

February 28, 2020

**AUTOBACS SEVEN announces Merger and Changes of Trade Names
for Consolidated Store Subsidiaries**

(Translation of Major Points of Japanese Release)

February 28, 2020 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (the “Company,” Representative Director and CEO: Kiomi Kobayashi) announces the merger of Hiroshima AUTOBACS Ltd., a consolidated subsidiary of the Company, with four other consolidated subsidiaries (the “Merger”) and changes in trade names of Hiroshima AUTOBACS Ltd, Yumesho Ltd., AUTOBACS Mino Ltd. and AUTOBACS SUN ACE. Ltd., As this is a merger of consolidated subsidiaries, certain details have been omitted from this disclosure. An outline of the Merger and changes of trade names is as described below.

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

Under the Five-year Rolling Plan 2019, the AUTOBACS Group is implementing various measures to increase profits in the domestic AUTOBACS business.

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

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

2. Content of the Merger

Hiroshima AUTOBACS Ltd., a consolidated subsidiary of the Company, will merge with four other consolidated subsidiaries consisting of AUTOBACS Yamaguchi Ltd., AUTOBACS Nankai Ltd., AUTOBACS Kagawa Ltd. and AUTOBACS Ehime Ltd., subject to approval at the general shareholders’ meeting of each company.

(i) Schedules

General shareholders’ meeting to approve the Merger (each company concerned): March 26, 2020
Date of Merger (effective date): April 1, 2020

(ii) Merger method

The Merger will be an absorption-type merger with Hiroshima AUTOBACS Ltd. as the surviving company and AUTOBACS Yamaguchi Ltd., AUTOBACS Nankai Ltd., AUTOBACS Kagawa Ltd. and AUTOBACS Ehime Ltd. as companies to be merged.

(iii) Outline of the companies subject to the Merger (as of February 28, 2020)

(1) Trade name	Hiroshima AUTOBACS Ltd.	AUTOBACS Yamaguchi Ltd.
(2) Location	Hiroshima city, Hiroshima	Yamaguchi city, Yamaguchi
(3) Name and title of representative	Masahiro Nishikawa, Representative Director	Masahiro Nishikawa, Representative Director
(4) Line of business	Retail of car goods and services	Retail of car goods and services

	(Operation of six AUTOBACS stores)	(Operation of six AUTOBACS stores)
(5) Capital	JPY 100 million	JPY 100 million
(6) Date established	March 9, 2005	January 19, 1983
(7) Shares outstanding	6,600 shares	5,060 shares
(8) Fiscal year-end	March 31	March 31
(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 98.94%	AUTOBACS SEVEN Co., Ltd. 100%

(1) Trade name	AUTOBACS Nankai Ltd.	AUTOBACS Kagawa Ltd.
(2) Location	Tokushima city, Tokushima	Marugame city, Kagawa
(3) Name and title of representative	Minoru Kamikubo, Representative Director	Minoru Kamikubo, Representative Director
(4) Line of business	Retail of car goods and services (Operation of seven AUTOBACS stores)	Retail of car goods and services (Operation of six AUTOBACS stores)
(5) Capital	JPY 80 million	JPY 30 million
(6) Date established	March 24, 1998	March 15, 1996
(7) Shares outstanding	1,600 shares	920 shares
(8) Fiscal year-end	March 31	March 31
(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%	AUTOBACS SEVEN Co., Ltd. 100%

(1) Trade name	AUTOBACS Ehime Ltd.
(2) Location	Saijo city, Ehime
(3) Name and title of representative	Hiroaki Ito, Representative Director
(4) Line of business	Retail of car goods and services (Operation of eight AUTOBACS stores)
(5) Capital	JPY 100 million
(6) Date established	January 17, 1985
(7) Shares outstanding	2,440 shares
(8) Fiscal year-end	March 31
(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%

(iv) Post-merger status (plan)

	Surviving Company of the absorption-type merger
(1) Trade name	AUTOBACS Minami-Nihon Sales Ltd.
(2) Location	Hiroshima city, Hiroshima
(3) Name and title of representative	Masahiro Nishikawa, Representative Director
(4) Line of business	Retail of car goods and services (Operation of 33 AUTOBACS stores)
(5) Capital	JPY 100 million
(6) Fiscal year-end	March 31

3. Future outlook

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

4. New trade names of subsidiaries

Yumesho Ltd.

