



February 26, 2016

**AUTOBACS announces Transfer of Shares of its Franchisee
to its Consolidated Subsidiary**

February 26, 2016 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company”, Representative Director and CEO: Setsuo Wakuda) announces today that its consolidated subsidiary, AUTOBACS Keiyo Ltd. (“AB Keiyo”) is taking over shares of VICTORY AND ASSOCIATES Co., Ltd. (“V&A”), a member corporation of the AUTOBACS franchise chain. Details are as follows:

1. Purpose of transfer

As described in its Medium-Term Business Plan, AUTOBACS Group is aiming to increase market share and improve store profitability by strengthening its domestic AUTOBACS store business.

As part of the effort, the Company decided to consolidate store ownership in the Chiba area, to simplify the operational structure and increase area competitiveness and management efficiency.

2. Outline of the transfer of shares

AB Keiyo is taking over shares of V&A on March 31, 2016 and executes merger transactions on April 1, 2016(both scheduled date). Accordingly, AB Keiyo is succeeding the operation of AUTOBACS NARITA Store and AUTOBACS MOBARA-TAKASHI Store from V&A.

3. Overview of the transferee company

As of February 26, 2016

(1) Company name:	AUTOBACS Keiyo Ltd. (AB Keiyo)	
(2) Location:	Ichikawa City, Chiba Prefecture	
(3) Representative:	Toshimitsu Narumi	
(4) Line of business:	Retail of car goods and services (Operation of seven AUTOBACS stores)	
(5) Capital:	JPY 100 million	
(6) Established:	April 21, 1982	
(7) Present relationship between AB Keiyo and the Company	Capital relationship	The Company holds 90% of all outstanding shares of AB Keiyo
	Personnel relationship	An Auditor of AB Keiyo has been delegated from the Company
	Business relationship	AB Keiyo 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 transferor company

As of February 26, 2016

(1) Company name	Victory And Associates Co., Ltd. (V&A)	
(2) Location	Narita city, Chiba Prefecture	
(3) Representative	Takashi Hasegawa	
(4) Line of business	Retail of car goods and services(Operation of two AUTOBACS stores)	
(5) Capital	JPY 60 million	
(6) Established	April 1, 1993	
(7) Present relationship between V&A and the Company	Capital relationship	No relevant items
	Personnel relationship	No relevant items
	Business relationship	V&A and the Company have concluded AUTOBACS franchise agreement, AUTOBACS CARS franchise basic agreement, AUTOBACS CARS franchise agreement and merchandise sale and purchase agreement.
	Third-party relationship	V&A and the Company have not concluded a third-party relationship.

5. Scheduled transfer date

- (1) Date of decision: February 26, 2016
- (2) Date of agreement of share transfer: February 26, 2016
- (3) Date of agreement of merger: February 26, 2016
- (4) Date of transfer of shares: March 31, 2016
- (5) Effective date of merger: April 1, 2016

6. Effect on performance

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

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