Please note that this document is a translation of the official Japanese notice of convocation of the 79th ordinary general meeting of shareholders of AUTOBACS SEVEN Co., Ltd. prepared for the convenience of shareholders outside Japan with voting rights, for reference purposes only.

(Securities code 9832)
June 8, 2026
(Date of commencement of measures for electronic provision:
June 1, 2026)

To Our Shareholders

Yugo Horii
Representative Director & Chief Executive Officer
AUTOBACS SEVEN CO., LTD.
6-52, Toyosu 5-chome, Koto-ku, Tokyo

NOTICE OF CONVOCATION OF THE 79TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that the 79th ordinary general meeting of shareholders of AUTOBACS SEVEN Co., Ltd. (the "Company") will be held as described below.

In convening the general meeting of shareholders, the Company has taken measures for electronic provision of information contained in the reference documents for the general meeting of shareholders, etc. (matters to be provided electronically), and such matters to be provided electronically are posted on the Company's website on the Internet. Please access the Company's website indicated below and refer to the information.

The Company's website
https://www.autobacs.co.jp/en/ir/stock/meeting.html

In addition to the above, matters to be provided electronically are also posted on the website indicated below.

Tokyo Stock Exchange website (TSE Listed Company Search)
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the above website, enter the Company's name "AUTOBACS SEVEN" in the "Issue name (company name)" or the Company's securities code "9832" in the "Code" and click "Search," select "Basic information," then "Documents for public inspection/PR information," and refer to the information.

If you are not attending the meeting, you can exercise your voting rights via the Internet, etc. or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders, and then exercise your voting rights by 6:00 p.m., Monday, June 22, 2026.

Particulars

1. Date and time: June 23, 2026 (Tuesday) at 10:00 a.m. (Reception starts at 9:00 a.m.)

2. Venue: Hotel East 21 Tokyo, 3rd floor, EITAI Hall
3-3, Toyo 6-chome, Koto-ku, Tokyo

3. Agenda of the meeting:
Matters to be reported:
1. Reports on the business report, consolidated financial statements and audit results of the consolidated financial statements by the independent auditor and the Audit and

Supervisory Committee for the 79th fiscal term (from April 1, 2025 to March 31, 2026)

2. Report on the non-consolidated financial statements for the 79th fiscal term (from April 1, 2025 to March 31, 2026)

Matters to be resolved:

Agenda Item No. 1: Appropriation of surplus

Agenda Item No. 2: Election of five (5) directors (excluding directors who are audit and supervisory committee members)

4. Matters determined concerning the convocation:

(1) If you exercise your voting rights in writing (by postal mail) and there is no indication of approval or disapproval for the respective proposals in the Exercise of Voting Rights form, this shall be deemed as approval for the Company's proposals.

(2) If you have exercised your voting rights several times via the Internet, etc., the final execution shall be deemed effective.

(3) If you have exercised your voting rights both via the Internet, etc. and in writing (by postal mail), the vote made via the Internet, etc. shall be deemed effective.

■ This year, the Company has sent the documents with the same content to all shareholders, and therefore the documents sent to the shareholders who have requested a paper copy are the same as those for shareholders who have not requested a paper copy.

■ If any modifications are made to the matters to be provided electronically, matters before modifications and matters after modifications will be posted on the Company's website and the TSE website described on the previous page.

Guide for the exercise of voting rights

Exercise of voting rights via the Internet, etc.
You can conveniently access the website for exercising voting rights by reading the "QR code" with your mobile device. Please enter approval/disapproval for the respective proposals.

Deadline: Must be received by 6:00 p.m. on June 22, 2026 (Monday)

Exercise of voting rights by postal mail
Indicate in the enclosed Exercise of Voting Rights form approval/disapproval for the respective proposals, and send the completed form to the Company.

Deadline: Must arrive by 6:00 p.m. on June 22, 2026 (Monday)

Exercise of voting rights by attendance at the meeting
When attending the meeting in person, bring this NOTICE OF CONVOCATION OF THE 79TH ORDINARY GENERAL MEETING OF SHAREHOLDERS and submit the enclosed Exercise of Voting Rights form to the receptionist.

Date and time: June 23, 2026 (Tuesday) at 10:00 a.m. (Reception starts at 9:00 a.m.)

To disclose details on the reports, etc. on the matters to be reported on the date of the general meeting of shareholders, the Company plans to release videos on its website on the date following the general meeting of shareholders and thereafter.

Agenda Items and Reference Matters

Agenda Item No. 1: Appropriation of surplus

The Company defines returning profits to its shareholders as one of its most important management tasks. For the three-year planning period of the 2024 Medium-term Business Plan “Accelerating Towards Excellence” starting from the fiscal term ended March 31, 2025, the Company’s basic policy on shareholder returns is to pay a stable annual dividend of 60 yen per share in principle, according priority to investment in growth opportunities.

With regard to the appropriation of surplus, we will do as follows in accordance with the above-mentioned policy.

Matters concerning year-end dividends

(1) Type of assets to be distributed

Cash

(2) Matters concerning the allotment of assets to be distributed to the shareholders and the aggregate amount thereof

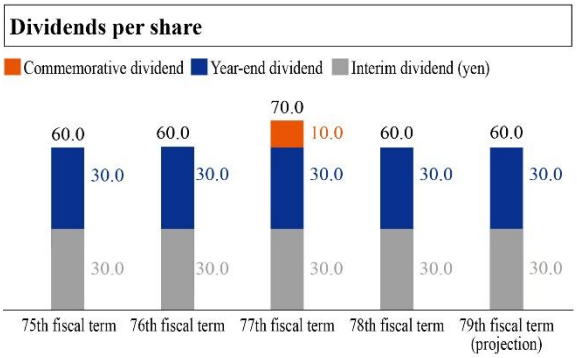
30 yen per ordinary share of the Company

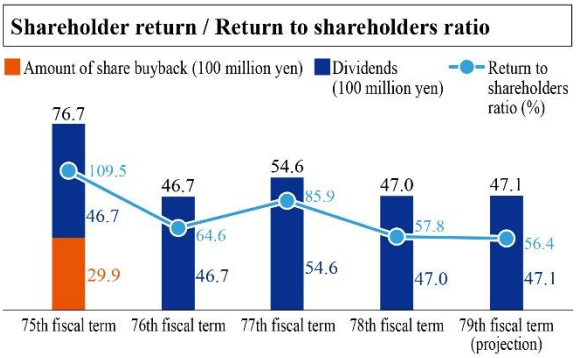
Total amount of 2,355,855,240 yen

* Since the Company has paid an interim dividend at the rate of 30 yen per share, the total annual dividends for this fiscal term shall be 60 yen per share.

(3) Effective date of dividends from surplus

June 24, 2026





Agenda Item No. 2 and Reference Matters

Agenda Item No. 2: Election of five (5) directors (excluding directors who are audit and supervisory committee members)

At the conclusion of this general meeting of shareholders, the terms of office of all the directors (five (5) in number; excluding directors who are audit and supervisory committee members) will expire. Accordingly, the Company requests the shareholders' approval for the election as directors (excluding directors who are audit and supervisory committee members) of the five (5) candidates (including two (2) outside directors).
Regarding nomination of candidates for directors, the Corporate Governance Committee established as a consultative body for the Board of Directors and chaired by an outside director and comprised of all the outside directors, the Chairman of the Board of Directors, and the representative director, functions as a voluntary nomination and compensation committee, and is consulted in order to ensure transparency and objectivity. The Audit and Supervisory Committee has expressed its opinion that each candidate is appropriate as a candidate to become a director of the Company, in view of the determination policies that consider the talent and eligibility of each candidate as a director and other factors and the nomination procedures taken by the Corporate Governance Committee, and the status of each candidate's execution of duties and contribution to performance for the fiscal year under review.
Candidates for directors (excluding directors who are audit and supervisory committee members) are as follows.
Information on the candidates for directors (excluding directors who are audit and supervisory committee members) is provided on pages 5 through 14.

Candidates list for directors (excluding directors who are audit and supervisory committee members)

Candidate No.	Name		Career position and assignment in the Company	Number of Years in Office as a Director (As of the conclusion of this General Meeting)	Attendance at Board of Directors' meetings
1	Yugo Horii	Re-nomination	Representative Director & Chief Executive Officer, Chief AUTOBACS Chain Officer	10	100% (16 of 16 meetings)
2	Shinichi Fujiwara	Re-nomination	Senior Managing Director & General Manager, Marketing	5	100% (16 of 16 meetings)
3	Noritaka Hiraga	New candidate	General Manager, Corporate Management	–	–
4	Yosuke Matsuda	Re-nomination Outside Director Independent Officer	Outside Director	2	100% (16 of 16 meetings)
5	Tatsuya Kamoi	Re-nomination Outside Director Independent Officer	Outside Director	1	100% (11 of 11 meetings)-

(Notes) 1. Mr. Yosuke Matsuda and Mr. Tatsuya Kamoi are candidates for outside director as defined in Article 2, Paragraph 3, Item 7, of the Companies Act Enforcement Regulations and satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. The Company has registered Mr. Yosuke Matsuda and Mr. Tatsuya Kamoi with the Tokyo Stock Exchange as independent officers. If they are elected as originally proposed, the Company plans to reappoint them as independent officers.

2. Currently, Mr. Yosuke Matsuda and Mr. Tatsuya Kamoi serve as the Company's outside directors (not directors who are audit and supervisory committee members). They have entered into agreements with the Company that define their limitation of liability as defined in Article 423, Paragraph 1, of the Companies Act. The liability limit is an amount set forth in Article 425, Paragraph 1, of the Companies Act. If they are elected, the said agreements will be continued.
3. As director, Mr. Tatsuya Kamoi, was appointed on June 24, 2025, the description of his attendance at Board of Directors' meetings excludes any meeting of this kind held prior to or on June 23, 2025.

4. The ages of the candidates are as of June 23, 2026.

Reference Matters for Agenda Item No. 2: Election of five (5) directors (excluding directors who are audit and supervisory committee members)

Candidate No. 1:
Yugo Horii
Re-nomination

Career position and assignment in the Company:
Representative Director & Chief Executive Officer, Chief AUTOBACS Chain Officer
- Date of birth: June 24, 1972 (age 53)
- Term of office as a director at the conclusion of this general meeting: 10 years
- Number of Company shares owned: 74,800
- Attendance at Board of Directors' meetings: 100% (16 of 16 meetings)

Reasons for nomination and expected role
Since having assumed office as Representative Director of the Company in 2022, Mr. Horii strived to reform the management system to make it more performance-driven, and announced and implemented the long-term vision "Beyond AUTOBACS Vision 2032" and the 2024 Medium-term Business Plan "Accelerating Towards Excellence."
The Company is currently in an extremely important phase as the final year of the 2024 Medium-term Business Plan, reaching a year for the final touches to ensure completion of the strategies set forth in the plan and to transition to the next growth stage.
As the Plan enters its crucial final year, the Company believes that his strong leadership at the helm is indispensable for the Group to achieve sustainable growth and enhance its medium- to long-term value.

