

Please note that this document is a translation of the official Japanese notice of convocation of the 78th ordinary general meeting of shareholders of AUTOBACS SEVEN Co., Ltd. prepared for the convenience of shareholders outside Japan with voting rights, for reference purposes only.

(Securities code 9832)

June 9, 2025

(Date of commencement of measures for electronic provision:

June 2, 2025)

To Our Shareholders

Yugo Horii
Representative Director & Chief Executive Officer
AUTOBACS SEVEN CO., LTD.
6-52, Toyosu 5-chome, Koto-ku, Tokyo

NOTICE OF CONVOCATION OF THE 78TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that the 78th ordinary general meeting of shareholders of AUTOBACS SEVEN Co., Ltd. (the “Company”) will be held as described below.

In convening the general meeting of shareholders, the Company has taken measures for electronic provision of information contained in the reference documents for the general meeting of shareholders, etc. (matters to be provided electronically), and such matters to be provided electronically are posted on the Company’s website on the Internet. Please access the Company’s website indicated below and refer to the information.

The Company’s website

<https://www.autobacs.co.jp/en/ir/stock/meeting.html>

In addition to the above, matters to be provided electronically are also posted on the website indicated below.

Tokyo Stock Exchange website (TSE Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, enter the Company’s name “AUTOBACS SEVEN” in the “Issue name (company name)” or the Company’s securities code “9832” in the “Code” and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and refer to the information.

If you are not attending the meeting, you can exercise your voting rights via the Internet, etc. or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders, and then exercise your voting rights by 6:00 p.m., Monday, June 23, 2025.

Particulars

1. Date and time: June 24, 2025 (Tuesday) at 10:00 a.m. (Reception starts at 9:00 a.m.)
2. Venue: Hotel East 21 Tokyo, 3rd floor, EITAI Hall
3-3, Toyo 6-chome, Koto-ku, Tokyo
3. Agenda of the meeting:
Matters to be reported:
 1. Reports on the business report, consolidated financial statements and audit results of the consolidated financial statements by the independent auditor and the Audit and

- Supervisory Committee for the 78th fiscal term (from April 1, 2024 to March 31, 2025)
2. Report on the non-consolidated financial statements for the 78th fiscal term (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

- Agenda Item No. 1: Appropriation of surplus
- Agenda Item No. 2: Election of five (5) directors (excluding directors who are audit and supervisory committee members)
- Agenda Item No. 3: Election of three (3) directors who are audit and supervisory committee members

4. Matters determined concerning the convocation:

- (1) If you exercise your voting rights in writing (by postal mail) and there is no indication of approval or disapproval for the respective proposals in the Exercise of Voting Rights form, this shall be deemed as approval for the Company's proposals.
- (2) If you have exercised your voting rights several times via the Internet, etc., the final execution shall be deemed effective.
- (3) If you have exercised your voting rights both via the Internet, etc. and in writing (by postal mail), the vote made via the Internet, etc. shall be deemed effective.
- (4) If a proxy attends the meeting on your behalf, please note that, only another shareholder of the Company with voting rights may serve as a proxy in accordance with the Company's Articles of Incorporation. In this event, please submit the principal's Exercise of Voting Rights form and written proof of proxy to the reception.
- (5) Please be advised that your attendance at the meeting shall be deemed a rescission of the prior exercise of your voting rights.

- This year, the Company has sent the documents with the same content to all shareholders, and therefore the documents sent to the shareholders who have requested a paper copy are the same as those for shareholders who have not requested a paper copy.
- If any modifications are made to the matters to be provided electronically, matters before modifications and matters after modifications will be posted on the Company's website and the TSE website described on the previous page.

Guide for the exercise of voting rights

Exercise of voting rights via the Internet, etc.

You can conveniently access the website for exercising voting rights by reading the “QR code” with your mobile device. Please enter approval/disapproval for the respective proposals.

Deadline: Must be received by 6:00 p.m. on June 23, 2025 (Monday)

Exercise of voting rights by postal mail

Indicate in the enclosed Exercise of Voting Rights form approval/disapproval for the respective proposals, and send the completed form to the Company.

Deadline: Must arrive by 6:00 p.m. on June 23, 2025 (Monday)

Exercise of voting rights by attendance at the meeting

When attending the meeting in person, bring this NOTICE OF CONVOCATION OF THE 78TH ORDINARY GENERAL MEETING OF SHAREHOLDERS and submit the enclosed Exercise of Voting Rights form to the receptionist.

Date and time: June 24, 2025 (Tuesday) at 10:00 a.m. (Reception starts at 9:00 a.m.)

To disclose details on the reports, etc. on the matters to be reported on the date of the general meeting of shareholders, the Company plans to release videos on its website on the date following the general meeting of shareholders and thereafter.

Agenda Items and Reference Matters

Agenda Item No. 1: Appropriation of surplus

The Company defines returning profits to its shareholders as one of its most important management tasks. For the three-year planning period of the 2024 Medium-term Business Plan “Accelerating Towards Excellence” starting from the fiscal term ended March 31, 2025, the Company’s basic policy on shareholder returns is to pay a stable annual dividend of 60 yen per share in principle, according priority to investment in growth opportunities.

With regard to the appropriation of surplus, we will do as follows in accordance with the above-mentioned policy.

Matters concerning year-end dividends

- (1) Type of assets to be distributed
Cash

- (2) Matters concerning the allotment of assets to be distributed to the shareholders and the aggregate amount thereof

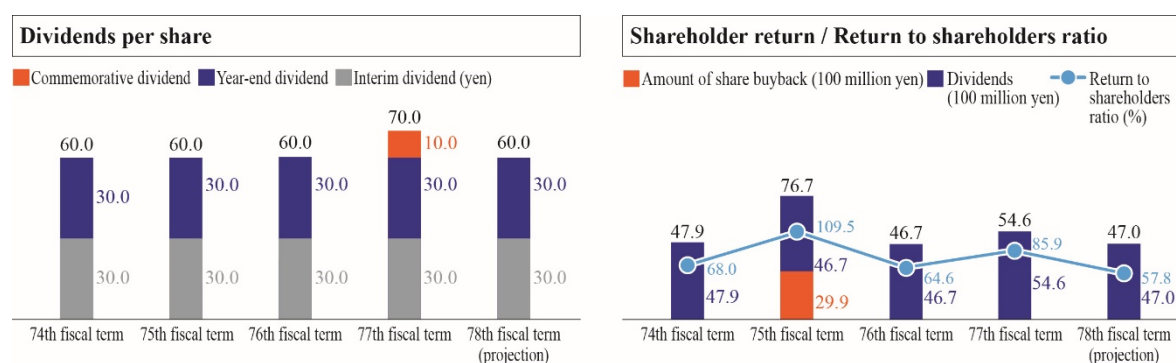
30 yen per ordinary share of the Company

Total amount of 2,354,719,860 yen

* Since the Company has paid an interim dividend at the rate of 30 yen per share, the total annual dividends for this fiscal term shall be 60 yen per share.

- (3) Effective date of dividends from surplus

June 25, 2025



Agenda Item No. 2 and Reference Matters

Agenda Item No. 2: Election of five (5) directors (excluding directors who are audit and supervisory committee members)

At the conclusion of this general meeting of shareholders, the terms of office of all the directors (five (5) in number; excluding directors who are audit and supervisory committee members) will expire. Accordingly, the Company requests the shareholders' approval for the election as directors (excluding directors who are audit and supervisory committee members) of the five (5) candidates (including two (2) outside directors).

Regarding nomination of candidates for directors, the Corporate Governance Committee established as a consultative body for the Board of Directors and chaired by an outside director and comprised of all the outside directors, the Chairman of the Board of Directors, and the representative director, functions as a voluntary nomination and compensation committee, and is consulted in order to ensure transparency and objectivity. The Audit and Supervisory Committee has expressed its opinion that each candidate is appropriate as a candidate to become a director of the Company, in view of the determination policies that consider the talent and eligibility of each candidate as a director and other factors and the nomination procedures taken by the Corporate Governance Committee, and the status of each candidate's execution of duties and contribution to performance for the fiscal year under review.

Candidates for directors (excluding directors who are audit and supervisory committee members) are as follows. Information on the candidates for directors (excluding directors who are audit and supervisory committee members) is provided on pages 5 through 13 and pages 19 through 21.

Candidates list for directors (excluding directors who are audit and supervisory committee members)

Candidate No.	Name		Career position and assignment in the Company	Attendance at Board of Directors' meetings
1	Yugo Horii	Re-nomination	Representative Director & Chief Executive Officer, Chief AUTOBACS Chain Officer	100% (14 of 14 meetings)
2	Shinichi Fujiwara	Re-nomination	Senior Managing Director & General Manager, Marketing, and Department Manager, Marketing	100% (14 of 14 meetings)
3	Masahiro Nishikawa	Re-nomination	Director & General Manager, Domestic Sales Operations	100% (11 of 11 meetings)
4	Yosuke Matsuda	Re-nomination Outside Director Independent Officer	Outside Director	90.9% (10 of 11 meetings)
5	Tatsuya Kamoi	New candidate Outside Director Independent Officer	-	-

(Notes) 1. Mr. Yosuke Matsuda and Mr. Tatsuya Kamoi are candidates for outside director as defined in Article 2, Paragraph 3, Item 7, of the Companies Act Enforcement Regulations and satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. The Company has registered Mr. Yosuke Matsuda with the Tokyo Stock Exchange as an independent officer. If Mr. Yosuke Matsuda is elected as originally proposed, the Company plans to reappoint him as an independent officer. If Mr. Tatsuya Kamoi is elected as originally proposed, the Company

- plans to register him with the Tokyo Stock Exchange as an independent officer.
2. Currently, Mr. Yosuke Matsuda serves as the Company's outside director (not a director who is an audit and supervisory committee member). He has entered into an agreement with the Company that defines his limitation of liability as defined in Article 423, Paragraph 1, of the Companies Act. The liability limit is an amount set forth in Article 425, Paragraph 1, of the Companies Act. If he is elected, the said agreement will be continued. In addition, the Company intends to enter into the said agreement with Mr. Tatsuya Kamoi, a new candidate for outside director (not a director who is an audit and supervisory committee member), after his election.
 3. As directors, Mr. Masahiro Nishikawa and Mr. Yosuke Matsuda, were appointed on June 27, 2024, the description of their attendance at Board of Directors' meetings excludes any meeting of this kind held prior to or on June 26, 2024.
 4. The ages of the candidates are as of June 24, 2025.

Reference Matters for Agenda Item No. 2: Election of five (5) directors (excluding directors who are audit and supervisory committee members)

Candidate No. 1:

Yugo Horii

Re-nomination

Career position and assignment in the Company:

Representative Director & Chief Executive Officer, Chief AUTOBACS Chain Officer

- Date of birth: June 24, 1972 (age 53)
- Term of office as a director at the conclusion of this general meeting: 9 years
- Number of Company shares owned: 46,900
- Attendance at Board of Directors' meetings: 100% (14 of 14 meetings)

Reasons for nomination and expected role

Mr. Horii assumed office as Representative Director of the Company in 2022. In addition to the reform of the management system, having announced the long-term vision “Beyond AUTOBACS Vision 2032” and the 2024 Medium-term Business Plan “Accelerating Towards Excellence,” he has been demonstrating strong leadership for sustainable growth and for medium- to long-term enhancement of corporate value.

Capitalizing on his extensive experience and profound insight cultivated so far, precisely identifying risks and opportunities for further growth, Mr. Horii has articulated his views at meetings of the Board of Directors and has fulfilled his role in deciding important issues, supervising the execution of duties by the other Directors.

The Company believes that, when aiming for evolution of the AUTOBACS Group into “Mobility Lifestyle Infrastructure,” it is in the best interest of the Group that he leads management to achieve accelerated growth.

Dear Shareholders,

The automobile industry has entered an era of unprecedented change, as evidenced by the fact that generative artificial intelligence (AI) and digital twins are being utilized, powertrains are diversifying, and efforts are being made toward achieving carbon neutrality. In this highly uncertain environment, we aim to realize a society where people and mobility exist in harmony by striving to enhance our existing business lines and create new value under the Medium-term Business Plan formulated in 2024.

I will lead efforts to address the change through swift and resolute decision-making by tapping into my past experience and knowledge gained from managing business. We will make company-wide efforts to surpass our competitors and raise our corporate value in a sustained manner in order to meet the expectations of all our stakeholders.

Special relationship between the candidate and the Company

Mr. Horii has no special interests in the Company.

Brief professional background including major posts held

March 1995:	Joined AUTOBACS SEVEN Co., Ltd.
April 2010:	General Manager of Legal Department
April 2012:	Officer, Internal Control
April 2013:	Officer, Internal Control and Legal
April 2015:	Officer, Legal, General Affairs and Internal Control
April 2016:	Senior Executive Officer, Overseas Business
June 2016:	Director and Senior Executive Officer, Overseas Business
April 2017:	Director and Senior Executive Officer, Office of the President and Overseas Business Planning
April 2018:	Director and Senior Executive Officer, Office of the President and Business Planning, and AUTOBACS Business Planning
June 2019:	Representative Director and President, ABT Marketing Co., Ltd.
April 2020:	Director and Senior Managing Executive Officer, Head of AUTOBACS Business Planning & Operations and CEO Office / Business Planning
April 2022:	Representative Director and Senior Managing Executive Officer, CEO Office / Business Planning
June 2022:	Representative Director and Chief Executive Officer, Chief AUTOBACS Chain Officer
April 2023:	Representative Director & Chief Executive Officer, Chief AUTOBACS Chain Officer (current position)

Candidate No. 2:
Shinichi Fujiwara
Re-nomination

Career position and assignment in the Company:

Senior Managing Director & General Manager, Marketing, and Department Manager, Marketing

- Date of birth: September 23, 1965 (age 59)
- Term of office as a director at the conclusion of this general meeting: 4 years
- Number of Company shares owned: 23,500
- Attendance at Board of Directors' meetings: 100% (14 of 14 meetings)

Reasons for nomination and expected role

Mr. Fujiwara is well versed in the Domestic AUTOBACS Business, has significant achievements not only in sales but also in marketing and area strategies, and has also made efforts to build relationships with franchisees.

Based on such extensive experience and achievements, Mr. Fujiwara has fully achieved his role as a director in deciding important issues, supervising the execution of duties by the other directors.

The Company decided to nominate Mr. Fujiwara as candidate for director because it believed: i) that, to further enhance the marketing capabilities and the brand appeal of the AUTOBACS Group as a whole, the leadership of Mr. Fujiwara, who had significant results accumulated through the domestic AUTOBACS business and relationships of trust with franchisees and who was well-versed in marketing, would be indispensable; and ii) that he was an appropriate candidate that the Company needs for the purpose of improving the effectiveness of the decision-making and supervisory functions of the Board of Directors.

Dear Shareholders,

The Japanese economy has been recovering moderately with consumer spending being expected to grow steadily resulting from real wages rebounding due to higher pay hikes through the 2025 annual spring wage negotiations.

Meanwhile, the world economy has begun to be adversely affected by the “America First” policy of the U.S. Trump administration, such as across-the-board tariff hikes, causing us to worry about potentially significant impacts on the automobile industry, in particular.

Despite this situation, the domestic car aftermarket has been firm mainly in areas such as the statutory safety inspection and maintenance services and the used car business, and therefore we think it is important to expand our market share now by providing new business formats and new service content. We aim to become a “Mobility Lifestyle Infrastructure” by assuredly addressing the tasks outlined in the Medium-term Business Plan.

Special relationship between the candidate and the Company

Mr. Fujiwara has no special interests in the Company.

