

# Results for the Six Months ended September 30, 2022



**AUTOBACS SEVEN CO., LTD.**

**November 1, 2022**

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# **Results of the 1st Half of FY March 31, 2023 and Forecast for 2nd Half and Full Year Earnings**

**Director and Executive Officer,  
Finance & Accounting and IR & PR  
Tomoaki Ikeda**

# 1<sup>st</sup> Half of FY March 2023 Consolidated P/L

## Net sales and income increased, despite the impact of a reduction in new car production and a surge in the prices of crude oil and raw materials

The Domestic AUTOBACS Business performed solidly by capturing demand for maintenance parts for existing owned cars, which has been rising due to a decline in new car production, although prices of some products were increased partly reflecting a surge in raw material prices. The operating loss recorded by the Overseas Business decreased due to the recovery in retail and the strong results of wholesale. In addition, extraordinary income was posted due to the partial abolition of the retirement benefit plan and compensation for store relocation. Both net sales and income rose on a consolidated basis.

	1 <sup>st</sup> Half ending March 31, 2023				1 <sup>st</sup> Half ended March 31, 2022	
	(Billion Yen)	Initial Forecast	Actual result	YoY change ratio		Change from forecast
<b>Net sales</b>		<b>105.0</b>	<b>107.0</b>	+3.4%	+2.0	<b>103.5</b>
<b>Gross profit</b>		<b>35.9</b>	<b>36.2</b>	+4.0%	+0.3	<b>34.8</b>
<b>Gross profit ratio</b>		34.2%	33.8%			<b>33.7%</b>
<b>SG&amp;A</b>		<b>33.4</b>	<b>32.7</b>	+2.5%	-0.6	<b>31.9</b>
<b>Operating income</b>		<b>2.5</b>	<b>3.5</b>	+20.2%	+1.0	<b>2.9</b>
<b>Operating income ratio</b>		2.4%	3.3%			<b>2.8%</b>
<b>Ordinary income</b>		<b>2.6</b>	<b>3.7</b>	+20.5%	+1.1	<b>3.0</b>
<b>Profit attributable to owners of parent</b>		<b>2.1</b>	<b>3.1</b>	+66.8%	+1.0	<b>1.8</b>

Amounts are rounded down.  
% of Net Sales and YoY comparisons are calculated in yen.

# Highlights of Consolidated Financial Results for 1<sup>st</sup> Half FY March 2023

## Domestic

- ✓ Business performance remained solid due to the capture of demand for maintenance parts for existing owned cars, which was generated due to a decline in new car production, although prices of some products had to be revised partly reflecting a surge in raw material prices.
- ✓ Prices of tires were increased in May and September. Although there was concern over a decrease in demand, performance was solid because demand for maintenance parts was captured through sales promotional activities, the enhancement of the product lineup and other efforts.
- ✓ Sales of car electronics and car interior goods decreased due to a decline in new car production.

## Overseas

- ✓ Retail recovered, mainly in France, despite the impact of inflation and other factors.  
Wholesale remained solid, mainly in Australia, resulting in a decrease in operating loss.

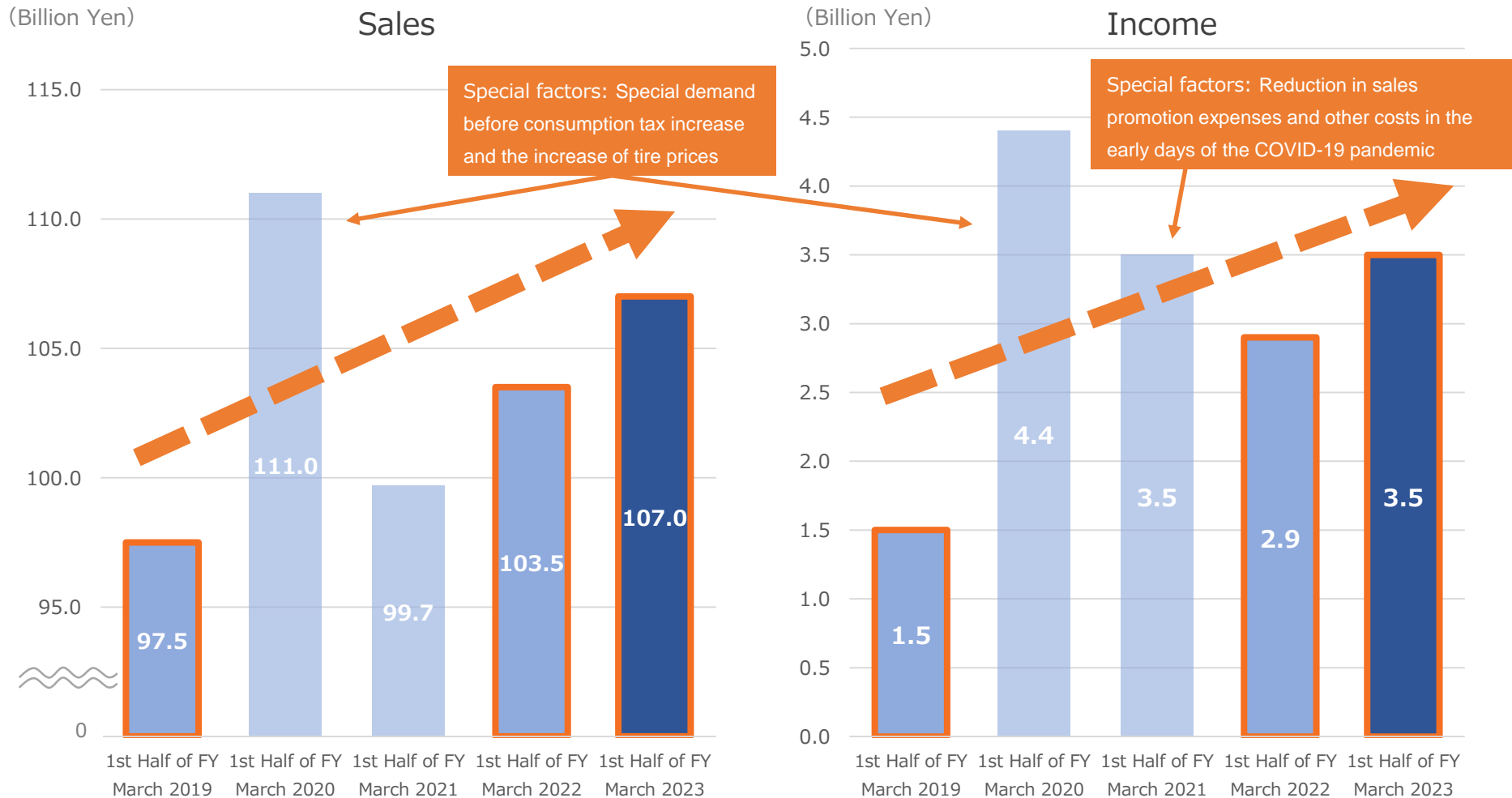
## Summary

- ✓ The Domestic AUTOBACS Business achieved increased net sales and income by capturing demand for maintenance parts. Income increased in other segments as well. As a result, both net sales and income for the first half rose on a consolidated basis.

# 1<sup>st</sup> Half FY March 2023 Consolidated P/L Five Years Transition

**Sales and income continued to increase compared to normal years excluding any special factors.**

\*Comparison with the 1st half of FY March 2019 and the 1st half of FY March 2022



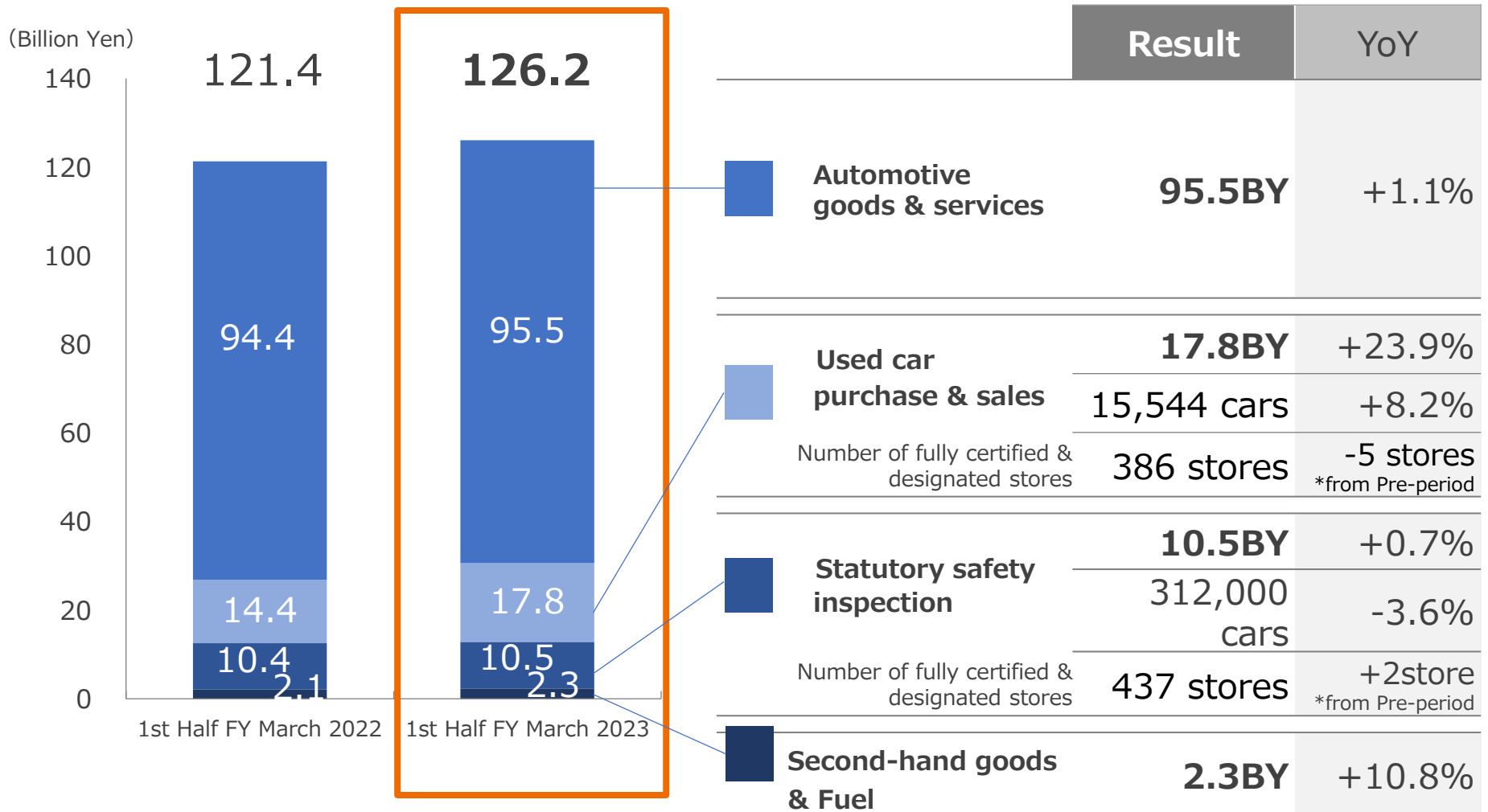
# Segment Information

	(Million Yen)	1 <sup>st</sup> Half ending March 31, 2023	1 <sup>st</sup> Half ended March 31, 2022	YoY	Summary
<b>Domestic AUTOBACS Business</b>	Sales	82,183	79,071	+3.9%	Demand for car electronics and car interior goods fell due to a decline in new car production. Although tire prices increased in May and September, favorable results were achieved by enhancing the product lineup, promoting sales and capturing the demand for maintenance parts for existing owned cars. Both net sales and income increased.
	Gross profit	27,441	26,653	+3.0%	
	SG&A	20,145	19,413	+3.8%	
	Operating income	7,295	7,239	+0.8%	
<b>Overseas Business</b>	Sales	6,818	5,376	+26.8%	Sales increased although retail was affected by the Ukraine situation and inflation. Wholesale remained solid, mainly in Australia. This resulted in a decrease in operating loss.
	Gross profit	2,822	2,447	+15.3%	
	SG&A	2,933	2,617	+12.1%	
	Operating income	-110	-169	—	
<b>Car dealership, BtoB and Online Alliance Business</b>	Sales	22,347	23,095	-3.2%	The business returned to profitability due to efforts for efficient operations and strong results achieved by the subsidiaries providing statutory safety inspection and maintenance services and tire sales subsidiaries in the BtoB business, despite a decline in sales in the car dealership business due to the impact of the reduction of new car production.
	Gross profit	4,912	4,922	-0.2%	
	SG&A	4,883	5,177	-5.7%	
	Operating income	28	-255	—	
<b>Other Business</b>	Sales	3,132	2,485	+26.0%	Operating loss decreased, reflecting rises in sales and gross profit due mainly to the expansion of the lifestyle business.
	Gross profit	1,074	848	+26.7%	
	SG&A	1,300	1,240	+4.9%	
	Operating income	-226	-392	—	
<b>Reconciling items</b>	Operating income	-3,482	-3,508	—	

Amounts are rounded down  
YoY comparisons are calculated in yen.

