

Consolidated Financial Results for the Nine Months Ended December 31, 2011 【Japanese Standards】

Summary of Quick Financial Announcement of Consolidated Financial Information For the Third Quarter Ended December 31, 2011.

Company name : AUTOBACS SEVEN CO., LTD.

Code number : 9832

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

Headquarters : Tokyo, Japan

Company Representative : Setsuo Wakuda, Representative Director

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Stock exchange listings : Tokyo and Osaka

Submission of Quarterly Business Report : February 7, 2012.

Start of cash dividend payments : -

Supplementary quarterly materials prepared : Yes

Quarterly results information meeting held : None

1. Results for the Nine months ended December 31, 2011 (From April 1, 2011 to December 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	
		%		%		%
Nine months ended						
December 31, 2011	187,666	(0.0)	12,961	20.9	14,409	28.1
Nine months ended						
December 31, 2010	187,694	0.6	10,724	3.5	11,244	(2.6)

Note: Comprehensive income : **7,742 million yen for the nine months ended December 31, 2011: 41.3 %**
5,479 million yen for the nine months ended December 31, 2010: - %

	Net income		Basic net income	Basic net income per
		%	per share (Yen)	share - diluted (Yen)
Nine months ended				
December 31, 2011	8,245	40.7	246.66	-
Nine months ended				
December 31, 2010	5,862	3.4	168.06	-

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
Nine months ended			%	
December 31, 2011	232,627	145,581	62.4	4,444.24
Fiscal year ended				
March 31, 2011	207,794	147,962	71.0	4,307.43

(Reference) Equity : **Nine months ended December 31, 2011 : 145,071 million Yen**

For the year ended March 31, 2011 : 147,504 million Yen

2.Dividends

	Dividends per share				(Yen)
	First Quarter	Second Quarter	Third Quarter	Year -end	Annual
Fiscal year ended					
March 31, 2011	-	65.00	-	70.00	135.00
Fiscal year ended					
March 31, 2012	-	70.00	-	-	-
Fiscal year ended					
March 31, 2012					
(forecast)	-	-	-	70.00	140.00

Note : Changes in dividends forecast for fiscal year 2012 as of December 31, 2011 : None

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

(Unit: Millions of Yen, percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income	
		%		%		%
Annual	233,800	(1.1)	12,800	6.8	14,700	12.6

	Net income		Basic net income per share(Yen)
		%	
Annual	8,300	34.3	254.27

Note : Changes in forecast of consolidated operating results for fiscal year 2012 as of December 31, 2011 : None

4. Other

- (1) Significant changes in scope of consolidation : None
- (2) Adoption of special accounting policies for quarterly financial statements : None
- (3) Changes in accounting policies, accounting estimation change and restatement
 - 1. Changes due to changes in accounting standard : None
 - 2. Changes due to changes in accounting standard except (3)-1. : None
 - 3. Changes due to accounting estimation change : None
 - 4. Restatement : None
- (4) Shares outstanding (common stock)
 - 1. Number of shares outstanding (including treasury stock)
Nine months ended December 31, 2011 : 34,251,605 shares
Fiscal year ended March 31, 2011 : 37,454,204 shares
 - 2. Number of treasury stock at the end of period
Nine months ended December 31, 2011 : 1,609,093 shares
Fiscal year ended March 31, 2011 : 3,209,982 shares
 - 3. Average shares outstanding over quarter
Nine months ended December 31, 2011 : 33,427,997 shares
Nine months ended December 31, 2010 : 34,880,462 shares

※Indication regarding the situation of quarterly review procedures

These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of the disclosure of the financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

※Statement regarding the proper use of financial forecasts and other special remarks

