



# “Anything about cars, you find at AUTOBACS”

## CONTENTS

- 1 Highlights of Consolidated Financial Results
- 2 AUTOBACS SEVEN Group at a Glance  
(Consolidated)
- 4 A Message from the President
- 6 An Interview with the President
- 14 Corporate Governance
- 16 Directors and Officers
- 18 Compliance System
- 20 Market Information
- 22 Business Data
- 24 Business Type and Number of Stores of  
AUTOBACS Chain
- 26 List of Principal Consolidated Subsidiaries  
and Equity Method Affiliates
- 28 Organization
- 29 Corporate Data
- 30 Share Information

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements in this annual report that are not historical facts and that concern future strategies and operational developments, are management's judgments based on information currently available. Actual results may differ from such forward-looking statements due to changes in various risk factors, listed on pages 10 and 11 of the financial section.

### Explanation of names

In this report, "AUTOBACS SEVEN" and the "Company" refer to the parent company, while the "AUTOBACS Consolidated Group", the "AUTOBACS SEVEN Group" and the "Group" refers to the consolidated group.

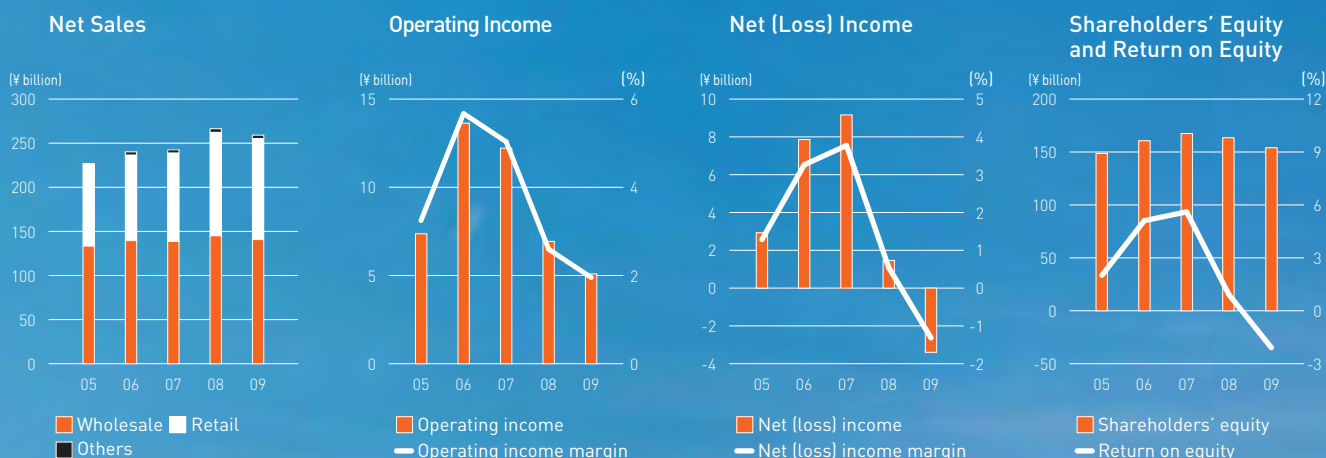


# HIGHLIGHTS OF CONSOLIDATED FINANCIAL RESULTS

AUTOBACS SEVEN Co., Ltd. and Subsidiaries

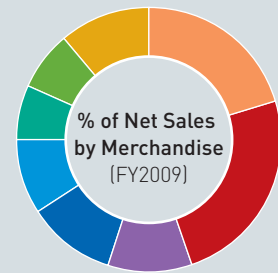
Fiscal year ended on March 31 for each displayed year	Millions of yen			Thousands of U.S. dollars
	2007	2008	2009	2009
<b>Net sales:</b>				
Wholesale	¥ 138,586	¥ 145,072	<b>¥ 140,741</b>	<b>\$ 1,436,133</b>
Retail	100,151	117,182	<b>114,600</b>	<b>1,169,388</b>
Others	3,793	4,174	<b>3,802</b>	<b>38,796</b>
Total	242,532	266,430	<b>259,144</b>	<b>2,644,327</b>
Operating income	12,220	6,937	<b>5,090</b>	<b>51,939</b>
(Loss) income before income taxes and minority interests	16,549	4,972	<b>(3,938)</b>	<b>(40,184)</b>
Net (loss) income	9,165	1,467	<b>(3,398)</b>	<b>(34,673)</b>
Cash flow provided by (used in) operating activities	¥ 17,216	¥ (646)	<b>¥ 7,028</b>	<b>\$ 71,714</b>
Cash flow provided by (used in) investing activities	(7,102)	(7,993)	<b>4,543</b>	<b>46,357</b>
Free cash flows	10,113	(8,639)	<b>11,571</b>	<b>118,071</b>
Cash flow used in financing activities	(4,698)	(729)	<b>(9,259)</b>	<b>(94,480)</b>
<b>Per share data (Yen and Dollars):</b>				
Basic net (loss) income	¥ 239.01	¥ 38.37	<b>¥ (90.29)</b>	<b>\$ (0.92)</b>
Cash dividends	58.00	100.00	<b>100.00</b>	<b>1.02</b>
Dividend payout ratio (%)	24.3	260.6	—	
Return on equity (%)	5.6%	0.9%	<b>(2.1%)</b>	
Return on assets (%)	3.9%	0.6%	<b>(1.5%)</b>	
Capital expenditures	10,356	9,753	<b>4,870</b>	<b>49,694</b>
Depreciation and amortization	6,471	7,463	<b>6,347</b>	<b>64,765</b>
<b>AT YEAR-END</b>				
Cash and cash equivalents	¥ 59,227	¥ 49,637	<b>¥ 51,749</b>	<b>\$ 528,051</b>
Current assets	119,265	117,407	<b>136,968</b>	<b>1,397,633</b>
Current liabilities	48,882	43,571	<b>44,842</b>	<b>457,571</b>
Total assets	240,628	234,126	<b>224,168</b>	<b>2,287,429</b>
Shareholders' equity	167,995	164,336	<b>154,763</b>	<b>1,579,214</b>
Total number of stores	544	648	<b>635</b>	
Of which, overseas stores	21	117	<b>116</b>	
Number of employees	4,621	6,492	<b>5,933</b>	

U.S. dollar amounts are converted at a rate of ¥98=US\$1, which prevailed on March 31, 2009.



# AUTOBACS SEVEN GROUP AT A GLANCE (CONSOLIDATED)

The AUTOBACS Consolidated Group operates a chain of franchises that mainly sell automotive goods and services, provides statutory safety inspections and maintenance services, as well as car sales and purchases at its stores. The Consolidated net sales consist of wholesale sales to franchisees and retail sales through stores operated directly by the Company or its consolidated subsidiaries. The Consolidated Group sells merchandises and services in the following eight categories.



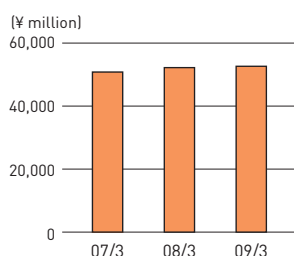
Tires and Wheels	20.3%
Car Electronics	24.6%
Oil and Batteries	10.2%
Car Exterior Goods	11.0%
Car Interior Goods	9.1%
Motor Sports Goods	6.7%
Services	7.1%
Others	11.0%

## TIRES AND WHEELS

We provide tires and wheels from manufacturers worldwide, which include AUTOBACS private brand merchandises. In the fiscal year in review, sales increased slightly despite low sales of snow tires due to light snowfalls along Eastern Japan. Demand for tires and wheels was stimulated by the initiatives we took, such as reinforcing the lineup of private brand and other low-price merchandises, as well as launching a nationwide sales campaign.

### Major Merchandises

- Private brand tires (domestic, import brands)
- National brand tires (domestic, import brands)
- Snow tires
- Private brand wheels
- National brand wheels
- Tires and wheels for various types of vehicles

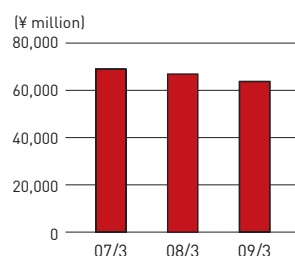


## CAR ELECTRONICS

We offer a range of car electronic appliances from domestic and overseas manufacturers, such as car navigation systems and audio and visual apparatus. A boosted lineup of portable navigation systems and aggressive sales of electronic toll collection (ETC) devices accompanying a fall in expressway tolls contributed to growth in sales of these merchandises. However, overall sales in the year under review were down on the back of a retraction in demand for audio devices and in-dash navigation systems.

### Major Merchandises

- Car navigation systems
- Car audio equipments
- Car visual equipments
- Terrestrial digital-related goods
- ETC devices

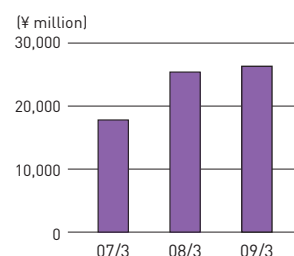


## OIL AND BATTERIES

Our lineup includes not only private brand items, such as the Vantage series of engine oil and the DYNAGRID series of batteries, but also oil and batteries from domestic and overseas suppliers. In the year under review, sales rose slightly, owing to higher unit prices for oil and batteries. This was despite the increase in the tendency to extend the replacing period of these merchandises while consumers cut back on spending.

### Major Merchandises

- Private brand engine oil
- Genuine engine oil
- High-performance engine oil
- Transmission and differential gear oil
- Automatic transmission fluid
- Private brand batteries
- High-performance-type batteries
- Batteries for imported vehicles
- Batteries for motorcycles

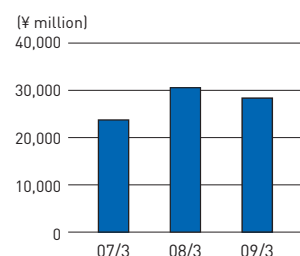


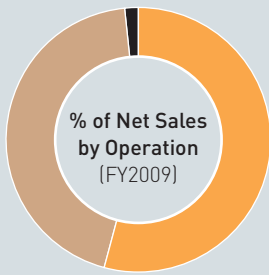
## CAR EXTERIOR GOODS

We handle an extensive range of merchandises for car exteriors, such as wiper blades, tire chains, car washing supplies, waxes, coating agents, repair goods, and tools. In the year under review, sales dipped due to lower sales of tire chains as a result of light snowfalls along Eastern Japan.