Dear Shareholders,
The world economy faces deepening fragmentation and the normalization of geopolitical risks. Amid these conditions, the automobile industry is in a phase of global competition and a surge in investment, centered on the development of electric vehicles (EVs) and software-defined vehicles (SDVs) as well as the utilization of generative artificial intelligence (AI). As Director, I will lead the transformation of our business portfolio through management that emphasizes capital efficiency and strategic investment to identify growth opportunities. We will make company-wide efforts to surpass our competitors and achieve sustainable growth and the enhancement of corporate value in order to meet the expectations of all our stakeholders.

Special relationship between the candidate and the Company
Mr. Horii has no special interests in the Company.

Brief professional background including major posts held

March 1995:	Joined AUTOBACS SEVEN Co., Ltd.
April 2010:	General Manager of Legal Department
April 2012:	Officer, Internal Control
April 2013:	Officer, Internal Control and Legal
April 2015:	Officer, Legal, General Affairs and Internal Control
April 2016:	Senior Executive Officer, Overseas Business
June 2016:	Director and Senior Executive Officer, Overseas Business
April 2017:	Director and Senior Executive Officer, Office of the President and Overseas Business Planning
April 2018:	Director and Senior Executive Officer, Office of the President and Business Planning, and AUTOBACS Business Planning
June 2019:	Representative Director and President, ABT Marketing Co., Ltd.
April 2020:	Director and Senior Managing Executive Officer, Head of AUTOBACS Business Planning & Operations and CEO Office / Business Planning
April 2022:	Representative Director and Senior Managing Executive Officer, CEO Office / Business Planning
June 2022:	Representative Director and Chief Executive Officer, Chief AUTOBACS Chain Officer
April 2023:	Representative Director & Chief Executive Officer, Chief AUTOBACS Chain Officer (current position)

Candidate No. 2:
Shinichi Fujiwara
Re-nomination

Career position and assignment in the Company:
Senior Managing Director & General Manager, Marketing
- Date of birth: September 23, 1965 (age 60)
- Term of office as a director at the conclusion of this general meeting: 5 years
- Number of Company shares owned: 33,200
- Attendance at Board of Directors' meetings: 100% (16 of 16 meetings)

Reasons for nomination and expected role
Mr. Fujiwara is well versed in the Domestic AUTOBACS Business and has significantly contributed to business growth and the enhancement of brand value through sales and area strategies, as well as marketing initiatives from a customer perspective. In addition, he has been dedicated to building trust with franchisees and plays a vital role in our human resource strategy to support the Company's growth through field-oriented operations and personnel development.

As Director, he leverages this expertise to fulfill an effective role in making decisions on important issues and supervising business execution.

As the AUTOBACS Group evolves into a "Mobility Lifestyle Infrastructure," the Company believes that Mr. Fujiwara's leadership—built on his experience in integrated enhancement of brands and customer touchpoints, and his ability to contribute to the medium- to long-term enhancement of corporate value through the development of next-generation management—is indispensable. Therefore, the Company has nominated him as a candidate for Director.

Dear Shareholders,
The Japanese economy in 2026 was expected to maintain moderate growth, as steady domestic demand was bolstered by improvements in the income environment driven by wage hikes and government economic measures. However, the prolonged impact of the situation in the Middle East has gradually begun to affect the automobile industry. In particular, the sharp rise in crude oil prices not only has an impact on the production of accessories and parts but also raises concerns over a potential decline in vehicle usage.

In this environment, we will continue to provide our customers with safe and secure mobility life to fulfill our social responsibility as a "Mobility Lifestyle Infrastructure" company based on statutory safety inspection and maintenance services as well as vehicle sales. Furthermore, we are committed to achieving the goals for the final year of the Medium-term Business Plan.

Special relationship between the candidate and the Company
Mr. Fujiwara has no special interests in the Company.

Brief professional background including major posts held

March 1984:	Joined AUTOBACS SEVEN Co., Ltd.
September 2007:	Officer, Area Dominant Strategy
June 2008:	Officer, Area Strategy
April 2009:	Officer, Chain Strategy
September 2009:	Officer, Advanced Store Prototype Development Project
April 2010:	Officer, Advanced Store Prototype Development
April 2011:	Officer, Marketing & Sales Strategy Planning
April 2013:	Officer, Marketing
April 2014:	Officer, Chain Store Planning and Marketing
April 2015:	Officer, Marketing
April 2016:	Officer, Chain Store Planning
April 2017:	Senior Executive Officer, Head of Eastern Japan Region Headquarters
April 2018:	Senior Executive Officer, Eastern Japan Regional Headquarters
April 2020:	Senior Managing Executive Officer, Northern Japan Regional Division and Kanto Regional Division
October 2020:	Senior Managing Executive Officer, Kanto Regional Division
June 2021:	Director and Senior Managing Executive Officer, Kanto Regional Division
April 2022:	Director and Senior Managing Executive Officer, Head of Operations and Kanto Regional Division

April 2023:	Senior Managing Director & Executive General Manager, Sales Operations & Eastern Japan Sales Operations
April 2024:	Senior Managing Director & Executive General Manager, AUTOBACS Business Strategies
August 2024:	Senior Managing Director & Executive General Manager, AUTOBACS Business Strategies, and Department Manager, Marketing
April 2025:	Senior Managing Director & General Manager, Marketing and Department Manager, Marketing
April 2026	Senior Managing Director, General Manager, Marketing (current position)

Candidate No. 3:
Noritaka Hiraga
New-candidate

Career position and assignment in the Company: General Manager, Corporate Management

- Date of birth: January 22, 1972 (age 54)
- Term of office as a director at the conclusion of this general meeting: —
- Number of Company shares owned: 7,400
- Attendance at Board of Directors' meetings: —

Reasons for nomination and expected role
Mr. Hiraga has held key positions in the corporate domain, primarily in accounting, finance, and corporate planning, and has contributed to strengthening our management foundation through business structure reforms and the development of management infrastructure.

Currently, as a General Manager of Corporate Management, he is responsible for strengthening management functions, financial base, and decision-making infrastructure from a company-wide and cross-functional perspective.

The Company believes it is important for him, as a director expected to fulfill the role of CFO, to lead management decisions by ensuring that the appropriateness and prioritization of investments and capital allocation during periods of transformation and growth—from the perspective of maximizing corporate value—are reflected in the Board's discussions and decision-making. Therefore, the Company has nominated him as a new candidate for Director.

Dear Shareholders,
While the Japanese economy is on a gradual recovery trend, uncertainties such as rising prices and exchange rate fluctuations are increasing.

In addition, the automotive industry is undergoing a period of significant transformation due to the advancement of electrification and digitalization, as well as changes in consumer behavior. Our company is also facing challenges such as the refinement of our revenue structure and the selection and concentration of our businesses. In this context, I will leverage my past financial experience to promote the optimization of our business portfolio and improve capital efficiency, thereby contributing to the sustainable enhancement of corporate value.

Special relationship between the candidate and the Company
Mr. Hiraga has no special interests in the Company.

Brief professional background including major posts held

March 1995:	Joined AUTOBACS SEVEN Co., Ltd.
April 2008:	Director, General Manager of Administration Department, AUTOBACS Management Service Co., Ltd.
April 2012:	General Manager, Finance & Accounting Department
April 2016:	Officer, Finance & Accounting
April 2017:	Officer, Finance & Accounting and Legal
April 2019:	Officer, Finance & Accounting, Legal and IR & PR
April 2020:	Officer, Human Resources, General Affairs and Legal
April 2022:	Officer, Corporate Planning
April 2023:	General Manager, Corporate
June 2023:	General Manager, Corporate Management
April 2025:	General Manager, Corporate Management (current position)

Candidate No. 4:
Yosuke Matsuda
Re-nomination, Outside Director (Independent Officer)

Career position and assignment in the Company:
Outside Director
- Date of birth: April 27, 1963 (age 63)
- Term of office as a director at the conclusion of this general meeting: 2 years
- Number of Company shares owned: 1,500
- Attendance at Board of Directors' meetings: 100% (16 of 16 meetings)

Reasons for nomination as an outside director and expected role
Mr. Matsuda has extensive experience and a proven track record of enhancing corporate value based on data, having served as CEO and CFO for many years in various operating companies, including improving the profitability group-wide through the introduction of business portfolio management.

As we evolve our business structure and implement our growth strategy in fiscal 2026, Mr. Matsuda's comprehensive perspective on corporate management and his expertise in financial and capital efficiency are crucial for ensuring the appropriateness of management decisions.

The Company believes that his objective and rigorous oversight of our management from the perspective of protecting general shareholders, as an outside director and independent officer, will contribute to improving the effectiveness of the Board of Directors' decision-making and supervisory functions.

Dear Shareholders,
The business environment surrounding the Company is becoming increasingly uncertain due to rising geopolitical risks and a tightening of energy supply and demand. However, even in this environment, I will actively make recommendations from an independent standpoint in order to achieve sustainable growth.

Special relationship between the candidate and the Company
Mr. Matsuda has no special interests in the Company.

Independence of the candidate
Mr. Matsuda satisfies the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, the Company has registered him with the Exchange as an independent officer.

Brief professional background including major posts held

April 1987:	Joined Mitsui Life Insurance Company Limited
May 1995:	Joined Actus Audit Corporation
December 1998:	Joined SQUARE CO., LTD. (*1)
February 2000:	Joined Showa Ota Ernst & Young Co., Ltd.
October 2001:	Senior Vice President, SQUARE CO., LTD. (*1)
April 2003:	Senior Vice President and General Manager, Accounting and Finance Division, SQUARE CO., LTD.
June 2004:	Director, Accounting and Finance, SQUARE ENIX CO., LTD. (*1)
February 2006:	Director, Taito Corporation (*2)
November 2006:	Director, SQUARE ENIX OF AMERICA HOLDINGS, INC.
April 2010:	Director, Taito Corporation
March 2013:	Senior Executive Managing Director and Representative Director, SQUARE ENIX HOLDINGS CO., LTD.
May 2013:	President and Representative Director, SQUARE ENIX CO., LTD.
June 2013:	President and Representative Director, SQUARE ENIX HOLDINGS CO., LTD.
June 2013:	President and Director, SQUARE ENIX OF AMERICA HOLDINGS, INC.
July 2013:	Deputy Chairman of the Board, SQUARE ENIX (China) CO., LTD.
January 2016:	Director, Taito Corporation
April 2016:	Director, SQUARE ENIX LTD.
June 2018:	Chairman of the Board, SQUARE ENIX (China) CO., LTD.
September 2023:	Outside Director, Sound Fun Corporation(*3) (current position)
June 2024:	Outside Director, AUTOBACS SEVEN Co., Ltd. (current position)

*1 Currently SQUARE ENIX HOLDINGS CO., LTD.
*2 Currently SQUARE ENIX CO., LTD.
*3 Currently Mirai Speaker Inc.

