

January 16, 2024

AUTOBACS SEVEN announces Termination of Joint Venture due Transfer of Shares

(Translation of Major Points of Japanese Release)

AUTOBACS SEVEN Co., Ltd. (the “Company,” by Representative Director & Chief Executive Officer: Yugo Horii) hereby announces that the Company and PT CENTRAL SOLE AGENCY (hereinafter, “CSA”) have decided to terminate the Joint Venture Agreement by and between the Company and CSA (hereinafter the “Joint Venture Agreement”) regarding the establishment of PT AUTOBACS INDOMOBIL INDONESIA (hereinafter, “All”), a joint venture company established jointly by CSA and the Company, due to the transfer of the entire shares in All held by the Company to PT IMG Sejahtera Langgeng (hereinafter, “IMGSL”) and CSA (hereinafter, the “Share Transfer”), as follows.

1. Reason for termination of Joint Venture Agreement

In July 2013, the Company has established All jointly with CSA in Indonesia and has conducted wholesale business centered on automotive-use products and components and retail business offering automotive goods and pit services.

Although All as the joint venture company has experienced some positive achievements such as providing customers with quality products and services in the rapidly growing Indonesian market, however, All was not able to achieve the expected performance results.

Under these circumstances, the Company has carefully examined All’s future growth potential and profitability and finally the Company and CSA as shareholders have decided to terminate the Joint Venture Agreement in accordance with the provisions of the Joint Venture Agreement in order to allocate the AUTOBACS Group’s management resources more selective.

2. Outline of the termination of the Joint Venture Agreement and the Share Transfer

The Company will transfer the entire of its shares (49.0% of outstanding shares) to CSA and IMGSL in All (Respectively 48.98% and 0.02% of outstanding shares) and pursuant thereto terminate the Joint Venture Agreement. As a result, All will be excluded from the scope of the Company’s affiliate under the equity method.

3. Outline of Joint Venture Company

(1)	Company Name	PT AUTOBACS INDOMOBIL INDONESIA
(2)	Registered Address	Jl. Gatot Subroto Km. 08 Kav. 08 No. 18, Manis Jaya, Kec. Jatiuwung, Kota Tangerang, Provinsi Banten,
(3)	Title and Name of Representative	President Director Willianto Husada
(4)	Scope of Business Activities	1. Wholesale and import/export of automotive parts and supplies 2. Granting sublicensing rights to retailers, including Autobacs brand 3. Sheet metal painting and maintenance of automobiles 4. Wholesale and import/export of household goods
(5)	Capital	6,000,000 US dollars
(6)	Date of Establishment	July 2013
(7)	Major shareholders and Ownership Percentage	PT CENTRAL SOLE AGENCY 51.0% AUTOBACS SEVEN CO., LTD. 49.0%
(8)	Net assets and total assets for the last year (Unit: million IDR)	
	Fiscal year ending	December 31, 2022
	Net assets	IDR 42,600 million
	Total assets	IDR 52,228 million

4. Outline of the counterparty in the Share Transfer

(1)	Company Name	PT CENTRAL SOLE AGENCY
(2)	Registered Address	Jl. Gatot Subroto Km 8 Kav 8/18, Manis Jaya, Kec. Jatiuwung, Kota Tangerang, Provinsi Banten
(3)	Title and Name of Representative	President Director Andreas Dhanu Sugih
(4)	Scope of Business Activities	1. Wholesale of spare parts for motorcycles 2. Wholesale of automotive (four-wheeled) spare parts
(5)	Capital	IDR 552,049 million
(6)	Date of Establishment	July 1971
(7)	Major shareholders and Ownership Percentage	PT INDOMOBIL SUKSES INTERNASIONAL Tbk 90.1%

(1)	Company Name	PT IMG Sejahtera Langgeng
(2)	Registered Address	Jl. Letjen. MT. Haryono Kav. 8, Bidara Cina, Jatinegara, Jakarta Timur
(3)	Title and Name of Representative	President Director Jusak Kertowidjojo Director Alex Sutisna
(4)	Scope of Business Activities	Providing management services
(5)	Capital	IDR 1,974,000 million
(6)	Date of Establishment	November 1989
(7)	Major shareholders and Ownership Percentage	PT INDOMOBIL SUKSES INTERNASIONAL Tbk 99.9%

5. Number of shares to be transferred, transfer price and the number of shares held before and after transfer

(1)	Number of shares held before the change	2,940 shares (Ownership : 49.0%)
(2)	Number of shares to be transferred	2,940 shares
(3)	Number of shares held after the transfer	0 shares (Ownership : 0%)

*The transfer price will not be disclosed due to confidentiality agreements.

6. Schedule

(1)	Date of decision	January 16, 2024
(2)	Date of the commencement of the joint venture termination and the Share Transfer	Late February 2024 (planned)

7. Forecasts

The effect of the share transfer on the Company's consolidated result of operation is immaterial.

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