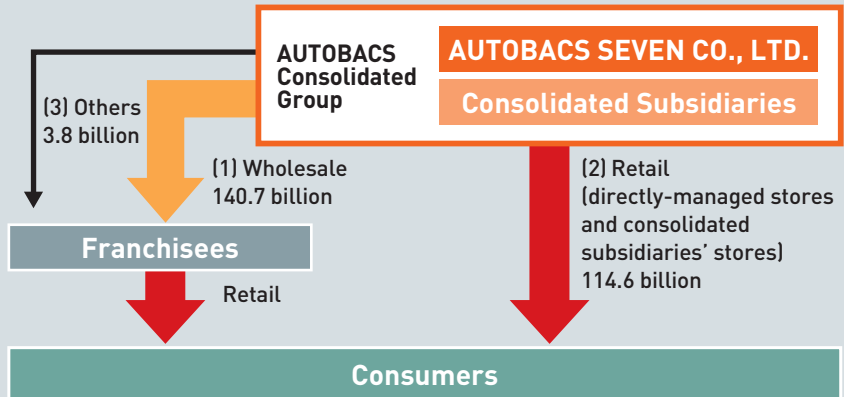
### Major Merchandises

- Wiper blades
- Tire chains
- Car washing supplies
- Waxes and coating agents
- Repair goods
- Tools





Net Sales  
¥259.1 billion



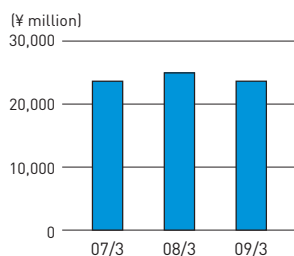
Consolidated net sales consist of wholesale sales (1), retail sales from directly-managed stores and consolidated subsidiaries' stores (2), and other sales (3).

## CAR INTERIOR GOODS

This segment includes air fresheners, deodorizers, dust bins, and other small interior goods, as well as child safety seats. In the fiscal year under review, sales of child safety seats increased temporarily owing to a revision of Road Traffic Law. However, total sales in this segment were down due to suppressed demand for car accessories amid a marked decline in domestic consumption.

### Major Merchandises

- Radar detectors
- Air fresheners and deodorizers
- Dust bins
- Seat covers
- Child safety seats

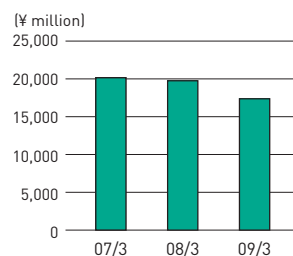


## MOTOR SPORTS GOODS

We offer a wide range of highly appealing merchandises, such as aero parts, mufflers, headlight bulbs, and theft prevention tools. In the year under review, sales of stylish accessories declined considerably as consumers scaled back their spending.

### Major Merchandises

- Aero parts
- Mufflers
- Shock absorbers
- High-intensity discharge (HID) lights
- Bulbs
- Theft prevention devices
- Electric parts

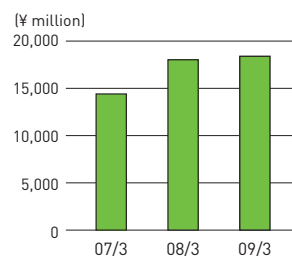


## SERVICES

Our services include installation of car electronics appliances; changing of tires, oil, batteries and other merchandises; statutory safety inspections and maintenance services; sheet metal work; and the application of window film. In the year under review, sales from services rose owing to our efforts to differentiate services accompanying growth of our statutory inspection and maintenance business in accordance with rising demand for vehicle maintenance. Sales from services also grew due to the expansion of installation work of ETC devices as the government subsidized to equip such devices.

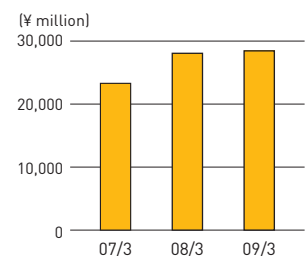
### Major Services

- Tire, oil and battery changes
- Installations and changes of car electronics
- Statutory safety inspections and maintenance
- Body work and painting
- Polymer processing
- Window film application



## OTHERS

This segment includes sales of vehicles, second-hand goods, motorcycle goods sold at Group stores, sales of fuels sold at service stations, revenues from royalties paid by franchisees, and lease payments for stores that franchisees lease from the Group. In the fiscal year under review, we recorded increased sales from vehicles and charges for leasing equipment.



## A MESSAGE FROM THE PRESIDENT

### **MID-TERM BUSINESS PLAN INITIATIVES PAVE WAY FOR FUTURE IMPROVEMENT OF PROFITABILITY**

In fiscal 2009, ended March 31, 2009, operating conditions became challenging due to a combination of unexpected factors, which included lower demand for winter-related products due to unexpected weather and spending cutbacks by households on top of higher gasoline prices and the economic recession.

In response, we have done our utmost on all fronts to create business opportunities to sell automotive goods and services. These efforts included increasing our lineup of low-priced private brand tires, swiftly adapting sales outlets to meet changes in car navigation systems demand trends, and reinforcing sales of electronic toll collection (ETC) devices in anticipation of a fall in expressway tolls. To make the most of the synergies between sales of automotive goods and our statutory safety inspections and maintenance service business, we ran television advertisements to raise our profile, and also through telemarketing, we strongly promoted sales by targeting members of our point-up card membership program. As a result, we recorded a 15.5% year-on-year increase in the number of statutory safety inspections and maintenance services performed by our domestic chains, including franchise stores. However, unable to make up for the decline in sales stemming from the abrupt change in external conditions, consolidated net sales declined 2.7% year-on-year, to ¥259.1 billion.

Operating income fell 26.6%, to ¥5.1 billion. This decline stemmed from a fall in the gross profit margin of tires and wheels, expenses incurred through increasing the number of stores in Japan and overseas, point-of-sale (POS) system-related expenses, and higher selling, general, and administrative expenses incurred as a result of advertising and other related costs. On the positive side, we recorded an increase in net sales from statutory safety inspections and maintenance services.

We posted a net loss of ¥3.4 billion due to losses incurred in association with our withdrawal from unprofitable businesses and assets in accordance with the goals of the mid-term business plan. Main factors were ¥4.9 billion in restructuring expenses associated with our withdrawal from our U.S. business, as well as ¥5.2 billion in impairment losses on fixed assets and ¥3.9 billion on losses on the revaluation and sales of investment securities.

Although we recorded declines in both revenue and earnings and posted a substantial net loss, we believe we have now set the course for improved profitability in the coming years.

### **SIGNIFICANT PROFITABILITY IMPROVEMENT EXPECTED FOR FY 2010 DESPITE REVENUE DECLINE**

In fiscal 2010, we forecast an 11.5% decline in consolidated net sales, to ¥229.3 billion. This outlook is based on a decrease in revenue as we reorganize our business under the mid-term business plan, as well as from consumers holding back on purchasing discretionary and luxury items in the face of the uncertain economic outlook. Despite declining sales of new vehicles, however, we expect to see growing demand for statutory safety inspections and maintenance services, a business on which we are concentrating considerable resources. In addition, we anticipate that reduced expressway tolls and the lower gas prices than last year will stimulate vehicle use. Consequently, we will concentrate to enhance profitability by reinforcing sales from statutory safety inspections and maintenance services and sales of maintenance-related goods with high profit margins, such as tires, oil, and batteries. As a result of these measures, coupled with the effects of business consolidation and elimination undertaken in the previous year, we forecast a 76.8% year-on-year increase in operating income, to ¥9.0 billion. We also believe we will turn around the net loss recorded in fiscal 2009 to net income of ¥5.7 billion in fiscal 2010.

With respect to the payment of dividends, in line with the Company's target of a dividend-equity (DOE) ratio of 3% under the mid-term business plan, we announced an annual

**Despite the challenging operating conditions, we have almost completed our withdrawal from unprofitable businesses, thereby paving the way for improved profitability in the future.**



Picture: AUTOBACS ZAO Store

dividend of ¥100 per share for fiscal 2009, the same as for fiscal 2008. We also reported a DOE ratio of 2.4%. As well as canceling 1.8 million of our own shares in May 2009, we plan to buy back 1.6 million more shares at a maximum purchase amount of ¥5.6 billion by the end of July 2009.

### **ENHANCE PROFITABILITY BY DEVOTING TO DOMESTIC FRANCHISE CHAIN BUSINESS**

In accordance with AUTOBACS BIG Plan, our mid-term business plan launched in May 2008, we have almost completed our withdrawal from unprofitable businesses and reorganized the Group's subsidiaries. At present, we are making steady progress toward achieving the plan's targets by reinforcing our domestic franchise chain business underpinned by our slogan "Anything about cars, you find at AUTOBACS" There is no doubt that we can expect ongoing uncertainty surrounding the business climate. Nonetheless, we will strive for profit growth by turning valuable opportunities into reality while concentrating on our three core businesses of automotive goods and services sales, statutory safety inspections and maintenance services, and car sales and purchases.

We thank shareholders and all other investors for ongoing support and understanding as we embrace the challenges of the future.

July 2009

**Setsuo Wakuda**

Representative Director and Chief Executive Officer

## AN INTERVIEW WITH THE PRESIDENT

Q

What is your view of the current business environment?



A

**The ongoing decline in new vehicle sales urges the emergence of new business opportunities in car maintenance as the age of vehicles increases.**

Conditions in Japan's automotive industry are becoming increasingly challenging in the face of the nation's low birthrate, wildly fluctuating oil prices, and the worldwide recession that was totally unexpected. However, more than these macroeconomic challenges, we are concerned over the structural contraction of vehicle-related markets, due to a lack of interest in cars among the younger generation and other factors.

We can expect an increase in opportunities to use cars owing to government-led initiatives, such as demand for eco-friendly vehicles and reduction of expressway toll charges. However, we will not take the position of waiting for the unpredictable recovery in demand. Instead, we believe it is vital to enhance customer satisfaction, the cornerstone of the retail industry, while communicating the added joy in life by owing a car. In other words, our main challenge in the medium and long terms is to become the first choice among customers as underscored by our slogan "Anything about cars, you find at AUTOBACS." To this end, we will strengthen marketing activities that respond flexibly to changes in the external environment, addressing the needs of consumers wanting to safeguard their lifestyles and shift to more energy-efficient motoring.

