

January 20, 2022

**AUTOBACS SEVEN Announces Merger for Consolidated Store Subsidiaries**

(Translation of Major Points of Japanese Release)

January 20, 2022 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (the “Company,” Representative Director and Chief Executive Officer: Kiomi Kobayashi) announces integration and merger of its consolidated store subsidiaries, Hokusetsu AUTOBACS Ltd. and Kumamoto AUTOBACS Ltd. to consolidated store subsidiaries, AUTOBACS Kansai Sales Ltd. and AUTOBACS Minami-Nihon Sales Ltd. respectively.

As this is a merger of consolidated subsidiaries, certain details have been omitted from this disclosure. An outline of the merger is as described below.

**1. Reason for the Merger and changes in trade names of consolidated subsidiaries**

Under the Five-year Rolling Plan, the AUTOBACS Group is implementing various measures to increase profits in the domestic AUTOBACS business.

To respond to rapid changes in the automobile industry, it is essential to strengthen communication between headquarters and stores for thorough implementation of the Group measures, while for regional strategies, it is necessary to adopt individual strategies that are appropriate for on-site situation.

The Company has adopted a divisionalized organization system that enables decision makings closer to the work site. With respect to subsidiaries primarily engaging in store operation, several subsidiaries will be integrated to streamline management, to ensure compliance with the direction and policies of the overall AUTOBACS chain. Moreover, an in-house company system is introduced at subsidiaries to facilitate prompt response to the needs of local customers. In this manner, the Company strives to build an organization that focuses on the balance of overall optimization and individual optimization.

**2. Content of the Merger**

**[Kansai Region]**

AUTOBACS Kasai Sales Ltd., a consolidated subsidiary of the Company will merge with Hokusetsu AUTOBACS Ltd., which is also a consolidated subsidiary of the Company subject to approval at the general shareholders’ meeting of each company.

(i) Schedules

General shareholders’ meeting to approve the Merger (each company concerned): February 10, 2022

Date of Merger (effective date): April 1, 2022

(ii) Merger method

The Merger will be an absorption-type merger with AUTOBACS Kansai Sales Ltd. as the surviving company and Hokusetsu AUTOBACS Ltd. as companies to be merged.

(iii) Outline of companies subject to the Merger

(as of January 20, 2022)

(1) Trade name	AUTOBACS Kansai Sales Ltd.	Hokusetsu AUTOBACS Ltd.
(2) Location	Shijonawate city, Osaka	Takatsuki city, Osaka
(3) Name and title of representative	Masaru Sasaki, Representative Director	Hiroshi Horiguchi, Representative Director
(4) Line of business	Retail of car goods and services (Operation of 9 AUTOBACS stores)	Retail of car goods and services (Operation of 8 AUTOBACS stores)
(5) Capital	JPY 100 million	JPY 96 million
(6) Date established	March 11, 1998	October 8, 1998
(7) Shares outstanding	10,400 shares	1,470 shares
(8) Fiscal year-end	March 31	March 31

(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%	AUTOBACS SEVEN Co., Ltd. 99.7%
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(iv) Post-merger status (plan) (as of April 1, 2022)

Surviving Company of the absorption-type merger	
(1) Trade name	AUTOBACS Kansai Sales Ltd.
(2) Location	Shijonawate city, Osaka
(3) Name and title of representative	Masaru Sasaki, Representative Director
(4) Line of business	Retail of car goods and services (Operation of 17 AUTOBACS stores)*
(5) Capital	JPY 100 million
(6) Fiscal year-end	March 31
(7) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%

\*Number of stores in operation as of January 20, 2022

(i) Area management structure of the merged company (plan) (as of April 1, 2022)

(1) Trade name	AUTOBACS Kansai Sales Ltd. Hokusetsu Company
(2) Name and title of representative	Yoshito Kurashige, Hokusetsu Company President

### [Southern Japan Region]

AUTOBACS Minami-Nihon Sales Ltd., a consolidated subsidiary of the Company will merge with Kumamoto AUTOBACS Co., Ltd., which is also a consolidated subsidiary of the Company subject to approval at the general shareholders' meeting of each company.

(i) Schedules

General shareholders' meeting to approve the Merger (each company concerned): February 10, 2022  
Date of Merger (effective date): April 1, 2022

(ii) Merger method

The Merger will be an absorption-type merger with AUTOBACS Minami-Nihon Sales Ltd. as the surviving company and Kumamoto AUTOBACS Co., Ltd. as companies to be merged.

(iii) Outline of companies subject to the Merger (as of January 20, 2022)

(1) Trade name	AUTOBACS Minami-Nihon Sales Ltd.	Kumamoto AUTOBACS Co., Ltd.
(2) Location	Hiroshima city, Hiroshima	Kumamoto city, Kumamoto
(3) Name and title of representative	Masahiro Nishikawa, Representative Director	Masayoshi Kaneko, Representative Director
(4) Line of business	Retail of car goods and services (Operation of 51 AUTOBACS stores)	Retail of car goods and services (Operation of 7 AUTOBACS stores)
(5) Capital	JPY 100 million	JPY 15 million
(6) Date established	March 9, 2005	December 7, 1986
(7) Shares outstanding	6,600 shares	300 shares
(8) Fiscal year-end	March 31	March 31
(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%	AUTOBACS SEVEN Co., Ltd. 100%

(iv) Post-merger status (plan) (as of April 1, 2022)

Surviving Company of the absorption-type merger	
(1) Trade name	AUTOBACS Minami-Nihon Sales Ltd.
(2) Location	Hiroshima city, Hiroshima
(3) Name and title of representative	Masahiro Nishikawa, Representative Director
(4) Line of business	Retail of car goods and services (Operation of 58 AUTOBACS stores)*
(5) Capital	JPY 100 million
(6) Fiscal year-end	March 31
(7) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%

\*Number of stores in operation as of January 20, 2022

(v) Area management structure of the merged company (plan) (as of April 1, 2022)

(1) Trade name	AUTOBACS Minami-Nihon Sales Ltd. Kumamoto Company
(2) Name and title of representative	Masayoshi Kaneko, Kumamoto Company President

#### 4. Future outlook

Since the Merger is a merger among wholly-owned subsidiaries of the Company, the impact of the Merger on the Company's consolidated financial results will be minor.

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