Brief professional background including major posts held

March 1984:	Joined AUTOBACS SEVEN Co., Ltd.
September 2007:	Officer, Area Dominant Strategy
June 2008:	Officer, Area Strategy
April 2009:	Officer, Chain Strategy
September 2009:	Officer, Advanced Store Prototype Development Project
April 2010:	Officer, Advanced Store Prototype Development
April 2011:	Officer, Marketing & Sales Strategy Planning
April 2013:	Officer, Marketing
April 2014:	Officer, Chain Store Planning and Marketing
April 2015:	Officer, Marketing
April 2016:	Officer, Chain Store Planning
April 2017:	Senior Executive Officer, Head of Eastern Japan Region Headquarters
April 2018:	Senior Executive Officer, Eastern Japan Regional Headquarters
April 2020:	Senior Managing Executive Officer, Northern Japan Regional Division and Kanto Regional Division
October 2020:	Senior Managing Executive Officer, Kanto Regional Division
June 2021:	Director and Senior Managing Executive Officer, Kanto Regional Division
April 2022:	Director and Senior Managing Executive Officer, Head of Operations and Kanto Regional Division
April 2023:	Senior Managing Director & Executive General Manager, Sales Operations & Eastern Japan Sales Operations

April 2024:	Senior Managing Director & Executive General Manager, AUTOBACS Business Strategies
August 2024:	Senior Managing Director & Executive General Manager, AUTOBACS Business Strategies, and Department Manager, Marketing
April 2025:	Senior Managing Director & General Manager, Marketing, and Department Manager, Marketing (current position)

Candidate No. 3:
Masahiro Nishikawa
Re-nomination

Career position and assignment in the Company:
Director & General Manager, Domestic Sales Operations

- Date of birth: November 10, 1965 (age 59)
- Term of office as a director at the conclusion of this general meeting: 1 year
- Number of Company shares owned: 4,800
- Attendance at Board of Directors' meetings: 100% (11 of 11 meetings)

Reasons for nomination and expected role

Mr. Nishikawa is well versed in the AUTOBACS Business. He exercises leadership in the field and has the ability to drive change to get out of a rut. For example, over the years, as a director of subsidiaries, he has contributed to the management turnaround of poorly performing corporations. He has also made efforts to build relationships with franchisees.

The Company believes that, in achieving sustainable growth and creating new markets as the AUTOBACS Group, Mr. Nishikawa's grasp of the front line, management perspective, and leadership will be indispensable, and that it is in the best interest of the Company that the AUTOBACS Group benefit from his rich experience. Therefore, the Company proposes his election as a director.

Dear Shareholders,

In our industry, we are required to deliver more efficient operations and a higher productivity amid digitalization and evolving AI technologies. To make sure to gain a competitive advantage in the years ahead, it is essential to build a strong corporate platform in response to these changes. In particular, we will strive to deliver an improved efficiency and grow sustainably while being affected by supply chain changes and soaring resource prices. While the mobility industry is said to be in an era of big change, we will continue activities that meet current needs through making business decisions flexibly and addressing matters swiftly.

We will pursue customer satisfaction by leveraging our unique on-site capabilities and work with all our stakeholders to ensure that the start of this 51 year anniversary of AUTOBACS founding will lead to further growth.

Special relationship between the candidate and the Company

Mr. Nishikawa has no special interests in the Company.

Brief professional background including major posts held

March 1984:	Joined AUTOBACS SEVEN Co., Ltd.
April 1995:	Director, OPS Co., Ltd. (*)
March 1999:	Director, General Store Manager & General Manager of Super AUTOBACS Higashi-Fukuoka Store, OPS Co., Ltd.
April 2004:	Director, General Manager, Sales Operations, OPS Co., Ltd.
June 2011:	Representative Director and President, AUTOBACS THREE ARROW Co., Ltd. (*1)
June 2012:	Representative Director and President, Hiroshima AUTOBACS Ltd. (*1)
April 2017:	Representative Director and President, AUTOBACS Yamaguchi Ltd. (*1)
April 2020:	Officer, Division Manager of Southern Japan Regional Division
April 2021:	Senior Executive Officer, Division Manager of Southern Japan Regional Division
April 2023:	Executive General Manager, Western Japan Sales Operations
April 2024:	Executive General Manager, Sales Operations
June 2024:	Director & Executive General Manager, Sales Operations
April 2025:	Director & General Manager, Domestic Sales Operations (current position)

* Currently AUTOBACS Nishi-Nihon Sales Ltd.

Candidate No. 4:**Yosuke Matsuda**

Re-nomination, Outside Director (Independent Officer)

Career position and assignment in the Company:

Outside Director

- Date of birth: April 27, 1963 (age 62)
- Term of office as a director at the conclusion of this general meeting: 1 year
- Number of Company shares owned: 800
- Attendance at Board of Directors' meetings: 90.9% (10 of 11 meetings)

Reasons for nomination as an outside director and expected role

Mr. Matsuda has many years of management experience as CEO and CFO at business corporations. He has experience and a proven track record of driving corporate growth, especially from a numerical perspective with a bird's-eye view of the actual state of a company, including improving the profitability of the entire group by introducing business portfolio management.

The Company expects him to utilize his specialty and extensive management experience and insight in management of the Company in its phase of transformation and supervise the Company's management as an outside director and independent officer from the perspective of protecting general shareholders. The Company believes that having him fulfill such role is necessary for the purpose of improving the effectiveness of the decision-making and supervisory functions of the Board of Directors.

Dear Shareholders,

At a time when the operating environment for the mobility industry becomes increasingly more obscure and uncertain, it is getting more and more difficult to steer corporate management. Under this awareness, I will actively put forward proposals in my independent position as Outside Director, thereby contributing to achieving the Medium-term Business Plan.

Special relationship between the candidate and the Company

Mr. Matsuda has no special interests in the Company.

Independence of the candidate

Mr. Matsuda satisfies the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, the Company has registered him with the Exchange as an independent officer.

Brief professional background including major posts held

April 1987:	Joined Mitsui Life Insurance Company Limited
May 1995:	Joined Actus Audit Corporation
December 1998:	Joined SQUARE CO., LTD. ^{(*)1}
February 2000:	Joined Showa Ota Ernst & Young Co., Ltd.
October 2001:	Senior Vice President, SQUARE CO., LTD. ^{(*)1}
April 2003:	Senior Vice President and General Manager, Accounting and Finance Division, SQUARE CO., LTD.
June 2004:	Director, Accounting and Finance, SQUARE ENIX CO., LTD. ^{(*)1}
February 2006:	Director, Taito Corporation ^{(*)2}
November 2006:	Director, SQUARE ENIX OF AMERICA HOLDINGS, INC.
April 2010:	Director, Taito Corporation
March 2013:	Senior Executive Managing Director and Representative Director, SQUARE ENIX HOLDINGS CO., LTD.
May 2013:	President and Representative Director, SQUARE ENIX CO., LTD.
June 2013:	President and Representative Director, SQUARE ENIX HOLDINGS CO., LTD.
June 2013:	President and Director, SQUARE ENIX OF AMERICA HOLDINGS, INC.
July 2013:	Deputy Chairman of the Board, SQUARE ENIX (China) CO., LTD.
January 2016:	Director, Taito Corporation
April 2016:	Director, SQUARE ENIX LTD.
June 2018:	Chairman of the Board, SQUARE ENIX (China) CO., LTD.
September 2023:	Outside Director, Sound Fun Corporation (current position)

June 2024: Outside Director, AUTOBACS SEVEN Co., Ltd. (current position)

*1 Currently SQUARE ENIX HOLDINGS CO., LTD.

*2 Currently SQUARE ENIX CO., LTD.

Candidate No. 5:**Tatsuya Kamoi**

New-candidate, Outside Director (Independent Officer)

Career position and assignment in the Company:

-
- Date of birth: February 10, 1961 (age 64)
- Term of office as a director at the conclusion of this general meeting:—
- Number of Company shares owned: —
- Attendance at Board of Directors' meetings: —

Reasons for nomination as an outside director and expected role

Mr. Kamoi, in addition to a wealth of experience in overseas business and in consulting on business globalization, has experience, and delivered results, in IT platform building, human resource development from a global perspective and organizational reform.

The Company expects him to utilize his specialty and extensive management experience and insight to add a new perspective to the management of the Company in its phase of transformation and supervise the Company's management as an outside director and independent officer from the perspective of protecting general shareholders. The Company believes that having him fulfill such role is necessary for the purpose of improving the effectiveness of the decision-making and supervisory functions of the Board of Directors.

Dear Shareholders,

Tapping into experience and knowledge gained through 25 years of consulting service, as well as spending 10 years, in the latter half of it, of corporate management and digital transformation for client firms, I intend to humbly fulfill my responsibility as Director to help the Company keep delivering services that further satisfy customers and become an organization continuing to improve its corporate value through building a work environment in which each and every employee who supports it can actively achieve self-fulfillment.

Special relationship between the candidate and the Company

Mr. Kamoi has no special interests in the Company.

Independence of the candidate

Mr. Kamoi satisfies the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, if he is elected as originally proposed, the Company plans to register him with the Exchange as an independent officer.

Brief professional background including major posts held

April 1983:	Joined Epson Corp. ^{(*)1}
January 2000:	Joined PricewaterhouseCoopers Consulting ^{(*)2}
January 2006:	Executive Officer, IBM Japan, Ltd.
January 2012:	Managing Executive Officer, IBM Japan, Ltd.
August 2014	President and Representative Director and Far East Market Representative, Mercer Japan Ltd.
October 2019:	Senior Corporate Executive, NEC Corporation
April 2020:	President and Chief Executive Officer, ABeam Consulting Ltd.
April 2023:	Vice Chairman and Director, ABeam Consulting Ltd.
April 2024:	Director, ABeam Consulting Ltd.
July 2024:	Outside Director, AVANT GROUP CORPORATION (current position)
September 2024:	Outside Director, Paiza, Inc. (current position)

*1 Currently Seiko Epson Corporation

*2 Currently IBM Japan, Ltd.

Agenda Item No. 3 and Reference Matters

Agenda Item No. 3: Election of three (3) directors who are audit and supervisory committee members

At the conclusion of this general meeting of shareholders, the terms of office of all the directors who are audit and supervisory committee members (three (3) in number) will expire. Accordingly, in order to strengthen the management structure and further strengthen governance, the Company requests the shareholders' approval for the election as directors who are audit and supervisory committee members of the three (3) candidates (including two (2) outside directors).

The consent of the Audit and Supervisory Committee has been obtained in advance with respect to this agenda item.

Candidates for directors who are audit and supervisory committee members are as follows. Information on the candidates for directors who are audit and supervisory committee members is provided on pages 14 through 21.

Candidates list for directors who are audit and supervisory committee members

Candidate No.	Name		Career position and assignment in the Company	Attendance at Board of Directors' meetings	Attendance at Audit and Supervisory Committee's meetings
1	Tomoaki Ikeda	Re-nomination	Director and Audit and Supervisory Committee Member (full-time)	100% (14 of 14 meetings)	100% (17 of 17 meetings)
2	Masami Koizumi	Re-nomination Outside Director Independent Officer	Outside Director Audit and Supervisory Committee Member (full-time)	100% (14 of 14 meetings)	100% (17 of 17 meetings)
3	Ayako Kanamaru	Re-nomination Outside Director Independent Officer	Outside Director and Audit and Supervisory Committee Member	100% (14 of 14 meetings)	100% (17 of 17 meetings)

- (Notes) 1. Mr. Masami Koizumi and Ms. Ayako Kanamaru are candidates for outside director as defined in Article 2, Paragraph 3, Item 7, of the Companies Act Enforcement Regulations. Mr. Masami Koizumi and Ms. Ayako Kanamaru satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, the Company has registered them with the Exchange as independent officers. If elected as originally proposed, they will continue to be in office as independent officers.
2. Currently, Mr. Tomoaki Ikeda serves as the Company's director who is an audit and supervisory committee member, and Mr. Masami Koizumi and Ms. Ayako Kanamaru each serve as the Company's outside directors who are audit and supervisory committee members. They have entered into an agreement with the Company that defines their limitation of liability as defined in Article 423, Paragraph 1, of the Companies Act. The liability limit is an amount set forth in Article 425, Paragraph 1, of the Companies Act. If they are re-elected, the said agreement will be continued.
3. Presented herein is the attendance of Mr. Tomoaki Ikeda, Mr. Masami Koizumi and Ms. Ayako Kanamaru at Board of Directors' meetings as directors and Audit and Supervisory Committee's meetings as audit and supervisory committee members.
4. The ages of the candidates are as of June 24, 2025.

Reference Matters for Agenda Item No. 3: Election of three (3) directors who are audit and supervisory committee members

Candidate No. 1:

Tomoaki Ikeda

Re-nomination

Career position and assignment in the Company:

Director and Audit and Supervisory Committee Member (full-time)

- Date of birth: February 13, 1962 (age 63)
- Term of office as a director at the conclusion of this general meeting: 3 years
- Number of Company shares owned: 3,800
- Attendance at Board of Directors' meetings: 100% (14 of 14 meetings)
- Attendance at Audit and Supervisory Committee's meetings: 100% (17 of 17 meetings)

Reasons for nomination and expected role

Mr. Ikeda has a high level of knowledge and experience in finance, public relations and investor relations, as well as in-depth knowledge of sustainability. At meetings of the Board of Directors, he has been actively offering comments on capital cost management and investment decision-making, in particular, by tapping into such knowledge and experience, and has been contributing to decision-making and supervision at the Company for which it finds it becomes increasingly more important to closely assess investments in development-stage businesses and future operating platform.

We concluded that, through continuing to leverage his extensive experience, sophisticated knowledge and strict views about decision-making and supervision and participating in the Company's business management as a director who is an audit and supervisory committee member, Mr. Ikeda would contribute to stepping up our supervision function in the form of keeping our audits effective and our decision-making sound and fair and improving its transparency.

Dear Shareholders,

Recent years saw the international community become increasingly more divided and ready for confrontation, making economic climate ever more uncertain. The operating environment for the Company is undergoing a fast transformation, as evidenced by the shift to electrified and smart mobility, coupled with changing customer lifestyles and fast-progressing AI. In this situation, the Company launched the Medium-term Business Plan in fiscal 2024 before expanding its business domains by actively incorporating new group companies through mergers & acquisitions activities.

While this made group governance increasingly more important, we will: i) appropriately audit the state of the overall execution of duties from a neutral and objective perspective; ii) make the Company grow soundly and sustainably; iii) create corporate value in the medium- to long-term; and iv) help enhance its social credibility. We would appreciate it if you shareholders could continue to give us help and support.

Special relationship between the candidate and the Company

Mr. Ikeda has no special interests in the Company.

Brief professional background including major posts held

April 1986:	Joined The Hokkaido Takushoku Bank, Ltd.
August 1998:	Joined FamilyMart Co., Ltd.
March 2007:	General Manager of IR Office, PR & IR Department, FamilyMart Co., Ltd.
March 2011:	Executive Officer and General Manager of PR & IR Department, FamilyMart Co., Ltd.
March 2015:	Executive Officer and General Manager of Finance and IR Department, FamilyMart Co., Ltd.
September 2016:	Executive Officer and General Manager of Finance Department, Finance Division, FamilyMart UNY Holdings Co., Ltd. Senior Officer and General Manager of Finance Department, Finance Division, FamilyMart Co., Ltd.
April 2019:	Joined AUTOBACS SEVEN Co., Ltd.
April 2020:	Officer, Finance & Accounting / PR & IR
June 2022:	Director and Executive Officer, Finance & Accounting / PR & IR
April 2023:	Director & General Manager, Administration
June 2023:	Director (Full-time Audit and Supervisory Committee Member) (current position)

Candidate No. 2:**Masami Koizumi**

Re-nomination, Outside Director (Independent Officer)

Career position and assignment in the Company:

Outside Director and Audit and Supervisory Committee Member (full-time)

- Date of birth: July 20, 1961 (age 63)
- Term of office as a director at the conclusion of this general meeting: 4 years
- Number of Company shares owned: 500
- Attendance at Board of Directors' meetings: 100% (14 of 14 meetings)
- Attendance at Audit and Supervisory Committee's meetings: 100% (17 of 17 meetings)

Reasons for nomination as an outside director and expected role

Mr. Koizumi has experience and knowledge in SPA in addition to knowledge in business management, investor relations and governance, based on his experience in company management affairs. He has been contributing to stepping up our supervision function by providing important insights for discovering issues and identifying risks, by tapping into his finance-accounting specialty, in particular, as an audit and supervisory committee member, while actively offering comments at Board of Directors' meetings by leveraging such experience and knowledge. We concluded that, through continuing to participate in the Company's business management as a director who is an audit and supervisory committee member, Mr. Koizumi would contribute to stepping up our supervision function in the form of keeping our audits effective and our decision-making sound and fair and improving its transparency.

