

To Our Shareholders

[Securities code: 9832]

June 1, 2011

6-52, 5-Chome, Toyosu, Koto-ku, Tokyo
AUTOBACS SEVEN CO., LTD.
Representative Director and CEO Setsuo Wakuda

NOTICE OF CONVOCAION OF THE 64TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs and Madams:

We wish to extend our deepest sympathy to those who have suffered as a result of the recent earthquake in Japan.

You are cordially invited to attend the 64th ordinary general meeting of shareholders. The meeting will be held as described below. When attending the meeting in person, please submit the enclosed Exercise of Voting Rights form to the receptionist.

Particulars

1. Date and Time:

10:00 a.m., Thursday, June 23, 2011

2. Place:

Garden City Shinagawa, Ball Room East (former Hotel Pacific Tokyo, 1st floor),

SHINAGAWA GOOS, 1st floor,

13-3, Takanawa 3-chome, Minato-ku, Tokyo

(Please note that the venue is different from last year. Please refer to the access map at the end of this notice.)

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 Accounting Auditors and the Board of Corporate Auditors for the 64th Fiscal Term (from April 1, 2010 to March 31, 2011)
2. Report on the non-consolidated financial statements for the 64th Fiscal Term (from April 1, 2010 to March 31, 2011)

Matters to be resolved:

Agenda Item No.1: Appropriation of surplus

Agenda Item No.2: Appointment of eight (8) directors

Agenda Item No.3: Appointment of two (2) corporate auditors

4. Guide for the exercise of voting rights by postal, via the Internet etc.

- (1) If you are unable to attend the meeting, you can exercise your voting rights by

postal mail (the Exercise of Voting Rights form) or via the Internet (electromagnetic means). Please review the reference documents for the general meeting of shareholders and be sure to exercise your voting rights by 5:50 p.m., Wednesday June 22, 2011.

① To exercise 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 us so that it reaches us by the above deadline for voting.

② To exercise voting rights via the Internet:

Read the “Guide to exercising voting rights via the Internet” (page 6) before accessing the website for exercising voting rights (<http://www.webdk.net>). Follow the instructions on the screen to enter approval/disapproval for the respective proposals, and send your votes electronically so that we can receive them by the above deadline of voting.

- (2) In the case of exercising voting rights by postal mail, no indication of approval or disapproval for the respective proposals in the Exercise of Voting Rights form shall be deemed as approval for such proposals.
- (3) If you have exercised your voting rights several times via the Internet and there is a discrepancy among your votes for the same proposal, only the final execution shall be deemed effective.
- (4) If you have exercised your voting rights both by sending the Exercise of Voting Rights form and via the Internet, the vote made via the Internet shall be deemed effective.
- (5) The Company participates in the “ICJ platform,” a platform for electronic exercise of voting rights by institutional investors which is operated by ICJ, Inc. In addition to the exercise of voting rights via the Internet, nominee shareholders (including standing proxies) such as trust banking companies may use the said platform as another electromagnetic means of exercising voting rights. The use of the platform needs application in advance.
- (6) The internet service providers’ access fees and the communications carriers’ website communications fees (telephone charges and other fees) for using the website for exercising voting rights shall be borne by shareholders.
- (7) If any modifications are made to the reference documents for the general meeting of shareholders, as well as to the business report, consolidated financial statements or non-consolidated financial statements, such modifications will be posted on the Company website (<http://www.autobacs.co.jp>).

Reference Documents for the 64th Ordinary General Meeting of Shareholders

Agenda Item No. 1: Appropriation of surplus

Agenda Item No. 2: Appointment of eight (8) Directors

Agenda Item No. 3: Appointment of two (2) Corporate Auditors

Agenda Item No. 1 and Reference Matters

Agenda Item No. 1: Appropriation of surplus

The Company proposes to conduct the appropriation of surplus as follows:

Matters concerning year-end dividends

The Company defines returning profits to its shareholders as one of its most important management tasks. The Company's basic policy is to maintain a stable payment of dividends, while attaining the target mark of consolidated dividends to shareholders' equity (DOE) ratio of 3% or more, as specified in "AUTOBACS 2010 Medium-Term Business Plan" announced on May 13, 2010. Reflecting the generally favorable business results, the Company proposes to pay year-end dividends for this fiscal term as described below:

(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

Seventy (70) yen per ordinary share of the Company

Total amounting to 2,397,612,350 yen

Since the Company has paid interim dividends at the rate of sixty-five (65) yen per share, the total annual dividends for this fiscal term shall be one hundred thirty-five (135) yen per share.

