|
| 5. Five-year Rolling Plan: APPENDIX | P. 10 |
| 6. Initiatives for ESG·SDGs | P. 17 |
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- | | |
|--------------------|-------|
| 7. Other Documents | P. 20 |
|--------------------|-------|

Strengthened sales promotions against the backdrop of maintenance demand for existing vehicles. Expenses increased due to the installation of a new store system, etc. Demand for winter goods decreased due to the warm winter, resulting in a slight increase in sales and a decrease in operating income. **Total net income increased**, reflecting the transfer of the shares of two second-tier subsidiaries in the Car Dealership Business.

	FY March 2024 1Q-3Q			FY March 2023 1Q-3Q		
	(Billion Yen)	Actual result	% of Net sales	YoY change	Actual results	YoY change
Net sales		<u>179.6</u>		+0.8%	178.1	3.6%
Gross profit		59.9	33.4%	+0.3%	59.8	4.3%
SG&A		50.9	28.4%	+2.0%	50.0	3.0%
Operating income		8.9	5.0%	- 8.4%	9.8	11.4%
Non-operating income/expenses		0.3	0.2%	—	0	- 91.0%
Ordinary income		9.3	5.2%	- 5.7%	9.8	4.5%
Profit attributable to owners of parent		<u>9.1</u>	5.1%	+29.4%	7.0	14.3%

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

Segment Information



		(Million Yen)	FY March 2024 1Q-3Q	FY March 2023 1Q-3Q ^(*1)	YoY	Summary
Domestic AUTOBACS Business	Sales		134,875	131,837	+2.3%	Oil and Batteries performed well against the backdrop of demand for maintenance of existing vehicles. Car sales were strong due to an increase in the number of used cars purchased. Sales of tires, wheels, and tire chains were sluggish due to the warm winter. Operating income decreased due to the increased new store system expenses.
	Gross profit		44,982	44,574	+0.9%	
	SG&A		29,809	28,732	+3.8%	
	Operating income		15,172	15,842	-4.2%	
Overseas Business	Sales		11,726	10,246	+14.4%	Despite the impact of the Ukraine situation and global inflation, sales and gross profit increased significantly, mainly due to strengthened sales to existing customers in the wholesale business.
	Gross profit		4,962	4,307	+15.2%	
	SG&A		4,923	4,441	+10.9%	
	Operating income		39	-133	—	
Car Dealership, BtoB and Online Alliance Business	Sales		35,701	37,774	-5.5%	Sales for Car Dealership Business decreased due to the transfer of two consolidated subsidiaries. In BtoB Business, a subsidiary that wholesales car accessories and engine oil performed well due to the demand for vehicle maintenance. In Online Alliance Business, the online sales was strong, as sales on the Company's online store increased.
	Gross profit		7,516	8,206	-8.4%	
	SG&A		7,280	7,498	-2.9%	
	Operating income		236	707	-66.6%	
Other Business <small>Brand Business Expansion Business (SX) Finance Business Car Trading Business Property Development Business</small>	Sales		13,303	13,824	-3.8%	In Finance Business, auto leasing performed well. Sales at directly managed car purchase and sales store in Car Trading Business was lower than the previous year.
	Gross profit		2,515	2,732	-7.9%	
	SG&A		3,024	3,397	-11.0%	
	Operating income		-508	-665	—	
Reconciling items	Operating income		-5,946	-5,938	—	

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

(*1) FY March 2023 1Q-3Q figures have been reclassified to the reporting segment categories after the change.
(*2) Part of the used car purchasing and sales has been transferred from the Domestic AUTOBACS Business to the Other Business in the fiscal year under review.

Retail Sales in Total AUTOBACS Group Stores



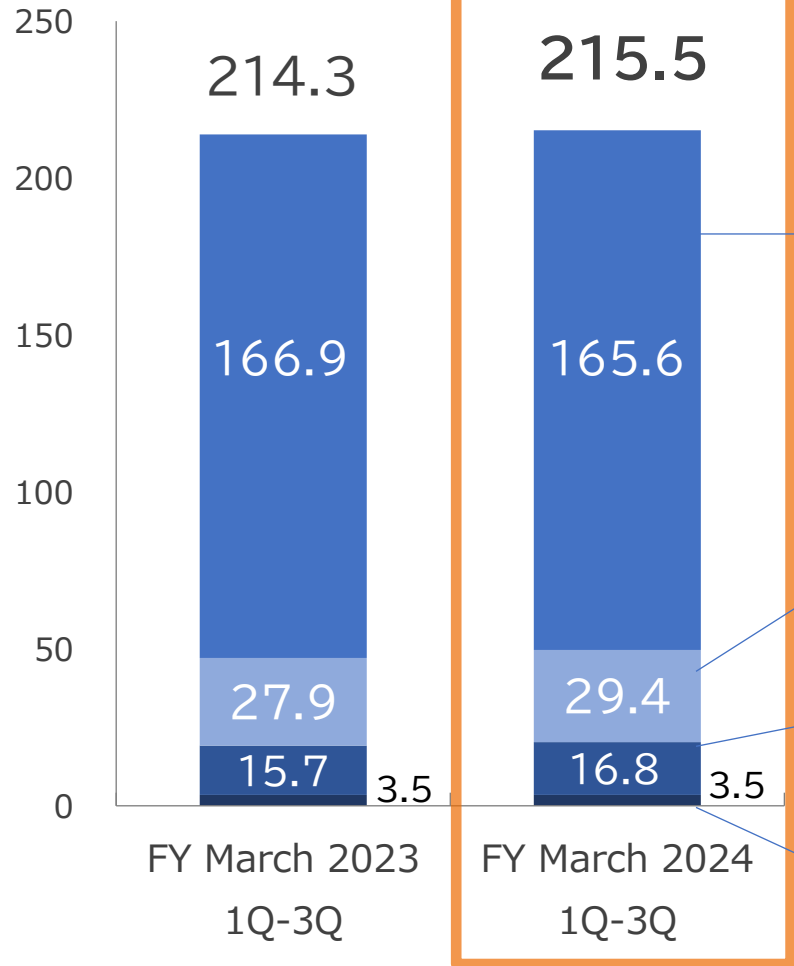
Retail Sales in Total AUTOBACS Group Stores

215.5 billion yen

YoY

+0.5%

(Billion Yen)



	Result	YoY
Automotive goods & services	165.6BY	-0.9%
Used car sales	29.4BY	+5.4%
	27,535 cars	+13.4%
Number of fully certified & designated stores	394 stores	+5 stores *from pre-period
Statutory safety inspection	16.8BY	+6.8%
	478,000 cars	+1.9%
Number of fully certified & designated stores	440 stores	±0 stores *from pre-period
Second-hand goods & fuel	3.5BY	-1.1%

Domestic AUTOBACS Business

*Sales at all domestic store formats. Total store basis.

