

Results for the Nine Months Ended December 31, 2021



January 31, 2022

AUTOBACS SEVEN CO., LTD.

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3Q FY March 2022 Consolidated P/L

Net sales increased due to strategic sales promotion for demand in winter items, although sales were affected by the rapid spread of COVID-19 in summer.
SG&A increased due to strengthen sales promotion and investments for the future.

The Domestic AUTOBACS Business was affected a rapid spread of COVID-19 in summer. Even so, demand for winter season items such as snow tires and wheels grew due to strategic sales promotion. In the car dealership, BtoB and Online Alliance Businesses, the two companies that became consolidated Group companies in April contributed to higher sales, alongside an array of initiatives in the existing businesses. Consolidated operating income was 9 billion yen, showing steady progress.

(Billion Yen)	3Q FY March 2022			3Q FY March 2021	
	Actual results	% of Sales	YoY change	Actual results	YoY change
Net sales	171.9 (179.9)		+0.3% (+5.0%)	171.4	-2.9%
Gross profit	57.3 (58.2)	33.4%	+2.2% (+3.9%)	56.1	-0.2%
Gross profit ratio	48.5 (48.9)	28.2%	+6.4% (+7.2%)	45.6	-3.6%
SG&A	8.8 (9.3)	5.1%	-15.9% (-10.7%)	10.4	+18.0%
Operating income	0.6 (0.6)	0.4%	-21.5% (-21.5%)	0.8	+34.8%
Operating income ratio	9.4 (9.9)	5.5%	-16.3% (-11.5%)	11.2	+19.1%
Ordinary income	6.1	3.6%	-16.5%	7.3	+18.2%

Amounts are rounded down to the nearest hundred million yen.
 % of Net Sales and YoY comparisons are calculated in yen.

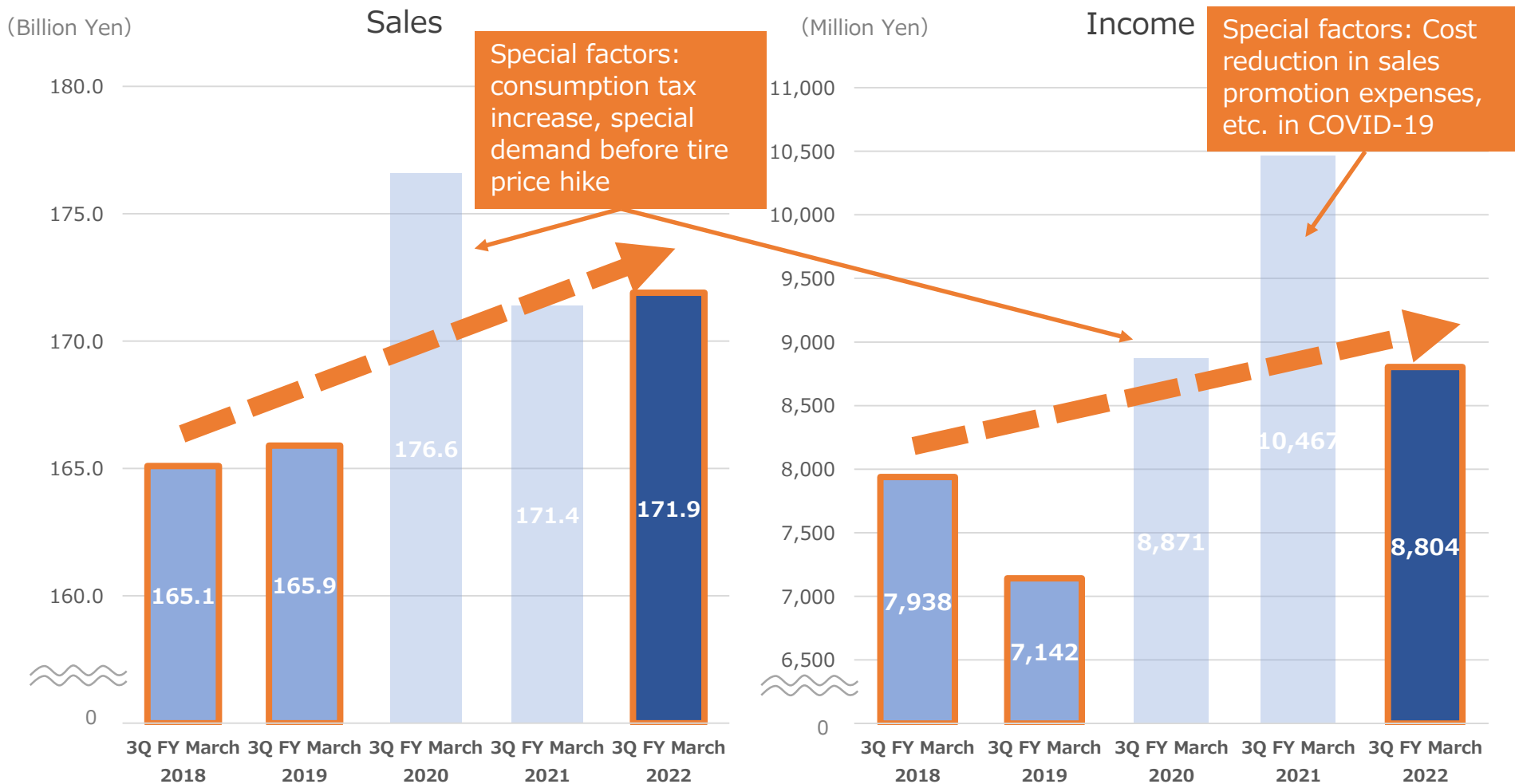
*The figures in the upper row are based on a simple comparison between the actual results for the current fiscal year and those for the previous fiscal year.

*Figures in the parentheses in the bottom row show those that do not reflect the application of the Accounting Standard for Revenue Recognition, etc.

3Q FY March 2022 Consolidated P/L Five Years Transition

Sales increased and income decreased YoY, but sales and income increased compared to the usual year* without any special factors.

*3Q FY March 2018, 3Q March FY 2019



Amounts are rounded down.

The figures for the previous fiscal year and earlier have not been reclassified to reflect the new presentation method.

