

January 23, 2017

AUTOBACS announces Transfer of Shares of its Consolidated Subsidiary

January 23, 2017 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company” Representative Director and CEO: Kiomi Kobayashi) announces transfer of all shares held by AUTOBACS SEVEN in its consolidated subsidiary AUTOBACS HOKKAIDO Ltd.(“AB HOKKAIDO”) to KITANIHON AUTO YOHIN Co., Ltd (“KITANIHON AUTO YOHIN”), a member corporation of the AUTOBACS franchise chain.

Details are as follows:

1. Purpose of transfer of shares of subsidiary

AUTOBACS Group is aiming to increase market share and improve store profitability by strengthening its franchise chain business in Japan. As part of the effort, the Company decided to consolidate store ownership in Hokkaido area (Hokkaido.), to simplify the operational structure and increase area competitiveness and management efficiency.

2. Outline of transfer of shares of subsidiary

KITANIHON AUTO YOHIN, which is one of the Company’s franchisees, is taking over all shares of AUTOBACS FUKUOKA from AUTOBACS SEVEN effective February 1, 2017 (scheduled date).

3. Overview of the transferor company

As of January 23, 2017

(1) Company name:	AUTOBACS HOKKAIDO Ltd. (AB HOKKAIDO)	
(2) Location:	Sapporo city, Hokkaido	
(3) Representative:	Yoshiki Tateuchi	
(4) Line of business:	Retail of car goods and services (Operation of 17 AUTOBACS stores)	
(5) Capital:	JPY 100 million	
(6) Established:	August 1980	
(7) Present relationship between AUTOBACS HOKKAIDO and the Company:	Capital relationship	The Company holds 100% of all outstanding shares of AUTOBACS HOKKAIDO
	Personnel relationship	An Auditor of AUTOBACS HOKKAIDO has been delegated from the Company.
	Business relationship	AUTOBACS HOKKAIDO 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 23, 2017

(1) Company name:	KITANIHON AUTO YOHIN Co., Ltd (KITANIHON AUTO YOHIN)	
(2) Location:	Sapporo city, Hokkaido	
(3) Representative:	Fumihiko Murayama	
(4) Line of business:	Retail of car goods and services (Operation of eight AUTOBACS stores) *	
(5) Capital:	JPY 10 million	
(6) Established:	October 1989	
(7) Present relationship between KITANIHON AUTO YOHIN and the Company:	Capital relationship	No relevant items
	Personnel relationship	No relevant items
	Business relationship	KITANIHON AUTO YOHIN 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	KITANIHON AUTO YOHIN and the Company have not concluded a third-party relationship.

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

(1) Number of shares held before the transfer	6,700 shares (Shareholding ratio: 100%)*
(2) Number of shares to be transferred	6,700 shares (Shareholding ratio: 100%)
(3) Number of shares held after the transfer	0 shares (Shareholding ratio: 0%)

6. Scheduled transfer date

- (1) Date of the decision made: January 23, 2017
- (2) Scheduled date of agreement: January 23, 2017
- (3) Scheduled date of transfer: February 1, 2017

7. Effect on performance

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

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