

# Results for the Three Months ended June 30, 2023



AUTOBACS SEVEN CO., LTD.

July 31, 2023

## Results of the First Three Months of FY March 31, 2024

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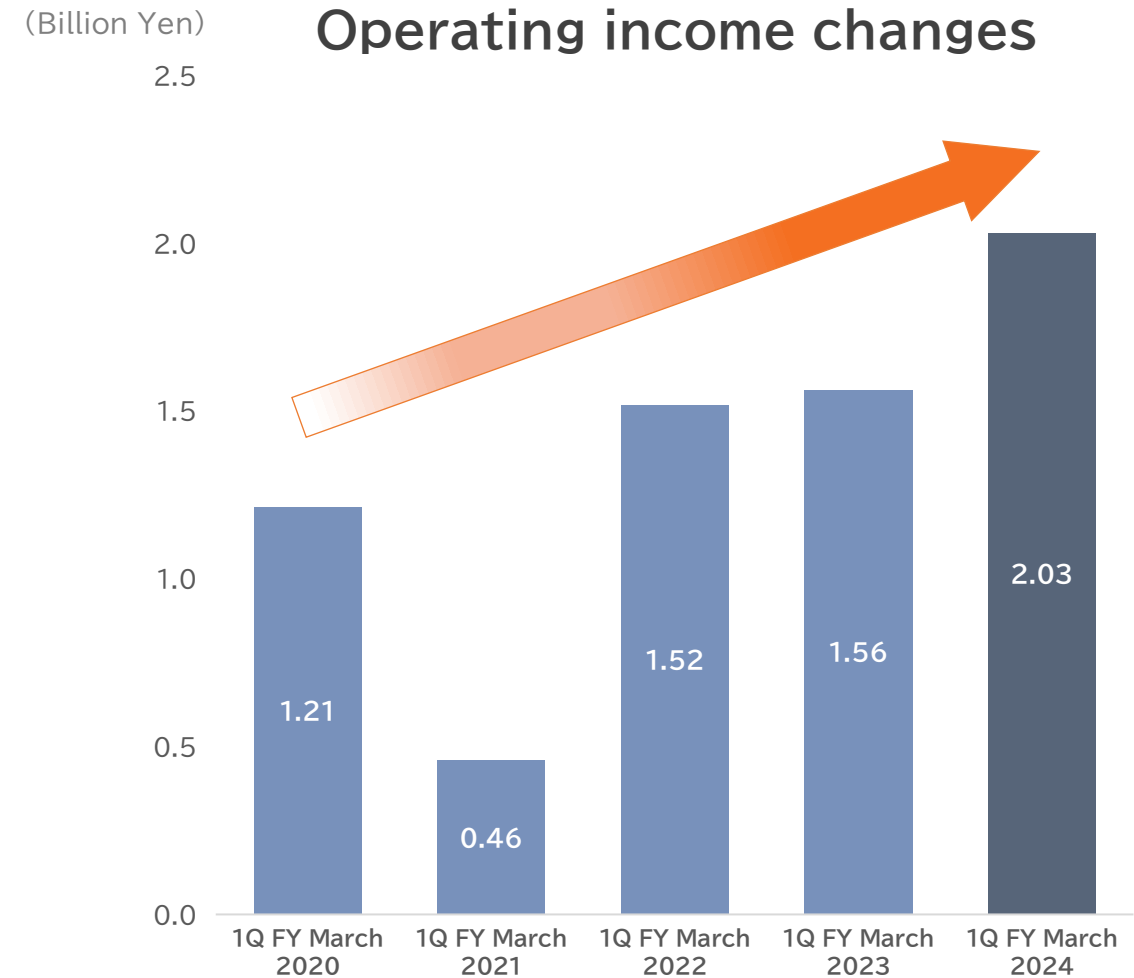
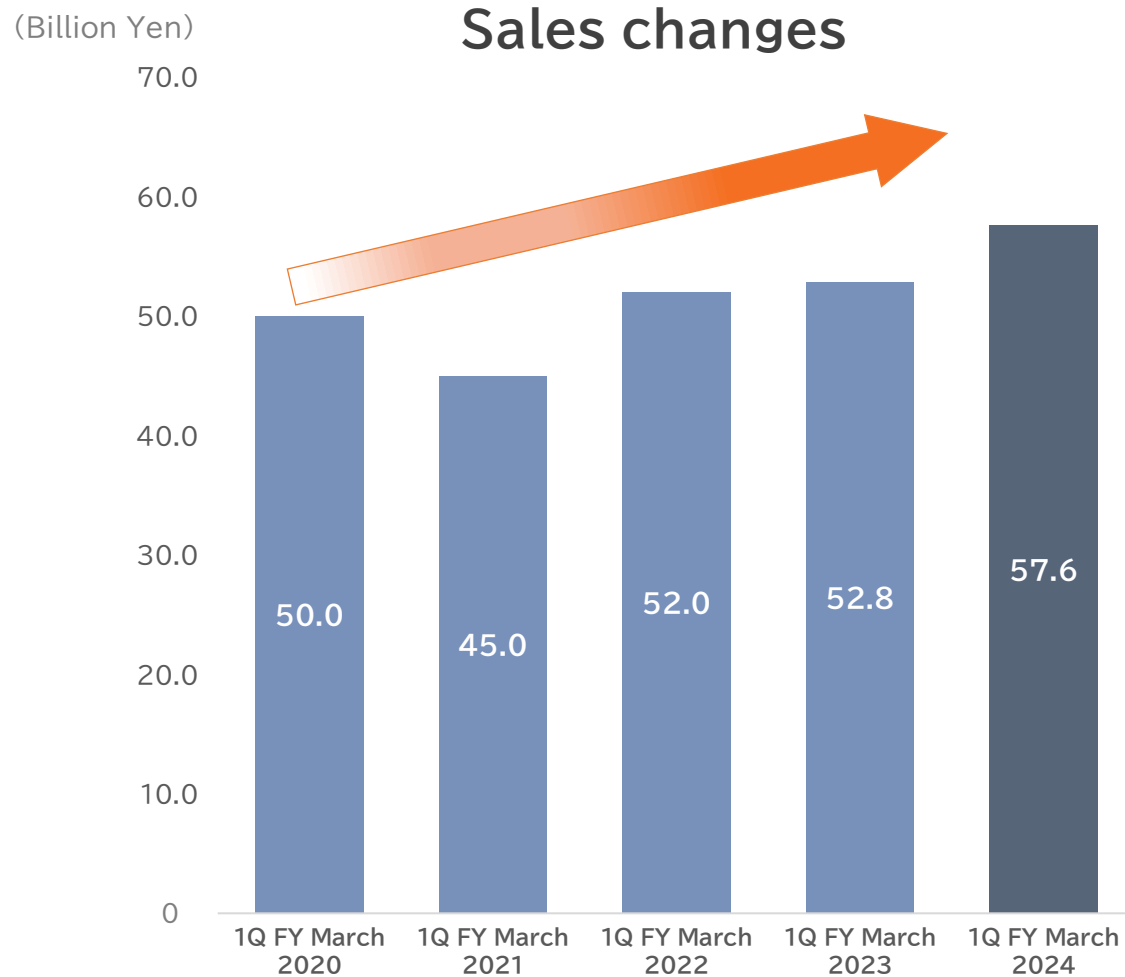
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**Net sales and income increased**, by the normalization of socioeconomic activities due to the transition of COVID-19 to Class 5 and the strengthening of sales promotions against the backdrop of demand for maintenance of existing owned cars.

