



January 9, 2018

AUTOBACS announces Transfer of Store Ownership of a Subsidiary

January 9, 2018 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company”, Representative Director and CEO: Kiomi Kobayashi) announces today that 11 stores managed by MICHINOKU AUTOBACS Ltd., a consolidated subsidiary of the Company, and four stores managed by AUTOBACS AKITA Ltd., another consolidated subsidiary, will be transferred to IAAUTOBACS Co., Ltd. , which is scheduled to join the AUTOBACS franchise chain. Details are as follows:

1. Purpose of the transfer

The AUTOBACS Group is developing a variety of measures with the aim of increasing the earnings of the AUTOBACS Business. As part of these efforts, the Company has decided to optimize the store management systems in the Miyagi and Akita areas and reinforce area competitiveness and management efficiency.

2. Outline of the transfer of store ownership

As of March 1, 2018 (planned), 11 stores in Miyagi area, managed by MICHINOKU AUTOBACS Ltd., a consolidated subsidiary of the Company, and four stores managed by AUTOBACS AKITA Ltd., another consolidated subsidiary, will be transferred to IAAUTOBACS Co., Ltd. which is scheduled to join the AUTOBACS franchise chain.

3. Overview of the transferor company(1)

As of April 1, 2017

(1) Company name:	MICHINOKU AUTOBACS Ltd.	
(2) Location:	SENDAI city, Miyagi	
(3) Representative:	Kenichi Takeda	
(4) Line of business:	Retail of car goods and services (Operation of fifteen AUTOBACS stores)	
(5) Capital:	JPY 100 million	
(6) Established:	May 2009	
(7) Net asset:	JPY -111 million	
(8) Total assets:	JPY 1,239 million	
(9) Present relationship between MICHINOKU AUTOBACS and the Company:	Capital relationship	The Company holds 100% of all outstanding shares of MICHINOKU AUTOBACS.
	Personnel relationship	An Auditor of MICHINOKU AUTOBACS has been delegated from the Company.
	Business relationship	MICHINOKU AUTOBACS and the Company have concluded AUTOBACS franchise agreement, AUTOBACS CARS franchise basic agreement, AUTOBACS CARS franchise agreement and merchandise sale and purchase agreement.



3. Overview of the transferor company(2)

As of April 1, 2017

(1) Company name:	AUTOBACS AKITA Ltd.	
(2) Location:	AKITA city, Akita	
(3) Representative:	Kenichi Takeda	
(4) Line of business:	Retail of car goods and services (Operation of four AUTOBACS stores)	
(5) Capital:	JPY 100 million	
(6) Established:	July 1999	
(7) Net asset:	JPY -63 million	
(8) Total assets:	JPY 223 million	
(9) Present relationship between AUTOBACS AKITA and the Company:	Capital relationship	The Company holds 100% of all outstanding shares of AUTOBACS AKITA
	Personnel relationship	An Auditor of AUTOBACS AKITA has been delegated from the Company.
	Business relationship	AUTOBACS AKITA and the Company have concluded AUTOBACS franchise agreement, AUTOBACS CARS franchise basic agreement, AUTOBACS CARS franchise agreement and merchandise sale and purchase agreement.

4. Operating results of the stores to be transferred (15 stores) for the immediately preceding business year (the fiscal year ended March 31, 2017)

(1) Net sales	4,360 million yen
(2) Gross margin	1,769 million yen
(3) Operating loss	(113 million yen)
(4) Ordinary loss	(106 million yen)

5. Overview of the transferee Company

As of January 9, 2018

(1) Company name:	IAAUTOBACS Co., Ltd.(IAAUTOBACS)
(2) Location:	Yokohama city, Kanagawa
(3) Representative:	Hiroataka Arai
(4) Line of business:	Retail of car goods and services
(5) Capital:	JPY 98 million
(6) Established:	January 2018



(7) Major shareholder	I.A CORPORATION 100%	
(8) Present relationship between IAAUTOBACS and the Company:	Capital relationship	No relevant items
	Personnel relationship	No relevant items
	Business relationship	IAAUTOBACS and the Company are scheduled to conclude AUTOBACS franchise agreement, AUTOBACS CARS franchise basic agreement, AUTOBACS CARS franchise agreement and merchandise sale and purchase agreement.
	Third-party relationship	IAAUTOBACS and the Company have not concluded a third-party relationship.

5. Transfer value and settlement method

Transfer price: JPY 76 million (planned)

Settlement method: Cash

6. Scheduled dates (planned)

(1) Date of decision	January 9, 2018
(2) Date of basic agreement	January 9, 2018
(3) Date of store transfer agreement	January 25, 2018
(4) Date of transfer	March 1, 2018

7. Future outlook

The scheduled transfer of the said stores will have no significant impact on the Company's consolidated business results for the current fiscal year. Any impact of the transfer on the business results for the fiscal year ending March 31, 2019 and thereafter will be incorporated in the performance forecast for the fiscal year ending March 31, 2019.

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