

# Results for the Six Months ended September 30, 2023



AUTOBACS SEVEN CO., LTD.

November 1, 2023

## Results of the 1st Half of FY March 2024 and Financial Forecast for 2nd Half and Full Year

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## Activities in the 1st Half of FY March 2024

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# Results of the 1st Half of FY March 2024 and Financial Forecast for 2nd Half and Full Year

General Manager  
Corporate Management  
Noritaka Hiraga

Net sales and gross profit increased because of strengthened sales promotions against the backdrop of demand for maintenance of existing owned cars. Both net sales and income increased, reflecting the transfer of the shares of two second-tier subsidiaries in the Car Dealership Business.

| (Billion Yen)                           | 1st Half ending March 31, 2024 |               |                      |                  | 1st Half ended March 31, 2023 |
|---|--------------------------------|---------------|----------------------|------------------|-------------------------------|
|   | Initial forecast               | Actual result | Change from forecast | YoY change ratio | Actual result                 |
| Net sales                               | 110.3                          | <u>111.8</u>  | +1.4%                | +4.5%            | 107.0                         |
| Gross profit                            | 37.7                           | <u>37.4</u>   | -0.9%                | +3.3%            | 36.2                          |
| Gross profit ratio                      | 34.2%                          | 33.5%         |                      |                  | 33.8%                         |
| SG&A                                    | 34.1                           | <u>33.9</u>   | -0.4%                | +3.8%            | 32.7                          |
| Operating income                        | 3.6                            | <u>3.4</u>    | -5.2%                | -1.5%            | 3.5                           |
| Operating income ratio                  | 3.3%                           | 3.1%          |                      |                  | 3.3%                          |
| Ordinary income                         | 3.2                            | <u>3.3</u>    | +4.9%                | -8.5%            | 3.7                           |
| Profit attributable to owners of parent | 4.5                            | <u>5.1</u>    | +12.9%               | +63.2%           | 3.1                           |

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

## Domestic

- ✓ Oil and batteries performed well due to maintenance demand for existing cars. Sales from services associated with these products also remained strong.
- ✓ Tire sales saw a decline from a year ago, which can be attributed to the surge in demand just before the price hike in the previous year, despite growth in sales of low-priced products such as private brand tires.
- ✓ Car electronics continued to fall year on year, although sales of new cars were recovering.

## Overseas

- ✓ In the wholesale business, sales and gross profit increased significantly, mainly due to stronger sales to existing customers, and both sales and income rose. The Company is reviewing its business portfolio.

# Segment Information



|  | (Million Yen)    | 1st Half ending<br>March 31, 2024 | 1st Half ended<br>March 31, 2023 <sup>(*1)</sup> | YoY    | Summary  |
|--|------------------|-----------------------------------|--|--------|--|
| <b>Domestic AUTOBACS Business</b>  | Sales            | 81,541                            | 78,141   | +4.4%  | 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, and operating profit was slightly lower than the previous year. |
|  | Gross profit     | 27,437                            | 26,664   | +2.9%  |  |
|  | SG&A             | 19,562                            | 18,742   | +4.4%  |  |
|  | Operating income | 7,875                             | 7,922  | -0.6%  |  |
| <b>Overseas Business</b>   | Sales            | 7,771                             | 6,818  | +14.0% | 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     | 3,344                             | 2,822  | +18.5% |  |
|  | SG&A             | 3,297                             | 2,933  | +12.4% |  |
|  | Operating income | 46                                | -110   | –      |  |
| <b>Car Dealership, BtoB and Online Alliance Business</b>   | Sales            | 23,544                            | 22,347   | +5.4%  | Dealership business increased sales as both new and used car sales rose due to the recovery in new car production. In BtoB Business, a subsidiary that wholesales car accessories and engine oil performed well due to the demand for vehicle maintenance.   |
|  | Gross profit     | 5,008                             | 4,912  | +2.0%  |  |
|  | SG&A             | 5,114                             | 4,883  | +4.7%  |  |
|  | Operating income | -106                              | 28   | –      |  |
| <b>Other Business</b><br>Brand Business<br>Expansion Business (SX),<br>Finance Business<br>Car Trading Business<br>Property Development Business | Sales            | 8,571                             | 9,087  | -5.7%  | Results in the Car Trading Business* <sup>2</sup> declined from a year ago, reflecting rises in prices of used cars in the previous year due to new car production cuts.   |
|  | Gross profit     | 1,652                             | 1,851  | -10.7% |  |
|  | SG&A             | 2,001                             | 2,169  | -7.8%  |  |
|  | Operating income | -348                              | -317   | –      |  |
| <b>Reconciling items</b>   | Operating income | -4,014                            | -4,017   | –      |  |

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

(\*1) 1st Half ended March 31, 2023 figures have been reclassified to the reporting segment categories after the change.  
(\*2) Part of the used car purchasing and sales has been transferred from the Domestic AUTOBACS Business to the Other Business in the fiscal year under review.