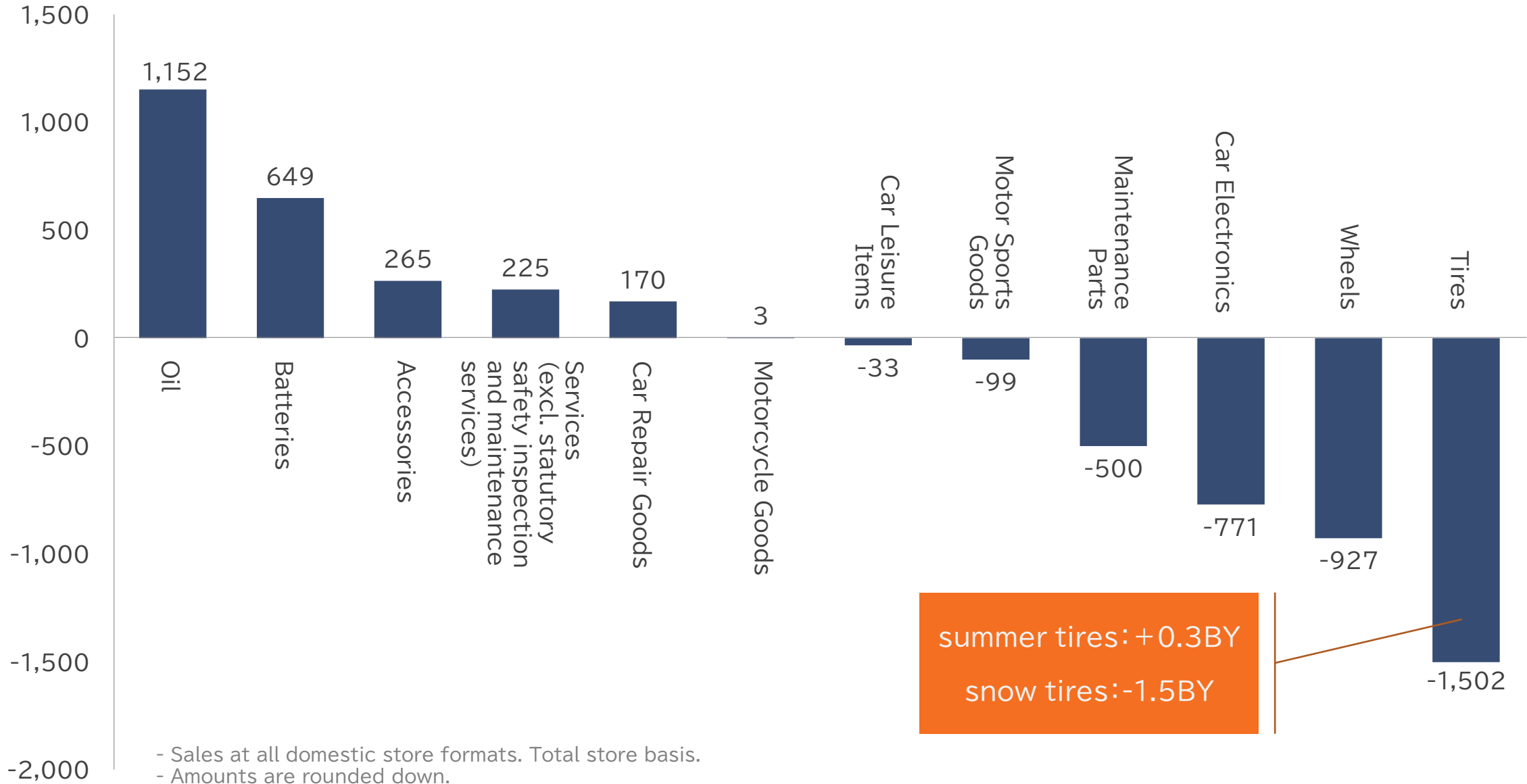
*Amounts are rounded down to the nearest hundred million yen.

*YoY comparisons are calculated in yen

Sales Variance by Merchandise

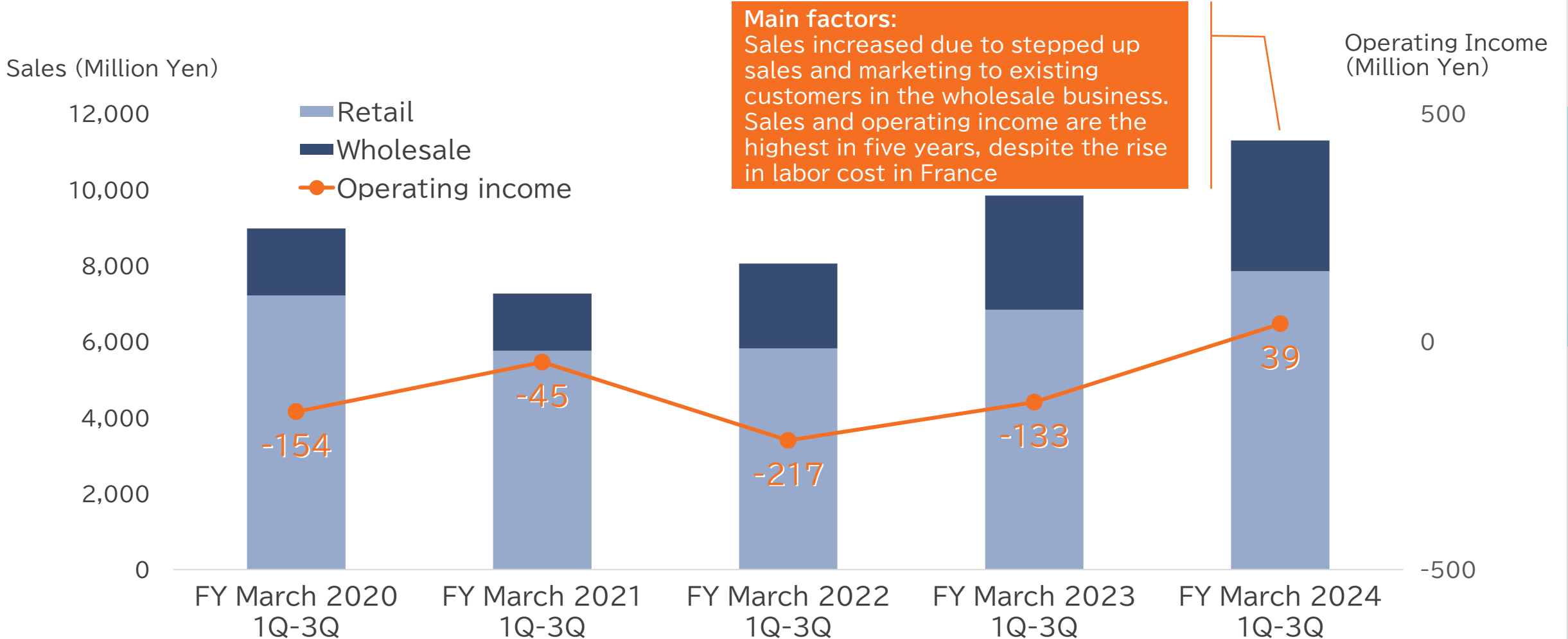
(YoY change in amount; total store basis)