The other side to slumping new vehicles sales in Japan is that consumers want to use their cars for longer periods. For several years now, the AUTOBACS Chain has been building up its statutory safety inspections and other car maintenance services. By meeting the changing needs of consumers in this way, we will continue developing this business as a platform for further growth of the Chain.

Q

What are the Group's strengths that will enable it to demonstrate its competitive edge?

A

**Our strengths are our ability to build customer-oriented stores and our unparalleled brand power.**

AUTOBACS is known in the domestic automotive goods and services industry for its unparalleled brand power and high profile. For many years, we have striven to build stores that are customer-oriented. One of the strengths we have built up is our vast merchandise lineup that, by meeting every conceivable need, sets us apart from others in the industry. Our sales staff actively listen to customer concerns, and our highly skilled pit and workshop staff provide meticulous service. By creating this kind of customer-oriented store, we are sure that people nationwide will be placing their trust in AUTOBACS.

Still, with players from other industries entering the market, our business is becoming increasingly competitive. To remain a leader, therefore, it is imperative that we synchronize the enhancement of customer satisfaction together with the maintenance of store profitability. To this end, we will operate our stores more efficiently and return gains to our customers while adhering to our fundamental approach of putting the customer first.



Q

What is your winning strategy within the current market, where competitors such as home centers and car dealers have been opening stores in the past few years to sell automotive goods?

**A** Enhancing the quality of our brand power is important. Our goal is to have stores where we can put our confidence in the professional staffs whose collective skills and knowledge cover all aspects of cars.

As a leader in the industry, our strategy has been based on being able to address every car-related request, irrespective of manufacturer or whether a car is new or second-hand. First let us compare ourselves with home centers, one of our competitors. Although they may stock incidentals like waxes and deodorizers, you can not buy tires there because they do not have service pits. In this sense, dealers are in a better position as they have repair workshops. The steps taken by dealers recently are noteworthy, since they have sought to offset the slump in new vehicle sales by selling automotive goods and offering maintenance services in addition to extending the standard options of new vehicles. However, dealers' stores have a limited product range because they are affiliated with a particular manufacturer and their main business is strictly in new vehicle sales. By contrast, goods sold at our stores are not limited to specific manufacturers, so we are able to always provide customers instantly with the best possible product. Our strength also lies with our merchandise lineup, speedy service, and handy locations. Of course, as we target all customers regardless of region, gender, age, and other attributes, the number of customers' store visits we record bears no comparison with those of dealers.

We believe that further enhancing the quality of our brand power is important from the viewpoint of competition with dealers. By quality I mean that customers must be able to have confidence in the professionalism available at our stores, covering all aspects of vehicle-related goods and services.

## BUSINESS ENVIRONMENT



Picture: AUTOBACS HIGASHI TOTSUKA Store

Q

What are the key strategies of the mid-term business plan?



A

**Our strategies are to reinforce our core domestic franchise chain business and revise our expansion strategy with a focus on efficiency.**

Over the past few years, our domestic business profits have been curbed due to our excessive pursuit of business domain expansion at the expense of efficiency. Therefore, we have concluded that extending our reach to overseas markets, where we have insufficient competitiveness, is highly risky, especially when the foundation of our domestic business is somewhat shaky. In the immediate term we will focus on returning to a lean and robust structure by concentrating on our core domestic franchise business and taking a fresh look at profitability.

#### Framework of the Mid-Term Business Plan

##### Business Strategies

- Reinforce the domestic franchise chain business
- Review overseas operations
- Improve efficiency of headquarters and expenditures

##### Financial Strategy

- Enhance asset and capital efficiency

##### Governance System

- Rebuild management system and reinforce risk management

Q

What is the current state of progress with respect to the mid-term business plan that emphasizes on improving profitability?

A

**Measures to improve profitability are mostly proceeding according to plan. For example, we have restructured our business portfolio with a focus on withdrawing from unprofitable businesses. We have also streamlined our shared service subsidiaries and consolidated our store network.**

In the mid-term business plan, we promised to improve profitability by reinforcing the domestic franchise chain business, conducting a review of overseas operations, and making headquarters functions and costs more efficient.

For the first strategy of reinforcing the domestic franchise chain business, we have raised gross profit margins by increasing the number of statutory safety inspections and maintenance services performed, and by strengthening sales promotion of maintenance-related goods, such as tires, oil, and batteries. We have consolidated stores and subsidiaries in order to strengthen competitiveness in areas where we have a presence. In addition, we made a careful examination of businesses from the standpoint of growth potential and contribution to the domestic franchise chain business. This resulted in the dissolution and liquidation of DIA·BACS Co., Ltd., a gasoline distribution subsidiary, and the sale of the franchisor's business of RICOLAND, our chain of motorcycle accessories business.

With respect to the second strategy, we have conducted careful examination of our competitive advantage and growth potential in each area of the overseas operations. As a result, we have stopped financing our U.S. subsidiaries, and both subsidiaries have filed applications for bankruptcy proceedings. We have also sold all of our shares in our Taiwanese subsidiary. After examining our businesses in France, Thailand, and Singapore, meanwhile, we have decided to target performance improvements and continue with these businesses for the time being. And in view of the high growth potential of the Chinese market, we are working to establish our own business model for that country.

As for making headquarters functions and costs more efficient, we have reduced costs of our stores and headquarters and integrated the overlapping functions of the Company and shared service subsidiaries.

As I have explained above, one year has passed since the measures to improve profitability in the mid-term business plan were taken, and they are proceeding according to schedule.



Picture: Super AUTOBACS ICHIKAWA Store

## C O R P O R A T E   S T R A T E G Y

Q

How will you reinforce the domestic franchise chain business?  
Also, what is your projection for store openings and closures?

A

We will aim for higher net sales by reinforcing measures to improve the frequency in customers' visits. However, for the time being, matters relating to the opening and closing of stores, we will concentrate on strengthening existing stores rather than establishing new ones.

As a strategy for attracting more customers to our domestic franchise chain stores, we will expand store sales by increasing the frequency of customer visits. We are realizing this by introducing a variety of sales promotion activities that tie in with regular statutory safety inspections and tires and oil changes for customers who belong to our point-up card membership programs. We are also remodeling our stores to ensure that our brand power remains consistent. To improve the efficiency of store operations, we have adopted an area strategy that encourages the reorganization of stores within a particular area, including alliances among franchisees. Accordingly, our immediate plan is to focus on reinforcing existing stores rather than setting up new ones.

As for fiscal 2010, we plan to establish three new stores, reopen four stores via scrap-and-build and relocation programs, and close four existing stores.



Picture: Lineup of exclusive merchandises and private brands

## C O R P O R A T E   S T R A T E G Y

Q

How do you intend to improve the profitability of automotive goods and services sales?

A

**We will enhance profitability by improving layouts at store fronts and merchandise lineup, and by improving procurement efficiency.**

There is no denying that in the first half of fiscal 2009, we were delayed in pinpointing the varying needs of customers as they faced soaring gasoline prices. We were also slow to offer substitutes and cheaper prices to customers who were cutting back on spending. From this experience, we have learned about the importance of accurately ascertaining customer needs in each area and passing this information on to suppliers, in light of our close interaction with customers.

Also, when trying to build a strong merchandise lineup, we must be sure to create a range that makes selection easy. For instance, our headquarters selects similar goods, which are then arranged according to function. This permits more efficient procurement of necessary goods while making the task of selection easier for customers.

We believe we can increase the revenue of automotive goods in the end by changing the purchasing conditions as we narrow down the suppliers for each merchandise, and through mutually beneficial business terms between the company and suppliers that leads to enhanced value for customers.

Q

Used car market is languishing. What are your plans for this business?



**A** We have set a timeframe of two years within which to establish an effective business model for our used car sales business.

The slump in new car sales means that people are not replacing their cars, which in turn is making it difficult for us to get an adequate lineup of used cars. Consequently, used car sales (C@RS) agreements with some chain stores have placed a heavy burden on their capital resources. Following a review of the business we decided to revise the used car sales expansion strategy for all outlets. Accordingly, we reduced the number of affiliated outlets to 191 by the start of the new fiscal year, compared with 300 a year earlier.

Although we have rapidly expanded our used car sales business, we did not have the purchasing and other skills to keep pace with such growth, because we decided to join the used cars business somewhat belatedly. We have, therefore, decided to rebuild the business over the next two years by working together with our franchisees while immediately downsizing the business and accruing a successful model. In specific terms, this means that we will solidify our business base, centering on training where supervisors visit our stores giving advice on purchasing and other necessary skills. We will then concentrate on establishing a successful business model by training staff capable of developing a used car lineup that meets customer needs.



Picture: Super AUTOBACS KODAIRA Store

Q

One of the targets of the mid-term business plan is to achieve operating income of ¥16 billion and an ROE of 7% by the year ending March 31, 2011. In light of the increasingly difficult operating environment, what specific measures are you taking to achieve these targets?

A

We will work hard to strengthen customer relationships and improve the profitability of each business process, including purchasing and merchandise lineup development.

In light of the worsening employment situation and other recent developments, the business outlook for the period beyond fiscal 2010 appears far worse than when we formulated the mid-term business plan. Even so, we can definitely expect to see an increase in the use of cars, given the growing trend among customers to keep their cars for longer, as well as the lower gas prices than last year and lower expressway tolls. Meanwhile, the Group has nearly completed the task of discarding unprofitable businesses. Accordingly, we forecast consolidated operating income of ¥9.0 billion in fiscal 2010. This forecast is based on expected stronger sales of tires, oil, and batteries, which have relatively high profit margins, and increased earnings from statutory safety inspections and maintenance services. These factors will improve our gross profit margin and help us maintain tighter control of selling, general, and administrative expenses.

To achieve our mid-term business plan targets beyond fiscal 2010, it is essential that we boost the earnings capacity of stores. This involves both strengthening customer relationships and improving the profitability of each business process. In concrete terms, we must continue building community based lifelong customers, where we provide statutory safety inspections and subsequent tires and oil changes for point-up card program members. We will also continue targeting better purchasing terms in cooperation with our business partners. At the same time, we will adopt a high-profit-margin merchandise mix strategy, reassess our area strategy, and strive to reduce store costs.