# Retail Sales in Total AUTOBACS Group Stores

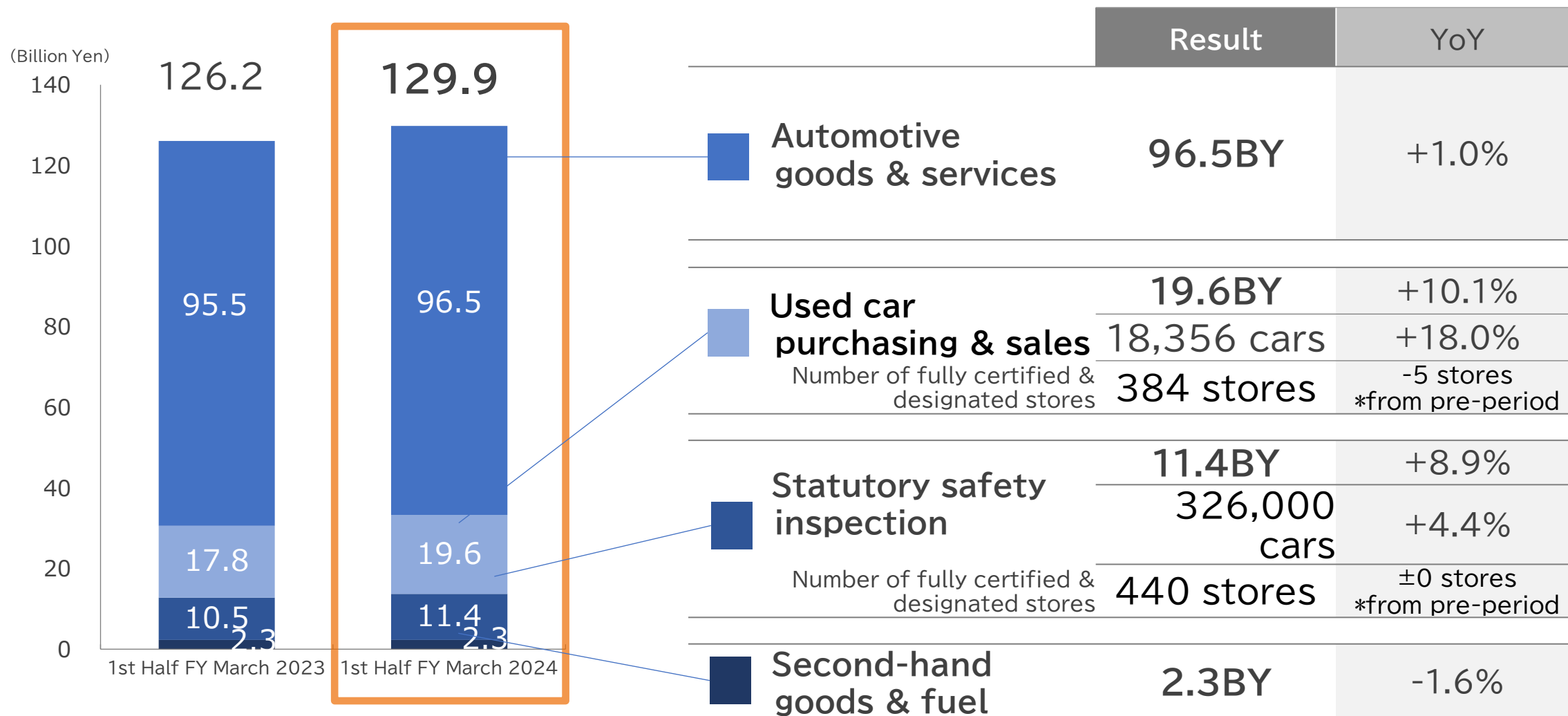


Retail Sales in  
Total AUTOBACS Group Stores

**129.9 billion yen**

YoY

**+2.9%**

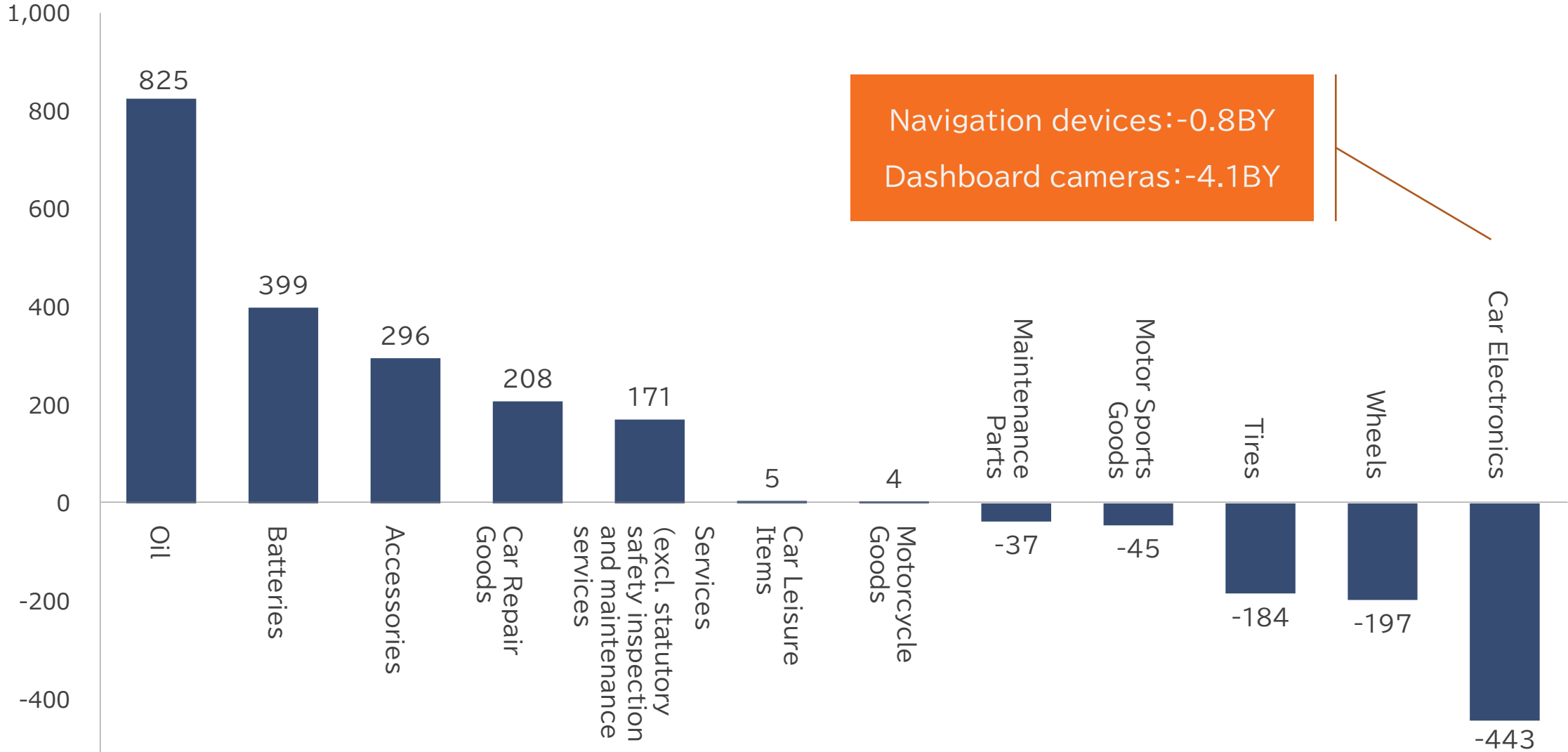


- Amounts are rounded down.  
- YoY comparisons are calculated in yen.

- Sales at all domestic store formats. Sales in Used car purchasing & sales include part of the sales of the Car Trading Business in Other Business.

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

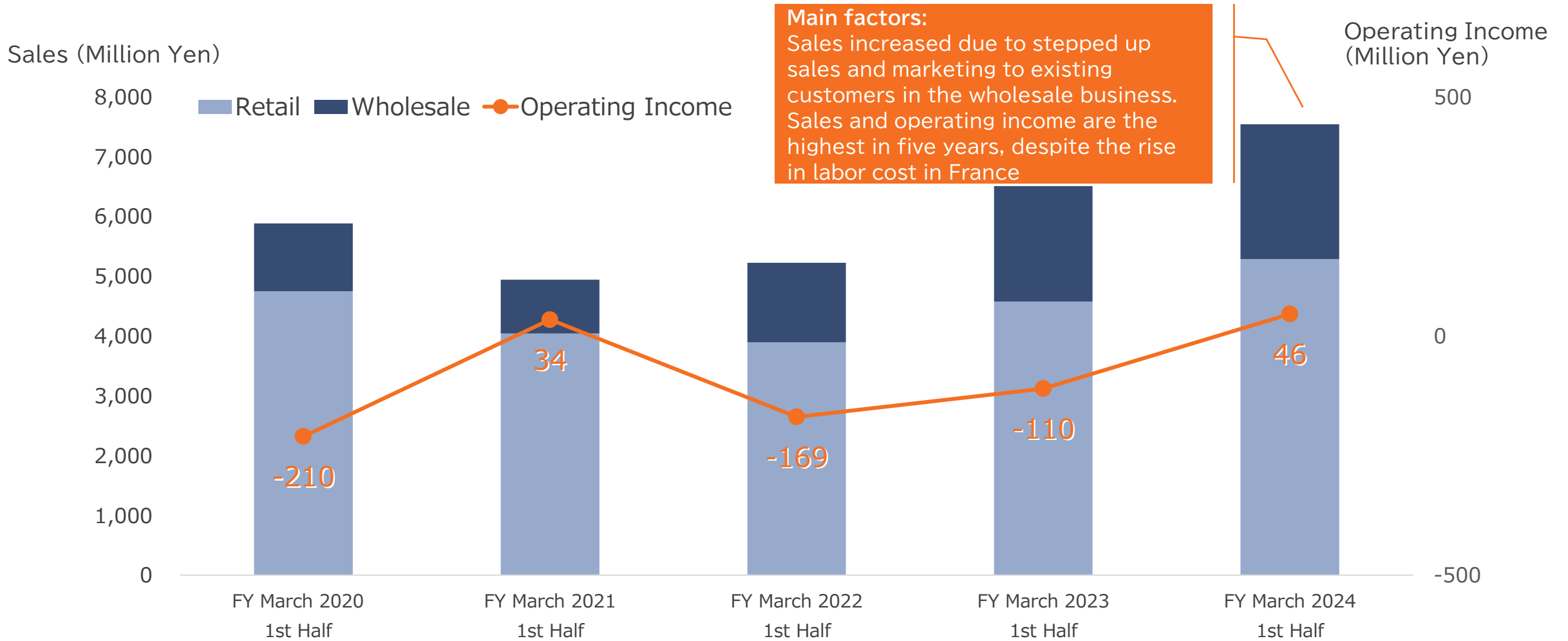
(Million Yen)



- 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.

# Performance by Overseas Subsidiaries

| (Million Yen)      | France  |                  | Australia  |                  | Singapore  |                  | China   |                  | Malaysia   |                  |
|--------------------|---|------------------|--|------------------|--|------------------|---|------------------|--|------------------|
| Number of stores   | 10  |                  | 0  |                  | 2  |                  | 0   |                  | 5  |                  |
| Period             | 24/3<br>1st Half  | 23/3<br>1st Half | 24/3<br>1st Half   | 23/3<br>1st Half | 24/3<br>1st Half   | 23/3<br>1st Half | 24/3<br>1st Half  | 23/3<br>1st Half | 24/3<br>1st Half   | 23/3<br>1st Half |
| Net sales          | 4,318   | 3,731            | 1,370  | 1,495            | 882  | 857              | 501   | 685              | 55   | 63               |
| SG&A               | 2,280   | 1,931            | 345  | 336              | 381  | 394              | 128   | 116              | 31   | 26               |
| Operating income   | -175  | -11              | 37   | 84               | 0  | -30              | -20   | -104             | -7   | -3               |
| Business condition | Sales increased due to optimization of price and sales activities, despite the decrease in the demand for summer season items due to the cool summer weather and rainfall. On the other hand, Labor expenses increased due to a rise 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. |                  | Works at service pits performed well by capturing demand for maintenance parts for existing vehicles due to the price increase of COE. On the other hand, services for corporate clients, mainly automobile maintenance were sluggish. |                  | Wholesaling to the domestic Chinese market and exports to overseas including Japan were 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.

In the BtoB Business, sales and profits increased due to the contribution of consolidated subsidiaries against the backdrop of demand for vehicle maintenance. In the Online Alliance Business, although sales increased, profits decreased due to the increase in general and administrative expenses.

**Main factors:**

Although both the number of new cars sold and the number of used cars sold increased, sales remained at the same level as the previous year due to the transfer of two subsidiaries. In the BtoB business, the number of subscriptions to the corporate membership program increased. In the Online Alliance Business, sales increased due to strong online sales.

Net Sales (Million Yen)

25,000  
20,000  
15,000  
10,000  
5,000  
0

■ Sales ● Operating Income

FY March 2020 1st Half    FY March 2021 1st Half    FY March 2022 1st Half    FY March 2023 1st Half    FY March 2024 1st Half

Operating Income (Million Yen)

500  
0  
-500

-250

-322

-255

28

-106

- 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

- ✓ The number of new cars sold and the number of used cars sold increased on the back of a recovery in the number of new cars produced and the number of used cars registered.
- ✓ Transferred all shares of Autoplatz K.K. and Motoren Tochigi Corp., which operate BMW/MINI authorized dealership business, on September 1, 2023.



## BtoB Business

- ✓ Steady increase in the number of companies subscribing to the Autobacs Corporate Membership Program.
- ✓ The on-site installation service, including the installation of dashboard cameras and car navigation devices, also performed strongly.
- ✓ Promoted collaboration with Nissan Motor Co., Ltd., developing and selling specific items for models, namely Kicks Columbia Edition, Nissan Sakura, and Nissan Serena.