(Million Yen)



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

Net sales and income increased due to growth in wholesale despite the impact of the Ukraine situation and global inflation



- Amounts are rounded down.

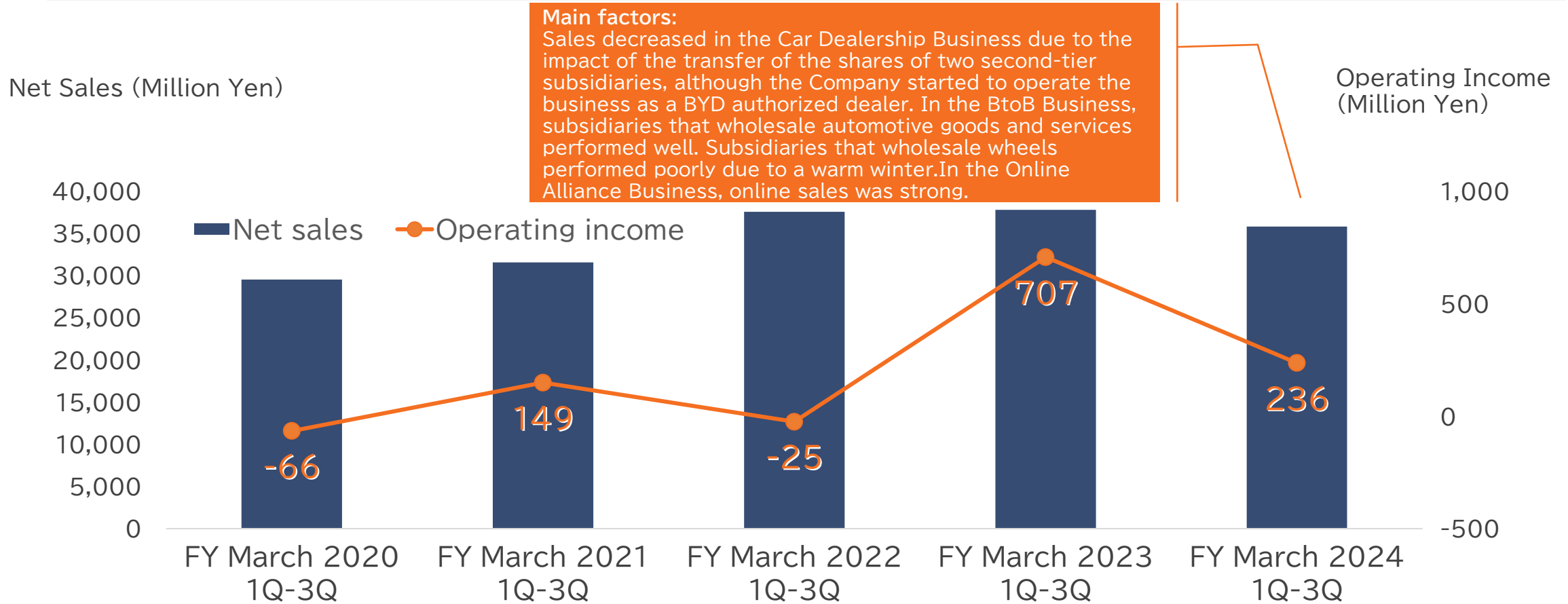
Performance by Overseas Subsidiaries



(Million Yen)	France		Australia		Singapore		China		Malaysia	
Number of stores	10		0		2		0		5	
Period	24/3 1Q-3Q	23/3 1Q-3Q	24/3 1Q-3Q	23/3 1Q-3Q	24/3 1Q-3Q	23/3 1Q-3Q	24/3 1Q-3Q	23/3 1Q-3Q	24/3 1Q-3Q	23/3 1Q-3Q
Net sales	6,395	5,521	2,086	2,201	1,374	1,301	885	1,137	81	90
SG&A	3,450	2,902	518	514	572	559	204	190	46	42
Operating income	-300	-55	52	125	18	-22	-1	-115	-10	-7
Business condition	Sales and SG&A expenses increased with the conversion of two stores into directly managed stores in November 2023. Sales at existing stores increased mainly due to the rationalization of prices, which more than offset decreased sales due to the cold summer and the mild winter. Labor expenses increased due to a rise in the legal minimum wage.		Sales declined due to a decrease in consumer purchasing appetite against a backdrop of inflation and rising central bank interest rates. Efforts are being made to develop new products such as transceivers.		Works at service pits performed well by capturing demand for maintenance parts for existing vehicles due to the price increase of COE. On the other hand, services for corporate clients, mainly automobile maintenance were sluggish.		Wholesaling to the domestic Chinese market and exports to overseas including Japan were sluggish. Exports to Japan are trending toward recovery. *Valuation loss of retained inventory was recorded in pre-period.		Sales declined due to a decrease in consumer purchasing appetite against a backdrop of inflation and rising central bank interest rates. Action is being taken to increase the number of authorized dealers (ADs) with an eye toward expanding wholesale sales.	

- Amounts are rounded down.

Sales and income decreased due to the transfer of shares of two subsidiaries of the Car Dealership Business in September 2023



- Amounts are rounded down.