	(Billion Yen)	1Q ended June 30, 2023			1Q ended June 30, 2022	
		Actual result	% of Sales	YoY change ratio	Actual result	YoY change ratio
Net sales		<b><u>57.6</u></b>		+9.1%	52.8	+1.1%
Gross profit		<b><u>19.3</u></b>	33.5%	+7.4%	17.9	+1.9%
SG&A		<b>17.2</b>	30.0%	+5.3%	16.4	+1.7%
Operating income		<b>2.0</b>	3.5%	+29.8%	1.5	+3.1%
Non-operating income/expenses		<b>0</b>	0.0%	- 92.4%	0.2	+34.0%
Ordinary income		<b>2.0</b>	3.6%	+12.6%	1.8	+6.6%
Profit attributable to owners of parent		<b>1.3</b>	2.3%	- 23.4%	1.7	+62.8%

- Amounts are rounded down to the nearest hundred million yen.  
- % of Net Sales and YoY comparisons are calculated in yen.

Highest consolidated sales and operating income in the past five years



- 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.

# Segment Information

	(Million Yen)	1Q FY March 2024	1Q FY March 2023*	YoY	Summary
<b>Domestic AUTOBACS Business</b>	Sales	42,007	38,551	+9.0%	Despite a price raise for tires in May, the company strengthened its product lineup and sales promotions against the backdrop of demand for maintenance of existing vehicles, which was successful. Car electronics continued to struggle, but operating profit exceeded the previous year.
	Gross profit	14,153	13,455	+5.2%	
	SG&A	9,910	9,412	+5.3%	
	Operating income	4,243	4,042	+5.0%	
<b>Overseas Business</b>	Sales	3,735	3,171	+17.8%	Despite the impact of the Ukraine situation and global inflation, sales and gross profit increased significantly in the wholesale business, mainly due to strengthened sales to existing customers.
	Gross profit	1,641	1,316	+24.7%	
	SG&A	1,675	1,519	+10.3%	
	Operating income	-33	-202	—	
<b>Car Dealership, BtoB and Online Alliance Business</b>	Sales	12,320	10,880	+13.2%	Dealership business increased sales as both new and used car sales rose due to the recovery in new car production. In BtoB business, subsidiaries providing statutory safety inspection and maintenance services and tire sales and subsidiaries that wholesales car accessories performed well due to the demand for vehicle maintenance.
	Gross profit	2,722	2,385	+14.1%	
	SG&A	2,690	2,476	+8.6%	
	Operating income	32	-91	—	
<b>Other Business</b>	Sales	4,128	4,522	-8.7%	Sales in the Brand business slightly declined, but operating loss narrowed due to growth in the high-margin finance business, etc.
	Gross profit	803	835	-3.8%	
	SG&A	973	1,015	-4.1%	
	Operating income	-169	-179	—	
<b>Reconciling items</b>	Operating income	-2,041	-2,004	—	

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

\*1Q FY March 2023 figures have been reclassified to the reporting segment categories after the change.

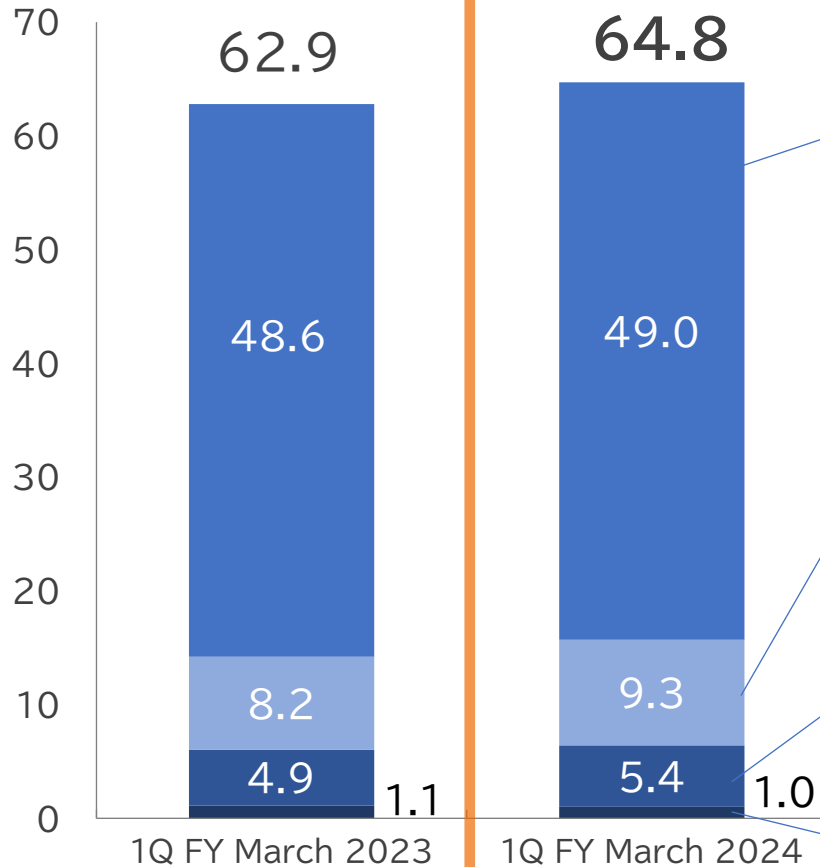
# Retail Sales in Total AUTOBACS Group Stores

Retail Sales in  
Total AUTOBACS Group Stores

**64.8 billion yen**

YoY **+3.0%**

(Billion Yen)