While it is clear that the plan's numerical targets are somewhat ambitious, at present we believe that they are not unachievable. However, we will make changes to the targets in accordance to environmental conditions as we take account of the growing uncertainties associated with the economic situation and trends in vehicle-related markets.



Picture: Super AUTOBACS ATSUGI Store

Q

What are your thoughts on balance sheet management in the context of pursuing the Group's business strategies?

A

**We will continue to reduce the size of our asset portfolio while having sufficient liquidity to maintain financial soundness.**

In order to increase the competitiveness of our core business in domestic automotive goods and services, in fiscal 2009 we wasted no time in discontinuing unprofitable businesses. Although this resulted in a temporary need for funds, we managed to maintain financial soundness even in the face of tough economic conditions since we had ample liquidity to begin with. At fiscal year-end, we had approximately ¥53.1 billion in cash and cash equivalents and marketable securities.

For the time being, conditions are not right for aggressively increasing new stores. At the same time, we have proceeded according to plan with sales of assets with low profitability, and we think there is further scope for improving cash flows. Therefore, we believe that we will be able to reduce the level of cash liquidity.

As a result, our medium-term target for cash liquidity (cash and cash equivalents, and marketable securities) is around ¥30.0 billion. This should be sufficient as a contingency for even harsher economic conditions and as a reserve to support franchisees. By holding enough reserves to support franchisees in times of emergency, we think both customers and business partners will continue having confidence in the AUTOBACS Chain.

## RETURN TO SHAREHOLDERS

Q

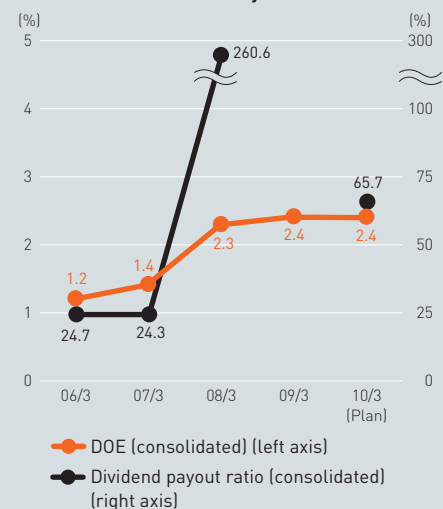
What is the Group's basic shareholder return policy?

A

**With a target DOE (Dividend on Equity) of 3%, we will make stable returns to shareholders and take a flexible approach to share buybacks.**

Given our ample cash reserves at the end of fiscal 2009, we recognize returning profits to shareholders as the top management priority. Even though the business environment is worsening, we plan to continue paying stable dividends and implementing share buybacks flexibly, while achieving the 3% DOE target announced in the mid-term business plan. We are assured that shareholders expect us to increase cash flows by deploying our management resources rather than simply drawing down our ample cash reserves. Therefore, we intend to strike a balance between returning profits to shareholders and making investments for growth, while judging the right timing for adopting a more assertive posture.

DOE and Dividend Payout Ratio



# CORPORATE GOVERNANCE

## POLICY

Through the franchise system, the Company provides a variety of goods and services in the key business areas of automotive goods and services sales, statutory safety inspections and maintenance services as well as car sales and purchases to a huge number of customers. We will continue to maintain and enhance the AUTOBACS brand and endeavor to fulfill our corporate social responsibilities. The Company will earn further support and trust from all stakeholders, by improving corporate governance as we clarify management responsibilities and expedite decision-making through streamlining of the management structure, as well as raising management transparency by strengthening the management oversight function and enhancing timely disclosure.

## SYSTEM

The Group is managed by internal directors well versed in the automotive goods and services industry and the franchise business, as well as outside directors with a wealth of business experience. We also adopt a corporate auditor system to utilize auditors' role as a monitor for business activities.

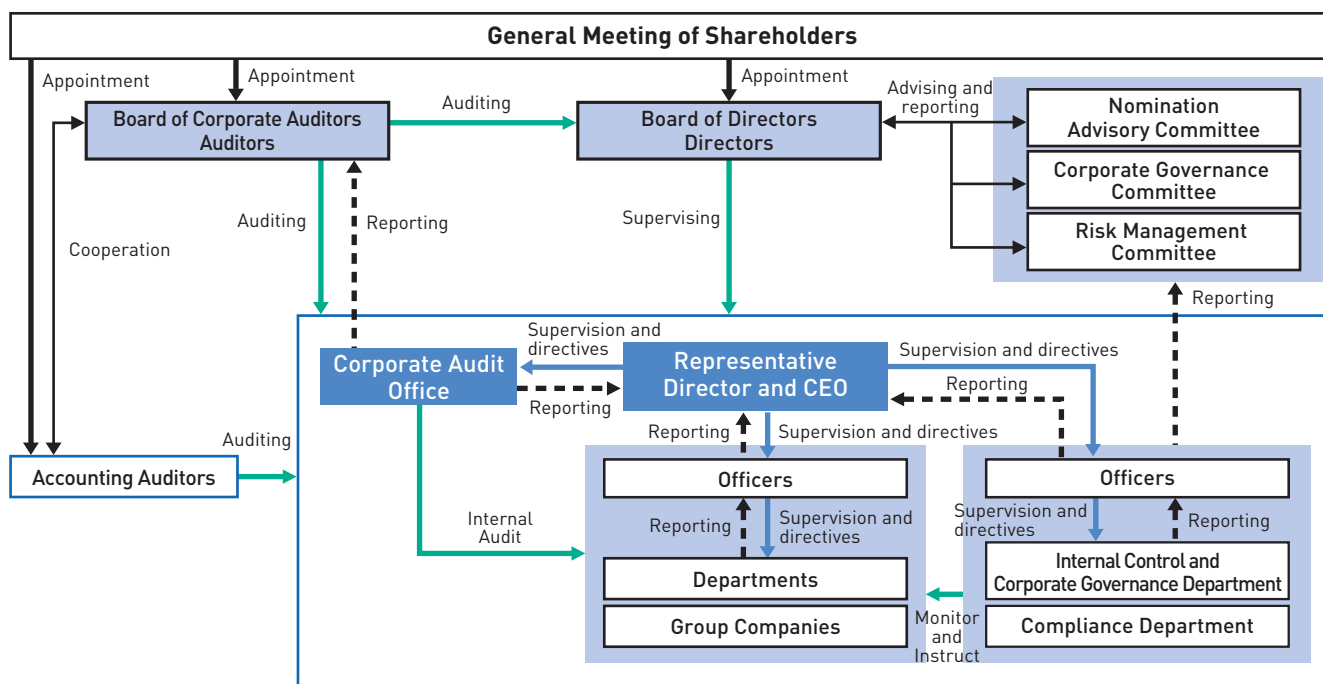
The introduction of an officer system separates the management oversight function and the business execu-

tion function. The oversight function is further bolstered by the appointment of outside directors. The establishment of committees consisting mainly of outside directors, formed as advisory organs to the representative director and Board of Directors, has created a sound and highly transparent system of corporate governance.

## Initiatives for Reinforcing Corporate Governance

June 2002	Introduction of officer system
April 2004	Establishment of Compliance Promotion Department
June 2004	Appointment of outside directors
August 2005	Establishment of Nomination Advisory Committee
July 2006	Launch of project to establish internal control system
January 2008	Establishment of Internal Control and Corporate Governance Department
April 2008	Separation of Executive Committee and Officers' Committee
May 2008	Establishment of Risk Management Committee
July 2008	Establishment of Corporate Governance Committee
March 2009	Formulation of Corporate Governance Policy

## Corporate Governance System



[As of June 25, 2009]