- Prior to the fiscal year ended March 31, 2021, no reclassification has been made in accordance with accounting standards for revenue recognition.

Car Dealership Business

- ✓ The number of new cars and used cars sold increased on the back of a recovery in the number of new cars produced and the number of used cars registered.
- ✓ Transferred all shares of Autoplaz K.K. and Motoren Tochigi Corp., which operate BMW/MINI authorized dealership business, on September 1, 2023.
- ✓ Newly opened “BYD AUTO Utsunomiya” on November 11, 2023.



BtoB Business

- ✓ Steady increase in the number of companies subscribing to the Autobacs Corporate Membership Program.
- ✓ Promoted collaboration with Nissan Motor Co., Ltd., developing and selling specific items for models, namely Nissan Sakura, and Nissan Serena.



Online Alliance Business

- ✓ Launched “MOBILA”, a general information website for car lifestyle in April 2023.
- ✓ Launched FLEETGUIDE, a cloud-based company vehicle management system that comprehensively manages company cars usage, including daily driving reports, operation control, and alcohol tests using ALC Cloud, a portable breathalyzer, via a smartphone app or PC.



Initiatives of each business

Car Dealership Business

Responding to the proliferation of ZEVs, including EVs

- Opened “Hyundai Mobility Lounge Tokyo Bay Shinonome” (September 2023)
- Opened “BYD AUTO Utsunomiya” (November 2023)
- Established store opening preparation rooms to open “BYD AUTO Tokyo Bay Shinonome” and “BYD AUTO Nerima”



BtoB Business

Establishment of new sales channels

- Began supplying genuine option wheels and interior products to Nissan Motor Co., Ltd.
- Test deployment to major convenience stores with a limited area product supply is underway.



Initiatives of each business

Domestic AUTOBACS Business

Online Alliance Business

“Evolution as a Retailer” by integrating online and physical stores

- Strengthened store pick-up and providing products by selling products and installation work as a set through EC.
- Providing speedy and one-stop service from receipt to installation.

Implementation of last mile initiatives on a trial basis

- Products purchased through EC are shipped directly from the physical store.
- Deliver products to customers more promptly.



Seamless customer buying experience beyond the online/offline divide

- The number of stores that accept bookings via the Web was 210 (+166 YoY)
- The number of oil changes and pit work reservations through the official app increased by 24.5% YoY.
- Oil Sales increased by 10.4% YoY.

*as of end of December 2023





Renewed AUTOBACS membership system (September 2023)

- Renewed its membership system for the first time in 18 years.
- Revised the benefits and rank-up programs to make them even more attractive.

アプリで一元管理! どんどんランクアップ! 特典内容充実!

オートボックスを使えば使うほどおトクなプログラム



オートボックス会員制度

リニューアル!



Initiatives of each business

Expanded functions of the official AUTOBACS app to support customers' total car lifestyle with comprehensive management

- Easy reservations for statutory safety inspections, oil and tire changes.
- “Car maintenance charts” which allow to manage comprehensive maintenance history.
- Digital membership card on the app.

オートボックスアプリでできること



オートボックス会員の新規登録もアプリでカンタン!

Initiatives of each business

Online Alliance Business

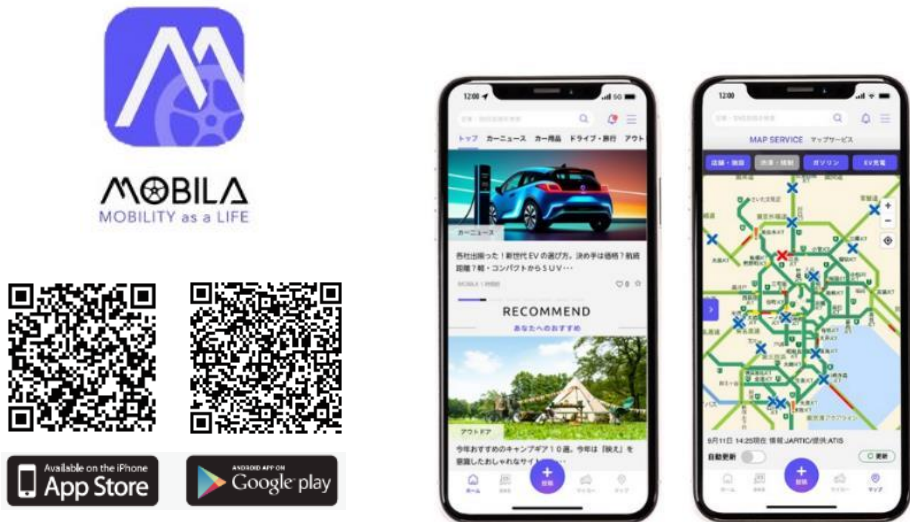
Added functions to MOBILA, a car life general information site

- MOBILA users exceeded one million.
- Started to provide traffic congestion information through MAP service.
- Released an app version in September 2023.

BtoB Business

Expansion of Corporate Solutions Business

- FLEETGUIDE, a cloud-based company car management system, launched service. (July 2023)
Enables linkage with ALC Cloud, a cloud-based portable breathalyzer.
- Launched the full-scale, nationwide onsite installation of equipment for preventing kindergarten children from being left behind on shuttle buses. (September 2023)



 Brand Business

Opened “ARTA MECHANICS & INSPIRATIONS” (May 2023)

- ARTA’s first concept store.
- Aiming to create an experiential facility where users can receive “inspiration,” a space where they can enjoy unusual experiences by holding events and parties.



VIGALE



Store interior view

Initiatives of each business

Exhibited at “TOKYO AUTO SALON 2024” (January 2024)

- Exhibited the 50th anniversary booth with the concept of “BEYOND AUTOBACS”.
- Displayed five customized EVs.



Overseas Alliance
Network



Overseas Business

Establishment of more complete automotive ecosystem in Malaysia with KOPFALAH, a government-approved cooperative, for the sale and maintenance of quality Japanese used cars

- KOPFALAH provides credit and financing to qualified government employees for the purchase of used Japanese cars and car accessories imported from our company, which lowers the hurdle of buying a car.
- Expansion of the Authorized Dealer network promoted by our Malaysian subsidiary to local auto mechanics who are members of the KOPFALAH financing program.

Efforts to create networks

Leading to the development of career human resources for automobile mechanics together with a prominent university in the Philippines

- Donate funds to improve the educational environment for Philippine students to learn automobile maintenance.
- Develop and operate a new educational course to obtain Japanese mechanic license.
- Aim for solving the issue of the shortage of certified vehicle mechanics in Japan.