**Automotive goods & services**

49.0BY

+0.8%

**Used car purchase & sales**

9.3BY

+13.1%

9,125 cars

+21.7%

Number of fully certified & designated stores

386 stores

-3 stores  
\*from Pre-period

**Statutory safety inspection**

5.4BY

+11.3%

158,000 cars

+7.5%

Number of fully certified & designated stores

440 stores

±0 stores  
\*from Pre-period

**Second-hand goods & fuel**

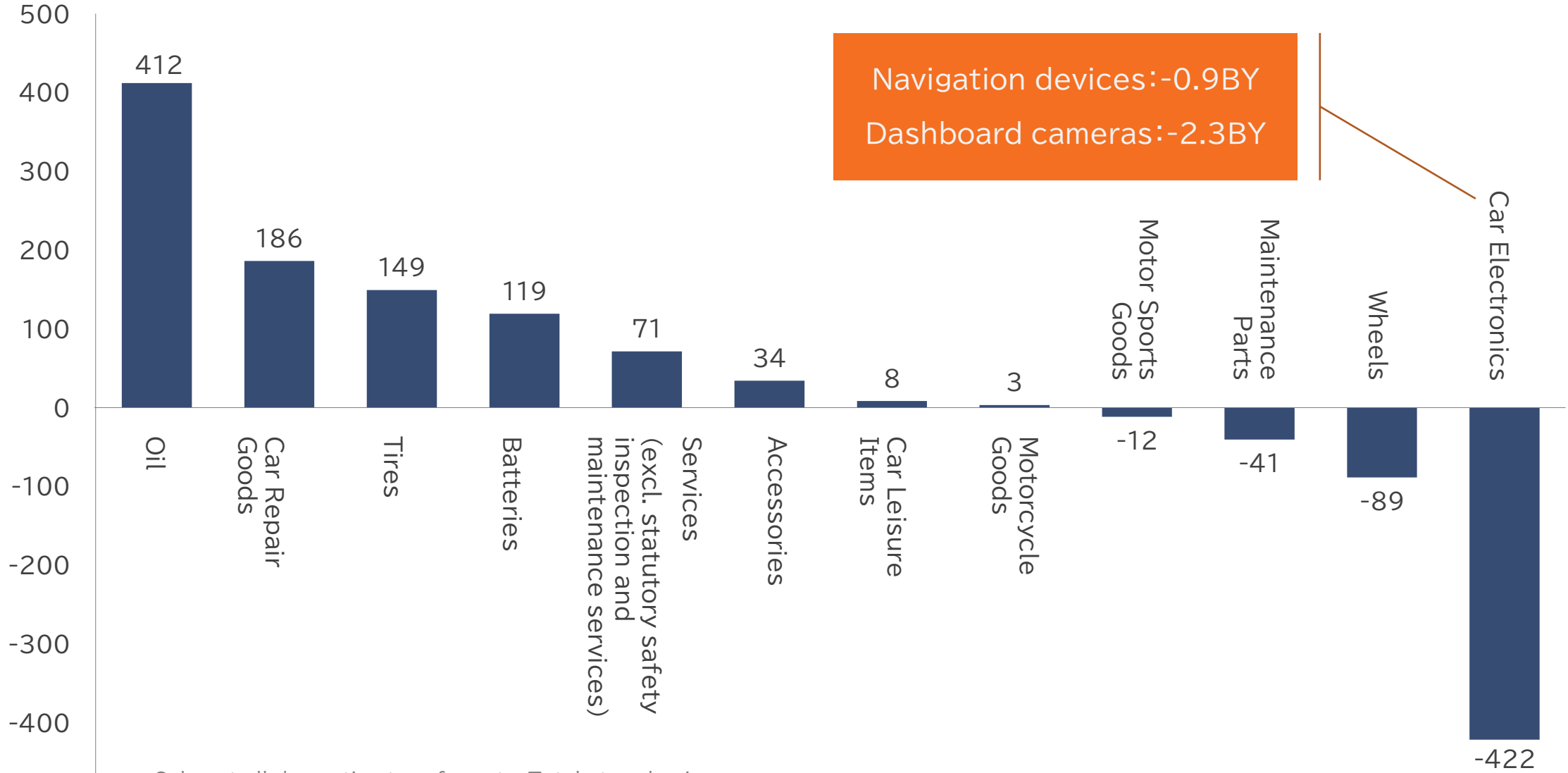
1.0BY

-11.0%

- Amounts are rounded down.  
- YoY comparisons are calculated in yen.

# Sales Variance by Merchandise (YoY change in amount; total store basis)

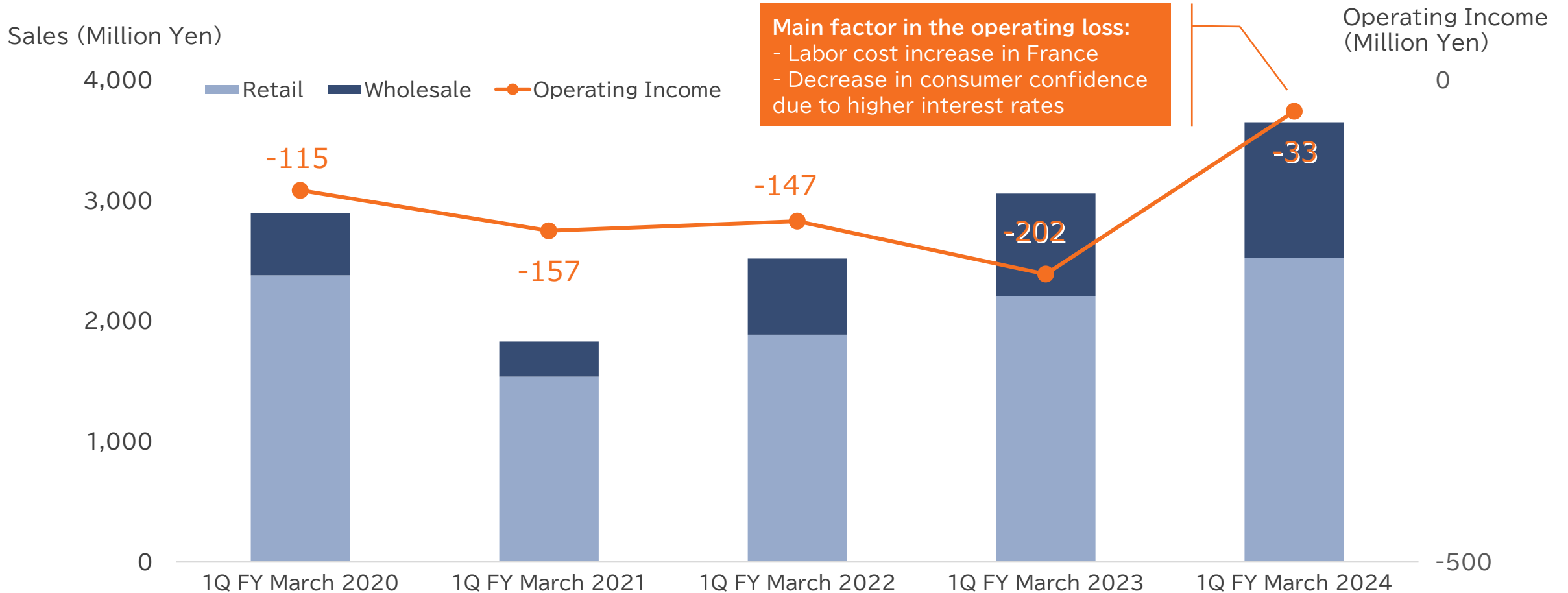
(Million Yen)



- Sales at all domestic store formats. Total store basis.

- Amounts are rounded down.

# Net sales and income increased despite the impact of the Ukraine situation and global inflation



- 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	10		0		2		0		5	
Period	24/3 1Q	23/3 1Q	24/3 1Q	23/3 1Q	24/3 1Q	23/3 1Q	24/3 1Q	23/3 1Q	24/3 1Q	23/3 1Q
Net sales	2,042	1,737	655	677	429	438	212	267	33	36
SG&A	1,161	975	168	161	181	232	65	51	16	12
Operating income	-160	-70	18	28	1	-46	-19	-120	-2	1
Business condition	Sales increased due to price pass-through and other factors, despite the soar of raw material prices. Labor costs increased due to an increase in the legal minimum wage.		Sales declined due to a decrease in consumer purchasing appetite against a backdrop of inflation and rising central bank interest rates.		Pit services performed well, through capturing demand for vehicle maintenance. On the other hand, sales declined due to weak sales of services for corporate clients, mainly automobile maintenance.		Sales declined due to weak exports to overseas and Japan. Wholesaling to the domestic Chinese market was also sluggish. *Valuation loss of retained inventory was recorded in pre-period.		Sales declined due to a decrease in consumer purchasing appetite against a backdrop of inflation and rising central bank interest rates.	