Segment Information

*For reference purposes only

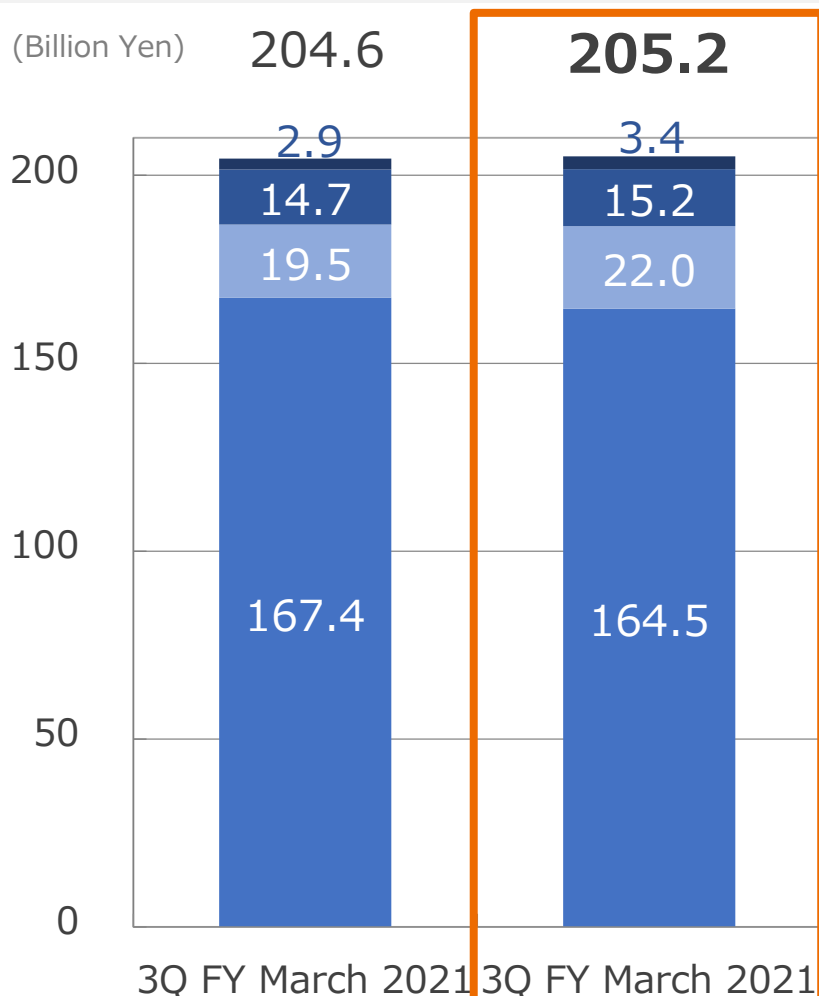
	(Million Yen)	3Q FY March 2022	3Q FY March 2021	YoY*	Summary
Domestic AUTOBACS Business	Sales	133,610	139,552	-4.3%	Although sales decreased significantly due to a rapid spread of infection, sales of winter items such as snow tires and wheels increased due to the strategic sales promotion. In car electronics, the procurement of goods was affected by the global semiconductor shortage.
	Gross profit	44,512	45,148	-1.4%	
	SG&A	29,703	29,615	+0.3%	
	Operating income	14,808	15,532	-4.7%	
Overseas Business	Sales	8,297	7,650	+8.5%	Business in Southeast Asia was affected by the COVID-19 pandemic, but sales increased due to the recovery in France and strong wholesale in Australia. SG&A expenses increased because of an increase in personnel and equipment expenses in reaction to the decline in the previous fiscal year.
	Gross profit	3,666	3,531	+3.8%	
	SG&A	3,884	3,577	+8.6%	
	Operating income	-217	-45	—	
Car dealership, BtoB and Online Alliance Business	Sales	37,545	31,553	+19.0%	In the car dealership and BtoB businesses, the two companies that joined the Group in April contributed to sales and gross profit, among other factors, in addition to the strong results of the existing businesses. SG&A expense rose due to proactive investment to expand business.
	Gross profit	7,884	6,463	+22.0%	
	SG&A	7,910	6,314	+25.3%	
	Operating income	-25	149	—	
Other Business	Sales	3,758	2,599	+44.6%	Sales and SG&A increased chiefly due to the expansion of the lifestyle business.
	Gross profit	1,288	969	+32.9%	
	SG&A	1,837	1,187	+54.7%	
	Operating income	-549	-218	—	
Reconciling items	Operating income	-5,211	-4,950	—	

Amounts are rounded down to the nearest million yen.
YoY comparisons are calculated in yen.

The figures for the previous fiscal year have not been reclassified to reflect the new presentation method. Reference YoY comparison is a simple comparison of the actual results for the current period with the actual results for the LY.

3Q FY March 2022 Retail Sales in Total AUTOBACS Group Stores

RETAIL SALES INCLUDING FCs: 205.2 billion yen (+0.3% YoY)



	Result	YoY
Second hand goods & Fuel	3.4BY	+16.5%
Statutory safety inspection	15.2BY	+3.8%
	469,000 Cars	+3.0%
Number of fully certified & designated stores	434 stores	+4 stores
Car purchase & sales	22.0BY	+12.7%
	21,610 Cars	+2.6%
Number of fully certified & designated stores	392 stores	-10 stores
Car related goods & services	164.5BY	-1.8%

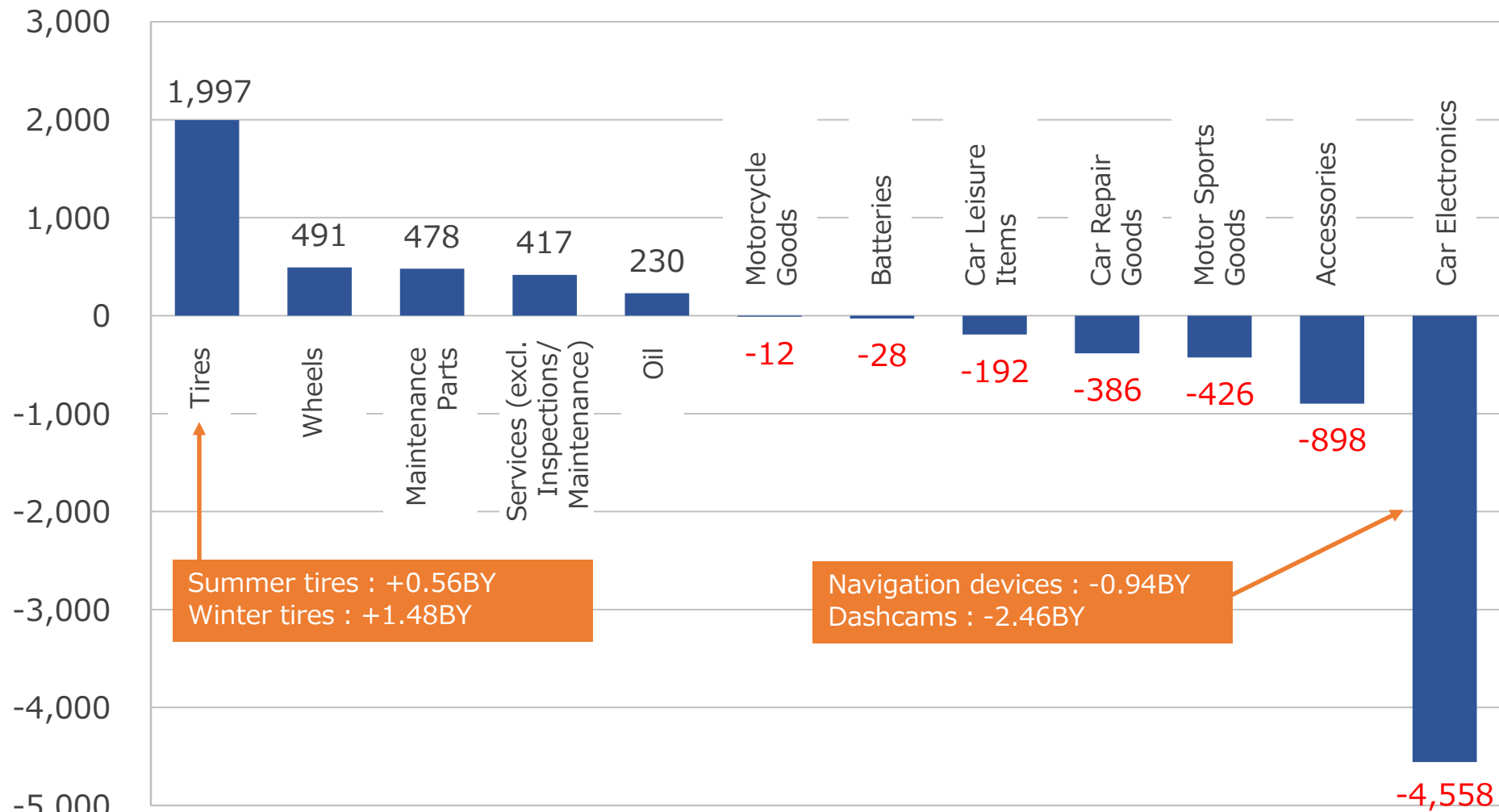
Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

Amounts are rounded down to the nearest million yen.
YoY comparisons are calculated in yen.