(3) Effective date of dividends from surplus

June 24, 2011

Agenda Item No. 2 and Reference Matters

Agenda Item No. 2: Appointment of eight (8) Directors

At the conclusion of this general meeting, the term of office of all the Directors (eight in number) will expire.

Accordingly, the Company requests the shareholders' approval for the appointment as Directors of the eight (8) candidates below.

Candidate No.	Name	Career position and assignment in the Company	Notes
1	Setsuo Wakuda	Representative Director, Chief Executive Officer, Chief Chain Officer	
2	Yasuhiro Tsunemori	Director, Vice Chief Executive Officer, Vice Chief Chain Officer, Head of Finance & Accounting and Overseas Operations	
3	Hironori Morimoto	Director, Senior Managing Executive Officer, Head of Human Resources, General Affairs and Information Systems	
4	Tatsuya Tamura	Director	(Outside Director) Independent Officer
5	Norio Hattori	Director	(Outside Director) Independent Officer
6	Teruyuki Matsumura	Director, Executive Officer, Head of Marketing & Sales Strategy Planning, Car Goods & Services, Car Maintenance and Insurance Services and Car Sales	
7	Kiomi Kobayashi	Director, Executive Officer, Head of Sales Operation and Area Strategy & Planning	
8	Noriaki Shimazaki	(Newly appointed)	(Outside Director) Independent

			Officer (expected)
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- Notes: 1. Each of the candidates has no special interest in the Company.
2. Mr. Tatsuya Tamura, Mr. Norio Hattori and Mr. Noriaki Shimazaki are candidates for Outside Directors as defined in Article 2, Paragraph 3, Item 7 of the Companies Act Enforcement Regulations. In addition, they satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and Article 7 of the Code of Corporate Conduct of Osaka Securities Exchange Co., Ltd., as well as other requirements for independency stipulated by the Company, and they are expected to be Independent Officers.

Reference Matters for Agenda Item No. 2: Appointment of Eight Directors

Candidate No. 1:

Setsuo Wakuda

Career position and assignment in the Company:

Representative Director, Chief Executive Officer, Chief Chain Officer

- ◆ Date of birth: December 25, 1948
- ◆ Number of service in the Company: 8 years (at the conclusion of this general meeting)
- ◆ Number of Company shares owned: 26,914

Dear Shareholders,

It is anticipated that the business environment surrounding the automobile and related industries will continue to be volatile. As we are in the time of uncertainty, I believe in the management of “establishing specific goals and achieving them one by one.” This fiscal term is the second year of “AUTOBACS 2010 Medium-Term Business Plan.” It is an important year as the final step for us to be well-prepared for the future progress. Working as one team, the franchises, employees and the management will carry out “speedy decision-making” for the response to the changing environment and realization of the growth strategy, and achieve “the drastic execution” of key initiatives in “AUTOBACS 2010 Medium-Term Business Plan.”

Reasons for the candidacy

Mr. Wakuda, as Representative Director and Chief Executive Officer, has demonstrated leadership for the past three years in order to promote the transformation of the Company.

This fiscal term is the second year of “AUTOBACS 2010 Medium-Term Business Plan” that covers four years. We need to finish the preparation for the realization of “AUTOBACS 2010 Medium-Term Business Plan” and get ready to make progress. The Company needs Mr. Wakuda’s strong leadership to be well-prepared in the severe economic conditions. Mr. Wakuda is a candidate for Director as in the previous fiscal term since it has been decided that it is in the best interest of the Company that Mr. Wakuda take the lead in the management of the Company.

