

July 9, 2018

**AUTOBACS Announces Establishment of New Company  
and Business Transfer Between Consolidated Subsidiaries**

(Translation of major points of Japanese release)

July 9, 2018 (Tokyo, Japan) — AUTOBACS SEVEN Co., Ltd. (“the Company,” Representative Director and CEO: Kiomi Kobayashi) announces today that it decided on July 9, 2018, to establish a new consolidated subsidiary to engage in wholesaling and that it will transfer the business of Cores International, Inc. and PALSTAR K.K., consolidated subsidiaries of the Company also engaged in wholesaling, to the new company. Details are as follows.

1. Reasons for the establishment of the new company and the business transfer between consolidated subsidiaries

As one of the top priorities under the 2017 Medium-Term Business Plan, the AUTOBACS Group has been developing future growth drivers through new business formats such as wholesaling to outside the AUTOBACS Chain and other BtoB businesses. By creating a general trading company for automotive goods and services that has merchandise development functions and merchandiser consulting functions, the Group aims to enhance and expand its earnings from BtoB businesses through the business transfer from the existing two consolidated subsidiaries to the new company.

2. Outline of the establishment of the new company and the business transfer between consolidated subsidiaries

(i) Overview of the new company

As of July 9, 2018

(1) Company name:	CAP Style Co., Ltd. (tentative)
(2) Location:	1-11-5, Ohmorikita, Ota-ku, Tokyo (planned)
(3) Representative:	Hiroyuki Furukawa, Representative Director
(4) Line of business:	Wholesaling of automotive goods, engine oil, etc.
(5) Capital:	JPY 450 million
(6) Date of establishment:	Mid-August 2018 (planned)
(7) Major shareholder and shareholding ratio	AUTOBACS SEVEN Co., Ltd.: 100%
(8) Fiscal year end	March 31

(ii) Overview of the subsidiary transferring business to the new company <1>

As of July 9, 2018

(1) Company name:	Cores International, Inc.	
(2) Location:	1-1-3 Shukuincho-nishi, Sakai-ku, Sakai, Osaka	
(3) Representative:	Hiroshi Ikegawa, Representative Director	
(4) Line of business:	Wholesaling of automotive goods	
(5) Capital:	JPY 95 million	
(6) Established:	June 1988	
(7) Relationship between the listed company and the relevant company	Capital relationship	The Company holds 81.4% of outstanding shares of this company.
	Personnel relationship	A Director and an employee of the Company have been appointed as Directors of this company and an employee of the Company has been appointed as Auditor of this company.
	Business relationship	This company conducts wholesale distribution of automotive goods to the Company and the AUTOBACS Group stores.

\* This subsidiary is scheduled to be liquidated by the end of the fiscal year ending March 31, 2019.

Disclaimer: Please note that this document is a summary translation of the Japanese press release and prepared for reference purposes only. We do not assure the correctness or completeness of this summary translation. Please note that this summary translation may be amended without notice, or be pulled from our website for such amendment purpose, etc., at our own discretion.

(iii) Overview of the subsidiary transferring business to the new company <2> As of July 9, 2018

(1) Company name:	PALSTAR K.K.	
(2) Location:	8908-1, Seya-cho, Seya-ku, Yokohama, Kanagawa	
(3) Representative:	Kenji Katayama, Representative Director	
(4) Line of business:	Wholesaling of engine oil and other automotive goods	
(5) Capital:	JPY 200 million	
(6) Established:	March 1987	
(7) Relationship between the listed company and the relevant company	Capital relationship	The Company holds 100% of outstanding shares of this company.
	Personnel relationship	A Director and an employee of the Company have been appointed as Directors of this company and an employee of the Company has been appointed as Auditor of this company.
	Business relationship	This company conducts wholesale distribution of engine oil, automotive goods, etc. to the Company and the AUTOBACS Group stores.

\* This subsidiary is scheduled to be liquidated by the end of the fiscal year ending March 31, 2019.

3. Scheduled dates (planned)

(1) Date of decision	Monday, July 9, 2018
(2) Date of establishment of new company	Mid-August 2018
(3) Date of transfer agreement	Monday, August 20, 2018
(4) Date of transfer	Monday, October 1, 2018

4. Future outlook

The establishment of the new company and the business transfer between the consolidated subsidiaries will have no significant impact on the Company's consolidated business results for the current fiscal year.

End.

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