

## Consolidated Financial Results for the Year Ended March 31, 2011 【Japanese Standards】

### Summary of Quick Financial Announcement of Consolidated Financial Information For the Year Ended March 31, 2011.

Company name : AUTOBACS SEVEN CO., LTD.

Code number : 9832

(URL <http://www.autobacs.co.jp/>)

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Annual meeting of shareholders : June 23, 2011

Start of cash dividend payments: June 24, 2011

Supplementary materials prepared : Yes

Financial results information meeting held : Yes(for securities analysts and institutional investors, etc)

#### 1. Results for the year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

(Note: Amounts less than 1 million Yen have been rounded down. A figure in ( ) indicates a loss or a negative figure.)

##### (1) Results of operations:

(Unit: Millions of Yen except for per share information, and % information which indicates increase or decrease(.))

	Net sales		Operating income		Ordinary income	
<b>Fiscal year ended</b>		%		%		%
<b>March 31, 2011</b>	<b>236,350</b>	<b>1.5</b>	<b>11,988</b>	<b>17.9</b>	<b>13,060</b>	<b>11.1</b>
Fiscal year ended March 31, 2010	232,936	(10.1)	10,171	99.8	11,757	79.3

Note : Comprehensive income

**Fiscal year ended March 31, 2011 :5,972 million Yen (-2.2%)**

Fiscal year ended March 31, 2010 : 6,109 million Yen (-%)

	Net income		Basic net income per share(Yen)	Basic net income per share-diluted(Yen)
<b>Fiscal year ended</b>		%		
<b>March 31, 2011</b>	<b>6,179</b>	<b>5.4</b>	<b>177.97</b>	-
Fiscal year ended March 31, 2010	5,865	-	161.97	-

	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	%	%	%
<b>March 31, 2011</b>	<b>4.1</b>	<b>6.2</b>	<b>5.1</b>
Fiscal year ended March 31, 2010	3.8	5.4	4.4

Reference: Equity income on a affiliates :

**Fiscal year ended March 31, 2011 : 74 million Yen**

Fiscal year ended March 31, 2010 : 91 million Yen

## (2) Financial position:

(Unit: Millions of Yen except for per share information)

	Total assets	Total net assets	Equity ratio	Net assets per share(Yen)
Fiscal year ended			%	
<b>March 31, 2011</b>	<b>207,794</b>	<b>147,962</b>	<b>71.0</b>	<b>4,307.43</b>
Fiscal year ended March 31, 2010	210,652	151,852	71.9	4,223.55

Reference : Owner's equity

**Fiscal year ended March 31, 2011: 147,504 million Yen**

Fiscal year ended March 31, 2010 : 151,396 million Yen

## (3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Fiscal year ended			%	
<b>March 31, 2011</b>	<b>15,375</b>	<b>(5,002)</b>	<b>(11,790)</b>	<b>52,316</b>
Fiscal year ended March 31, 2010	18,949	(4,694)	(12,187)	53,785

## 2.Dividends

	Dividends per share				(Yen)
	First Quarter	Second Quarter	Third Quarter	Year-end	
Fiscal year ended March 31, 2010	-	60.00	-	65.00	
<b>Fiscal year ended March 31, 2011</b>	-	<b>65.00</b>	-	<b>70.00</b>	
Fiscal year ended March31,2012 (forecast)	-	70.00	-	70.00	

  

	Full Year	Total Dividends Paid	Payout Ratio	Dividends		
		(Full Year)	(Consolidated)	paid/Net Assets		
		(Millions of Yen)	(Consolidated)	%	%	
Fiscal year ended March 31, 2010	125.00	4,481	77.2	3.0		
<b>Fiscal year ended March 31, 2011</b>	<b>135.00</b>	<b>4,623</b>	<b>75.9</b>	<b>3.2</b>		
Fiscal year ended March31, 2012 (forecast)	140.00	-	65.7	-		

## 3. Forecast for the fiscal year 2012 (from April 1, 2011 to March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		Basic net
		%		%		%		%	income per share (Yen)
<b>Semiannual</b>	<b>114,100</b>	<b>(0.8)</b>	<b>4,700</b>	<b>13.6</b>	<b>5,400</b>	<b>22.9</b>	<b>3,000</b>	<b>74.9</b>	<b>87.61</b>
<b>Annual</b>	<b>233,200</b>	<b>(1.3)</b>	<b>11,700</b>	<b>(2.4)</b>	<b>13,200</b>	<b>1.1</b>	<b>7,300</b>	<b>18.1</b>	<b>213.17</b>

## 4.Other

(1) Significant changes in subsidiaries during the year ended : None

(2) Changes in accounting principles, processes, disclosure methods, etc.