Brief professional background including major posts held

- March 1967: Joined Fuji-Syokai Co., Ltd.
- April 1998: General Manager of Chain Store Planning Office
- June 1998: Director, General Manager of Chain Store Planning Office
- June 2002: Executive Officer
- June 2003: Director
- March 2008: Representative Director, Project Management Officer

June 2008: Representative Director, Chief Executive Officer

April 2009: Representative Director, Chief Executive Officer, Chief Chain Officer (current position)

Candidate No. 2:

Yasuhiro Tsunemori

Career position and assignment in the Company:

Director, Vice Chief Executive Officer, Vice Chief Chain Officer,

Head of Finance & Accounting and Overseas Operations

◆ Date of birth: March 22, 1952

◆ Number of service in the Company: 8 years (at the conclusion of this general meeting)

◆ Number of Company shares owned: 1,000

Dear Shareholders,

I will engage in the management steadily and speedily in the drastically changing situation such as the technological evolution of the eco-friendly vehicles, reconstruction from the earthquake and internationalization of accounting.

In this fiscal term, which is the second year of “AUTOBACS 2010 Medium-Term Business Plan,” I will further enhance services and expand store networks to achieve a renewed growth of the chain. From a financial standpoint, I will advance the preparation to introduce IFRS while further making capital more efficiently. In the overseas business, I will restructure the basis of the global development, and position this term as a year of strategic moves for the future. I am determined to respond to our shareholders’ expectations based on my principle of “decision-making with prudence and boldness, free from conventional notions.”

Reasons for the candidacy

Mr. Tsunemori has not only outstanding experience and insight in sales and products of AUTOBACS franchise business, but also extensive knowledge and experience in personnel, general affairs and finance, etc. Based on these insights and experiences, Mr. Tsunemori has contributed to the oversight of the management of the Company as a Director for many years. Mr. Tsunemori is a candidate for Director as in the previous fiscal term in order to make the best of his insight and experience, thereby properly conducting the management of the Company, which has been making efforts toward future prosperity under the challenging economic environment.

Brief professional background including major posts held

April 1977: Joined Shoutensekkei Co., Ltd.

March 1978: Joined Daiho-Sangyo Co., Ltd.

April 2000: General Manager of Merchandise Department, AUTOBACS SEVEN CO., LTD.

June 2000: Director

June 2002: Executive Officer

June 2003: Director

June 2008: Director, Vice Chief Executive Officer

April 2010: Director, Vice Chief Executive Officer, Vice Chief Chain Officer, Head of Finance and Accounting

April 2011 Director, Vice Chief Executive Officer, Vice Chief Chain Officer, Head of Finance and Accounting and Overseas Operations (current position)

Candidate No. 3:

Hironori Morimoto

Career position and assignment in the Company:

Director, Senior Managing Executive Officer, Head of Human Resources, General Affairs and Information Systems

- ◆ Date of birth: June 2, 1957
- ◆ Number of service in the Company: 5 years (at the conclusion of this general meeting)
- ◆ Number of Company shares owned: 1,000

Dear Shareholders,

As the market environment is changing drastically, the Company is now at a major turning point. Thus, in the previous fiscal term, I went back to the basics of retail, put the largest focus on the customers' perspective, and engaged mainly in the reform of stores and customer handling.

In this fiscal term, in order to respond to these unprecedented structural changes flexibly and agilely, with the focus on human resource development in the mid-and-long term, I would like to cultivate a vibrant culture through capacity building of each employee, maximizing human resources and revitalization of the organization, thereby establishing a robust management base, and achieving "AUTOBACS 2010 Medium-Term Business Plan" and increasing our corporate value.

Reasons for the candidacy

Mr. Morimoto has accumulated abundant experience and made many significant achievements in the reinforcement of the Company's relationships with corporate franchisees and store profitability, the most important aspects of AUTOBACS franchise business.

With these experiences and achievements, in the previous fiscal term, Mr. Morimoto contributed to the management by improving the overseas business, fostering human resources and developing the information system, all of which are critical to the future of the Company.

Mr. Morimoto is a candidate for Director as in the previous year since it has been decided that it is in the best interest of the Company that Mr. Morimoto participates in the management of the Company's business from a broad perspective, based on these experiences.