Sales Variance by Merchandise (3Q FY2022)

Sales* changes by merchandise category(YoY change in amount; total store basis)

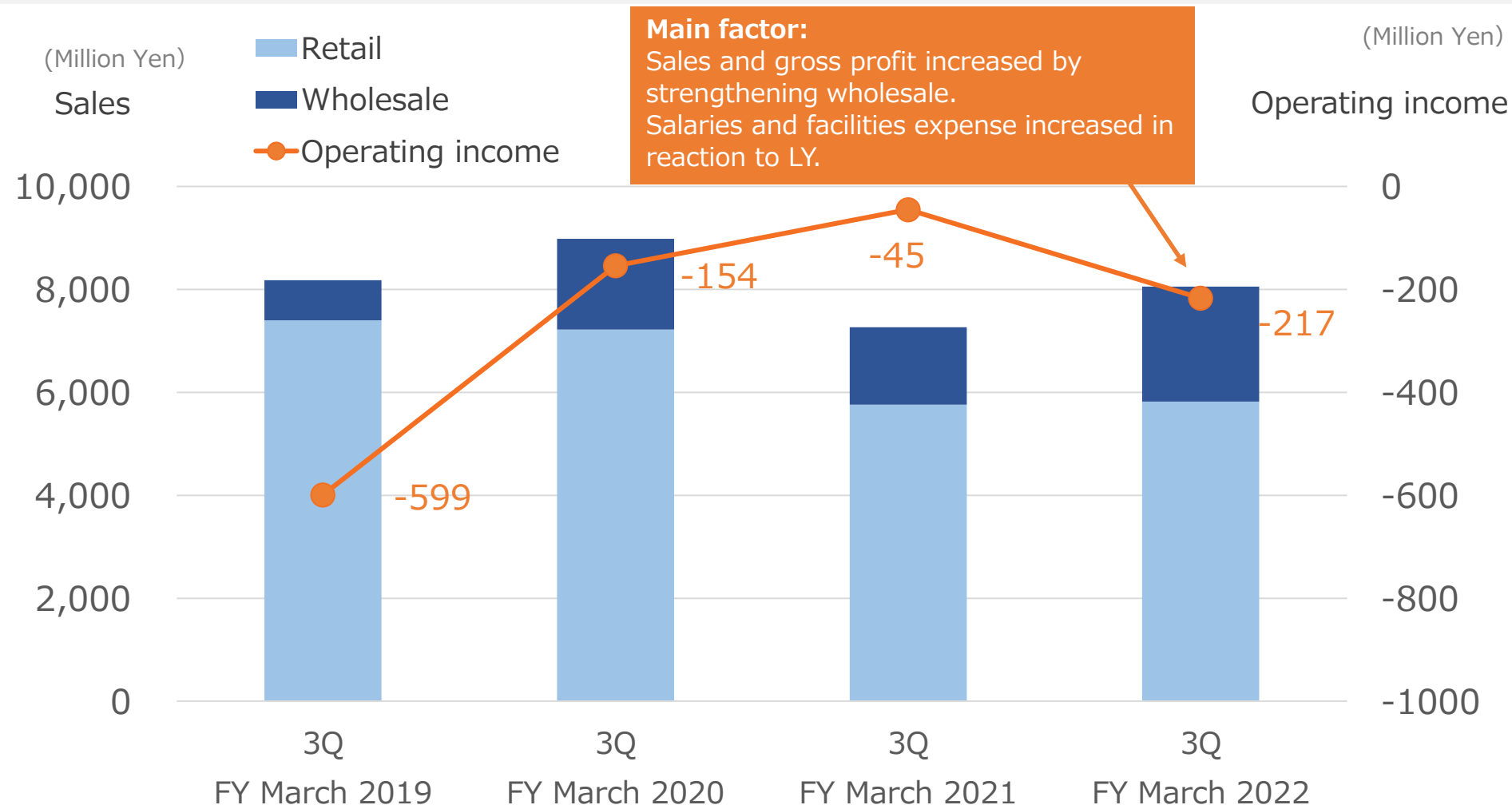
(Million Yen)



Include sales at domestic AUTOBACS-chain stores including FCs; all store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS Express)

Change in Sales and Operating Income

Sales increased by strengthening wholesaling, especially in Australia where sales are strong. SG&A expenses increased in reaction to the previous year.



Amounts are rounded down.

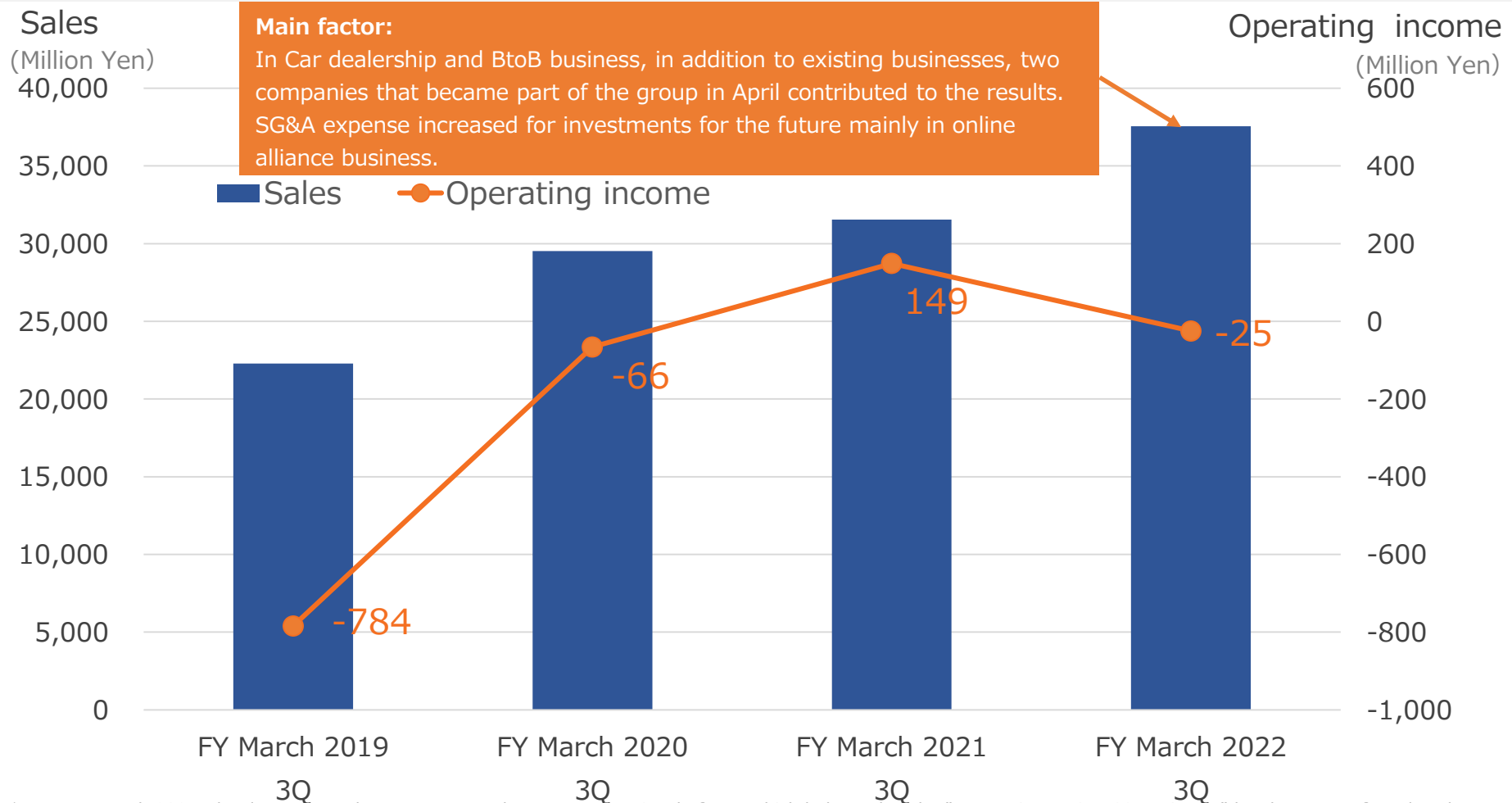
Performance by Overseas Subsidiaries

(Million Yen)	France		Singapore		China		Malaysia		Australia		Thailand	
Number of stores	10		2		0		4		0		22	
Period	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q
Net sales	4,856	4,350	947	1,154	724	626	39	25	1,758	1,243	0	326
SG&A	2,522	2,393	395	350	179	138	25	26	404	322	0	136
Operating income	-6	-85	-16	187	-35	17	-9	-14	115	52	0	-32
Business conditions	Sales recovered despite unstable conditions due to the government repeatedly imposing and lifting restrictions on going out to prevent the spread of infection. Operating loss decreased although SG&A expenses increased in reaction to a partial decline of rent and other expenses in the previous fiscal year.		Sales decreased due to the lockdown, with the rate of COVID-19 infection being particularly high in September. SK Automobile Pte. Ltd, a subsidiary that provides body repairing and maintenance services saw a decline in the number of repairs given a traffic slowdown.		Wholesale climbed, mainly due to efforts made to increase the number of authorized dealers and develop new wholesale customers. SG&A expenses increased in reaction to a decline resulting from restrictions on activities amid the COVID-19 pandemic in the previous fiscal year.		The government ordered the partial suspension of business during its intermittent restrictions on activities. With infections spreading, sales continued to face challenging circumstances. The operating loss declined due to the reduction of expenses.		Wholesale increased thanks to car electronics devices and transceivers, coupled with sales activities mainly targeting new business partners, offsetting the impact of lockdowns in certain areas.		The Company acquired and transferred shares of SAB and changed it from a consolidated subsidiary to an equity-method company in October 2020. The transfer made it possible to operate SAB locally.	

