

March 28, 2019

AUTOBACS Announces Establishment of an Intermediate Holding Company to Manage Dealer Business

(Translation of major points of Japanese release)

March 28, 2019 (Tokyo, Japan) -- AUTOBACS SEVEN Co., Ltd. ("the Company," Representative Director and Chief Executive Officer: Kiomi Kobayashi) announces that a meeting of the Board of Directors held today has resolved to establish an intermediate holding company to manage its dealer business through a joint share transfer implemented by two companies, Autoplatz K.K. and Motoren Tochigi Corp., which are consolidated subsidiaries of the Company. Details are as follows.

1. Purpose of establishing an intermediate holding company

Under the "2017 Medium-Term Business Plan," the Group is promoting its dealer business to "develop future growth drivers." By establishing a new subsidiary (AUTOBACS DEALER GROUP HOLDINGS CO., LTD.) that manages the dealer business, it will reorganize its management system in order to further increase earnings.

2. Outline of establishing the intermediate holding company

(1) Method of the Share Transfer

The share transfer method shall be jointly conducted by two consolidated subsidiaries, Autoplatz K.K. and Motoren Tochigi Corp.

(2) Basis for calculating the share transfer ratio

The share transfer ratio was determined based on the comparison of net assets per share of the stock transfer subsidiaries and in consideration of the settings of appropriate unit of equity and other circumstances.

3. Overview of parties involved in share transfer

As of March 28, 2019

(1) Company name	Autoplatz K.K.	Motoren Tochigi Corp.
(2) Location	Toshima-ku, Tokyo	Utsunomiya City, Tochigi Prefecture
(3) Representative	Representative Director: Hiroki Yoshiyama	Representative Director: Hiroki Yoshiyama
(4) Business description	The sale and service of new BMW cars and the sale of certified used cars	The sale and service of new BMW cars and the sale of certified used cars
(5) Capital	100 million yen	50 million yen
(6) Establishment	January 1988	December 2005
(7) Major shareholder and shareholding ratio	AUTOBACS SEVEN Co., Ltd. 100%	AUTOBACS SEVEN Co., Ltd. 100%
(8) Closing period	March 31	March 31

* The financial positions of the above companies are not disclosed.

4. Overview of new company

(1) Company name	AUTOBACS DEALER GROUP HOLDINGS CO.,LTD.
(2) Location	4-22-24, Takanodai, Nerima-ku, Tokyo
(3) Representative	Representative Director: Hiroki Yoshiyama
(4) Business description	Business management of subsidiaries that engage in the sale and service of new BMW cars and the sale of certified used cars, as well as incidental work, etc.
(5) Capital	None
(6) Establishment	April 1, 2019 (planned)
(7) Major shareholder and shareholding ratio	AUTOBACS SEVEN Co., Ltd. 100%
(8) Closing period	March 31

* The company's financial position is not disclosed.

5. Schedule (planned)

(1) Resolution date	March 28, 2019 (Thursday)
(2) Resolution of share transfer plan at shareholders' meeting (two companies)	March 28, 2019 (Thursday)
(3) Establishment of intermediate holding company	April 1, 2019 (Monday)

6. Future outlook

The parties involved in the share transfer and the new intermediate holding company are wholly owned subsidiaries of the Company, and thus their impact on the Company's consolidated business results for the current fiscal year will be minimal.

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