Brief professional background including major posts held

- March 1981: Joined AUTOBACS SEVEN CO., LTD.
- April 2006: Co-Chief Operating Officer in charge of Area Dominant Strategy, Sales Promotion, Store Development and Store Format Development; General Manager in charge of Sales Promotion
- June 2006: Director
- June 2008: Director, Senior Executive Officer
- April 2010: Director, Senior Managing Executive Officer, Head of Information Systems, Human

Resources, General Affairs, Legal and Overseas Operation

April 2011

Director, Senior Managing Executive Officer, Head of Human Resources, General Affairs and Information Systems (current position)

Candidate No. 4:

Tatsuya Tamura

Career position and assignment in the Company:

Director (Independent Officer)

- ◆ Date of birth: October 11, 1938
- ◆ Number of service in the Company: 3 years (at the conclusion of this general meeting)
- ◆ Number of Company shares owned: 200

Dear Shareholders,

The automobile after-sales service market is undergoing several major structural changes, against the backdrop of the declining car use, the emergence of electric and hybrid vehicles and so forth. While the Company has maintained a large share in the market for some time, it will be difficult to keep our corporate value intact in the years to come unless we make flexible and prompt responses to those structural changes, and actively leap at new business opportunities around such market.

Valuing these perspectives, I would like to contribute to enhancing the common interests of the Company, employees, shareholders and franchisees as an Outside Director and Independent Officer.

Reasons for the candidacy

Mr. Tamura has a profound knowledge in finance and an extensive experience as an outside director, as his profile indicates. With a deep understanding of an outside director's role in, and contributions to, the board of directors, he has made many achievements in this regard. As the Chairman of Japan Independent Directors Network, a non-profit organization, he plays a leading role with regard to the establishment of outside directors in Japanese corporations.

Mr. Tamura is a candidate for Outside Director as in the previous year in recognition of his contribution to improving and promoting the Company's corporate governance as the Chairman of the Governance Committee and as an Outside Director of the Company for the last three years.

Brief professional background including major posts held

- April 1961: Joined the Bank of Japan
- May 1986: Representative – Europe, Bank of Japan
- February 1992: Executive Director, Bank of Japan
- April 1996: Chairman, A. T. Kearney, Inc.
- June 1996: Adviser to the Board, Foreign and Colonial Pacific Investment Fund
- April 1999: Secretary, Keizai Doyukai (Japan Association of Corporate Executives)
- May 2002: Representative Director, Global Management Institute Inc. (current position); Auditor, Japan Center for Economic Research (current position)
- March 2003: Chairman, Japan Independent Directors Network (non-profit organization; current

position)

June 2008: Outside Director, AUTOBACS SEVEN CO., LTD. (current position)

June 2009: Outside Director, Nipponkoa Insurance Co., Ltd. (current position)

June 2010: Outside Director, Shinsei Bank, Limited (current position)

Candidate No. 5:

Norio Hattori

Career position and assignment in the Company:

Director (Independent Officer)

- ◆ Date of birth: April 3, 1946
- ◆ Number of service in the Company: 3 years (at the conclusion of this general meeting)
- ◆ Number of Company shares owned: 200

Dear Shareholders,

The Great East Japan Earthquake, which occurred in March, caused certain damages to our group. I would like to have more active discussion than ever at the Risk Management Committee, making the most of my knowledge and experience accumulated while working in police and large corporations, etc. for more than thirty years.

In addition, with respect to the overseas business, which is one of the key elements in achieving “AUTOBACS 2010 Medium-Term Business Plan,” I am determined to make every effort to accomplish prompt decision-making and execution, and to contribute to increasing corporate value and enhancing corporate governance with definite visions for rapidly changing international situation.

Reasons for the candidacy

Mr. Hattori has abundant knowledge and experience in organizational administration, including risk management and prevention of involvement with antisocial forces in the public sector. He is also well-versed in situations outside Japan. Based on these experiences and knowledge, he has been participating in, and contributing to, the discussions at Board of Directors, Governance Committee and Risk Management Committee from a technical standpoint, while making remarks to provide a broad viewpoint of general shareholder protection. Therefore, Mr. Hattori is a candidate for Outside Director as in the previous year.

