

1. Basic Approach to Compliance System

To further strengthen our compliance system, AUTOBACS SEVEN has clearly defined a Code of Conduct and its Guidelines. These require us not only to observe laws and business ethics, but also to meet the reasonable expectations of all of our stakeholders. The Code of Conduct and its Guidelines form the basic principles for thorough enforcement of compliance and related educational activities that we are undertaking not only internally, but also at franchise chain companies.

Moreover, to prevent misconduct or unethical actions by executives and employees, and to ensure a swift response to deal with

such incidents, we have established an internal reporting system called the Orange Hotline. The hotline has both internal and external contact points.

We also conduct a periodic compliance awareness survey to encourage deeper penetration of compliance awareness throughout the Group, and to gain a clear picture of potential risks.

■ AUTOBACS SEVEN Group Code of Conduct

http://www.autobacs.co.jp/en/csr/compliance_en.html

2. Product Quality Control Initiatives

Our quality control system covers not only private brand merchandise, but also national brand items. Working closely with manufacturers and suppliers, we adopt a multifaceted approach to quality control, considering such aspects as the products themselves and the legality of when used, as well as protection of consumers based on product liability laws.

The quality of our private brand merchandise is controlled according to our internal rules, and we strive to achieve consistent product quality by conducting inspections based on the globally adopted Acceptable Quality Level (AQL) standard.

3. Environmental Management

Environmental problems on a global scale are a common problem for all humanity to tackle.

The Group's initiatives for the environment are part of our contribution to society. To promote business activities that have a low environmental impact, we have acquired ISO 14001 certification for our headquarters, and implement environmental activities in line with our environmental policy.

Going forward, we will continue to widen the scope of our certification, among other efforts to enhance our environmental performance.

■ AUTOBACS SEVEN Environmental Policy

<http://www.autobacs.co.jp/ja/csr/reduction.html> (Japanese Only)

AUTOBACS SEVEN Environmental Policy (Excerpts)

With respect to the environmental impacts of its various business activities, AUTOBACS SEVEN will prioritize the following initiatives:

- (1) Promote energy conservation and reduce greenhouse gas emissions
- (2) Reduce the volume of final waste disposal in landfill
- (3) Procure merchandise that is environmentally responsible

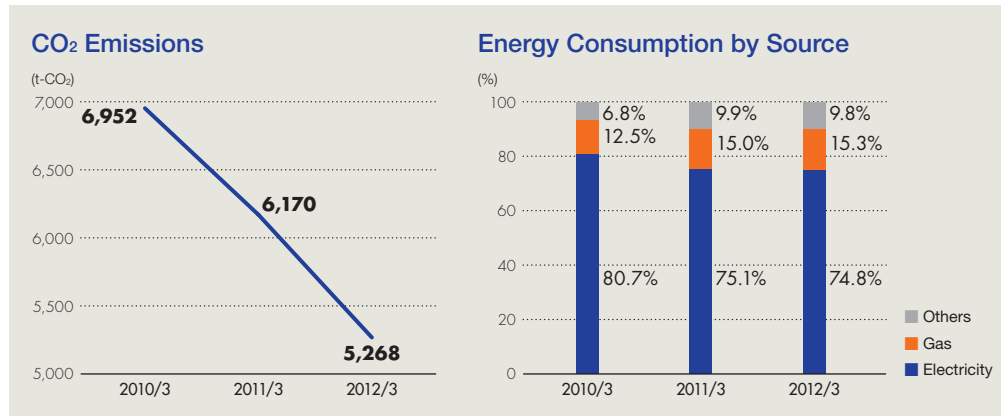
4. Energy Conservation and Greenhouse Gas Emission Reduction

The Company's total CO₂ emissions* in fiscal 2012 were 5,268 tons.

AUTOBACS SEVEN is working to reduce energy consumption and CO₂ emissions in its business activities. We have implemented strict power-saving measures at each office, and we are

steadily replacing our equipment with energy-efficient models. To reduce CO₂ emissions, we ship some merchandise from our logistics centers in railway containers.

* Total CO₂ emissions for the AUTOBACS SEVEN head office, regional offices, directly managed stores, and logistics centers.



5. Waste Reduction and Recycling

In fiscal 2012, the Group used 343 tons of containers and packaging, including plastic shopping bags distributed at cash registers, and packaging for private brand merchandise.

To reduce containers and packaging, cash register staff ask

customers for their understanding and cooperation in forgoing the use of plastic shopping bags. Furthermore, we have been progressively reviewing our packaging for private brand merchandise, reducing volume and considering alternative materials.

6. Social Contribution Initiatives

Cleanup Activities

Every year since fiscal 2003, we have conducted volunteer cleanup activities in the area around the Aokigahara Forest at the base of Mt. Fuji. We have also regularly cleaned the area surrounding the head office since fiscal 2006. Furthermore, since fiscal 2010, franchise chain stores have also cleaned the areas around their stores once a week on what we call AUTOBACS Day.



Cleanup activities on Mt. Fuji



The AUTOBACS pavilion at KidZania



ARTA (AUTOBACS RACING TEAM AGURI)

Other Activities

- Pavilion at KidZania Occupational Theme Park
- Operation of ARTA (AUTOBACS RACING TEAM AGURI)