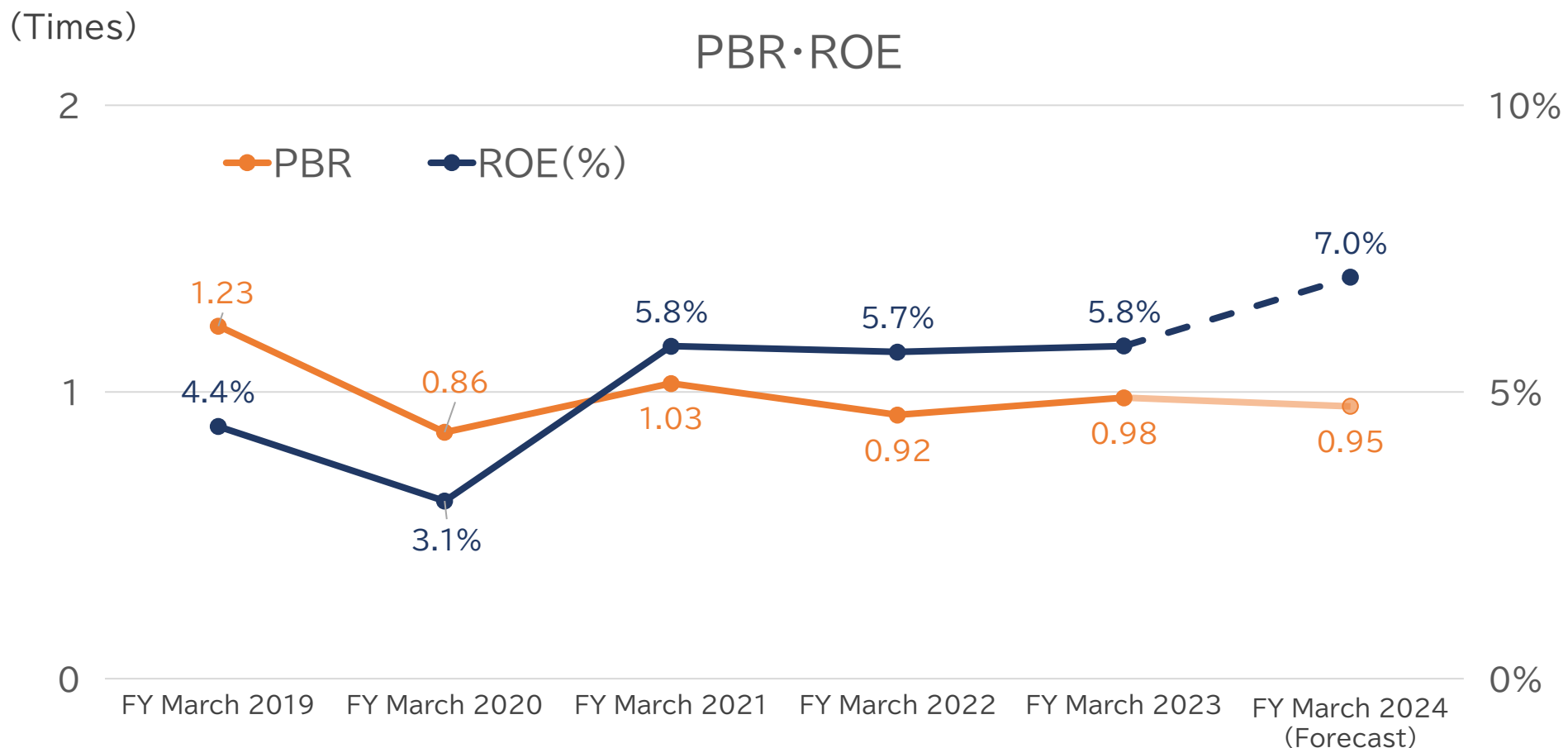


## Online Alliance Business

- ✓ Launched “MOBILA”, a general information website for car lifestyle, in April 2023.
- ✓ Introduced FLEETGUIDE, a cloud-based system that comprehensively manages company cars usage, including daily driving reports, operation control, and alcohol tests using ALC Cloud, a portable breathalyzer, via a smartphone app or PC.



The PBR is around 1. The Company will boost its PBR by increasing capital efficiency and corporate value.



## Initiatives

- ✓ Emphasizing capital cost and capital profitability in each business
- ✓ Optimizing management resources by reviewing the business portfolio and eliminating certain businesses

\*PBR: Stock price at the end of the fiscal year / Net assets per share. PBR in FY March 2024 (forecast) is calculated based on the stock price at the end of September (1,582 yen) and net assets per share in the 2nd quarter (1,660.18 yen).

## Positive factors

- ✓ Moderate recovery trend led by domestic demand against a backdrop of normalization of socioeconomic activities.
- ✓ Demand increase of car electronics and accessories reflecting the recovery of new car production.
- ✓ Demand increase of automotive maintenance by the improvement of vehicle longevity.

## Negative factors

- ✓ Prices rise due to soaring raw materials and energy costs well as changes in consumption due to price hikes caused by the weakening of Japan Yen.
- ✓ Intensified competition among sales channels due to changes in customers' purchasing behaviors.

## Domestic Store Sales (YoY)

| Initial Plan      | 1st Half (Plan) | 2nd Half (Plan) | Full Year (Plan) |
|-------------------|-----------------|-----------------|------------------|
| Same store basis  | +2.5%           | -0.4%           | +0.9%            |
| Total store basis | +2.5%           | -0.4%           | +0.9%            |

| Plan·Result       | 1st Half (Result) | 2nd Half (Plan)<br>(Unchanged) | Full Year (Plan)<br>(Unchanged) |
|-------------------|-------------------|--------------------------------|---------------------------------|
| Same store basis  | +2.5%             | -0.4%                          | +0.9%                           |
| Total store basis | +2.9%             | -0.4%                          | +0.9%                           |

\*Sales at all domestic store formats

Extraordinary loss, etc. due to the closure of certain stores in France will be recorded in the 2nd half. The full year forecasts is revised.

[AUTOBACS SEVEN Announces Expected Extraordinary Loss Related to Partial Store Closures of Overseas Business and Revisions to Financial Results Forecasts, October 30](#)

|   | 1st Half |        | 2nd Half (FY plan - 1H result) |        | FY March 2024 Full Year |        |
|---|----------|--------|--------------------------------|--------|-------------------------|--------|
|   | Result   | YoY    | Plan (Revised)                 | YoY    | Plan (Revised)          | YoY    |
| (Billion Yen)                           |          |        |                                |        |                         |        |
| Net sales                               | 111.8    | +4.5%  | 122.3                          | - 5.3% | 234.2                   | - 0.9% |
| Gross profit                            | 37.4     | +3.3%  | 42.7                           | - 1.1% | 80.2                    | +0.9%  |
| Gross profit ratio                      | 33.5%    |        | 35.0%                          |        | 34.2%                   |        |
| SG&A                                    | 33.9     | +3.8%  | 34.3                           | - 2.0% | 68.3                    | +0.8%  |
| Operating income                        | 3.4      | - 1.5% | 8.4                            | +2.8%  | 11.9                    | +1.5%  |
| Operating income ratio                  | 3.1%     |        | 6.9%                           |        | 5.1%                    | —      |
| Ordinary income                         | 3.3      | - 8.5% | 8.2                            | +4.4%  | 11.6                    | +0.2%  |
| Profit attributable to owners of parent | 5.1      | +63.2% | 3.8                            | -5.6%  | 9.0                     | +24.3% |

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

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

# Segment Forecast for FY March 2024

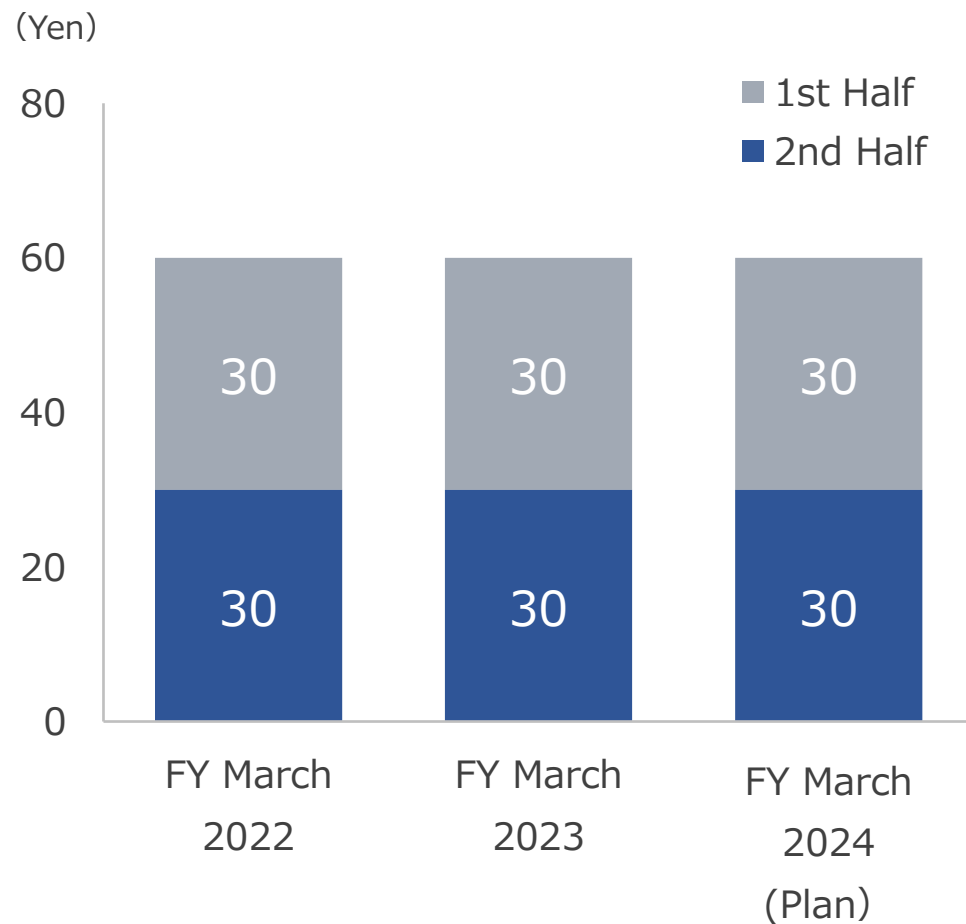


|   |                  | 1st Half |        | 2nd Half (FY plan – 1H result) |        | FY March 2024 Full Year |        |
|---|------------------|----------|--------|--------------------------------|--------|-------------------------|--------|
|   |                  | Result   | YoY    | Plan                           | YoY    | Plan                    | YoY    |
| (Million yen)                                     |                  |          |        |                                |        |                         |        |
| Domestic AUTOBACS Business                        | Sales            | 81,541   | +4.4%  | 94,728                         | -1.8%  | 176,270                 | +1.0%  |
|   | Operating income | 7,875    | -0.6%  | 12,614                         | -5.3%  | 20,490                  | -3.5%  |
| Overseas Business                                 | Sales            | 7,771    | +14.0% | 7,568                          | +12.7% | 15,340                  | +13.4% |
|   | Operating income | 46       | —      | 53                             | —      | 100                     | —      |
| Car Dealership, BtoB and Online Alliance Business | Sales            | 23,544   | +5.4%  | 20,465                         | -23.8% | 44,010                  | -10.5% |
|   | Operating income | -106     | —      | 16                             | —      | -90                     | —      |
| Other Business                                    | Sales            | 8,571    | -5.7%  | 9,658                          | +1.8%  | 18,230                  | -1.9%  |
|   | Operating income | -348     | —      | -531                           | —      | -880                    | —      |
| Reconciling items                                 | Operating income | -4,014   | —      | -3,705                         | —      | -7,720                  | —      |