These forecast performance figures are based on the information currently available to the Company's Management and certain assumptions judged rational. Accordingly, these might be cases in which actual Results materially differ from forecasts of this report.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	March 31, 2011 Amount	December 31, 2011 Amount
Current assets		
Cash and deposits	43,767	43,181
Trade notes and accounts receivable	22,977	39,618
Marketable securities	13,348	10,447
Inventories	17,461	20,405
Accounts receivable-other	17,655	24,847
Other current assets	18,077	18,526
Allowance for doubtful receivables	(256)	(201)
Total current assets	133,031	156,826
Fixed assets		
Tangible fixed assets		
Land	21,695	22,835
Other tangible fixed assets(net)	15,236	16,389
Total tangible fixed assets	36,931	39,225
Intangible fixed assets		
Goodwill	913	752
Other intangible fixed assets	5,024	4,926
Total intangible fixed assets	5,938	5,678
Investments		
Rental deposits	19,997	19,325
Other investments	15,613	14,996
Allowance for doubtful receivables	(3,718)	(3,425)
Total investments	31,893	30,896
Total fixed assets	74,763	75,800
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Total assets	207,794	232,627

Liabilities and Net assets	March 31, 2011 Amount	December 31, 2011 Amount
Current liabilities		
Trade notes and accounts payable-trade	15,307	39,318
Short-term borrowings	3,164	3,200
Income taxes payable	3,505	3,957
Allowance for business restructuring	1,101	1,037
Other allowances	328	427
Other current liabilities	17,241	20,587
Total current liabilities	40,648	68,528
Long-term liabilities		
Bonds	205	155
Long-term debt	8,481	7,374
Allowances	381	384
Asset retirement obligations	1,731	1,795
Other long-term liabilities	8,383	8,808
Total long-term liabilities	19,183	18,517
Total liabilities	59,832	87,046
Owners' equity		
Shareholders' equity		
Common stock	33,998	33,998
Capital surplus	34,278	34,278
Retained earnings	89,984	82,916
Treasury stock at cost	(10,636)	(5,494)
Total owners' equity	147,624	145,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	(82)
Foreign currency translation adjustments	(141)	(545)
Total accumulated other comprehensive income	(120)	(627)
Minority interests		
Total net assets	458	510
Total net assets	147,962	145,581
Total liabilities and net assets		
	207,794	232,627

(2) Consolidated Statements of Income and Comprehensive Income
(Unit: Millions of Yen)

	Nine months ended December 31, 2010 Amount	Nine months ended December 31, 2011 Amount
Net sales	187,694	187,666
Cost of goods sold	129,473	127,851
Gross profit	<u>58,220</u>	<u>59,815</u>
Selling, general and administrative expenses	47,496	46,853
Operating income	<u>10,724</u>	<u>12,961</u>
Non-operating income		
Interest income	123	123
Dividend income	34	35
Equity in income on affiliates	39	72
Lease revenue-system equipment	869	915
Other non-operating income	2,138	2,278
Total non-operating income	<u>3,205</u>	<u>3,425</u>
Non-operating expenses		
Interest expenses	149	125
Lease cost-system equipment	873	956
Foreign exchange losses	497	261
Other non-operating expenses	1,165	632
Total non-operating expenses	<u>2,685</u>	<u>1,976</u>
Ordinary income	<u>11,244</u>	<u>14,409</u>
Extraordinary gains		
Gain from sale of fixed assets	437	-
Reversal of allowance for doubtful accounts	504	-
Reversal of allowance for business restructuring	156	-
Total extraordinary gains	<u>1,098</u>	<u>-</u>
Extraordinary losses		
Loss on sales of fixed assets	-	29
Impairment losses on fixed assets	318	33
Loss on arrangement of stores	282	51
Special retirement expenses	460	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,166	-
Total extraordinary losses	<u>2,227</u>	<u>115</u>
Income before income taxes and minority interests	<u>10,116</u>	<u>14,294</u>
Income taxes		
Current	2,826	5,965
Deferred	1,372	63
Total income taxes	<u>4,199</u>	<u>6,028</u>
Income before minority interests	<u>5,916</u>	<u>8,266</u>
Minority interests in net income	54	20
Net income	<u>5,862</u>	<u>8,245</u>

	Nine months ended December 31, 2010 Amount	Nine months ended December 31, 2011 Amount
Minority interests in net income	54	20
Income before minority interests	5,916	8,266
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	(105)
Foreign currency translation adjustment	(395)	(420)
Share of other comprehensive income of associates accounted for using equity method	2	1
Total other comprehensive income	(437)	(523)
Comprehensive income	5,479	7,742
Comprehensive income attributable to		
Owners of the parent	5,439	7,737
Minority interests	39	4