Candidate No. 5:
Tatsuya Kamoi
Re-nomination, Outside Director (Independent Officer)

Career position and assignment in the Company:
Outside Director
- Date of birth: February 10, 1961 (age 65)
- Term of office as a director at the conclusion of this general meeting: 1 year
- Number of Company shares owned: 400
- Attendance at Board of Directors' meetings: 100% (11 of 11 meetings)

Reasons for nomination as an outside director and expected role
Mr. Kamoi, in addition to a wealth of experience in overseas business and in consulting on business globalization, has experience, and delivered results, in IT platform building, human resource development from a global perspective and organizational reform.
As we evolve our business structure and advance our management from a global perspective in fiscal 2026, Mr. Kamoi's expertise and diverse experience will be crucial in bringing new insights to management.
The Company believes that his objective and rigorous oversight of our management from the perspective of protecting general shareholders, as an outside director and independent officer, , will contribute to improving the effectiveness of the Board of Directors' decision-making and supervisory functions.

Dear Shareholders,
I will continue to contribute to enhancing our corporate value and growing as a company that is trusted and needed by society.

Special relationship between the candidate and the Company
Mr. Kamoi has no special interests in the Company.

Independence of the candidate
Mr. Kamoi satisfies the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company. Therefore, the Company has registered him with the Exchange as an independent officer.

Brief professional background including major posts held

April 1983:	Joined Epson Corp. (*1)
January 2000:	Joined PricewaterhouseCoopers Consulting (*2)
January 2006:	Executive Officer, IBM Japan, Ltd.
January 2012:	Managing Executive Officer, IBM Japan, Ltd.
August 2014	President and Representative Director and Far East Market Representative, Mercer Japan Ltd.
October 2019:	Senior Corporate Executive, NEC Corporation
April 2020:	President and Chief Executive Officer, ABeam Consulting Ltd.
April 2023:	Vice Chairman and Director, ABeam Consulting Ltd.
September 2023:	Outside Director, Paiza, Inc.
September 2023:	Outside Director, AVANT GROUP CORPORATION (current position)
April 2024:	Director, ABeam Consulting Ltd.
June 2025:	Director, Audit & Supervisory Committee Member, FUJI SOFT INCORPORATED (current position)
June 2025:	Outside Director, AUTOBACS SEVEN Co., Ltd. (current position)

*1 Currently Seiko Epson Corporation
*2 Currently IBM Japan, Ltd.

Common Reference Matters for Agenda Item No. 2

1. Outline of the Contents of the Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise when a director or officer insured under the agreement assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The Company plans to renew the agreement in February 2027. The director candidates to be proposed in the agenda for election of directors at the 79th Ordinary General Meeting of Shareholders are already insured under the insurance agreement and are to remain insured after their election. For an outline of the contents of the agreement, please see the Business Report.

2. Policy and Procedures for Appointment of Candidates for Director

Our directors are individuals who understand the importance of mutual trust with business partners, employees, and other stakeholders, and who possess the will and ability to enhance medium- to long-term corporate value and the common interests of shareholders, based on the understanding that our group is a business entity that provides diverse products and services and aims to become an infrastructure that supports a mobility society.

A candidate for inside director shall be familiar with the Company's business, and a candidate for outside director shall have experience in corporate management, or experience and expertise in laws and regulations, finance and accounting, governance, risk management, etc. and also satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, as well as other requirements for independence stipulated by the Company.

The Company has established the Corporate Governance Committee as a consultative body for the Board of Directors, chaired by an outside director and comprised of all the outside directors, the chairman of the board of directors, and a representative director. When selecting candidates for director, the Board of Directors selects candidates after seeking consultation with the Corporate Governance Committee and receiving its recommendation.

Our independence requirements for outside directors are outlined on our website.

The information is available at (https://www.autobacs.co.jp/en/company/co-governance/co_control.html).

[Reference]

Insight and experience of the Board of Directors as a whole and each Director (Skills Matrix)

The Group aims to become a corporate group essential to customers and local communities by promoting the initiatives to "ensure the safety of our communities while driving and enriching customers' lives" through swift and resolute decision-making by way of achieving our long-term vision and the 2024 Medium-term Business Plan "Accelerating Towards Excellence."

We think it is important that the Board of Directors that plays a central role for supporting the growth aimed for by the Group in the Medium-term Business Plan and for enhancing its corporate value over the medium to long term by sustainable means should be composed of directors equipped with appropriate insight and experience in order to fulfill the responsibility of the Board.

The Group believes that insight and experience in the fields described in the table below, such as "management experience," "capital cost management/financial strategy," "portfolio management," and "organization/human resources strategy," are particularly important.

The following lists the types of insight and experience possessed by the Board of Directors as a whole and by each director.

Requirements	Directors who are not audit and supervisory committee members					Directors who are audit and supervisory committee members		
	Yugo Horii Re-nomination	Shinichi Fujiwara Re-nomination	Noritaka Hiraga New candidate	Yosuke Matsuda Re-nomination Outside	Tatsuya Kamoi Re-nomination Outside	Tomoaki Ikeda Incumbent	Masami Koizumi Incumbent Outside	Ayako Kanamaru Incumbent Outside
Management experience	●	●		●	●	●	●	
Capital cost management / Financial strategy	●		●	●	●	●	●	
Portfolio management	●	●		●			●	●
Organization / Human resources strategy		●	●		●			●
Insight and experience in the Company's business fields	Distribution / global	Retail / marketing	Wholesale / retail	Digital / global	Digital / global	Wholesale / retail	Wholesale / retail	Global
Risk management / Compliance	●					●	●	●
ESG / Diversity	●		●	●	●	●		●
IT / DX		●		●	●			

(Notes) 1. The above table shows the areas in which the relevant Director can contribute to the Board of Directors more remarkably based on his/her insight, experience, etc. and does not represent all of his/her insight and experience.

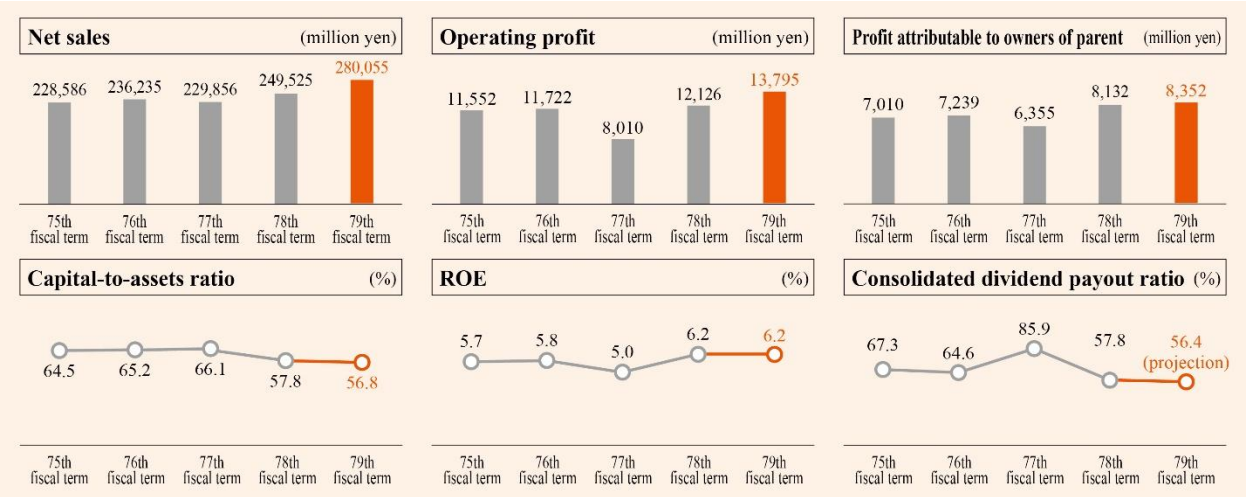
2. The areas of insight and experience required for the Board of Directors as a whole and each Director may be reviewed and revised according to strategies and priority issues in the management plan of the Company.

Business Report (from April 1, 2025 to March 31, 2026)

1. Current Status of the Group

(1) Assets and Operating Results

Classification	75th fiscal term Apr. 1, 2021– Mar. 31, 2022	76th fiscal term Apr. 1, 2022– Mar. 31, 2023	77th fiscal term Apr. 1, 2023– Mar. 31, 2024	78th fiscal term Apr. 1, 2024– Mar. 31, 2025	79th fiscal term Apr. 1, 2025– Mar. 31, 2026
Net sales (million yen)	228,586	236,235	229,856	249,525	280,055
Operating profit (million yen)	11,552	11,722	8,010	12,126	13,795
Ordinary profit (million yen)	11,246	11,574	8,093	12,516	14,625
Profit attributable to owners of parent (million yen)	7,010	7,239	6,355	8,132	8,352
Net income per share (yen)	89.17	92.87	81.52	103.89	106.39
Total assets (million yen)	189,910	194,327	194,948	228,170	239,901
Net assets (million yen)	122,892	126,963	129,152	131,963	136,621
Capital-to-assets ratio (%)	64.5	65.2	66.1	57.8	56.8
ROE (%)	5.7	5.8	5.0	6.2	6.2
Consolidated dividend payout ratio (%)	67.3	64.6	85.9	57.8	56.4 (projection)



(2) Management policy, business environment, and targets to be achieved
(i) Management policy

■Purpose
Ensuring the safety of our communities while driving and enriching customers' lives

■Direction for the evolution of AUTOBACS SEVEN Co., Ltd.
Aim to provide "Mobility Lifestyle Infrastructure" for our customers on a global scale.

The Group's Purpose is to "ensure the safety of our communities while driving and enriching customers' lives." To that end, we are committed to solving various social challenges related to mobility, including automobiles. As the infrastructure supporting a mobility-oriented society, we aim to create a sustainable society where people and mobility coexist in harmony, while also pursuing the Group's own sustainable growth.

Our Group is currently making efforts to transition from a traditional one-stop service for automotive goods and services to a one-stop solution capable of addressing all mobility-related challenges. This strategic direction is outlined in our 2024 Medium-Term Business Plan, "Accelerating Towards Excellence," which was announced in 2024 under the strategic direction "Aim to provide "Mobility Lifestyle Infrastructure" for our customers on a global scale." The first step in this effort is to become a convenient maintenance hub that reduces the "inconveniences" for customers in their mobility needs.

In addition, as an "integrated mobility after-sales service provider" with a wide range of mobility-related capabilities, we are committed to evolving into a vital partner that can effectively address all mobility-related challenges. Our goal is to become a corporate group that plays a crucial role in supporting the "mobility lifestyle infrastructure," which is essential for society.

(ii) Business environment
The Japanese economy continued its moderate recovery, supported by a rebound in inbound tourism demand, improvements in the employment environment, and continued wage increases. However, the economic outlook remains uncertain due to prolonged inflation, sluggish consumer spending, and rising geopolitical risks.

In the mobility industry, although electrification continues to advance against the backdrop of decarbonization trends, the pace of electric vehicle (EV) adoption varies by region due to factors such as revisions to subsidy policies and delays in the development of charging infrastructure. In addition, the growing sophistication of vehicles equipped with advanced technologies, such as advanced driver-assistance systems (ADAS), enhances vehicle functionality and added value, while also requiring a higher level of expertise for maintenance.

Furthermore, driven by rising new vehicle prices due to inflation, demand for used vehicles is expanding and vehicle ownership periods are lengthening. As a result, demand for vehicle maintenance and after-sales services is expected to remain solid.