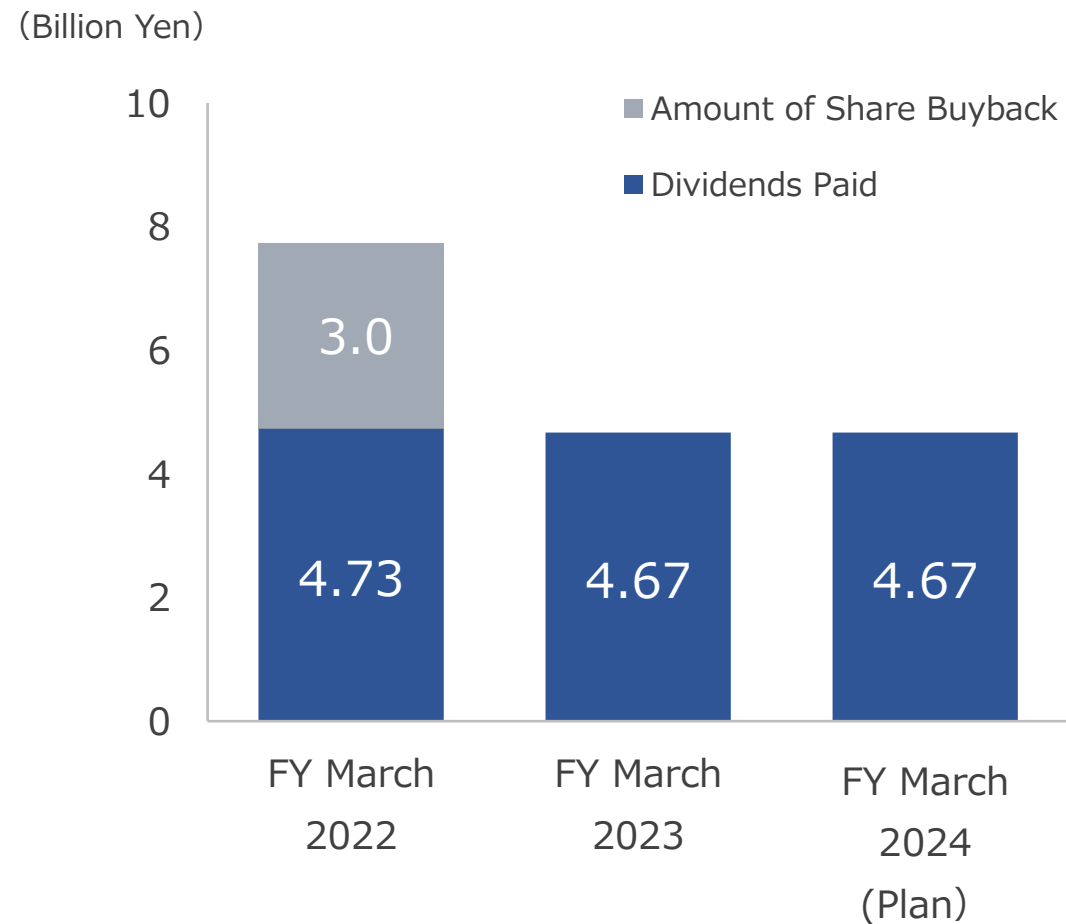
- Amounts are rounded down to the nearest hundred million yen.  
 - % of Sales and YoY comparisons are calculated in yen.



## Dividends per Share



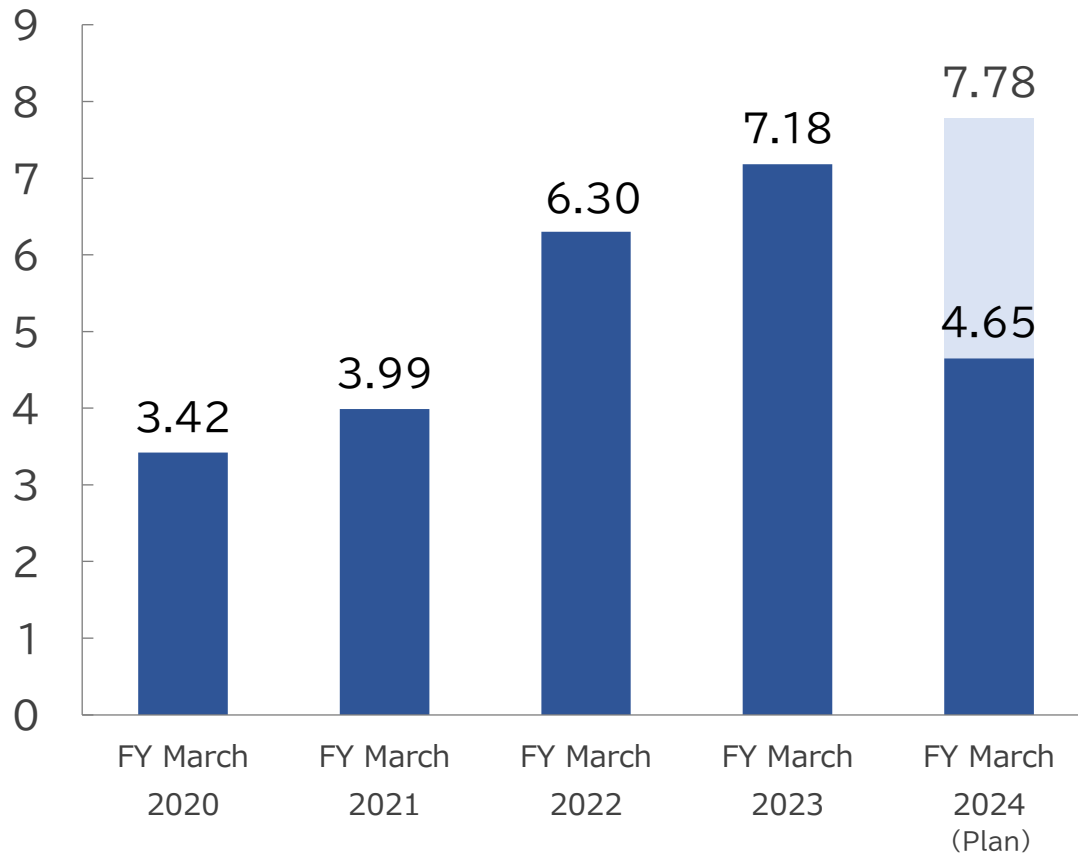
## Dividends and Share Buyback



- Amounts are rounded down.

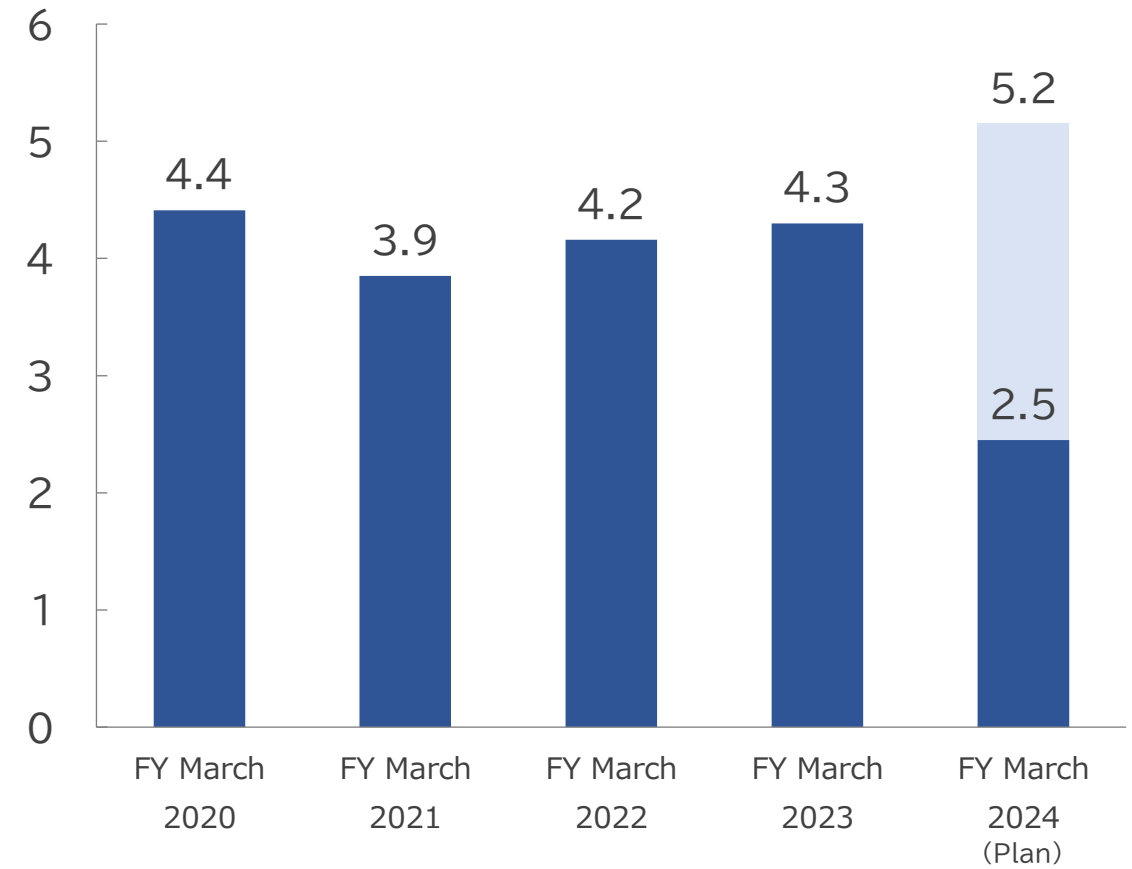
## Capital Expenditures

(Billion Yen)



## Depreciation

(Billion Yen)



- Amounts are rounded down.