Amounts are rounded down.

Change in Sales and Operating Income

**Car dealership, BtoB Business remained steady.
SG&A expense increased for upfront investments.**



*From FY March 2021, the department that promotes and manages the ICT platform, which belonged to the "Domestic AUTOBACS Business," has been transferred to the "Car Dealership, BtoB and Online Alliance Business". The department that promotes and manages the Lifestyle Business and certain consolidated subsidiaries have been transferred to the "Other Business".

*The figures for FY March 2020 have been reclassified.

Amounts are rounded down.

3Q FY March 2022 Overview of Business results

Car Dealership Business

- ✓ Acquired all shares of TA Import Co., Ltd., a company that operates authorized Audi dealers, in April 2021. (started to develop its third brand, following BMW and MINI.)
- ✓ Revenue was higher than the previous year due chiefly to optimized sales activities, offsetting the impact of reductions in new car production attributable to the shortage of semiconductors.



BtoB Business

- ✓ Acquired all shares of Joyful Shaken & Tire Center Co., Ltd, a company that operates its facilities for statutory safety inspection, maintenance, and tire sales, in April 2021.
- ✓ Business alliance with Nissan Motor Co., Ltd. in April 2021. Automotive goods supplied by the Company were presented in catalogs for Nissan's new model. Planning and development of car interior items for the "KICKS Columbia Edition".
- ✓ AUTOBACS Corporate Membership System started in November 2021.

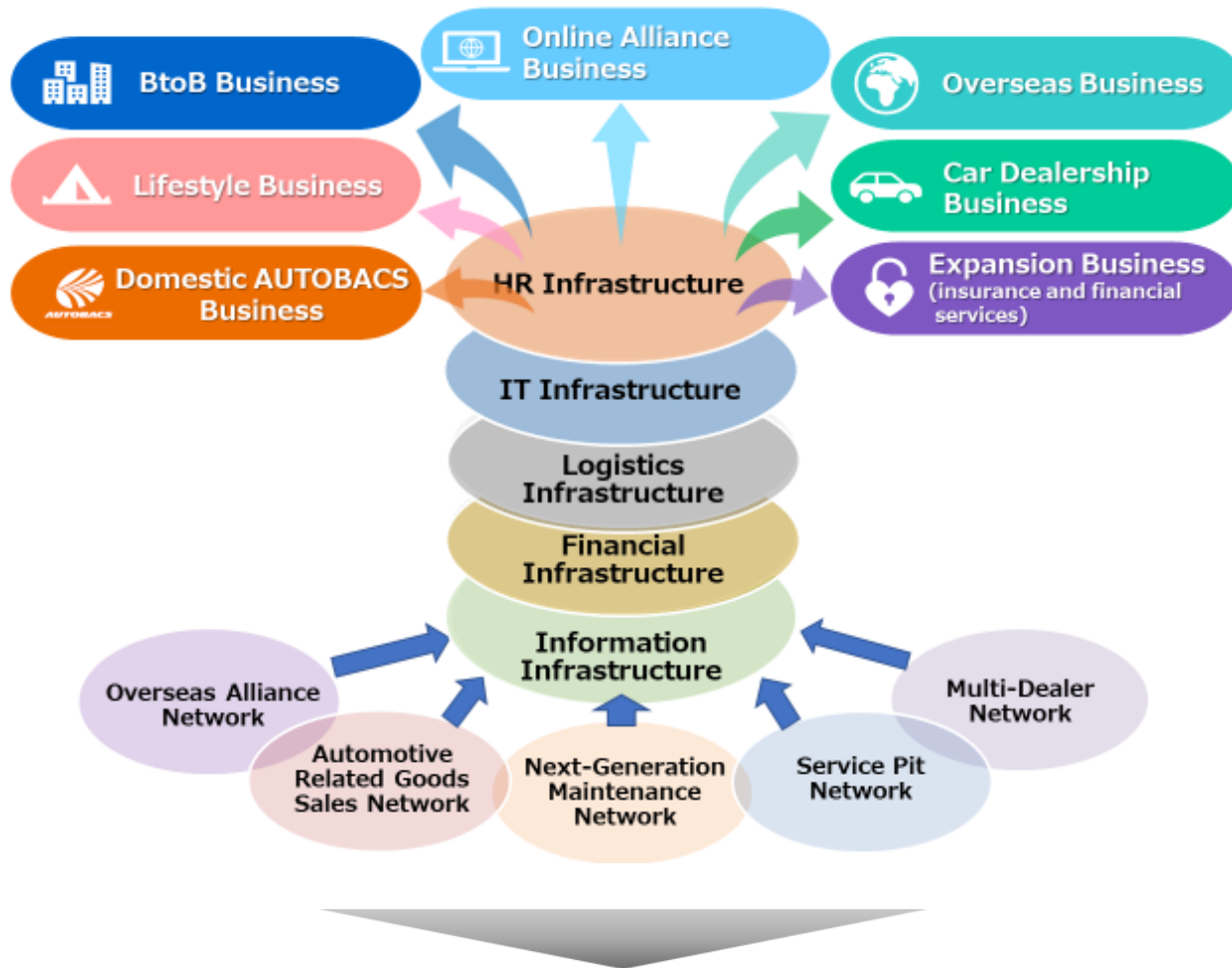


Online Alliance Business

- ✓ Launched an enterprise version of ALV Cloud, the cloud-based mobile alcohol checking service in October 2021.



Our Goals through Five-year Rolling Plan



Actively promote collaboration across business boundaries
to improve customer convenience

Five-year Rolling Plan: APPENDIX

Next- Generation Maintenance Network

- Conclusion of a genuine parts supply agreement with Telsa Motors Japan in conjunction with statutory safety inspections and regular inspections
- Statutory safety inspection and legal inspection services including the replacement of genuine parts are offered at A PIT AUTOBACS SHINONOME (Koto-ku, Tokyo)



December 2021 Started supplying genuine parts

Efforts to create networks

■ Participation in EV market

- Under consideration that collaboration and cooperation in the areas of sales and maintenance of EV vehicles (ELEM0) at AUTOBACS stores and joint development of new services



Aiming to reduce environmental impact by promoting the spread of EVs

Five-year Rolling Plan: APPENDIX

Automotive
related Goods
Sales Network

Efforts to create networks

■ Status of cooperation With Nissan Motor Co., Ltd.