# Retail Sales in Total AUTOBACS Group Stores

**RETAIL SALES INCLUDING FCs: 126.2 billion yen (+3.9% YoY)**

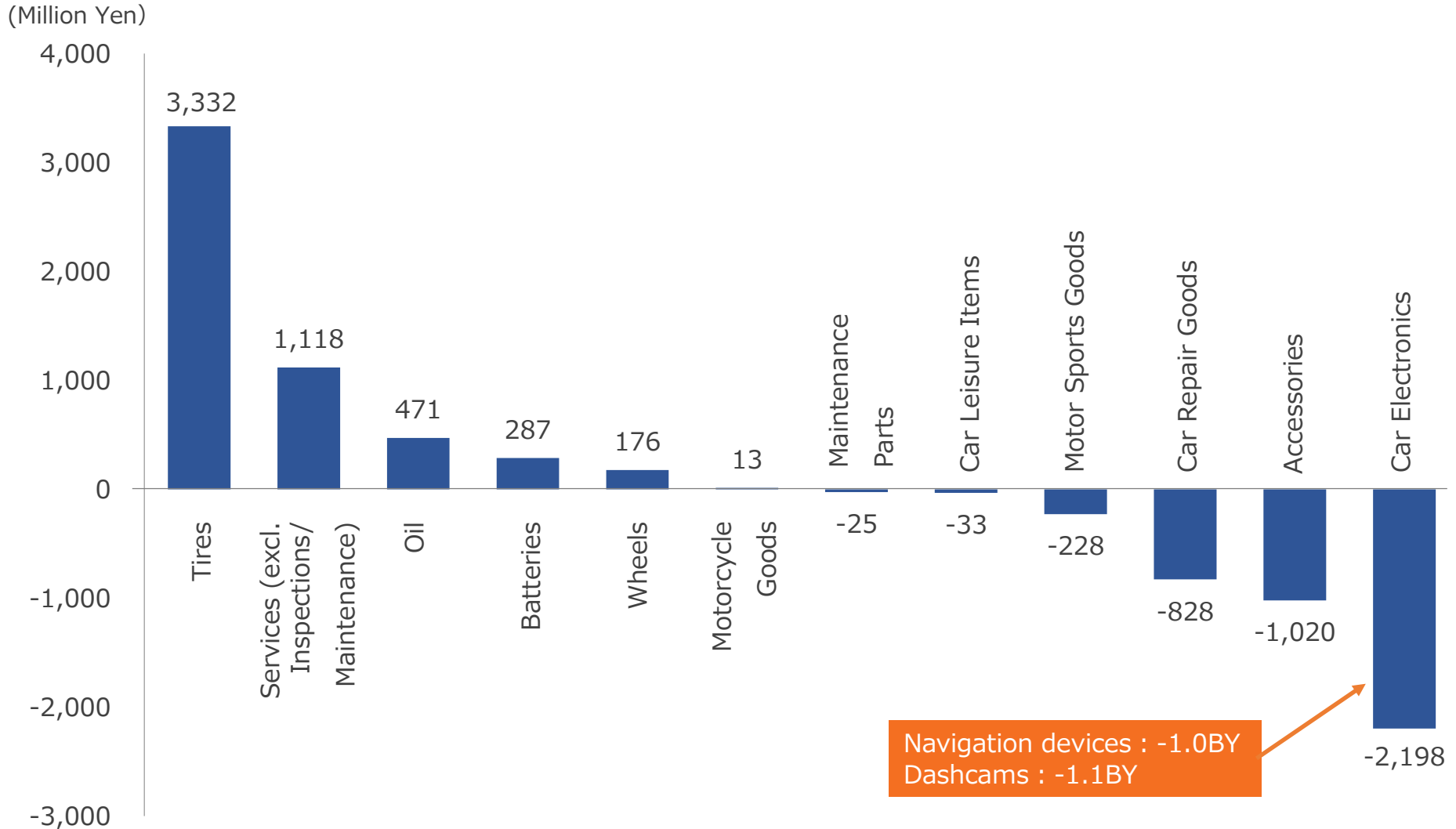


Sales at all domestic store formats. Total store basis.  
Amounts are rounded down. YoY comparisons are calculated in yen.



# Sales Variance by Merchandise

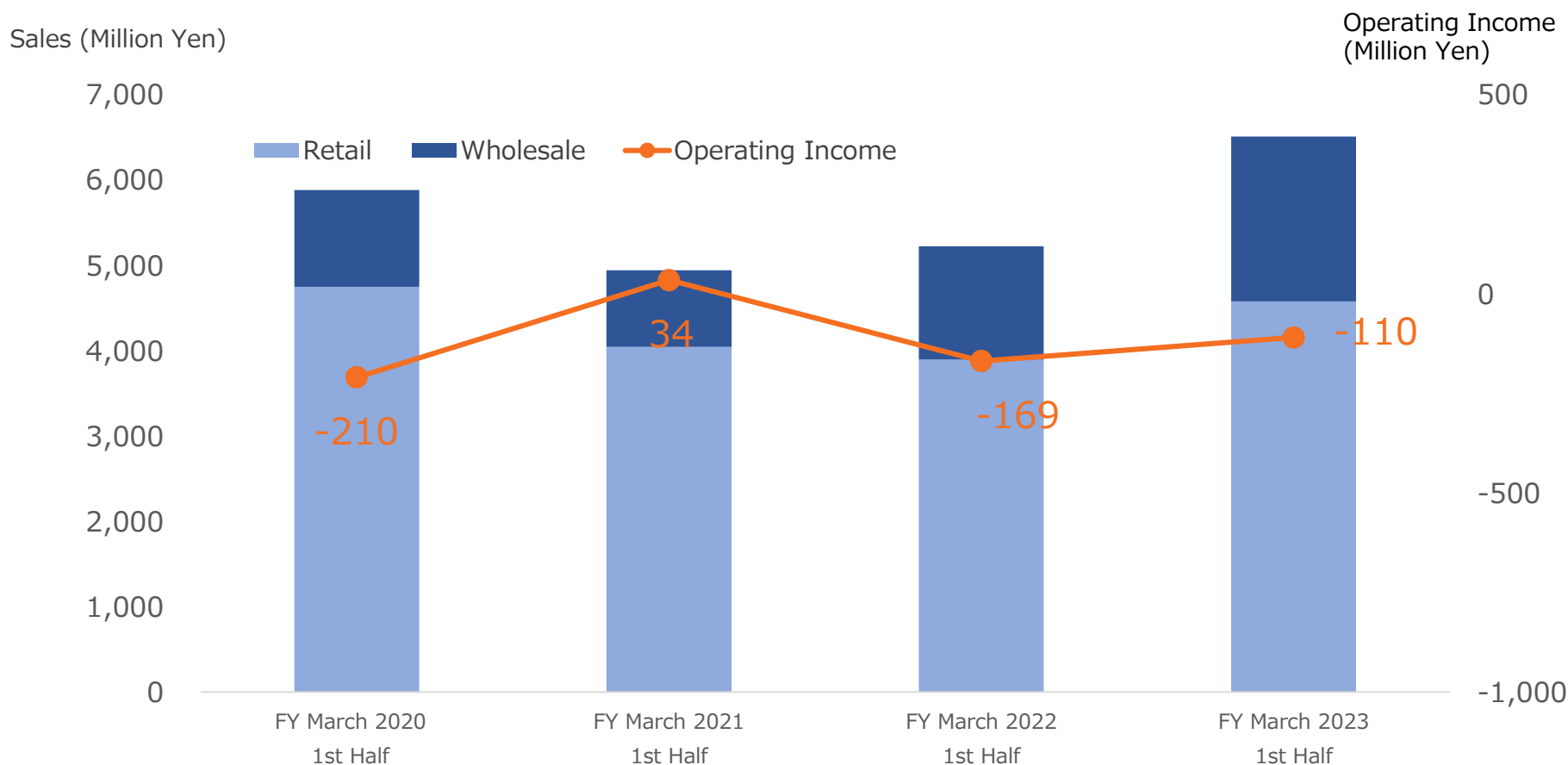
Sales changes by merchandise category (YoY change in amount; total store basis)



Sales at all domestic store formats. Total store basis.  
Amounts are rounded down.

# Overseas Business Sales and Operating Income Changes

**Sales increased and operating loss decreased due to the recovery of retail and the solid performance of wholesale, offsetting the impact of inflation and other factors.**



Amounts are rounded down.

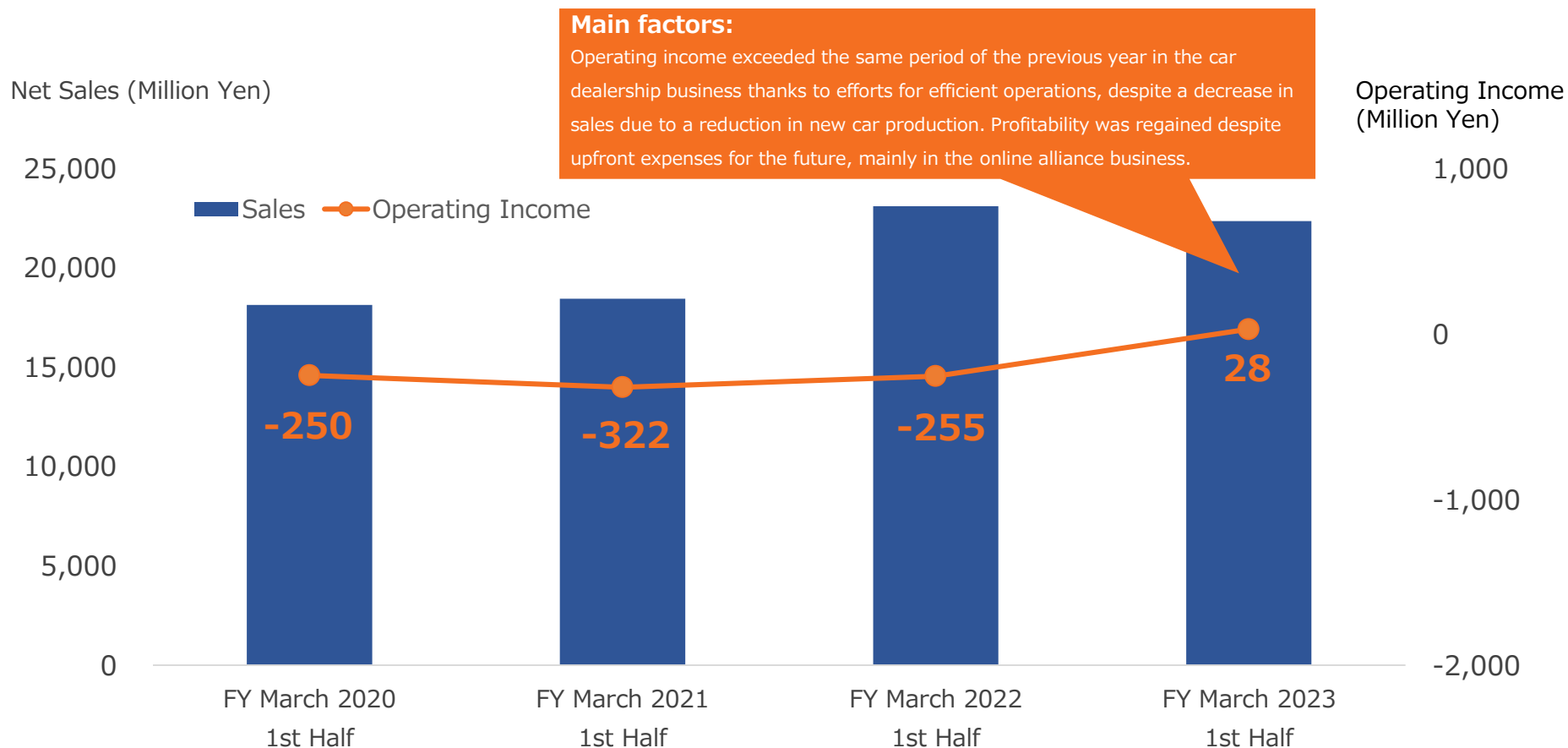
Prior to the fiscal year ended March 31, 2021, no reclassification has been made in accordance with accounting standards for revenue recognition.