# Initiatives in 1st Half of FY March 2024

Representative Director & Chief Executive Officer  
Yugo Horii

# Chain Policy for FY2023

# “Increase the number of customers by improving quality”



[2023/06/30 News: Acquired No. 1 automotive goods retailer in the "Automotive Goods Survey" for two consecutive years!](#)

[2023/10/03 News: AUTOBACS CARS has been ranked 1st overall for the third consecutive year in the 2023 Oricon Customer Satisfaction Survey "Used Car Purchasing Company"!!](#)

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

# 1. Improve execution and increase speed

- Development of ROIC by business
- Review of business portfolio
- Strengthening initiatives for strategic businesses

# 2. Strengthen initiatives for sustainable growth

- “Evolution as a Retailer” by integrating online and physical stores
- “Evolution from a Retailer” through DX by utilizing unique data
- Responding to automobile safety and security

# 3. Continue human resource development initiatives

- Construct a personnel structure to steadily implement the strategy

# 1. Improve execution and increase speed

Development of ROIC by business

## ■ Business portfolio optimization

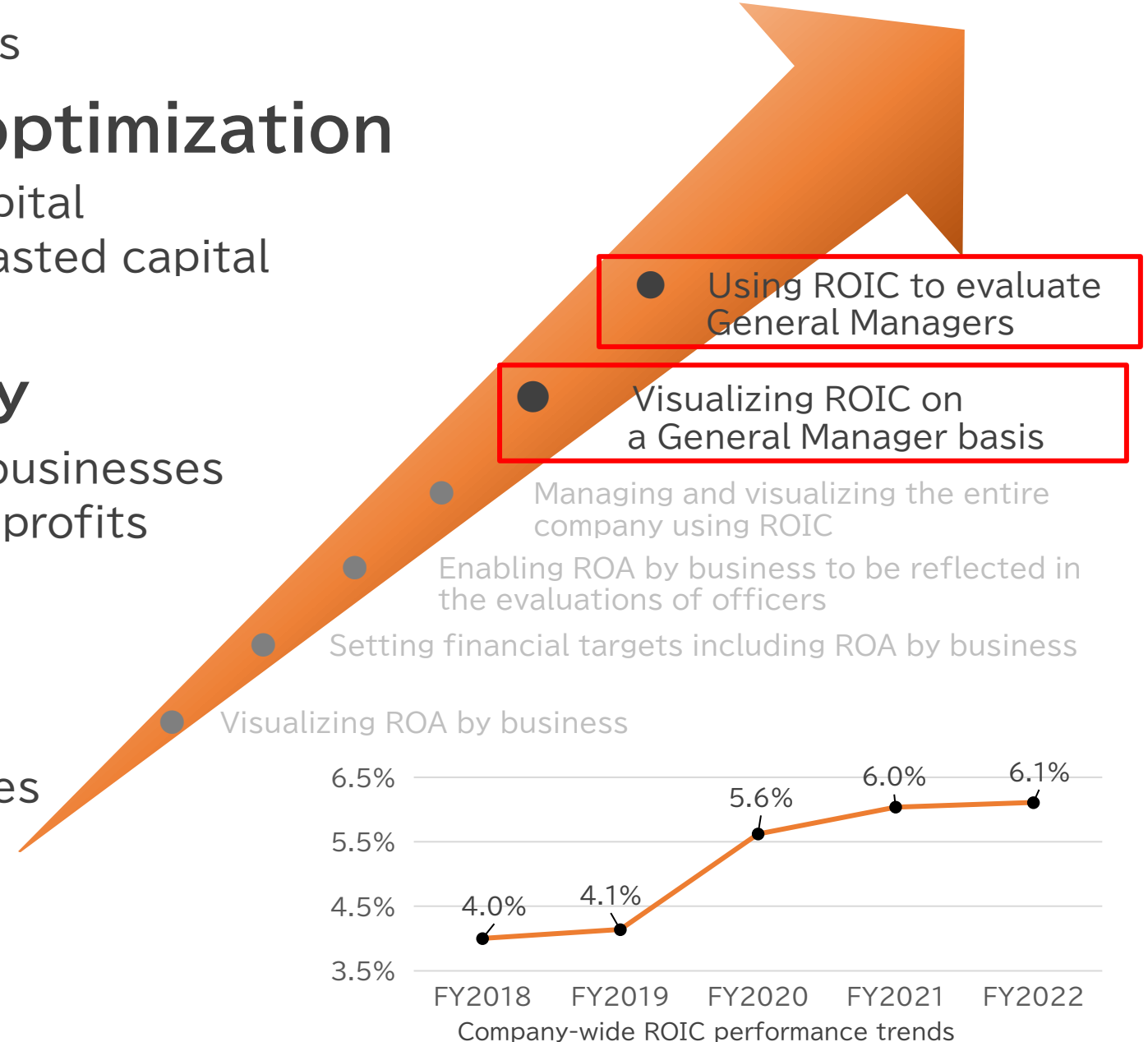
- Pursue optimal allocation of capital
- Maximize returns and reduce wasted capital

## ■ Improve profitability

- Identify unprofitable projects/businesses
- Increase revenues and improve profits

## ■ Risk minimization

- Assess risk and apply appropriate risk countermeasures
- Support stability and sustainable growth



# 1. Improve execution and increase speed

## Review of business portfolio

### ■ Major Initiatives in 1st Half

- Established the Car Trading Business as an independent business to strengthen used car purchasing and sales.
- Established the ASM\* Enhancement Department in the Domestic AUTOBACS Business to strengthen used car automotive goods and services sales.
- Transferred the shares of two second-tier subsidiaries that operate BMW/MINI dealerships in the Car Dealership Business (to cooperate with BMW Japan in its restructuring of area operations).
- Decided to close unprofitable stores of AUTOBACS FRANCE S.A.S. in the Overseas Business to increase profitability.

\*ASM: AUTOBACS SECOND-HAND MARKET

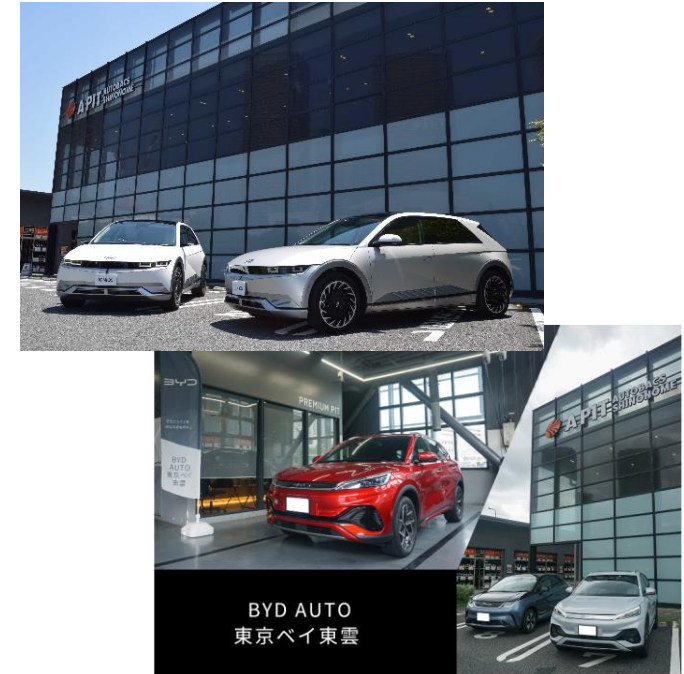


# 1. Improve execution and increase speed

Strengthening initiatives for strategic businesses

## ■ Responding to the proliferation of ZEVs, including EVs

- Opened “Hyundai Mobility Lounge Tokyo Bay Shinonome”  
Second location following A PIT AUTOBACS KYOTO SHIJO
- BYD new store opened (Store opening preparation room established)  
BYD AUTO Tokyo Bay Shinonome, BYD Utsunomiya, BYD Nerima



## ■ Establishment of new sales channels

- Began supplying genuine option wheels and interior products to Nissan Motor Co., Ltd.
- Test deployment to major convenience stores with a limited area product supply is underway



## 2. Strengthen initiatives for sustainable growth

“Evolution as a Retailer” by integrating online and physical stores

### ■ Offering Seamless Customer Buying Experience

#### - Strengthened store pick-up

Strengthened store pick-up and providing products and services to customers quickly by selling products and installation work as a set through EC.

#### - Last mile initiative (being implemented on a trial basis)

If a product purchased via the e-commerce site is in stock at a store near the customer, the store will send the product to the customer for prompter delivery.

#### - Expanding the same-day booking service via the app

The number of stores that accept bookings via the Web was 200 as of September 30, 2023 (an increase of 156 from September last year).

Sales of oil in the 1st half increased 11.3% year on year.



## 2. Strengthen initiatives for sustainable growth

“Evolution from a Retailer” through DX by utilizing unique data

### ■ Proposal of optimal mobility life for customers

#### - Changing the membership program

An app comprehensively manages information and supports customers' car lifestyles.

Changed booking screen on the Web.

#### - Added functions to MOBILA, a car life general information site

The number of users of MOBILA exceeded one million.

Added Motorsports, a new type of information.

The MAP service started to provide traffic congestion information.

Released an app version in September 2023.



