NEWS RELEASE

AUTOBACS SEVEN CO., LTD.

October 28, 2016

AUTOBACS SEVEN announces revision of financial forecast for the first half and full fiscal year ending March 31, 2017

AUTOBACS SEVEN Co., Ltd.

October 28, 2016 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (Representative Director and Chief Executive Officer: Kiomi Kobayashi) announced today a revision of its performance forecast for the first half and full fiscal year ending March 31, 2017, which was announced on May 10, 2016. Details are as follows:

1. Revision of forecast for the first six months of the fiscal year ending March 31, 2017 (from April 1, 2016 to September 30, 2016)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per share
Previously announced forecast (A) (May 10, 2016)	100,600 million yen	2,500 million yen	2,900 million yen	1,700 million yen	20.24 yen
Revised forecast (B)	94,800	1,000	1,500	700	8.33
Amount of change (B-A)	△5,800	△1,500	△1,400	△1,000	－
Percentage change (%)	△5.8	△60.0	△48.3	△58.8	－
Results for the previous fiscal year (Apr 1, 2015 to September 30, 2016)	98,695	2,496	3,128	1,623	19.00

2. Revision of forecast for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per share
Previously announced forecast (A) (May10, 2016)	214,900 million yen	8,000 million yen	8,900 million yen	5,800 million yen	69.04 yen
Revised forecast (B)	206,700	5,200	6,200	3,700	44.04
Amount of change (B-A)	△8,200	△2,800	△2,700	△2,100	－
Percentage change (%)	△3.8	△35.0	△30.3	△36.2	－
Results for the previous fiscal year (Apr 1, 2015 to Mar 31, 2016)	208,142	6,701	7,780	4,371	51.60

3. Reasons for the revision of financial forecast for the first six months of the fiscal year ending March 31, 2017

In the first quarter of the fiscal year under review, sales of interior accessories, car navigation devices, tires and other goods declined, mainly reflecting sluggish demand for changing snow tires to normal tires and stagnant results in the number of sales of light vehicles. In the second quarter of the fiscal year under review, based on the anticipation that the challenging business environment would continue, the Company sought to improve earnings by bolstering net sales, improving the gross margin, reviewing expenses and taking other measures. However, the Company was still unable to realize a significant impact from these measures, and it expects that net sales, operating income, ordinary income and profit attributable to owners of parent for the first six months of the fiscal year under review will underperform the forecasts that were made at the beginning of the fiscal year.

4. Reasons for the revision of financial forecast for the fiscal year ending March 31, 2017

With respect to the business environment, the Company expects that, although sluggish overall consumer trends will continue, the number of vehicles subject to statutory safety inspection will rise year on year from the third quarter of the fiscal year under review. It also expects that demand for winter items, such as snow tires and chains, will recover from the level in the previous year when demand was affected by the unusually warm winter. Overall, the Company expects that consumer trends will improve slightly from those in the first six months of the fiscal year under review. As for the financial forecast for the second half of the fiscal year under review, the Company will seek to enhance sales of stores by allocating expenses to strengthen sales and improve earnings by adopting measures to bolster the gross margin and reviewing expenses. However, because it was determined that the consumption tax rate hike that was expected to take place in April 2017 was going to be postponed, the Company reviewed increases in sales and income due to the absence of last-minute demand that it anticipated at the beginning of the fiscal year under review. Consequently, the Company expects that results for the second half of the fiscal year under review will underperform the forecasts that were made at the beginning of the fiscal year. As a result, the Company included its financial forecast for the first six months of the fiscal year ending March 31, 2017, and it expects that net sales, operating income, ordinary income and profit attributable to owners of parent for the fiscal year ending March 31, 2017 will underperform the forecasts that were made at the beginning of the fiscal year.

*The above forecast is based on information available to the Company as of the announcement date of these financial results. Going forward, the actual business results may differ from these forecast performance figures depending on various factors.