

January 8, 2021

AUTOBACS SEVEN Announces Merger for Consolidated Store Subsidiaries

(Translation of Major Points of Japanese Release)

January 8, 2021 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (the “Company,” Representative Director and CEO: Kiomi Kobayashi) announces integration and merger of its six consolidated store subsidiaries, AUTOBACS Keiyo Ltd., Musashino AUTOBACS Ltd., AUTOBACS Aichi Ltd., Kyoto AUTOBACS Ltd., AUTOBACS FUKUOKA Co., Ltd. and AUTOBACS NAGASAKI Co., Ltd to three consolidated store subsidiaries, AUTOBACS Kanto Sales Ltd., AUTOBACS Chubu Sales Ltd., AUTOBACS Kansai Sales Ltd. and AUTOBACS Minami-Nihon Sales Ltd., within the same area.

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

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

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

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

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

2. Content of the Merger

[Kanto Region]

AUTOBACS Kanto Sales Ltd., a consolidated subsidiary of the Company, will merge with two other consolidated subsidiaries consisting of AUTOBACS Keiyo Ltd. and Musashino AUTOBACS Ltd. subject to approval at the general shareholders’ meeting of each company.

(i) Schedules

General shareholders’ meeting to approve the Merger (each company concerned): February 12, 2021
 Date of Merger (effective date): April 1, 2021

(ii) Merger method

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

(iii) Outline of companies subject to the Merger (as of January 8, 2021)

(1) Trade name	AUTOBACS Kanto Sales Ltd.	AUTOBACS Keiyo Ltd.
(2) Location	Utsunomiya city, Tochigi	Ichikawa city, Chiba
(3) Name and title of representative	Shinichi Fujiwara, Representative Director	Shinichi Fujiwara, Representative Director
(4) Line of business	Retail of car goods and services (Operation of twelve AUTOBACS stores)	Retail of car goods and services (Operation of nine AUTOBACS stores)
(5) Capital	JPY 100 million	JPY 100 million
(6) Date established	September 11, 1996	April 21, 1982
(7) Shares outstanding	2,600 shares	26,000 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. 90%
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(1) Trade name	Musashino AUTOBACS Ltd.
(2) Location	Mitaka city, Tokyo
(3) Name and title of representative	Yoshito Fujita, Representative Director
(4) Line of business	Retail of car goods and services (Operation of six AUTOBACS stores)
(5) Capital	JPY 100 million
(6) Date established	February 17, 1999
(7) Shares outstanding	1,100 shares
(8) Fiscal year-end	March 31
(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 99.6%

(iv) Post-merger status (plan)

Surviving Company of the absorption-type merger	
(1) 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 27 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%

[Chubu Region]

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

(i) Schedules

General shareholders' meeting to approve the Merger (each company concerned): February 12, 2021
Date of Merger (effective date): April 1, 2021

(ii) Merger method

The Merger will be an absorption-type merger with AUTOBACS Chubu Sales Ltd. as the surviving company and AUTOBACS Aichi Ltd. as a company to be merged.

(iii) Outline of companies subject to the Merger (as of January 8, 2021)

(1) Trade name	AUTOBACS Chubu Sales Ltd.	AUTOBACS Aichi Ltd.
(2) Location	Iida city, Nagano	Nagoya city, Aichi
(3) Name and title of representative	Mitsuya Minatogawa, Representative Director	Yutaka Koike, 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 eight AUTOBACS stores)
(5) Capital	JPY 17 million	JPY 95 million

(6) Date established	October 16, 1981	September 25, 1998
(7) Shares outstanding	1 share	7,758 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. 97.4%

(iv) Post-merger status (plan)

	Surviving Company of the absorption-type merger
(1) 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 15 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%

[Kansai Region]

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

(i) Schedules

General shareholders' meeting to approve the Merger (each company concerned): February 12, 2021
Date of Merger (effective date): April 1, 2021

(ii) Merger method

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

(iii) Outline of companies subject to the Merger (as of January 8, 2021)