(1) New trade name	AUTOBACS Kanto Sales Ltd.
(2) Location	Utsunomiya city, Tochigi
(3) Name and title of representative	Shinichi Fujiwara, Representative Director
(4) Line of business	Retail of car goods and services (Operation of twelve AUTOBACS stores)
(5) Capital	JPY 100 million
(6) Fiscal year-end	March 31
(7) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%

AUTOBACS Mino Ltd.

(1) New trade name	AUTOBACS Chubu Sales Ltd.
(2) Location	Iida city, Nagano
(3) Name and title of representative	Mitsuya Minatogawa, Representative Director
(4) Line of business	Retail of car goods and services (Operation of seven AUTOBACS stores)
(5) Capital	JPY 17 million
(6) Fiscal year-end	March 31
(7) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%

AUTOBACS SUN ACE. Ltd.

(1) New trade name	AUTOBACS Kansai Sales Ltd.
(2) Location	Shijo-nawate city, Osaka
(3) Name and title of representative	Masaru Sasaki, Representative Director
(4) Line of business	Retail of car goods and services (Operation of seven AUTOBACS stores)
(5) Capital	JPY 100 million
(6) Fiscal year-end	March 31
(7) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%

<Appendix>

Management structure of domestic store subsidiaries (as of April 1, 2020)

Regional headquarters	Subsidiaries	In-house companies
Kanto Regional Headquarters	AUTOBACS Kanto Sales Ltd. Representative Director: Shinichi Fujiwara -Present Senior Executive Officer, Eastern Japan Region Headquarters	Tochigi Company President: Yoshiki Tateuchi (concurrently with the role of Director of AUTOBACS Kanto Sales Ltd.) -Present Representative Director of Yumesho Ltd. Ibaraki Company President: Takayuki Kawazoe (concurrently with the role of Director of AUTOBACS Kanto Sales Ltd.) -Present General Manager in charge of Eastern Japan Operation Planning Department of AUTOBACS SEVEN Co., Ltd.
	AUTOBACS Keiyo Ltd. Representative Director: Shinichi Fujiwara	Chiba Company President: Kosuke Matsuki (concurrently with the role of Director of AUTOBACS Keiyo Ltd.) -Present Representative Director of AUTOBACS Keiyo Ltd.
Chubu Regional Headquarters	AUTOBACS Chubu Sales Ltd. Representative Director: Mitsuya Minatogawa -Present Officer, Corporate Planning, Human Resources & General Affairs	Mino Company President: Sadao Higashimori (concurrently with the role of Director of AUTOBACS Chubu Sales Ltd.) -Present Representative Director of AUTOBACS Mino Ltd.
Kansai Regional Headquarters	AUTOBACS Kansai Sales Ltd. Representative Director: Masaru Sasaki -Present Senior Executive Officer, Merchandising	Osaka Higashi Company President: Yoshitsugu Okamoto (concurrently with the role of Director of AUTOBACS Kansai Sales Ltd.) -Present Officer of AUTOBACS SUN ACE. Ltd.
Southern Japan Regional Headquarters	AUTOBACS Minami-Nihon Sales Ltd. Representative Director: Masahiro Nishikawa -Present Representative Director of Hiroshima AUTOBACS Ltd. and AUTOBACS Yamaguchi Ltd.	Hiroshima Company President: Koji Asano (concurrently with the role of Director of AUTOBACS Minami-Nihon Sales Ltd.) -Present General Manager in charge of Tokai Area Operation Department of AUTOBACS SEVEN Co., Ltd.
		Yamaguchi Company President: Reiji Ochiai (concurrently with the role of Director of AUTOBACS Minami-Nihon Sales Ltd.) -Present General Manager in charge of Chugoku and Shikoku Area Operation Department of AUTOBACS SEVEN Co., Ltd. Nankai Company President: Minoru Kamikubo (concurrently with the role of Director of



		<p>AUTOBACS Minami-Nihon Sales Ltd.) -Present Representative Director of AUTOBACS Nankai Ltd. and AUTOBACS Kagawa Ltd.</p> <p>Kagawa Company President: Minoru Kamikubo</p> <p>Ehime Company President: Koji Yoshii (concurrently with the role of Director of AUTOBACS Minami-Nihon Sales Ltd.) -Present Officer of AUTOBACS Ehime Ltd.</p>
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