Dear Shareholders,

Amid ever more drastic changes in the automotive industry, we released in May 2023 a long-term vision aimed to achieve consolidated net sales of 500 billion yen in fiscal 2032, and announced in May 2024 the Medium-term Business Plan up to the fiscal year ending in March 31, 2027. Towards achieving the targets, we actively strive to revise the FC chain package, strengthen the management structure-organization and develop new business domains for growth. As an outside director and audit and supervisory committee member, I will contribute to growing the Company sustainably and enhancing its corporate value while paying due attention to strengthening corporate governance as a corporate group in response to the expansion of the consolidated group and its business domains.

Special relationship between the candidate and the Company

Mr. Koizumi has no special interests in the Company.

Independence of the candidate

Mr. Koizumi satisfies the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, the Company has registered him with the Exchange as an independent officer.

Brief professional background including major posts held

July 1995:	Joined UNITED ARROWS LTD.
April 2000:	Department Manager, Finance and Accounting Department, UNITED ARROWS LTD.
March 2001:	Founded Prostaff Ltd., Executive Vice President
December 2004:	Auditor, Netprice, Ltd. (*)
June 2006:	Director, UNITED ARROWS LTD.
July 2008:	Director and Executive Managing Officer, UNITED ARROWS LTD.
April 2012:	Director and Executive Vice President, UNITED ARROWS LTD.
June 2021:	Outside Director (Full-time Audit and Supervisory Committee Member), AUTOBACS SEVEN Co., Ltd. (current position)

* Currently BEENOS Inc.

Candidate No. 3:**Ayako Kanamaru**

Re-nomination, Outside Director (Independent Officer)

Career position and assignment in the Company:

Outside Director and Audit and Supervisory Committee Member

- Date of birth: January 27, 1980 (age 45)
- Term of office as a director at the conclusion of this general meeting: 2 years
- Number of Company shares owned: -
- Attendance at Board of Directors' meetings: 100% (14 of 14 meetings)
- Attendance at Audit and Supervisory Committee's meetings: 100% (17 of 17 meetings)

Reasons for nomination as an outside director and expected role

Ms. Kanamaru has legal expertise as an attorney-at-law and is also familiar with business operations through her experience in corporate legal affairs as an outside auditor and outside director at other companies. Through her participation in the Company's business management, Ms. Kanamaru contributed to enhancing our supervision function by offering important insights for discovering issues and identifying risks while tapping into her specialty in legal affairs and compliance, in particular. We concluded that, through continuing to participate in the Company's business management as a director who is an audit and supervisory committee member, Ms. Kanamaru would contribute to stepping up our supervision function in the form of keeping our audits effective and our decision-making sound and fair and improving its transparency.

Dear Shareholders,

In 2024, the Company formulated the Medium-term Business Plan, and is now in a period of transition as it continues to expand its operations through re-segmentation, mergers & acquisitions and reorganization such as for human resources. As operating issues have diversified of late due to a changing industry environment, we find it increasingly more important to build a corporate compliance platform and an appropriate governance framework in order to remain a company trusted by shareholders and other stakeholders.

In this situation, I will tap into my experience as an attorney-at-law to supervise the business management of the Company from a shareholder perspective and independent position as an outside director who is an audit and supervisory committee member and fulfill my responsibility through improving compliance and governance.

Special relationship between the candidate and the Company

Ms. Kanamaru has no special interests in the Company.

The business relationship between OH-EBASHI LPC & PARTNERS to which Ms. Kanamaru belongs and the Company is not material to either party, as the amount paid to or received by the AUTOBACS SEVEN Group for operation or trade in the most recent three years, including the fiscal term under review, was an insignificant amount, less than 2% of the sales of the Company and the other party (actually less than 1% of either party's sales), in any fiscal term, which is a requirement for outside directors' independency stipulated by the Company.

Independence of the candidate

Ms. Kanamaru satisfies the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, the Company has registered her with the Exchange as an independent officer.

Brief professional background including major posts held

October 2006:	Registered as a lawyer
October 2006:	Joined OH-EBASHI LPC & PARTNERS
January 2016:	Partner, OH-EBASHI LPC & PARTNERS (current position)
June 2020:	Outside Auditor, CDG Co., Ltd.
May 2021:	Outside Director, MEDIA DO Co., Ltd. (current position)
June 2023:	Outside Director (Audit and Supervisory Committee Member), AUTOBACS SEVEN Co., Ltd. (current position)

Common Reference Matters for Agenda Item No. 2 and Agenda Item No. 3

1. Outline of the Contents of the Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise when a director or officer insured under the agreement assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The Company plans to renew the agreement in February 2026. From among the director candidates to be proposed in the agenda for election of directors at the 78th Ordinary General Meeting of Shareholders, the candidates for re-nomination are already insured under the insurance agreement and are to remain insured after their election. Meanwhile, Mr. Tatsuya Kamoi, a new candidate, is to be insured after his election. For an outline of the contents of the agreement, please see the Business Report.

2. Policy and Procedures for Appointment of Candidates for Director

The Company's Board of Directors is made up of individuals who understand the importance of mutual trust among franchise stores, clients, employees and other parties concerned in the AUTOBACS franchise chain, and who are willing and able to improve the medium- and long-term corporate values and shareholders' common profit. A candidate for inside director shall be familiar with the Company's business, and a candidate for outside director shall have experience in corporate management, or experience and expertise in laws and regulations, finance and accounting, governance, risk management, etc. and also satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company.

The Company has established the Corporate Governance Committee as a consultative body for the Board of Directors, chaired by an outside director and comprised of all the outside directors, the chairman of the board of directors, and a representative director. When selecting candidates for director, the Board of Directors selects candidates after seeking consultation with the Corporate Governance Committee and receiving its recommendation.

Requirements for the Outside Directors' Independency

The independent officers of the Company shall be the outside director as stipulated by the Companies Act and the Regulations for Enforcement of the Companies Act, and who satisfies the following requirements for independency.

At the time when any event has occurred to the person which results in infringement of the following requirements for independency, he/she shall lose the independency.

1. The Company's Outside Directors shall not have had any interest in the Company and its affiliates (hereinafter collectively the "AUTOBACS SEVEN Group") or specified corporations or entities in any of the following ways:
 - (i) Receiving remuneration (excluding the remuneration for the duty of a director from the Company) or other assets from the AUTOBACS SEVEN Group in an amount exceeding ten (10) million yen per fiscal term within the past three years including the fiscal term under review
 - (ii) Belonging to an audit firm that conducted audits on the AUTOBACS SEVEN Group within the past three years, including the fiscal term under review
 - (iii) Serving any of the following corporations or entities (including holding companies) as a director, an executive officer, a general manager or in any other executive or managerial capacity (hereinafter referred to as executive directors, etc.):
 - a. AUTOBACS SEVEN Group customer or business partner^{Note 2} whose amount per fiscal term of operation or trade with, or the amount paid to or received by, the AUTOBACS SEVEN Group accounts for 2% or more of the sales^{Note 1} of either party in any fiscal term within the past three years, including the fiscal term under review
 - b. Financial institution or other large creditor that is indispensable to the AUTOBACS SEVEN Group's fund procurement and on which the Group depends to the extent that such a financial institution or large creditor is irreplaceable, within the past three years, including the fiscal term under review
 - c. Any major shareholder of the Company (owning 10% or more of outstanding shares), within the past five years, including the fiscal term under review
 - d. Any corporation which currently includes the AUTOBACS SEVEN Group as major shareholder (owning more than 10% of outstanding shares)

- e. Any corporation that currently shares mutually appointed directors with the AUTOBACS SEVEN Group (mutual exchange of directors through cross-holding of shares)
- 2. The Company's outside directors shall not have been a spouse of said executive directors, etc., of the AUTOBACS SEVEN Group or a relative within the second degree of kinship, or have shared means of livelihood in the past five years, including the fiscal term under review.
- 3. The Company's outside directors shall not be a spouse of, a relative within the second degree of kinship or share means of livelihood with any person corresponding to the description of Paragraph 1 above.
- 4. The Company's outside directors shall not be in any situation that may hinder them from performing their duties as the Company's independent officers.

(Note 1) Includes line items falling under net sales, such as "operating profit." Consolidated net sales come from companies within the scope of consolidated accounting.

(Note 2) Includes audit firms, law firms, and consulting firms other than those listed in 1-(ii).

[Reference]

Insight and experience of the Board of Directors as a whole and each Director (Skills Matrix)

The Group aims to become a corporate group essential to customers and local communities by promoting the initiatives to “ensure the safety of our communities while driving and enriching customers’ lives” through swift and resolute decision-making by way of achieving our long-term vision and the 2024 Medium-term Business Plan “Accelerating Towards Excellence.”

We think it is important that the Board of Directors that plays a central role for supporting the growth aimed for by the Group in the Medium-term Business Plan and for enhancing its corporate value over the medium to long term by sustainable means should be composed of directors equipped with appropriate insight and experience in order to fulfill the responsibility of the Board.

The Group believes that insight and experience in the fields described in the table below, such as “management experience,” “capital cost management/financial strategy,” “portfolio management,” and “organization/human resources strategy,” are particularly important.

The following lists the types of insight and experience possessed by the Board of Directors as a whole and by each director.

Requirements	Directors who are not audit and supervisory committee members					Directors who are audit and supervisory committee members		
	Yugo Horii Re-nomination	Shinichi Fujiwara Re-nomination	Masahiro Nishikawa Re-nomination	Yosuke Matsuda Re-nomination Outside	Tatsuya Kamoi New-candidate Outside	Tomoaki Ikeda Re-nomination	Masami Koizumi Re-nomination Outside	Ayako Kanamaru Re-nomination Outside
Management experience	●	●		●	●	●	●	
Capital cost management / Financial strategy	●		●	●		●	●	
Portfolio management	●	●		●			●	●
Organization / Human resources strategy		●	●		●			●
Insight and experience in the Company’s business fields	Distribution / global	Retail / marketing	Retail	Digital / service / marketing	Digital / global	Wholesale / retail	Wholesale / retail	Global
Risk management / Compliance	●		●			●	●	●
ESG / Diversity	●			●	●	●		●
IT / DX		●		●	●			

- (Notes) 1. The above table shows the areas in which the relevant Director can contribute to the Board of Directors more remarkably based on his/her insight, experience, etc. and does not represent all of his/her insight and experience.
2. The areas of insight and experience required for the Board of Directors as a whole and each Director may be reviewed and revised according to strategies and priority issues in the management plan of the Company.

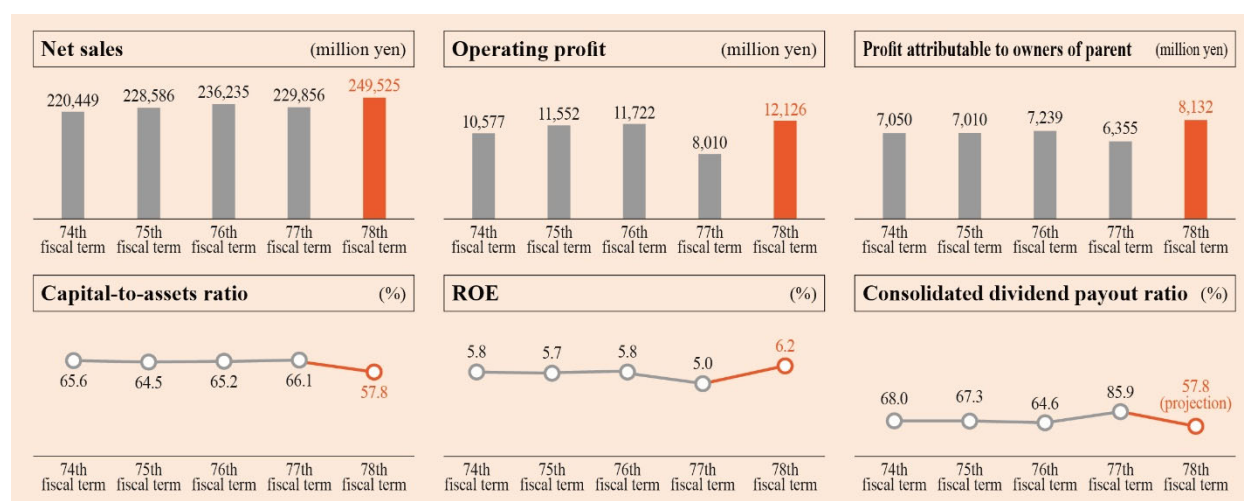
Business Report (from April 1, 2024 to March 31, 2025)

1. Current Status of the Group

(1) Assets and Operating Results

Classification	74th fiscal term Apr. 1, 2020- Mar. 31, 2021	75th fiscal term Apr. 1, 2021- Mar. 31, 2022	76th fiscal term Apr. 1, 2022- Mar. 31, 2023	77th fiscal term Apr. 1, 2023- Mar. 31, 2024	78th fiscal term Apr. 1, 2024- Mar. 31, 2025
Net sales (million yen)	220,449	228,586	236,235	229,856	249,525
Operating profit (million yen)	10,577	11,552	11,722	8,010	12,126
Ordinary profit (million yen)	11,219	11,246	11,574	8,093	12,516
Profit attributable to owners of parent (million yen)	7,050	7,010	7,239	6,355	8,132
Net income per share (yen)	88.28	89.17	92.87	81.52	103.89
Total assets (million yen)	187,914	189,910	194,327	194,948	228,170
Net assets (million yen)	123,833	122,892	126,963	129,152	131,963
Capital-to-assets ratio (%)	65.6	64.5	65.2	66.1	57.8
ROE (%)	5.8	5.7	5.8	5.0	6.2
Consolidated dividend payout ratio (%)	68.0	67.3	64.6	85.9	57.8 (projection)

(Note) “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied effective from the beginning of the 75th fiscal term. The amounts and the ratios for the 75th fiscal term presented are those after application of the said standard and other standards.



(2) Management policy, business environment, and targets to be achieved

(i) Management policy

■Purpose

Ensuring the safety of our communities while driving and enriching customers' lives

■Direction for the evolution of AUTOBACS SEVEN Co., Ltd.

Towards becoming a company that consistently offers the enjoyment of going out

In accordance with the Group's Purpose of "Ensuring the safety of our communities while driving and enriching customers' lives," the Group aims to resolve various social issues in mobility life, in order to realize a sustainable society in which people and mobility exist in harmony as well as sustainable growth of the Group.

In 2023, we announced our long-term vision "Beyond AUTOBACS Vision 2032" in which we target consolidated net sales of ¥500 billion in fiscal 2032, and presented what we aim to be, namely, the direction for AUTOBACS SEVEN's evolution, "towards becoming a company that consistently offers the enjoyment of going out"

In May 2024, we announced the 2024 Medium-term Business Plan "Accelerating Towards Excellence" running until fiscal 2026 in order to grow even faster towards achieving the long-term vision. As a new direction for evolution, we aim to globally build a mobility life infrastructure for customers, and both in Japan and overseas, we will continue to suggest to customers the enjoyment of going out by lowering their mobility inconvenience. We aim to become an indispensable part of society as an infrastructure player that underpins the mobility society by evolving into a corporate group that gains more support from customers.

(ii) Business environment

The Japanese economy continued to be on a moderate recovery trend on the backdrop of the improved employment and increased demand for inbound tourism. Meanwhile, the outlook for the economy remains uncertain due to a declining labor force, a decrease in consumer spending resulting from a continued inflation as well as global uncertainties, including U.S. monetary policies.