Construct a personnel structure to steadily implement the strategy

Recruitment, development, and retention of vehicle mechanics

- Held short-term courses for Class 2 and Class 3 mechanics.
- Held new preparation course for Class 1 mechanic exam.
- Held Class 3 mechanic training for specified skilled foreign nationals.



Number of employees	End of March 2023	End of December 2023
Mechanics	3,690	3,757
Inspectors	1,649	1,709

HR Infrastructure

Encouragement of reskilling to develop human resources

- IT and DX reskilling program launched to improve IT/DX literacy(*Support the acquisition of the Information Technology Passport Examination)
- New training programs for 45-60 years old staff to support reskilling and career transition.
- Promoting the acquisition of in-house qualifications “Car Life Advisor Level-1, Level-2 and Store Compliance” for full-time employees to acquire specialized knowledge that is useful at stores, aiming for developing human resources to provide customer satisfaction.

Personnel system reform for sustainable growth

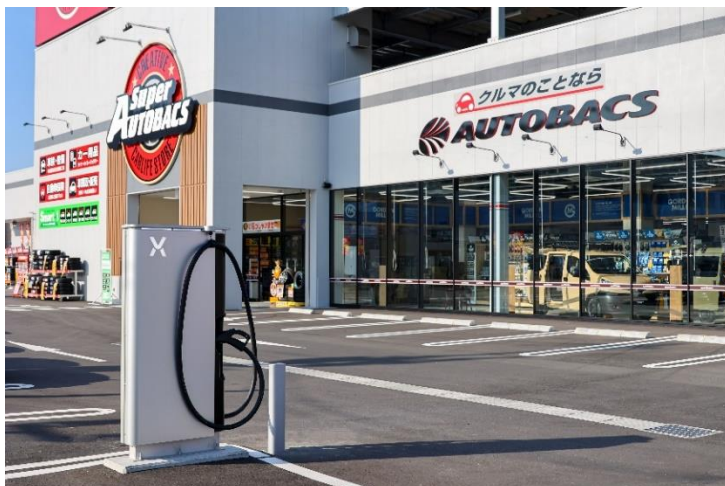
- Clearly reflect expected roles in positions and remuneration while also reviewing expected roles and remuneration systems according to staff rankings.
- Extend the age of mandatory retirement and build a scheme for rehiring after mandatory retirement.
- Implement an early retirement incentive plan
⇒ Encourage employees to find an external opportunity for growth and implement an incentive plan for the rehiring of people whom the Company considers have succeeded in improving their skills.

Materiality	Non-financial targets	Range	KPI	Results of 2022	Goals for 2030
Creation of businesses that solve social issues	Promoting efforts to achieve zero traffic accidents	Consolidated	Selling products for preventing accidents	190,000/year	230,000/year
		Consolidated	Building bases for tire check-up and emergency services	238	734
		Consolidated	Holding local traffic safety events	2/year	4/year
	Improving the position of and developing certified mechanics	Consolidated	Securing and developing examining staff	467	1000
		Consolidated	Securing and developing Class-2 Certified Mechanics	683	1100
		Consolidated	Completing training for working on EVs	528	1096
	Promoting social contribution related to automobiles	Consolidated	Support for disaster victims provided using automobiles	31	111
Enhancing efforts that consider the environment and society	Reducing CO2 emissions by installing environmentally-enhanced stores	Consolidated	Increasing the number of environmentally enhanced stores	64	140
	Promoting environmentally friendly businesses/realizing a circular ecosystem	Non-consolidated	Developing environmentally friendly products	45	300
		Consolidated	Reducing oil cans (by increasing the percentage of oil sold by volume)	5,000/year	220,000/year
	Promoting the dissemination of safe and secure EVs aiming for the realization of a decarbonized society	Consolidated	Installation of rapid chargers	7	43
		Consolidated	Promoting statutory safety inspections for EVs (number of inspected vehicles)	363	3,440/year
		Consolidated	Promoting sales of EVs (in terms of quantity)	115	2,500/year
Development of organization and personnel	Developing a corporate culture where diverse employees can demonstrate their capabilities	Consolidated	Increasing the percentage of female workers	17.8%	30.0%
		Consolidated	Increasing the percentage of female managers (section managers and higher-ranked managers)	8.2%	18.0%
		Consolidated	Encouraging male employees to take childcare leave	37.1%	100.0%
	Building a system to evaluate challenges	Non-consolidated	Maintaining employees' job satisfaction level	2.7	3.0
	Creating a healthy and vibrant workplace	Consolidated	Promoting measures to reduce the percentage of workers that are smokers	34.3%	20.0%
Sustainable and strong management	Reviewing/formulating and conforming with ESG- and SDG-related policies	Non-consolidated	Developing a sustainability policy and related policies	Established and disclosed Policies	Update
	Enhancing monitoring	Non-consolidated	Reinforcing the corporate governance system and the monitoring of progress	Completed progress management method design	Improvement
	Organizing and utilizing databases to create value	Consolidated	Pushing forward with the data utilization project	Constructed customer data base. Promoting utilization	Data linkage/utilization
Non-consolidated		Developing human resources who analyze data	50 training participants	320	

KPI: Installation of rapid chargers

Installing rapid chargers particularly at stores in Tokyo and other urban areas where electric vehicles are rapidly becoming popular

- Have installed rapid chargers at seven stores as of March 31, 2023.
- Plan to install rapid chargers at six stores in FY2023.
- Proceeding introduction including ultra-rapid EV chargers.



First installation of a power storage battery type ultra-rapid EV charger in Hiroshima-shi in January 2024
Super AUTOBACS Hiroshima Kannon-Shinmachi

KPI: Encouraging male employees to take childcare leave
Increasing the percentage of female managers

Holding meetings to discuss male employees taking childcare leave within the consolidated Group companies

- The Group will create a system that encourages male employees to take childcare leave by sharing information about the experiences of male employees who have taken childcare leave and consolidated companies' support systems.

Promotion of women's activities

- Held a roundtable discussion for female section managers and the Hapi-Rire* networking event for female employees

*Hapi-Rire Stands for "Happy Relay" networking.
Details: Exchange of views on themes presented from a range of viewpoints and positions.