## CORPORATE GOVERNANCE SYSTEM (as of May 22, 2009)

Corporate Governance Framework			
General		Configuration	Company with a Board of Corporate Auditors
Directors & Board of Directors		Board Chairman	Representative Director
		No. of directors	9 (4 outside directors; 5 also serve as executive officers)
		No. of Board meetings held in FY2009	20 times (including 8 ad hoc meetings)
Auditors & Board of Corporate Auditors		No. of corporate auditors	5 (3 outside auditors)
		Key meetings attended by auditors	Board of Directors, Executive Committee, Officers' Committee, and others
		No. of Board meetings held in FY2009	21 times (including 7 ad hoc meetings)
Advisory organs of the representative director and Board of Directors	Nomination Advisory Committee	Chairman	Outside director
		Member	Outside directors and representative director
		Role	Advises the Board of Directors on candidates for directorships and officers with directorships
		No. of meetings held in FY2009	2 times
	Corporate Governance Committee	Chairman	Outside director
		Member	Outside directors and representative director
		Role	<ul style="list-style-type: none"> <li>Advises the Board of Directors from the perspective of corporate governance</li> <li>Consultation of remuneration for directors and officers</li> </ul>
		No. of meetings held in FY2009	11 times
	Risk Management Committee	Chairman	President & CEO
		Member	Officers with directorships and outside directors
		Role	Promotion of smooth and proper risk management
		No. of meetings held in FY2009	4 times
Strengthening of business execution and supervisory function			
Strengthening of supervisory function		Introduction of officer system	June 2002
		Appointment of outside directors	June (2004: 1/10 (one director out of ten directors); 2005: 2/10; 2006: 2/8; 2008: 4/9)
Decision-making and business execution		Decision-making and business execution structure	<ul style="list-style-type: none"> <li>Board of Directors: Decision-making</li> <li>Executive Committee: Formulation of companywide policy and plans; discussion of items to be resolved prior to the Board of Directors' meetings</li> <li>Officers' Committee: Checking and discussion of mid-term and annual management plans, assessment of business results and discussion of measures to be implemented</li> </ul>
Audit function			
Internal auditing organ		Internal Auditing Department	Internal Audit Office
		Role	<ul style="list-style-type: none"> <li>Monitoring of internal control systems</li> <li>Audits of the Company and its subsidiaries</li> <li>Reporting of audit results to corporate auditors, Representative Director &amp; CEO, and other officers</li> </ul>
Auditing of accounts		Accounting auditor	Deloitte Touche Tohmatsu*1
Measures for reinforcing corporate governance			
Compliance		Principles of compliance	Formulation of the AUTOBACS SEVEN Group's Code of Conduct and its Guidelines (June 2004) available on the Company's website: <a href="http://www.autobacs.co.jp/ja/csr/koudoukihan.html">http://www.autobacs.co.jp/ja/csr/koudoukihan.html</a>
		Observance of the Code of Conduct	Introduction of collecting written pledges to the Code of Conduct (April 2008)
		Compliance education	Implementation of e-Learning on compliance
		Internal reporting system	Establishment of the Orange Hotline (July 2004)
		Personal information protection	<ul style="list-style-type: none"> <li>Formulation of privacy policy (December 2004) available on the Company's website: <a href="http://www.autobacs.co.jp/en/privacy.html">http://www.autobacs.co.jp/en/privacy.html</a></li> <li>e-Learning on the protection of personal information</li> </ul>
Accountability		Principles of accountability	Formulation of policy on timely disclosure (January 2008) available on the Company's website: <a href="http://www.autobacs.co.jp/ja/csr/tekijikaijishoushin.html">http://www.autobacs.co.jp/ja/csr/tekijikaijishoushin.html</a>
		Materials that contribute to investors' understanding and evaluation	In principle, disclosed information, important information, and materials for briefings on business results are to be made available in Japanese and English on the Company's website.
Integrated risk management*2		Principles of integrated risk management	Formulation of integrated risk management policy (October 2008) available on the Company's website: <a href="http://www.autobacs.co.jp/ja/csr/riskmanagement.html">http://www.autobacs.co.jp/ja/csr/riskmanagement.html</a>
		Risk management system (normal conditions)	<ul style="list-style-type: none"> <li>Formulation of risk management regulations and manual on risk management system activities</li> <li>Establishment of risk management committee, management of risk and establishment and promotion of companywide risk management systems in line with annual risk management policy</li> </ul>
		Crisis management arrangements (contingency arrangements)	<ul style="list-style-type: none"> <li>Formulation of crisis management regulations and serious incident report manual</li> <li>The Risk Management Committee chairman sets up a Crisis Management Headquarters when a serious unforeseen event occurs, or is in danger of occurring, in order to undertake prompt appropriate actions aiming at recovery.</li> </ul>
Executive remuneration		Principles of remuneration for directors and officers	<ul style="list-style-type: none"> <li>Formulation of policy on director and officer remuneration (February 2009)</li> <li>Defining approach to determining remuneration and describing formulation of performance-based remuneration by integrating remuneration purpose, levels, and factors in order to establish an appropriate remuneration system</li> </ul>
		Objectivity and transparency	The Board of Directors requests the Corporate Governance Committee to consult remuneration structure and levels.
Governance of subsidiaries		Basic principles for management of subsidiaries	Prescribing basic principles for the management of subsidiaries in the Regulations for Affiliated Companies (revised February 2009)
		Supervising Department	Establishment of supervising department for the management of subsidiaries

\*1 From July 2009, corporate name has been changed to Deloitte Touche Tohmatsu LLC.

\*2 Integrated risk management refers to the system of risk management and crisis management arrangements.

# DIRECTORS AND OFFICERS

(As of June 25, 2009)

## Directors



**Setsuo Wakuda, Representative Director**

In the 40 years since I joined the Company, I have devoted myself in developing the AUTOBACS's business through a number of initiatives, including systems for the operation of stores and distribution. At present we are undergoing a period of significant reform, and above all else it is important that each store receives the support of customers in line with the slogan "Anything about cars, you find at AUTOBACS." Working together with the executive team profiled here, I will channel our efforts into the future growth of the AUTOBACS Chain by keeping true to our core principles, "priorities placed on the ground-level business and on tangible goods". I look forward to the ongoing support of all our stakeholders.



**Yasuhiro Tsunemori, Director**

As head of Human Resources & General Affairs, I endeavor to establish training systems for staff—the Group's most important asset—while valuing communication with those working in the front lines. To this end, I want to make a personal contribution to enhancing corporate value in the long term while working together with staff to pinpoint the high-quality goods and services that are trusted by customers. I am passionate about

establishing stores that steadily generate earnings through the swift implementation of prudent yet bold decisions made on the spot, both at stores here in Japan and overseas.



**Hidehiro Ide, Director**

As head of Finance and Accounting, I have been absorbed in ensuring the safety of the Group's financial systems and thereby earn the trust of stakeholders. The reliable, accurate, and timely disclosure of information about the Company is particularly important in this time of financial and economic uncertainty. I will continue fulfilling my responsibilities toward stakeholders in order to maximize corporate value over the medium and

long terms. I will strive to enhance corporate resources and capital efficiency by reinforcing our financial base.



**Yasuo Nakata, Director (Outside)**

I believe that satisfying the needs of customers, employees, franchisees, and shareholders simultaneously paves the way for the sustained growth and true maximization of the Group's corporate value. In line with this belief, I would like to use my skills in business restructuring, amassed through working for a snack food manufacturer for many years, to ensure the success of the business reforms undertaken jointly by the executives and employees of AUTOBACS SEVEN and its franchisees.



**Eiju Miyauchi, Director (Outside)**

I have been involved in the domestic and overseas management of an international Japanese corporation for many years. I will oversee and guide management so that we may meet the expectations of shareholders and all stakeholders. This involves working hard to raise the corporate value of the Group from a long-term perspective, while harnessing the strengths of the Group and responding appropriately to various global factors related to corporate governance.



**Hironori Morimoto, Director**

Up until now, I have been involved mainly in pursuing our area strategy and operation, centering on providing management guidance on store operation, chain operation, and the franchise chain business. In the current fiscal year, I am working together with staff on-site to create customer-oriented stores and to improve store productivity through inventory and operational efficiencies. I have been endeavoring to realize the Group's mid-

term business plan and improving corporate value by developing a robust chain network that focuses on enhancing brand value of "Anything about cars, you find at AUTOBACS".



**Tatsuya Tamura, Director (Outside)**

I believe that my responsibilities lie in enhancing shareholder value by maintaining positive relationships with all stakeholders, including customers, business partners, employees, and local communities, who play a vital role in the activities of every company. The role of the Board of Directors is to establish fundamental principles that enable the executives to conduct this kind of business, as well as to monitor business execution. I would like to

continue to make a contribution as a member of the Board of Directors while placing importance on the principle of corporate governance.



**Norio Hattori, Director (Outside)**

Through more than 30 years working in the police force, I have striven to earn the trust of citizens by raising the capabilities and morale of employees from a variety of perspectives. I believe that there is much from this experience that I can put to good use in a business such as AUTOBACS, which values customer trust above all else. So far, I have made recommendations for improving corporate governance and the full-scale adoption of compli-

ance within the organization so that employees have a dynamic work environment. I also believe that I can draw on my knowledge for developing our business overseas.



**Teruyuki Matsumura, Director**

Since joining the Company, I have accumulated extensive experience in the retail front, where contact with customers is the most direct. My main mission as an executive is to detect signs of change immediately at a time when drivers' needs are becoming increasingly diversified, and to incorporate these trends in our operations so they are reflected in stores. I fulfill my duties through this hands-on approach so that AUTOBACS Chain

will maintain the ongoing trust of its customers. I would also like to play a part in realizing AUTOBACS' basic philosophy of enhancing customer's lifestyle with cars.

## Auditors



**Akira Nogami,**  
Senior Corporate Auditor (Full-Time)

As for my belief, an auditor must always be conscious of his duty, as a member of an organ mandated by shareholders, to establish a sound corporate governance system that is trusted by society and will enable sustainable growth. I will continue to create a healthy audit environment by communicating with the directors of the Company and its subsidiaries, as well as by gathering information and strengthening communication. A major task for the current fiscal year is to

establish an internal control system. Consequently, I will undertake precautionary audits with an emphasis on the "C" element of the PDCA (Plan-Do-Check-Action) cycle.



**Kotaro Morino,**  
Senior Corporate Auditor (Full-Time, Outside)

Having worked in a financial institution for many years, my input to the Board of Directors' meetings and other committee meetings is based on a broad and impartial perspective acquired from dealing with many companies. I also believe that my strength lies in my thorough knowledge of the Group while being an outsider, together with my experience as a corporate auditor. I hope to meet the expectations of shareholders by making a meaningful contribution to the

establishment of an internal control system that will become increasingly important in the future.



**Hiroshi Sumino,**  
Senior Corporate Auditor (Full-Time)

My role consists of auditing the duties of directors and officers based on a good understanding of the strengths and weakness of the Group, acquired through working as a member of the Group for many years. In order to meet the expectations of all stakeholders and enhance corporate value, my auditing duties include verifying financial statements and internal documents, and monitoring the system of internal controls.



**Kensuke Tanabe,** Corporate Auditor (Outside)

Having started out as chief auditor at the Bank of Japan, I have considerable experience in auditing commercial banks and financial institutions. I worked for Nidec Corporation immediately after it was listed on the New York Stock Exchange as manager in charge of planning as well as intellectual property and legal matters responsible for compliance with the Sarbanes-Oxley Act in the United States. [This act was used as the model for Japan's current Financial Instruments and Exchange Law.] I have put my

experience to good use in my work on the Company's internal control system. My experience working in France has also enabled me to play a useful role in auditing the Company's French subsidiary. I will continue offering my candid opinions to directors and executive officers based on a perspective that is both independent and fair.



**Tomoaki Ikenaga,** Corporate Auditor (Outside)

I endeavor to help improve the system of corporate governance through my knowledge and experience as a lawyer and executive of a foreign-affiliated securities company. The aim of the system is to realize transparent management through efficient and timely decision-making, in which internal and external directors do not lose sight of the risks requiring consideration when making such decisions. In recent debate surrounding governance, there has been growing discussion on whether the same functions expected

of independent directors should also be expected of auditors. I hope to make a positive contribution so that we can approximate an ideal model.