1.Changes associated with revision in accounting standards : Yes

2.Other changes : None

(3) Shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)

**Fiscal year ended March 31, 2011 : 37,454,204 shares**

Fiscal year ended March 31, 2010 : 37,454,204 shares

2. Number of treasury stock at the end of period

**Fiscal year ended March 31, 2011 : 3,209,982 shares**

Fiscal year ended March 31, 2010 : 1,608,348 shares

3. Average shares outstanding over period

**Fiscal year ended March 31, 2011 : 34,724,050 shares**

Fiscal year ended March 31, 2010 : 36,215,277 shares

## **5. Qualitative Information concerning Consolidated Business Results for the fiscal year ended March 31, 2011**

(1) Descriptive analysis of the business results

**(i) Business results for the fiscal year under review**

**<Business practices implemented under the changing business environment>**

Domestic consumption of automotive goods and services during the consolidated fiscal year under review was encouraged by factors that lent more support than usual to demand, including an increase in the number of new automobiles sold thanks to the government's tax cuts and subsidies for eco-friendly automobiles, the extreme summer heat, and nationwide snowfalls in the winter. There were, however, factors that discouraged a recovery in consumption, such as a sharp decline in sales of ETC devices in contrast to the brisk sales in the previous year and the spending restraint in the wake of Great East Japan Earthquake.

In this business environment, the Group has developed the AUTOBACS 2010 Medium-Term Business Plan, aiming to increase store profitability and market share as the core of its business strategy. Its business practices during the fiscal year have followed this plan.

**<Overview of the domestic business>**

Overall sales of the businesses of the AUTOBACS chain (including franchise outlets) in Japan increased by 0.2% year on year on a same-store basis and remained unchanged (0.0% change) on a total-store basis. The total turnover of "automotive goods and services" and "statutory safety inspections and maintenance" combined in the core businesses declined year on year by 0.6%, both on a same-store basis and total store basis.

The "sale of automotive goods and services" segment placed priority on compensating for the decline in sales of ETC devices, which had sold well in the previous year, with growth in sales of tires and wheels. To this end, the segment increased its merchandise, strengthened the sales system at stores, and launched a promotional campaign using newspaper advertisements. Active merchandise procurement and sales activities to meet demand for new automobiles, which had increased thanks to the subsidies for eco-friendly automobiles, and demand for replacement with snow tires due to snowfalls resulted in an increase in the sales of tires and wheels. Among car electronics, fixed navigation devices sold well as a result of an increase in sales of new automobiles, while tuners for digital terrestrial broadcasting were in greater demand ahead of the end of analogue TV broadcasting in July 2011. In addition, the weather encouraged sales of batteries and tire chains. Meanwhile, sales of ETC devices

dropped significantly in reaction to special demand in the previous fiscal year. As a result, sales of automotive goods and services were down by 1.1% year on year.

The “statutory safety inspections and maintenance” segment faced a difficult environment, in which demand for safety inspections declined with an increase in new automobiles sold by September and competition intensified. Nonetheless, promotional activities at the stores and phone calls made to members of the point-up card membership program to provide information, helped increase the number of automobiles receiving a safety inspection by 11.3% from a year earlier, to approximately 498,000 units (for all outlets combined).

The “automobile purchase and sales” segment achieved a year-on-year increase in the number of automobiles sold by 11.0% to approximately 16,000 units (excluding the sales for used-car auctions). This increase was a consequence of the demand for new automobiles created by subsidies for eco-friendly automobiles, information on automobiles provided on the company’s website and other specialized websites, and the improved assessment and sale of used cars at stores under the direction of the head office.

The opening and closure of stores in Japan included the opening of four new AUTOBACS stores and one new AUTOBACS EXPRESS store, four store conversions to AUTOBACS stores, the opening and closure of 11 AUTOBACS stores through comprehensive restructuring and relocation, and the closure of four AUTOBACS *Hashiriya Tengoku Secohan Ichiba* stores. As a result, the total number of stores held by the AUTOBACS Group in Japan increased by two stores from the previous fiscal year to 513 stores.

#### **<Effect of the Great Eastern Japan Earthquake>**

Because of the Great East Japan Earthquake occurred on March 11, 2011, a total of 35 stores in Tohoku and Kanto Regions were not operating as of March 12. The buildings and facilities at Eastern Japan Logistics Center in Ichikawa, Chiba Prefecture, were damaged and operations were forced to cease. In response, the Group established a crisis management task force headed by the Chief Executive Officer immediately after the earthquake and began support for the disaster areas and efforts to resume operations.

As a result of the recovery efforts at the stores, two stores remain closed as of May 11, 2011. A logistics system that would not interrupt the store operation was promptly built by maximizing the operation at Western Japan Logistics Center in Miki, Hyogo Prefecture, which immediately began merchandise delivery to the stores in operation in East Japan. Eastern Japan Logistics Center was restored and the collection and delivery operation resumed on May 2, 2011.