- Formed a business alliance with Nissan crossing the boundaries between industries to improve customer convenience and create a richer car lifestyle culture.
- Introduced automotive goods (such as car interior goods and car washing goods) in new car brochures
- Handled at approx. 2,100 Nissan dealer shops
- Planning to supply some of our automotive goods to Nissan and collaborate in the planning and development of NISSAN/NISMO brand items
- Also began negotiations about goods to be supplied to overseas Nissan dealers
- Planning and development of interior items for the special edition "Kix Columbia Edition"



Right) Representative Director Chief Executive Officer: Kiomi Kobayashi z
Left) Nissan Motor Co., Ltd. Senior vice president, Global Aftersales: Kent O'Hara



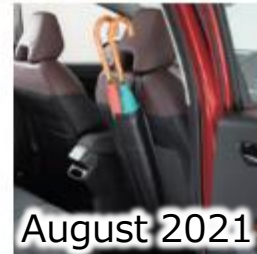
E-cigarette holder



Smartphone holder



USB power source



Umbrella case

From catalog of NISSAN AURA

Five-year Rolling Plan: APPENDIX

■ Operates three Authorized Dealers of Audi

Multi-Dealer Network

- Start operating the third brand following BMW and MINI
- Promote management visualization by setting KPIs common to all dealers



April 2021

Started operation as BACS Advance Co., Ltd.

Efforts to create networks

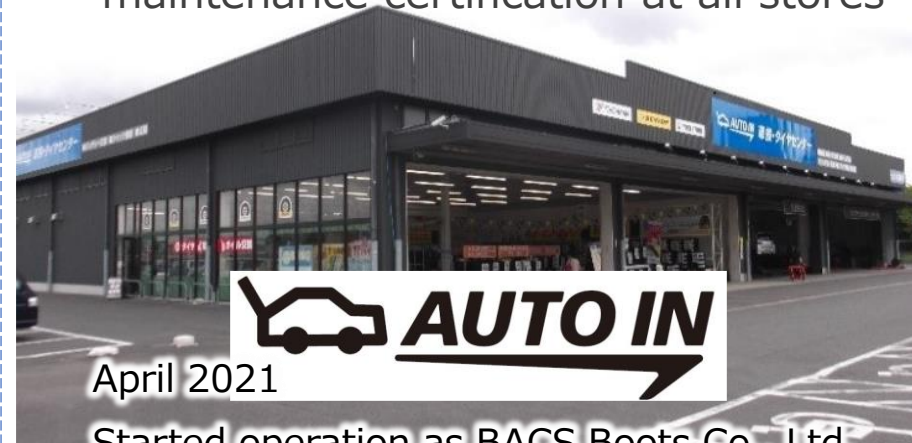
■ AUTO IN Shaken and Tire Center

Next-
Generation
Maintenance
Network

Service Pit
Network

Automotive
related
Goods Sales
Network

- Start operation as AUTO IN Shaken and Tire Center
- Changed distribution channel of national brand tires to AUTOBACS
- Aim to acquire automobile specific maintenance certification at all stores



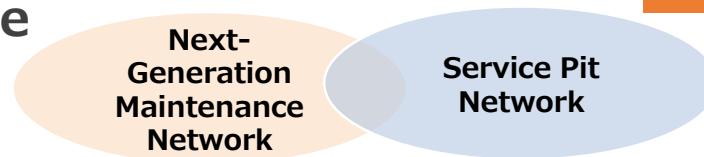
April 2021

Started operation as BACS Boots Co., Ltd.

Five-year Rolling Plan: APPENDIX

■ Creating a local network for maintenance

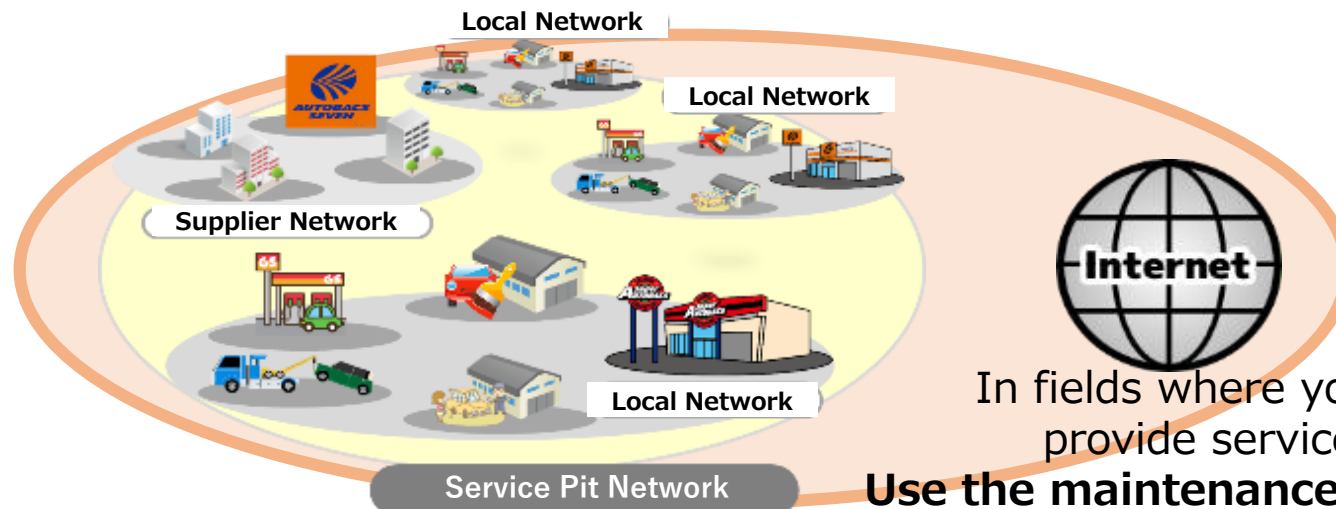
Efforts to create networks



- Established a system for responding promptly to changes in the environment surrounding the maintenance industry, thus establishing a system providing high-quality services to car users
- Built local area maintenance networks (with network cooperation in 20 of the 50 areas in Japan) by having AUTOBACS Group stores and BS-Summit Business Cooperative* members' facilities promote optimal local cooperation using each others' resources

*The BS-Summit Business Cooperative is a nationwide network of body shops with automotive maintenance bases all over Japan

- Also started a collaboration in which AUTOBACS stores are used as bases by road service providers



Five-year Rolling Plan: APPENDIX

Opened a new ADAS Calibration Center*

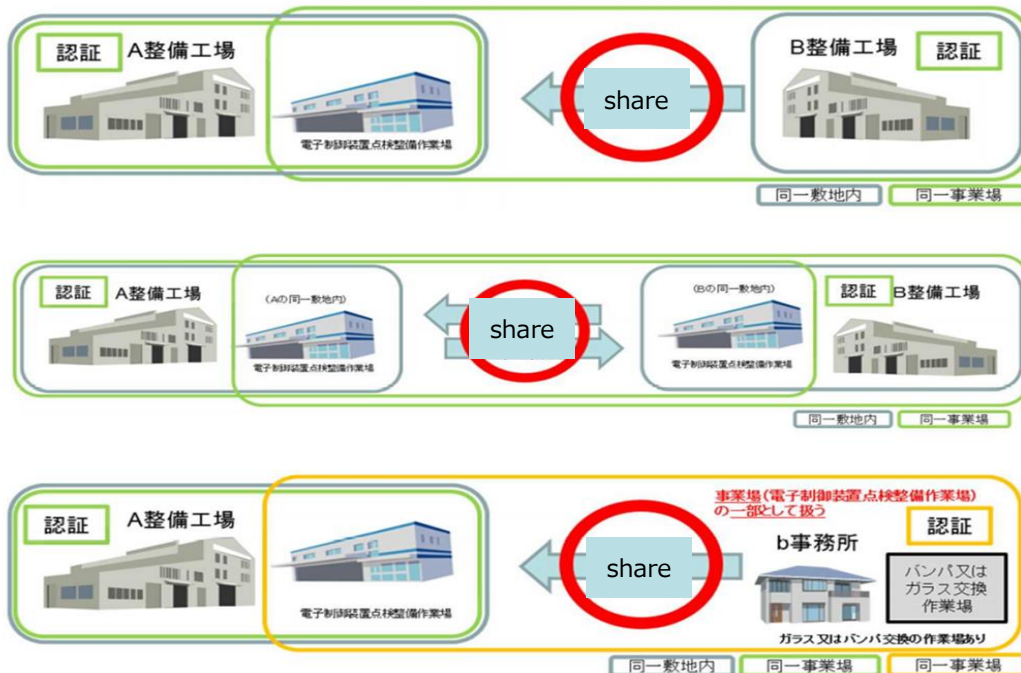
Efforts to create networks

Next-
Generation
Maintenance
Network

Service Pit
Network

*Recently launched cars come with many features supporting safe driving, such as automatic braking. They therefore have cameras and sensors mounted on the windshield and bumpers. Accordingly, maintenance must include **calibration** to ensure this advanced equipment functions normally.