Amid this environment, the automotive industry saw demand for electric vehicles (EVs) slowing down in some region after a period of continuing penetration owing to a growing global momentum toward achieving a sustainable society, and the EV market is seen to be in a transitional phase. In Japan, industry players strove for industry structure reform in ways not seen before, as evidenced in the discussions on business integration held among major automobile manufacturers. Furthermore, the automotive aftermarket segment saw competition for gaining customers intensify more than ever as non-automotive companies pursued M&A efforts and expanded into peripheral business domains at a higher speed.

With technological innovation proceeding and society maturing, consumer values and buying behavior are diversifying further. In the past, a car was mostly regarded as "something to be owned," but it is becoming "something to use when needed" in a change of value concept. The relationship between consumers and cars is in the process of changing, as evidenced by a growing number of consumers not spending excessive time and money on cars, as new use formats such as car sharing and subscription services are used more widely.

Since the business environment for cars is thus changing fast, it remains difficult to predict the direction and speed of change. Taking the change as an opportunity, not as threat, we will continue to provide value to customers in a sustained manner by taking action flexibly and nimbly while rightly identifying the changing needs and lifestyles of customers.

According to figures from an announcement by the Auto-Parts & Accessories Retail Association (APARA), an organization to which the Company belongs, total store net sales of four association members between April 2024 and March 2025 were ¥418,426 million, an increase of 5.1% year on year. In addition, new vehicle sales^{*1} for the same period were approximately 4.57 million vehicles (a 1.0% increase year on year), and the number of registered passenger used cars^{*2} for the same period was approximately 3.17 million vehicles (a 0.8% increase year on year). Total automobile maintenance sales^{*3} in the market for the period from July 2023 through June 2024 were ¥6,256.1 billion (a 5.9% increase year on year), an increase for three consecutive years.

^{*1} Japan Automobile Dealers Association (JADA), total for registered cars + mini vehicles

^{*2} Japan Automobile Dealers Association (JADA), total for standard-sized vehicles and compact passenger cars

^{*3} Announced by Japan Automobile Service Promotion Association (JASPA)

(iii) Targets to be addressed

We formulated a long-term vision “Beyond AUTOBACS Vision 2032,” under which we aim to achieve consolidated net sales of ¥500 billion in fiscal 2032. We have steadily proceeded with various measures from both a near-term perspective and a medium- to long-term perspective by announcing our quantitative domestic targets of 1,300 group stores, 1 million officially-inspected vehicles and 150,000 purchased or sold vehicles. Since the net sales target of ¥500 billion is approximately double the current level, we think it is an essential element to create new business lines in addition to further growing our existing businesses. As this is a goal unable to be attained as an extension of the past, we are much required to take on a challenge for changing anew fundamentally and to have a drive to do so swiftly.

Against this background, in May 2024, we formulated and released the 2024 Medium-term Business Plan “Accelerating Towards Excellence” in order to grow faster towards achieving the long-term vision. In the Medium-term Business Plan, we will allocate our corporate resources to retail and wholesale in a concentrated manner and develop the businesses globally and expand operations in neighboring and peripheral areas as a strategic focus. We announced performance targets for fiscal 2026, the final year of the Medium-term Business Plan, namely, consolidated net sales of ¥280 billion, consolidated operating profit of ¥15 billion, and return on invested capital (ROIC) of 7.0%. We set three priority measures to: i) create touch points; ii) develop and supply products and solutions; and iii) establish new business domains.

In conducting the Medium-term Business Plan, we have put in place a system to seamlessly carry out activities from planning to execution under the leadership of young personnel who would play a key role in running the company in the future. Moreover, we seek to maximize the execution-engagement capabilities of the whole company by setting up a taskforce going beyond unit and group company boundaries. In fiscal 2025, in order to make business decisions swiftly and streamline our operational efficiency, we abolished executive officer position and will continue to conduct business spin-offs.

With regard to “create touch points,” the first priority measure, we have been expanding bases and wholesale customers with economies of scale in mind, opening AUTOBACS stores at an accelerated pace. During fiscal 2024, we opened 13 such stores and expanded through M&A activities the network of a total of 101 stores* comprising used car retailer Otoron, regular Honda dealers and tire retailer BEE LINE. Moreover, we opened three stores under new brands such as AUTO IN and AUTOBACS CARS, sending the number of new branches to 117 for fiscal 2024.

*Number of stores at the time of M&A

As for “develop and supply products and solutions,” the second priority measure, we have been promoting structural reform from a supply chain management (SCM) perspective for the purpose of group optimization concerning three aspects composed of product procurement and development functions, logistics function, and sales function. In Phase 1, we are now working to consolidate our product procurement and development functions, thereby aiming to become more competitive through jointly developing and procuring products within the Group and developing high-quality and low-cost products. Going forward, we will also proceed with consolidating our logistics and sales functions.

Moreover, through revising our franchise chain package, we have been striving to amend royalty rates, create unified tools for across Japan and enhance staff education programs. Specifically, we have been working to install at all the stores Safety Pit Camera enabling work to be viewed via the smartphone and stepping up basic training and specialty training such as for servicing and maintenance. Through these endeavors, we will make our stores more price-competitive and enhance store operations, thereby delivering an increased customer satisfaction.

As for “establish new business domains,” the third priority measure, through announcing VEEMO Welfare, a solution for prior reservation of the parking space for physically-handicapped persons, we have been rectifying the inappropriate use, a social challenge. At the same time, we have been operating ZEV dealers and developing an EV charging infrastructure. Our aim is to install EV quick chargers at 100 AUTOBACS Group stores by 2030. By the end of fiscal 2024, we have introduced them at 16 stores. We pursued these initiatives ahead of time as they might become sources of revenue for the Company in the future.

As for capital allocation during the Medium-term Business Plan period, we intend to invest capital of ¥35 billion cumulatively. Our policy is to stably pay an annual dividend of ¥60 per share while prioritizing investments in growth opportunities. We carried out active capital investment and M&A activities in the first year of the Medium-term Business Plan, already attaining over 50% of the 3-year investment plan. The subsidiaries grouped through M&A activities began to contribute to the Group’s financial results, helping expand its consolidated group profit.

As the effects of these measures materialized, both net sales and profits grew for fiscal 2024 and we achieved our operating profit target as planned. We will continue to execute the Medium-term Business Plan securely

during fiscal 2025, the second year of the Medium-term Business Plan and speed up the initiatives to achieve the target of ¥15,000 million in operating profit for the final year of the plan period.

For the past 50 years since our founding, we have worked hard to assist customers' car lifestyles through selling automotive goods by using AUTOBACS stores as the basic platform. For the next five decades, while being focused on the AUTOBACS Business, we will aim to expand into a business operator engaged in business domains including the whole mobility after-sales market, instead of being limited to automotive goods wholesale and retail businesses. We will evolve into an integrated mobility after-sales market player through cooperation that transcends industry-business boundaries.

Our mission will remain to offer the enjoyment of going out by lowering customer inconvenience caused by mobility, and we will create a kind of value new to them, aiming to contribute to realizing a zero traffic accident society. In an effort to achieve our purpose of "ensuring the safety of our communities while driving and enriching customers' lives," we will strive to advance and develop further as a social infrastructure entity that underpins the mobility society.

(3) Business progress and results

(i) Overview of management results for the fiscal term under review

The Group aims to provide a mobility life infrastructure for customers on a global basis. Under the 2024 Medium-term Business Plan "Accelerating Towards Excellence," the Group has promoted various measures outlined in main strategies such as creating touchpoints, developing and supplying merchandise and solutions, and setting new business domains.

The operating results of the Group on a consolidated basis are as follows:

Net sales and gross profit

Group net sales for the consolidated fiscal term under review were ¥249,525 million, up by 8.6% year on year, and gross profit was ¥88,373 million, up by 17.2% year on year.

Selling, general and administrative expenses and operating profit

Selling, general and administrative expenses were ¥76,247 million, up by 13.1% year on year, and operating profit was ¥12,126 million, up by 51.4% year on year.

Selling, general and administrative expenses increased because the number of consolidated subsidiaries increased.

Non-operating income, non-operating expenses and ordinary profit

Non-operating income was ¥2,174 million, up by 5.0% year on year. Non-operating expenses were ¥1,784 million, down by 10.2% year on year.

A year-on-year increase in profitability was recognized for entities accounted for using equity method, and share of profit of entities accounted for using equity method increased. Moreover, lease cost-system equipment for information equipment of the new store system, which started operation in the previous fiscal year, decreased.

As a result, ordinary profit was ¥12,516 million, up by 54.6% year on year.

Extraordinary income and extraordinary loss

Extraordinary income consisted of ¥1,030 million of gain on negative goodwill. Extraordinary loss consisted of ¥462 million of impairment loss on non-current assets and ¥132 million of loss on step acquisitions.

Income taxes in total

Income taxes in total were ¥4,803 million, an increase of ¥887 million from the previous fiscal term.

Profit attributable to owners of parent

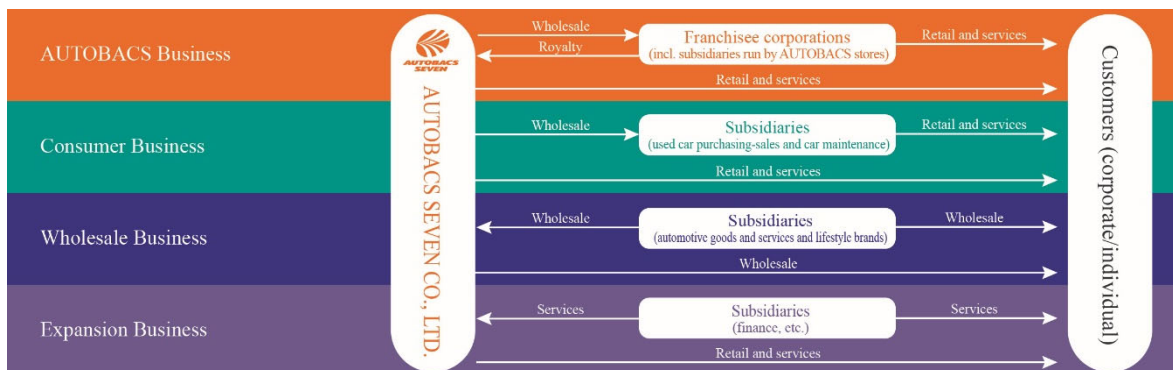
Profit attributable to owners of parent was ¥8,132 million, up by 28.0% year on year.

(ii) Management results by segment

a. Changes in reportable segments

Under the 2024 Medium-term Business Plan, we have been shifting to a framework to focus on and strengthen two key areas comprising retail and wholesale in which the Company excels the most. In order to swiftly launch the initiatives befitting the directionality and speed up our strategy execution, starting from the fiscal term ended March 31, 2025, our existing reportable segments namely, “Domestic AUTOBACS Business,” “Overseas Business,” “Car Dealership, BtoB and Online Alliance Business” and “Other Business” were converted into reportable segments composed mainly of retail and wholesale. Regarding the comparisons with the results of the previous term, comparisons and analyses were made based on figures reclassified into the revised segments.

b. Overview of the Group’s reportable segments



c. Net sales and income by segment

(Unit: million yen)

	Reportable segments					Reconciling items	Amount recognized in consolidated statement of income
	AUTOBACS Business	Consumer Business	Wholesale Business	Expansion Business	Total of reportable segments		
Net sales							
Revenue from contracts with customers	192,130	29,039	24,494	1,458	247,123	–	247,123
Other revenue	–	–	–	2,402	2,402	–	2,402
Net sales to outside customers	192,130	29,039	24,494	3,861	249,525	–	249,525
YoY (%)	8.3	22.6	(2.3)	2.3	8.6	–	8.6
Internal sales and transfers between segments	4,970	269	11,053	5,246	21,540	(21,540)	–
Total	197,100	29,308	35,548	9,108	271,065	(21,540)	249,525
YoY (%)	8.1	22.9	0.5	9.8	8.5	–	8.6
Segment profit (loss)	22,050	(847)	517	476	22,196	(10,070)	12,126
YoY (%)	33.1	–	(17.4)	112.2	37.7	–	51.4

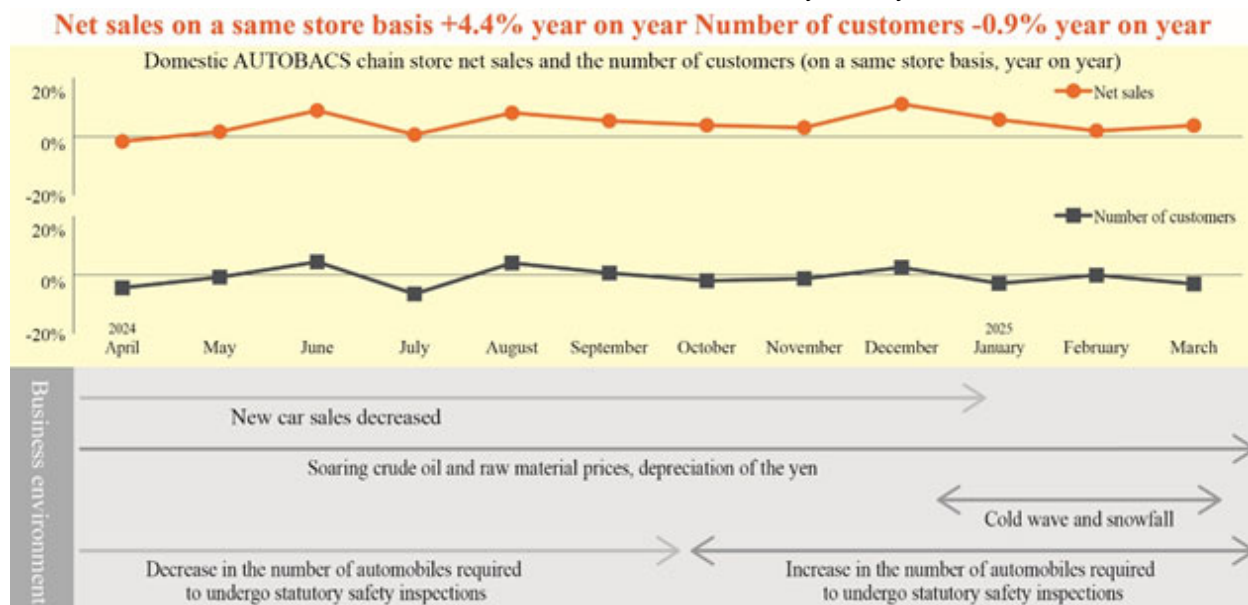
(Note) The business descriptions of the segments are as described on page 30.

■ AUTOBACS Business

In the AUTOBACS Business, net sales increased by 8.1% year on year to ¥197,100 million and segment profit increased by 33.1% year on year to ¥22,050 million.

Net sales for all store formats of the domestic AUTOBACS chain (including stores of franchisee corporations) increased by 4.4% year on year on a same store basis and increased by 5.1% year on year on a total store basis.

