



March 29, 2024

AUTOBACS SEVEN Announces Change of AUTOBACS Franchise Chain Package, etc.

March 29, 2024 (Tokyo, Japan)—AUTOBACS SEVEN Co., Ltd. (the “Company,” Representative Director & Chief Executive Officer: Yugo Horii) announces at an extraordinary Board of Directors meeting held on March 29, 2024, it has resolved to make changes to the AUTOBACS franchise chain package and royalty fee (“franchise package, etc.”) effective April 1, 2024.

1. Background of the change of the franchise package, etc.

The automotive industry is facing rapid changes including a reduction in the number of owned cars, the rise of car sharing and subscription services, the increasing shift of automotive goods to online purchases, and increasingly diverse needs and consumer behaviors.

Amid these changes, in its long-term vision “Beyond AUTOBACS Vision 2032” the Company is aiming to generate consolidated net sales of 500 billion yen by swiftly adapting to changes in customer needs and the market, strengthening its business infrastructures, and promoting selection and concentration in areas with strong growth potential.

However, the Company determined that it is essential to implement franchise chain reforms to achieve sustainable medium- to long-term growth under the harsh conditions described above while continuing to evolve in a way that outpaces changes in the business environment.

2. Outline of the change of the franchise package, etc.

To implement a management approach where franchisees and the AUTOBACS franchise chain headquarters (the Company) together place a greater emphasis on retail, from April 1, 2024 the Company will reduce wholesale prices of the products the Company offers to franchisees, while it will increase the royalty fees associated with retail sales. The Company will also promote DX and pursue the adoption of unified tools at all stores, with the aim of providing customers with high-quality services that are consistent nationwide. Through these efforts, franchisees and franchise chain headquarters will truly work together to increase customer contact, develop and provide products and services from the customer's perspective, and otherwise evolve into a franchise chain that is even more supported by its customers, thereby further expanding its market share.

3. Future outlook

To help franchisees and the AUTOBACS franchise chain headquarters for a new start with these changes, the Company will take measures to adjust prices to the same level as after the wholesale price reduction for the beginning inventory held by franchisees for the fiscal year ending March 31, 2025. For details of the impact on financial results in the fiscal year ending March 31, 2024, please refer to the “AUTOBACS SEVEN Announces Revisions to Financial Results Forecasts.”

(https://www.autobacs.co.jp/en/ir/news/news20240329_2/main/0/link/02.pdf)

* A “franchise package” is a collective name given to the services provided by a franchisor to a franchisee, and including management and operational expertise, trademarks, business models, and so on.

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