Amounts are rounded down.

Sales increased but income decreased in the Car Dealership Business despite increase in new and used car sales. Sales and income increased in the BtoB Business and Online Alliance Business.

**Main factors:**

Sales increased but profits decreased in the Car Dealership Business, due to increase in SG&A despite an increase in new and used car sales volume. In the BtoB business, the number of subscriptions to the corporate membership program increased. In addition, subsidiaries under the Company's jurisdiction contributed to increased revenues and profits on the back of demand for vehicle maintenance. In the Online Alliance Business, opened AUTOBACS Rakuten Ichiba store and increased sales.

Net Sales (Million Yen)

14,000  
12,000  
10,000  
8,000  
6,000  
4,000  
2,000  
0

■ Sales    ● Operating Income

1Q FY March 2020    1Q FY March 2021    1Q FY March 2022    1Q FY March 2023    1Q FY March 2024

Operating Income (Million Yen)

500  
0  
-500

-89

-174

-45

-91

32

- 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 Dealership Business

- ✓ Consolidated subsidiary BACS e-Mobility Co., Ltd. opened preparatory offices for the opening of the authorized BYD dealerships “BYD AUTO Utsunomiya” and “BYD AUTO Nerima”.
- ✓ Sales increased on the back of a recovery in new car production and used car registrations, with both new and used car sales rising.



## BtoB Business

- ✓ Steady increase in the number of companies subscribing to the Autobacs Corporate Membership Program.
- ✓ In April 2023, test rollout of product supply to major convenience stores began.
- ✓ Sales of subsidiaries that conduct statutory safety inspection, maintenance services and tire sales, and subsidiaries that wholesale automotive goods and services, oil, etc. performed well due to rising demand for maintenance.



## Online Alliance Business

- ✓ Launched “MOBILA”, a general information website for car lifestyle, in April 2023.
- ✓ Continued to promote logistics innovations and integration of online and physical stores.



# Consolidated Financial Forecast (Revised)

Revised financial forecast due to the removal of two consolidated subsidiaries (sub-subsidiaries) from the dealership business from the scope of consolidation.

[July 31, 2023 Announces : Transfer of Shares of Sub-subsidiaries and Revisions to Financial Results Forecasts](#)

(Billion yen)	FY March 2023 Result	FY March 2024 (Initial Plan)			FY March 2024 (Revised Plan)				
		1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Up&Down from Initial Plan	YoY
Net Sales	236.2	111.8	131.2	243.0	110.3	123.8	234.2	-8.8	-0.9%
Gross Profit	79.4	38.1	44.0	82.2	37.7	42.4	80.2	-2.0	+0.9%
Gross Profit Ratio	33.6%	34.1%	33.6%	33.8%	34.2%	34.3%	34.2%		
SG&A	67.7	34.3	35.5	69.9	34.1	34.1	68.3	-1.6	+0.8%
Operating Income	11.7	3.7	8.5	12.3	3.6	8.2	11.9	-0.4	+1.5%
Operating Income Ratio	5.0%	3.4%	6.5%	5.1%	3.3%	6.7%	5.1%		
Ordinary Profit	11.5	3.3	8.6	12.0	3.2	8.3	11.6	-0.4	+0.2%
Profit attributable to owners of parent	7.2	2.1	5.3	7.4	4.5	5.3	9.9	+2.5	+36.8%
ROE	5.8%			5.8%			7.7%		

- Amounts are rounded down to the nearest hundred million yen.

- % of Sales and YoY comparisons are calculated in yen.

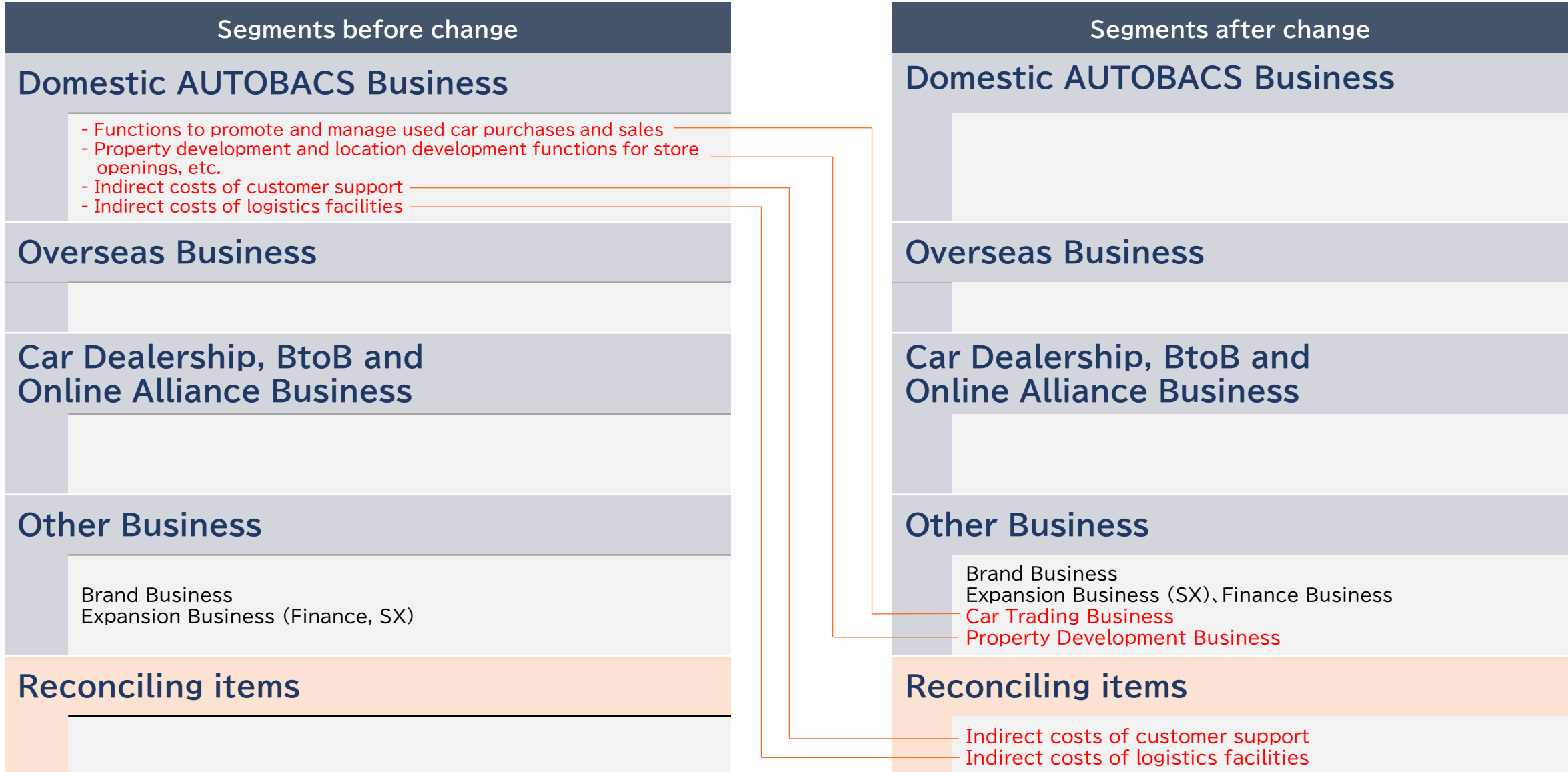
Revised as following due to change in segment and exclusion of two consolidated subsidiaries (sub-subsidiaries) from the Car Dealership Business