(1) Trade name	AUTOBACS Kansai Sales Ltd.	Kyoto AUTOBACS Ltd.
(2) Location	Shijonawate city, Osaka	Kyoto city, Kyoto
(3) Name and title of representative	Masaru Sasaki, Representative Director	Hiroshi Horiguchi, Representative Director
(4) Line of business	Retail of car goods and services (Operation of seven AUTOBACS stores)	Retail of car goods and services (Operation of two AUTOBACS stores)
(5) Capital	JPY 100 million	JPY 95 million
(6) Date established	March 11, 1998	March 9, 2005
(7) Shares outstanding	10,400 shares	3,800 shares
(8) Fiscal year-end	March 31	March 31
(9) Principle shareholder and percentage of shares held	AUTOBACS SEVEN Co., Ltd. 100%	AUTOBACS SEVEN Co., Ltd. 100%

(iv) Post-merger status (plan)

	Surviving Company of the absorption-type merger
(1) Trade name	AUTOBACS Kansai Sales Ltd.
(2) Location	Shijonawate city, Osaka

(3) Name and title of representative	Masaru Sasaki, Representative Director
(4) Line of business	Retail of car goods and services (Operation of nine 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%

[Southern Japan Region]

AUTOBACS Minami-Nihon Sales Ltd., a consolidated subsidiary of the Company will merge with two other consolidated subsidiaries consisting of AUTOBACS FUKUOKA Co., Ltd. and AUTOBACS NAGASAKI Co., Ltd. subject to approval at the general shareholders' meeting of each company.

(i) Schedules

General shareholders' meeting to approve the Merger (each company concerned): February 12, 2021
Date of Merger (effective date): April 1, 2021

(ii) Merger method

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

(iii) Outline of companies subject to the Merger (as of January 8, 2021)

(1) Trade name	AUTOBACS Minami-Nihon Sales Ltd.	AUTOBACS FUKUOKA Co., Ltd.
(2) Location	Hiroshima city, Hiroshima	Onojo city, Fukuoka
(3) Name and title of representative	Masahiro Nishikawa, Representative Director	Takashi Matsuo, Representative Director
(4) Line of business	Retail of car goods and services (Operation of 33 AUTOBACS stores)	Retail of car goods and services (Operation of 13 AUTOBACS stores)
(5) Capital	JPY 100 million	JPY 100 million
(6) Date established	March 9, 2005	May 14, 2009
(7) Shares outstanding	6,600 shares	19,550 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 NAGASAKI Co., Ltd.
(2) Location	Sasebo city, Nagasaki
(3) Name and title of representative	Kosuke Kaya, Representative Director
(4) Line of business	Retail of car goods and services (Operation of five AUTOBACS stores)
(5) Capital	JPY 70 million
(6) Date established	February 17, 1984
(7) Shares outstanding	2,200 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 51 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%

4. Future outlook

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

<Appendix>

Management structure of domestic store subsidiaries (as of April 1, 2021)

Regional headquarters	Subsidiaries	In-house companies
Kanto Regional Headquarters	AUTOBACS Kanto Sales Ltd. Representative Director: Shinichi Fujiwara	Tochigi Company President: Yoshiki Tateuchi Ibaraki Company President: Takayuki Kawazoe Chiba Company President: Kosuke Matsuki (present Director of AUTOBACS Keiyo Ltd.) Tokyo Company President: Ryuta Takeuchi (present General Manager of Tokyo and Chiba Area Operation Department)
Chubu Regional Headquarters	AUTOBACS Chubu Sales Ltd. Representative Director: Mitsuya Minatogawa	Mino Company President: Sadao Higashimori Aichi Company President: Yukio Yuda (present Officer of AUTOBACS Aichi Ltd.)
Kansai Regional Headquarters	AUTOBACS Kansai Sales Ltd. Representative Director: Masaru Sasaki	Osaka Higashi Company President: Yoshitsugu Okamoto Kyoto Company President: Tadayuki Makita (present Officer of Kyoto AUTOBACS Ltd.)



<p>Southern Japan Regional Headquarters</p>	<p>AUTOBACS Minami-Nihon Sales Ltd. Representative Director: Masahiro Nishikawa</p>	<p>Hiroshima Company President: Koji Asano</p> <p>Yamaguchi Company President: Reiji Ochiai</p> <p>Nankai Company President: Minoru Kamikubo</p> <p>Kagawa Company President: Minoru Kamikubo</p> <p>Ehime Company President: Koji Yoshii</p> <p>Fukuoka Company President: Junsuke Tanaka (present General Manager of Kyushu Area Operation Department)</p> <p>Nagasaki Company President: Kenichiro Kasai (present General Manger of Chugoku Area Operation Department)</p>
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