- A facility for sensor calibration (equipped with ADAS Calibration) was opened at the Super AUTOBACS Kumamoto Higashi Bypass store. It is a shared facility available to local maintenance service providers.
- Built a maintenance network that is highly convenient for car users by encouraging cooperation beyond boundaries in the auto aftermarket industry

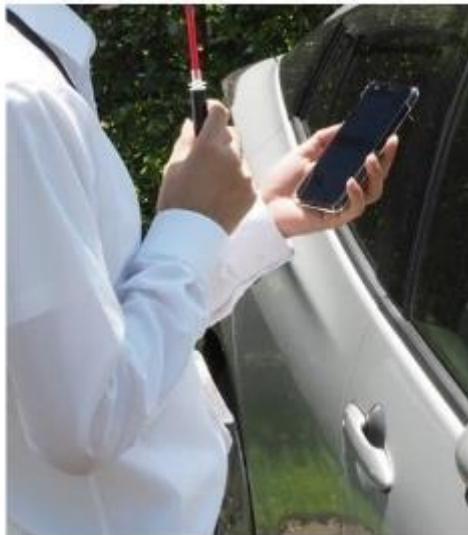


Five-year Rolling Plan: APPENDIX

■ Launch of a cloud-based service detecting drunkenness and alcohol consumption for corporate use

Online Network

- Launched the ALC Cloud, a cloud-based service detecting drunkenness and alcohol consumption in October 2021 with a focus on companies and national/local government organizations using company or official cars, as well as the recently increasing needs of customers using their own cars for business purposes



Efforts to create networks

■ AUTOBACS app upgraded

Automotive-related Goods Sales Network

- The facility also has the ability to record vehicles' maintenance history (engine oil, oil filter, tires, battery, wipers, and other main maintenance items) and informing users of the next time that parts will need to be replaced
- Inspection results can be checked with the app immediately.

Online bookings for oil changes*
increased
approx. 50%

*Compared to the first nine months ended FY March 2021

New application downloaded*
approx. 2.6 million people

* As of December 2021



Five-year Rolling Plan: APPENDIX



Lifestyle Business

Initiatives of each business

■ Opening of the brand's first store GORDON MILLER KURAMAE

- The garage lifestyle-focused brand GORDON MILLER has opened its first store
- The store is the only GORDON MILLER facility that carries all of the items sold by the brand.
- The product lineup includes original custom car GORDON MILLER MOTORS.



Five-year Rolling Plan: APPENDIX



Lifestyle Business

Initiatives of each business

■ Unveiling of LEGAVELO, the first custom car from ARTA MECHANICS

- ARTA MECHANICS, a new custom car brand under the ARTA racing sports brand unveiled LEGAVELO, its first custom car, at the Tokyo Auto Salon 2022


ARTA
MECHANICS
LEGAVELO


5 units only

 Customization fee: 25.3 million yen
 (including tax)


January 2022

Unveiling at the Tokyo Auto Salon 2022

 Left: Kiomi Kobayashi, Representative Director and Chief
 Executive Officer of the Company
 Right: Aguri Suzuki, ARTA Project Producer

Five-year Rolling Plan: APPENDIX

Logistics
Infrastructure

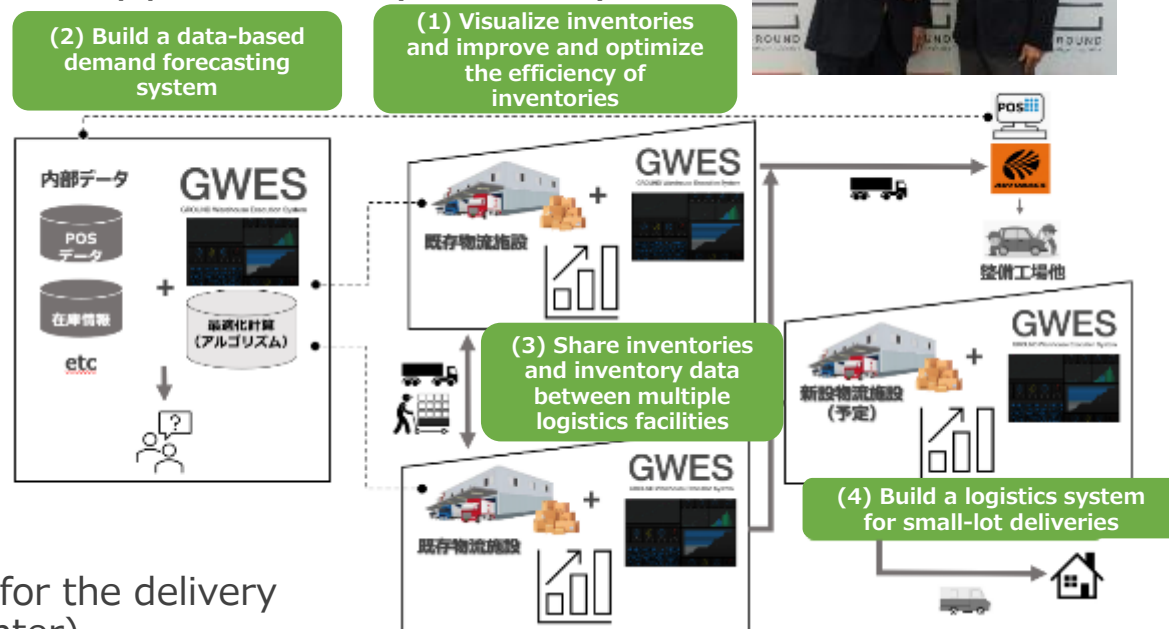
Efforts to build business foundation

- **Logistics reform through an AI-based DX of logistics**
 - Invested in GROUND, a provider of logistics solutions, and concluded a business alliance agreement — (January 26, 2022)
- Visualize inventories at logistics bases and optimize the procurement of merchandise
- Reduce the current inventories approximately 20% by FY March 2027



<Initiatives for business alliances>

1. Visualization and streamlining of inventories
2. AI-based demand forecasting
3. Sharing of inventories and inventory data between multiple logistics facilities
4. Establishment of a logistics system for the delivery of small lots (e-commerce logistics center)



Initiatives for ESG·SDGs

Materiality was identified through discussions at the Board of Directors

Society we want to realize

a safe, secure, and gentle society
in which people, cars, and the
environment exist in harmony

Our ideal

Professional & Friendly

Social issues that we should solve

1. Realization of a cyclical and symbiotic society



2. Response to climate change



3. Revitalization of local communities



4. Pursuit of diverse human resources and diverse work styles



5. Creating healthy and rewarding jobs



Materiality

1 Creation of businesses that solve social issues

Develop new businesses that contribute to SDGs/open innovation/deal with EV etc.

2 Enhancing efforts that consider the environment and society

CO2 reduction such as energy saving/Reduce burden on the environment/Coexistence with the local community etc.

4 Sustainable and strong management base

ESG management/digital transformation/social contribution etc.

3 Growing organizations and human resources

Develop next-generation human resource and mechanics/work-style reforms/health management/D&I etc.

Initiatives for ESG·SDGs

■ Efforts related to ESG and the SDGs

May 2021: Announced material issues

September 2021: Development into a company-wide project/commencement of consideration of non-financial targets

December 2021: Interim report on non-financial targets under consideration at a meeting attended by directors



Achieve medium- to long-term value creation by balancing environmental, social and governance issues with business growth and enhancing sustainability.