In addition, the diversification of customer values and purchasing behaviors is accelerating due to the expansion of vehicle ownership models and alternative mobility options, including micromobility. Moreover, a widening gap is emerging between price-oriented consumption driven by inflation and demand for added value such as expertise and customer experience, requiring businesses that provide merchandise and services to respond in a flexible and multifaceted manner.

Our Group will strive to accurately assess these environmental changes and enhance our competitiveness by advancing its merchandise and services and redefining the value we provide. At the same time, we will work to achieve sustainable growth and increase corporate value by responding flexibly and promptly to changes in customer needs.

According to figures released by the Auto-Parts & Accessories Retail Association (APARA), an organization to which the Company belongs, total store net sales of four association members between April 2025 and March 2026 were ¥435,796 million, an increase of 4.5% year on year. In addition, new vehicle sales[*1] for the same period were approximately 4.53 million vehicles (a 0.9% decrease year on year), and the number of registered passenger used cars[*2] for the same period was approximately 3.15 million vehicles (a 0.5% decrease year on year). Total automobile maintenance sales[*3] in the market for the period from July 2024 through June 2025 were ¥6,659.2 billion (a 6.4% increase year on year), an increase for four consecutive years.

*1 Japan Automobile Dealers Association (JADA), total for registered cars + mini vehicles
*2 Japan Automobile Dealers Association (JADA), total for standard-sized vehicles and compact passenger cars
*3 Announced by Japan Automobile Service Promotion Association (JASPA)

(iii) Targets to be addressed

In accordance with our long-term vision, "Beyond AUTOBACS Vision 2032," our Group is working to expand our business scale and enhance the value we provide, with the goal of achieving consolidated net sales of 500 billion yen in fiscal year 2032. This vision is not merely aimed at expanding the scale of our business; rather, it seeks to achieve sustainable growth in corporate value by addressing social challenges surrounding mobility. We are implementing various initiatives in accordance with our 2024 Medium-Term Business Plan, "Accelerating Towards Excellence," which we announced in May 2024. This plan involves both the expansion of our existing businesses and the development of new growth areas.

As we work toward achieving our long-term vision, the environment surrounding the Company continues to change at an unprecedented pace. To ensure that we meet the goals we have set for fiscal year 2032, it is essential that we view these environmental changes not as obstacles but as opportunities for growth. It is imperative that we continue to optimize our business portfolio and strengthen our competitiveness while accelerating our execution speed more than ever before.

First, we are addressing the need for more advanced technical expertise and equipment required for vehicle inspections and maintenance due to the increasing number of vehicles equipped with cutting-edge technology and electric vehicles (EVs). As enhancing service quality becomes imperative, our Group is prioritizing the implementation of diagnostic equipment and the enhancement of our personnel development and training programs, particularly for our maintenance technicians. Through these efforts, we are developing a maintenance system that ensures customers can rely on our services with confidence for years to come, regardless of the vehicle model.

Next, we are addressing the rising demand for used cars, driven primarily by soaring new car prices. Our Group views this growing demand for used cars as a core growth area. By strengthening business collaboration between AUTOBACS CARS and Otoron—both of which are engaged in vehicle sales—we are working to improve our vehicle procurement capabilities and ensure price competitiveness. Additionally, we have begun the process of recruiting new franchisees for AUTOBACS CARS in fiscal year 2025. Through the strategic expansion of our franchise network, we aim to establish touchpoints with a greater number of customers and expand our service coverage area.

In addition, we are addressing the growing demand for maintenance resulting from the increasing average age of vehicles. We are offering customers who visit our stores free safety inspections to ensure they can use their vehicles with peace of mind for many years to come. Our maintenance and replacement recommendations, based on the inspection results, are intended to facilitate planned and cost-effective maintenance tailored to the condition of each vehicle, while also generating ongoing demand for our services. Furthermore, we will continue to contribute to maintaining mobility infrastructure by strategically opening new stores in communities where automobiles are essential to daily life.

We are also implementing concrete measures to address the diversification of customer values and purchasing behaviors, as well as the widening gap in consumer preferences driven by rising inflation. To accommodate the growing diversity of transportation methods and ownership models, we are expanding our micro-mobility offerings as a new business domain, thereby broadening our operations beyond the traditional automotive sector. In addition, we are committed to providing our customers with competitive prices by expanding our private-brand and exclusive-brand product lines, as well as through multi-brand initiatives such as Otoron and BEE LINE. Conversely, for customers who prioritize added and experiential value, we are advancing our store development strategy by enhancing our expertise and proposal capabilities through initiatives such as the restructuring of Super AUTOBACS and the opening of specialty stores.

We are also focusing on strengthening our business foundation with the aim of enhancing our ability to adapt to changes in the business environment. In fiscal 2025, as part of the Group's strategic growth initiatives, we have been implementing measures to enhance supply chain management and operational reforms. We have integrated procurement functions at subsidiaries where they overlapped, thereby realizing product procurement that leverages economies of scale. Furthermore, we are executing investments during the 2024 Medium-Term Business Plan period at a rate that exceeds the initial plan. Regarding the planned 35 billion yen investment in capital allocation under this Medium-Term Business Plan, 97% of the 17 billion yen M&A investment plan has been completed, and 144% of the 18 billion yen capital expenditure plan has been executed. The investments executed to date are beginning to contribute to our business performance, and we are now transitioning into a phase where the effects of these investments can be quantified.

The Company has a long-standing reputation for providing one-stop shopping for automotive goods and services through our nationwide network of stores. However, the mobility challenges our customers face are becoming more complex and diverse than ever before. Therefore, moving forward, we aim to evolve into an "integrated mobility after-sales service provider" capable of resolving all mobility-related issues by organically integrating the functions and strengths of our entire Group to deliver one-stop solutions.

Moving forward, we will continue to accurately identify and respond to the ever-changing business environment and diversifying customer needs. As a social infrastructure that supports the mobility society, we

will strive for further growth and enhanced corporate value. We are committed to our Purpose of "ensuring the safety of our communities while driving and enriching customers' lives."

(3) Business progress and results

(i) Overview of management results for the fiscal term under review

The Group aims to provide a mobility lifestyle infrastructure for customers on a global basis. Under the 2024 Medium-term Business Plan "Accelerating Towards Excellence," the Group has promoted various measures outlined in main strategies such as creating touchpoints, developing and supplying merchandise and solutions, and establishing new business domains.

The operating results of the Group on a consolidated basis are as follows:

(Unit: million yen)

Classification	78th fiscal term	79th fiscal term	YoY change (%)
Net sales	249,525	280,055	12.2
Gross profit	88,373	100,135	13.3
Selling, general and administrative expenses	76,247	86,340	13.2
Operating profit	12,126	13,795	13.8
Non-operating income	2,174	2,320	6.7
Non-operating expenses	1,784	1,490	(16.5)
Ordinary profit	12,516	14,625	16.9
Extraordinary income	1,030	1,269	23.3
Extraordinary loss	594	1,526	156.8 (Note)
Income taxes in total	4,803	5,991	24.7
Profit attributable to owners of parent	8,132	8,352	2.7

Note: The primary factor contributing to the increase was the recognition of an impairment loss on non-current assets of 1,188 million yen.

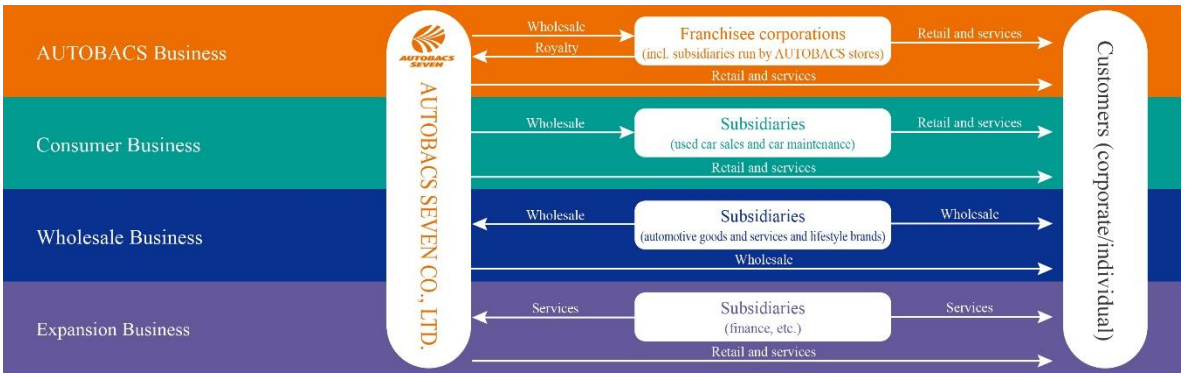
(ii) Group's lines of business and management results by segment

a. Group's lines of business by segment (as of March 31, 2026)

In addition to the wholesale and retail of automotive products in Japan and overseas, the operation of online stores, automobile dealership operations, the sale of vehicles and the provision of vehicle inspections and maintenance services, our Group also leases store facilities to the AUTOBACS Group and operates credit-related businesses.

The Group's lines of business and the positioning of its segments are as follows.

Segment	Description of business
AUTOBACS Business	Wholesaling of automotive goods, including tires, wheels, and car electronics, to domestic franchisees. The Group also provides sales and installation services for automotive goods, statutory safety inspection and maintenance services, bodywork and painting services for cars, and vehicle sales to general consumers in Japan and overseas.
Consumer Business	As a retail business outside the AUTOBACS Business, we sell automotive goods—primarily tires—and vehicles to general consumers. We also provide automotive goods and other products through our website and official app, in coordination with our physical stores. Furthermore, we sell automotive goods to corporate customers, as well as specialized services such as statutory safety inspection and maintenance services, and bodywork services.
Wholesale Business	We mainly wholesale and export automotive goods to retailers, such as hardware stores in Japan and overseas. We also handle the wholesale of private-label products, including lifestyle brands.
Expansion Business	Primarily through our subsidiaries, we operate credit-related businesses, act as insurance agents, facilitate individual credit purchases, and issue affiliated credit cards for domestic franchisees. We also lease equipment to these franchisees. We also engage in real estate development and handle next-generation micro-mobility solutions, including specified small motorized bicycles.



b. Net sales and income by segment

(Unit: million yen)

	Reportable segments					Reconciling items	Amount recognized in consolidated statement of income
	AUTOBACS Business	Consumer Business	Wholesale Business	Expansion Business	Total of reportable segments		
Net sales							
Revenue from contracts with customers	198,785	52,625	23,933	2,349	277,694	–	277,694

Other revenue	−	−	−	2,360	2,360	−	2,360
Net sales to outside customers	198,785	52,625	23,933	4,710	280,055	−	280,055
YoY (%)	3.5	81.2	(2.3)	22.0	12.2	−	12.2
Internal sales and transfers between segments	7,577	213	9,577	6,005	23,375	(23,375)	−
Total	206,363	52,838	33,511	10,716	303,430	(23,375)	280,055
YoY (%)	4.7	80.3	(5.7)	17.7	11.9	−	12.2
Segment profit	22,402	519	941	764	24,627	(10,832)	13,795
YoY (%)	1.6	−	81.7	60.6	11.0	−	13.8