The year-on-year change in sales at Group stores (all outlets) from March 11, 2011 to March 31, 2011 was a decline of 5.2 % on a same-store basis and 4.9% on a total store basis. Please refer to the description provided in the latter section for the effects of the amount of damage caused by the earthquake.

#### **<Consolidated business results>**

The Group’s consolidated sales for the fiscal year under review increased by 1.5% from a year earlier, to 236,350 million yen. The gross margin rose by 2.4% year on year, to 75,739 million yen. Selling, general and administrative expenses were down by 0.1%, to 63,750 million yen. As a result, consolidated operating income climbed by 17.9%, to 11,988 million yen. Consolidated ordinary income

increased by 11.1% from a year earlier, to 13,060 million yen, despite a fall in the gains of subsidiaries for supporting functions from outside the Group as part of non-operating income and an increase in exchange losses related to loans provided to overseas subsidiaries. As extraordinary gains, the Group recorded gains on the sale of fixed assets of 438 million yen and a reversal of the allowance for doubtful accounts of 515 million yen. Extraordinary losses included 1,166 million yen, representing the effect of the application of the accounting standard for asset retirement obligations, a special retirement allowance of 460 million yen required due to the merger of a subsidiary, BRAIN-ING Co., Ltd.. As a result, net income for the fiscal year under review was up by 5.4% year on year, to 6,179 million yen. The earthquake damage was 287 million yen for the selling, general and administrative expenses which mainly included earthquake related donations, and 386 million yen in extraordinary losses which included restoration of facilities and equipment.

Results by business segment are as shown below.

#### **<Non-Consolidated>**

Sales rose by 2.0% from a year earlier, to 194,715 million yen. In wholesale operations for franchise outlets, sales climbed by 2.8% year on year, thanks to strong sales of tires, wheels, tire chains, tuners for digital terrestrial broadcasting, and automobiles, which outweighed a substantial decline in sales of ETC devices. In retail operations, sales were down by 10.0% from a year earlier, reflecting the closure of directly managed second-hand automotive goods stores and the transfer of the motorcycle goods business in the previous fiscal year, as well as a decline in sales of ETC devices. Gross profit increased by 3.7% year on year, to 40,626 million yen, as a result of higher sales of tires, wheels, and car exterior items, offsetting lower sales of ETC devices and second-hand automotive goods. Selling, general and administrative expenses were up by 0.8% from a year earlier, to 28,877 million yen, due primarily to expenses to support sales floor renovation and increased personnel expenses associated with the merger of the Group's subsidiary, BRAIN-ING Co., Ltd., in August 2010 despite significant efforts to reduce costs, including the concentration of expenses for sales promotion on tires and wheels. As a result, operating income was up by 11.5% year on year, to 11,749 million yen.

#### **<Domestic Store Subsidiaries>**

While sales at existing stores remained unchanged from the previous year, sales in this segment increased by 2.7% year on year, to 81,206 million yen, with the conversion of the franchise outlets to Group subsidiaries. The operating loss increased by 16 million yen, to 89 million yen, reflecting a fall in sales and installation services of ETC devices, reduced sales associated with the Great East Japan Earthquake, and expenses for active sales promotion activities, offsetting an improvement in the gross margin on tires and wheels that had sold well.

#### **<Overseas Subsidiaries>**

Sales were up by 4.0% from a year earlier, to 8,810 million yen, principally because of higher sales at existing stores, offsetting the effect of exchange rate fluctuations. The operating loss was reduced by 527 million yen from a year earlier, to 183 million yen. In addition, net income of 322 million yen was achieved, which suggests the effect of the measures to improve the overseas business. In France, the management team was reorganized in May 2010, and the operating income grew substantially thanks to an increase in the sales of tires and other consumables, expanded pit services, and the positive effect of

snowfall, as well as cost reduction through organizational restructuring. In Singapore, steady economic growth and increased demand for automobile maintenance facilitated growth in sales and operating income. In Thailand, income remained close to the level of the previous year through cost controls, despite the decreased sales due to political upheavals and floods. Also in Thailand, a low-cost store specializing in the sale of tires opened in December. In China, despite a decline in wholesale with the closure of certain stores operated by franchisees, the operating loss was reduced with continued management streamlining and an increase in retail sales associated with the opening of stores operated by the Shanghai subsidiary of the Group.

**<Subsidiaries for Car Goods Supply and Other>**

Sales rose by 0.4% year on year, to 13,034 million yen, with an increase in the wholesale of oil despite the exclusion of two subsidiaries operating driving schools in July 2009 and Auto Refine Co., Ltd. in June 2010 from consolidation. Operating income in this segment declined by 18.0% year on year, to 233 million yen, primarily attributable to the effect of changes in the cost of goods sold in oil wholesale.