## Officers

Setsuo Wakuda

Chief Executive Officer and Chief Chain Officer

Yasuhiro Tsunemori

Chief Operating Officer,  
Head of Information Systems & General Affairs,  
Overseas Operation and Car Dealing

Hidehiro Ide

Senior Executive Officer, Head of Finance & Accounting

Hironori Morimoto

Senior Executive Officer, Head of Chain Strategy

Teruyuki Matsumura

Executive Officer, Kanto Region

Kozo Sumino

Executive Officer, Head of Merchandising & Services

Eiji Kaminishizono

Executive Officer, Human Resources & General Affairs

Hiroaki Ito

Officer, Northern Japan Region

Yuzuru Toide

Officer, Chubu Region

Kiomi Kobayashi

Officer, Kansai Region

Tetsuya Kato

Officer, Southern Japan Region

Shinichi Fujiwara

Officer, Chain Strategy

Eiichi Kumakura

Officer, Car Goods & Services

Masachika Sumikura

Officer, Car Maintenance Business

Kosuke Kaya

Officer, AUTOBACS CARS Business

Yoshihiro Emoto

Officer, Overseas Business

Satoshi Kohira

Officer, Internal Control

Hiroki Yoshiyama

Officer, Corporate Planning

Isao Hirata

Officer, Information Systems

# COMPLIANCE SYSTEM

## EARNING THE SUPPORT AND TRUST OF ALL STAKEHOLDERS

AUTOBACS SEVEN is committed to making an ongoing contribution to the advancement of society with cars, by offering customers more comfortable driving experiences through the provision of automotive goods and services statutory safety inspections and maintenance services as well as car sales and purchases under its franchise chain system. Through such activities, we strive to enhance the AUTOBACS brand. Valuing the relationships we have with customers, shareholders, employees, business partners, local communities, and all other stakeholders, we aim to continue growing together with society.

### Relationship with Stakeholders



## BASIC APPROACH TO COMPLIANCE SYSTEM

Adhering to legal regulations and corporate ethics is the obvious prerequisite to earning the support and trust of all our stakeholders. We define compliance as meeting the legitimate needs of all our stakeholders. This is clearly explained in our Code of Conduct and its Guidelines, which form the basis of our compliance system. Basing upon this approach, we are working to promote compliance.

## ORANGE HOTLINE

The Orange Hotline is an internal reporting system, to facilitate reporting of legal violations and compliance-related issues from employees. In addition to providing a reciprocal monitoring function to raise compliance-related awareness among executives and employees, the Hotline is designed to allow quick detection of unethical behavior.

## PRODUCT QUALITY CONTROL

The Company undertakes quality control guided by its Product Quality Control Regulations. Our quality control system covers not only private brand merchandises, but also national brand items. Working closely with manufacturers and suppliers, we adopt a multifaceted approach to quality control, considering such aspects as the legality and safety of the products themselves and how they are used, as well as protection of consumers based on product liability laws.

### 1. Early Detection of Low-quality Products

Many of our private brand merchandises are manufactured at overseas plants. We ensure stable quality by monitoring production sites and offering advice. We inspect private brand merchandises using the globally adopted Acceptable Quality Level (AQL) standard immediately before shipment from factories or on arrival at the logistics centers. For both private brand and national brand items, we provide all our business partners with data on merchandise defects in order to prevent low-quality products from entering our business transactions.



Inspection based on AQL standard

### 2. Dealing with Low-quality Products

On rare occasions, we will find a defect with a national brand product. In such instances, in order to prevent recurrence, we implement every measure, extending to even manufacturing process, which includes the mandatory submission of an action plan by the manufacturer. We have also introduced the "Defective Product Hotline" on the Chain's online bulletin board to ensure that the relevant information is shared among the AUTOBACS Chain stores on a timely basis.

### 3. Other Compliance Related Activities

Our customers include those who want us to help them customize their own cars. In order to meet this need for original features, we are constantly improving our advanced technological capabilities, and even hold technology contests for cars customized at our stores. When customizing a car, we check that the vehicle complies with safety standards set out in the Road Transport Vehicle Act.

One of our duties as a leader in the industry is to promote compliance-related operations. AUTOBACS SEVEN fulfills this duty through its active participation in the activities of the Auto-Parts & Accessories Retail Association (APARA) and the Auto Aftermarket Action League (AAAL).

## ENVIRONMENTAL ACTIVITIES

In recent years, making a positive contribution to the environment has become an important component of corporate social responsibility. Almost since the invention of the automobile, society has sought to achieve harmony between man and the motor car. As a Group involved in the three core businesses of automotive goods and services sales, statutory safety inspections and maintenance services, and car sales and purchases, we take an active role in environmental initiatives.

### Disposal and Recycling of Store Waste

Waste such as tires, oil, and batteries is generated at our service pits, where we change tires and perform all sorts of inspections and maintenance services. To ensure the proper disposal of waste, we subcontract waste management companies to handle the disposal of all illegal waste. Using an online system to manage compliance, we check subcontractors' licenses, subcontracting agreements, and manifests for waste shipments.



Waste battery retrieval

We also recycle more than 80% of waste tires, oil, and batteries, and encourages the reuse of fuel and raw materials.

### Extending Merchandise Life Cycle

Customers are able to trade-in automotive goods they no longer want at our stores. These items are then sold through our AUTOBACS *Hashiriya Tengoku Secohan Ichiba* stores, which specialize in the sale of used automotive goods.

### Reducing Packaging Materials

Our logistics centers are responsible for distributing a huge number of merchandises to our stores. The centers' efforts to minimize the amount of cardboard it uses include the adoption of reusable foldable containers.

Other initiatives aimed at reducing waste, include e-

Learning for employees that encourages them to reduce the number of plastic bags used at the checkout counter. We use posters and messages at our stores to encourage customers to also minimize their use of plastic bags.



Foldable containers used at logistics centers

### Cleanup Activities

Since 2002, AUTOBACS SEVEN has held annual cleanup activities at Mount Fuji. Every autumn, we seek volunteers from the entire Chain, including franchisees. We introduced this activity to not only make a contribution to the environment and society, but also as part of raising employee awareness of environmental issues. Unfortunately, the foothills of Mount Fuji are strewn with a large amount of illegally dumped items, which even include car tires and batteries. As a company that is committed to achieving harmony between man, cars, and the environment, we recognize that recovering garbage illegally discarded is something that we must do in order to operate business.

Since 2005, the Company has made a contribution as a corporate citizen by organizing a weekly cleanup of the area surrounding its head office.



Group photo at the annual Mount Fuji cleanup activity

### Reducing CO<sub>2</sub> Emissions

We are currently in the process of measuring the amount of CO<sub>2</sub> emissions we produce at our head office and stores. Directly managed stores and subsidiary stores are conducting an experiment to measure the benefits of introducing energy-saving lighting. We recommend that franchise stores also adopt this and similar initiatives that meet the dual needs of reducing costs and saving energy. Although such initiatives are still at the experimental stage and are limited to the Company, directly managed stores, and subsidiary stores, we are committed to ultimately conserve energy and reduce CO<sub>2</sub> emissions in the entire Chain.

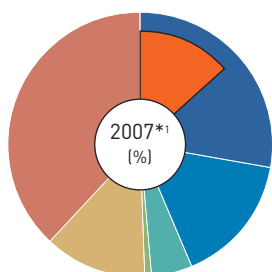


Service pits that use fluorescent lighting with higher energy efficiency

# MARKET INFORMATION

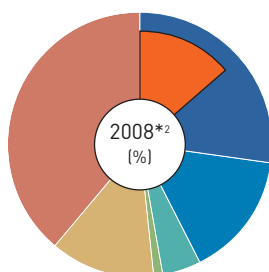
## SALES AND MARKET SHARE BY SALES CHANNEL

Market Share by Sales Channel (Years ended March 31)



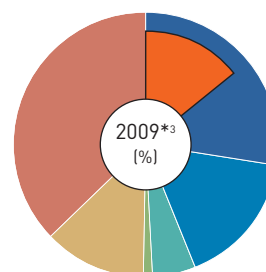
- 28.0 Car Goods and Services Stores
- 15.7 Tire Stores
- 5.0 Home Centers
- 1.0 Discount Stores
- 12.4 Gasoline Stations
- 37.9 Car Dealers

● 13.6 AUTOBACS\*4



- 27.4 Car Goods and Services Stores
- 15.3 Tire Stores
- 4.7 Home Centers
- 1.1 Discount Stores
- 12.8 Gasoline Stations
- 38.8 Car Dealers

● 13.7 AUTOBACS\*4



- 27.6 Car Goods and Services Stores
- 16.4 Tire Stores
- 5.3 Home Centers
- 1.1 Discount Stores
- 12.6 Gasoline Stations
- 37.0 Car Dealers

● 14.4 AUTOBACS\*4

Period of estimate	Estimated number of stores selling car goods and services			Estimated retail sales of car goods and services (¥ million)						Estimated market share (%)		
	2007*1	2008*2	2009*3	2007*1	(2007/2006)	2008*2	(2008/2007)	2009*3	(2009/2008)	2007*1	2008*2	2009*3
<b>Car Goods and Services Stores*5:</b>												
National Chains	1,053	1,056	<b>1,047</b>	433,300	97.3%	431,300	99.5%	<b>415,400</b>	<b>96.3%</b>	20.79	20.84	<b>21.72</b>
Local Chains	179	180	<b>161</b>	71,700	92.6	70,910	98.9	<b>56,370</b>	<b>79.5</b>	3.44	3.43	<b>2.95</b>
Independent Stores	406	355	<b>307</b>	77,973	85.0	65,630	84.2	<b>56,282</b>	<b>85.8</b>	3.74	3.17	<b>2.94</b>
<b>Subtotal</b>	<b>1,638</b>	<b>1,591</b>	<b>1,515</b>	<b>582,973</b>	<b>94.9</b>	<b>567,840</b>	<b>97.4</b>	<b>528,052</b>	<b>93.0</b>	<b>27.97</b>	<b>27.44</b>	<b>27.61</b>
<b>Tire Stores:</b>												
Manufacturer-Affiliated Chains	2,217	2,251	<b>2,286</b>	242,660	105.3	242,070	99.8	<b>244,580</b>	<b>101.0</b>	11.64	11.70	<b>12.79</b>
Independent Stores	554	521	<b>498</b>	84,184	92.8	74,125	88.1	<b>69,128</b>	<b>93.3</b>	4.04	3.58	<b>3.61</b>
<b>Subtotal</b>	<b>2,771</b>	<b>2,772</b>	<b>2,784</b>	<b>326,844</b>	<b>101.8</b>	<b>316,195</b>	<b>96.7</b>	<b>313,708</b>	<b>99.2</b>	<b>15.68</b>	<b>15.28</b>	<b>16.40</b>
Home Centers	3,540	3,643	<b>3,721</b>	105,545	99.3	97,539	92.4	<b>101,925</b>	<b>104.5</b>	5.06	4.71	<b>5.33</b>
Discount Stores	780	814	<b>795</b>	20,913	107.8	21,641	103.5	<b>19,893</b>	<b>91.9</b>	1.00	1.05	<b>1.04</b>
Gasoline Stations	35,843	34,127	<b>31,836</b>	258,070	98.8	263,799	102.2	<b>241,634</b>	<b>91.6</b>	12.38	12.75	<b>12.64</b>
Car Dealers	16,305	16,213	<b>15,992</b>	789,621	102.4	802,620	101.6	<b>707,108</b>	<b>88.1</b>	37.89	38.78	<b>36.98</b>
<b>Total</b>	<b>60,877</b>	<b>59,160</b>	<b>56,643</b>	<b>2,083,966</b>	<b>99.5</b>	<b>2,069,634</b>	<b>99.3</b>	<b>1,912,320</b>	<b>92.4</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: A-M NETWORK magazine, September 2006, August 2007, August 2008 and August 2009 issues, published by AutoMart Network Inc.