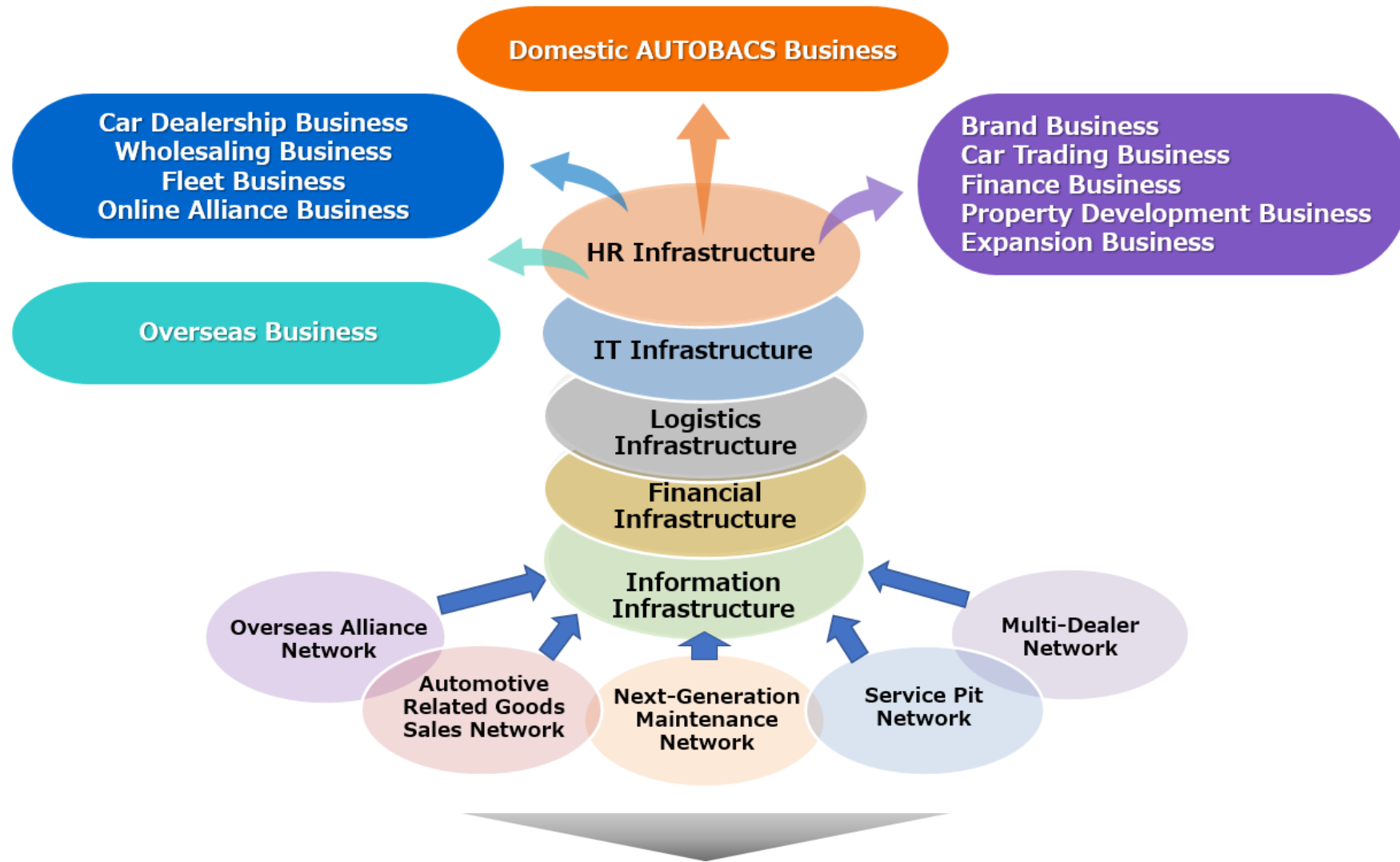
(Million yen)		FY March 2023 Result	FY March 2024 (Initial Plan)			FY March 2024 (Revised Plan)				
			1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Up&Down from Initial Plan	YoY
Domestic AUTOBACS Business	Sales	174,577	83,890	100,440	184,330	80,120	96,150	176,270	-8,060	+1.0%
	Gross profit	21,239	7,420	12,280	19,700	7,850	12,640	20,490	+790	-3.5%
Overseas Business	Sales	13,531	7,820	7,520	15,340	7,820	7,520	15,340	0	+13.4%
	Gross profit	-207	100	0	100	100	0	100	0	—
Car Dealership, BtoB and Online Alliance Business	Sales	49,196	24,520	28,290	52,810	23,040	20,970	44,010	-8,800	-10.5%
	Gross profit	281	20	290	310	-100	10	-90	-400	—
Other Business	Sales	18,577	2,960	3,230	6,190	8,640	9,590	18,230	+12,040	-1.9%
	Gross profit	-1,066	-240	-270	-510	-480	-400	-880	-370	—
Reconciling items	Gross profit	-8,524	-3,540	-3,760	-7,300	-3,730	-3,990	-7,720	-420	—

- Amounts are rounded down to the nearest hundred million yen.
- % of Sales and YoY comparisons are calculated in yen.
- FY March 2023 figures have been reclassified to the reporting segment categories after the change.

# Change of Reportable Segments

Reviewed the business portfolio and changed the reportable segments as follows (changes: in red)





Actively promote collaboration across business boundaries to improve customer convenience



Initiatives of each business

May 2023

# Initiatives to promote EVs at A PIT AUTOBACS

- Opened “Hyundai Mobility Lounge Tokyo Bay Shinonome”

Displays Hyundai ZEVs\* and provides consultation on purchases

The AUTOBACS Group signed a basic agreement on maintenance work with Hyundai and started working on ZEV\* inspections, warranties and maintenance

※ZEV (Zero Emission Vehicle): Collective term for electric vehicles (EV) and fuel cell electric vehicles (FCEV) that emit no carbon dioxide or other exhaust gases while driving





Online Alliance Business

Initiatives of each business

April 2023

# Launched “MOBILA” a general information website for car lifestyle

~Enable every driver and passenger to have excitement and a sense of security~

- Provides the latest news about cars and information about driving and other topics that make people want to go for a drive
- Facilitates the maintenance of the user’s owned car and provides a map service
- Become a mobility information platformer

**MOBILA**  
MOBILITY as a LIFE

<https://mobila-carlife.jp/>





Initiatives of each business

May 2023

# Grand opening of the concept store “ARTA MECHANICS & INSPIRATIONS”

- Aiming to create an experiential facility where users can receive “inspiration,” a space where they can enjoy unusual experiences and have fun with their friends by holding events and parties.
- In addition to aero parts, sports seats and other car parts, which were previously sold only through online shopping, the company now sells items centered on “ARTA CVSTOS” apparel.