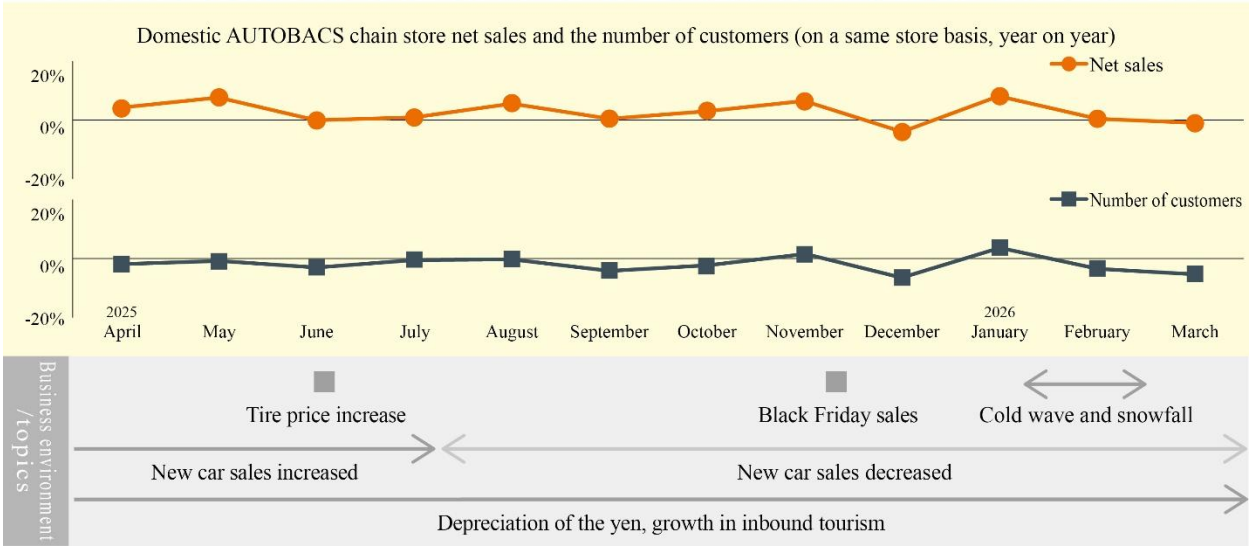
■ **AUTOBACS Business**

In the AUTOBACS Business, net sales increased by 4.7% year on year to ¥206,363 million and segment profit increased by 1.6% year on year to ¥22,402 million.

Net sales for all store formats of the domestic AUTOBACS chain (including stores of franchisee corporations) increased by 2.2% year on year on a same store basis and increased by 3.3% year on year on a total store basis.

Domestic AUTOBACS chain store net sales and number of customers year on year on a same store basis

Net sales on a same store basis +2.2% year on year Number of customers -2.1% year on year

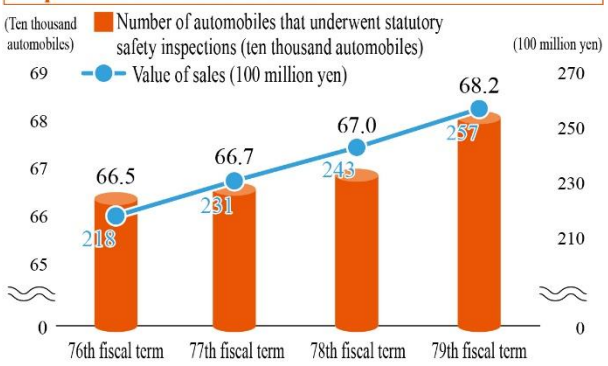


At AUTOBACS chain stores in Japan, tire sales performed well, driven by efforts to expand sales of exclusive tires and broaden the selection of high-value tires, and intensify TV commercials and online advertising promoting free safety inspections and tire sales. In addition, as the average age of vehicles continues to rise and the demand for vehicle maintenance increases, sales of maintenance items such as oil and batteries have remained stable. We have also enhanced the functionality of the pit work reservation system via our app and website, and we have expanded our range of oil sold by volume.

Conversely, due to a decline in new vehicle sales and the increasing sophistication of new car features, sales of car electronics—such as car navigation devices and dashboard cameras—as well as accessories such as in-car accessories and interior items remained weak.

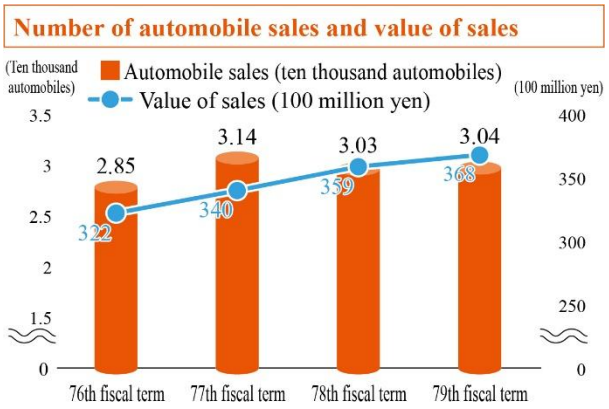
As for statutory safety inspection and maintenance services, we issued announcements regarding the extension of the inspection period following regulatory revisions in April 2025 and conducted year-round promotional campaigns through media and social media. Consequently, the number of automobiles that underwent statutory safety inspection increased by 1.7% year on year to approximately 682,000, and net sales from statutory safety inspection and maintenance services rose by 6.0% year on year to ¥25,784 million.

Number of automobiles that underwent statutory safety inspections and value of sales



In vehicle sales, new car and wholesale used car sales were sluggish. However, retail used car sales performed well, driven by increased trading of shared inventory within the Group through collaborations with

other companies. Consequently, the total number of automobiles sold in the domestic AUTOBACS chain increased by 0.5% year on year to approximately 30,400 units, while total sales increased by 2.5% year on year to ¥36,858 million. We also strengthened our web-based sales initiatives, including the launch of the AUTOBACS CARS used car search site and the introduction of online reservations for in-store and on-site vehicle appraisal and purchase services.



Regarding store openings and closures in Japan, the total number of stores was recorded at 1,020 as of the end of March 2025. As of the end of March 2026, the total number of stores reached 1,059, with 41 new stores having been opened and 2 stores having been closed.

Store openings and closings in Japan

(Unit: stores)

	No. of stores as of March 31, 2025	Opened	Closed	No. of stores as of March 31, 2026
AUTOBACS	509	10	–	519
AUTOBACS GARAGE	1	–	–	1
Super AUTOBACS	71	–	–	71
A PIT AUTOBACS	2	1	–	3
AUTOBACS *Secohan Ichiba*(*)	18	4	1	21
Smart+1(*)	14	4	–	18
AUTOBACS EXPRESS	11	–	–	11
AUTOBACS CARS(*)	394	22	1	415
Total	1,020	41	2	1,059

(Note) * This includes in-store shops and annex stores.

In overseas markets, in France, despite expanding the product lineup, including private brands, and improving productivity through the introduction of an automated ordering system, sales declined due to stagnant consumer spending caused by the economic downturn. In Singapore, sales increased due to strong performance in pit services, driven by increased demand for vehicle maintenance of existing vehicles due to soaring certificate of entitlement (COE) prices. In Malaysia, with the aim of strengthening the wholesale business, we withdrew from the operation of AUTOBACS licensed stores (4 stores) at the end of March 2026.

Regarding overseas store openings and closures, there were 5 new store openings and 4 store closures from 148 stores at the end of March 2025, bringing the total to 149 stores at the end of March 2026.

Number of stores overseas (as of March 31, 2026)

(Unit: stores)

Taiwan	Singapore	Thailand	France	Malaysia	Philippines	Total
6	2	127	8	–	6	149

■ Consumer Business

In Consumer Business, we achieved significant growth in both sales and profits by making Otoron Co., Ltd. a consolidated subsidiary in August 2024, Tokatsu Holdings Co., Ltd. in October 2024, and BEE LINE Corporation in January 2025.

As a result, net sales of the Consumer Business increased by 80.3% year on year to ¥52,838 million and segment profit was ¥519 million (segment loss of ¥847 million in the previous fiscal term).

In the car dealership business, sales increased due to the opening of the Audi authorized dealer "Audi Oyama Store" and the introduction of new BYD models. Furthermore, in March 2026, we opened "BYD AUTO Ota Store," which boasts the largest number of display vehicles among all BYD authorized dealerships nationwide.

In the online store, sales increased due to the strong performance of our own e-commerce site, driven by an expanded product range, as well as the success of new third-party e-commerce marketplaces and marketing initiatives.

At Otoron, sales have increased due to the introduction of a 48-month installment payment plan through its own financing system, as well as the opening of four new stores, including "Otoron Nagoya Store."

BEE LINE has opened three stores, including "BEE LINE Onojo Store."

AUTO IN has increased its number of stores by 74 through the promotion of M&A. Furthermore, we are creating business synergies by shifting some products and maintenance equipment to our distribution channels.

In the Consumer Business, store openings and closures increased from 124 stores at the end of March 2025 to 203 stores at the end of March 2026, with 85 new stores opening and 6 stores closing.

■ Wholesale Business

In the Wholesale Business, net sales decreased by 5.7% year on year to ¥33,511 million and segment profit increased by 81.7% year on year to ¥941 million.

In Japan, wholesale sales of our private brand "AQ." to Seven-Eleven increased. Furthermore, our subsidiary that sells oil saw increased sales volume in addition to higher unit prices, resulting in solid performance. On the other hand, our subsidiary that manufactures and sells aluminum wheels experienced sluggish sales of wheels for winter tires. In April 2025, we transferred some of the product procurement and development operations previously handled by our oil sales subsidiary to the Company. This consolidation of organization and functions promoted operational efficiency and cost optimization, contributing to improved profitability.

In overseas markets, despite implementing various measures to strengthen relationships with existing business partners and acquire new customers, sales declined due to the decrease in exports from Japan. In China, sales grew as exports to Japan expanded through the promotion of new product development, and wholesale

operations within China also commenced. In Australia, although consumer demand continued to weaken due to inflation and rising interest rates, sales of private-label products performed well.

■ Expansion Business

In the Expansion Business, net sales increased by 17.7% year on year to ¥10,716 million and segment profit grew by 60.6% year on year to ¥764 million.

In the Real Estate business, rental income increased due to new store openings and renovations, and the garage house rental business and businesses utilizing idle assets performed steadily.

In SX (Sustainability Transformation), sales increased due to the expansion of the product lineup of micro-mobility vehicles, such as specified small motorized bicycles.

(iii) Overview of financial conditions for the fiscal term under review

Status of assets, liabilities and net assets

(Unit: million yen)

Classification	78th fiscal term	79th fiscal term	YoY change (%)
Current assets	127,028	121,849	(4.1)
Property, plant and equipment	56,757	67,331	+18.6
Intangible assets	17,370	16,639	(4.2)
Investments and other assets	27,014	34,080	+26.2
Current liabilities	58,432	62,045	+6.2
Non-current liabilities	37,774	41,235	+9.2
Total net assets	131,963	136,621	+3.5
Total assets/total liabilities and net assets	228,170	239,901	+5.1

(4) Status of Capital Investment

During the fiscal term under review, the Group conducted capital investment in a total amount of ¥17,008 million. The main components were opening new stores, renovating existing stores, expanding our bases through the acquisition of store land, improving service quality through the introduction of Safety Pit Camera, streamlining our logistics system through investments in logistics centers, and investing in information systems, among other things.