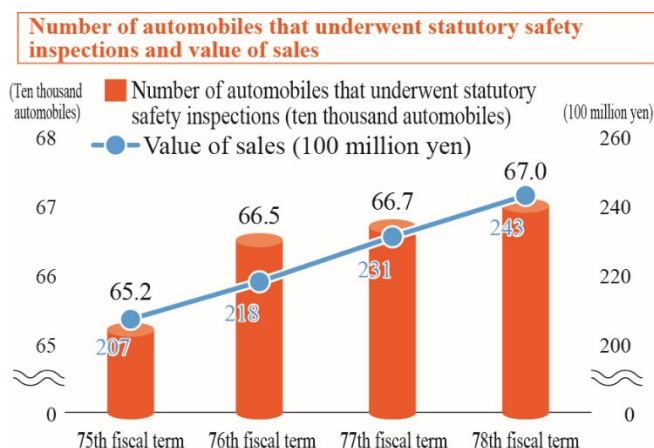
Domestic AUTOBACS chain store net sales and number of customers year on year on a same store basis



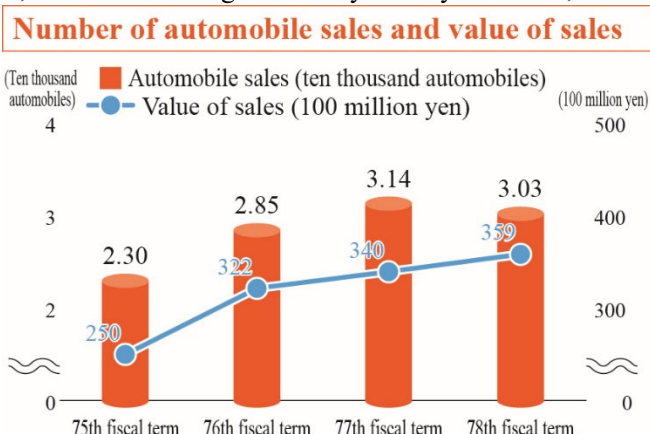
In the domestic AUTOBACS chain, sales of maintenance-related items such as tires, oil, and batteries grew due to demand for vehicle maintenance and demand for going out during the year-end and New Year period. Sales from services associated with these items also remained strong. In addition, sales of winter items such as snow tires and tire chains increased as a result of snowfalls.

As for private brands, the Company has been focusing on developing and selling valuable items that meet various customer needs. Under the “AUTOBACS Quality. (AQ.)” brand, we expanded the lineup of vehicle model-specific car accessories. In addition, we rolled out “AQ. Pit Menu,” a low-priced and high-quality original pit service offering.

As for statutory safety inspection and maintenance services, the number of pit work reservations via our official app increased by 17.2% year on year as this type of booking became increasingly popular. The number of automobiles that underwent statutory safety inspection increased by 0.4% year on year to approximately 670,000 vehicles as the number of vehicles subject to statutory inspection began to increase from the second half of the fiscal term.



With regard to automobile sales, although sales for auction were strong against the backdrop of rising unit prices of used cars, the volume of retail sales of new and used cars decreased year on year. As a result, the total number of automobiles sold in the domestic AUTOBACS chain decreased by 3.7% year on year to approximately 30,000 vehicles, while total sales grew 5.5% year on year to ¥35,959 million.



Regarding store openings and closings in Japan, 20 stores opened and 3 stores closed, making the total number of domestic stores 1,020 as of March 31, 2025 (including 417 annex stores and in-store shops) compared to 1,003 stores (including 414 annex stores and in-store shops) as of March 31, 2024. Starting from the beginning of the fiscal term ended March 31, 2025, the number of stores presented includes annex stores and in-store shops.

Store openings and closings in Japan

(Unit: stores)

	No. of stores as of March 31, 2024	Opened	Closed	No. of stores as of March 31, 2025
AUTOBACS	496	13	—	509
AUTOBACS GARAGE	1	—	—	1
Super AUTOBACS	72	—	1	71
A PIT AUTOBACS	2	—	—	2
AUTOBACS <i>Secohan Ichiba</i> ^{(*)1}	18 (15)	1	1	18 (15)
Smart+1 ^{(*)2}	10 (8)	4	—	14 (11)
AUTOBACS EXPRESS	11	—	—	11
AUTOBACS CARS ^{(*)1}	393 (391)	2	1	394 (391)
Total	1,003 (414)	20	3	1,020 (417)

(Notes) 1. Starting from the beginning of the fiscal term ended March 31, 2025, the number of stores presented includes annex stores and in-store shops.

2. *1: Any number in parenthesis denotes the number of annex stores

*2: Any number in parenthesis denotes the number of in-store shops

As for the overseas business, sales decreased year on year affected by the closure of two stores in France in the previous fiscal term. In Singapore, business at service pits was brisk as we captured maintenance demand, which grew due to rising certificate of entitlement (COE) prices, and demand for replacing onboard equipment in response to a change made to the Electric Road Pricing (ERP) system.

With regard to store openings and closings overseas, 40 stores opened and 1 store closed, putting the total number of stores at 148 as of March 31, 2025 compared to 109 stores as of March 31, 2024.

Number of stores overseas (as of March 31, 2025)

						(Unit: stores)
Taiwan	Singapore	Thailand	France	Malaysia	Philippines	Total
6	2	122	8	4	6	148

■ Consumer Business

Net sales of the Consumer Business increased by 22.9% year on year to ¥29,308 million and segment loss was ¥847 million (segment loss of ¥1,297 million in the previous fiscal term).

In the car dealership, on October 1, 2024, AUTOBACS DEALER GROUP HOLDINGS Co., Ltd., a consolidated subsidiary of the Company, converted a company operating Honda authorized dealerships into a consolidated subsidiary of it. As a result, authorized dealerships run by AUTOBACS DEALER GROUP HOLDINGS Co., Ltd. currently comprise three brands of Audi, BYD and Honda. In addition, on October 1, 2024, the said company converted a company that engages in electrical facility work and management into its consolidated subsidiary. Two subsidiaries engaged in BMW/MINI authorized car dealership business were sold in September 2023.

In the car purchase and sales, in October 2024, we opened AUTOBACS CARS Kashiwa Oi, the first-ever large store under the car purchase and sales store AUTOBACS CARS. Furthermore, on August 30, 2024, we converted a company that operates an in-store loan-based used car sales business into our consolidated subsidiary.

In the online sales, sales increased as a result of the renewal of the official online sales website and the expansion of its merchandise lineup, both done in the previous fiscal term, in addition to sales promotion measures.

In the statutory safety inspection and maintenance, maintenance service subsidiaries performed strongly, supported by vehicle maintenance demand. Moreover, in March 2025, we opened the AUTO IN Vehicle Inspection & Tire Center Kumamoto Tamana, a new model store centered on car maintenance and low-priced tires.

■ Wholesale Business

In the Wholesale Business, net sales increased by 0.5% year on year to ¥35,548 million and segment profit decreased by 17.4% year on year to ¥517 million.

Wholesale of wheels and engine oil performed strongly against the backdrop of snowfalls and growing demand for vehicle maintenance. While sales of items dedicated to Nissan Motor vehicle models increased, we began to deploy private brand AQ. at Seven-Eleven stores located along major roads in December 2024.

In the overseas wholesale business, sales decreased as exports from Japan declined significantly. In Malaysia, sales increased due to an increase in the number of authorized dealerships. In Australia, sales declined as local consumers became less eager to buy goods, among other factors, against the backdrop of inflation and climbing interest rates. In China, sales increased as exports to Japan expanded.

■ Expansion Business

In the Expansion Business, net sales increased by 9.8% year on year to ¥9,108 million and segment profit grew

by 112.2% year on year to ¥476 million.

(iii) Overview of financial conditions for the fiscal term under review

Status of assets, liabilities and net assets

Current assets

Current assets increased by ¥14,837 million from the end of the previous fiscal term to ¥127,028 million due mainly to an increase in accounts receivable - trade, merchandise, and accounts receivable - other.

Property, plant and equipment and intangible assets

Property, plant and equipment increased by ¥8,505 million from the end of the previous fiscal term to ¥56,757 million due mainly to new consolidated subsidiaries and an increase in land, buildings and structures owing to purchasing land for new store openings.

Intangible assets increased by ¥9,606 million from the end of the previous fiscal term to ¥17,370 million due mainly to an increase in goodwill on newly consolidated subsidiaries.

Investments and other assets

Investments and other assets increased by ¥272 million from the end of the previous fiscal term to ¥27,014 million.

Current liabilities

Current liabilities rose by ¥9,447 million from the end of the previous fiscal term to ¥58,432 million mainly due to an increase in short-term loans payable from banks and a decrease in notes and accounts payable-trade.

Non-current liabilities

Non-current liabilities increased by ¥20,962 million from the end of the previous fiscal term to ¥37,774 million. This was mainly attributable to an increase in long-term loans payable from banks.

Total net assets

Total net assets increased by ¥2,811 million from the end of the previous fiscal term to ¥131,963 million. This was due primarily to a decrease in retained earnings due to dividend payment despite an increase in profit attributable to owners of parent.

Total assets/total liabilities and net assets

Total assets and total liabilities and net assets rose by ¥33,221 million from the end of the previous fiscal term to ¥228,170.

(4) Status of Capital Investment

During the consolidated fiscal term under review, the Group conducted capital investment in a total amount of ¥8,926 million. The main components were acquisitions of buildings and structures for new store openings and remodeling of existing stores, and acquisitions of office spaces and store land as well as IT system investment.

Breakdown by segment is as described below.

(Unit: million yen)

Segment	Amount
AUTOBACS Business	5,797
Consumer Business	892
Wholesale Business	893
Expansion Business	489
Company-wide (common)	852
Total	8,926

(5) Status of Fund Procurement

During the consolidated fiscal term under review, the Group procured long-term loans payable of ¥22,470 million for the purpose of funding M&A investments and capital investments.

(6) The Group's Major Business Line (as of March 31, 2025)

The Group is engaged in wholesale and retail sales of automotive goods and services both in Japan and overseas; online sales; automobile purchase and sales; statutory safety inspection and maintenance services; and the car dealership business. It also provides the AUTOBACS Group with store equipment leasing services and conducts credit-related businesses, etc.

The Group's lines of business and the positioning of its segments are as follows.

Segment	Description of business
AUTOBACS Business	Wholesaling of automotive goods such as tires, wheels, and car electronics to domestic franchisee corporations. Sale and installation services of automotive goods, maintenance services, statutory safety inspection, automobile purchase and sales and sheet metal and painting services mainly to domestic and overseas general consumers. Major store brands: AUTOBACS, Super AUTOBACS, AUTOBACS Secohan Ichiba and AUTOBACS CARS, etc.
Consumer Business	Purchase and sales of new cars and used cars to general consumers as a retailer other than for AUTOBACS business. Provision of automotive goods through sales to corporate customers and in collaboration with offline stores through our corporate website and official app. Statutory safety inspections, maintenance and sheet metal services.
Wholesale Business	In addition to wholesaling of automotive goods and other items mainly to domestic hardware stores, wholesaling and exporting of automotive goods and other items to domestic and overseas franchisee corporations and retailers. In addition, the wholesaling of private brand items such as lifestyle brand goods.
Expansion Business	Business mainly conducted by subsidiaries, such as credit-related business, insurance agency, intermediation of individual credit purchases at the stores of domestic franchisee corporations, the issuance of affiliated credit cards, and the leasing of equipment, etc. to domestic franchisee corporations. In addition, real estate development business and next-generation micro-mobility services such as for specified motorized bicycles.

(7) Major Business Locations of the Group (as of March 31, 2025)

Headquarters	Koto-ku, Tokyo	
Kansai Regional Headquarters	Osaka City, Osaka	
Distribution centers	Eastern Japan Logistics Center	Ichikawa City, Chiba
	Western Japan Logistics Center	Miki City, Hyogo

(8) Key Subsidiaries

Company name	Capital	The Company's investment ratio	Line of business
AUTOBACS Higashi-Nihon Sales Ltd.	¥100 million	100.0%	Automotive goods retail business
AUTOBACS Minami-Nihon Sales Ltd.	¥100 million	100.0%	Automotive goods retail business
AUTOBACS FRANCE S.A.S.	EUR 35,300 thousand	100.0%	Automotive goods retail business
Tokatsu Holdings Co., Ltd.	¥211 million	(100.0%)	Car sales business
Otoron Co., Ltd.	¥50 million	100.0%	Car sales business
CAP Style Co., Ltd.	¥100 million	100.0%	Automotive goods wholesaling business
HOT STUFF CORPORATION	¥47 million	100.0%	Import and export of automotive goods; wholesaling and retail business
AUTOBACS Financial Service Co., Ltd.	¥15 million	100.0%	Leasing business

- (Notes) 1. The Company's indirect investment ratio is shown in parentheses.
2. In April 2025, AUTOBACS Minami-Nihon Sales Ltd. changed its trade name to AUTOBACS Nishi-Nihon Sales Ltd.
3. In April 2025, CAP Style Co., Ltd. changed its trade name to CAP CO., LTD.

(9) Key Affiliate Companies

Company name	Capital	The Company's investment ratio	Line of business
BUFFALO CO., LTD.	¥653 million	21.2%	Automotive goods retail business
NORTHERN JAPAN AUTOBACS Co., Ltd.	¥100 million	34.0%	Automotive goods retail business

(10) Employment Situation (as of March 31, 2025)**The Group's employment status**

(Unit: No. of people)

Segment	No. of employees in 77th fiscal term		No. of employees in 78th fiscal term		Increase/decrease from the previous consolidated fiscal term
AUTOBACS Business	3,138	(740)	3,362	(1,001)	224 (261)
Consumer Business	337	(25)	911	(82)	574 (57)
Wholesale Business	380	(21)	395	(11)	15 (-10)
Expansion Business	159	(26)	150	(23)	-9 (-3)
Total reportable segments	4,014	(812)	4,818	(1,117)	804 (305)
Company-wide (common)	371	(3)	383	(6)	12 (3)
Total	4,385	(815)	5,201	(1,123)	816 (308)

- (Notes) 1. The number of employees indicates the number of persons actually working for the AUTOBACS SEVEN Group and does not include those who are working on loan for other companies.
2. The yearly average number of temporary employees is shown in parentheses.
3. The number of employees shown in "Company-wide (common)" indicates that of people belonging to the administration divisions.
4. The numbers of employees for the 77th fiscal term were prepared in accordance with the reportable segments for the 78th fiscal term.

(11) Major Lenders and Loan Amount (as of March 31, 2025)

(Unit: million yen)

Lenders	Balance of loans
Syndicated loan ^(Note 1)	9,700
MUFG Bank, Ltd.	7,288
Sumitomo Mitsui Banking Corporation	6,000
Syndicated loan ^(Note 2)	3,900
Sumitomo Mitsui Trust Bank, Limited	3,000

(Notes) 1. A syndicated loan by multiple financial institutions with MUFG Bank, Ltd as lead manager.

2. A syndicated loan by multiple financial institutions with The Chiba Bank, Ltd. as lead manager

(12) Other Significant Matters Concerning Current Status of the Group

Not applicable

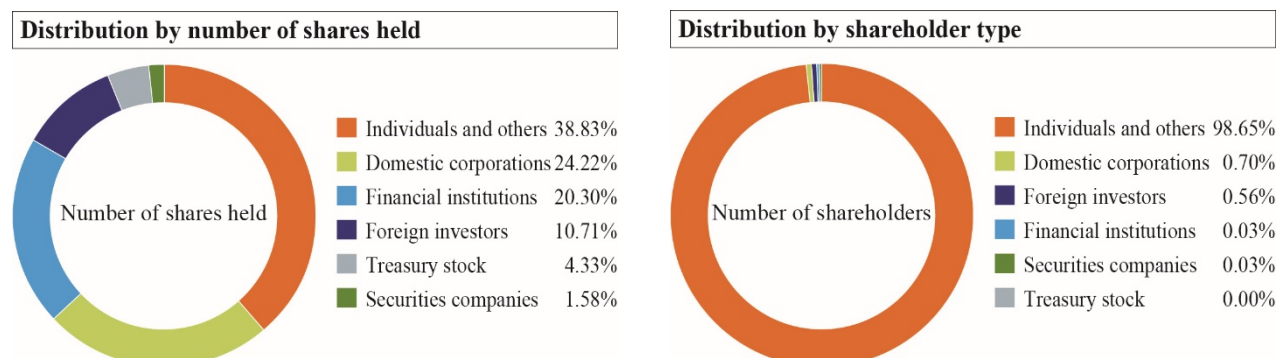
2. Status of the Company

(1) Status of Shares (as of March 31, 2025)

(i) Total number of authorized shares: 328,206,900 shares

(ii) Total number of shares issued: 82,050,105 shares (including 3,559,443 treasury stock)

(iii) Number of shareholders: 68,909



*Percentages of Distribution by number of shares held and Distribution by shareholder type are rounded down to the second decimal place

(iv) Major shareholders (Top 10 shareholders)

Name	Status of contribution to the Company	
	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,516	10.84
Sumino Holdings, Ltd.	4,243	5.40
The Yuumi Memorial Foundation for Home Health Care	3,990	5.08
Custody Bank of Japan, Ltd. (Trust Account)	3,804	4.84
K Holdings, Ltd.	2,750	3.50
The Master Trust Bank of Japan, Ltd. (Retail Trust Account 820079252)	1,800	2.29
Foreman Kyoei, Ltd.	1,560	1.98
Hiroshi Sumino	1,384	1.76
STATE STREET BANK WEST CLIENT-TREATY 505234	1,172	1.49
Live Field Co., Ltd.	1,000	1.27

(Notes) 1. Shareholding ratio is calculated by deducting treasury stock from the total number of shares with voting rights.