Initiatives for ESG·SDGs

Structure of ESG & SDGs Project

Project Leader
Representative Director
and Chief Executive Officer

General Manager (2)

Officer Finance & Accounting / PR & IR
Officer Human Resources / General Affairs / Legal

General Leader (2)

General Manager of Corporate Planning Department
General Manager of PR & IR

General Member (6)

Corporate Planning Department, General Affairs Department, PR & IR Department

Establish task forces for each materiality

1

**Creation of
businesses
that solve
social issues**

2

**Enhancing
efforts that
consider the
environment
and society**

3

**Growing
organizations
and human
resources**

4

**Sustainable
and strong
management
base**

Task Leader: All Officers including four Senior Executive Officers (15)

Task Member: General Managers and Group Manager related to materiality (44)

Acquisition of own shares and Dividends

Acquisition of own shares

Acquisition period	Type of shares to be acquired	Aggregate number of shares to be acquired	Aggregate purchase price of shares
From May 11, to Sep. 14, 2021	Shares of common stock of the Company	1,942,500 shares*	2,999 Million Yen

*Acquire up to 200 million shares, 2.5% of total shares outstanding (excluding treasury stock), 3,000 million yen

Cancellation of own shares

Planned date of cancellation	Type of shares to be cancelled	Aggregate number of shares to be canceled
May 17, 2021	Shares of common stock of the Company	2,000,000 shares*

* 2.4% of total shares outstanding (including treasury stock)

(Reference) Treasury stock as of end of December 2021

Total number of shares outstanding (excluding treasury stock): 82,050,105 shares

Total number of treasury stock: 4,116,262 shares

(Reference:
Application of Accounting Standard for Revenue Recognition, etc.)

The Group adopted the Accounting Standard for Revenue Recognition, etc. from FY March 2022

Sales with return rights

The Group implemented a change to adopt a method in which net sales and amounts equivalent to the cost of sales are not recognized for goods that are expected to be returned

Transactions through agents

For transactions in which the Company's role is that of an agent, revenue is recognized with a net amount that offsets sales and cost of sales.

Consideration to be paid to customers

Consideration paid to customers, which had been recorded in SG&A expenses, was reduced from net sales.

Obligation to be fulfilled at some point in time or for a certain period of time

Revenue is recognized at a point in time or over a period of time when the customer receives the benefits of maintenance.

The amounts of impacts due to the application of the Accounting Standard for Revenue Recognition, etc.

3Q FY
March 2022

(Million Yen)

Net sales	-8,018
Sales cost	-7,077
SG&A	-399
Ordinary income	-542
Net profit	-542

Automobile Purchase and Sales Business

Total **21,610** cars YoY **+2.6%**

BtoB Sales

Details	No. of cars sold
To AUTOBACS SEVEN	612
Sales to AA via AUTOBACS SEVEN	3,187
Direct sales from stores	10,007
BtoB total	13,806

Retail

Details	No. of cars sold
Used cars	5,225
New cars	2,579
Retail total	7,804

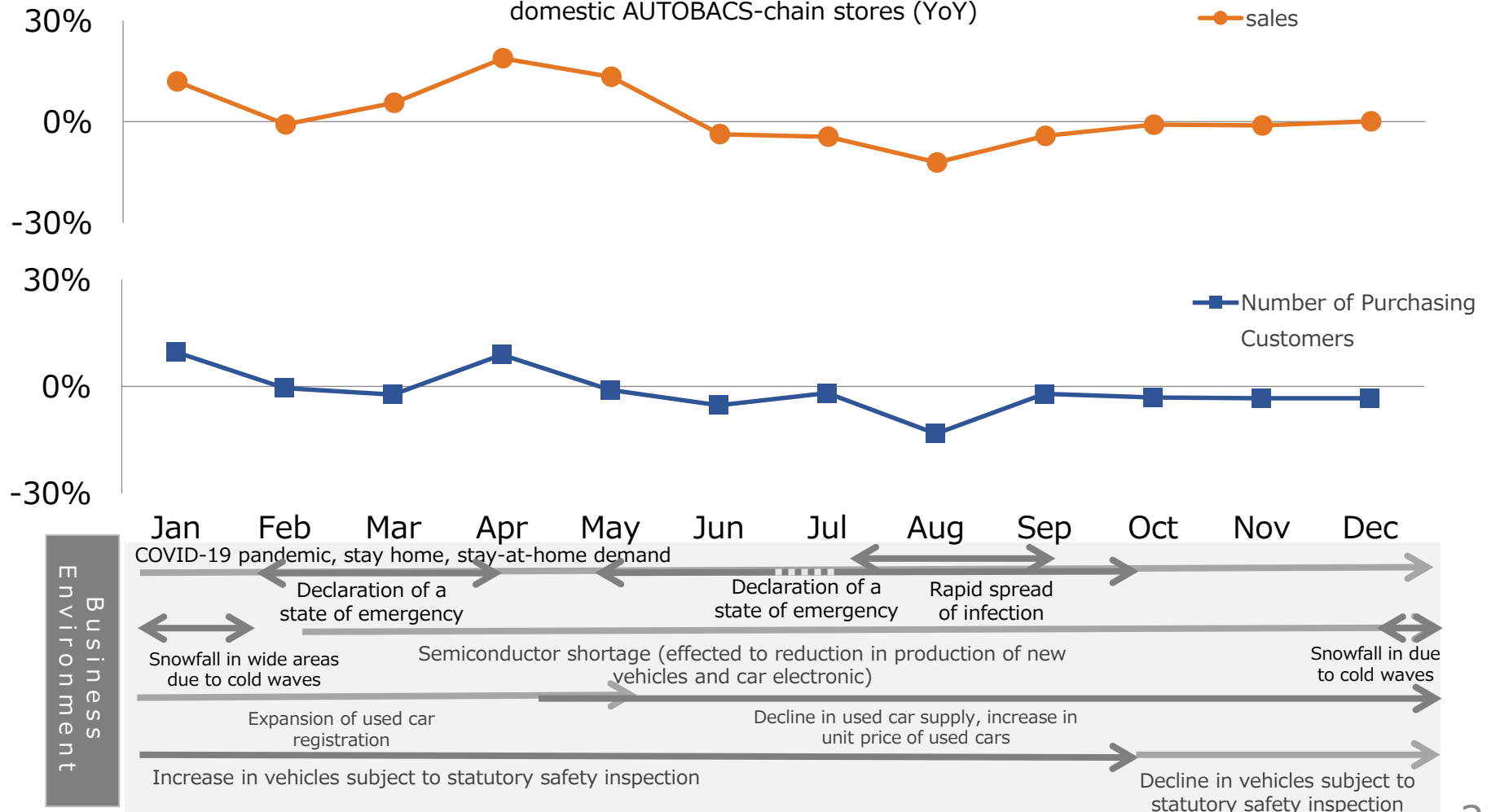
Include sales at all domestic AUTOBACS CARS stores

YoY Change of Sales/Number of Purchasing Customers

[Same store basis (YoY)]

Sales: +0.1%, Number of purchasing customers: -2.8%

Same store sales and number of purchasing customers at domestic AUTOBACS-chain stores (YoY)