# Performance by Overseas Subsidiaries

(Million Yen)	France		Australia		Singapore		China		Malaysia	
Number of stores	<b>10</b>		<b>0</b>		<b>2</b>		<b>0</b>		<b>5</b>	
Period	23/3 1st Half	22/3 1st Half	23/3 1st Half	22/3 1st Half	23/3 1st Half	22/3 1st Half	23/3 1st Half	22/3 1st Half	23/3 1st Half	22/3 1st Half
Net sales	<b>3,731</b>	3,257	<b>1,495</b>	1,030	<b>857</b>	633	<b>685</b>	484	<b>63</b>	17
SG&A	<b>1,931</b>	1,703	<b>336</b>	257	<b>394</b>	297	<b>116</b>	113	<b>26</b>	15
Operating income	<b>-11</b>	-9	<b>84</b>	69	<b>-30</b>	-11	<b>-104</b>	-14	<b>-3</b>	-8
Business conditions	Retail sales increased mainly due to price adjustments, more than offsetting consumer spending, which remained sluggish due to inflation. SG&A expenses rose, mainly reflecting the enhancement of sales promotion initiatives.		Wholesale sales increased thanks to the strong performances of car electronics goods and transceivers, coupled with sales activities mainly targeting new business partners. SG&A expenses increased, chiefly reflecting the enhancement of sales promotion programs and staff members.  *February 2022 The relevant subsidiary was converted to a wholly owned subsidiary.		Sales increased due to solid retail sales, coupled with the offering of parallel-imported products and strong performance of works at service bays through the capturing of demand for maintenance parts.		Wholesales to other countries climbed, despite the difficulty of acquiring new domestic wholesale customers due to the impact of lockdowns in Shanghai. On the other hand, gross profit slumped due to the disposal of some slow-moving inventory.		Sales were trending toward recovery due to the lifting of the government's intermittent restrictions on activities. Wholesale sales to authorized dealers, whose number increased to 92 stores, were strong.	

# Car Dealer, BtoB and Online Alliance Business Sales and Operating Income Changes

**Profitability was regained, because the two companies that became consolidated Group companies in 2021 remained strong.**



Amounts are rounded down.

Prior to the fiscal year ended March 31, 2021, no reclassification has been made in accordance with accounting standards for revenue recognition.

# Car Dealer, BtoB and Online Alliance Business Overviews

## Car Dealership Business

- ✓ Start operation of authorized Audi dealerships in April 2021. This enabled the Company to promote three brands BMW, MINI and Audi as a dealership business.
- ✓ Secured operating income exceeding the same period of the previous year through efforts for efficient operations, despite the impact of a decrease in the number of new cars produced attributable to the shortage of semiconductors.



## BtoB Business

- ✓ AUTOBACS Corporate Membership System started full operation in November 2021. The program that enables companies to make lump sum payments for the purchase of items for company cars, including maintenance parts and automotive goods and services, was highly acclaimed, resulting in a steady increase in the number of subscribers.
- ✓ Private brands specialized in wholesale were developed and launched one by one.
- ✓ Business performance remained solid at subsidiaries that provide statutory safety inspection and maintenance services and tire sales subsidiaries, reflecting the rising demand for maintenance parts.



## Online Alliance Business

- ✓ Launch of ALC Cloud, a cloud-based service detecting drunkenness and alcohol consumption for corporate use in October 2021. The number of business partners is expanding.



## 2<sup>nd</sup> Half FY March 2023 Expectations for the Business Environment

### Positive Factors

- ✓ It is expected that COVID-19 restrictions on economic activities will be eased gradually, causing people's movement and society to return to normal
- ✓ Growing demand for maintenance parts for existing owned cars, resulting from a decline in new car production and a decrease in the number of used cars in the distribution market
- ✓ Growth in demand for statutory safety inspection services, resulting from an increase in the number of vehicles subject to statutory safety inspection
- ✓ An increase in demand for winter goods, reflecting the cold winter forecast\* from December to February

\*Announced by the Japan Meteorological Agency  
on September 20, 2022

### Negative Factors

- ✓ Uncertain economic conditions and consumer spending, reflecting a surge in crude oil and raw material prices attributed mainly to geopolitical risks and the weak yen, and subsequent price increases
- ✓ A decline in demand for car electronics and car interior goods resulting from a decline in new car production and a decrease in the number of used cars in the distribution market
- ✓ Uncertain demand of winter goods caused by seasonal fluctuations

## Domestic Store Sales (YoY)

Initial Plan	1st Half (Plan)	2nd Half (Plan)	Full Year (Plan)
Same store basis	+0.6%	-1.2%	-0.4%
Total store basis	+0.6%	-1.2%	-0.4%
Revised Plan	1st Half (Result)	2nd Half (Revised)	Full Year (No change)
Same store basis	+3.9%	-3.8%	-0.4%
Total store basis	+3.9%	-3.8%	-0.4%

# 2<sup>nd</sup> Half and Full Year Earnings Forecast FY March 2023

**No changes to the full-year forecasts in the initial plan**

	1st Half		2nd Half		Full year (No changes from initial plan)	
	Actual results	YoY	Forecast (Revised)	YoY	Forecast	YoY
(Billion Yen)						
<b>Net sales</b>	<b>107.0</b>	+3.4%	<b>122.9</b>	-1.7%	<b>230.0</b>	+0.6%
<b>Gross profit</b>	<b>36.2</b>	+4.0%	<b>41.9</b>	-0.7%	<b>78.2</b>	+1.4%
Gross profit ratio	33.8%		34.2%		34.0%	—
<b>SG&amp;A</b>	<b>32.7</b>	+2.5%	<b>35.4</b>	+5.5%	<b>68.2</b>	+4.0%
<b>Operating income</b>	<b>3.5</b>	+20.2%	<b>6.4</b>	-24.8%	<b>10.0</b>	-13.4%
Operating income ratio	3.3%		5.3%		4.3%	—
<b>Ordinary income</b>	<b>3.7</b>	+20.5%	<b>6.5</b>	-19.3%	<b>10.3</b>	-8.4%
<b>Profit attributable to owners of parent</b>	<b>3.1</b>	+66.8%	<b>3.7</b>	-26.8%	<b>6.9</b>	-1.6%

# 2nd Half and Full Year Earnings Forecast FY March 2023

## Reporting Segments

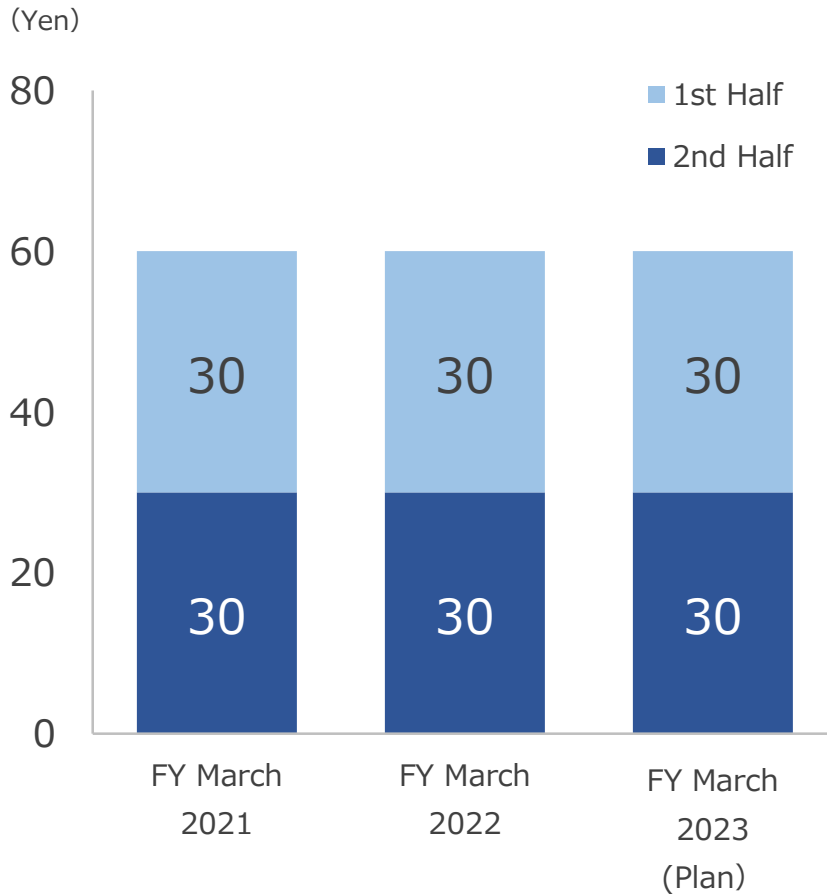
		1st Half		2nd Half		Full year (No changes from initial plan)	
		Actual results	YoY	Forecast (Revised)	YoY	Forecast	YoY
(Million Yen)							
<b>Domestic AUTOBACS Business</b>	Sales	<b>82,183</b>	+3.9%	<b>92,096</b>	-7.2%	<b>174,280</b>	-2.2%
	Operating income	<b>7,295</b>	+0.8%	<b>11,204</b>	-14.5%	<b>18,500</b>	-9.1%
<b>Overseas Business</b>	Sales	<b>6,818</b>	+26.8%	<b>7,131</b>	+24.9%	<b>13,950</b>	+25.8%
	Operating income	<b>-110</b>	—	<b>10</b>	—	<b>-100</b>	—
<b>Car Dealership, BtoB and Online Alliance Business</b>	Sales	<b>22,347</b>	-3.2%	<b>27,462</b>	+8.0%	<b>49,810</b>	+2.6%
	Operating income	<b>28</b>	—	<b>171</b>	—	<b>200</b>	—
<b>Other Business</b>	Sales	<b>3,132</b>	+26.0%	<b>3,127</b>	+24.2%	<b>6,260</b>	+25.1%
	Operating income	<b>-226</b>	—	<b>-773</b>	—	<b>-1,000</b>	—
<b>Reconciling items</b>	Operating income	<b>-3,482</b>	—	<b>-4,117</b>	—	<b>-7,600</b>	—

Amounts are rounded down to the nearest million yen.  
YoY comparisons are calculated in yen.

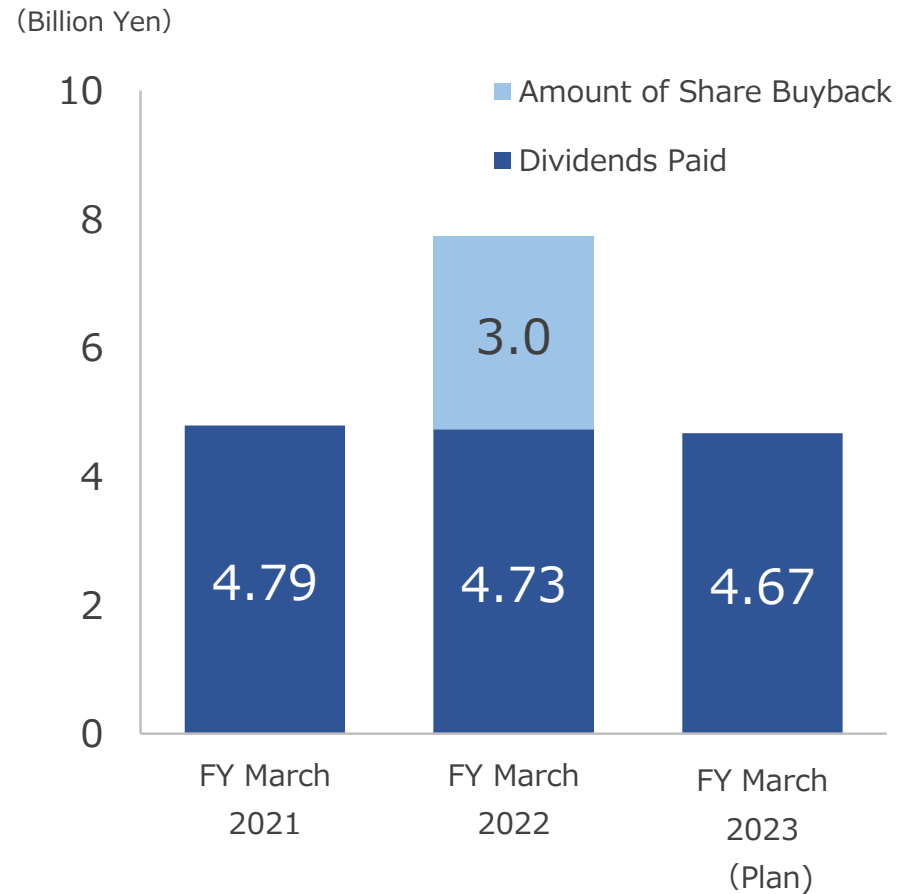


# 2nd Half and Full Year Earnings Forecast FY March 2023 Dividends and Share Buyback

## Dividends per Share



## Dividends and Share Buyback

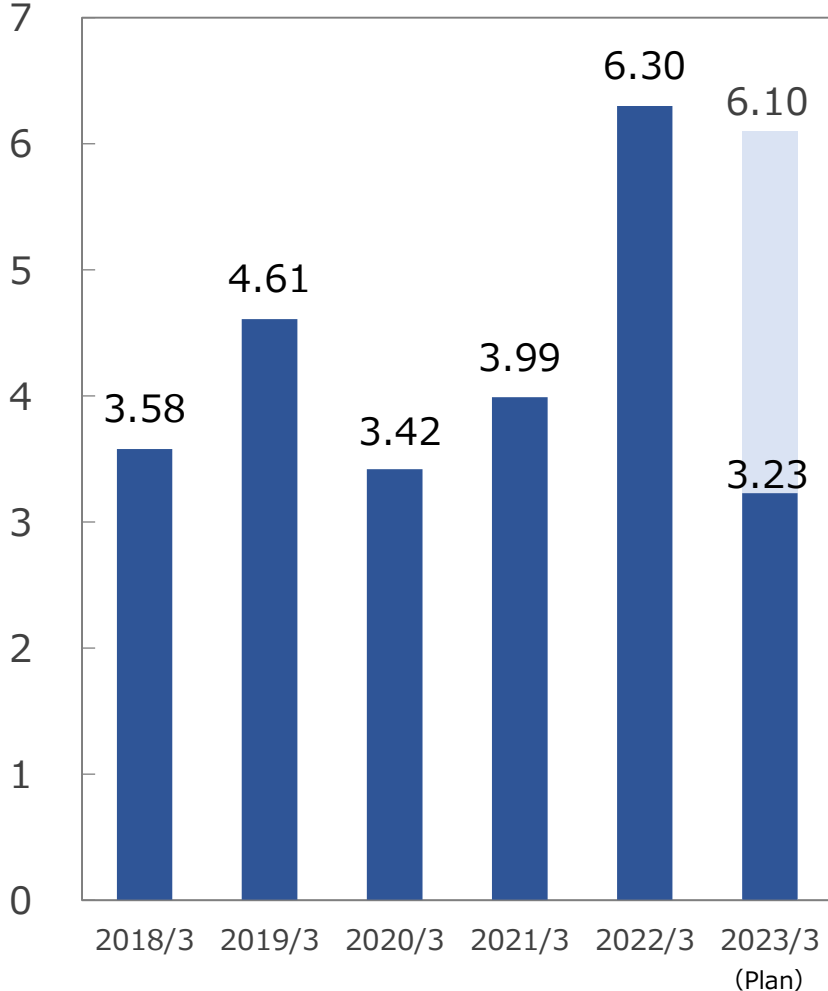


Amounts are rounded down.