2. Holdings of less than 1,000 shares have been omitted from the number of shares owned, and the shareholding ratio is rounded down to two decimal places.

(v) Shares issued to the Company's directors as consideration for their execution of duties during the fiscal term under review

	Type and number of shares	Number of persons to whom shares were issued
Directors (excluding outside directors and directors who are audit and supervisory committee members)	22,700 shares	3

(Note) Details of the Company's stock compensation are described in "2. (2) (iv) Remuneration, etc. paid to directors."

(vi) Other significant matters concerning shares**Acquisition, disposal, etc. of treasury stock and the holding thereof**

(Unit: shares)

Treasury stock held at the end of the previous fiscal term		4,046,371 ... (i)
Acquired shares	Acquisition through purchase of shares constituting less than one unit	318 ... (ii) (Aggregate acquisition value: ¥486 thousand)
	Acquisition of treasury stock due to transfer restriction not lifted	9,450 ... (iii) (Aggregate acquisition value: ¥ - thousand)
Disposed shares	Disposal of treasury stock due to share exchange	358,396 ... (iv) (Aggregate disposal value: ¥610,706 thousand)
	Disposal of treasury stock as remuneration for granting restricted stock	138,300 ... (v) (Aggregate disposal value: ¥235,586 thousand)
Treasury stock held at the end of the current fiscal term		3,559,443 (i)+(ii)+(iii)-(iv)-(v)

(vii) Matters concerning stock acquisition rights, etc.

Not applicable

(2) Status of the Company's Directors**(i) Status of directors, significant concurrent positions and relationship with the Company**

Position	Name	Responsibility and significant concurrent positions held in other organization	Concurrently held positions
Representative Director	Yugo Horii	Chief Executive Officer Chief AUTOBACS Chain Officer	—
Senior Managing Director	Shinichi Fujiwara	Executive General Manager, AUTOBACS Business Strategies and General Manager, Marketing Department	—
Director	Masahiro Nishikawa	Executive General Manager, Sales Operations	—
Outside Director	Takayoshi Mimura	Mitsui Chemicals, Inc.	Outside Director
		Niterra Co., Ltd.	Outside Director
		JAPAN-CHINA MEDICAL COMMUNICATION CENTER	Director
Outside Director	Yosuke Matsuda	Sound Fun Corporation	Outside Director
Director (Full-time Audit and Supervisory Committee Member)	Tomoaki Ikeda	—	—
Outside Director (Full-time Audit and Supervisory Committee Member)	Masami Koizumi	—	—
Outside Director (Audit and Supervisory Committee Member)	Ayako Kanamaru	OH-EBASHI LPC & PARTNERS	Partner
		CDG Co., Ltd.	Outside Auditor
		MEDIA DO Co., Ltd.	Outside Director

(Notes) 1. Change in directors during the fiscal term under review was as follows.

Mr. Masahiro Nishikawa and Mr. Yosuke Matsuda were newly elected as directors at the 77th ordinary general meeting of shareholders held on June 27, 2024 and assumed office.

Mr. Kiomi Kobayashi, Mr. Eiichi Kumakura and Mr. Minesaburo Miyake retired from the office of directors at the conclusion of the 77th ordinary general meeting of shareholders held on June 27, 2024

- due to the expiration of their terms of office.
- Four (4) directors, Mr. Takayoshi Mimura, Mr. Yosuke Matsuda, Mr. Masami Koizumi and Ms. Ayako Kanamaru, are outside directors, as provided for in Article 2, Item 15, of the Companies Act.
 - There is no special relationship between the Company and the other companies and organizations mentioned above in which the outside directors hold concurrent positions.
 - Four (4) directors, Mr. Takayoshi Mimura, Mr. Yosuke Matsuda, Mr. Masami Koizumi and Ms. Ayako Kanamaru, are independent directors registered with the Tokyo Stock Exchange.
 - Two (2) directors who are audit and supervisory committee members have profound insights into finance and accounting. Director (full-time audit and supervisory committee member) Mr. Tomoaki Ikeda has many years of extensive experience in finance and accounting at a business corporation, and furthermore, he served as a director who is not an audit and supervisory committee member of the Company and was engaged in finance & accounting as a general manager at the Company. Outside director (full-time audit and supervisory committee member) Mr. Masami Koizumi has many years of extensive experience in finance and accounting at a business corporation.
 - Director, Ms. Ayako Kanamaru, has resigned as an Outside Auditor of CDG Co., Ltd. effective December 31, 2024.

(ii) Attendance to the meetings of Board of Directors and Audit and Supervisory Committee

Name	Classification	Board of Directors		Audit and Supervisory Committee	
		Meetings to be attended	Meetings attended	Meetings to be attended	Meetings attended
Yugo Horii	Director	14 times	14 times	—	—
Shinichi Fujiwara	Director	14 times	14 times	—	—
Masahiro Nishikawa	Director	11 times	11 times	—	—
Takayoshi Mimura *	Director	14 times	13 times	—	—
Yosuke Matsuda *	Director	11 times	10 times	—	—
Tomoaki Ikeda	Director (Audit and Supervisory Committee Member)	14 times	14 times	17 times	17 times
Masami Koizumi *	Director (Audit and Supervisory Committee Member)	14 times	14 times	17 times	17 times
Ayako Kanamaru *	Director (Audit and Supervisory Committee Member)	14 times	14 times	17 times	17 times

- (Notes)
- Outside directors are indicated by an asterisk (*) to the right of the name.
 - Mr. Kiomi Kobayashi, Mr. Eiichi Kumakura and Mr. Minesaburo Miyake retired from the office of directors at the conclusion of the 77th ordinary general meeting of shareholders held on June 27, 2024 due to the expiration of their terms of office.
 - Mr. Masahiro Nishikawa and Mr. Yosuke Matsuda assumed office as Director on June 27, 2024, and therefore, the meetings held on or before June 26 are excluded from the meetings to be attended by them.

(iii) Appointment or non-appointment of full-time audit and supervisory committee members, and reasons therefor

The Company has appointed Mr. Tomoaki Ikeda and Mr. Masami Koizumi as full-time audit and supervisory committee members, in order to strengthen the auditing and supervisory functions of the Audit and Supervisory Committee, collect information from directors (excluding directors who are audit and supervisory committee members), general managers, etc., share information at important internal meetings, and enable the Audit and Supervisory Committee to fully cooperate with the Internal Audit Department, the internal control department, etc.

(iv) Remuneration, etc. paid to directors

a. Directors' Remuneration Policy

The basic policy for determining directors' remuneration has the criteria of maintaining and increasing the corporate value of the AUTOBACS Group, which comprises a franchise system, and securing human resources capable of effectively supervising the Company's business operations as directors of the Company.

b. Remuneration standard

The remuneration standard is based on the results of third-party surveys on executive compensation and takes into account such factors as the Company's position in the industry, the difficulty of achieving targets, and responsibilities.

c. Composition and basic policy of remuneration

Remuneration for the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) consists of monetary remuneration and stock remuneration both as fixed remuneration. The ratio of monetary remuneration to stock remuneration in fixed remuneration is 2 to 1 for the representative director and 7 to 3 for directors. For outside directors and directors who are audit and supervisory committee members, monetary remuneration as fixed remuneration set for each role is paid.

i. Fixed remuneration (monetary remuneration)

Determined based on the basic remuneration as a director and the remuneration for other delegated duties set according to individual roles.

ii. Fixed remuneration (stock remuneration)

Restricted stock is issued in advance at a face value set according to each individual role, with the aim of improving medium- to long-term performance and corporate value and further sharing value with shareholders.

Remuneration for directors in charge of the execution of duties among the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) consists of fixed remuneration (items i and ii above) for directors as well as of fixed remuneration (monetary remuneration), variable remuneration (monetary remuneration) and variable remuneration (stock remuneration) as types of remuneration for the execution of duties.

The percentages set for fixed remuneration (monetary remuneration), variable remuneration (monetary remuneration), and stock remuneration (fixed and variable remuneration) for the Company's directors are roughly 48%, 32%, and 20%, respectively, in the case of Representative Director & Chief Executive Officer. The percentage of variable remuneration will become higher in proportion to the ranks of executive directors.

iii. Fixed remuneration (monetary remuneration)

The scope of control and responsibility for the execution of duties, degree of influence on the management of the consolidated Group, and achievement in the previous year are considered to determine fixed remuneration from the remuneration table.

iv. Variable remuneration (monetary remuneration)

The achievement of a single-year consolidated operating profit target is set as a payment condition common to all eligible executive directors. The amount varies between 0 and 150% of the performance based remuneration standard depending on the degree of achievement of the following targets: financial performance figures such as ordinary profit targets for all businesses and each area of responsibility, and an individual assignment based on a strategic target including a medium- to long-term perspective, which cannot be measured by financial performance figures alone.

v. Variable remuneration (stock remuneration)

To improve performance and corporate value over the medium and long term and better share value with shareholders, restricted stock (performance-based stock remuneration) is issued in advance linked with the achievement of single-year performance targets in the amount specified according to individuals' roles.

d. Process of determining remuneration

- i. Remuneration for the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) is determined at the Board of Directors' meeting, within the limit of the amount of remuneration resolved in advance at a general meeting of shareholders, along with the remuneration system that ensures objectivity and transparency through consultation with the Corporate Governance Committee.
- ii. Remuneration for the execution of duties by the Company's directors is determined by the chief executive officer, based on the remuneration system for the execution of duties determined at the Board of Directors' meeting after consultation with the Corporate Governance Committee and is in conformity to the remuneration policy decided by the Board of Directors.
- iii. The Company received the opinion from the Audit and Supervisory Committee that the contents of remuneration, etc. payable to directors (excluding directors who are audit and supervisory committee members) are considered to be reasonable because the director remuneration policy, the system profile and the procedure for determining the remuneration, etc. were appropriate and the amounts of remuneration, etc. payable to each director are consistent with the roles, duties, and achievements of each director.
- iv. Remuneration for the Company's directors who are audit and supervisory committee members is determined following deliberations by audit and supervisory committee members at a meeting of the Audit and Supervisory Committee within the limit of the amount of remuneration resolved in advance at a general meeting of shareholders.

e. Introduction of a medium- to long-term performance-linked remuneration system

At a Board of Directors meeting, with the objective of continuing to improve its corporate value and share value with shareholders in line with the medium- to long-term performance targets under its business strategies and the Medium-term Business Plan, the Company resolved to introduce a medium- to long-term performance-linked remuneration system for directors charged to execute duties among the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) with payment being premised on achieving the operating profit target in the 2024 Medium-term Business Plan "Accelerating Towards Excellence." Performance evaluation targets the Medium-term Business Plan period, three years from the fiscal term ended March 31, 2025 to the fiscal term ending March 31, 2027

f. Total remuneration for the fiscal term under review

Classification of officers	Fixed remuneration Monetary		Variable remuneration Monetary		Stock remuneration (fixed/variable)		Total amount of remuneration, etc. (million yen)
	Number of persons paid	Amount of payment (million yen)	Number of persons paid	Amount of payment (million yen)	Number of persons paid	Amount of payment (million yen)	
Directors who are not audit and supervisory committee members (excluding outside directors)	5	122	3	89	3	35	247
Directors who are not audit and supervisory committee members (outside directors)	3	24	—	—	—	—	24
Total of directors who are not audit and supervisory committee members	8	146	3	89	3	35	271
Directors who are audit and supervisory committee members (excluding outside directors)	1	25	—	—	—	—	25
Directors who are audit and supervisory committee members (outside directors)	2	36	—	—	—	—	36
Total of directors who are audit and supervisory committee members	3	61	—	—	—	—	61

(Notes) 1. Stock remuneration is stated at an amount posted as expenses for the fiscal year under review.

2. Remuneration for directors (excluding directors who are audit and supervisory committee members) was resolved in the amount of ¥480 million or less per year (including ¥50 million or less per year for outside directors) with the number of eligible directors being seven or less at the 72nd ordinary general meeting of shareholders held on June 21, 2019. At the conclusion of the ordinary general meeting of shareholders for the said term, the number of directors (excluding directors who are audit and supervisory committee members) was four (including one outside director).
3. Remuneration for directors (audit and supervisory committee members) was resolved in the amount of ¥120 million or less per year with the number of eligible directors being five or less at the 72nd ordinary general meeting of shareholders held on June 21, 2019. At the conclusion of the ordinary general meeting of shareholders for the said term, the number of directors (audit and supervisory committee members) was three (including two outside directors).
4. Remuneration for granting shares with restrictions on transfer for directors (excluding outside directors and directors who are audit and supervisory committee members) was resolved in the amount of ¥100 million or less per year with the number of eligible directors being seven or less at the 72nd ordinary general meeting of shareholders held on June 21, 2019. At the conclusion of the ordinary general meeting of shareholders for the said term, the number of directors (excluding outside directors and directors who are audit and supervisory committee members) was three.

(v) Outline of the contents of the liability limitation agreement

The Company has entered into an agreement with five (5) directors, who are not executive directors, etc., which limits the liability set forth in Article 423, Paragraph 1, of the Companies Act, pursuant to Article 30, Paragraph 2 of the Company's Articles of Incorporation, established pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

The liability limit pursuant to such agreement shall be the total amount of a. and b. described below, which are set forth in Article 425, Paragraph 1, of the Companies Act.

- a. The amount obtained by multiplying by two (2) the amount calculated by the method set forth in Article 113 of the Companies Act Enforcement Regulations as the amount equivalent to the annual property benefits received or to be received from the Company as consideration for the execution of a director's duties while he or she is in office.
- b. In the cases where he or she has subscribed for the Company's stock acquisition rights as set forth in Article 2, Item 21, of the Companies Act (limited to the cases listed in each Item in Article 238, Paragraph 3, of the Companies Act), the amount calculated by the method set forth in Article 114 of the Companies Act Enforcement Regulations as the amount equivalent to the property benefits concerning such stock acquisition rights.

(vi) Outline of the contents of the directors and officers liability agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company (contents outlined below), as set forth in Article 430-3, Paragraph 1 of the Companies Act. The Company plans to renew the agreement in February 2026. From among the director candidates to be proposed in the Agenda Item of the election of directors at the 78th ordinary general meeting of shareholders, the candidates for re-nomination are already insured under the insurance agreement and are to remain insured after their election. Meanwhile, Mr. Tatsuya Kamoi, a new candidate, is to be insured after his election. All of the above require resolution by the Board of Directors.

* Actual ratio of premiums borne by the insured

The premiums are paid by the Company, including premiums for riders. Therefore, the insured do not bear the actual premiums.

* Outline of events indemnified

The policy, together with the riders, covers damages that may arise when a director or officer insured under the agreement assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. However, there are certain exemptions, such as in cases when actions are taken with the knowledge that such actions are in violation of laws and regulations.

* Measures taken so as not to damage the appropriateness of directors' and officers' duties

There are grounds for exemptions under the policy. For example, liability for willful misconduct, illegal offering of private benefits, criminal offense, etc. of the insured will not be covered.