Store Openings and Closings

Domestic stores

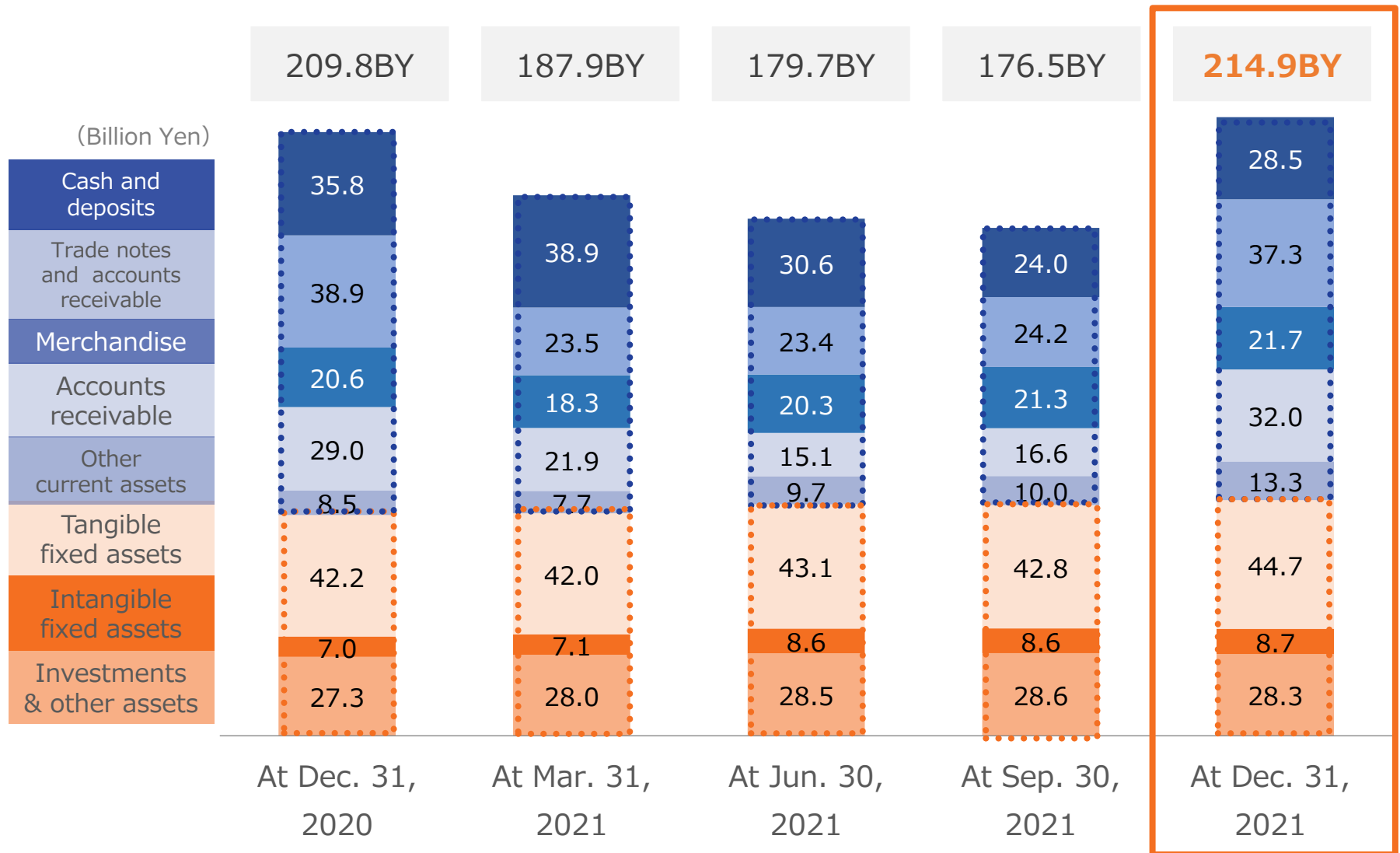
No. of stores at end of March 2021	FY March 2022							No. of stores at end of March 2022
	1 Q-3Q (Results)			No. of stores at end of Dec 2021	4Q (Plan)			
	New	S&B R/L	Close		New	S&B R/L	Close	
490	+3	+2/-2		493	+1			494
74				74				74
6				6				6
11				11				11
3				3				3
584	+3	+2/-2		587	+1			588

Overseas stores

Overseas stores	No. of stores at end of March 2021	FY March 2022			No. of stores at end of March 2022
		1 Q-3Q (Results)	No. of stores at end of Dec 2021	4Q (Forecasts)	
France	10		10		10
Thailand	17	+9	26	+9	35
Singapore	2		2		2
Taiwan	6	+1/-1	6		6
Malaysia	4		4	+1	5
Indonesia	3	+1	4	+1	5
Philippines	3		3		3
Total	45	+10	55	+11	66

※S/B=Scrap & Build
 ※R/L=Relocation

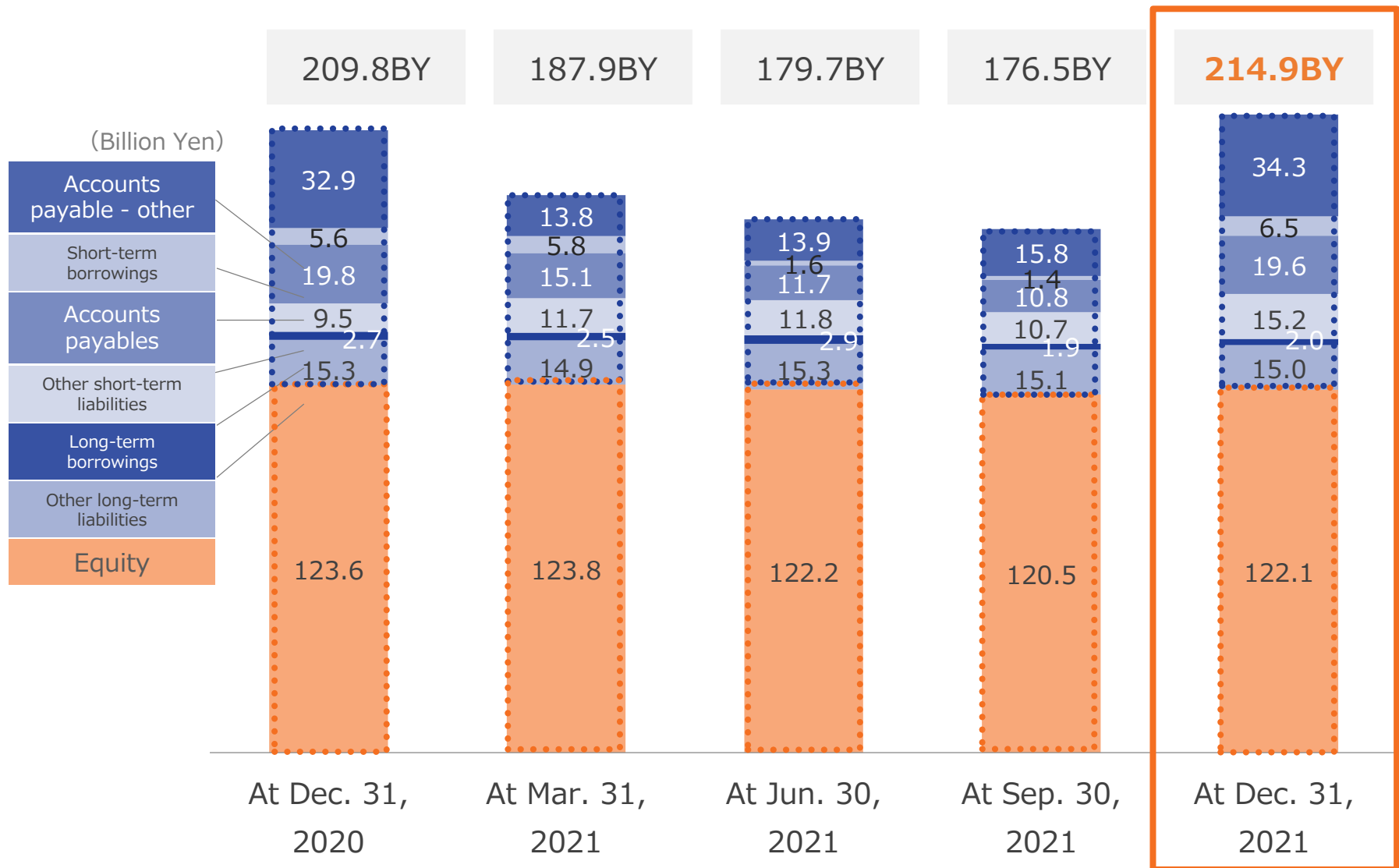
Balance Sheet: Assets



Amounts are rounded down.

The figures for the previous fiscal year and earlier have not been reclassified to reflect the new presentation method.

Balance Sheets: Liabilities and Equity



Amounts are rounded down.

The figures for the previous fiscal year and earlier have not been reclassified to reflect the new presentation method.



Forward-Looking Statements

These materials include forecasts regarding the Company's future plans, strategies, and performance. This information is based on judgments and forecasts made in accordance with information currently available. Actual results may differ materially from forecasts due to such factors as changes in operating circumstances.