# 2nd Half and Full Year Earnings Forecast FY March 2023 Capital Expenditures & Depreciation

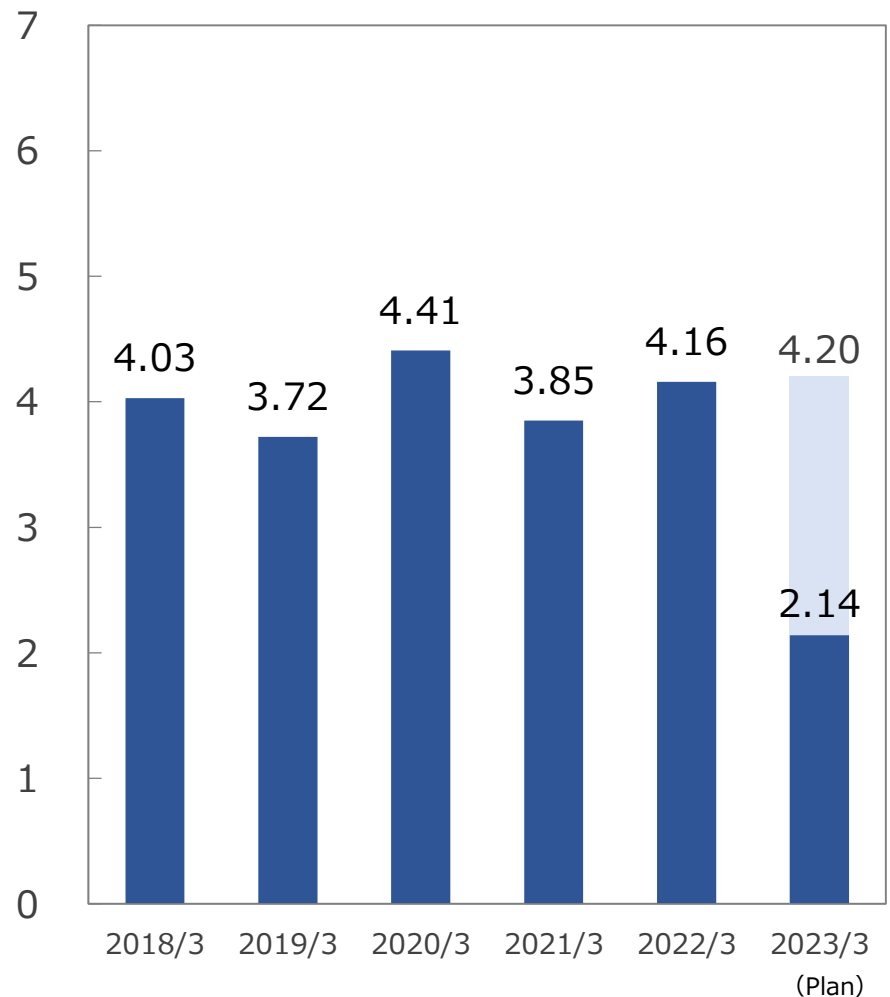
## Capital Expenditures

(Billion Yen)



## Depreciation

(Billion Yen)



Amounts are rounded down.

# **Results for 1st Half of FY March 2023**

**Representative Director  
and Chief Executive Officer  
Yugo Horii**

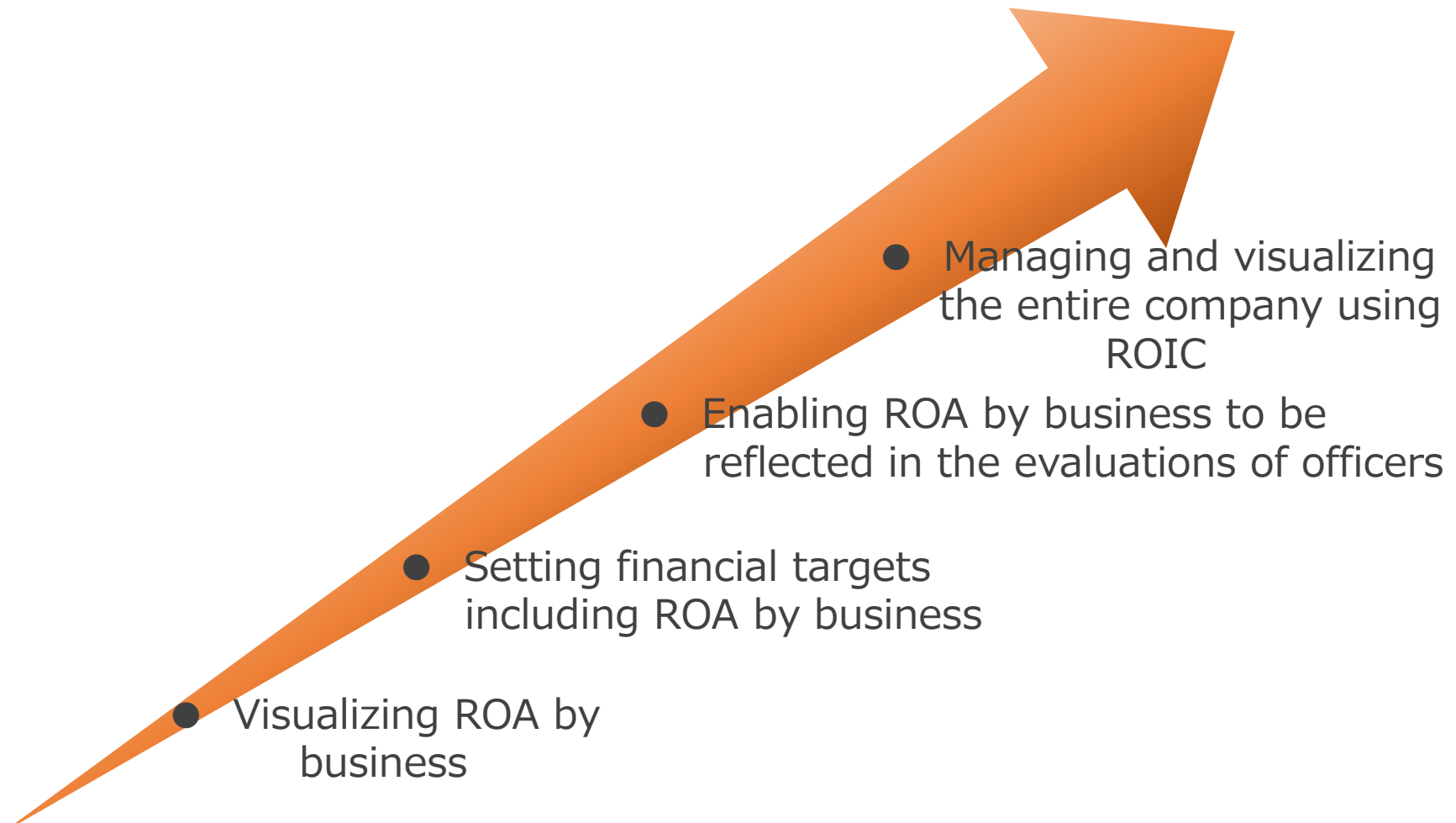
# Priority Initiatives

- 1. Improve execution and increase speed**
- 2. Strengthen initiatives for sustainable growth**
- 3. Continue human resource development initiatives**

# 1. Improve execution and increase speed

Optimizing management resources by reviewing and refining the business portfolio

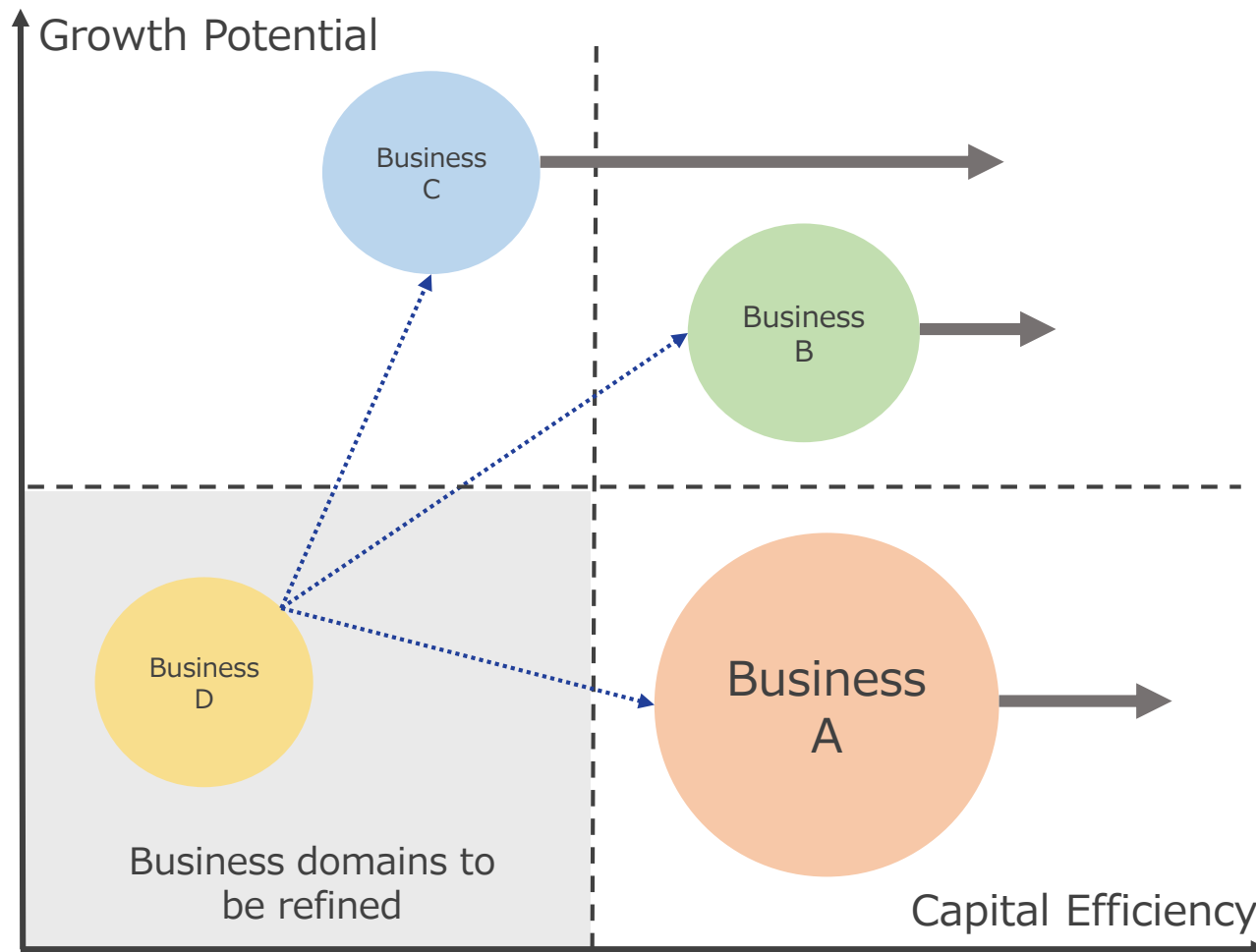
【Strengthening investment income management】