Breakdown by segment is as described below.

(Unit: million yen)

Segment	Amount
AUTOBACS Business	8,944
Consumer Business	4,074
Wholesale Business	134
Expansion Business	838
Company-wide (common)	3,015
Total	17,008

(5) Status of Fund Procurement

During the fiscal term under review, the Group procured long-term loans payable of ¥7,000 million for the purpose of funding M&A investments and capital investments.

(6) Major Business Locations of the Group (as of March 31, 2026)

Headquarters	Koto-ku, Tokyo	
Kansai Regional Headquarters	Osaka City, Osaka	
Distribution centers	Eastern Japan Logistics Center	Ichikawa City, Chiba
	Western Japan Logistics Center	Miki City, Hyogo

(7) Key Subsidiaries

Company name	Capital	The Company's investment ratio	Line of business
AUTOBACS Kanto Sales Ltd.	¥100 million	100.0%	Automotive goods retail business
AUTOBACS Nishi-Nihon Sales Ltd.	¥100 million	100.0%	Automotive goods retail business
AUTOBACS FRANCE S.A.S.	EUR 35,300 thousand	100.0%	Automotive goods retail business
Tokatsu Holdings Co., Ltd.	¥211 million	(100.0%)	Car sales business
Otoron Co., Ltd.	¥50 million	100.0%	Car sales business
CAP Co., Ltd.	¥100 million	100.0%	Automotive goods wholesaling business
HOT STUFF CORPORATION	¥47 million	100.0%	Import and export of automotive goods; wholesaling and retail business
AUTOBACS Financial Service Co., Ltd.	¥15 million	100.0%	Leasing business

(Note) The Company's indirect investment ratio is shown in parentheses.

(8) Key Affiliate Companies

Company name	Capital	The Company's investment ratio	Line of business
BUFFALO CO., LTD.	¥653 million	21.2%	Automotive goods retail business
NORTHERN JAPAN AUTOBACS Co., Ltd.	¥100 million	34.0%	Automotive goods retail business
Guangdong Carori Holding Group Co., Ltd.	RMB 47,814 thousand	20.0%	Automotive goods wholesaling business

(9) Employment Situation (as of March 31, 2026)

The Group's employment status (Unit: No. of people)

Segment	No. of employees in 78th fiscal term		No. of employees in 79th fiscal term		Increase/decrease from the previous fiscal term	
AUTOBACS Business	3,362	(1,001)	3,401	(1,142)	39	(141)
Consumer Business	911	(82)	1,238	(101)	327	(19)
Wholesale Business	395	(11)	328	(18)	−67	(7)
Expansion Business	150	(23)	316	(48)	166	(25)
Total reportable segments	4,818	(1,117)	5,283	(1,309)	465	(192)
Company-wide (common)	383	(6)	334	(2)	−49	(−4)
Total	5,201	(1,123)	5,617	(1,311)	416	(188)

(Notes) 1. The number of employees indicates the number of persons actually working for the AUTOBACS SEVEN Group and does not include those who are working on loan for other companies.
2. The yearly average number of temporary employees is shown in parentheses.
3. The number of employees shown in "Company-wide (common)" indicates that of people belonging to the administration divisions.

(10) Major Lenders and Loan Amount (as of March 31, 2026) (Unit: million yen)

Lenders	Balance of loans
Syndicated loan (Note 1)	9,700
Sumitomo Mitsui Banking Corporation	8,200
MUFG Bank, Ltd.	7,455
Syndicated loan (Note 2)	3,900
Sumitomo Mitsui Trust Bank, Limited	3,500

(Notes) 1. A syndicated loan by multiple financial institutions with MUFG Bank, Ltd. as lead manager.
2. A syndicated loan by multiple financial institutions with The Chiba Bank, Ltd. as lead manager

(11) Other Significant Matters Concerning Current Status of the Group

Not applicable

2. Status of the Company

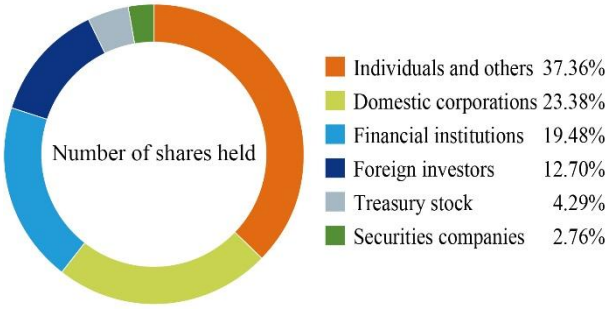
(1) Status of Shares (as of March 31, 2026)

(i) Total number of authorized shares: 328,206,900 shares

(ii) Total number of shares issued: 82,050,105 shares (including 3,521,597 treasury stock)

(iii) Number of shareholders: 65,527

Distribution by number of shares held



Distribution by shareholder type

*Percentages of Distribution by number of shares held and Distribution by shareholder type are rounded down to the second decimal place

(iv) Major shareholders (Top 10 shareholders)

Name	Status of contribution to the Company	
	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,735	11.12
Sumino Holdings, Ltd.	4,243	5.40
The Yuumi Memorial Foundation for Home Health Care	3,990	5.08
Custody Bank of Japan, Ltd. (Trust Account)	2,952	3.76
K Holdings, Ltd.	2,750	3.50
The Master Trust Bank of Japan, Ltd. (Retail Trust Account 820079252)	1,800	2.29
Foreman Kyoei, Ltd.	1,560	1.98
Hiroshi Sumino	1,384	1.76
GOVERNMENT OF NORWAY	1,381	1.75
JPMorgan Securities Japan Co., Ltd.	1,006	1.28

(Notes) 1. Shareholding ratio is calculated by deducting treasury stock from the total number of shares with voting rights.

2. Holdings of less than 1,000 shares have been omitted from the number of shares owned, and the shareholding ratio is rounded down to two decimal places.

(v) Shares issued to the Company's directors as consideration for their execution of duties during the fiscal term under review

	Type and number of shares	Number of persons to whom shares were issued
Directors (excluding outside directors and directors who are audit and supervisory committee members)	42,500 shares	3

(Note) Details of the Company's stock compensation are described in "2. (2) (iv) Remuneration, etc. paid to directors."

(vi) Other significant matters concerning shares

Acquisition, disposal, etc. of treasury stock and the holding thereof (Unit: shares)

Treasury stock held at the end of the previous fiscal term		3,559,443 …(i)
Acquired shares	Acquisition through purchase of shares constituting less than one unit	427 …(ii) (Aggregate acquisition value: ¥674 thousand
	Acquisition of treasury stock due to transfer restriction not lifted	4,450 …(iii) (Aggregate acquisition value: ¥ - thousand)
Disposed shares	Disposal through sale of shares constituting less than one unit	223 …(iv) (Aggregate disposal value: ¥334 thousand)
	Disposal of treasury stock as remuneration for granting restricted stock	42,500 …(v) (Aggregate disposal value: ¥72,335 thousand)
Treasury stock held at the end of the current fiscal term		3,521,597 (i)+(ii)+(iii)-(iv)-(v)

(vii) Matters concerning stock acquisition rights, etc.

Not applicable

(2) Status of the Company's Directors

(i) Status of directors, significant concurrent positions and relationship with the Company

Position	Name	Responsibility and significant concurrent positions held in other organization	Concurrently held positions
Representative Director & Chief Executive Officer	Yugo Horii	Chief AUTOBACS Chain Officer	—
Senior Managing Director	Shinichi Fujiwara	General Manager, Marketing Department Manager, Marketing	—
Managing Director	Masahiro Nishikawa	General Manager, Domestic Sales Operations	—
Outside Director	Yosuke Matsuda	Mirai Speaker Inc.	Outside Director
Outside Director	Tatsuya Kamoi	AVANT GROUP CORPORATION	Outside Director
		FUJI SOFT INCORPORATED	Director, Audit & Supervisory Committee Member
Director (Full-time Audit and Supervisory Committee Member)	Tomoaki Ikeda	—	—
Outside Director (Full-time Audit and Supervisory Committee Member)	Masami Koizumi	—	—
Outside Director (Audit and Supervisory Committee Member)	Ayako Kanamaru	OH-EBASHI LPC & PARTNERS	Partner
		MEDIA DO Co., Ltd.	Outside Director
		Mitsui Matsushima Holdings Co., Ltd.	External Director

(Notes) 1. Changes in Directors during the fiscal term under review were as follows.
Mr. Tatsuya Kamoi was newly elected as a director at the 78th ordinary general meeting of shareholders held on June 24, 2025 and assumed office.
Mr. Takayoshi Mimura retired from the office of director at the conclusion of the 78th ordinary general meeting of shareholders held on June 24, 2025 due to the expiration of his term of office.

2. Four (4) directors, Mr. Yosuke Matsuda, Mr. Tatsuya Kamoi, Mr. Masami Koizumi and Ms. Ayako

Kanamaru, are outside directors, as provided for in Article 2, Item 15, of the Companies Act.

3. There is no special relationship between the Company and the other companies or organizations mentioned above in which the outside directors hold concurrent positions.
4. Four (4) directors, Mr. Yosuke Matsuda, Mr. Tatsuya Kamoi, Mr. Masami Koizumi and Ms. Ayako Kanamaru, are independent directors registered with the Tokyo Stock Exchange.
5. Two (2) directors who are audit and supervisory committee members have considerable knowledge of finance and accounting. Director (full-time audit and supervisory committee member) Mr. Tomoaki Ikeda has many years of extensive experience in finance and accounting at a business company, and furthermore, he served as a director who is not an audit and supervisory committee member of the Company and was engaged in finance and accounting. Outside director (full-time audit and supervisory committee member) Mr. Masami Koizumi has many years of extensive experience in finance and accounting at a business corporation.
6. Director, Mr. Yosuke Matsuda, serves as an Outside Director of Sound Fun Corporation, which changed its company name to Mirai Speaker Inc. on October 1, 2025.
7. Director, Mr. Tatsuya Kamoi resigned from his position as an Outside Director of Paiza, Inc. at the end of August 2025.
8. Director, Ms. Ayako Kanamaru assumed the position of External Director of Mitsui Matsushima Holdings Co., Ltd. on June 20, 2025.

(ii) Attendance to the meetings of Board of Directors and Audit and Supervisory Committee

Name	Classification	Board of Directors		Audit and Supervisory Committee	
		Meetings to be attended	Meetings attended	Meetings to be attended	Meetings attended
Yugo Horii	Director	16 times	16 times	—	—
Shinichi Fujiwara	Director	16 times	16 times	—	—
Masahiro Nishikawa	Director	16 times	16 times	—	—
Yosuke Matsuda *	Director	16 times	16 times	—	—
Tatsuya Kamoi*	Director	11 times	11 times	—	—
Tomoaki Ikeda	Director (Audit and Supervisory Committee Member)	16 times	16 times	14 times	14 times
Masami Koizumi *	Director (Audit and Supervisory Committee Member)	16 times	16 times	14 times	14 times
Ayako Kanamaru *	Director (Audit and Supervisory Committee Member)	16 times	16 times	14 times	14 times

(Notes)
1. Outside directors are indicated by an asterisk (*) to the right of the name.
2. Mr. Takayoshi Mimura retired from the office of director at the conclusion of the 78th ordinary general meeting of shareholders held on June 24, 2025 due to the expiration of his term of office.
3. Mr. Tatsuya Kamoi assumed office as Director on June 24, 2025. Accordingly, meetings held on or before June 23 are excluded.