**MOBILA**  
MOBILITY as a LIFE



Available on the iPhone  
**App Store**



ANDROID APP ON  
**Google play**

## 2. Strengthen initiatives for sustainable growth

Responding to automobile safety and security

### ■ Expanding Corporate Solutions Business

FLEETGUIDE, a cloud-based company car management system, started to provide the service.

- Manages daily driving reports, operation control records, due dates for statutory safety inspections, and other information.
- Can manage vehicle maintenance records and remind the user of the timing of parts replacement.
- Can be linked to the system to ALC Cloud, a portable cloud-based breathalyzer.



### 3. Continue human resource development initiatives

Construct a personnel structure to steadily implement the strategy

#### ■ Recruitment, development, and retention of vehicle mechanics

- Held short-term courses for Class 2 and Class 3 mechanics
- Held new preparation course for Class 1 mechanic exam
- Held Class 3 mechanic training for specified skilled foreign nationals



| Number of employees | End of March 2023 | End of September 2023 |
|---------------------|-------------------|-----------------------|
| Mechanics           | 3,690             | 3,729                 |
| Inspectors          | 1,649             | 1,708                 |

#### ■ Encouragement of reskilling to develop human resources

- IT and DX reskilling program launched to improve IT/DX literacy
- New training programs for 45-60 years old staff to support reskilling and career transition

#### ■ Promotion of women's activities

- Held a roundtable discussion for female section managers regarding to create an environment and mechanism for women advance in their careers

## ■ Long-term vision 「Beyond AUTOBACS Vision 2032」

- Purpose of AUTOBACS SEVEN Group  
Promoting traffic safety in society and enriching customers' lives
- Direction of the AUTOBACS SEVEN evolution  
To become a company that consistently proposes  
“the enjoyment of going out”



- Discussion of the mid-term management plan framework with members under 40s who will be responsible for the next generation of management and directors

| Materiality   | Non-financial targets   | Range                                       | KPI  | Results of 2022                                       | Goals for 2030           |
|---|---|---|--|---|--------------------------|
| 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             |
|   |   | 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                      |
| 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                      |
|   | Promoting environmentally friendly businesses/realizing a circular ecosystem                            | Non-consolidated                            | Developing environmentally friendly products   | 45  | 300                      |
|   |   | Consolidated                                | Reducing oil cans (by increasing the percentage of oil sold by volume)                     | 5,000/year  | 220,000/year             |
|   | Promoting the dissemination of safe and secure EVs aiming for the realization of a decarbonized society | Consolidated                                | Installation of rapid chargers   | 7   | 43                       |
|   |   | Consolidated                                | Promoting statutory safety inspections for EVs (number of inspected vehicles)              | 363   | 3,440/year               |
|   |   | Consolidated                                | Promoting sales of EVs (in terms of quantity)  | 115   | 2,500/year               |
| 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%                    |
|   |   | 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                   |
|   | 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   |                          |

KPI: Installation of rapid chargers

Installing rapid chargers particularly at stores in Tokyo and other urban areas where electric vehicles are rapidly becoming popular

- Have installed rapid chargers at seven stores as of March 31, 2023.
- Plan to install rapid chargers at six stores in FY2023.
- Consider installing super rapid chargers.



KPI: Encouraging male employees to take childcare leave

Holding meetings to discuss male employees taking childcare leave within the consolidated Group companies

- The Group will create a system that encourages male employees to take childcare leave by sharing information about the experiences of male employees who have taken childcare leave and consolidated companies' support systems.

## Diversity & inclusion targets and progress

|   | FY2021 | FY2022 | FY2025 targets | FY2030 targets |
|---|--------|--------|----------------|----------------|
| Ratio of female employees                             | 16.7%  | 17.9%  | 22.2%          | 30.0%          |
| Ratio of female managers                              | 7.8%   | 8.6%   | 15.0%          | 18.0%          |
| Acquisition rate of childcare leave by male employees | —      | 37.1%  | 90.0%          | 100.0%         |

Scope: AUTOBACS SEVEN Group (consolidated basis)



Non-financial targets: Promoting efforts to achieve zero traffic accidents

## Awareness-Raising Activities during the 2023 National Autumn Traffic Safety Campaign

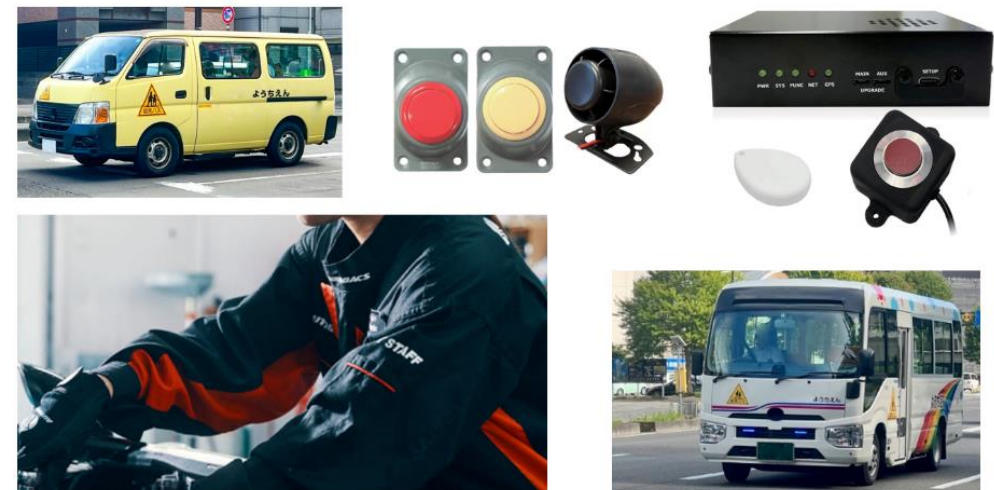
- Conducted activities to raise awareness of traffic safety at AUTOBACS Group stores nationwide.
- Distributed free reflective zip pouches that reflect light at night, chiefly to children.
- Delivered a video from which viewers, including children, can learn traffic rules by answering quizzes on the AUTOBACS official YouTube channel.



Non-financial targets: Promoting efforts to achieve zero traffic accidents

## Have launched the full-scale, nationwide on-site installation of equipment for preventing kindergarten children from being left behind on shuttle buses.

- Staff familiar with automotive goods and maintenance install equipment to enhance safety and security.
- Can visit a customer to install equipment on a single vehicle. (also arrange for installation of equipment on hundreds of vehicles.)
- Install products that conform to the guidelines of the Ministry of Land, Infrastructure, Transport and Tourism and are eligible for subsidies.



Non-financial targets : Promoting social contribution related to automobiles

Non-financial targets : Developing a corporate culture where diverse employees can demonstrate their capabilities

## 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.



## Creating opportunities for disabled people to work

~Cooperation with Social Welfare Organization Japan Sun Industries~

- Japan Sun Industries helps disabled people to be employed. Through a subsidiary, ADE Co., Ltd, the Company outsource to create and send business cards that are used by the Group and do other jobs.
- Jointly manufacture paper clear file folders, which are used internally.
- Jointly manufacture Sun Crackers, which are used as gifts.



Kitting process for tablet devices



Paper clear file

KPI: Reviewing/formulating and conforming with ESG- and SDG-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

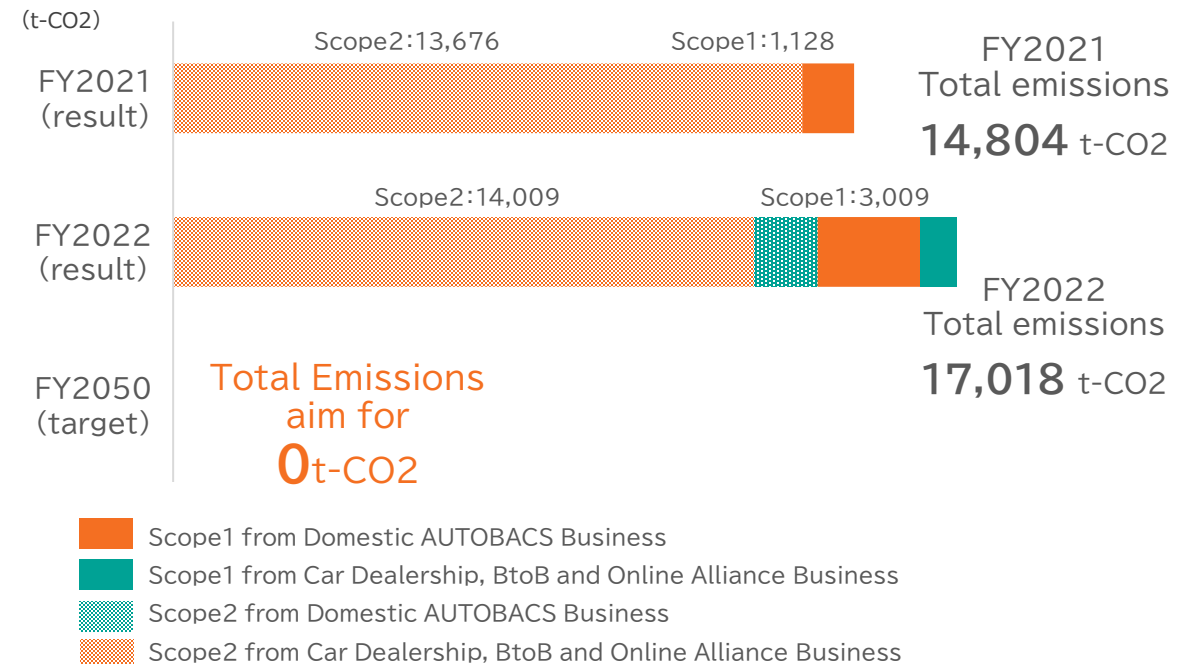
1. Enhancing efforts that consider the environment and society
2. Creation of businesses that solve social issues
3. Respect for the human rights of all people involved in business activities
4. Development of organization and personnel
5. Ensuring of compliance
6. Maintenance and enhancement of sound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



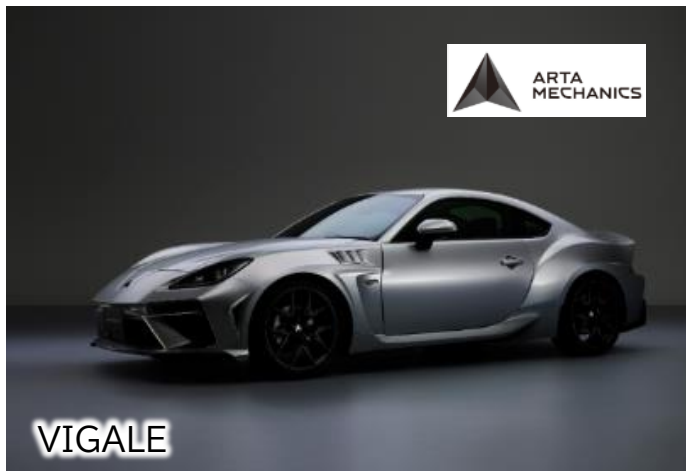


## Initiatives of each business

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.
- Held an event to display and sell custom complete cars of TOM’ S. The Company will continue to hold real auctions of collectible cars in the collaboration with BINGO, with which it concluded a partnership agreement.