\*1 Estimated values from April 2006 through March 2007.

\*2 Estimated values from April 2007 through March 2008.

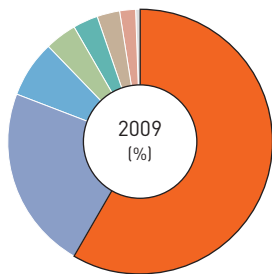
\*3 Estimated values from April 2008 through March 2009.

\*4 Sales at AUTOBACS, Super AUTOBACS, and AUTO HELLOES stores.

\*5 Car goods and services stores are classified into national chains (AUTOBACS, Yellow Hat, and Jms), local chains (chains with more than 10 stores), or independent stores.

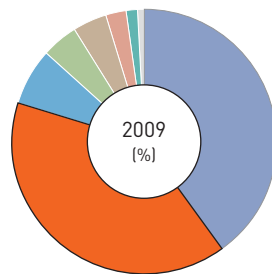
## COMPARISON WITH COMPETITORS

Share of Total Sales



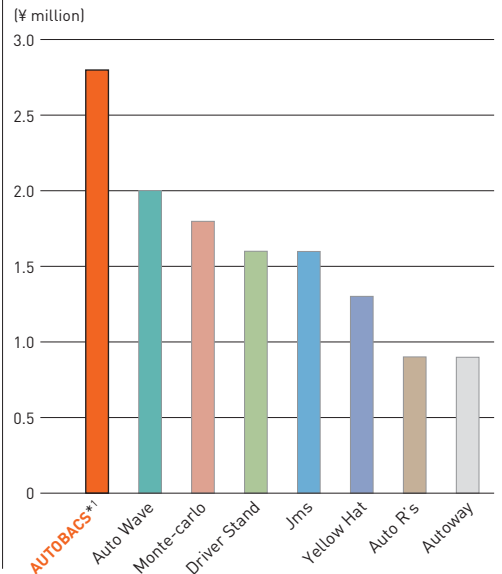
58.4	AUTOBACS*1
22.5	Yellow Hat
7.1	Jms
3.8	Driver Stand
3.2	Auto Wave
2.6	Auto R's
1.9	Monte-carlo
0.5	Autoway

Share of Total Stores



40.0	Yellow Hat
39.9	AUTOBACS*1
6.8	Jms
4.6	Driver Stand
4.0	Auto R's
2.7	Monte-carlo
1.2	Auto Wave
0.8	Autoway

Annual Sales per unit floor space "Tsubo" (= 3.3m<sup>2</sup>)



Period of estimate	Retail sales (¥ billion)		Total number of stores		Total sales floor space (tsubo)		Total number of employees		Annual sales per store (¥ million)		Sales floor space per store (tsubo)		Number of employees per store		Annual sales per tsubo (¥ million)		Annual sales per employee (¥ million)	
	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3	2008*2	2009*3
AUTOBACS*1	283.8	275.7	484	482	96,212	99,300	9,403	10,950	586	571	199	206	19	23	2.9	2.8	30.2	25.2
Yellow Hat	113.7	106.3	491	483	79,986	80,043	5,489	5,550	235	220	166	166	11	12	1.4	1.3	20.7	19.2
Jms	33.8	33.4	81	82	20,914	21,254	1,408	1,336	417	407	258	259	17	16	1.7	1.6	24.0	25.0
Auto Wave*4	17.9	15.1	21	15*5	8,541	7,600	700	433	852	1,007	407	507	33	29	2.1	2.0	25.8	34.9
Driver Stand*6	19.8	18.1	58	55	12,214	11,279	853	797	341	329	211	205	15	15	1.6	1.6	23.2	22.7
Autotech*7	9.5	—	13	—	3,002	—	340	—	733	—	231	—	26	—	3.2	—	28.0	—
Auto R's	12.6	12.2	45	48	12,436	13,168	641	663	280	254	276	274	14	14	1.0	0.9	19.7	18.4
Monte-carlo	8.7	8.8	33	33	4,930	4,930	308	294	265	266	149	149	9	9	1.8	1.8	28.4	29.9
Autoway	2.4	2.2	10	10	2,556	2,556	102	97	236	220	256	256	10	10	0.9	0.9	23.1	22.7
<b>Total</b>	<b>502.2</b>	<b>471.8</b>	<b>1,236</b>	<b>1,208</b>	<b>240,791</b>	<b>240,130</b>	<b>19,244</b>	<b>20,120</b>	—	—	—	—	—	—	—	—	—	—

Source: A·M NETWORK magazine, July 2008 and July 2009 issues, published by AutoMart Network Inc.

\*1 Includes figures for major store formats (AUTOBACS, Super AUTOBACS, and AUTO HELLOS).

\*2 Estimated retail sales values from April 2007 through March 2008.

Figures for number of stores, sales floor space, and number of employees are as of March 31, 2008.

\*3 Estimated retail sales values from April 2008 through March 2009.

Figures for number of stores, sales floor space, and number of employees are as of March 31, 2009.

\*4 Auto Wave figures include Oilboy stores (excluding 1 franchise store).

\*5 The number of stores for Auto Wave Chain includes the number of stores closed during the fiscal year.

\*6 Driver Stand figures include COCOPIT (1 store) and CAR·G (1 store) stores.

\*7 Autotech figures include PIT 100 (2 stores) stores. For fiscal year 2009, the business results of Auto Tech have been added to those of the Yellow Hat Chain due to its sales of stores to Yellow Hat and its transfer of business operations to Yellow Hat Chain.

## BUSINESS DATA

Retail Sales		Apr.08	May.08	Jun.08	Jul.08	Aug.08	Sep.08	Oct.08
Total store basis	Millions of yen	23,088	19,251	21,527	24,023	23,170	19,048	18,938
	YoY growth rate	-6.9	-4.3	-0.3	-6.5	1.6	-8.1	-2.8
Same store basis	YoY growth rate	-8.0	-5.0	-1.2	-7.4	0.5	-8.2	-2.3

Sales Breakdown by Products and Services		Apr.08	May.08	Jun.08	Jul.08	Aug.08	Sep.08	Oct.08
YoY growth rate in same store basis	Services	0.2	3.7	3.9	0.6	1.8	-2.9	3.8
	Tires	-0.5	-2.4	9.7	-6.4	15.4	-7.6	-5.5
	Wheels	-5.8	-4.6	-0.9	-7.3	1.9	-7.5	-14.5
	Car Electronics	-19.5	-14.7	-4.5	-13.2	-6.1	-9.3	0.8
	Oil	-1.8	-2.9	-5.4	-3.1	-5.4	-7.0	2.6
	Batteries	14.7	18.4	16.1	24.2	18.9	-1.3	-3.2
	Maintenance Parts	-6.0	-0.2	-3.6	-11.5	0.7	-6.8	-1.7
	Accessories	-7.6	-2.6	-4.0	-6.9	-2.8	-13.2	-5.2
	Car Repair Goods	-9.6	-7.3	-6.7	-9.8	-9.4	-7.5	0.9
	Motor Sports Goods	-9.5	-9.0	-10.7	-11.8	-7.6	-14.5	-12.0
	Car Leisure	4.3	12.4	3.6	10.3	36.4	5.7	8.2
Motorcycle Goods	-9.7	-6.3	-9.9	-1.9	-1.7	-1.7	-4.4	

Total Number of Purchasing Customers		Apr.08	May.08	Jun.08	Jul.08	Aug.08	Sep.08	Oct.08
Total store basis	In thousands	3,324	3,047	2,893	3,115	3,282	2,727	2,780
	YoY growth rate	-3.8	-1.5	-1.6	-6.2	-2.4	-9.1	-2.5

Note: Monthly retail sales at domestic AUTOBACS Chain stores, including franchise chain stores (AUTOBACS, Super AUTOBACS, and AUTO HELLOES stores).

### FIRST QUARTER OVERVIEW

There was a marked decline in personal consumption, centering on luxury and high-end items, amid soaring prices of gasoline and food items. Sales and customer numbers were both down in the first quarter compared with the previous corresponding period as people used their cars less often.

In automotive goods and services, sales declined mainly among high-end and personal items, such as wheels, car electronics, accessories, and motor sports goods. By contrast, we reported an increase in demand for statutory safety inspections and maintenance services. A campaign to sell low-priced portable navigation systems and a tire sale for a limited period proved highly successful. We also recorded healthy sales in "Silver" signs and merchandises related to child safety seats in association with the revision of Road Traffic Law, making it mandatory for elderly drivers over 75 to display a "Silver" sign and for back seat passengers to wear seat belts.

### SECOND QUARTER OVERVIEW

The tendency to use the car less for leisure activities became even more pronounced as household budgets struggled to meet surging gasoline prices, which topped ¥180 per liter, as well as higher food prices. We also witnessed a lengthening in the replacement cycle for oil and batteries.

However, the number of statutory safety inspections and maintenance services continued to increase. We also recorded healthy sales of merchandises related to child safety seats accompanying the aforementioned law revision. In August 2008, there was a rush on tires purchases ahead of price increases slated for the following month. This, together with strong sales of windshield wipers accompanying heavy rain reported in some areas, contributed to an increase in overall sales.

