

April 26, 2019

**AUTOBACS SEVEN announces Implementation of Stock Remuneration Plan
with Restriction on Stock Transfer**

April 26, 2019 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company,” Representative Director and Chief Executive Officer: Kiomi Kobayashi) announces that its Board of Directors resolved at the meeting held today to submit a proposal regarding the implementation of a restricted stock remuneration plan (the “Plan”) to the 72nd Ordinary General Meeting of Shareholders (the “General Meeting of Shareholders”) scheduled to be held on June 21, 2019. Moreover, on January 28, 2019, the Company issued a press release titled “AUTOBACS SEVEN announces Transition to Company with an Audit and Supervisory Committee.”

1. The purpose of implementing the Plan

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The purpose of the Plan is to raise awareness of directors (the “Eligible Directors”; excludes outside directors and audit and supervisory board members) for their contribution to the sustained improvement of the corporate value and the medium-to long-term performance improvement of the Company by linking compensation for the Eligible Directors with stock value of the Company and promoting further shared value with the shareholders through their long-term holding of Company shares.

(2) Conditions for implementing the Plan

Under the Plan, the Company provides monetary claim (the “Monetary Remuneration Claim”) to Eligible Directors as remuneration for a grant of restricted stock, separately from the existing limit of monetary remuneration. Therefore, implementing the Plan requires shareholder approval at the General Meeting of Shareholders.

While remuneration amount of no more than 480 million yen per year (excluding the employee salary of directors concurrently serving as employees of the Company) was approved at the 59th Ordinary General Meeting of Shareholders held on June 28, 2006, at this General Meeting of Shareholders, the Company requests shareholders’ approval to newly establish remuneration limits for directors (excluding audit and supervisory board members) and directors who are members of the audit and supervisory committee along with the transition into a company with an Audit and Supervisory Committee.

2. Overview of the Stock Remuneration Plan

Under this Plan, the Eligible Directors pays the total of the Monetary Remuneration Claim provided by the Company as property contributed in kind, and then receive the issuance or disposal of the common stock of the Company.

The total amount of the Monetary Remuneration Claim paid to Eligible Directors based on this Plan shall be 100 million yen or less per year (excluding the employee salary of directors concurrently serving as employees of the Company). The specific payment timing and allocation for each Eligible Director shall be determined by the Board of Directors.

The total number of the Company’s common stock newly issued or disposed of by the Company under the Plan shall be 100,000 shares or less per year. However, in the event of share split (including an allotment of shares of common stock of the Company without contribution) or consolidation of shares of the common stock of the Company, occurring after the conclusion of the General Meeting of Shareholders, necessary adjustments may be reasonably made in consideration of the ratio of the share split or the consolidation of shares, to the total number of shares. The amount to be paid in per share shall be the amount determined by the Board of Directors within the scope that is not an amount that is particularly advantageous to the Eligible Directors who subscribe the common stock of the Company. In addition, the amount shall be based on the closing price of the common stock of the Company on the Tokyo Stock Exchange market on the business day before the date of each resolution of the Board of Directors (in the case that the transaction has not been established on that day, the closing price on

the most recent trading day preceding that day).

In addition, in the case of issuing or disposing of the common stock of the Company under the Plan, an agreement regarding the allotment of the restricted stock shall be entered between the Company and the respective Eligible Directors, which includes the following provisions:

- 1) the Eligible Directors shall be prohibited, for a certain period (the "Transfer Restriction Period"), from transferring, setting collateral rights for, or otherwise disposing of the common stock of the Company that are granted to them;
- 2) in the case of occurrence of specified events, the Company shall acquire the said common stock at no cost.

To prevent the Eligible Directors from transferring, setting collateral rights for, or otherwise disposing of the granted stock during the Transfer Restriction Period, each of the Eligible Directors opens a dedicated account at a securities company designated by the Company for administration of the granted stock.

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