(iii) Appointment or non-appointment of full-time audit and supervisory committee members, and reasons therefor

The Company has appointed Mr. Tomoaki Ikeda and Mr. Masami Koizumi as full-time Audit and Supervisory Committee members, in order to strengthen the audit and supervisory functions of the Audit and Supervisory Committee, collect information from directors (excluding directors who are audit and supervisory committee members), general managers, senior division managers, and division managers, etc., share information at important internal meetings, and enable the Audit and Supervisory Committee to closely coordinate with the Internal Audit Department, the internal control department, etc.

(iv) Remuneration, etc. paid to directors

a. Directors' Remuneration Policy

The basic policy for determining directors' remuneration is to maintain and enhance the corporate value of the AUTOBACS Group and to secure capable personnel who can properly supervise business execution as directors.

b. Remuneration standard

The remuneration standard is based on the results of third-party surveys on executive compensation and takes into account such factors as the Company's position in the industry, the difficulty of achieving targets, and responsibilities. Prior to a resolution by the Board of Directors, the Corporate Governance Committee is consulted regarding the overall compensation system, including compensation levels and composition.

c. Composition and basic policy of remuneration

Remuneration for the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) consists of monetary remuneration and stock remuneration both as fixed remuneration. The ratio of monetary remuneration to stock remuneration in fixed remuneration is 2 to 1 for the representative director and 7 to 3 for directors. For outside directors and directors who are audit and supervisory committee members, monetary remuneration as fixed remuneration set for each role is paid.

i. Fixed remuneration (monetary remuneration)

Determined based on the basic remuneration as a director and the remuneration for other delegated duties set according to individual roles.

ii. Fixed remuneration (stock remuneration)

Restricted stock, a mechanism to encourage long-term shareholding, is issued in advance at a face value set according to each individual role, with the aim of improving medium- to long-term performance and corporate value and further sharing value with shareholders.

Remuneration for directors mentioned above in charge of the execution of duties among the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) consists of fixed remuneration (items i and ii above) for directors as well as of fixed remuneration (monetary remuneration), variable remuneration (monetary remuneration) and variable remuneration (stock remuneration) as types of remuneration for the execution of duties.

The percentages set for fixed remuneration (monetary remuneration), variable remuneration (monetary remuneration), and stock remuneration (fixed and variable remuneration) for the Company's directors are roughly 42%, 28%, and 30%, respectively, in the case of Representative Director & Chief Executive Officer. The percentage of variable remuneration will become higher in proportion to the ranks of executive directors.

iii. Fixed remuneration (monetary remuneration)

The scope of control and responsibility for the execution of duties, degree of influence on the management of the consolidated Group, and achievement in the previous year are considered to determine fixed remuneration from the remuneration table.

iv. Variable remuneration (monetary remuneration)

The achievement of a single-year consolidated operating profit target is set as a payment condition common to all eligible executive directors. The amount varies between 0 and 150% of the performance-based remuneration standard depending on the degree of achievement of the following targets: financial performance figures such as ordinary profit targets for all businesses and non-financial targets based on all ESG/SDGs KPIs.

v. Variable remuneration (stock remuneration)

To improve performance and corporate value over the medium and long term and better share value with shareholders, restricted stock (performance-based stock remuneration) is issued in advance linked with the achievement of single-year performance targets in the amount specified according to individuals' roles.

d. Process of determining remuneration

i. Remuneration for the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) is determined at the Board of Directors' meeting, within the limit of the amount of remuneration resolved in advance at a general meeting of shareholders, along with the remuneration system that ensures objectivity and transparency through consultation with the Corporate Governance Committee.

ii. The remuneration for the execution of business by Directors is deliberated and resolved by the Board of Directors, following consultation with the Corporate Governance Committee regarding the remuneration policy and structure. With regard to individual remuneration, the Representative Director & Chief Executive Officer determines the specific amounts, given that he oversees all business operations and is in the best position to accurately assess each Director's performance and contributions.

iii. The remuneration and other compensation payable to directors (excluding directors who are members of the audit and supervisory committee) are reviewed by the Audit and Supervisory Committee.

iv. Remuneration for the directors who are audit and supervisory committee members is determined following deliberations by audit and supervisory committee members at a meeting of the Audit and Supervisory Committee within the limit of the amount of remuneration resolved in advance at a general meeting of shareholders.

e. Introduction of a medium- to long-term performance-linked remuneration system

With the objective of continuing to improve its corporate value and share value with shareholders in line with the medium- to long-term performance targets under its business strategies and the Medium-term Business Plan, the Company resolved to introduce a medium-to long-term performance-linked remuneration system for directors responsible for business execution among the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) with payment being based on achieving the operating profit target in the 2024 Medium-term Business Plan "Accelerating Towards Excellence." Please note that no remuneration was paid under this system during the fiscal term under review.

f. Total remuneration for the fiscal term under review

Classification of officers	Fixed remuneration Monetary		Variable remuneration Monetary		Stock remuneration (fixed/variable)		Total amount of remuneration, etc. (million yen)
	Number of persons paid	Amount of payment (million yen)	Number of persons paid	Amount of payment (million yen)	Number of persons paid	Amount of payment (million yen)	
Directors who are not audit and supervisory committee members (excluding outside directors)	3	113	3	67	3	60	241
Directors who are not audit and supervisory committee members (outside directors)	3	24	—	—	—	—	24
Total of directors who are not audit and supervisory committee members	6	137	3	67	3	60	265
Directors who are audit and supervisory committee members (excluding outside directors)	1	25	—	—	—	—	25
Directors who are audit and supervisory committee members (outside directors)	2	36	—	—	—	—	36
Total of directors who are audit and supervisory committee members	3	61	—	—	—	—	61

(Notes) 1. Stock remuneration is stated at an amount posted as expenses for the fiscal year under review.
2. Remuneration for directors (excluding directors who are audit and supervisory committee members) was resolved to be no more than ¥480 million per year (including no more than ¥50 million per year for outside directors) for up to seven directors at the 72nd ordinary general meeting of shareholders held on June 21, 2019. At the conclusion of the ordinary general meeting of shareholders for the said term, the number of directors (excluding directors who are audit and supervisory committee members) was four (including one outside director).
3. Remuneration for directors (audit and supervisory committee members) was resolved to be no more than ¥120 million per year for up to five directors at the 72nd ordinary general meeting of shareholders held on June 21, 2019. At the conclusion of the ordinary general meeting of shareholders for the said term, the number of directors (audit and supervisory committee members) was three (including two outside directors).
4. Remuneration for granting restricted stock for directors (excluding outside directors and directors who are audit and supervisory committee members) was resolved to be no more than ¥100 million per year for up to seven directors at the 72nd ordinary general meeting of shareholders held on June 21, 2019. At the conclusion of the ordinary general meeting of shareholders for the said term, the number of directors (excluding outside directors and directors who are audit and supervisory committee members) was three.

(v) Outline of the contents of the liability limitation agreement

The Company has entered into an agreement with five (5) directors, who are not executive directors, etc., which limits the liability set forth in Article 423, Paragraph 1, of the Companies Act, pursuant to Article 30, Paragraph 2 of the Company's Articles of Incorporation, established pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

The liability limit pursuant to such agreement shall be the total amount of a. and b. described below, which are set forth in Article 425, Paragraph 1, of the Companies Act.

a. The amount obtained by multiplying by two (2) the amount calculated by the method set forth in Article 113 of the Companies Act Enforcement Regulations as the amount equivalent to the annual property benefits received or to be received from the Company as consideration for the execution of a director's duties while he or she is in office.

b . In the cases where he or she has subscribed for the Company's stock acquisition rights as set forth in Article 2, Item 21, of the Companies Act (limited to the cases listed in each Item in Article 238, Paragraph 3, of the Companies Act), the amount calculated by the method set forth in Article 114 of the Companies Act Enforcement Regulations as the amount equivalent to the property benefits concerning such stock acquisition rights.

(vi) Outline of the contents of the directors and officers liability agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company (contents outlined below), as set forth in Article 430-3, Paragraph 1 of the Companies Act. The Company plans to renew the agreement in February 2027. The director candidates to be proposed in the Agenda Item of the election of directors at the 79th ordinary general meeting of shareholders are already insured under the said insurance policy and will remain insured after their appointment.

* Actual ratio of premiums borne by the insured
  The premiums are paid by the Company, including premiums for riders. Therefore, the insured do not bear the actual premiums.
* Outline of coverage
  The policy, together with the riders, covers damages that may arise when a director or officer insured under the agreement assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. However, there are certain exemptions, such as in cases when actions are taken with the knowledge that such actions are in violation of laws and regulations.
* Measures to ensure the proper execution of duties
  There are grounds for exemptions under the policy. For example, liability for willful misconduct, illegal offering of private benefits, criminal offense, etc. of the insured will not be covered.
* Scope of the insured
  Directors, audit and supervisory committee members, general managers, and division managers of the Company and its subsidiaries, as well as officers dispatched by the Company to other entities.

(vii) Matters concerning outside directors

a. Major activities during the fiscal term under review

Classification	Name	Activities (including an outline of duties conducted in relation to expected roles)
Directors	Yosuke Matsuda	Fulfilled a supervisory function over the Company's management by giving proactive advice to executive officers acting as driving forces in the transitional phase in accordance with his experience of conducting reforms of corporate culture and the board of directors, while making appropriate and timely comments intended to improve the Company's profitability and capital cost management from an independent position, based on his extensive experience in corporate management at business corporations and his specialized and abundant experience and knowledge in finance. Also contributed to strengthening the Company's corporate governance by expressing views to ensure sound and appropriate decision-making and enhance transparency, as a member of the Corporate Governance Committee.
	Tatsuya Kamoi	Fulfilled a supervisory function over the Company's management by contributing to more in-depth discussions by providing new perspectives on improving the Company's management and evolving the Company's business structure, while offering questions and comments that provide a comprehensive overview of management from an independent position, based on his extensive experience and expertise in global talent development and organizational reform, cultivated through management experience at operating companies and consulting firms, as well as consulting experience in business globalization. Also contributed to strengthening the Company's corporate governance by expressing views to ensure sound and appropriate decision-making and enhance transparency, as a member of the Corporate Governance Committee.
	Masami Koizumi	Fulfilled a supervisory function over the Company's management by participating in the Company's management from an independent position, requesting explanations from the executive management as needed, and making appropriate and timely comments based on his expertise in business administration, investor relations, and corporate governance, compliance, as well as experience and insight related to SPA gained through his involvement in administrative practices at business corporations. Also contributed to strengthening the Company's corporate governance by expressing views to ensure sound and appropriate decision-making and enhance transparency, as the chairperson of the Corporate Governance Committee.
	Ayako Kanamaru	Based on her legal expertise as an attorney-at-law, experience in corporate legal affairs as an outside auditor and director at other companies and also familiar with companies' business operations. Her participation in our management from an independent position enriches discussions from a legal perspective within the Board of Directors, and, in her capacity as a director who is an audit and supervisory committee member, contributes to strengthening the supervisory function by ensuring the effectiveness of auditing and the soundness and appropriateness of the decision-making of the Company's management, and thereby enhancing transparency. Also contributed to strengthening the Company's corporate governance by expressing views to ensure sound and appropriate decision-making and enhance transparency, as a member of the Corporate Governance Committee.

b. Relationship with special related business partners such as major clients

Not applicable

c. The total amount of remuneration, etc. received as an officer for the fiscal term under review from the subsidiaries of the Company

Not applicable

3. System and Policy of the Company

Policy for Decisions on Distribution of Surpluses, etc.