**<Subsidiaries for Supporting Functions>**

Sales declined by 51.0% year on year, to 6,180 million yen, and operating income fell by 34.4%, to 487 million yen, principally reflecting the change of AUTOBACS SYSTEM SOLUTIONS Co., Ltd. from a subsidiary to an equity method company in October 2009 and the merger of BRAIN-ING Co., Ltd. in August 2010. Sales in the management services, leasing business, and the financial insurance business for franchise companies constituting the main operations of this segment decreased with the liquidation of businesses and subsidiaries of the Group. Control of the expenses, however, has helped the profit remain generally in line with the plan.

**(ii) Business Outlook**

The outlook for the business environment in the next fiscal year is uncertain given concerns such as the soaring prices of crude oil and raw materials, weakened consumer confidence, and the adverse effect of power conservation associated with the Great East Japan Earthquake. Cancellation of the highway toll cap system will also influence conditions.

The Group will continue to execute its medium-term business plan, while promptly responding to changes in the short-term needs of the retail market. In particular, the Group will aim to increase earnings through measures such as: (1) additional reform of the sales floors; (2) continuous customer service reform; (3) increased sales in the tire and safety inspection segments; and (4) new stores opening in smaller markets in Japan the next fiscal year.

Looking at store openings and closures, the Group plans to open 31 new stores and reopen and close 10 existing stores through a comprehensive restructuring and relocation in Japan. Outside Japan, the Group plans to open one store each in China and Taiwan.

In addition to the above outlook, sales are expected to decline: (1) at the two stores where the restoration plan is still uncertain; (2) at the 202 stores in Tohoku and Kanto Regions where power-saving measures will be implemented; and (3) because of a lack of supply of merchandise in the next fiscal year in the wake of the earthquake. For these reasons, consolidated sales for the fiscal year are expected to decrease by 1.3% to 233,200 million yen. Further, operating income is estimated to be

11,700 million yen, down by 2.4%, with ordinary income at 13,200 million yen, up by 1.1%, in anticipation of an improvement in the gross margin resulting from supplier reform and increased expenses due primarily to sales floor renovation. Net income is forecast to increase by 18.1%, to reach 7,300 million yen, with no extraordinary losses expected such as those incurred in the previous consolidated fiscal year.

### **(iii) Progress of the AUTOBACS 2010 Medium-Term Business Plan**

The Group has executed a number of initiatives including business and financial strategies and CSR activities, under the AUTOBACS 2010 Medium-Term Business Plan, which was announced in May 2010.

Although it is only the first year of the medium-term business plan, important measures such as the reform of existing stores and human resources reform and customer service education, which aim to radically strengthen domestic businesses, yielded results that exceeded the initial plan.

#### **<Business Strategy>**

The Group emphasized the strengthening of the domestic franchise business as a business strategy and sought to improve the profitability of the existing AUTOBACS stores.

While the initial plan for the reform of existing stores was to renovate 100 stores in the AUTOBACS format by the end of March 2011, progress was substantially faster than the plan and the renovation of 141 stores were completed.

The sales floor reform as part of the existing store reform aimed to create sales floors that would facilitate the selection and purchase of merchandise and services from the perspective of customers. Stores that had undergone the reform outperformed other stores in terms of sales figures, and customers, especially female and first-time visitors, made positive comments that the store was easy to use and they felt comfortable asking questions.

Human resources reform and customer service education were designed to provide customers with safety and reliability, while improving customer-service skills to facilitate a comfortable shopping experience. A specialized team was formed and provided, in most cases, store employees with customer-service training at locations across Japan. Approximately 3,750 employees completed the training, far exceeding the initial plan of 3,000. These trainees led the customer service training at each store to promote awareness of customer service in the entire store.

In efforts to open new stores, a team exclusively in charge of store cost savings was established and developed a cost-cutting plan. The results were applied one by one to new stores. A total of four new stores were established during the fiscal year ended March 31, 2011. The store model for new stores opening after the year ending March 31, 2012, will continue to be improved, by making the cost cutting plan more specific and applying to new stores the lessons learned by verifying the performance at the four stores already in operation as well as the outcomes of the reform at existing stores. The aim is to achieve the grand opening after the year ending March 31, 2013.

Other Group initiatives include good merchandise and services provided to customers at affordable prices, reductions in the cost of purchases through supplier reform aiming to improve store profitability, and strengthening of the safety inspection service and automobile sales to enhance the merchandise and

services provided to customers.

Expenses were further controlled to improve the ability of the head office to act, and human resource development, including buyer training and level-specific training, was continued.

#### **<Financial Strategy>**

The Group's financial strategy was aimed at improving capital efficiency, and a total of 1.6 million shares of treasury stock were purchased for approximately 5,200 million yen based on a policy of increasing shareholder returns. The target consolidated ratio of dividend on equity (DOE) will be 3% and the dividend per share is planned at 135 yen, an addition of 10 yen to the dividend in the previous consolidated fiscal year.