Brief professional background including major posts held

- April 1970: Joined the National Policy Agency
- June 1974: Long-term overseas researcher at Harvard Business School dispatched from the National Personnel Authority
- June 1981: First Secretary, Embassy of Japan in Israel
- July 1991: Director General, Yamanashi Prefectural Police Headquarters
- August1995: Chief Inspection Officer, National Policy Agency
- December1996: Director General, Saitama Prefectural Police Headquarters
- July 1998: Director General, Imperial Guard Headquarters
- August 2000: Director General, Kanto Regional Office Bureau

September 2001: Retired from the National Policy Agency
October 2001: Full-time General Counsel, All Nippon Airways Co., Ltd.
October 2006: General Counsel, Fukuoku Mutual Life Insurance Company
June 2008: Director, AUTOBACS SEVEN CO., LTD. (current position)
April 2011: Chairman, Japan Security Systems Association (current position)

Candidate No. 6:

Teruyuki Matsumura

Career position and assignment in the Company:

Director, Executive Officer, Head of Marketing & Sales Strategy Planning, Car Goods & Services, Car Maintenance & Insurance Services and Car Sales

◆Date of birth: November 25, 1961

◆Number of service in the Company: 2 years (at the conclusion of this general meeting)

◆Number of Company shares owned: 1,521

Dear Shareholders,

Amid the drastically changing market environment, I focused on “Existing Stores Reform” based on “AUTOBACS 2010 Medium-Term Business Plan” in the previous fiscal term. In this fiscal term, I will increase our market share and store profitability by improving products (Automobile Accessory, Service and Car Dealing) and sales promotion from customers’ perspective, and further speeding up the accomplishment of “Existing Stores Reform.” The entire chain will do its best as one team, believing that achieving “AUTOBACS 2010 Medium-Term Business Plan” will lead to the enhancement of corporate value.

Reasons for the candidacy

Mr. Matsumura has made outstanding achievements in the many years he has served the Company in the field of sales for AUTOBACS franchise business. Since he was appointed as Director two years ago, he engaged in the management, drawing on his knowledge and experience. It is in the best interest of the Company, which continues to make efforts to realize “AUTOBACS 2010 Medium-Term Business Plan” under the severe economic condition, that Mr. Matsumura participate in the management, making the most of his experience and knowledge. Therefore, Mr. Matsumura is a candidate for Director as in the previous year.

Brief professional background including major posts held

March 1984: Joined AUTOBACS SEVEN CO., LTD.

April 2009: Executive Officer; General Manager, Kanto Regional Division

June 2009: Director; Executive Officer; General Manager, Kanto Regional Division

April 2010: Director; Executive Officer; Head of Marketing & Sales Strategy Planning

April 2011: Director, Executive Officer; Head of Marketing & Sales Strategy Planning, Car Goods & Services, Car Maintenance & Insurance Services and Car Sales (current position)

Candidate No. 7:

Kiomi Kobayashi

Career position and assignment in the Company:

Executive Officer, Head of Sales Operation and Area Strategy and Planning

- ◆ Date of birth: February 11, 1956
- ◆ Number of service in the Company: 1 year (at the conclusion of this general meeting)
- ◆ Number of Company shares owned: 700

Dear Shareholders,

I have decided that my mission is to present the concrete measures based on the “AUTOBACS 2010 Medium-Term Business Plan” to the field so as to enhance the ability of the field to execute the Plan. I am determined to make my best effort to enhance the Company’s corporate value, by increasing customers who willing to come to the stores repeatedly as a result of the reformation of the outlets where customers find it less complicated and easy to choose, the reformation of the customer service so that the staff can wait on customers comfortably and make the most suitable proposal to the customers and the creation of the best outlets in the local area, especially in the line of the tires and the statutory safety inspection and maintenance service, as well as by building the management culture to work quickly towards, and to follow through with, the expansion of the network of outlets to which the customers can feel familiar.

Reasons for the candidacy

Mr. Kobayashi has made many great achievements in the many years he has worked in the field of sales and product development in AUTOBACS franchise business. He has also been involved in the Company’s overseas operation and has therefore a deep understanding of the whole spectrum of the business activities of Company’s business divisions.

Mr. Kobayashi is a candidate for Director since it has been decided that the Company, which requires proceeding with the business in the strict economic environment towards the realization of “AUTOBACS 2010 Medium-Term Business Plan,” can benefit most from his participation in the management of the Company, based on his abundant knowledge and experience.