* Scope of the insured

Directors, audit and supervisory committee members, general managers, and officers of the Company and its subsidiaries, as well as directors and general managers who are dispatched from the Company to companies other than the subsidiaries of the Company (franchisees and other associated companies)

(vii) Matters concerning outside directors

a. Major activities during the fiscal term under review

Classification	Name	Activities (including an outline of duties conducted in relation to expected roles)
Directors	Takayoshi Mimura	Fulfilled a supervisory function over the Company's management by giving proactive advice on business execution based on his experience as the Chairman of the Board of Directors of a company and knowledge of corporate governance and making appropriate and timely comments based on his extensive experience in corporate management at business corporations and his experience and knowledge in leading the development and growth of a company in the global market. Also contributed to promoting and reinforcing the Company's corporate governance mainly by expressing opinions toward the assurance of the soundness and appropriateness of the decision-making of the Company's management, and enhanced transparency as a member of the Corporate Governance Committee.
	Yosuke Matsuda	Fulfilled a supervisory function over the Company's management by giving proactive advice to executive officers acting as driving forces in the transitional phase in accordance with his experience of conducting reforms of corporate culture and the board of directors, while making appropriate and timely comments intended to improve the Company's profitability and capital cost management, based on his extensive experience in corporate management at business corporations and his specialized and abundant experience and knowledge in finance. Also contributed to promoting and reinforcing the Company's corporate governance mainly by expressing opinions toward the assurance of the soundness and appropriateness of the decision-making of the Company's management, and enhanced transparency as a member of the Corporate Governance Committee.
	Masami Koizumi	Fulfilled a supervisory function over the Company's management by participating in the Company's management from an independent position, requesting explanations from the personnel in charge of business execution as needed, and making appropriate and timely comments based on his insight into business administration, investor relations, and corporate governance, compliance, as well as experience and insight related to SPA gained through his involvement in administrative practices at business corporations. Also contributed to promoting and reinforcing the Company's corporate governance mainly by expressing opinions toward the assurance of the soundness and appropriateness of the decision-making of the Company's management, and enhanced transparency as the chairperson of the Corporate Governance Committee.
	Ayako Kanamaru	Based on her legal expertise as an attorney-at-law, engaged in corporate legal affairs as an outside auditor and outside director at other companies and also familiar with companies' business operations. Her participation in the Company's management has enhanced the knowledge of law of the Board of Directors. Contributed to the assurance of the effectiveness of auditing, as well as the strengthening of supervisory functions such as the assurance of the soundness and appropriateness of the decision-making of the Company's management, and enhanced transparency, by taking part in the Company's management from the standpoint of a director who is an audit and supervisory committee member. Also contributed to promoting and reinforcing the Company's corporate governance mainly by expressing opinions toward the assurance of the soundness and appropriateness of the decision-making of the Company's management, and enhanced transparency as a member of the Corporate Governance Committee.

b. Relationship with special related business partners such as major clients

Not applicable

c. The total amount of remuneration, etc. received as an officer for the fiscal term under review from the subsidiaries of the Company

Not applicable

(3) Status of the Independent Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.

	Amount of remuneration, etc. (million yen)
Amount of remuneration, etc. of the fiscal term under audit for the independent auditor	99
Total amount of money and other property benefits payable to the independent auditor from the Company and its subsidiaries	110

(Notes) 1. Since the amount of audit remuneration, etc. of the audit based on the Companies Act and that based on the Financial Instruments and Exchange Act are not clearly distinguished under the audit agreement between the Company and the independent auditor and may not be distinguished substantially, the amount of remuneration, etc. of the fiscal term under audit for the independent auditor include the aggregate amount of such remunerations.

2. Statutory audit of AUTOBACS FRANCE S.A.S., an important subsidiary of the Company, is performed by an audit firm other than the independent auditor engaged in audit of the Company.

(iii) Content of services other than auditing

The Company paid to Deloitte Touche Tohmatsu LLC fees for advisory services regarding investigation of the current status and analysis on the impact of introducing the Accounting Standard for Leases (ASBJ Statement No. 34).

(iv) Reason for the Audit and Supervisory Committee's consent to the amount of remuneration, etc. for the independent auditor

The Audit and Supervisory Committee, based on the "Practical Guidelines for Cooperation with Accounting Auditors" released by the Japan Audit & Supervisory Board Members Association ("JASBA"), checks and examines the analysis and assessment of auditing performance for the previous fiscal term, the status of execution of duties by the independent auditor, the auditing time and staff allocation plan concerning the audit plan, and reasonableness of the remuneration estimates and other matters by obtaining necessary documents and receiving reports from directors, internal relevant departments and the independent auditor, and then gives consent to the remuneration amount for the independent auditor in accordance with Article 399, Paragraph 3 of the Companies Act.

(v) Policy concerning dismissal or non-reappointment of the independent auditor

The Audit and Supervisory Committee shall determine the details of an agenda item concerning dismissal or non-reappointment of an independent auditor to be presented to the general meeting of shareholders when deemed appropriate, including a case where the execution of his or her duties is disrupted.

In addition, audit and supervisory committee members shall dismiss an independent auditor when he or she is deemed to fall under the cases set forth in each item of Article 340, Paragraph 1, of the Companies Act, subject to consent of all audit and supervisory committee members. In such cases, an audit and supervisory committee member appointed by the Audit and Supervisory Committee shall report that the independent auditor was dismissed and the reasons for his or her dismissal at the first general meeting of shareholders following such dismissal.

(4) Corporate Governance of the Company

(i) Basic concept of Corporate Governance

Based on the "Purpose," "AUTOBACS Code of Conduct and Guidelines for Action," and "AUTOBACS SEVEN Group Sustainability Basic Policy," we operate our business with consideration to all stakeholders. As a corporate citizen, will achieve sustainable growth and improve corporate value over the medium and long terms, and will continue striving to strengthen corporate governance to contribute to society. Based on this fundamental philosophy, we will build a system to achieve fair and transparent management including separation of the execution of operation and supervision, together with swift, bold decision making and proper monitoring, trying to make the system function practically and sufficiently.

<Purpose>

Ensuring the safety of our communities while driving and enriching customers' lives

(ii) Corporate Governance System

With the aim of further enhancement of corporate governance and the achievement of sustainable growth and the further improvement of the medium- to long-term corporate value; separating business execution and supervision to pursue both effective and swift decision-making and appropriate monitoring of the management of the Company, the Company further reinforces its corporate governance system through the following measures, while taking advantage of its feature as a company with an Audit and Supervisory Committee.

- a. Appointment of one third or more of independent outside directors: enhancement of the supervisory function, protection of general shareholders' interest
- b. Establishment of committees as consultative bodies to the Board of Directors: ensuring of transparency, objectivity and appropriateness
- c. Selection of full-time audit and supervisory committee member and selected audit and supervisory committee members: ensuring of effectiveness of the activities of Audit and Supervisory Committee, enhancement of the audit function
- d. Reportable segments centered on retailing and wholesaling: optimization of portfolio
- e. Regular meetings with business managers and senior management candidates by audit and supervisory committee members: enhancement and reinforcement of monitoring

Management and Business Execution

1) Board of Directors

With the aim of achieving sustainable growth and improving the medium- to long-term corporate value in consideration of fiduciary duties and accountability to shareholders, the Board of Directors decides the medium- to long-term course of action and annual business plans, as well as matters specified in laws and regulations or in the Articles of Incorporation, and important matters concerning the Company's business activities, and supervises the execution of duties of directors.

Operation of the Board of Directors

The Board of Directors is chaired by the Representative Director and is composed of eight (8) directors (including three (3) directors who are audit and supervisory committee members), of whom four (4) are independent outside directors (including two (2) directors who are audit and supervisory committee members). It meets once every month, in principle.

Composition of the Board of Directors

- With an emphasis on having a good balance of knowledge, experience, and skill,* the Board of Directors consists of internal directors well-versed in the Company's business, and outside directors with diverse backgrounds, including one female director.
- Board composition is decided following the careful consideration of diversity and appropriate scale, including gender, internationality, career history, and age.

* The Group believes that it is important for the Board of Directors that will support the growth aimed for in the Medium-term Business Plan and play a key role to sustainably enhance its corporate value in the medium- to long-term to be composed of directors equipped with appropriate insight and experience in order to fulfill their responsibilities.

The kinds of insight and experience in the fields such as "management experience," "capital cost management/financial strategy," "portfolio management," and "organization/human resources strategy," are particularly important in our view.

Major items deliberated by and reported to the Board of Directors

- Short-term and medium- to long-term business strategy formulation and progress
- Post-investment monitoring
- Significant investments and loans
- Report on sustainability-related actions
- Reporting on the status of internal control
- Evaluation of the effectiveness of the Board of Directors

Initiatives for medium- to long-term growth

In an effort to grow faster towards achieving our long-term vision, we formulated the 2024 Medium-term Business Plan "Accelerating Towards Excellence" while doing periodic monitoring intended to stimulate steady execution. In addition, the Board of Directors regularly analyzes the causes of

discrepancies between the single-year budget and actual results, and the results of analysis are disclosed and explained to stakeholders, including shareholders, through announcements of financial results, etc.

2) Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of three (3) directors who are audit and supervisory committee members (including two (2) independent outside directors). With the aim of ensuring the soundness of management toward the achievement of sustainable growth and the improvement of the medium- to long-term corporate value of the Company in consideration of fiduciary duties to shareholders, the Audit and Supervisory Committee audits the execution of duties of directors through supervision and assessment using audits via selected audit and supervisory committee members and internal control systems via audits performed by the Corporate Audit Department.

Audit and supervisory committee members attend important meetings and meetings with the independent auditor, and full-time audit and supervisory committee members improve the auditing environment, gather internal information mainly by perusing important documents, and share important matters with other audit and supervisory committee members.

3) Corporate Governance Committee

The Corporate Governance Committee established as a consultative body for the Board of Directors is chaired by an outside director and is composed of all the outside directors, the chairman of the Board of Directors, and the representative director. It meets once every month, in principle.

The Corporate Governance Committee provides reports and suggestions to the Board of Directors on the matters listed below and thereby enhances the Board of Directors' supervisory functions by strengthening the functional independence, objectivity and accountability of the Board of Directors to further deepen corporate governance.

- a. Election and dismissal of candidates for directors (including directors who are audit and supervisory committee members) *Includes those assigned to executive positions
- b. Election and dismissal of the representative director, management succession planning
- c. Remuneration system for directors (excluding directors who are audit and supervisory committee members)
- d. Other matters relating to corporate governance

4) Risk Management Committee

The Risk Management Committee is chaired by the representative director & chief executive officer and is composed of executive directors and a general manager in charge of internal control functions. Moreover, outside directors and directors who are audit and supervisory committee members participate in the Risk Management Committee as observers.

It meets once every year, in principle, formulates annual risk management policies, and strives to establish and promote risk management in a smooth and appropriate manner.

5) Executive Committee

The Executive Committee is chaired by the Chairman of the Board of Directors and is composed of directors. It meets once every month, in principle. The Executive Committee is positioned as a place to deliberate and form consensus on matters for discussion related to execution, deliberates in advance on risks underlying the matters to be resolved at Board of Directors meetings and measures to manage them, reports the processes and results of its deliberations to the Board of Directors, and formulates company-wide policies and plans.

Audit System

1) Status of audits performed by Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of three (3) audit and supervisory committee members (including two (2) independent outside directors), establishes the auditing standards, auditing policies, and auditing plans, etc., and receives reports on the status and results of audits via selected audit and supervisory committee members and internal control systems in cooperation with the Corporate Audit Department, etc. Full-time audit and supervisory committee members and other related members receive reports from the directors and independent auditors on the status of execution of their duties and requests explanations as necessary.

Audit and supervisory committee members attend the Board of Directors meetings, the Executive Committee and other important meetings, receive reports on important managerial matters, request explanations, as necessary, and thereby audit the execution of duties of directors and general managers.

With the aim of strengthening the functions of the Audit and Supervisory Committee, the Company has selected full-time audit and supervisory committee members, audit and supervisory committee members with insights into finance and accounting and audit and supervisory committee members with independence. The Company also assigns several employees to support the duties of the Audit and Supervisory Committee. Through these efforts, the Company has improved a system to increase the effectiveness of the audits performed by the Audit and Supervisory Committee.

The audit and supervisory committee members who have insights into finance and accounting as stated above are Mr. Tomoaki Ikeda and Mr. Masami Koizumi (outside director). Brief details on their career histories in finance and accounting are as follows:

Mr. Tomoaki Ikeda: he has many years of extensive experience in finance and accounting at business corporations. Furthermore, he served as a director who is not an audit and supervisory committee member of the Company and was engaged in finance & accounting as a general manager at the Company.

Mr. Masami Koizumi: he has many years of extensive experience in finance and accounting at business corporations.

The Audit and Supervisory Committee has selected full-time audit and supervisory committee member Mr. Tomoaki Ikeda and outside and full-time audit and supervisory committee member Mr. Masami Koizumi as selected audit and supervisory committee members.

2) Status of internal audit

The Corporate Audit Department, which is under the direct control of the representative director and independent of business operation departments, is in charge of internal audits and performs audits in cooperation with the Audit and Supervisory Committee. The Corporate Audit Department is composed of eight (8) employees, evaluate the internal control system and continuously perform audits to determine that the business activities of the Company and its subsidiaries are in compliance with laws and regulations, internal rules and manuals.

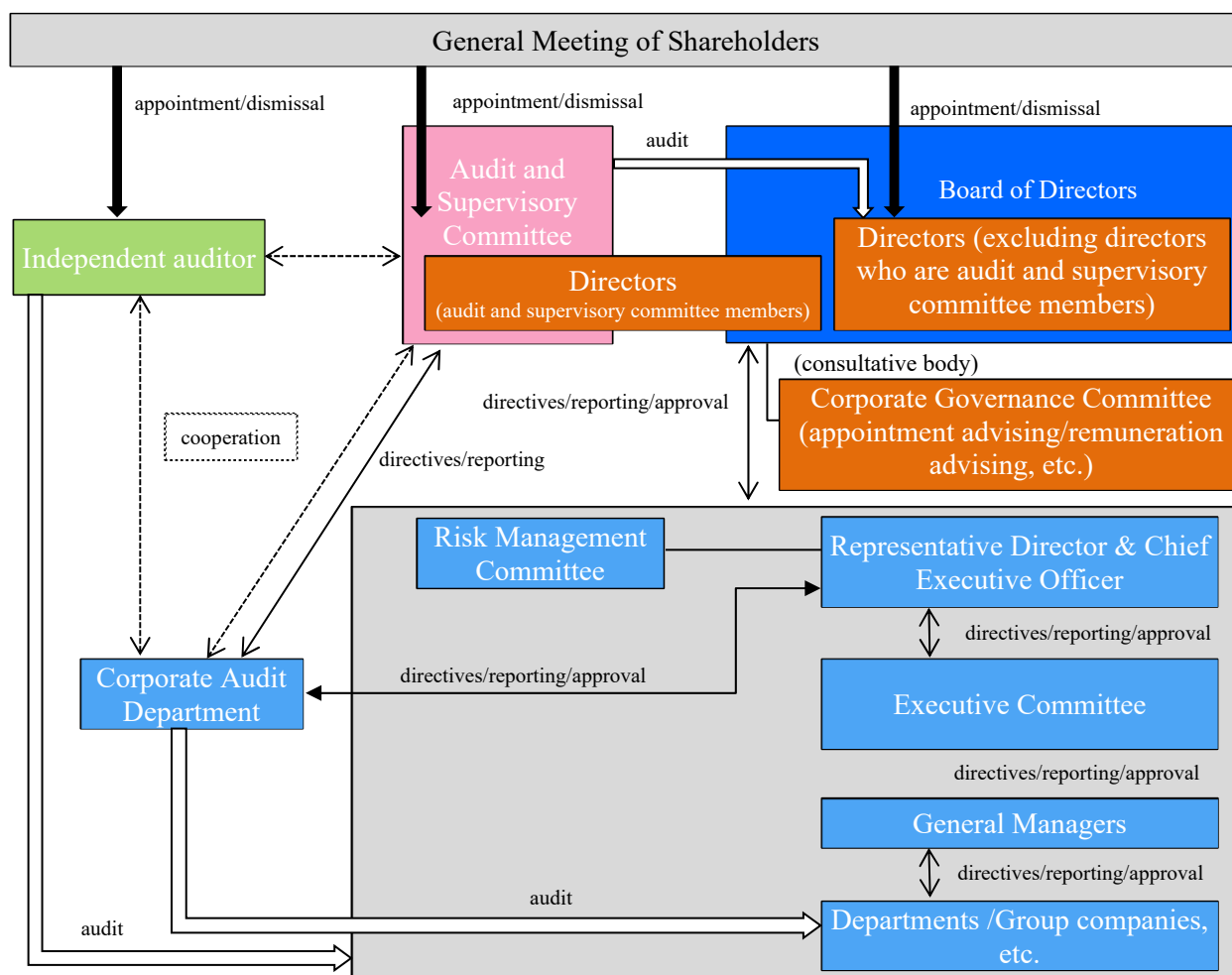
Evaluation and audit results are reported to the representative director and the Audit and Supervisory Committee, etc. as appropriate. If any deficiency is revealed, the internal audit department instructs the relevant department to correct and improve that deficiency.