Overseas Alliance  
Network



Overseas Business

## Efforts to create networks

### 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. April 3, 2023 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



Total **18,356** cars YoY **+18.0%**

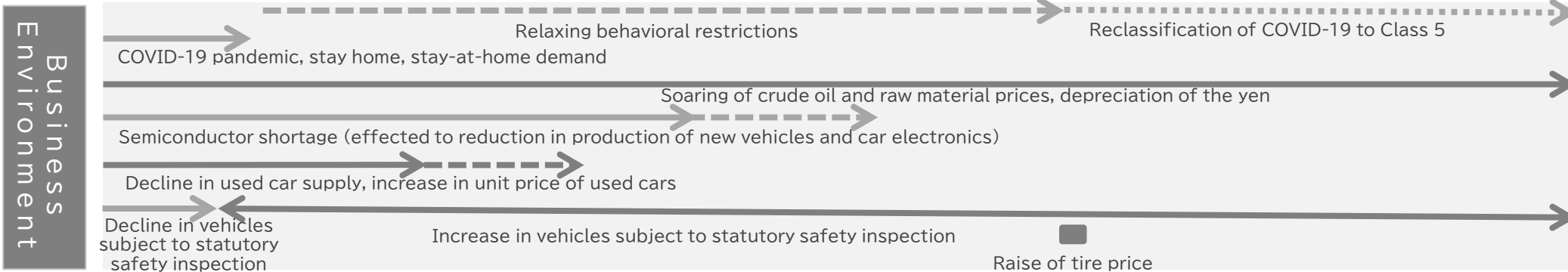
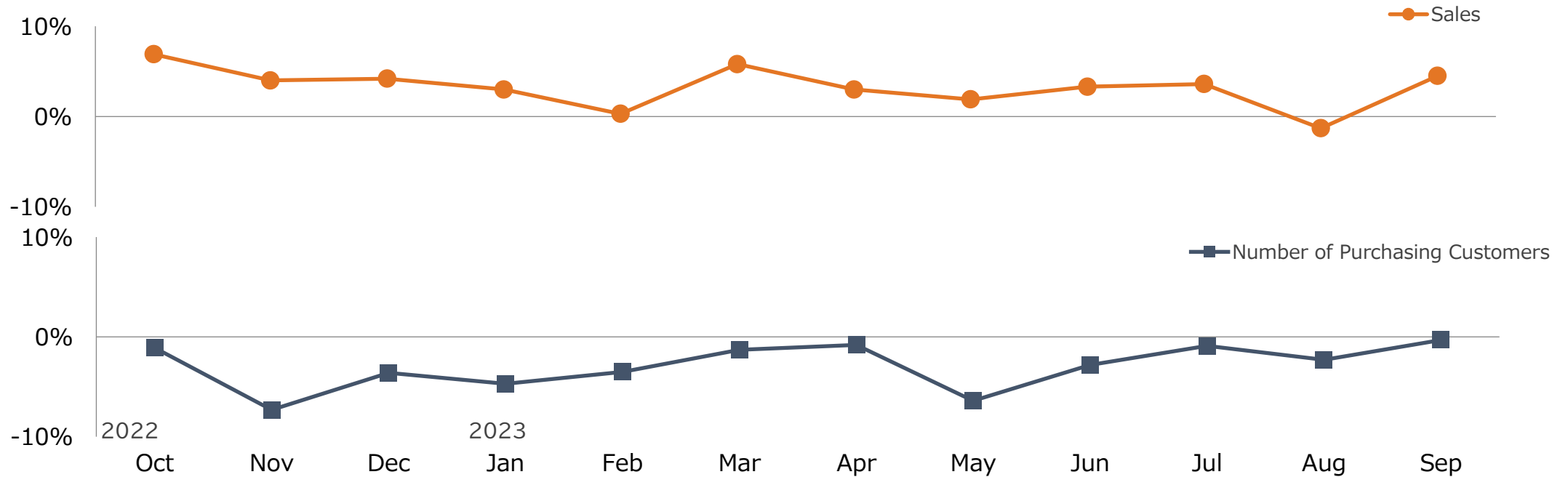
| BtoB Sales                                 |                  |
|--|------------------|
| Details                                    | No. of cars sold |
| Sales to Headquarters                      | 704              |
| Sales to AA(Auto Auction) via Headquarters | 2,574            |
| Direct sales from stores                   | 9,601            |
| <b>BtoB total</b>                          | <b>12,879</b>    |

| Retail              |                  |
|---------------------|------------------|
| Details             | No. of cars sold |
| Used cars           | 3,570            |
| New cars            | 1,907            |
| <b>Retail total</b> | <b>5,477</b>     |

- Used car purchasing and sales in Domestic AUTOBACS Business and Other Business.

[Same store basis (YoY)]

1st Half Sales: +2.5%    Number of purchasing customers: -2.3%





# Store Openings and Closings

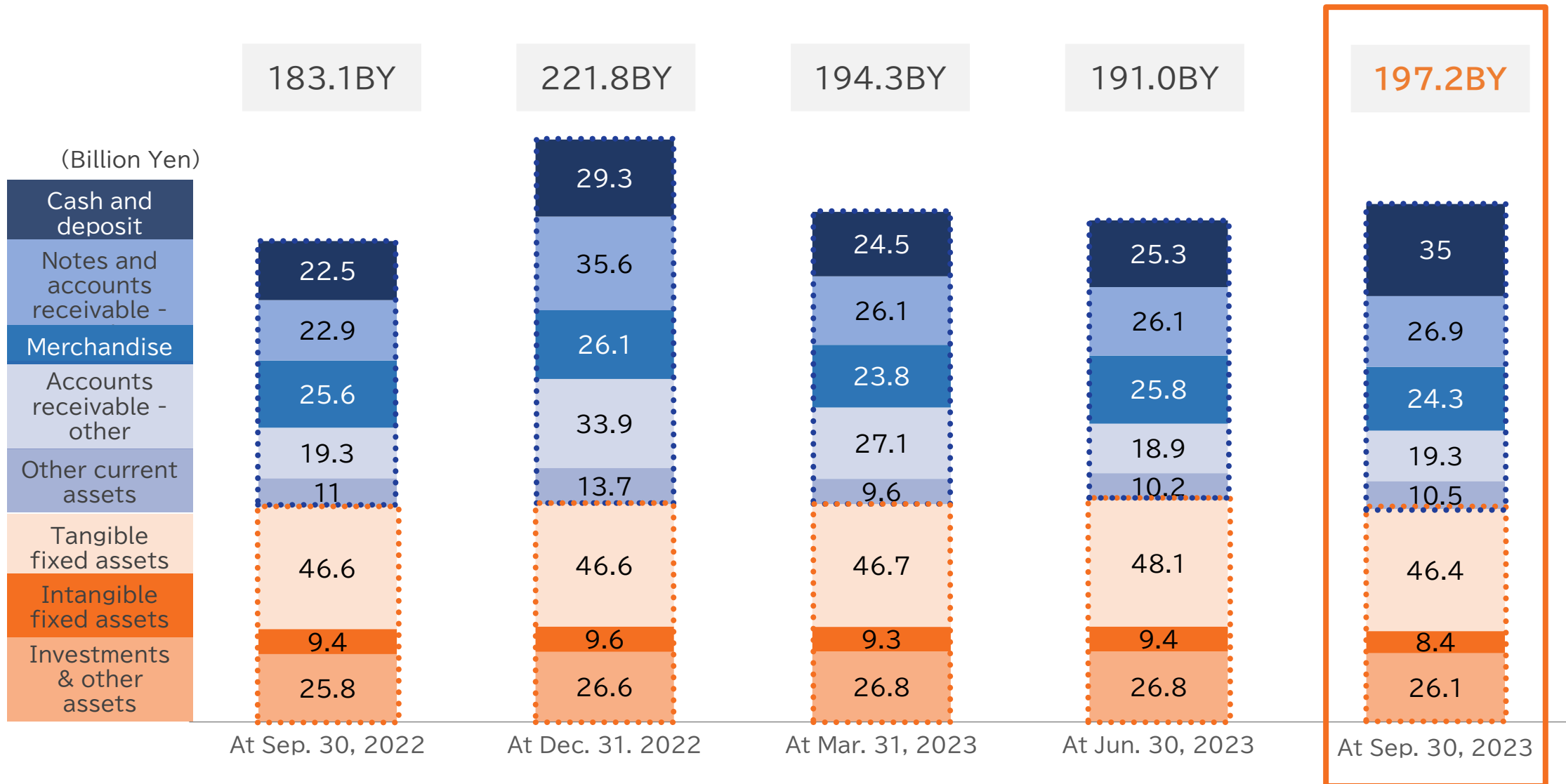


| Domestic                | No. of stores at March 31, 2023 | FY March 2024     |              |          |                               |                 |              |          | No. of stores at March 31, 2024 |
|-------------------------|---------------------------------|-------------------|--------------|----------|-------------------------------|-----------------|--------------|----------|---------------------------------|
|                         |                                 | 1st Half (Result) |              |          | No. of stores at Sep 30, 2023 | 2nd Half (Plan) |              |          |                                 |
|                         |                                 | New               | S&B R/L      | Close    |                               | New             | S&B R/L      | Close    |                                 |
| AUTOBACS                | 496                             | +1                | +1/-1        |          | 497                           | +5              | +3/-3        |          | 502                             |
| 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>+1</b>         | <b>+1/-1</b> | <b>—</b> | <b>589</b>                    | <b>+5</b>       | <b>+3/-3</b> | <b>—</b> | <b>594</b>                      |

