



May 8, 2019

AUTOBACS SEVEN Announces Formulation of Five-year Rolling Plan 2019

May 8, 2019 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company,” Representative Director and Chief Executive Officer: Kiomi Kobayashi), announces that it has formulated “Five-year Rolling Plan 2019.”

1. Background to formulation of “Five-Year Rolling Plan 2019”

The Company formulated the “2017 Medium-Term Business Plan” in May 2017 and has been focusing on improving the earnings of the domestic AUTOBACS business and developing new businesses, with consolidated ROE of 7% and consolidated operating income of 12 billion yen as targets.

However, taking the recent business environment and the Company’s future business outlook into consideration, the Company decided to review the “2017 Medium-term Business Plan” and to formulate the “Five-Year Rolling Plan 2019”, setting out a new medium-term direction for the Company.

2. Direction of “Five-year Rolling Plan 2019”

The automotive aftermarket, which is the Company’s main target, is shrinking in size and competition is becoming increasingly intense with the expansion of online sales in addition to existing market players. Meanwhile, drivers’ perceptions of cars are also changing and needs are becoming more diverse.

Celebrating its 45th anniversary this year, the Company has constantly worked to create a car-life market to meet customer needs.

Under “Five-year Rolling Plan 2019,” the Company will aim to further expand and vitalize the market by establishing a network for making car lifestyle proposals and providing products and services suited to the scenarios in which customers use cars.

3. Plan period: Five years starting from the fiscal year ending March 31, 2020

Without sticking to the five-year period mentioned above, we will continuously review its direction and strategies for the five years ahead to keep up with the latest trends.

4. Basic strategies

We will establish and link the six networks “AUTOBACS chain network”, “Overseas Alliance network”, “Multi-dealer network”, “Pit service network to provide the best service”, “Maintenance network to adapt to next-generation technology” and “Online network to enhance relationships with customers” to provide services suited to the scenarios in which customers use cars.

While focusing on establishing and link these six networks, we will improve our business foundation. We will optimize management resources, expand retail earnings in domestic AUTOBACS business, review experimental business, the downsize the overseas retail business and reconstruct IT and logistic platforms.

5. Structures and systems to support realization

The Company will continue to focus on establishing a system which leads us to both effective and swift decision-making; the shift to a company with an Audit and Supervisory Committee which improving propulsion and monitoring, and implementation of stock remuneration scheme.



6. Financial Policies

Expanding our operating cash flow by promoting growth strategies and performing active business investments and sufficient shareholder returns.

1) Our concept regarding business investment

Making investments to establish six networks, which will lead to our medium- and long-term growth

2) Our concept regarding shareholder returns

Setting our target total return ratio over five years at 100%

Please refer to the attachment for further details.

Disclaimer: Please note that this document is a summary translation of the Japanese press release and prepared for reference purposes only. We do not assure the correctness or completeness of this summary translation. Please note that this summary translation may be amended without notice, or be pulled from our website for such amendment purpose, etc., at our own discretion.

Outline of the Five-year Rolling Plan 2019

Five-year Rolling Plan 2019



■ Our mission

We constantly create a new car lifestyle culture.

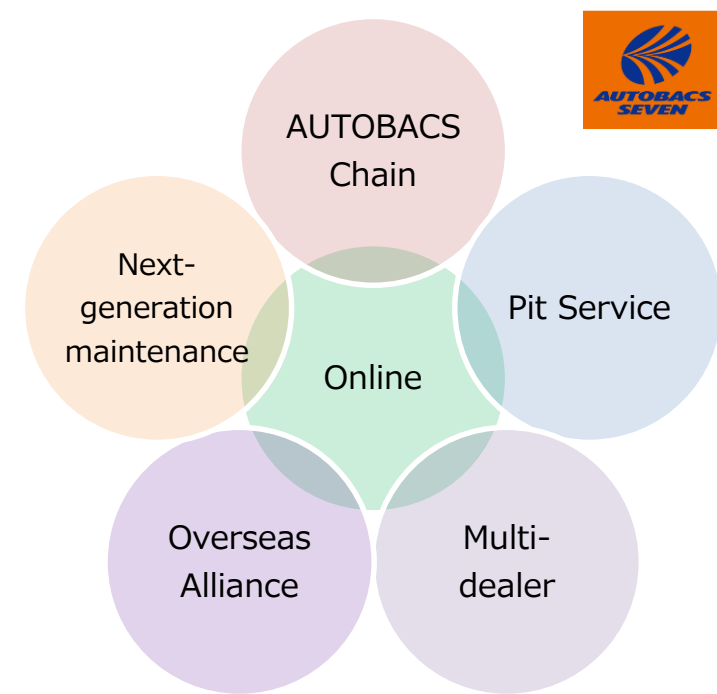
■ What we aim to achieve in the Five-Year Rolling Plan

We will establish and link the six networks to provide services suited to the scenarios in which customers use cars.

Six Networks



- 1) AUTOBACS chain network
- 2) Overseas Alliance network
- 3) Multi-dealer network
- 4) Pit service network to provide the best service
- 5) Maintenance network to adapt to next-generation technology
- 6) Online network to enhance relationships with customers



Structures and systems to support realization



- 1) Strengthening of the monitoring system
- 2) Change in the executive officer system
- 3) Change of evaluation axis of executive officers
- 4) Enhancement of project management
- 5) Keep creating a culture that encourages challenges

Expanding our operating cash flow by promoting growth strategies and performing active business investments and sufficient shareholder returns

- 1) Our concept regarding business investment
Making investments to establish six networks, which will lead to our medium- and long-term growth
- 2) Our concept regarding shareholder returns
Setting our target total return ratio over five years at 100%

How to Implement the Five-year Rolling Plan



- **Period:** Five years from the fiscal year ending March 31, 2020 to the fiscal year ending March 31, 2024
- **Implementation of review:**

Without sticking to the five-year period mentioned above, we will continuously review its direction and strategies for the five years ahead to keep up with the latest trends.
- **Announcement of numerical goals:**

Specific numerical targets will be announced each year.

Targets and Current Initiatives for the Fiscal Year Ending March 31, 2020

Numerical targets (consolidated)

Net Sales	223.0BY
Operating income	8.0BY
Ordinary income	8.7BY
Net income	5.8BY
ROE	4.7%

Targets and Current Initiatives for the Fiscal Year Ending March 31, 2020

Focus on the activities for establishing and linking the six networks.

Also proceed with the development of business foundations.

- Improve the efficiency of the domestic AUTOBACS business resources
- Expand retail earnings
(Seek the optimal operating structure for the AUTOBACS chain)
- Review experimental businesses
- Downsize the overseas retail businesses
- Reconstruct IT and logistics platforms

AUTOBACS SEVEN VISION 2050 Creating Our Future Together

Professional & Friendly