The Company recognizes returning profits to shareholders as one of its most important issues, and will strive to ensure steady return of profits to shareholders by increasing Company earnings.

As for the distribution of profits to shareholders for the period of three years from fiscal year ending March 2025, constituting the period of the 2024 Medium-term Business Plan "Accelerating Towards Excellence," the Company has made it a basic policy to work for stable dividends and pay ¥60 per share annually, in principle, while prioritizing investments in growth opportunities towards achieving the long-term vision "Beyond AUTOBACS VISION 2032."

With regard to the year-end dividend for the fiscal term ended March 31, 2025, the Company will pay a dividend of ¥30 per share based on the above policy. As a result, total annual dividends for the fiscal term will be ¥60 per share.

In the next fiscal term, the Company also plans to pay an interim dividend of ¥30 per share and a year-end dividend of ¥30 per share, for total annual dividends of ¥60 per share.

Dividends and acquisition of treasury stock in the latest three fiscal terms

* Figures are determined on the basis of the assumption that the agenda item regarding "Appropriation of surplus" is adopted at the 79th ordinary general meeting of shareholders.

	77th fiscal term April 1, 2023 to March 31, 2024	78th fiscal term April 1, 2024 to March 31, 2025	79th fiscal term* April 1, 2025 to March 31, 2026
Dividend per share (annual)	¥70	¥60	¥60
Total amount of dividends (annual)	¥5,460 million	¥4,706 million	¥4,711 million
Consolidated dividend payout ratio	85.9%	57.8%	56.4%
Value of treasury stock acquired	—	—	—
Return to shareholders ratio	85.9%	57.8%	56.4%

The Consolidated Financial Statements for the 79th Fiscal Term

Consolidated Balance Sheet (as of March 31, 2026) (Unit: million yen)

Account Item	Amount	Account Item	Amount
(Assets)		(Liabilities)	
Current assets	121,849	Current liabilities	62,045
Cash and deposits	20,289	Notes and accounts payable-trade	17,351
Notes receivable - trade	736	Short-term loans payable	8,355
Accounts receivable - trade	32,880	Current portion of bonds payable	100
Lease investment assets	3,151	Lease obligations	789
Merchandise	29,991	Accounts payable - other	16,796
Short-term loans receivable	392	Income taxes payable	4,946
Accounts receivable - other	28,143	Contract liabilities	2,905
Other	6,350	Other	10,799
Allowance for doubtful accounts	(85)		
Non-current assets	118,052	Non-current liabilities	41,235
Property, plant and equipment	67,331	Bonds payable	100
Buildings and structures	21,583	Long-term loans payable	30,113
Machinery, equipment and vehicles	3,895	Lease obligations	1,854
		Deferred tax liabilities	605
Tools, furniture and fixtures	5,845	Provision for retirement benefits for directors (and other officers)	8
Land	32,499		
Leased assets	667	Retirement benefit liability	293
Right-of-use assets	447	Asset retirement obligations	3,618
Construction in progress	2,392	Other	4,640
Intangible assets	16,639	Total Liabilities	103,280
Goodwill	8,225	(Net Assets)	
Software	4,827	Shareholders' equity	131,980
Other	3,587	Capital stock	33,998
		Capital surplus	34,092
Investments and other assets	34,080	Retained earnings	69,877
Investment securities	14,301	Treasury shares	(5,988)
Deferred tax assets	5,167		
Guarantee deposits	13,367	Accumulated other comprehensive income	4,267
Other	1,271		
Allowance for doubtful accounts	(27)	Valuation difference on available-for-sale securities	1,786
		Foreign currency translation adjustment	2,481
		Non- controlling interests	372
		Total Net Assets	136,621
Total Assets	239,901	Total Liabilities and Net Assets	239,901

Consolidated Statement of Income (April 1, 2025–March 31, 2026)

(Unit: million yen)

Account Item	Amount	
Net sales		280,055
Cost of sales		179,919
Gross profit		100,135
Selling, general and administrative expenses		86,340
Operating profit		13,795
Non-operating income		
Interest income	85	
Dividend income	123	
Share of profit of entities accounted for using equity method	292	
Commission income	68	
Lease revenue - system equipment	309	
Foreign exchange gains	284	
Other	1,155	2,320
Non-operating expenses		
Interest expenses	416	
Lease cost - system equipment	402	
Loss on retirement of non-current assets	67	
Other	603	1,490
Ordinary profit		14,625
Extraordinary income		
Gain on sale of investment securities	714	
Gain on sale of business	533	
Gain on step acquisition	21	1,269
Extraordinary losses		
Impairment loss	1,188	
Loss on valuation of investment securities	338	1,526
Profit before income taxes		14,368
Income taxes - current	6,750	
Income taxes - deferred	(758)	5,991
Profit		8,377
Profit attributable to non-controlling interests		24
Profit attributable to owners of parent		8,352

Summary Consolidated Statement of Cash Flows (April 1, 2025–March 31, 2026) (Reference)

(Unit: million yen)

Account Item	Amount
Net cash provided by (used in) operating activities	14,585
Net cash provided by (used in) investing activities	(23,181)
Net cash provided by (used in) financing activities	(2,704)
Effect of exchange rate change on cash and cash equivalents	48
Net increase (decrease) in cash and cash equivalents	(11,252)
Cash and cash equivalents at beginning of period	31,181
Cash and cash equivalents at end of period	19,929

(Note) Any fractional amounts less than one million yen are discarded.

Status of consolidated cash flows

Cash and cash equivalents at end of the fiscal term under review decreased by ¥11,252 million from the end of the previous fiscal term to ¥19,929 million.

Status of each cash flow in the fiscal term under review and factors are as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥14,585 million (net cash provided by operating activities of ¥3,944 million in the previous fiscal term). The main components of cash inflows were proceeds from operating transactions adjusted with non-cash profit and loss items, etc. of ¥18,928 million against profit before income taxes of ¥14,368 million, while the main component of cash outflow was income taxes paid amounting to ¥4,261 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥23,181 million (net cash used in investing activities of ¥18,020 million in the previous fiscal term). The main components of cash inflows were proceeds from the sale and redemption of investment securities amounting to ¥899 million, ¥322 million from the recovery of loans, and 165 million from the recovery of guarantee deposits and main components of cash outflows were ¥17,008 million for the purchase of property, plant and equipment and intangible assets, ¥4,957 million for the purchase of shares of subsidiaries and associates, ¥1,747 million for the deposit of guarantee deposits, and ¥963 million for the purchase of shares of subsidiaries that involve a change in the scope of consolidation.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥2,704 million (net cash provided by financing activities of ¥13,973 million in the previous fiscal term). Main components of cash inflows were, proceeds from long-term loans payable
amounting to ¥7,000 million and main components of cash outflows were dividends paid of ¥4,711 million, repayments of long-term loans payable amounting to ¥3,807 million and repayments of short-term loans payable amounting to ¥347 million (net).

The Non-Consolidated Financial Statements for the 79th Fiscal Term

Non-Consolidated Balance Sheet (as of March 31, 2026)

(Unit: million yen)

Account Item	Amount	Account Item	Amount
(Assets)		(Liabilities)	
Current assets	74,750	Current liabilities	41,236
Cash and deposits	9,375	Accounts payable-trade	15,146
Accounts receivable - trade	15,579	Short-term loans payable	3,000
Lease investment assets	8,450	Lease obligations	79
Merchandise	10,071	Accounts payable - other	5,154
Prepaid expenses	1,390	Accrued expenses	2,356
Short-term loans receivable	14,576	Income taxes payable	3,492
Accounts receivable - other	10,257	Contract liabilities	496
Other	5,276	Deposits received	9,103
Allowance for doubtful accounts	(227)	Unearned revenue	924
		Other	1,483
Non-current assets	116,719		
Property, plant and equipment	41,863	Non-current liabilities	36,645
Buildings	8,718	Long-term loans payable	29,200
Structures	1,083	Lease obligations	573
Machinery and equipment	1,605	Long-term guarantee deposited	4,549
Vehicles	291	Asset retirement obligations	1,215
Tools, furniture and fixtures	2,574	Allowance for loss on business of subsidiaries and associates	990
Land	26,980		
Construction in progress	608	Other	117
Intangible assets	5,021	Total Liabilities	77,882
Leasehold right	621	(Net Assets)	
Software	4,392	Shareholders' equity	111,828
Other	7	Capital stock	33,998
		Capital surplus	34,278
Investments and other assets	69,834	Legal capital surplus	34,278
Investment securities	4,367	Retained earnings	49,540
Shares of subsidiaries and associates	36,477	Legal retained earnings	1,296
		Other retained earnings	48,243
Long-term loans receivable from subsidiaries and associates	14,204	Reserve for business expansion	665
		Reserve for reduction entry of assets	796
Long-term prepaid expenses	616		
Deferred tax assets	2,858	General reserves	36,350
Guarantee deposits	12,144	Retained earnings brought forward	10,431
Other	182		
Allowance for doubtful accounts	(1,016)	Treasury shares	(5,988)
		Valuation and translation adjustments	1,758
		Valuation difference on available-for-sale securities	1,758
		Total Net Assets	113,587
Total Assets	191,469	Total Liabilities and Net Assets	191,469

Non-Consolidated Statement of Income (April 1, 2025–March 31, 2026)

(Unit: million yen)

Account Item	Amount	
Net sales		177,028
Cost of sales		133,629
Gross profit		43,398
Selling, general and administrative expenses		32,516
Operating profit		10,882
Non-operating income		
Interest income	373	
Dividend income	1,466	
Commission income	24	
Lease revenue - system equipment	742	
Other	573	3,180
Non-operating expenses		
Interest expenses	317	
Provision of allowance for doubtful accounts	378	
Lease cost - system equipment	850	
Other	238	1,784
Ordinary profit		12,277
Extraordinary income		
Gain on sale of investment securities	691	
Gain on extinguishment of tie-in shares	234	925
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	782	
Valuation of investment securities	338	
Provision for loss on business of subsidiaries and associates	990	2,110
Profit before income taxes		11,093
Income taxes − current	4,221	
Income taxes − deferred	(409)	3,811
Profit		7,281