Brief professional background including major posts held

March 1978: Joined AUTOBACS SEVEN CO., LTD.
June 2008: Executive Officer; General Manager, Kansai Regional Division
April 2010: Executive Officer, Head of Sales Operation and Area Strategy and Planning
June 2010: Director, Executive Officer, Head of Sales Operation and Area Strategy and Planning
 (current position)

Candidate No. 8:

Noriaki Shimazaki (Newly appointed)

Career position and assignment in the Company: --

- Date of birth: August 19, 1946
- Number of service in the Company: --
- Number of Company shares owned: --

Dear Shareholders,

I have been engaged in the businesses of the broad range of fields, including the finance, accounting, risk management, human resource development, and management strategy planning in the business companies for many years. In addition, since 2009, I, as the trustee of IFRS Foundation, have been involved with the election of the members of the International Accounting Standards Board and oversight and supervision of due process of standard setting. Making use of these experience and knowledge, I would like to contribute to enhance the corporate value through sound and continuous growth of the Company Group.

Reason for the candidacy

Mr. Shimazaki has long experience and detailed knowledge with the accounting and financial matters, and as a member of the top management, Mr. Shimazaki also has taken control of not only the accounting and financial matters, but also the personnel, information system, legal and general affairs, and played a role in supervising and leading the management in a very broad context. Further, Mr. Shimazaki takes several public positions mainly in the field of the accounting, because of his experience and insight. Mr. Shimazaki is a candidate for Outside Director so that he can oversee and render advice to the Company's management as Outside Director based on his a broad range of experience and knowledge.

Brief professional background including major posts held

April 1969:	Joined SUMITOMO CORPORATION
January 1993:	General Manager, Accounting Controlling Dept. of SUMITOMO CORPORATION
June 1998:	Director of SUMITOMO CORPORATION
April 2002:	Representative Director, Managing Director of SUMITOMO CORPORATION
January 2003:	Member of Business Accounting Council of Financial Services Agency (current position)
April 2004:	Representative Director, Senior Managing Director of SUMITOMO CORPORATION
April 2005:	Representative Director, Executive Vice President of SUMITOMO CORPORATION
July 2008:	Chairman, Sub-committee on Accounting of Nippon Keidanren (current position)
January 2009:	Trustee of International Financial Reporting Standards (IFRS) Foundation (current position)
July 2009:	Special Adviser of SUMITOMO CORPORATION (current position)
January 2010:	Trustee of Financial Accounting Standards Foundation (current position)

Special remarks on the candidates for the offices of Outside Directors

1. Liability limitation agreement with Outside Directors

Mr. Tatsuya Tamura and Mr. Norio Hattori, who currently serve as the Company's Outside Directors, have entered into an agreement with the Company which defines the limitations of liability as defined in Article 423, Paragraph 1 of the Companies Act. In the event of their re-appointment as Outside Directors, the said agreement will be continued. Further, in the case where Mr. Noriaki Shimazaki, a candidate for the office of Outside Director, is appointed as Outside Director, he will enter into an agreement with the Company which defines the limitations of liability as defined in Article 423, Paragraph 1 of the Companies Act.

The liability limit pursuant to the above-mentioned agreement shall be the greater of ten (10) million yen or the total sum of the amounts a) and b) described below as 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 by each of the Outside Directors from the Company as consideration for the execution of their duties while in office.
- b) In the case where each of the Outside Directors has subscribed to the Company's stock acquisition rights as set forth in Article 2, Item 21 of the Companies Act (limited to the case as defined in each Item of 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 the said stock acquisition rights.

2. Independence of Outside Directors

The candidates for the offices of Outside Directors whom the Board of Directors have nominated fulfill the conditions for Outside Directors as set forth in Article 2, Paragraph 3, Item 7 of the Companies Act Enforcement Regulation as well as the requirements for the Outside Officers' independence adopted by the Board of Directors of the Company (established on February 24, 2010).

Agenda Item No. 3 and Reference Matters

Agenda Item No. 3: Appointment of two (2) Corporate Auditors

At the conclusion of this general meeting, Mr. Yasushi Sumino, Mr. Kotaro Morino and Mr. Kensuke Tanabe, Corporate Auditors, will resign.

Accordingly, the Company requests the shareholders' approval for the appointment as Corporate Auditors of the two (2) candidates below.

The present Agenda Item has already been approved by the Board of Corporate Auditors.