#### **<CSR Activities>**

The Group has positioned CSR as an important management issue, and has developed a plan to reduce the environmental burden of the business, opened two environmentally friendly stores of AUTOBACS YAMATO KORIYAMA and AUTOBACS FUCHU, and held AUTOBACS Day at all member stores to clean up the neighborhood as a contribution to local communities.

The Group made a donation of 100 million yen through Japan Red Cross for victims of the Great East Japan Earthquake that struck on March 11, 2011, and provided relief supplies (approximately 39,000 car phone chargers and 5,000 inverters) to the disaster headquarters in the affected areas. In addition, each store in the AUTOBACS chain is continuing with fund-raising activities.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: Millions of Yen)

<b>Assets</b>	March 31, 2010 Amount	March 31, 2011 Amount
<b>Current assets</b>		
Cash and deposits	43,829	43,767
Trade notes and accounts receivable	23,256	22,977
Investments in lease	14,594	13,396
Marketable securities	13,996	13,348
Inventories	16,711	17,461
Deferred tax assets	2,153	1,937
Short-term loans	297	717
Accounts receivable-other	17,440	17,655
Other current assets	1,894	2,025
Allowance for doubtful receivables	(293)	(256)
Total current assets	133,882	133,031
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Building and structures	33,765	35,865
Accumulated depreciation	(22,323)	(24,116)
Building and structures(net of depreciation)	11,442	11,748
Machinery, equipment and vehicle	5,193	5,235
Accumulated depreciation	(4,065)	(4,188)
Machinery, equipment and vehicle (net of depreciation)	1,128	1,046
Tools, furniture and fixtures	13,005	13,014
Accumulated depreciation	(10,749)	(10,953)
Tools, furniture and fixtures(net of depreciation)	2,255	2,060
Land	22,693	21,695
Leased assets	303	314
Accumulated depreciation	(20)	(37)
Leased assets (net of depreciation)	282	276
Construction in progress	73	103
Total tangible fixed assets	37,877	36,931
<b>Intangible fixed assets</b>		
Goodwill	1,027	913
Leased assets	45	32
Software	5,366	4,222
Other intangible fixed assets	797	769
Total intangible fixed assets	7,237	5,938
<b>Investments</b>		
Investment securities	3,829	5,989
Long-term loans	905	315
Deferred tax assets	5,123	4,501
Rental deposits	20,561	19,997
Other investments	5,341	4,807
Allowance for doubtful receivables	(4,108)	(3,718)
Total investments	31,653	31,893
Total fixed assets	76,769	74,763
<b>Total assets</b>	210,652	207,794

<b>Liabilities and Net assets</b>	March 31, 2010 Amount	March 31, 2011 Amount
<b>Current liabilities</b>		
Trade notes and accounts payable-trade	15,807	15,307
Short-term borrowings	4,901	3,164
Current portion of bond	80	70
Leased obligations	57	62
Accrued liabilities	11,160	11,034
Income taxes payable	1,771	3,505
Allowance for point card	307	328
Allowance for business restructuring	1,324	1,101
Allowance for loss disaster	-	171
Asset retirement obligations	-	8
Other current liabilities	6,110	5,894
Total current liabilities	41,521	40,648
<b>Long-term liabilities</b>		
Bonds	140	205
Long-term debt	8,228	8,481
Leased obligations	811	756
Deferred tax liabilities	73	89
Accrued for retirement benefits	109	127
Accrued for directors' retirement benefits	271	253
Asset retirement obligations	-	1,731
Other long-term liabilities	7,643	7,537
Total long-term liabilities	17,278	19,183
Total liabilities	58,799	59,832
<b>Owners' equity</b>		
Shareholders' equity		
Common stock	33,998	33,998
Capital surplus	34,278	34,278
Retained earnings	88,398	89,984
Treasury stock at cost	(5,402)	(10,636)
Total owners' equity	151,273	147,624
<b>Valuation and translation adjustments</b>		
Net unrealized gain on available-for-sale securities	107	21
Foreign currency translation adjustments	15	(141)
Total valuation and translation adjustments	122	(120)
<b>Minority interests</b>		
Total net assets	456	458
Total net assets	151,852	147,962
<b>Total liabilities and net assets</b>	210,652	207,794