# 1. Improve execution and increase speed

Optimizing management resources by reviewing and refining the business portfolio

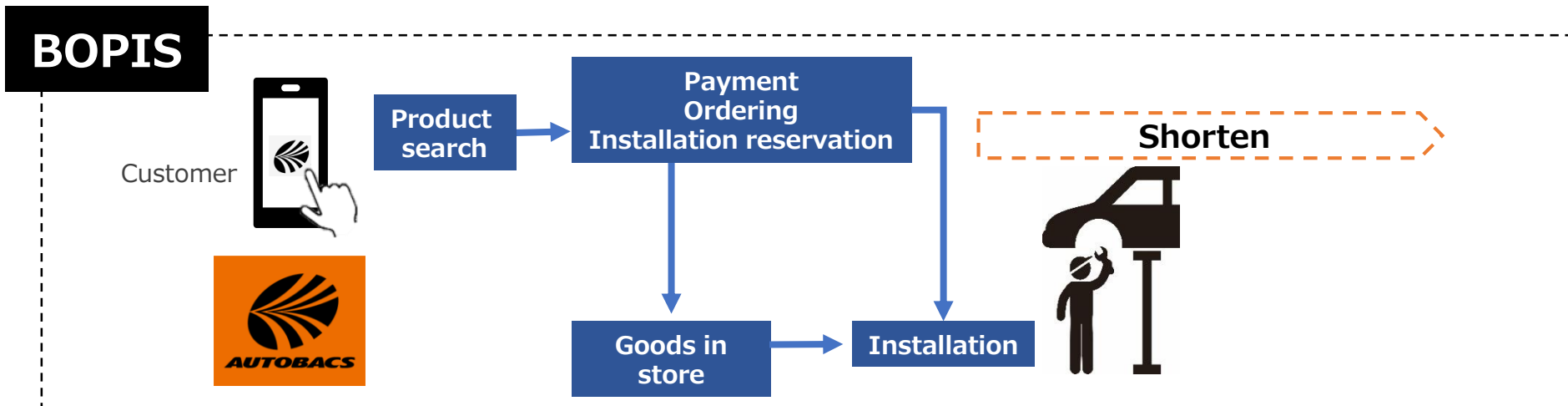
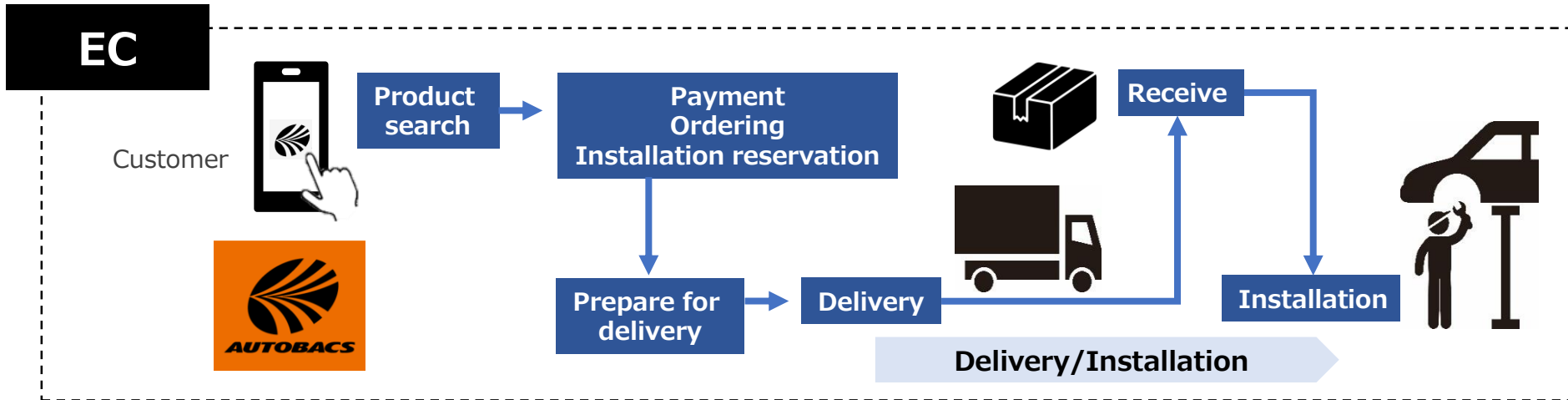
【Business Portfolio Review】



## 2. Strengthen initiatives for sustainable growth

### Integrating online and physical stores: Evolution as a retail company

Adapting to the integration of online and offline stores, which has been accelerating during the COVID-19 pandemic  
 Example initiative: Saving time by using BOPIS



## 2. Strengthen initiatives for sustainable growth

DX utilizing Unique Data: **Evolution from a retail company**

**Vision: Achieving “CDE” with a digital ecosystem**

**Three strategies**

- (1) New marketplace (channel shift)**
- (2) New customer composition (personas)**
- (3) Building new E2E infrastructure (visualization)**

\*CDE : **C**ustomer **D**eep **E**ngagement

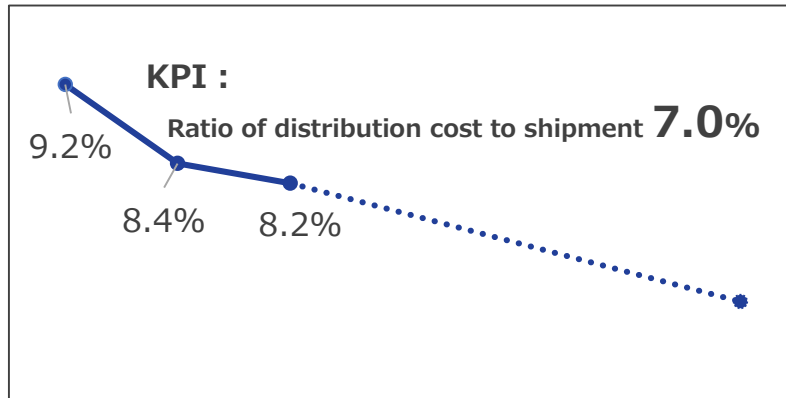
A strategy aimed at engaging with customers more deeply and directly for a longer term



## 2. Strengthen initiatives for sustainable growth

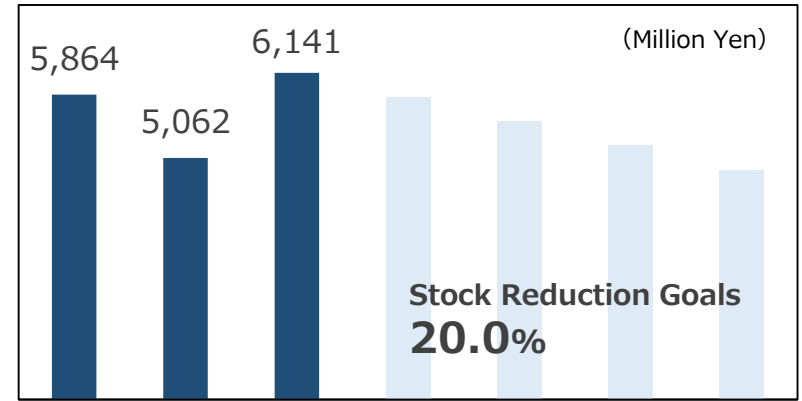
Increase store profits by distribution cost efficiency

### ■ Distribution cost efficiency



FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025

Ratio of distribution cost to shipment



FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025

Average stock amount

### ■ Increase store profits

Increasing return to franchised corporations by reviewing costs

Pushing forward with investments that are needed by franchised corporations (equipment, systems, human resources, etc.)

Improving store operating efficiency and accelerating new store openings

Improving profitability and profit margin of the entire chain

### 3. Continue human resource development initiatives

#### Continue human resource development initiatives

##### ■ Recruiting, developing, and retaining certified mechanics

- Moving forward with the acquisition of new mechanic school graduates, qualified personnel and foreign human resources by working together with Chain Growth Co., Ltd., a consolidated subsidiary
- Provision of training on maintenance and works at service bays by the chain's headquarters



##### ■ Promoting health management and increasing opportunities to develop human resources

- Introducing a company system for developing young managerial talent and promoting the exchange of human resources within the Group
- Launch of an e-learning program on sustainability management and the SDGs for all the approx. 15,000 officers and employees of the AUTOBACS Group companies in Japan, including franchised corporations
- Selected under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (included among the White 500 enterprises)



# Medium-to Long-term Strategies

- Officers' prioritization of measures to improve profitability from a company-wide perspective began
- Considerations for the formulation of a medium-term business plan begun by team members in their 40s or younger who are the next generation of business leaders
- A long-term business plan is being discussed by the management team toward 2050

2050 未来共創

2050 Creating Our Future Together

# Initiatives for ESG·SDGs

Materiality was identified through discussions at the Board of Directors

## Society we want to realize

Safe, secure, and gentle society in which people, cars, and the environment exist in harmony