Overseas Alliance  
Network



Overseas Business

## Efforts to create networks

May 2023

### Establishment of More Complete Automotive Ecosystem in Malaysia with KOPFALAH, a Government-Approved Cooperative, for the Sale and Maintenance of Quality Japanese Used Cars

- KOPFALAH provides credit and financing to qualified government employees for the purchase of used Japanese cars and car accessories imported from our company, which lowers the hurdle of buying a car.
- Expansion of the Authorized Dealer network promoted by our Malaysian subsidiary AUTOBACS CAR SERVICE MALAYSIA SDN.BHD. to local auto mechanics who are members of the KOPFALAH financing program.



(KOPFALAH) Mohd Fareez Morshidi, Chairman  
(AUTOBACS SEVEN) Toshio Kitamura, General  
Manager of Overseas Business

Information  
Infrastructure

Efforts to create networks

# Achieving “CDE” through digital ecosystem

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

A strategy to engage with customers more deeply, longer, and more directly

## Established AUTOBACS Digital Initiative Co., Ltd. as a subsidiary of DX strategy by acquisition of shares

- Enhancement of the areas related to IT infrastructure construction
- Development of digital human resources and improvement of company-wide digital literacy
- Aim to have all employees obtain IT Passport



# Initiatives for ESG·SDGs

Materiality	Non-financial targets	Range	KPI	Results of 2022	Goals for 2030	Initiatives
Creation of businesses that solve social issues	Promoting efforts to achieve zero traffic accidents	Consolidated	Selling products for preventing accidents	190,000/year	230,000/year	▶P21
		Consolidated	Building bases for tire check-up and emergency services	238	734	
		Consolidated	Holding local traffic safety events	2/year	4/year	
	Improving the position of and developing certified mechanics	Consolidated	Securing and developing examining staff	467	1000	
		Consolidated	Securing and developing Class-2 Certified Mechanics	683	1100	
		Consolidated	Completing training for working on EVs	528	1096	
Promoting social contribution related to automobiles	Consolidated	Support for disaster victims provided using automobiles	31	111	▶P21	
Enhancing efforts that consider the environment and society	Reducing CO2 emissions by installing environmentally-enhanced stores	Consolidated	Increasing the number of environmentally enhanced stores	64	140	▶*P22
	Promoting environmentally friendly businesses/realizing a circular ecosystem	Non-consolidated	Developing environmentally friendly products	45	300	▶*P22
		Consolidated	Reducing oil cans (by increasing the percentage of oil sold by volume)	5,000/year	220,000/year	▶*P22
	Promoting the dissemination of safe and secure EVs aiming for the realization of a decarbonized society	Consolidated	Installation of rapid chargers	7	43	▶*P22
		Consolidated	Promoting statutory safety inspections for EVs (number of inspected vehicles)	363	3,440/year	▶*P22
		Consolidated	Promoting sales of EVs (in terms of quantity)	115	2,500/year	▶*P22
Development of organization and personnel	Developing a corporate culture where diverse employees can demonstrate their capabilities	Consolidated	Increasing the percentage of female workers	17.8%	30.0%	▶P22
		Consolidated	Increasing the percentage of female managers (section managers and higher-ranked managers)	8.2%	18.0%	
		Consolidated	Encouraging male employees to take childcare leave	37.1%	100.0%	
	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	34.3%	20.0%	
Sustainable and strong management	Reviewing/formulating and conforming with ESG- and SDG-related policies	Non-consolidated	Developing a sustainability policy and related policies	Established and disclosed Policies	Update	▶P22
	Enhancing monitoring	Non-consolidated	Reinforcing the corporate governance system and the monitoring of progress	Completed progress management method design	Improvement	
	Organizing and utilizing databases to create value	Consolidated	Pushing forward with the data utilization project	Constructed customer data base. Promoting utilization	Data linkage/utilization	
Non-consolidated		Developing human resources who analyze data	50 training participants	320		

\*Initiatives for the Environment

KPI: Holding local traffic safety events

## Community-based "Promotion of Efforts Toward Zero Traffic Accidents" Event

- The Company and its franchisees collaborate with local police and other public agencies to jointly hold community-based traffic safety awareness activities
- In addition to exhibiting and riding in police cars, visitors were able to try on bicycle helmets, which are now mandatory



KPI: Support for disaster victims provided using automobiles

## Donation of 10 vehicles to the Japan Car Sharing Association

- ~As part of the "Disaster Relief Using Vehicles" program, the company regularly donates vehicles to help prepare for disasters~
- Decided to donate vehicles to the Japan Car Sharing Association every year during peacetime, and donated 10 subcompact cars this year
  - From this fiscal year through FY2030, we will promote the donation of vehicles during normal times, before typhoons, torrential rains, and other disasters occur frequently, to support the prompt delivery of vehicles to disaster areas in the event of an emergency



KPI: Developing a sustainability policy and related policies

## Established Sustainability Basic Policy, Human Rights Policy and Other Related Policies April 2023

Developed the Sustainability Basic Policy and related policies in order to further strengthen activities which would lead to improve corporate value over the long term, while realizing sustainable development of society.

### AUTOBACS SEVEN Group Sustainability Basic Policy

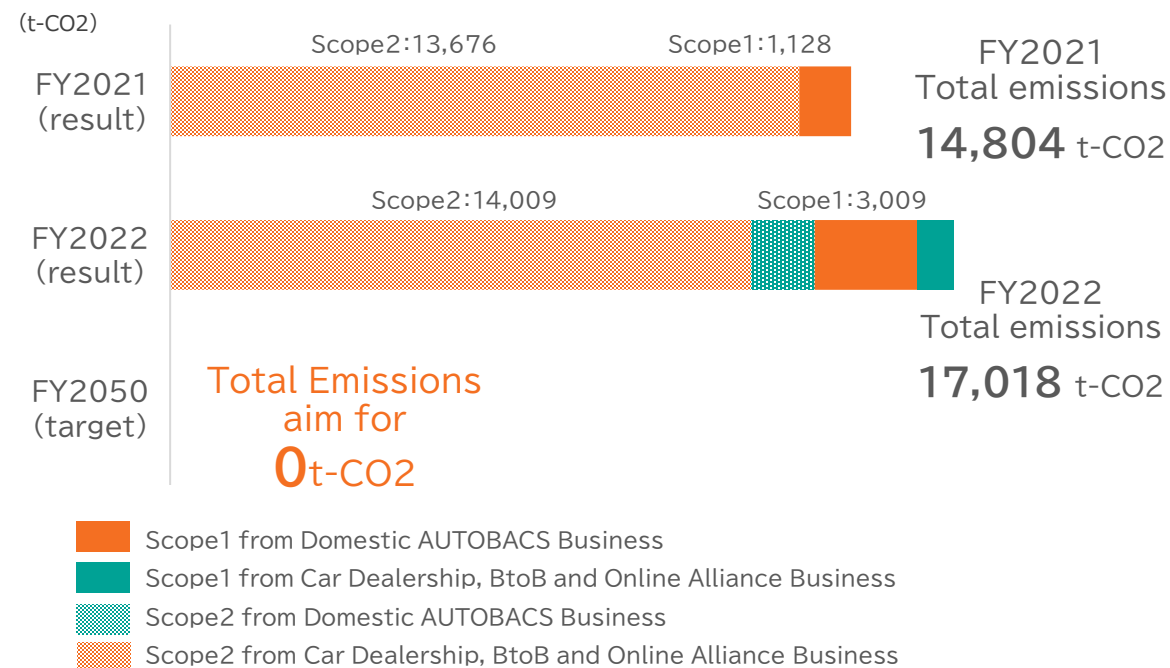
1. Enhancing efforts that consider the environment and society
2. Creation of businesses that solve social issues
3. Respect for the human rights of all people involved in business activities
4. Development of organization and personnel
5. Ensuring of compliance
6. Maintenance and enhancement of sound and solid corporate governance system