| Overseas     | No. of stores at March 31, 2023 | FY March 2024     |                               |                 | No. of stores at March 31, 2024 |
|--------------|---------------------------------|-------------------|-------------------------------|-----------------|---------------------------------|
|              |                                 | 1st Half (Result) | No. of stores at Sep 30, 2023 | 2nd Half (Plan) |                                 |
| Taiwan       | 6                               |                   | 6                             |                 | 6                               |
| Singapore    | 2                               |                   | 2                             |                 | 2                               |
| Thailand     | 49                              | +12/-1            | 60                            | +12             | 72                              |
| France       | 10                              |                   | 10                            |                 | 10                              |
| Malaysia     | 5                               |                   | 5                             |                 | 5                               |
| Indonesia    | 3                               | -1                | 2                             |                 | 2                               |
| Philippines  | 3                               | +3                | 6                             |                 | 6                               |
| <b>Total</b> | <b>78</b>                       | <b>+15/-2</b>     | <b>91</b>                     | <b>+12</b>      | <b>103</b>                      |

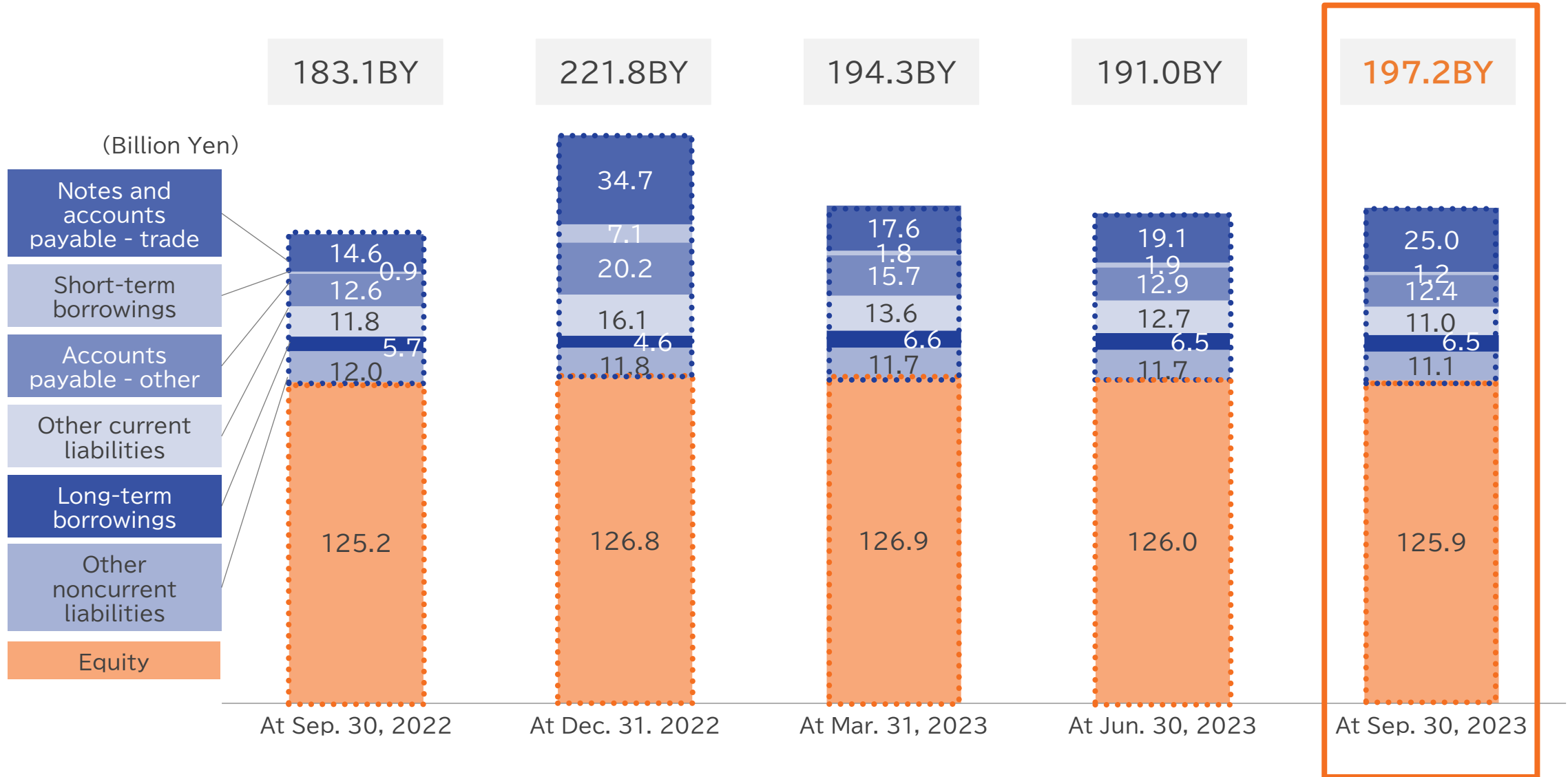
\*S&B=Scrap & Build  
\*R/L=Relocation

# Balance Sheet: Assets



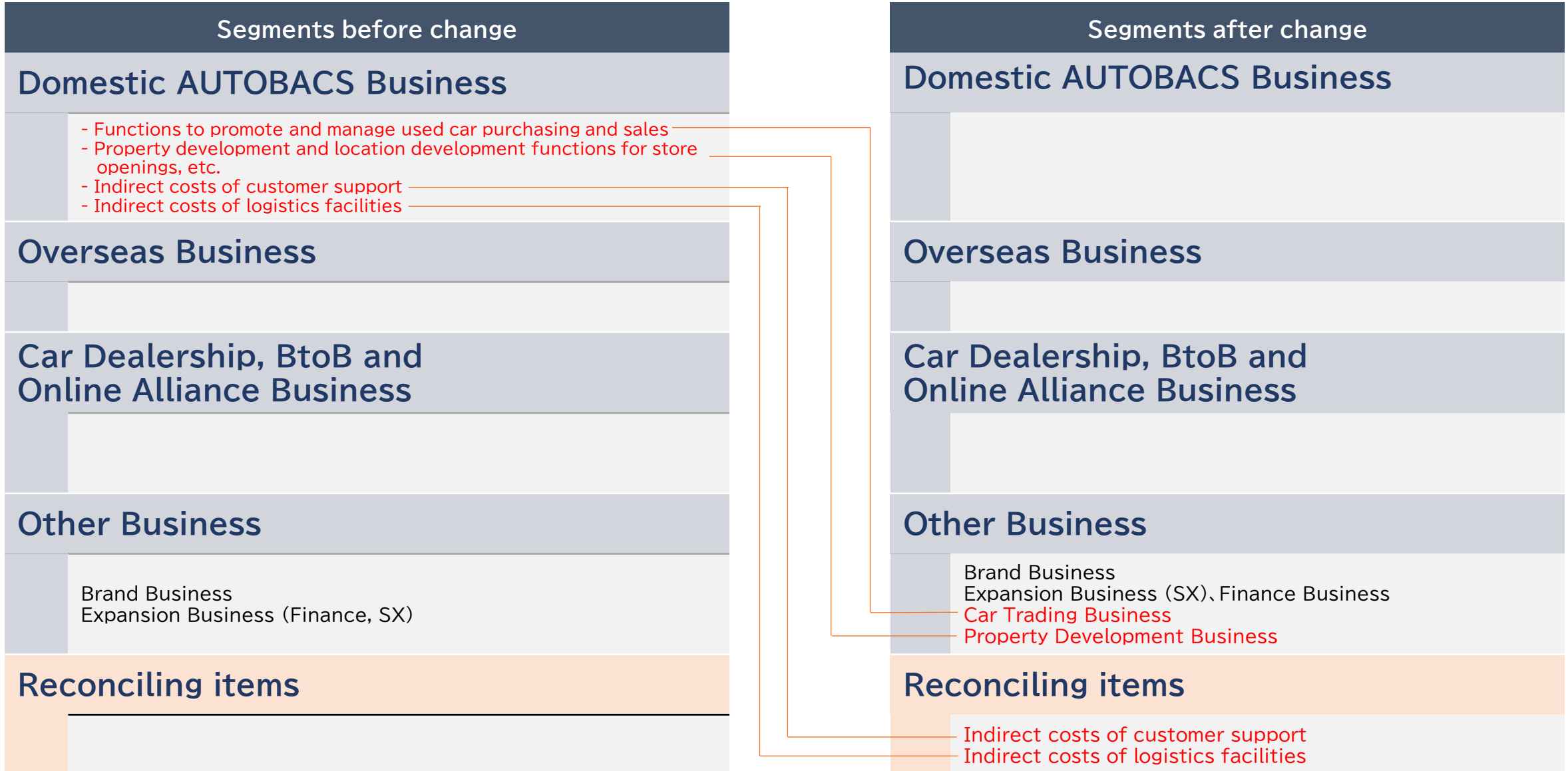
- Amounts are rounded down to the nearest hundred million yen.

# Balance Sheets: Liabilities and Equity



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

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





### **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.