## Our ideal company we want to be

Professional & Friendly

## Social issues that we should solve

1. Realization of a cyclical and symbiotic society



2. Response to climate change



3. Revitalization of local communities



4. Pursuit of diverse human resources and diverse work styles



5. Creating healthy and rewarding jobs



## Materiality

Development of organization and personnel

Creation of businesses that solve social issues

Enhancing efforts that consider the environment and society

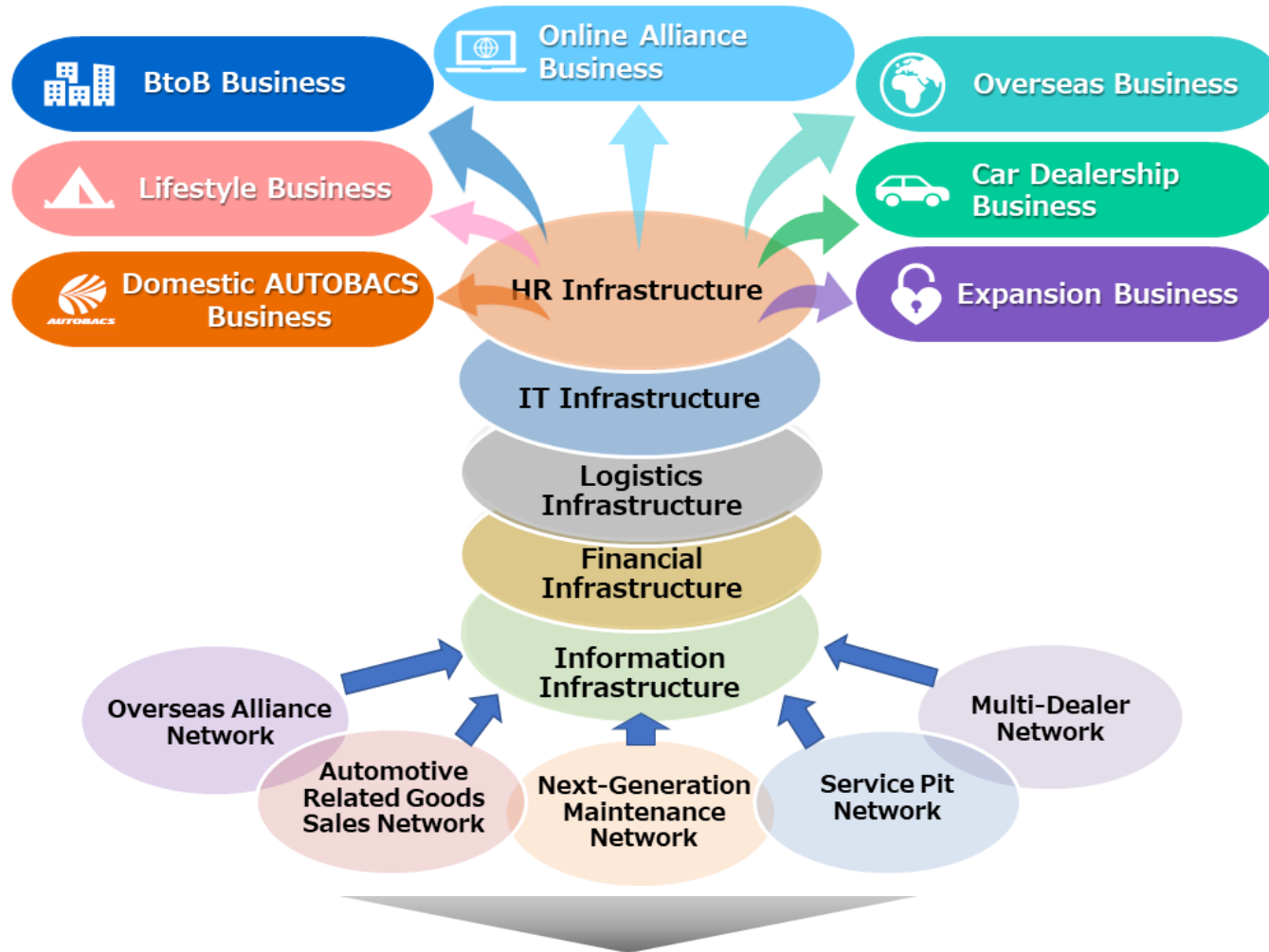
Sustainable and strong management

# Initiatives for ESG·SDGs

## Non-financial targets and KPIs to be addressed by the Company to achieve the four Materiality's

Non-financial targets	Range	KPI	Results of 2021	Goals for 2030
Promoting efforts to achieve zero traffic accidents	Consolidated	Selling products for preventing accidents	170,000/year	230,000/year
	Consolidated	Building bases for tire check-up and emergency services	232	734
	Consolidated	Holding local traffic safety events	0/year	4/year
Improving the position of and developing certified mechanics	Consolidated	Securing and developing examining staff	185	390
	Consolidated	Securing and developing Class-2 Certified Mechanics	303	450
	Consolidated	Completing training for working on EVs	414	1,104
Promoting social contribution related to automobiles	Consolidated	Support for disaster victims provided using automobiles	27	111
Reducing CO2 emissions by installing environmentally-enhanced stores	Consolidated	Increasing the number of environmentally enhanced stores	60	140
Promoting environmentally friendly businesses/realizing a circular ecosystem	Non-consolidated	Developing environmentally friendly products	40	300
	Consolidated	Reducing oil cans (by increasing the percentage of oil sold by volume)	-	220,000/year
Promoting the dissemination of safe and secure EVs aiming for the realization of a decarbonized society	Consolidated	Installation of rapid chargers	5	43
	Consolidated	Promoting statutory safety inspections for EVs (number of inspected vehicles)	200/year	3,440/year
	Consolidated	Promoting sales of EVs (in terms of quantity)	5/year	2,500/year
Developing a corporate culture where diverse employees can demonstrate their capabilities	Consolidated	Increasing the percentage of female workers	16.7%	30.0%
	Consolidated	Increasing the percentage of female managers (section managers and higher-ranked managers)	7.8%	18.0%
	Consolidated	Encouraging male employees to take childcare leave	-	100%
Building a system to evaluate challenges	Non-consolidated	Maintaining employees' job satisfaction level	2.7	3.0
Creating a healthy and vibrant workplace	Consolidated	Promoting measures to reduce the percentage of workers that are smokers	40.3%	20.0%
Reviewing/formulating and conforming with ESG- and SDG-related policies	Non-consolidated	Developing a sustainability policy and related policies	Issue Recognition	Update
Enhancing monitoring	Non-consolidated	Reinforcing the corporate governance system and the monitoring of progress	Implementation /Maintenance	Improvement
Organizing and utilizing databases to create value	Consolidated	Pushing forward with the data utilization project	Data utilization project initiated	Data linkage /utilization
	Non-consolidated	Developing human resources who analyze data	-	320

# Our Goals through Five-year Rolling Plan



**Actively promote collaboration across business boundaries to improve customer convenience**

# Five-year Rolling Plan: APPENDIX

## ■ Operates Authorized Dealers of BMW, MINI, and Audi

### Multi-Dealer Network

- Commenced the operation of Audi dealership in April 2021 in addition to BMW and MINI.
- Facilitated the visualization of management by establishing KPI common to respective dealers.



April 2021, Started operation as BACS Advance Co., Ltd.

## Efforts to create networks

### ■ AUTO IN Shaken and Tire Center

Next-Generation Maintenance Network

Service Pit Network

Automotive related Goods Sales Network

- Operates 6 stores as AUTO IN Shaken and Tire Center
- Utilized AUTOBACS' expertise for MD
- Acquired specified maintenance certification on a total store basis
- Will continue to increase the number of stores, going forward

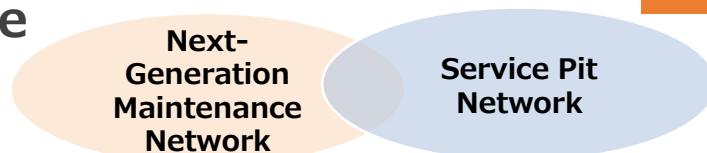


April 2021, Started operation as BACS Boots Co., Ltd.

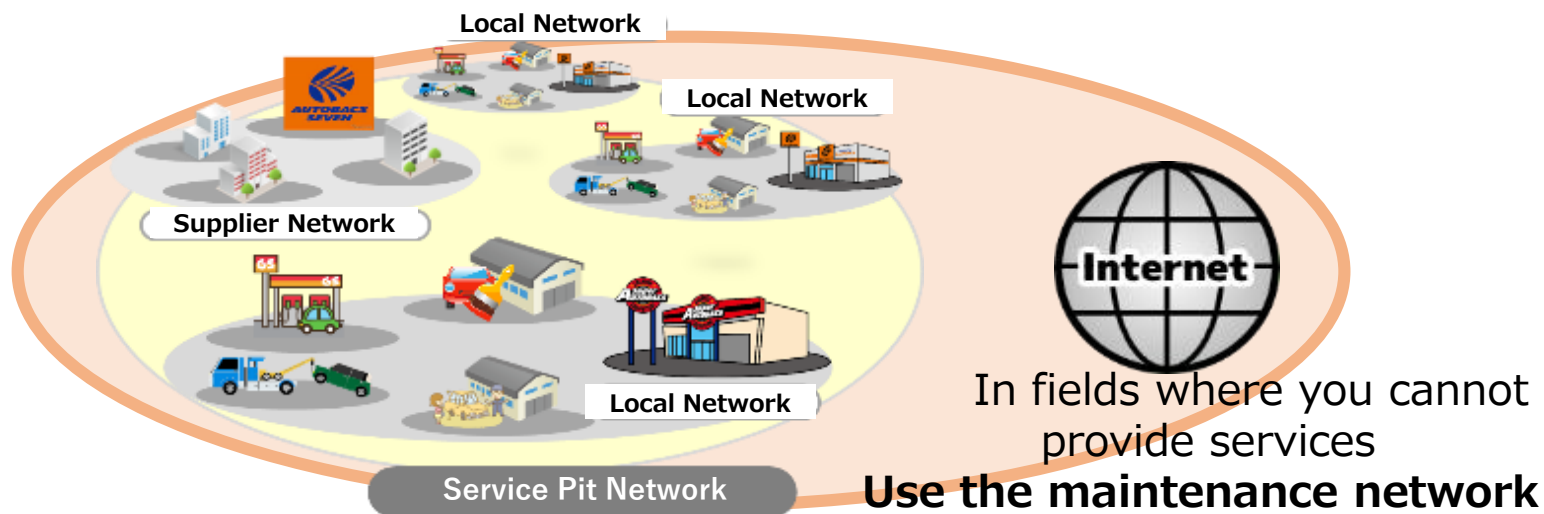
# Five-year Rolling Plan: APPENDIX

## ■ Creating a local network for maintenance

## Efforts to create networks



- Established a system to respond promptly to environmental changes surrounding the maintenance industry, thus establishing a system providing high-quality services to car users
- Built local area maintenance networks (with network cooperation in 24 of the 50 areas in Japan) by having AUTOBACS Group stores and BS-Summit Business Cooperative\* members' facilities promote optimal local cooperation using each others' resources
  - \*The BS-Summit Business Cooperative is a nationwide network of body shops with automotive maintenance bases all over Japan
- Accelerated a collaboration in which AUTOBACS stores are used as bases by road service providers





# Five-year Rolling Plan: APPENDIX

## Efforts to create networks

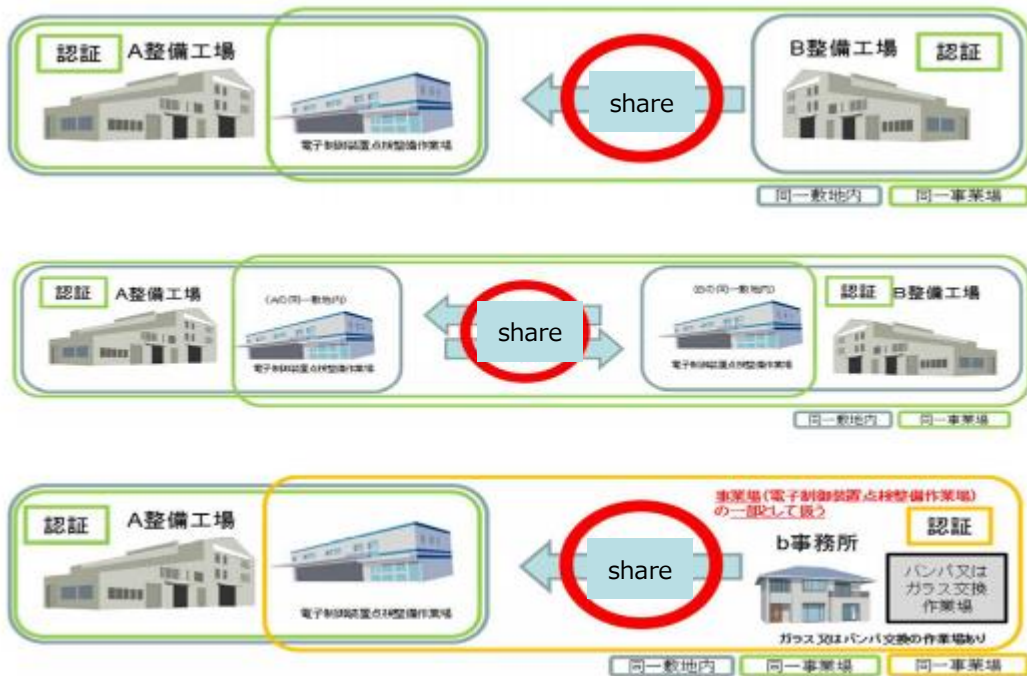
### Opened a new ADAS Calibration Center\*

Next-Generation Maintenance Network

Service Pit Network

\*Recently launched cars come with many features supporting safe driving, such as automatic braking. They therefore have cameras and sensors mounted on the windshield and bumpers. Accordingly, maintenance must include **calibration** to ensure this advanced equipment functions normally.

- A facility for sensor calibration (equipped with ADAS Calibration) was opened at the Super AUTOBACS Kumamoto Higashi Bypass store. The facility is available for local maintenance service providers as a shared service.
- Built a maintenance network that is highly convenient for car users by encouraging cooperation beyond boundaries in the auto aftermarket industry



# Five-year Rolling Plan: APPENDIX

## ■ Launch of a cloud-based service detecting drunkenness and alcohol consumption for corporate use

### Online Network

(October 2021)

- Launched the ALC Cloud, a cloud-based service detecting drunkenness and alcohol consumption with a focus on companies and national/local government organizations using company or official cars, as well as the customers using their own cars for business purposes.
- The number of contract companies is increasing.



## Efforts to create networks

### ■ New function “Machijikan Yoyaku” (waiting time reservation) installed in AUTOBACS official app

#### Automotive-related Goods Sales Network

(September 2022)

“Machijikan Yoyaku” (waiting time reservation), a new function which enables customers to make an oil change appointment on the day just by one click, was added in September 2022.

\*As of September 5, 2022, “Machijikan Yoyaku” can be used to make reservations at 44 stores.

Online bookings for oil changes\*  
**increased approx. 36%**

New application downloaded\*  
**approx. 3.8 million people**

\*Cumulative comparison from April 2022 to September 2022

\*As of September 2022



# Five-year Rolling Plan: APPENDIX



Domestic AUTOBACS  
Business

## Initiatives of each business

### ■ Opening of A PIT AUTOBACS KYOTO SHIJO (September 2022)

A single place where you can find a car lifestyle that suits you

~the opening of the first A PIT AUTOBACS store, a new store format, in West Japan~

Opening of the second A PIT AUTOBACS brand store, a new store format, following A PIT AUTOBACS SHINONOME which opened in November 2018



~ Proposing the right car lifestyle  
for each individual customer ~

- One of the widest automotive goods and services lineups in Japan
- A sales floor with organically integrated outdoor goods, apparel, books, sundries and other products
- Service bays ready for next-generation maintenance services



# Five-year Rolling Plan: APPENDIX

 Lifestyle Business

## Initiatives of each business

### ■ Opening of the brand's first store **GORDON MILLER KURAMAE** (November 2021)

- The garage lifestyle-focused brand GORDON MILLER has opened its first store
- The store is the only one store that sells all GORDON MILLER items
- The product lineup includes original custom car GORDON MILLER MOTORS



# Five-year Rolling Plan: APPENDIX



Lifestyle Business

## Initiatives of each business

### ■ Opened a lifestyle-oriented VRNVROOMN online mall

(July 2022)

- Opened a lifestyle-oriented online mall, mainly featuring the collection of AUTOBACS' original brands such as JACK&MARIE, GORDON MILLER and ARTA in July 2022
- Aim to offer media commerce to communicate the joy of car lifestyles, in addition to the posting of products
- The total number of brands featured is 8 and the number of items handled by the mall is approximately 9,000



Original brands

**JACK & MARIE**

**GORDON  
MILLER™**

**ARTA**



AUTOBACS  
RACING  
TEAM  
AGURI

...

