

March 17, 2020

AUTOBACS Announces Establishment of a New Company

(Translation of major points of Japanese release)

March 17, 2020 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“AUTOBACS SEVEN,” Representative Director and CEO: Kiomi Kobayashi) announces today that on April 1, 2020 it will establish a new consolidated subsidiary that engages in drone body repair and other services in collaboration with Japan Sun Industries, a social welfare organization located in Beppu City. Details are as follows.

1. Reasons for the establishment of the new company

People have started to use drones for broader purposes, including businesses such as infrastructure inspection, measurement and pesticide spraying, not to mention simply flying them for pleasure and shooting aerial images. Meanwhile, the Japanese government has approved a bill to revise the aviation law to include the drone registration system. Against this background, drone-related markets are on the verge of experiencing a significant turning point.

In 2017, the AUTOBACS Group began selling drone bodies after concluding a DJI official sales agency agreement with DJI Japan Co., Ltd. (Representative Director: To Go). It has recently decided to establish a company specializing in the maintenance of drone bodies to respond to the increasing number of requests for the repair of bodies while at the same time actively facilitating the employment of people with disabilities in collaboration with Japan Sun Industries.

Under the slogan “No Charity, but a Chance!,” Japan Sun Industries, as a member of the community, has been helping disabled people to find employment and lead independent lives. Endorsing this slogan, “AUTOBACS SEVEN,” will engage in range of support activities and work to solve social issues through its businesses, such as the creation of employment opportunities for handicapped people.

2. Outline of the establishment of the new company**Overview of the new company**

As of March 17, 2020

(1) Company name:	ADE Co., Ltd.
(2) Location:	1391 Oaza-Uchikamado, Beppu, Oita Prefecture
(3) Representative:	Masaaki Yatsuzuka, Representative Director
(4) Line of business:	Repair of drone bodies and a range of drone-related businesses
(5) Capital:	45 million yen
(6) Date of establishment:	April 1, 2020 (planned)
(7) Major shareholder and shareholding ratio:	AUTOBACS SEVEN Co., Ltd.: 100%
(8) Fiscal year end:	March 31

3. Future outlook

The establishment of the new company will have no significant impact on the Company’s consolidated business results for the current fiscal year.

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