Diversity & inclusion targets and progress

	FY2021	FY2022		FY2025 targets		FY2030 targets
Ratio of female employees	16.7%	17.9%	➔	22.2%	➔	30.0%
Ratio of female managers	7.8%	8.6%	➔	15.0%	➔	18.0%
Acquisition rate of childcare leave by male employees	—	37.1%	➔	90.0%	➔	100.0%

Scope: AUTOBACS SEVEN Group (consolidated basis)

Non-financial targets : Promoting social contribution related to automobiles

Non-financial targets : Developing a corporate culture where diverse employees can demonstrate their capabilities

Donation of 10 vehicles to the Japan Car Sharing Association

~As part of the “Disaster Relief Using Vehicles” program, the company regularly donates vehicles to help prepare for disasters~

- Decided to donate vehicles to the Japan Car Sharing Association every year during peacetime, and donated 10 subcompact cars this year.
- From this fiscal year through FY2030, we will promote the donation of vehicles during normal times, before typhoons, torrential rains, and other disasters occur frequently, to support the prompt delivery of vehicles to disaster areas in the event of an emergency.
- Planning to provide support for the 2024 Noto Peninsula Earthquake as soon as prepared.



Creating opportunities for disabled people to work

~Cooperation with Social Welfare Organization Japan Sun Industries~

- Japan Sun Industries helps disabled people to be employed. Through a subsidiary, ADE Co., Ltd, the Company outsource to create and send business cards that are used by the Group and do other jobs.
- Jointly manufacture paper clear file folders, which are used internally.
- Jointly manufacture Sun Crackers, which are used as gifts.



Kitting process for tablet devices



Paper clear file

Total **27,535** cars YoY **+13.4%**

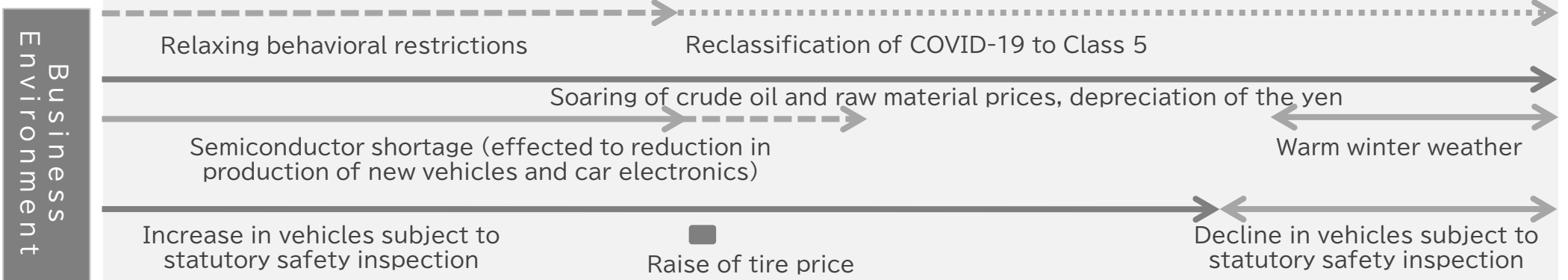
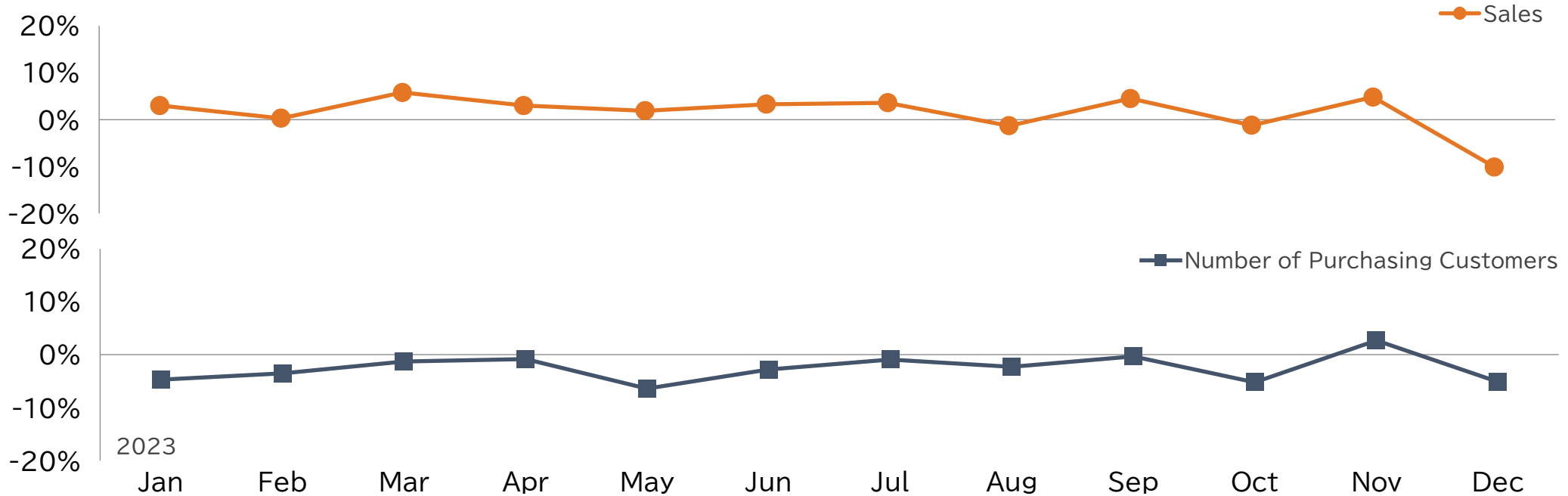
BtoB Sales	
Details	No. of cars sold
Sales to Headquarters	1,009
Sales to AA(Auto Auction) via Headquarters	4,142
Direct sales from stores	14,238
BtoB total	19,389

Retail	
Details	No. of cars sold
Used cars	5,312
New cars	2,834
Retail total	8,146

- Used car purchasing and sales in Domestic AUTOBACS Business and Other Business.