Initiatives for the Environment

## Reduction target: Carbon neutrality in fiscal 2050 (Net-zero emissions)

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



**Total 9,125 cars YoY +21.7%**

BtoB Sales	
Details	No. of cars sold
Sales to Headquarters	417
Sales to AA(Auto Auction) via Headquarters	1,231
Direct sales from stores	4,857
<b>BtoB total</b>	<b>6,505</b>

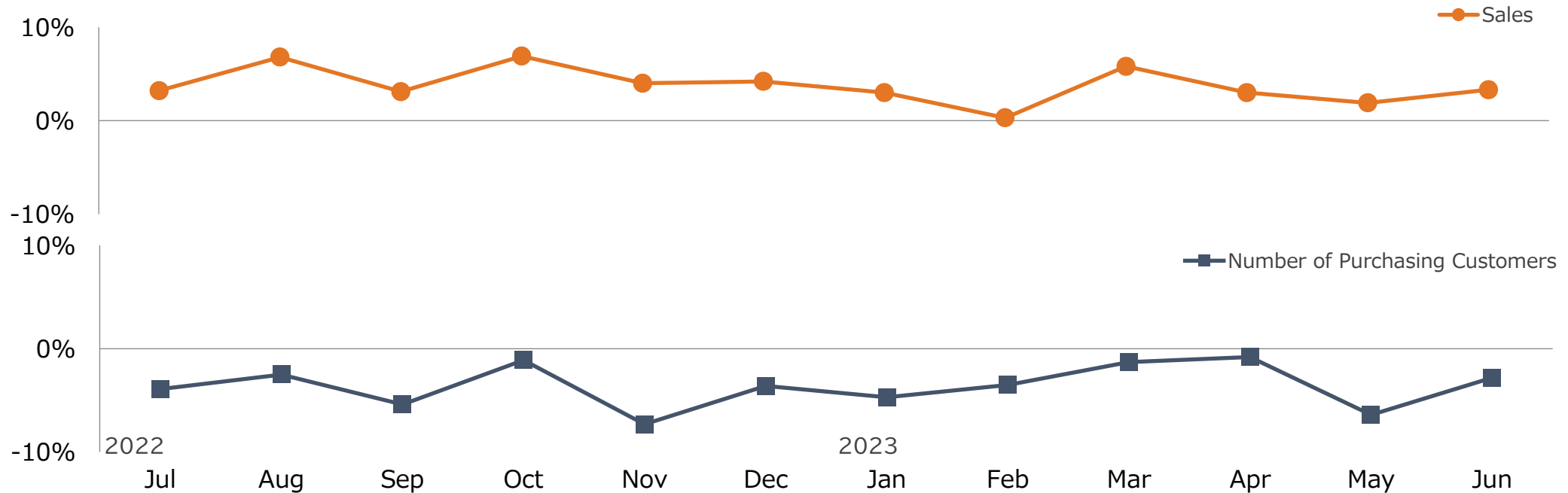
Retail	
Details	No. of cars sold
Used cars	1,691
New cars	929
<b>Retail total</b>	<b>2,620</b>

- Include sales at all domestic AUTOBACS CARS stores

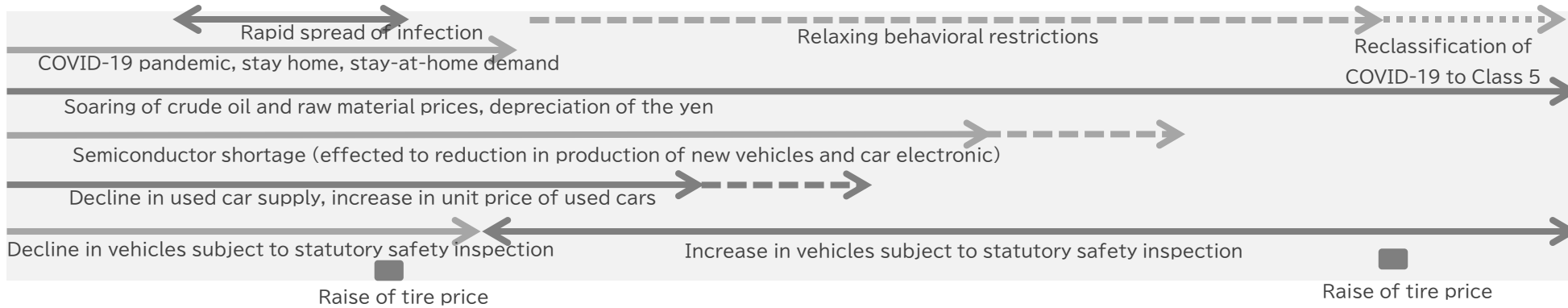


[Same store basis (YoY)]