**(2) Consolidated Statements of Income**  
and Comprehensive Income

(Unit: Millions of Yen)	Fiscal year ended	Fiscal year ended
	March 31, 2010	March 31, 2011
	Amount	Amount
<b>Net sales</b>	232,936	236,350
Cost of goods sold	158,940	160,611
<b>Gross profit</b>	73,996	75,739
Selling, general and administrative expenses	63,825	63,750
<b>Operating income</b>	10,171	11,988
Non-operating income		
Interest income	200	162
Dividend income	29	40
Equity in income on affiliates	91	74
Commission income	688	748
Lease revenue-system equipment	1,246	1,163
Other non-operating income	2,460	2,062
Total non-operating income	4,717	4,252
Non-operating expenses		
Interest expenses	241	189
Lease cost-system equipment	1,458	1,273
Loss on disposal of fixed assets	146	179
Loss on valuation of investment securities	126	-
Foreign exchange losses	96	413
Other non-operating expenses	1,059	1,124
Total non-operating expenses	3,130	3,181
<b>Ordinary income</b>	11,757	13,060
Extraordinary gains		
Gain on sales of fixed assets	53	438
Gain on sales of shares in affiliates	218	7
Reversal of allowance for doubtful accounts	215	515
Reversal of allowance for business restructuring	3,436	136
Other extraordinary gains	38	-
Total extraordinary gains	3,961	1,098
Extraordinary losses		
Loss on sales of fixed assets	28	8
Impairment losses on fixed assets	630	349
Loss on sales of shares in affiliates	6	-
Provision for doubtful accounts	3,744	-
Loss on arrangement of stores	91	285
Loss on business restructuring	610	-
Special retirement benefits	-	460
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,166
Loss on disaster	-	386
Other extraordinary losses	31	-
Total extraordinary losses	5,144	2,657
<b>Income before income taxes and minority interests</b>	10,574	11,501
Income taxes		
Current	2,273	4,370
Deferred	2,344	905
Total income taxes	4,617	5,276
Income before minority interests	-	6,225
Minority interests in net income	91	45
<b>Net income</b>	5,865	6,179

	Fiscal year ended March 31, 2010 Amount	Fiscal year ended March 31, 2011 Amount
<b>Minority interests in income</b>	-	45
<b>Income before minority interests</b>	-	6,225
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	-	(86)
Foreign currency translation adjustments	-	(168)
Share of other comprehensive income of associates accounted for using equity method	-	2
Other comprehensive Income	-	(252)
Comprehensive Income	-	5,972
Comprehensive income attributable to owners of the parent	-	5,936
Comprehensive income attributable to minority interests	-	35

**(3) Consolidated Statements of Changes in assets**

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2010 Amount	Fiscal year ended March 31, 2011 Amount
<b>Owners' equity</b>		
<b>Common stock</b>		
Balance at the end of previous period	33,998	33,998
Balance at the end of the period	33,998	33,998
<b>Capital surplus</b>		
Balance at the end of previous period	34,511	34,278
Change of items during the period		
Cancellation of treasury stock	(233)	-
Total changes of items during the period	(233)	-
Balance at the end of the period	34,278	34,278
<b>Retained earnings</b>		
Balance at the end of previous period	94,297	88,398
Change of items during the period		
Dividends from surplus	(4,023)	(4,556)
Net income	5,865	6,179
Change of scope of equity method	-	(37)
Cancellation of treasury stock	(7,740)	-
Total changes of items during the period	(5,898)	1,585
Balance at the end of the period	88,398	89,984
<b>Treasury stock</b>		
Balance at the end of previous period	(8,000)	(5,402)
Change of items during the period		
Purchase of treasury stock	(5,375)	(5,234)
Cancellation of treasury stock	7,974	-
Total changes of items during the period	2,598	(5,234)
Balance at the end of the period	(5,402)	(10,636)
<b>Total owners' equity</b>		
Balance at the end of previous period	154,807	151,273
Change of items during the period		
Dividends from surplus	(4,023)	(4,556)
Net income	5,865	6,179
Purchase of treasury stock	(5,375)	(5,234)
Change of scope of equity method	-	(37)
Total changes of items during the period	(3,533)	(3,649)
Balance at the end of the period	151,273	147,624
<b>Valuation and translation adjustments</b>		
<b>Valuation different on available-for-sale securities</b>		
Balance at the end of previous period	(217)	107
Change of items during the period		
Net changes of items other than owners' equity	325	(86)
Total change of items during the period	325	(86)
Balance at the end of the period	107	21

**(3) Consolidated Statements of Changes in assets**

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2010 Amount	Fiscal year ended March 31, 2011 Amount
<b>Foreign currency translation adjustments</b>		
Balance at the end of previous period	173	15
Change of items during the period		
Net change of items other than owners' equity	(158)	(156)
Total change of items during the period	(158)	(156)
Balance at the end of the period	15	(141)
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous period	(44)	122
Change of items during the period		
Net change of items other than owners' equity	167	(243)
Total changes of items during the period	167	(243)
Balance at the end of the period	122	(120)
<b>Minority interests</b>		
Balance at the end of previous period	715	456
Change of items during the period		
Net change of items other than owners' equity	(259)	1
Total change of items during the period	(259)	1
Balance at the end of the period	456	458
<b>Total net assets</b>		
Balance at the end of previous period	155,478	151,852
Change of items during the period		
Dividends from surplus	(4,023)	(4,556)
Net income	5,865	6,179
Purchase of treasury stock	(5,375)	(5,234)
Change of scope of equity method	-	(37)
Net change of items other than owners' equity	(91)	(241)
Total change of items during the period	(3,625)	(3,890)
Balance at the end of the period	151,852	147,962