Candidate No.	Name	Career position and assignment in the Company	Notes
1	Toshiki Kiyohara	(Newly appointed)	(Outside Corporate Auditor) Independent Officer (scheduled)
2	Yuji Sakakura	(Newly appointed)	(Outside Corporate Auditor) Independent Officer (scheduled)

Notes:1. Each of the candidates has no special interest in the Company.

2. Mr. Toshiki Kiyohara and Mr. Yuji Sakakura are candidates for Outside Corporate Auditors as defined in Article 2, Paragraph 3, Item 8 of the Companies Act Enforcement Regulations. In addition, they satisfy the conditions set forth in Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and Article 7 of the Code of Corporate Conduct of Osaka Securities Exchange Co., Ltd., as well as other requirements for independency stipulated by the Company, and they are expected to Independent Officers.

Agenda Item No. 3: Appointment of Two Corporate Auditors and Reference Matters

Candidate No. 1:

Toshiki Kiyohara (Newly appointed)

Career position and assignment in the Company: --

- Date of birth: August 3, 1949
- Number of service in the Company: --
- Number of Company shares owned: --

Dear Shareholders,

I have been engaged in the business promotion in the life materials related field of the trade companies for many years. I have experienced a broad range of the fields, including not only the domestic and overseas sales, but also planning and control of accounting, as well as leading and management of the affiliates. I would like to contribute to enhance the quality of the corporate governance by rendering fair opinion to the Directors and Executive Officers from the independent and neutral position, through making use of such a broad range of my experience, and by making audit activities in an objective manner.

Reason for the candidacy

Mr. Kiyohara has a broad range of experience of the sales, planning and business control of the general trade company, etc., as well as the management and control of results of its affiliates. In addition, Mr. Kiyohara, as the top management of the affiliates of the trade company, has worked on the enforcement of organizational power and implemented the organizational improvement, including sharing the management principle, communication and maintenance of internal control. Mr. Kiyohara is a candidate for Outside Corporate Auditor so that he can oversee and audit the management of the Company effectively, based on such experience.

Brief professional background including major posts held

- April 1972: Joined MITSUI & CO., LTD.
- February 1984: Manager of Textile Division of MITSUI & CO. (AUSTRALIA) LTD.
- June 1993: Chief of Home Textile Department, Industrial Textile Division of MITSUI & CO., LTD., Kansai Office
- October 1997: Chief of Business Planning Department, Textile Administrative Division of MITSUI & CO., LTD.
- October 1999: General Manager of Interior & Textile Material Division, Textile Business Unit of MITSUI & CO., LTD. April 2004: General Manager of Merchandising Division, Lifestyle Business Unit of MITSUI & CO., LTD.
- June 2005: President and Representative Director of MITSUI BUSSAN TEXTILE CO., LTD.
- July 2010: Adviser of MITSUI BUSSAN TECHNO PRODUCTS CO., LTD. (Changed its corporate name from MITSUI BUSSAN TEXTILE CO., LTD. in November 2008)

Candidate No. 2:

Yuji Sakakura (Newly appointed)

Career position and assignment in the Company: --

- Date of birth: May 3, 1951
- Number of service in the Company: --
- Number of Company shares owned: --

Dear Shareholders,

If we look back on the year 2011 ten years later, we might say that it was “the year when the Japanese economy faced a big turning point.” I expect that year 2011 will be the year when the structural reform and a real globalization of the Japanese economy, which make little progress for twenty years after the collapse of bubble economy, may significantly progress. The Company, as a corporation establishing the most of its business basement in Japan, is not an exception. If my assumption is approved at this general meeting at such turning point, I will seriously take the responsibility for assuming the office of the Corporate Auditor upon the mandate from the shareholders, and I am determined to my best to play the primary role as the Corporate Auditor to “audit the execution of Directors’ duties” from an independent standpoint, with the basics of transparency and corporate governance. And I would appreciate if I can contribute to unlimited growth of the Company.

Reason for the candidacy

Mr. Sakakura has a long term experience in the financial business at the general trade company, mainly in the international finance and the stock market, and played a key role in the incorporation and operation of the securities company in the financial deregulation. In 2005, Mr. Sakakura assumed as CFO of a financial venture company soon after its incorporation, made the necessary preparation for listing, including the maintenance of the internal rules, the construction of the control system of results of budget and the development of capital policy, and accomplished the listing on the Tokyo Stock Exchange one year later. Mr. Sakakura is a candidate for Outside Corporate Auditor so that he can oversee and audit the management of the Company effectively, based on such experience with respect to the financing and capital market and the experience in the financial industry.

