

January 18, 2023

AUTOBACS SEVEN Announces Acquisition of Shares of AB System Solutions Co., Ltd. and Establishment of a Wholly Owned Subsidiary of DX Strategy

January 18, 2023 (Tokyo, Japan) - AUTOBACS SEVEN Co., Ltd. ("the Company," Representative Director and Chief Executive Officer: Yugo Horii) today announces that it has decided to acquire all shares of AB System Solutions Co., Ltd., and to make it our wholly owned subsidiary. Details are as follows.

1. Reason for acquisition of shares

The Company aims to establish a competitive market advantage by building IT infrastructure that is able to respond swiftly to revolutionized business models and changes in the business environment. This will be accomplished by utilizing digital transformation (DX) to reform operations and enhance labor productivity, as well as adopting a customer-oriented approach to value creation.

With a view to strengthening areas related to the construction of the Group's IT infrastructure and enhancing its corporate value, the Company has decided to acquire all the stock of AB System Solutions Co., Ltd. (hereafter, ABSS), making it a wholly owned subsidiary.

The Company has formulated a vision for its DX strategy of "realizing CDE with a digital ecosystem." Short for "Customer Deep Engagement," CDE means making connections with customers that are deeper, longer, and more direct through the use of digital technology. Following the completion of the transaction, ABSS will change its trade name to AUTOBACS Digital Initiative Co., Ltd. and will provide services as a strategic subsidiary of the Group's DX. The Group will endeavor to strengthen the digital literacy of the Group as a whole by actively promoting the development of digital human resources.

AUTOBACS will continue to promote the development of businesses and services that enhance customers' convenience and satisfaction, based on the AUTOBACS Group's management philosophy of "AUTOBACS has always been committed to providing customers with the best solutions for their car lifestyles and creating a rich and healthy automotive society."

2. Outline of the subsidiary to be transferred (AB System Solutions Co., Ltd.)

(1) Company name	AB System Solutions Co., Ltd.	
(2) Location	6-52 Toyosu 5-chome, Koto-ku, Tokyo	
(3) Job title and name of representative	Representative Director and President, Shigeru Nakabayashi	
(4) Business	System planning, System development, System operation and maintenance, and Sales of hardware and software	
(5) Capital	95 million yen	
(6) Establishment	June 17, 2002	
(7) Major shareholders and shareholding ratio	Fujitsu Limited	85.1%
	AUTOBACS SEVEN Co., Ltd.	14.9%
(8) Relationship between listed company and target company	Capital relationship	The Company holds a 14.9% of ABSS shares as of January 18, 2023. (Ratio of voting rights held: 14.9%)
	Personnel relationship	No relevant items
	Business relationship	Business relationships concerning system maintenance and system development exist between the Company and ABSS. There are no other noteworthy business relationships.

(9) Operating results and financial position for the last three years			
Accounting period	FY March 2020	FY March 2021	FY March 2022
Net assets	519 million yen	535 million yen	626 million yen
Total assets	1,121 million yen	910 million yen	1,166 million yen
Net assets per share	273,540 yen	281,820 yen	329,764 yen
Net sales	2,731 million yen	2,253 million yen	2,418 million yen
Operating profit	136 million yen	108 million yen	192 million yen
Ordinary profit	136 million yen	108 million yen	192 million yen
Net income	85 million yen	66 million yen	131 million yen
Net income per share	44,775 yen	35,145 yen	69,030 yen
Dividends per share	26,865 yen	21,086 yen	41,417 yen

3. Outline of the counterparty of the share acquisition

(1) Company name	Fujitsu Limited	
(2) Location	Kawasaki-shi, Kanagawa, Japan	
(3) Job title and name of representative	Representative Director and CEO, Takahito Tokita	
(4) Business	Manufacturing and sales of communications systems and information processing systems, and provision of related services	
(5) Capital	324,625 million yen	
(6) Establishment	June 20, 1935	
(7) Net assets	1,715,749 million yen	
(8) Total assets	3,331,809 million yen	
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (for trust) (16.19%) Ichigo Trust Pte. Ltd. (7.58%) Custody Bank of Japan, Ltd. (for trust) (5.63%)	
(10) Relationship between listed company and target company	Capital relationship	No relevant items
	Personnel relationship	No relevant items
	Business relationship	Business relationships concerning provision of system integration service and purchasing transactions in other products exist between the Company and Fujitsu Limited. There are no other noteworthy business relationships.
	Status of relationship with related parties	No relevant items

4. Number of shares acquired, acquisition price, and shareholding before and after acquisition

(1) Number of shares held before the change	283 shares (Number of voting rights: 283) (Ratio of voting rights held: 14.9%)
(2) Number of shares to be acquired	1,617 shares (Number of voting rights: 1,617)
(3) Acquisition price	Acquisition price is currently under negotiation, and will be notified upon being determined.
(4) Number of shares held after the change	1,900 shares (Number of voting rights: 1,900) (Ratio of voting rights held: 100%)

5. Schedule

(1) Date of decision	January 18, 2023
(2) Date of the conclusion of LOI	January 20, 2023 (planned)
(3) Date of signing of the share transfer agreement	March 17, 2023 (planned)
(4) Date of commencement of share transfer	April 1, 2023 (planned)

6. Future outlook

The impact of this matter on the Company's consolidated financial results for the current fiscal year will be minor.

7. Post-acquisition changes (planned)

The said subsidiary will change its trade name and representative subject to the resolution of the extraordinary general meeting of shareholders to be held on April 1, 2023. Details are as follows.

(1) Company name	AUTOBACS Digital Initiative Co., Ltd.
(2) Location	6-52 Toyosu 5-chome, Koto-ku, Tokyo
(3) Job title and name of representative	Representative Director and Chairman, Yugo Horii Representative Director and President, Nobuo Norisue
(4) Major shareholders and shareholding ratio	AUTOBACS SEVEN Co., Ltd. (100%)

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