**(4) Consolidated Statements of Cash Flows**  
(Unit: Millions of Yen)

	Fiscal year ended March 31, 2010 Amount	Fiscal year ended March 31, 2011 Amount
<b>Operating Activities:</b>		
Income before income taxes and minority interests	10,574	11,501
Depreciation	4,932	4,562
Impairment losses on fixed assets	630	349
Amortization of goodwill	274	235
Increase (decrease) in provision for business restructuring	(3,501)	(223)
Increase (decrease) in allowance for doubtful accounts	3,076	(424)
Increase (decrease) in provision for retirement benefits	(77)	(43)
Increase (decrease) in provision for retirement benefits for directors and corporate auditors	(23)	(17)
Interest and dividend income	(230)	(203)
Interest expenses	241	189
Loss (gain) on foreign currency translation	(9)	1
Equity (income) loss on affiliates	(91)	(74)
Loss on adjustment for change of accounting standard for asset retirement obligations	-	1,166
Loss (gain) on sales or disposal of fixed assets	122	(249)
Loss (gain) on sales of investment in securities	(212)	(7)
Loss (gain) on revaluation of investment securities	126	-
Decrease (increase) in trade notes and accounts receivable	(1,224)	584
Decrease (increase) in investments in lease	1,078	1,365
Decrease (increase) in inventories	1,808	(486)
Increase (decrease) in trade notes and accounts payable	(330)	(677)
Other	1,355	357
Subtotal	18,520	17,906
Interest and dividend received	256	234
Interest paid	(234)	(201)
Income taxes refund (paid)	407	(2,565)
Net cash provided by (used in) operating activities	18,949	15,375
<b>Investing Activities:</b>		
Decrease (increase) in time deposit	(1,714)	632
Purchase of short-term investment securities	(1,996)	(5,291)
Proceeds from sales and redemption of securities	2,000	2,009
Payment for tangible and intangible fixed assets	(3,061)	(3,187)
Proceeds from sales of intangible fixed assets and intangible fixed assets	599	1,431
Purchase of investment securities	(396)	(2,574)
Proceeds from sales and redemption of investment securities	1,187	2,157
Cash of acquisition of business	(593)	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(257)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(833)	(9)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	335	-
Payment of loans receivable	(620)	(140)
Collection of loans	731	305
Payment for rental deposits	(909)	(953)
Collection of rental deposits	434	564
Others	143	311
Net cash provided by (used in) investing activities	(4,694)	(5,002)

**(4) Consolidated Statements of Cash Flows**  
(Unit: Millions of Yen)

	Fiscal year ended March 31, 2010 Amount	Fiscal year ended March 31, 2011 Amount
<b>Financing Activities:</b>		
Net increase (decrease) in short-term borrowings	(81)	78
Proceeds from long-term debt	350	3,180
Repayments of long-term debt	(2,942)	(5,278)
Purchase of treasury stock	(5,373)	(5,232)
Dividends paid	(4,022)	(4,554)
Others	(117)	18
Net cash provided by (used in) financing activities	(12,187)	(11,790)
Effect of exchange rate changes on cash and cash equivalents	(30)	(52)
Net increase (decrease) in cash and cash equivalents	2,036	(1,469)
Cash and cash equivalents, beginning of the year	51,748	53,785
<b>Cash and cash equivalents, end of the year</b>	<b>53,785</b>	<b>52,316</b>

## 6. Segment Information

### (1) Outlines reportable segment

	Non-consolidated	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions
Automotive goods	Wholesale Retail	Retail	Wholesale Retail	Wholesale	-
Safety inspection and maintenance services	Wholesale Retail	Retail	Retail	-	-
The automobile purchase and sales business	Wholesale Retail	Retail	-	-	-
Others	Lease business	-	-	-	Lease business Others

Note : Others of subsidiaries for supporting functions are loan credit business , nonlife insurance agency and office work representation business.