# Five-year Rolling Plan: APPENDIX

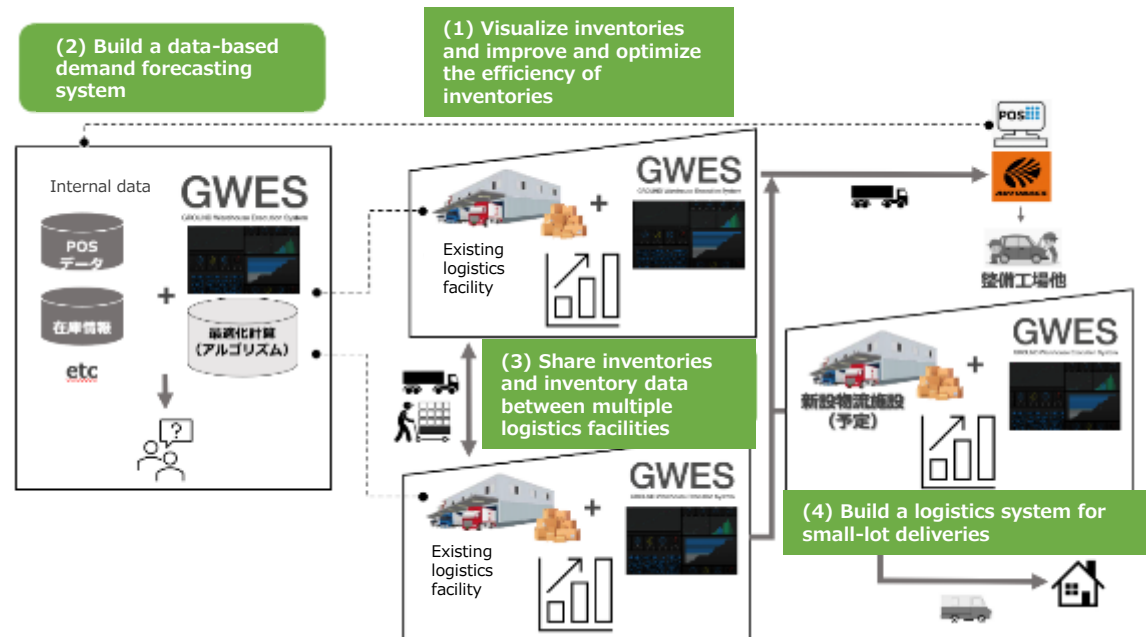
## Logistics Infrastructure

## Initiatives for the establishment of business foundations

- **Logistics reform through an AI-based DX of logistics (January 2022)**
  - Invested in **GROUND**, a provider of logistics solutions, and concluded a business alliance agreement —
  - Visualize inventories at logistics bases and optimize the procurement of products
  - Reduce the current inventories by approximately 20% by fiscal year 2026

### <Initiatives for business alliances>

1. Visualization and streamlining of inventories
2. AI-based demand forecasting
3. Share inventories and inventory data between multiple logistics facilities
4. Establishment of a logistics system for the delivery of small lots (e-commerce logistics center)



# Five-year Rolling Plan: APPENDIX

## ■ Selected under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)

HR  
Infrastructure

- Third certification, following 2017 and 2019
- The mental and physical health of our colleagues lays the foundation for a bright, exciting future
- Working on the following six priority issues: Promoting the No-Smoking Challenge, promoting lifestyle-related disease prevention measures, promoting cancer prevention, promoting mental health, activities addressing the health issues that impact women, establishing a working environment that promotes health management



## Initiatives for the establishment of business foundations

### ■ Recognized as a DX-certified operator (March 2022)

IT  
Infrastructure

Information  
Infrastructure

- Establishing infrastructure development that supports the growth of each Business, and other themes in the Five-year Rolling Plan and establishing the promotion of DX as an initiative for efficiently and steadily promoting the businesses

#### Example Initiatives

- Started the company-wide Data Management Center PJ  
Began the integration and effective use of information
- Experimentally implemented online customer service to address the shortage of employees at stores and for customers who want to receive services from the specialist staff of the AUTOBACS e-commerce website
- Promoting environment-responsive demonstration experiments for the standardization of work and to increase the efficiency of human resource development, such as remote support for pit services and the sharing of pit services knowledge

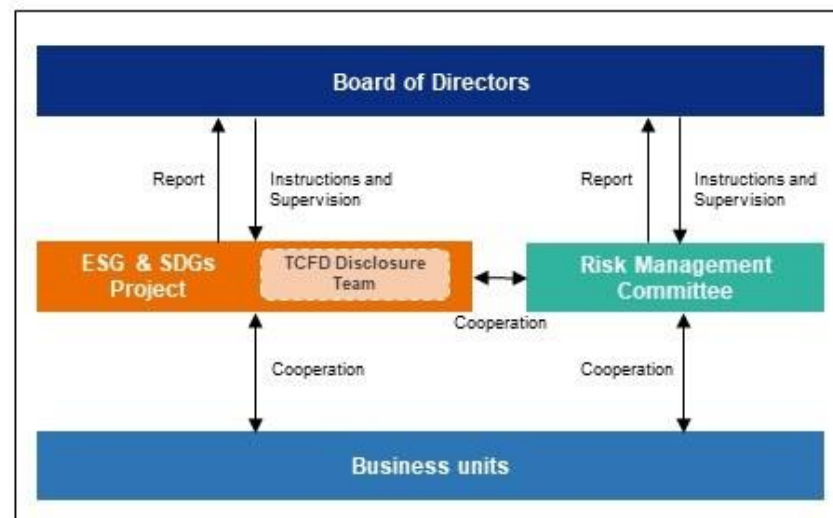


DX認定

# Response to Climate Change

**Positioning its response to climate change as an important management issue, the Company expressed its support for the TCFD recommendations in June 2022**

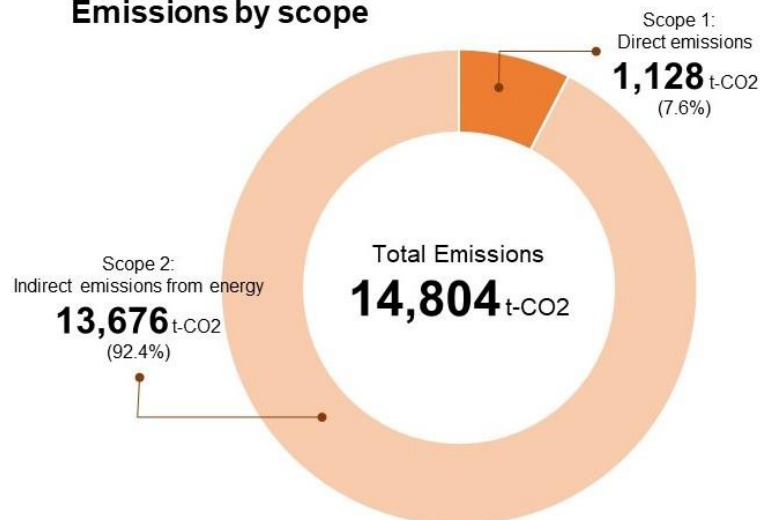
The TCFD Disclosure Team responsible for analyzing scenarios has been established to engage in the task of identifying climate-related risks and opportunities including the evaluation and analysis thereof. Findings are reported to the Board of Directors. The Board provides approvals while also giving instructions and providing supervision as necessary.



**Reduction target: Carbon neutrality in fiscal 2050 (Emissions virtually reduced to zero)**

The Company will work on developing eco-friendly functional products, also taking into consideration the reduction of emissions while products are in use by customers, accelerating the creation of energy-saving stores, initiatives for resource recycling, etc.

**Emissions by scope**



Scope of calculation: [Business] Domestic AUTOBACS Business

[Target] In Japan (147 sites including business locations, directly managed stores and stores of subsidiaries, logistics bases)

Computation period: From April 1, 2021 to March 31, 2022

Scope 1: All direct greenhouse gas emissions from fuel combustion, industrial processes and other emissions generated by businesses themselves

Scope 2: Indirect emissions resulting from the use of electric power, heat and steam supplied by other companies



# 1<sup>st</sup> Half of FY March 2023 Used Car Purchasing and Sales

**Total 15,544 cars YoY +8.2%**

## BtoB Sales

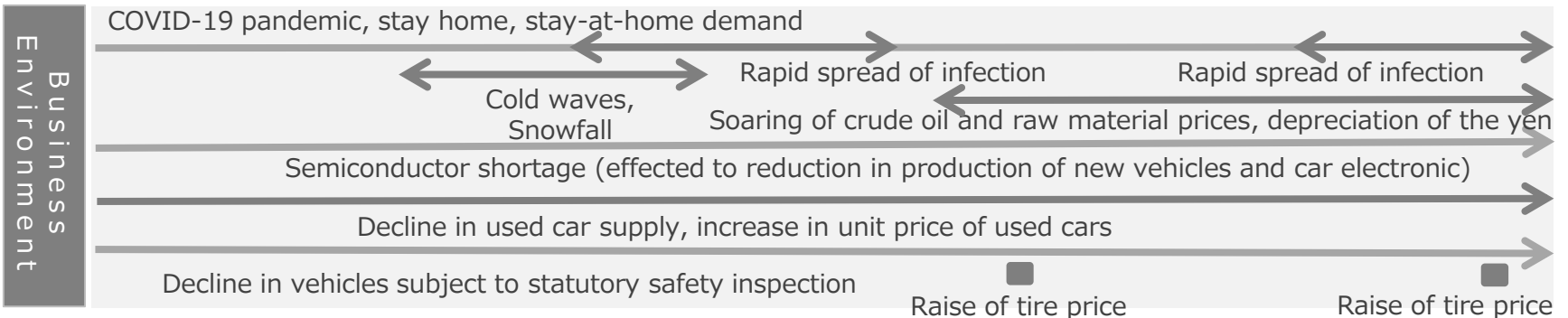
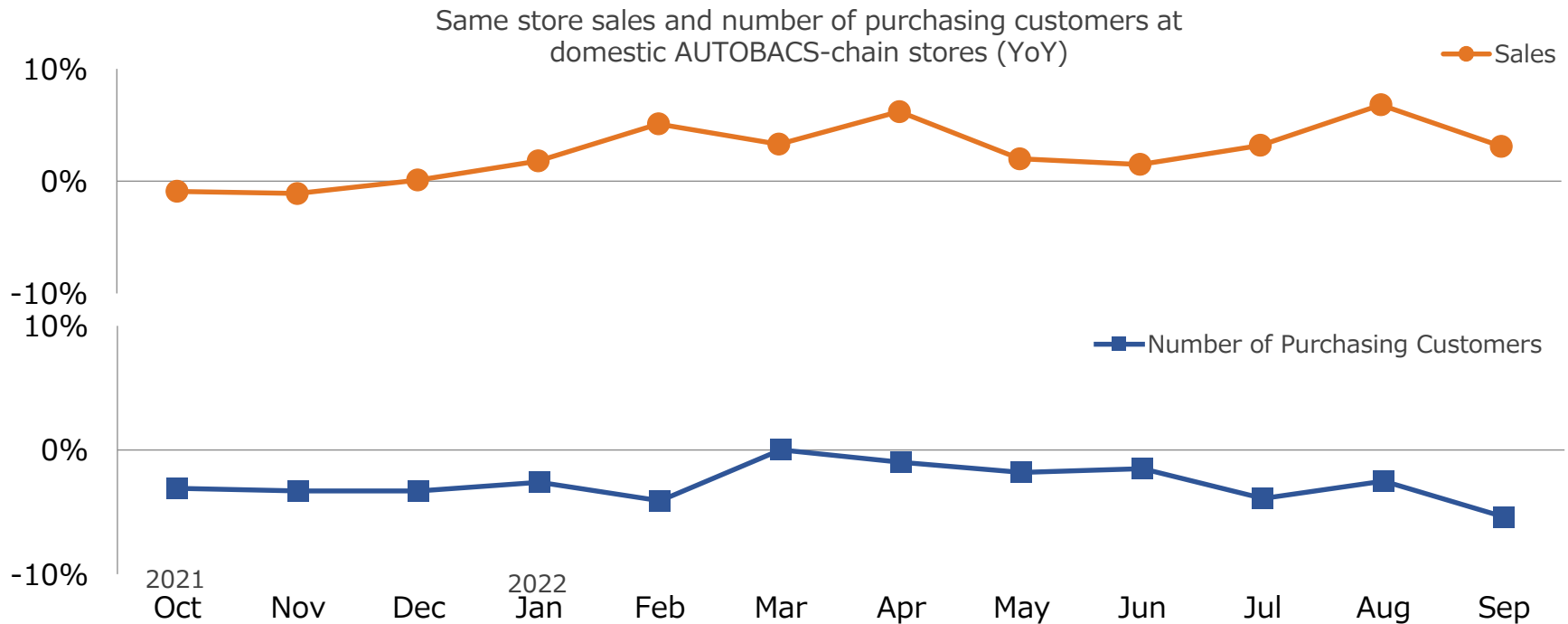
Details	No. of cars sold
Sales to Headquarters	280
Sales to AA(Auto Auction) via Headquarters	2,064
Direct sales from stores	8,223
<b>BtoB total</b>	<b>10,567</b>

## Retail

Details	No. of cars sold
Used cars	3,252
New cars	1,725
<b>Retail total</b>	<b>4,977</b>

