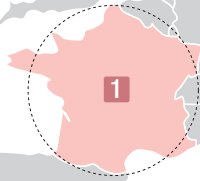


Developments by Country

38 Stores in Six Countries

As of March 31, 2017, there were 38 overseas AUTOBACS stores. This number reflects a net gain of five stores after the addition of seven new stores, one relocation, and two closings during the fiscal year. In total, overseas business activities finished the year with an operating loss of ¥178 million, versus operating income of ¥30 million for the year earlier. Various factors, including lower income at the French subsidiary and higher expenses related to store openings in Thailand contributed to the loss. Looking ahead, we aim to improve business performance by continuing with efforts to strengthen business platforms on a country-by-country basis.



France

Number of stores	11 (Subsidiary: 9 Franchise: 2)
First store opened in	2001
Operating company	AUTOBACS FRANCE S.A.S.
Ownership percentage	AUTOBACS SEVEN: 100%
Operating loss	¥88 million (FY ended March 2017)



Current Status and Future Direction

Store openings are underway through a joint venture with a local company. At present, the subsidiary has established area dominance with large stores located outside the ring road encircling Paris. In the fiscal year ended March 2017, economic stagnation resulted in lower sales and put the subsidiary in the red with an operating loss. Efforts to strengthen earnings power will focus on creating a more robust EC site and increasing services revenue as a percent of sales.



Taiwan

Number of stores	6 (Franchise: 6)
First store opened in	1991
Operating company	Franchisee
Ownership percentage	—



Current Status and Future Direction

In Taiwan, AUTOBACS stores are operated by a Japan-based franchisee and are similar to AUTOBACS stores in Japan. The Company will continue to supply merchandise and provide store management support from Japan, as it uses existing stores to develop its business.



Thailand

Number of stores	8 (Subsidiary: 8)
First store opened in	2000
Operating company	SIAM AUTOBACS Co., Ltd.
Ownership percentage	AUTOBACS SEVEN: 49.87%
Operating loss	¥123 million (FY ended March 2017)



Current Status and Future Direction

In Thailand, where operations consist of a flagship store and small-scale stores in small market areas in the capital, Bangkok, two new stores were opened and one was relocated/updated to strengthen the store network. To establish area dominance, the store network will be expanded to at least 10 locations, with management focusing on raising shares of local markets and increasing profitability.



Singapore

Number of stores	2 (Subsidiary: 2)
First store opened in	1995
Operating company	AUTOBACS VENTURE SINGAPORE PTE. LTD.
Ownership percentage	AUTOBACS SEVEN: 93.75%
Operating income	¥91 million (FY ended March 2017)



Current Status and Future Direction

In Singapore, where car ownership is expensive, AUTOBACS stores similar to those in Japan are being opened to target the upper-middle-income socioeconomic class. During the fiscal year ended March 2017, store renovations, and closings of unprofitable locations, together with intensified sales promotions, kept earnings performance steady. Moving forward, stores will be opened within gas stations and efforts will be made to develop the business of wholesaling merchandise to local retailers and gas stations.



5

Malaysia

Number of stores	4 (Subsidiary: 2 Franchise: 2)
First store opened in	2012*
Operating company	AUTOBACS MALAYSIA SDN. BHD.
Ownership percentage	AUTOBACS SEVEN: 100%
Operating loss	¥54 million (FY ended March 2017)



Current Status and Future Direction

Store development in Malaysia is being pursued through a subsidiary and a Japan-based franchisee. During the fiscal year ended March 31, 2017, business format experiments, focusing on maintenance services, were carried out at stores opened in the previous fiscal year. Results will be applied in the planned opening of up to 10 stores mainly in Johor, one of the most developing states of Malaysia. The wholesale of AUTOBACS SEVEN private-brand merchandise to tire stores operated by the Kit Loong Group will also be pursued. A capital and business alliance was formed with the Kit Loong Group during the fiscal year.

* Opened by a Japan-based franchisee.



6

Indonesia

Number of stores	5 (Sublicensed stores: 5)
First store opened in	2015
Operating company	PT. AUTOBACS INDOMOBIL INDONESIA
Ownership percentage	AUTOBACS SEVEN: 49.00%



Current Status and Future Direction

In Indonesia, where store development is focusing on affluent customers, the joint venture formed with INDOMOBIL Group* has entered into a sublicensing agreement with Salim Group, a major Indonesian retailing enterprise. During the fiscal year ended March 31, 2017, Salim Group added three new stores to the two opened the previous fiscal year, bringing the total to five. With plans to focus on wholesaling led by the joint venture, INDOMOBIL Group and Salim Group will apply their strengths to support this effort.

* A prominent local automotive-related company group with which the Company entered into a business collaboration in August 2013.

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	Engaged mainly in retail and service businesses
	Engaged in retail, service, and wholesale businesses
	Engaged in wholesale and other business activities



7

China

Current Status and Future Direction

In China, where operations were originally established in 2004, all stores were closed by the end of the fiscal year ended March 2015 to overhaul the retail business. The automotive goods trading business, which remains in operation, recorded an operating loss of ¥2 million for the fiscal year ended March 31, 2017. Supplies of merchandise to Japan and other parts of Asia will be strengthened as efforts to develop the trading business continue.



8

Philippines

Current Status and Future Direction

In January 2016, AUTOBACS entered into a capital and business collaboration with the Motech Group, a local provider of automobile maintenance services. Under Philippine law, it is not possible for the Company Group itself to open stores. The direction going forward, therefore, is to wholesale certain products to local stores under brand licensing agreements and to provide assistance in store network development. Other businesses, mainly wholesaling of merchandise mainly to the Motech Group, will also be developed.