



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 two stores managed by MICHINOKU AUTOBACS Ltd., a consolidated subsidiary of the Company, will be transferred to Hokuei Shoji Ltd. , which is a member corporation of the AUTOBACS franchise chain. Details are as follows:

1. Purpose of 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 Iwate area and reinforce area competitiveness and management efficiency.

2. Outline of the transfer of store ownership

Hokuei Shoji, which is one of the Company’s franchisees, is taking over the operation on AUTOBACS Miyako Store and AUTOBACS Morioka-Nishi bypass Store from MICHINOKU AUTOBACS effective February 17, 2018 (scheduled date).

3. Overview of the transferor company

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.



4. Overview of the transferee Company

As of January 9, 2018

(1) Company name	Hokuei Shoji Co., Ltd. (Hokuei Shoji)	
(2) Location	Morioka city, Iwate	
(3) Representative	Masakazu Sato	
(4) Line of business	Retail of car goods and services(Operation of Three AUTOBACS stores)	
(5) Capital	JPY 50 million	
(6) Established	December 1966	
(7) Present relationship between Hokuei Shojil and the Company	Capital relationship	The Company holds 18.6% of all outstanding shares of Hokuei Shoji
	Personnel relationship	No relevant items
	Business relationship	Hokuei Shojil and the Company have concluded AUTOBACS franchise agreement, and merchandise sale and purchase agreement.
	Third-party relationship	Hokuei Shojil and the Company have concluded a third-party relationship.

5. Scheduled transfer date

- (1) Date of the decision made: January 9, 2018
- (2) Scheduled date of agreement: January 9, 2018
- (3) Scheduled date of transfer: February 17, 2018

6. Effect on performance

The influence of this transaction on AUTOBACS SEVEN's consolidated financial performance is assumed to be low.

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