Brief professional background including major posts held

April 1974: Joined Nissho Iwai Corporation
April 1998: General Manager of Financial Market Division of Nissho Iwai Corporation
June 1999: President and Representative Director of Nissho Iwai Securities, Co., Ltd.
March 2004: President and Representative Director of Fides Securities Corporation
April 2005: Executive Officer and General Manager of Corporate Business Department of E-Trade Securities Co., Ltd.
September 2005: Chief Financial Officer of GCA Corporation
May 2006: Director and Chief Financial Officer of GCA Corporation

July 2007: Chief Development Officer of GCA Savvian Corporation

May 2011: Representative Director of Relations JAPAN Co., Ltd.

Special remarks on the candidates for the offices of Outside Corporate Auditors

1. Liability limitation agreement with Outside Corporate Auditors

In the case where Mr. Toshiaki Kiyohara and Mr. Yuji Itakura, candidates for the office of Outside Corporate Auditors, are appointed as Outside Corporate Auditors, they will enter into an agreement with the Company which defines the limitations of liability as defined in Article 423, Paragraph 1 of the Companies Act. The liability limit pursuant to the above-mentioned agreement shall be the greater of five (5) million yen or the total sum of the amounts a) and b) described below as 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 by each of the Outside Corporate Auditors from the Company as consideration for the execution of their duties while in office.
- b) In the case where each of the Outside Corporate Auditors has subscribed to the Company's stock acquisition rights as set forth in Article 2, Item 21 of the Companies Act (limited to the case as defined in each Item of 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 the said stock acquisition rights.

2. Independence of Outside Corporate Auditors

The candidates for the offices of Outside Corporate Auditors whom the Board of Directors have nominated fulfill the conditions for Outside Corporate Auditors as set forth in Article 2, Paragraph 3, Item 7 of the Companies Act Enforcement Regulation as well as the requirements for the Outside Corporate Auditors' independence adopted by the Board of Corporate Auditors of the Company (established on February 24, 2010).

Requirements for the Outside Officers' Independency

The Independent Officers of the Company shall be the Outside Director or Outside Corporate Auditor who satisfy the following requirements for independency.

At the time when any event has occurred to the person which results in infringement of the following requirements for independency, he shall lose the independency.

1. The Company's Outside Officers shall not have had any interest in the Company and its affiliates (hereinafter collectively referred to as AUTOBACS SEVEN Group) or specified corporations or entities in the past five years in any of the following manners:
 - ① Receiving remuneration (excluding the remuneration for the duty of an officer from the Company) or other assets from AUTOBACS SEVEN Group in the amount exceeding ten (10) million yen per fiscal term
 - ② Serving any of the following corporations or entities (including holding companies) as a Director, Executive Officer or in any other executive or managerial post:
 - a AUTOBACS SEVEN Group's customer or business partner whose amount of operation or trade with, or the amount paid or received by or to, AUTOBACS SEVEN Group accounts for 2% or more of the consolidated sales of either party.
 - b Corporation or entity which has an interest of essential nature with AUTOBACS SEVEN Group (main bank, corporate auditors, law firm, consultancy, etc.), regardless of the amount of trade
 - c Any major shareholder of the Company (owning 10% or more of the shares issued)
 - d Any corporation among whose major shareholders (owning 10% or more of the shares issued) is AUTOBACS SEVEN Group
 - e Any corporation which shares any number of mutually appointed Directors with AUTOBACS SEVEN Group (in the framework of cross-holding of shares involving mutual appointment of Directors)
2. The Company's Outside Officers neither be a spouse of, nor have any relation of the second degree of kinship or closer to any of AUTOBACS SEVEN Group's Officers or Executive Officers.
3. The Company's Outside Officers shall not share means of livelihood with any person corresponding to the description of Paragraph 1 above.
4. The Company's Outside Officers shall not be in any situation that may hinder them from performing their duties as the Company's Independent Officers.

(Established February 24, 2010)