An internal rule stipulates that in the event of any emergency relating to the representative director, instructions from the Audit and Supervisory Committee will have priority and the system for instructions and reporting will be changed.

As mentioned above, the Company holds meetings, either monthly or as necessary, for the reporting and exchange of opinions among the Corporate Audit Department, the Audit and Supervisory Committee, with internal control department, as well as between the Audit and Supervisory Committee and Deloitte Touche Tohmatsu LLC. The respective parties make efforts to cooperate by reporting the results of the audits and exchanging opinions at those meetings. If any deficiency is detected as a result of an audit or an evaluation of internal control systems, the Audit and Supervisory Committee and the Corporate Audit Department will issue instructions on the correction of such deficiency to each department, including the internal control department or subsidiaries, and continuously check the status of such correction.

3) Accounting audits

The Company has concluded an audit agreement with Deloitte Touche Tohmatsu LLC, which performs accounting audits of the Company.



Starting from April 1, 2025, we abolished general manager posts with the aim of focusing on retail and wholesale and making decisions more quickly towards evolving further under the strategic policy of the 2024 Medium-term Business Plan “Accelerating Towards Excellence.”

Name	Periodic meetings	Chairman/chairperson	Directors			
			Directors who are not audit and supervisory committee members		Directors who are audit and supervisory committee members	
			Internal	Outside	Internal	Outside
Board of Directors	Once a month in principle	Elected in accordance with provisions prescribed by the Board of Directors	●	●	●	●
Audit and Supervisory Committee	Once a month in principle	Elected from among audit and supervisory committee members by mutual vote of members	—	—	●	●
Corporate Governance Committee	Once a month in principle	Elected from among outside directors by mutual vote of members	(Chairman of the Board of Directors and representative director)		—	●
Executive Committee	Once a month in principle	Chairman of the Board of Directors	●	●	●	●
Risk Management Committee	Once a year in principle	Representative Director & Chief Executive Officer	●	○	○	○

●: Attendees ○: Observers

(iii) Overview of the Results of Evaluation of Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors to assess whether it is appropriately performing its roles, and to identify issues in the Board of Directors in order to make continuous improvements.

1) Method of Evaluation

For evaluation of effectiveness for the fiscal term under review (fiscal 2024), all directors delivered their answers to questions about “overall evaluation of the Board of Directors,” “operation of the Board of Directors,” “structure of the Board of Directors,” “agenda items at Board of Directors meetings,” “discussion and decision-making process of the Board of Directors,” “support system for outside directors,” “Audit and Supervisory Committee,” “Corporate Governance Committee,” “relationship with investors and shareholders” and “response to issues brought up in the evaluation conducted in the fiscal term ended March 31, 2023” in a multiple-choice manner and in writing. Moreover, we continued to conduct the “gap analysis on the degree of importance of agenda items of Board of Directors meetings and the amount of discussion,” which was newly introduced in fiscal 2022 when we asked a third-party institution equipped with specialized knowledge (Board Advisors Japan, Inc.) for evaluation support, as a reference material for future discussion topics of the Board of Directors meetings. Based on the results of evaluation, the Board of Directors and the Corporate Governance Committee had multiple discussions and finalized the results of evaluation.

2) Overview of the Results of Evaluation

As a result of the evaluation for the fiscal term under review, the Company has confirmed that effectiveness of the Board of Directors, the Audit and Supervisory Committee, and the Corporate Governance Committee is secured in general. In particular, the Board of Directors heard multiple opinions that praised the setting of opportunities to deliberate on medium- to long-term outlook as well as active discussions tapping into diverse experiences and knowledge. In addition, the support system for outside directors and the operation of the Audit and Supervisory Committee and the Corporate Governance Committee received high evaluation, continuing from last year.

On the other hand, it was confirmed that there was room for improvement with regard to further enhancement of discussions from a management perspective and group governance improvement. Regarding the above-mentioned issues, as a result of the discussion by the Board of Directors, it was decided to implement the following measures.

First, regarding further enhancement of discussions from a management perspective, it was decided to: i) improve reporting by business managers on the progress of business strategies and a medium-term business plan; ii) provide opportunities to have practical discussions; and iii) use them to specify and deepen discussions from a company-wide perspective such as on long-term strategies, management strategies and growth strategies.

In addition, with regard to improvement in group governance, we decided to have discussions to step up group governance that supports business expansion in order to identify specific issues. As for post-grouping monitoring, we decided to report on progress, discuss and check matters needed on a regular basis.

By implementing the above measures based on the results of the effectiveness evaluation, the Company intends to enhance the effectiveness of the Board of Directors and achieve sustainable growth and enhancement of corporate value.

(iv) Compliance

The Company promotes the reinforcement of the compliance system, while thoroughly notifying all the stores of the Group, including the headquarters, subsidiaries and franchise stores, of the importance of business activities conforming to laws and regulations and ethics.

Laws and regulations and corporate ethics shall be complied with, as a matter of course. On that major premise, the Company has clearly defined the “Code of Conduct” and “Guidelines for Action” that meet the reasonable expectations of all stakeholders, and ensures thorough compliance and promotes enlightening activities based on such basic principles. As a system for examining the status of compliance, an Integrated Risk Management Secretariat Council comprised of relevant departments is held on a monthly basis to check for any activities that fall outside the scope of the Code of Conduct and Guidelines for Action. A system for swiftly dealing with any activities that are deemed problematic has also been established.

3. System and Policy of the Company

Policy for Decisions on Distribution of Surpluses, etc.

The Company recognizes returning profits to shareholders as one of its most important issues, and will strive to ensure steady return of profits to shareholders by increasing Company earnings.

As for the distribution of profits to shareholders for the period of three years from fiscal 2024, constituting the period of the 2024 Medium-term Business Plan “Accelerating Towards Excellence,” the Company has made it a basic policy to work for stable dividends and pay ¥60 per share annually, in principle, while prioritizing investments in growth opportunities towards achieving the long-term vision “Beyond AUTOBACS VISION 2032.”

With regard to the year-end dividend for the fiscal term ended March 31, 2025, the Company will pay a dividend of ¥30 per share based on the above policy. As a result, total annual dividends for the fiscal term will be ¥60 per share.

In the next consolidated fiscal term, the Company also plans to pay an interim dividend of ¥30 per share and a year-end dividend of ¥30 per share, for total annual dividends of ¥60 yen per share.

Dividends and acquisition of treasury stock in the latest three consolidated fiscal terms

* Figures are determined on the basis of the assumption that the agenda item regarding “Appropriation of surplus” is adopted at the 77th ordinary general meeting of shareholders.

	76th fiscal term April 1, 2022 to March 31, 2023	77th fiscal term April 1, 2023 to March 31, 2024	78th fiscal term* April 1, 2024 to March 31, 2025
Dividend per share (annual)	¥60	¥70	¥60
Total amount of dividends (annual)	¥4,679 million	¥5,460 million	¥4,706 million
Consolidated dividend payout ratio	64.6%	85.9%	57.8%
Value of treasury stock acquired	—	—	—
Return to shareholders ratio	64.6%	85.9%	57.8%

The Consolidated Financial Statements for the 78th Fiscal Term

Consolidated Balance Sheet (as of March 31, 2025)

(Unit: million yen)

Account Item	Amount	Account Item	Amount
(Assets)		(Liabilities)	
Current assets	127,028	Current liabilities	58,432
Cash and deposits	31,292	Notes and accounts payable-	16,157
Notes receivable - trade	1,018	trade	
Accounts receivable - trade	28,583	Short-term loans payable	8,514
Lease investment assets	3,056	Lease obligations	739
Merchandise	27,649	Accounts payable - other	18,015
Short-term loans receivable	346	Income taxes payable	2,781
Accounts receivable - other	27,902	Contract liabilities	2,040
Other	7,243	Other	10,182
Allowance for doubtful accounts	(64)		
Non-current assets	101,142	Non-current liabilities	37,774
Property, plant and equipment	56,757	Bonds payable	200
Buildings and structures	18,193	Long-term loans payable	26,263
Machinery, equipment and vehicles	3,410	Lease obligations	2,102
Tools, furniture and fixtures	3,018	Deferred tax liabilities	707
Land	29,421	Provision for retirement benefits for directors (and other officers)	7
Leased assets	660	Retirement benefit liability	266
Right-of-use assets	1,354	Asset retirement obligations	3,398
Construction in progress	698	Other	4,828
Intangible assets	17,370	Total Liabilities	96,206
Goodwill	8,694	(Net Assets)	
Software	4,870	Shareholders' equity	128,323
Other	3,805	Capital stock	33,998
Investments and other assets	27,014	Capital surplus	34,138
Investment securities	9,145	Retained earnings	66,246
Long-term loans receivable	18	Treasury shares	(6,060)
Deferred tax assets	4,639	Accumulated other comprehensive income	3,484
Guarantee deposits	11,998	Valuation difference on available-for-sale securities	1,736
Other	1,241	Foreign currency translation adjustment	1,748
Allowance for doubtful accounts	(28)	Non- controlling interests	155
		Total Net Assets	131,963
Total Assets	228,170	Total Liabilities and Net Assets	228,170

Consolidated Statement of Income (April 1, 2024-March 31, 2025)

(Unit: million yen)

Account Item	Amount	
Net sales		249,525
Cost of sales		161,152
Gross profit		88,373
Selling, general and administrative expenses		76,247
Operating profit		12,126
Non-operating income		
Interest income	118	
Dividend income	134	
Share of profit of entities accounted for using equity method	433	
Commission income	48	
Lease revenue - system equipment	616	
Other	824	2,174
Non-operating expenses		
Interest expenses	168	
Lease cost - system equipment	794	
Loss on retirement of non-current assets	70	
Other	750	1,784
Ordinary profit		12,516
Extraordinary income		
Gain on bargain purchase	1,030	1,030
Extraordinary losses		
Impairment loss	462	
Loss on step acquisitions	132	594
Profit before income taxes		12,951
Income taxes - current	4,193	
Income taxes - deferred	609	4,803
Profit		8,148
Profit attributable to non-controlling interests		16
Profit attributable to owners of parent		8,132

Summary Consolidated Statement of Cash Flows (April 1, 2024-March 31, 2025) (Reference)

(Unit: million yen)

Account Item	Amount
Net cash provided by (used in) operating activities	3,944
Net cash provided by (used in) investing activities	(18,020)
Net cash provided by (used in) financing activities	13,973
Effect of exchange rate change on cash and cash equivalents	5
Net increase (decrease) in cash and cash equivalents	(96)
Cash and cash equivalents at beginning of period	31,278
Cash and cash equivalents at end of period	31,181

(Note) Any fractional amounts less than one million yen are discarded.

Status of consolidated cash flows

Cash and cash equivalents at end of the fiscal term under review decreased by ¥96 million from the end of the previous fiscal term to ¥31,181 million.

Status of each cash flow in the consolidated fiscal term under review and factors are as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥3,944 million (net cash provided by operating activities of ¥14,431 million in the previous fiscal term). The main components of cash inflows were proceeds from operating transactions adjusted with non-cash profit and loss items, etc. of ¥7,872 million against profit before income taxes of ¥12,951 million, while the main component of cash outflow was income taxes paid amounting to ¥4,077 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥18,020 million (net cash used in investing activities of ¥449 million in the previous fiscal term). Main components of cash inflows were proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation amounting to ¥966 million and proceeds from refunds of time deposits amounting to ¥513 million and main components of cash outflows were purchase of property, plant and equipment and intangible assets amounting to ¥8,926 million, purchase of shares of subsidiaries resulting in change in scope of consolidation amounting to ¥5,929 million and loan advances amounting to ¥3,369 million.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥13,973 million (net cash used in financing activities of ¥7,413 million in the previous fiscal term). Main components of cash inflows were, proceeds from long-term loans payable amounting to ¥22,470 million and proceeds from sale of treasury shares amounting to ¥205 million and main components of cash outflows were dividends paid of ¥5,471 million, repayments of long-term loans payable amounting to ¥1,360 million and repayments of short-term loans payable amounting to ¥698 million (net).

The Non-Consolidated Financial Statements for the 78th Fiscal Term

Non-Consolidated Balance Sheet (as of March 31, 2025)

(Unit: million yen)

Account Item	Amount	Account Item	Amount
(Assets)		(Liabilities)	
Current assets	73,855	Current liabilities	31,689
Cash and deposits	18,602	Accounts payable-trade	12,248
Accounts receivable - trade	13,243	Short-term loans payable	3,000
Lease investment assets	5,850	Lease obligations	80
Merchandise	8,547	Accounts payable - other	5,647
Prepaid expenses	1,395	Accrued expenses	1,502
Short-term loans receivable	11,882	Income taxes payable	1,445
Accounts receivable - other	10,149	Contract liabilities	474
Other	4,182	Deposits received	4,998
		Unearned revenue	864
Non-current assets	102,140	Other	1,426
Property, plant and equipment	37,798		
Buildings	8,494	Non-current liabilities	31,863
Structures	1,043	Long-term loans payable	25,200
Machinery and equipment	1,556	Lease obligations	682
Vehicles	305	Long-term guarantee deposited	4,662
Tools, furniture and fixtures	854	Asset retirement obligations	1,199
Land	25,130	Other	119
Construction in progress	413		
		Total Liabilities	63,552
Intangible assets	4,845	(Net Assets)	
Leasehold right	621	Shareholders' equity	110,710
Software	4,214	Capital stock	33,998
Other	9	Capital surplus	34,278
		Legal capital surplus	34,278
Investments and other assets	59,496	Retained earnings	48,493
Investment securities	4,674	Legal retained earnings	1,296
Shares of subsidiaries and associates	30,338	Other retained earnings	47,196
Long-term loans receivable from subsidiaries and associates	11,146	Reserve for business expansion	665
Long-term prepaid expenses	503	Reserve for reduction entry of assets	796
Deferred tax assets	2,533	General reserves	36,350
Guarantee deposits	10,926	Retained earnings brought forward	9,384
Other	238	Treasury shares	(6,060)
Allowance for doubtful accounts	(866)		
		Valuation and translation adjustments	1,732
		Valuation difference on available-for-sale securities	1,732
		Total Net Assets	112,443
Total Assets	175,995	Total Liabilities and Net Assets	175,995

Non-Consolidated Statement of Income (April 1, 2024-March 31, 2025)

(Unit: million yen)

Account Item	Amount	
Net sales		165,218
Cost of sales		125,042
Gross profit		40,175
Selling, general and administrative expenses		30,861
Operating profit		9,314
Non-operating income		
Interest income	229	
Dividend income	1,287	
Commission income	16	
Lease revenue - system equipment	1,068	
Other	353	2,956
Non-operating expenses		
Interest expenses	86	
Provision of allowance for doubtful accounts	413	
Lease cost - system equipment	1,378	
Other	338	2,216
Ordinary profit		10,054
Extraordinary losses		
Impairment loss	74	
Loss on valuation of shares of subsidiaries and associates	234	309
Profit before income taxes		9,745
Income taxes – current	2,117	
Income taxes – deferred	1,078	3,196
Profit		6,548