### (2) Segment sales ,income(loss),assets and others

Fiscal year ended March 31,2011

(Unit: Millions of Yen)

	Non-consolidated	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiar ies for Supportin g Functions	Total
Net sales						
Sales to outside customers	140,231	80,512	8,655	5,977	973	236,350
Intersegment sales or transfers	54,483	694	154	7,057	5,206	67,596
Total	194,715	81,206	8,810	13,034	6,180	303,947
Net income (loss)	11,749	(89)	(183)	233	487	12,196
Segment assets	207,298	22,094	9,281	3,649	16,570	258,893
Other items						
Depreciation and amortization	1,846	332	267	30	20	2,496

### (3) Reconciliation of published figures and aggregated of reportable operating segment

#### (Adjustment)

(Unit: Millions of Yen)

Net sales	Fiscal year ended March 31,2010	Fiscal year ended March 31,2011
Total reportable operating segments	304,067	303,947
Elimination of intersegment transaction	(71,130)	(67,596)
Net sales	232,936	236,350

#### (Adjustment)

(Unit: Millions of Yen)

Income	Fiscal year ended March 31,2010	Fiscal year ended March 31,2011
Total reportable operating segments	10,781	12,196
Depreciation of goodwill	(320)	(152)
Inventories	(83)	(66)
Fixed assets	192	(60)
Allowance for point card	91	(24)
Elimination of intersegment transaction	(327)	188
Others	(163)	(91)
Operating income	10,171	11,988

#### (Adjustment)

(Unit: Millions of Yen)

Assets	Fiscal year ended March 31,2010	Fiscal year ended March 31,2011
Total reportable operating segments	262,674	258,893
Elimination of intersegment transaction	(44,630)	(43,936)
Fixed assets	(3,560)	(3,886)
Depreciation of goodwill	(3,531)	(3,554)
Inventories	(1,221)	(1,255)
Investments in associates accounted for using equity method	782	780
Others	140	553
Total assets	210,652	207,794

Other items	Total reportable operating segments		Adjustment		Consolidated total	
	Fiscal year ended March 31,2010	Fiscal year ended March 31,2011	Fiscal year ended March 31,2010	Fiscal year ended March 31,2011	Fiscal year ended March 31,2010	Fiscal year ended March 31,2011
Depreciation	2,812	2,496	1,423	1,409	4,236	3,906

Note : The amount of the adjustment of other items is chiefly amount of the adjustment on consolidated financial statements by the lease dealings between segments.

## 7.Other

### (1)Consolidated Sales Component and Percentage By Division

(Unit: Millions of Yen)

Divisions	Fiscal year ended March 31,2010		Fiscal year ended March 31,2011		Year-on -year Increase/Decrease
	Amount	Ratio	Amount	Ratio	Ratio
Wholesale	132,389	56.8	134,689	57.0	101.7
Retail	96,813	41.6	98,162	41.5	101.4
Others (letting and hiring fee of leased object)	3,733	1.6	3,498	1.5	93.7
Total	232,936	100.0	236,050	100.0	101.5

Note : Consumption taxes are excluded from the above amounts.

**(2) Consolidated Sales Component and Percentage by Product Category**

(Unit: Millions of Yen)

Products	Fiscal year ended March 31, 2010		Fiscal year ended March 31, 2011		Year-on-year
	Amount	Ratio	Amount	Ratio	Increase/Decrease
Wholesale		%		%	%
Tires and wheels	30,142	22.8	31,850	23.7	105.7
Car electronics	41,624	31.5	39,372	29.2	94.6
Oil and batteries	15,895	12.0	16,057	11.9	101.0
Car exterior items	12,071	9.1	12,693	9.4	105.2
Car interior items	12,039	9.1	12,408	9.2	103.1
Motor sports	8,643	6.5	8,059	6.0	93.2
Services	2,012	1.5	1,897	1.4	94.3
Others	9,961	7.5	12,351	9.2	124.0
Subtotal	132,389	100.0	134,689	100.0	101.7
Retail					
Tires and wheels	17,811	18.4	19,565	19.9	109.8
Car electronics	22,369	23.1	20,476	20.9	91.5
Oil and batteries	8,350	8.6	8,508	8.7	101.9
Car exterior items	10,278	10.6	11,174	11.4	108.7
Car interior items	9,031	9.3	9,131	9.3	101.1
Motor sports	6,733	7.0	6,391	6.5	94.9
Services	14,844	15.3	15,608	15.9	105.2
Others	7,394	7.7	7,305	7.4	98.8
Subtotal	96,813	100.0	98,162	100.0	101.4
Others (letting and hiring fee of leased object)	3,733	-	3,498	-	93.7
Total					
Tires and wheels	47,953	20.6	51,415	21.8	107.2
Car electronics	63,993	27.5	59,848	25.3	93.5
Oil and batteries	24,246	10.4	24,565	10.4	101.3
Car exterior items	22,350	9.6	23,868	10.1	106.8
Car interior items	21,070	9.0	21,540	9.1	102.2
Motor sports	15,376	6.6	14,451	6.1	94.0
Services	16,856	7.2	17,505	7.4	103.9
Others	21,089	9.1	23,155	9.8	109.8
Total	232,936	100.0	236,350	100.0	101.5

Notes:1.Consumption taxes are excluded from the above amounts.

2.Others is consisted of revenue of Car sales, Used car goods sales and Royalty income .

3.The sales amount to application of equity method companies are in the wholesale.