6. Segment Information

I Nine months ended December 31, 2010

(1) Information about sales and profit (loss)

(Unit: Millions of Yen)

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	113,635	62,135	6,520	4,656	745	187,694
Intersegment sales or transfers	44,119	446	127	5,791	4,614	55,100
Total	157,755	62,582	6,647	10,448	5,360	242,794
Net income (loss)	10,238	718	(19)	312	445	11,695

(2) Difference between operating income and Sum of operating income (loss) in reportable segments for the Nine months ended December 31

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	11,695
Inventories	(609)
Elimination of intersegment transaction	(225)
Amortization of goodwill	(175)
Allowance for point card	(0)
Fixed assets	34
Others	5
Operating income	10,724

(3) Impairment losses of assets, goodwill, and others, by reporting segment Not applicable.

II Nine months ended December 31, 2011

(1) Information about sales and profit (loss)

(Unit: Millions of Yen)

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	113,662	61,845	6,818	4,614	726	187,666
Intersegment sales or transfers	44,989	695	183	5,388	1,813	53,070
Total	158,652	62,541	7,001	10,002	2,539	240,737
Net income	12,953	674	73	199	340	14,242

(2) Difference between operating income and Sum of operating income (loss) in reportable segments for the Nine months ended December 31

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	14,242
Inventories	(693)
Elimination of intersegment transaction	(343)
Allowance for point card	(83)
Amortization of goodwill	(58)
Fixed assets	(37)
Others	(63)
Operating income	12,961

(3) Measurement method for profit (loss) of Domestic Store Subsidiaries and Overseas Subsidiaries has been changed since April 1, 2011.

According to this method, Information about sales and profit (loss) was stated for the Nine months ended December 31, 2010.

(4) Impairment losses of assets, goodwill, and others, by reporting segment Not applicable.

7. Notes in case significant changes were made to the amount of shareholders' equity

At the Board of Directors held on May 11, 2011, the Board approved the repurchase of common stock. From May 12, 2011 to December 21, 2011, Autobacs Seven Co., Ltd. repurchased 1,600,000 shares of common stock for 5,458 millions of Yen.

The Board also approved the cancellation 3,202,599 shares of treasury stock at the above Board of Directors and carried it out on May 18, 2011.

As a result, Retained earnings and Treasury stock at cost were decreased by 10,606 millions of Yen.

8. Additional Information

(1) Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Nine months ended December 31, 2011			
Divisions	Amount	Ratio	Year-on-Year
			Increase/Decrease Ratio
Wholesale	109,952	58.6	100.4
Retail	75,147	40.0	99.5
Others (letting and hiring fee of leased object)	2,567	1.4	97.1
Total	187,666	100.0	100.0

Note : Consumption taxes are excluded from the above amounts.

(2) Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Nine months ended December 31, 2011

Products	Amount	Ratio	Year-on-Year Increase/Decrease Ratio
Wholesale		%	%
Tires and wheels	29,512	26.8	112.0
Car electronics	30,810	28.0	92.4
Oil and batteries	12,622	11.5	98.6
Car exterior items	10,703	9.7	103.1
Car interior items	9,373	8.5	97.2
Motor sports	5,886	5.4	91.5
Services	1,823	1.7	121.4
Others	9,218	8.4	101.8
Subtotal	109,952	100.0	100.4
Retail			
Tires and wheels	16,342	21.7	105.5
Car electronics	15,680	20.9	98.1
Oil and batteries	6,389	8.5	98.8
Car exterior items	8,021	10.7	99.2
Car interior items	6,853	9.1	95.7
Motor sports	4,567	6.1	91.9
Services	12,136	16.1	102.2
Others	5,155	6.9	93.1
Subtotal	75,147	100.0	99.5
Others (letting and hiring fee of leased object)	2,567	-	97.1
Total			
Tires and wheels	45,855	24.4	109.6
Car electronics	46,491	24.8	94.3
Oil and batteries	19,012	10.1	98.7
Car exterior items	18,725	10.0	101.4
Car interior items	16,226	8.7	96.6
Motor sports	10,453	5.6	91.7
Services	13,960	7.4	104.4
Others	16,941	9.0	98.3
Total	187,666	100.0	100.0

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.