# Domestic Store Sales/Number of Purchasing Customers Changes

**[Same store basis (YoY)]**  
**Sales: 3.9%, Number of purchasing customers: -2.6%**



Sales at all domestic store formats

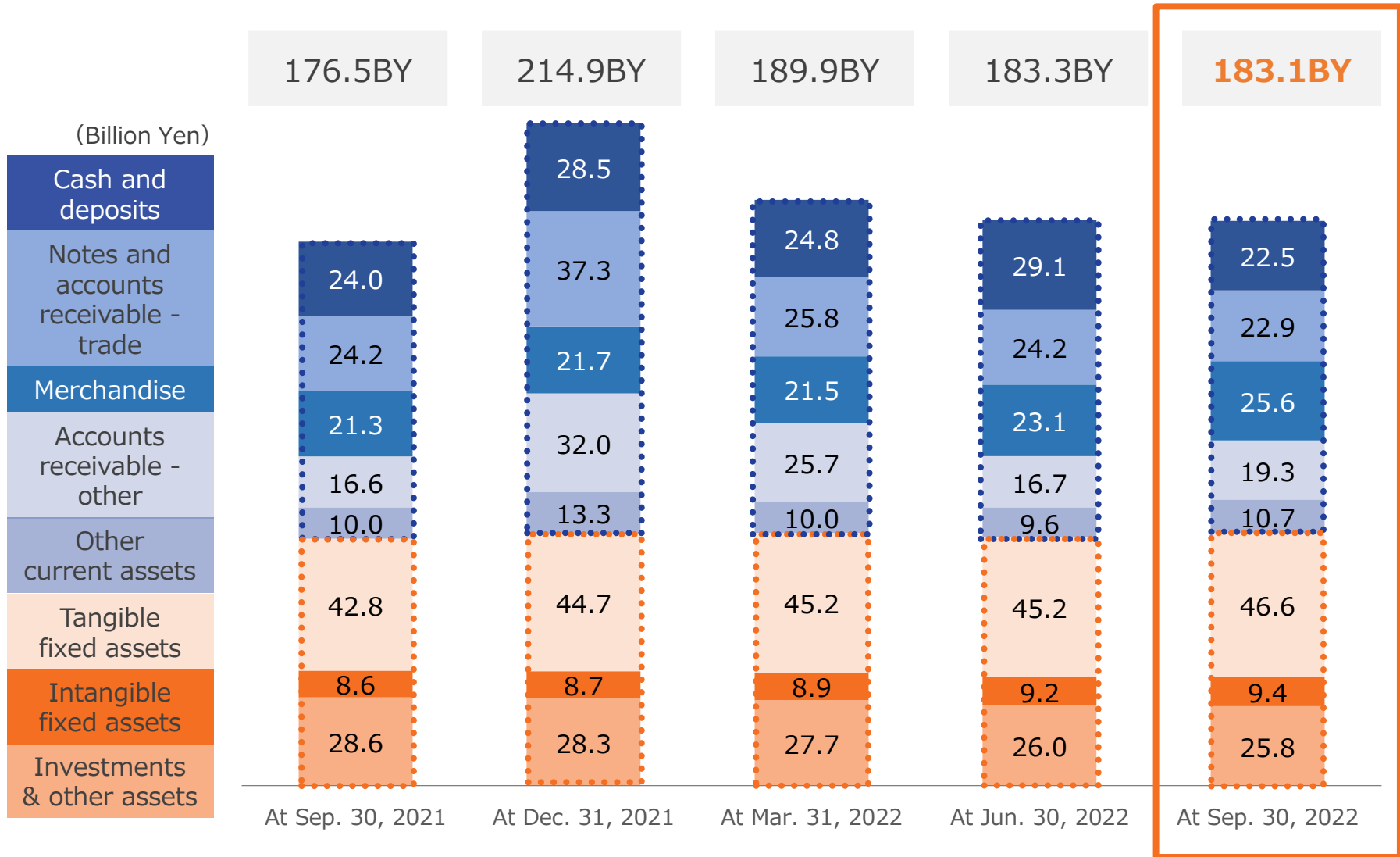
# Store Openings and Closings

Domestic stores	No. of stores at March 31, 2022	FY March 2023							No. of stores at March 31, 2023
		1 <sup>st</sup> Half (Result)			No. of stores at Sep 30, 2022	2 <sup>nd</sup> Half (Plan)			
		New	S&B R/L	Close		New	S&B R/L	Close	
<b>AUTOBACS</b>	494		+1		495	+2	+1/-1		497
<b>Super AUTOBACS</b>	74				74		+1/-1		74
<b>AUTOBACS Secohan Ichiba</b>	6		-1		5			-1	4
<b>AUTOBACS Express</b>	11				11				11
<b>AUTOBACS CARS</b>	3	+1		-1	3				3
<b>Total</b>	588	+1	+1/-1	-1	588	+2	+2/-2	-1	589

Overseas stores	No. of stores at March 31, 2022	FY March 2023			No. of stores at March 31, 2023
		1 <sup>st</sup> Half (Result)	No. of stores at Sep 30, 2022	2 <sup>nd</sup> Half (Plan)	
<b>Taiwan</b>	6		6	+1/-1	6
<b>Singapore</b>	2		2		2
<b>Thailand</b>	33	+8	41	+16	57
<b>France</b>	10		10		10
<b>Malaysia</b>	4	+1	5	+1	6
<b>Indonesia</b>	4		4	+3	7
<b>Philippines</b>	3		3		3
<b>Total</b>	62	+9	71	+21/-1	91

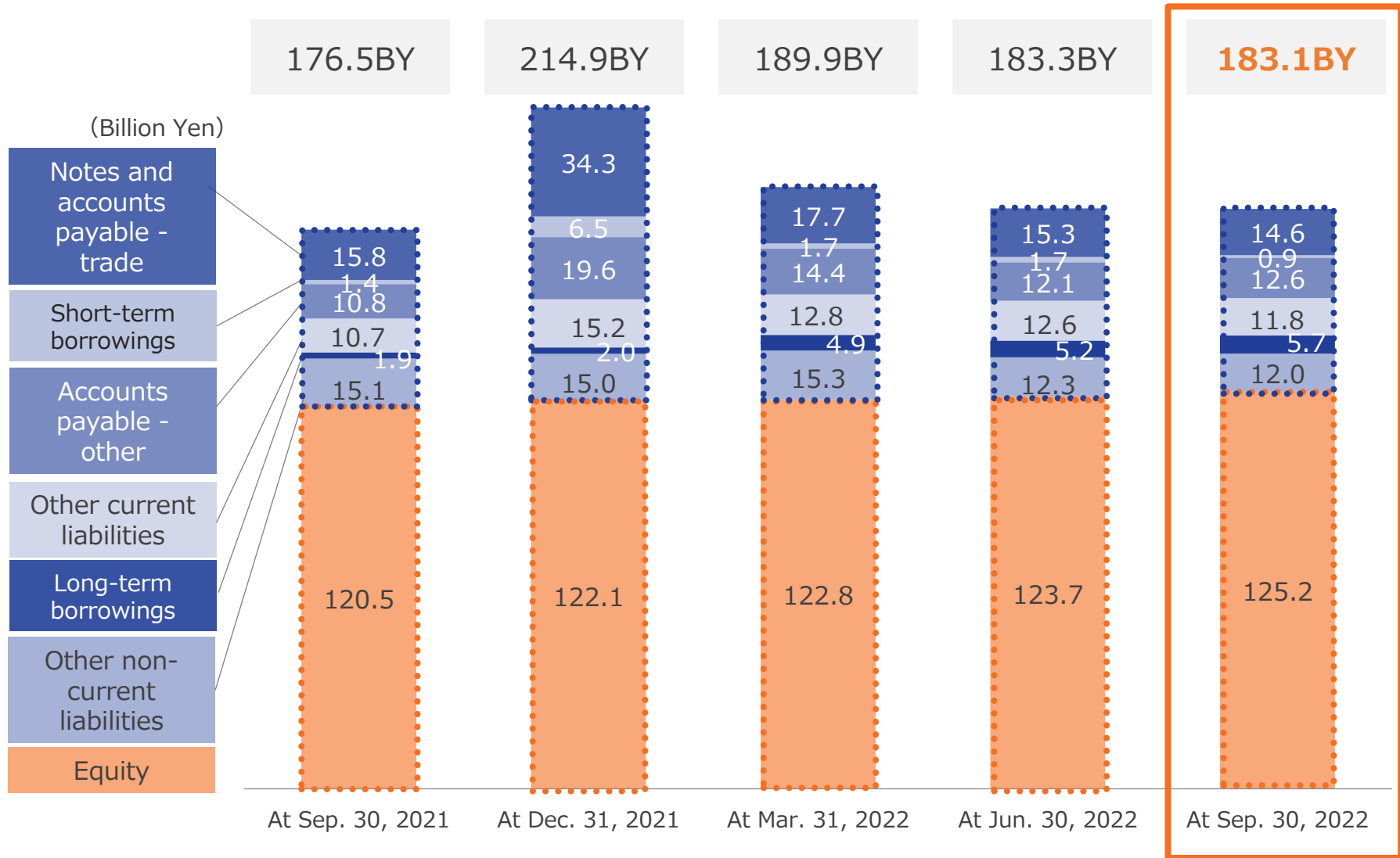
\*S/B=Scrap & Build  
 \*R/L=Relocation  
 \*Super AUTOBACS includes A PIT AUTOBACS

# Balance Sheet: Assets



Amounts are rounded down.

# Balance Sheet: Liabilities and Equity

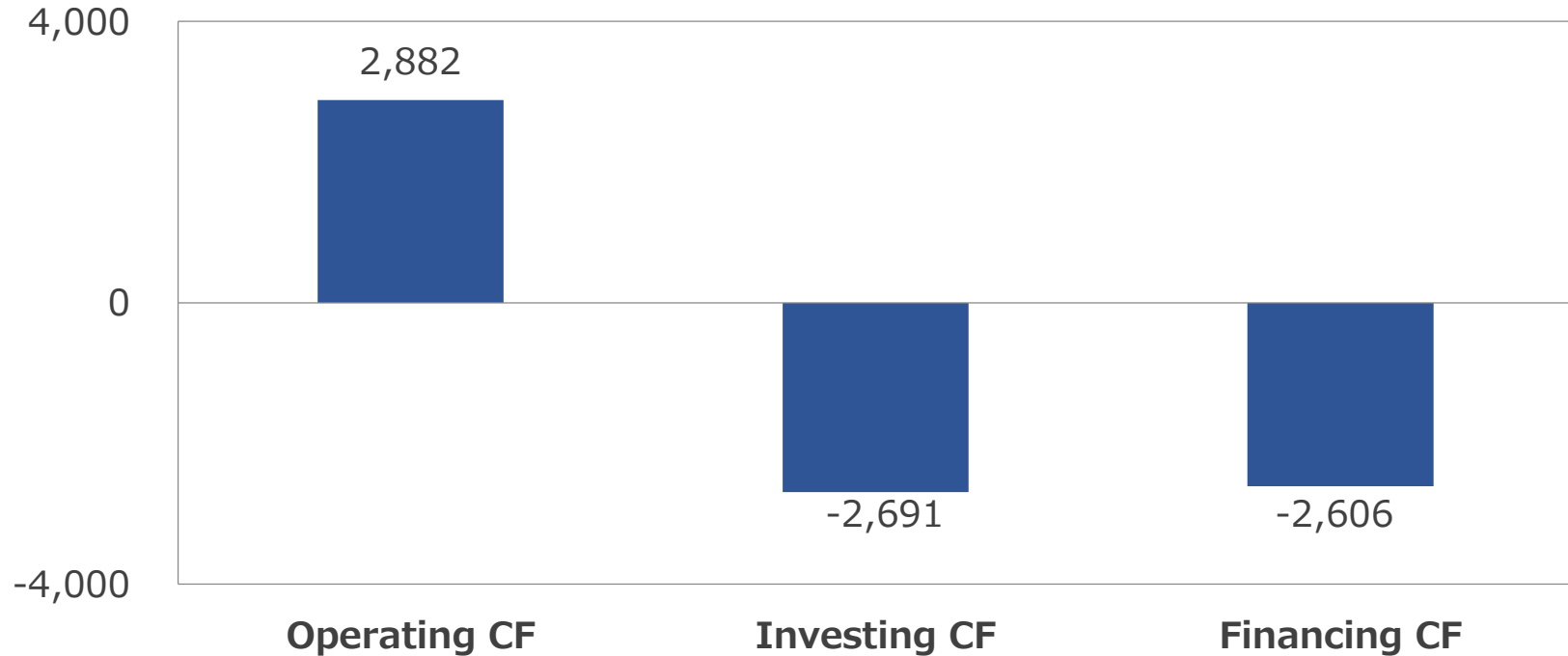


Amounts are rounded down.

# Cash Flows

## Consolidated Cash flows (1<sup>st</sup> Half)

(Million Yen)



**Details of major investments**

- Investment to IT related
- Renovation of existing stores

**End of September 2022**  
**Cash and cash equivalents: 22.5BY**  
**(End of September 2021: 24.0BY)**



### **Forward-Looking Statements**

These materials include forecasts regarding the Company's future plans, strategies, and performance. This information is based on judgments and forecasts made in accordance with information currently available. Actual results may differ materially from forecasts due to such factors as changes in operating circumstances.