[Same store basis (YoY)] (1Q-3Q)

Sales: + 0.3 % Number of purchasing customers: - 2.4 %



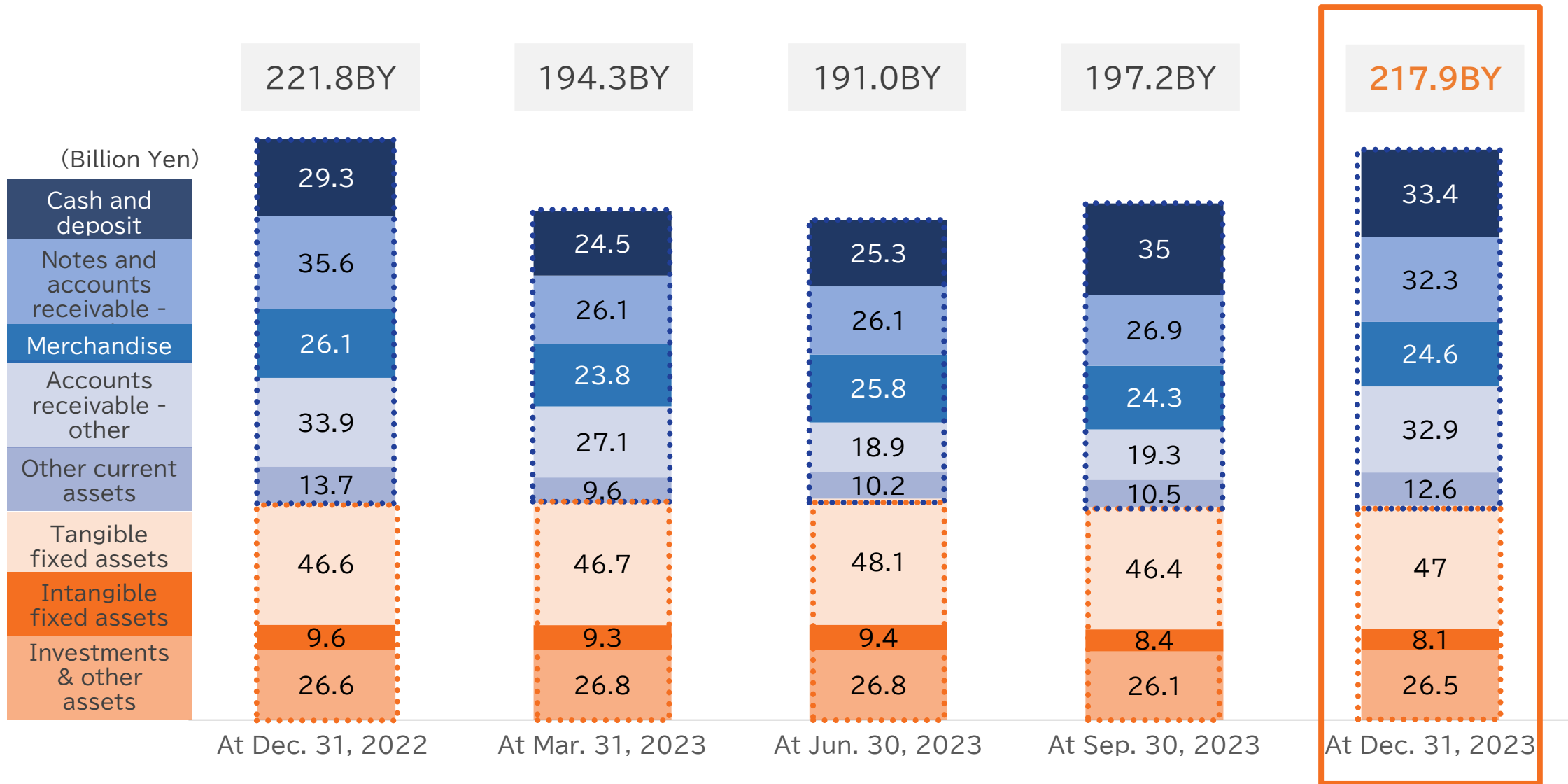
Store Openings and Closings

Domestic	No. of stores at March 31, 2023	FY March 2024							No. of stores at March 31, 2024
		1Q-3Q (Result)			No. of stores at Dec. 31, 2023	4Q(Plan)			
		New	S&B R/L	Close		New	S&B R/L	Close	
AUTOBACS	496	+1	+3/-3		497	+2			499
Super AUTOBACS	74		+1/-1		74				74
AUTOBACS Secohan Ichiba	4				4				4
AUTOBACS EXPRESS	11				11				11
AUTOBACS CARS	3				3				3
Total	588	+1	+4/-4	—	589	+2	—	—	591

Overseas	No. of stores at March 31, 2023	FY March 2024			No. of stores at March 31, 2024
		1Q-3Q (Result)	No. of stores at Dec. 31, 2023	4Q (Plan)	
Taiwan	6		6		6
Singapore	2		2		2
Thailand	49	+20/-1	68	+11	79
France	10		10	-2	8
Malaysia	5		5		5
Indonesia	3	-3	0		0
Philippines	3	+3	6		6
Total	78	+24/-4	97	+9	106