1Q Sales: **+2.7%**    Number of purchasing customers: **▲3.3%**



Business Environment



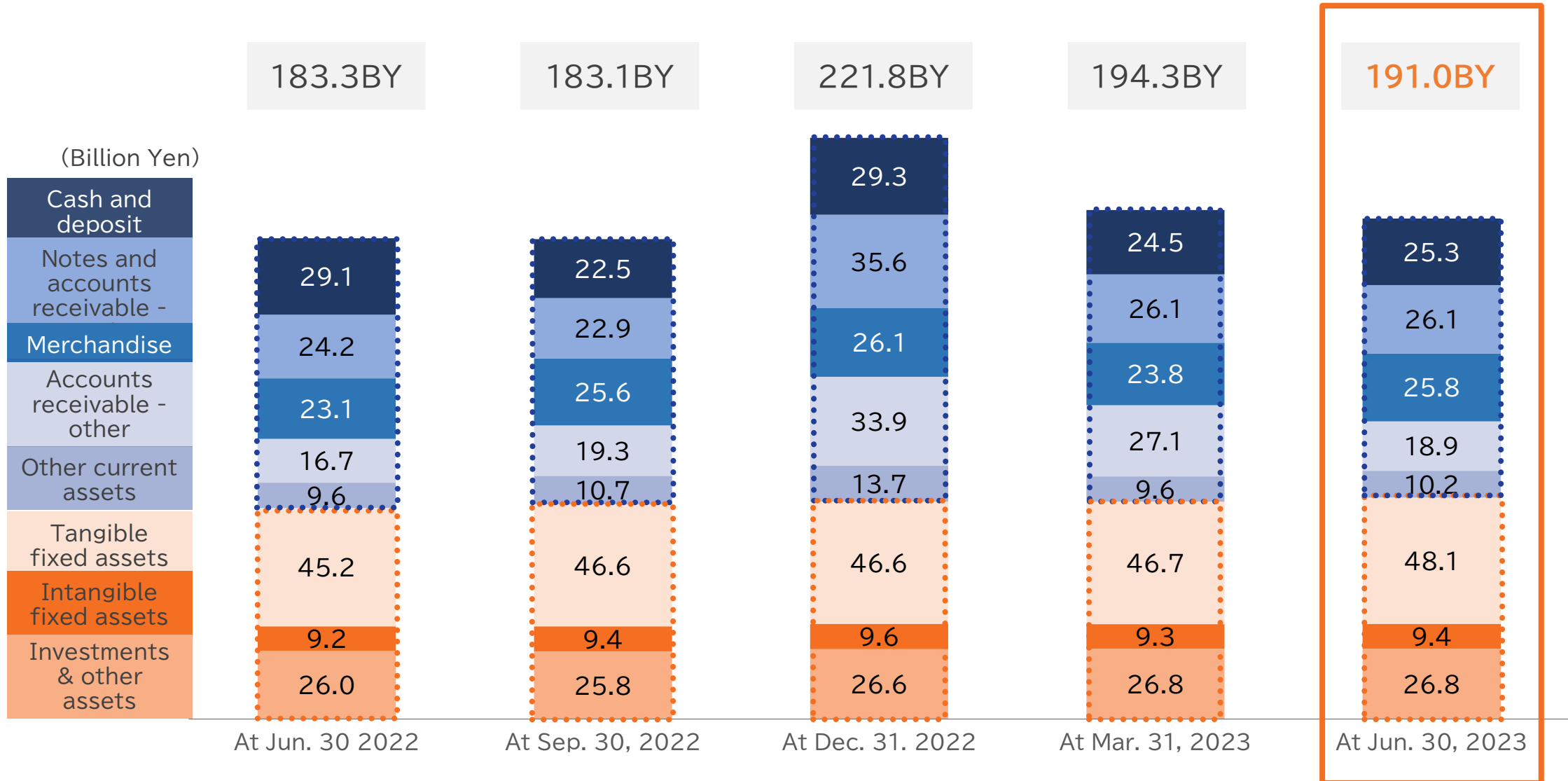
# Store Openings and Closings

Domestic	No. of stores at end of March 2023	FY March 2024							No. of stores at end of March 2024
		1Q(Result)			No. of stores at end of June 2023	2Q-4Q(Plan)			
		New	S&B R/L	Close		New	S&B R/L	Close	
AUTOBACS	496				496	+5	+4/-4		501
Super AUTOBACS	74				74				74
AUTOBACS Secohan Ichiba	4				4				4
AUTOBACS EXPRESS	11				11				11
AUTOBACS CARS	3				3				3
<b>Total</b>	<b>588</b>	—	—	—	<b>588</b>	<b>+5</b>	<b>+4/-4</b>		<b>593</b>

Overseas	No. of stores at end of March 2023	FY March 2024			No. of stores at end of March 2024
		1Q (Result)	No. of stores at end of June 2023	2Q-4Q (Plan)	
Taiwan	6		6		6
Singapore	2		2		2
Thailand	49	+5/-1	53	+4	57
France	10		10		10
Malaysia	5		5		5
Indonesia	3		3		3
Philippines	3		3	+3	6
<b>Total</b>	<b>78</b>	<b>+4</b>	<b>82</b>	<b>+7</b>	<b>89</b>

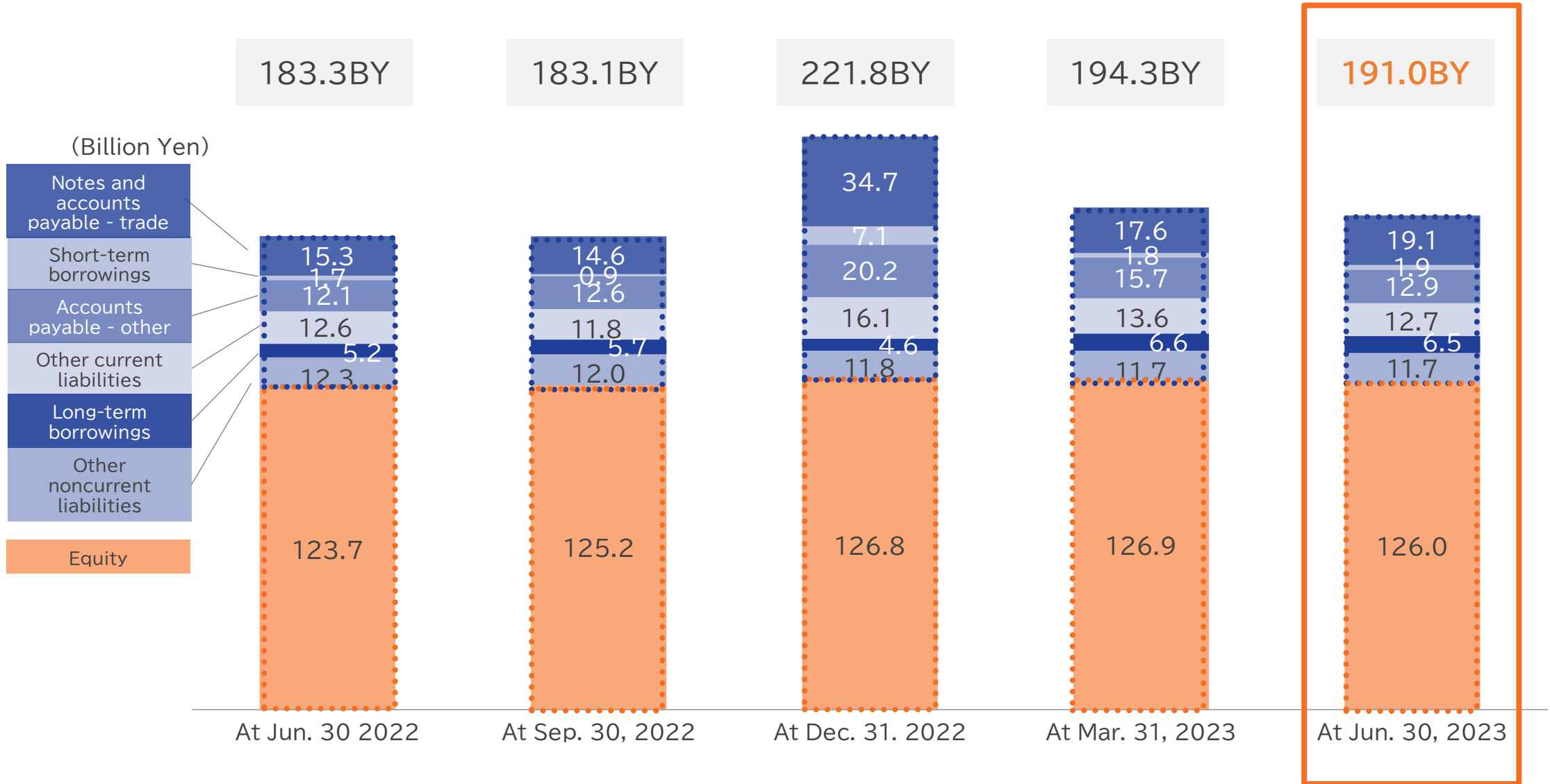
\*S/B=Scrap & Build  
\*R/L=Relocation

# Balance Sheet: Assets



- Amounts are rounded down to the nearest hundred million yen.

# Balance Sheets: Liabilities and Equity



- Amounts are rounded down to the nearest hundred million yen.



### **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.