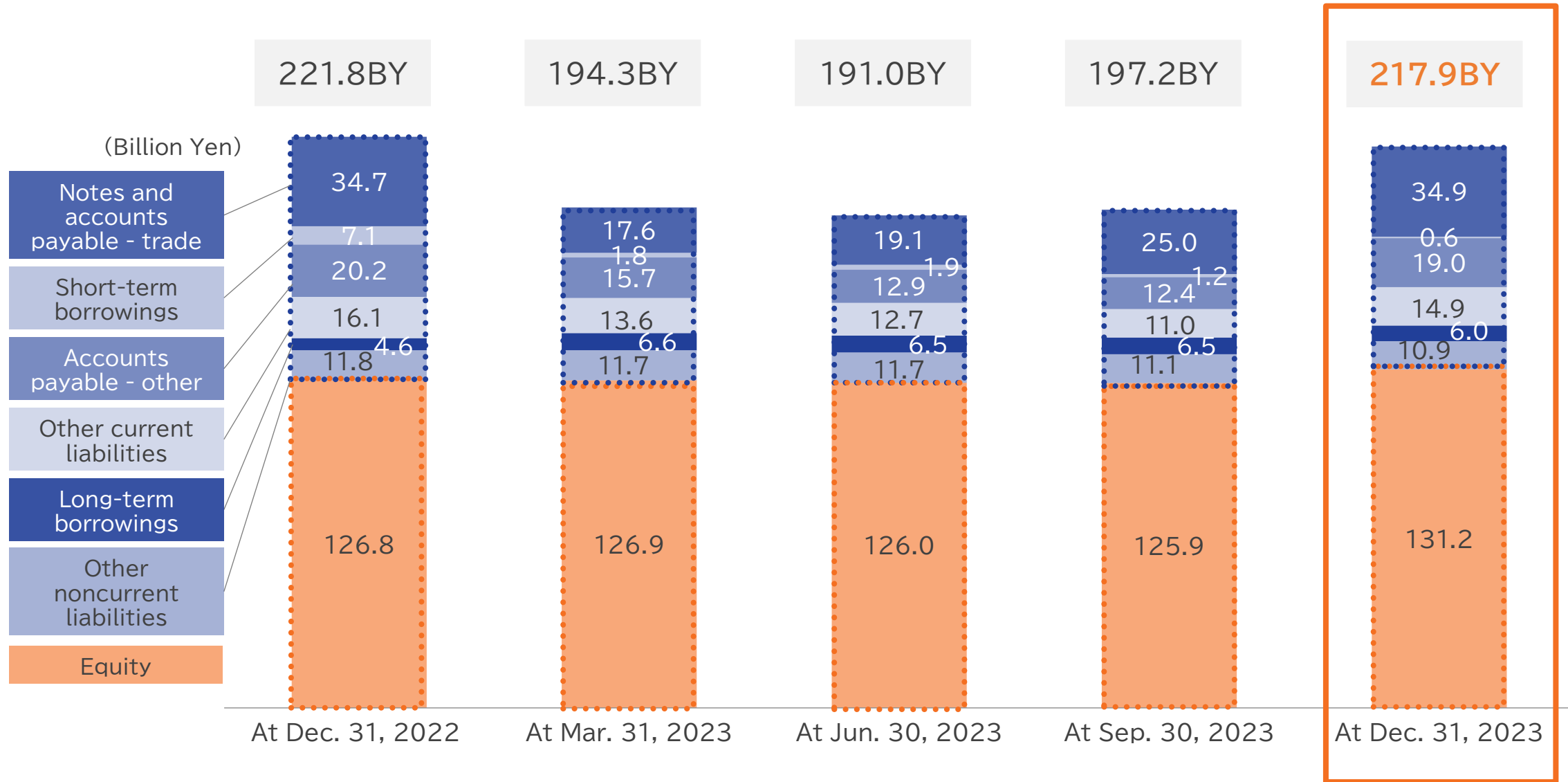
*S&B=Scrap & Build
*R/L=Relocation

Balance Sheet: Assets



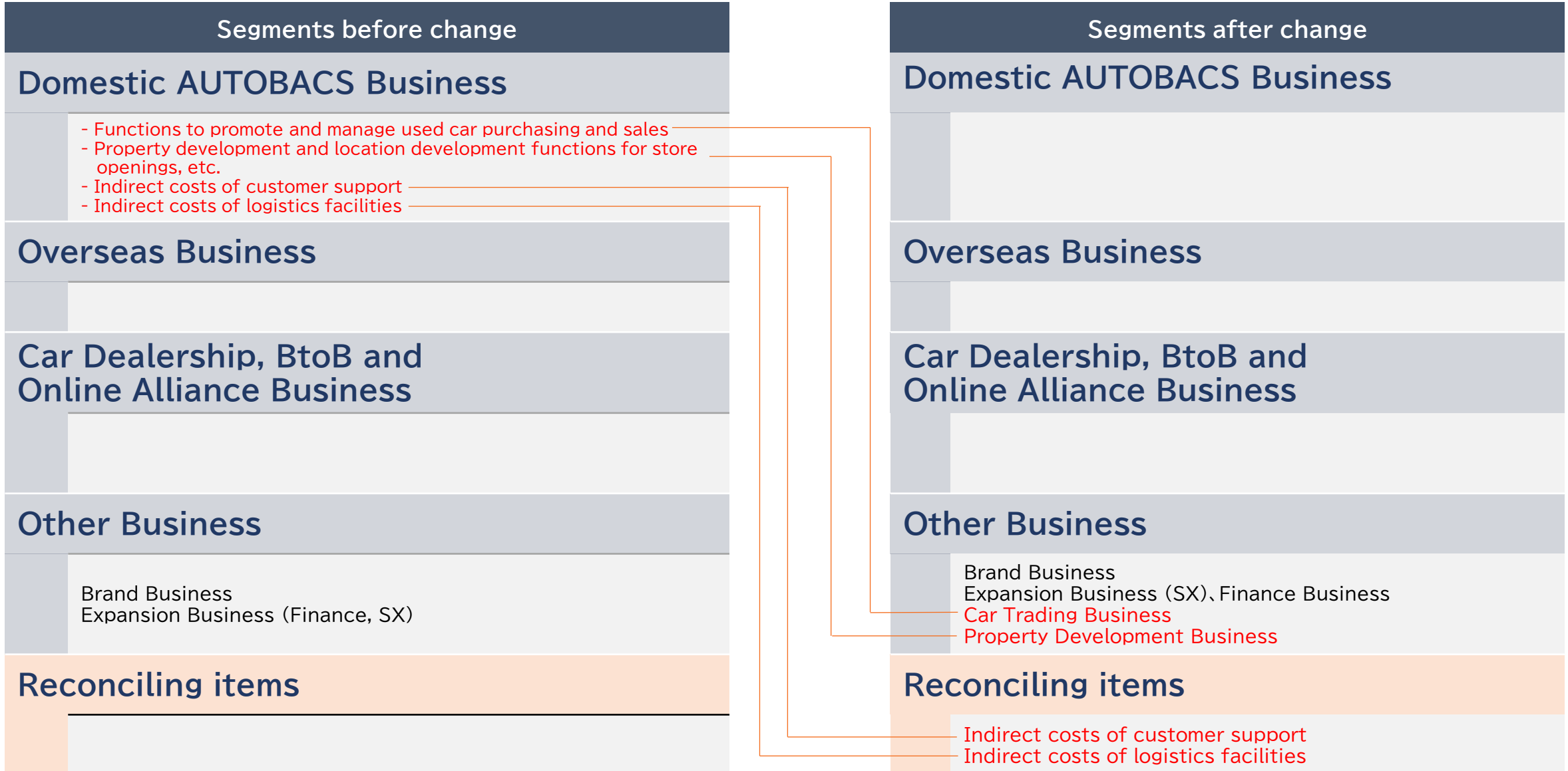
- Amounts are rounded down to the nearest hundred million yen.

Balance Sheets: Liabilities and Equity



- Amounts are rounded down to the nearest hundred million yen.

Reviewed the business portfolio and changed the reportable segments as follows (changes: in red)





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.