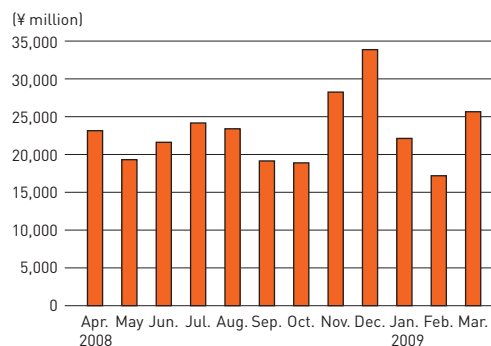


	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Accumulated Total for FY 2009
	28,097	33,778	22,041	17,112	25,629	275,703
	3.5	-3.3	-2.8	-12.9	5.2	-2.9
	3.8	-3.2	-2.5	-13.1	4.1	-3.3

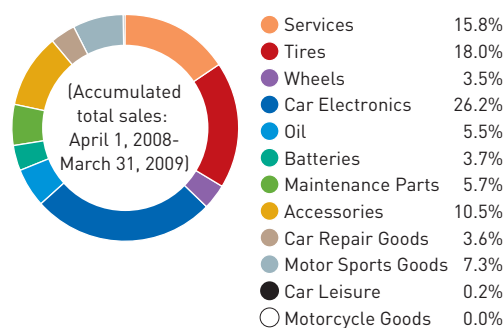
	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Accumulated Total
	7.1	1.9	8.8	6.9	15.6	4.4
	4.7	-0.9	-0.5	-30.9	-11.2	-2.2
	0.7	-8.1	-3.3	-39.9	-23.0	-8.6
	5.3	-3.2	-2.6	-0.7	27.6	-3.7
	8.4	3.6	3.2	1.7	0.0	-0.6
	5.4	5.1	-9.4	-20.4	-0.5	3.8
	3.2	-10.0	-7.3	-44.6	-5.0	-10.1
	-0.9	-8.7	-5.6	-7.4	-9.6	-6.3
	0.6	5.4	-4.1	-0.8	-8.9	-4.9
	-4.5	-13.6	-12.5	-12.1	-19.3	-11.4
	8.7	1.8	-15.9	-9.5	-8.6	4.3
	3.5	-18.1	-17.1	-23.4	-15.0	-8.5

	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Accumulated Total
	3,222	3,820	3,124	2,629	3,399	37,361
	3.5	0.1	-1.0	-4.2	2.4	-2.1

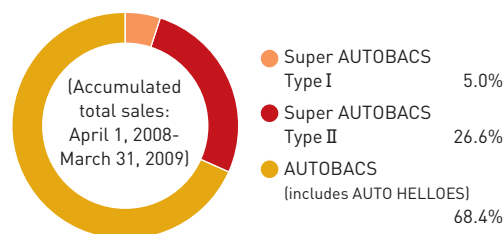
### Monthly Major Store Sales



### Composition Ratio of Retail Sales by Merchandise



### Composition Ratio of Retail Sales by Store Type



## THIRD QUARTER OVERVIEW

As fears of a worldwide economic downturn caused by the U.S. financial crisis spread rapidly, tendency for consumers in Japan to pull back on their spending increased.

Under these circumstances, the Company ran television commercials and distributed leaflets highlighting its special low prices, while our stores strengthened their merchandise lineups. Price increases for tires in October 2008 affected sales, resulting in a drop in mainly national brands, although sales of low-priced private brand tires were up. Demand for replacement batteries, which customers had tended to put off, increased noticeably owing partly to price reductions in November 2008. As a result, both the quantity and revenue of batteries sold in November and December increased year-on-year. Sales of electronic toll collection (ETC) devices began rising in October 2008 in response to an announcement of the additional economic stimulus plan by the government signaling its intention to reduce expressway tolls for ETC users.

## FOURTH QUARTER OVERVIEW

Sales slumped in the fourth quarter, especially in February 2009, which saw a substantial decline. This was due to purchasing restraint by consumers accompanying the economic downturn, as well as weak sales of tire chains and other winter merchandises stemming from the decrease in snowfalls along Eastern Japan.

Although snow tires performed poorly, we reported strong sales of private brand tires and tires sold only at our stores. In March 2009, ETC devices sold well owing to the scheme for subsidizing equipment purchases that began on March 12. As a result, we reported significantly higher revenue from sales of car electronics and services. Statutory safety inspections and maintenance services continued to increase, although sales of used cars declined year-on-year due to a nationwide decrease in volume.

# BUSINESS TYPE AND NUMBER OF STORES OF AUTOBACS CHAIN

## AUTOBACS



The first automotive goods and services stores in Japan to offer customers a one-stop shopping experience. Sales floor space ranges between 495m<sup>2</sup> and 990m<sup>2</sup>. Stores sell and fit various automotive goods, and engage in vehicles sales, statutory safety inspections and maintenance services.

## AUTO HELLOES



Stores based in Hokkaido. They provide multi-faceted support in line with AUTOBACS stores for customers living in a colder climate.

## Super AUTOBACS Type I and Type II



Stores with considerably bigger sites and parking lots, as well as more counters and service bays, than conventional AUTOBACS stores. With a full lineup of offerings that reflect the professional trends, these stores provide enjoyable driving experiences. Type I stores (left) are the flagship stores with sales floor space of 1,650m<sup>2</sup> or more. Type II stores (right) are key community stores with a sales floor space of between 990m<sup>2</sup> and 1,650m<sup>2</sup>.

## AUTOBACS Hashirya Tengoku Secohan Ichiba



Stores specialize in the sale of automotive goods traded in by customers at AUTOBACS Chain stores and outlet products from manufacturers.

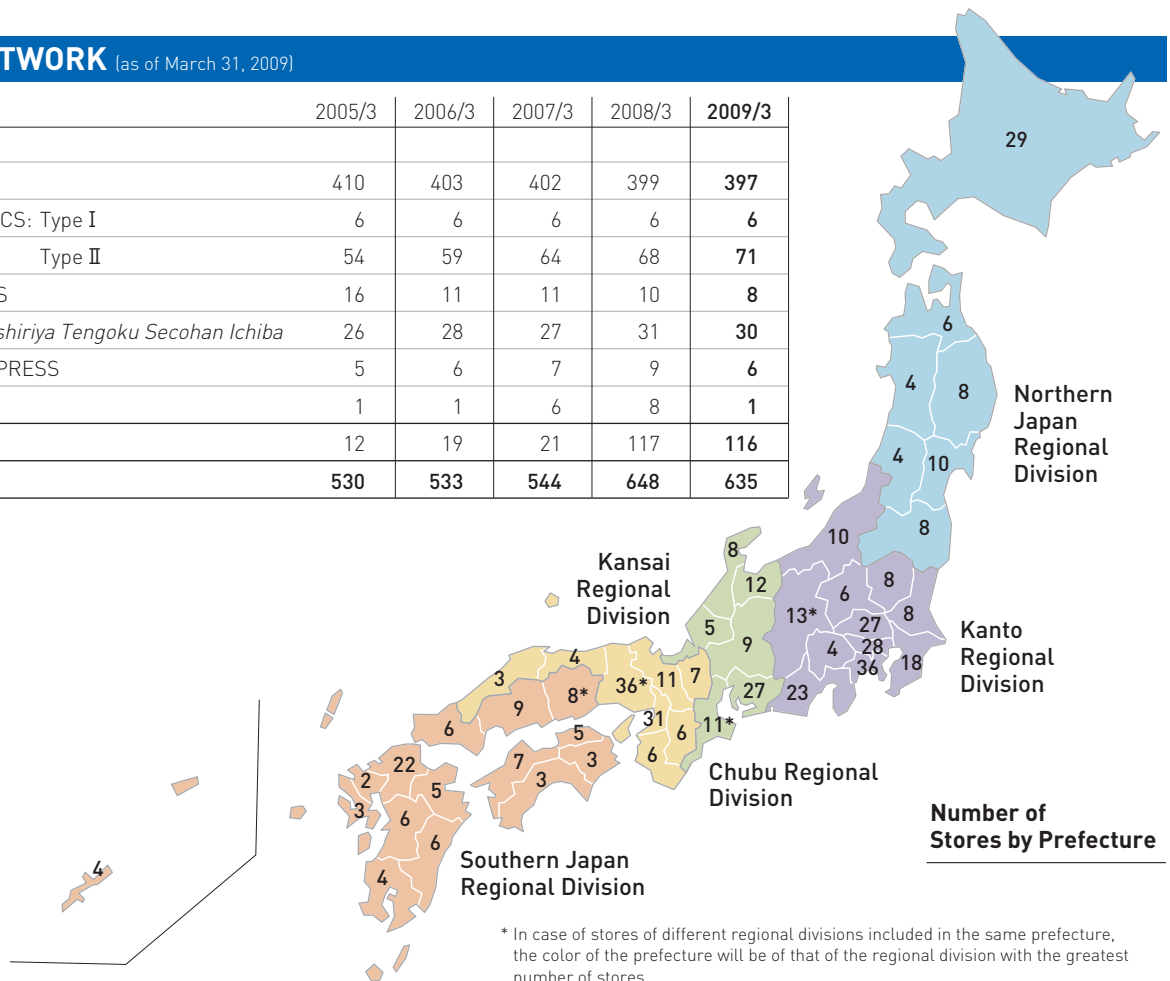
## AUTOBACS C@RS



Purchase and sale of used cars, as well as sale of new vehicles. With a few exceptions, AUTOBACS CARS counters are located inside AUTOBACS and SUPER AUTOBACS outlets.

## STORE NETWORK (as of March 31, 2009)

	2005/3	2006/3	2007/3	2008/3	2009/3
Domestic					
AUTOBACS	410	403	402	399	397
Super AUTOBACS: Type I	6	6	6	6	6
Type II	54	59	64	68	71
AUTO HELLOES	16	11	11	10	8
AUTOBACS <i>Hashiriya Tengoku Secohan Ichiba</i>	26	28	27	31	30
AUTOBACS EXPRESS	5	6	7	9	6
RICOLAND	1	1	6	8	1
Overseas	12	19	21	117	116
<b>Total</b>	<b>530</b>	<b>533</b>	<b>544</b>	<b>648</b>	<b>635</b>



## OVERSEAS STORE NETWORK (as of March 31, 2009)



### France

Stores managed by consolidated subsidiaries: 7  
Stores managed by franchisees: 5



### Thailand

Stores managed by consolidated subsidiaries: 3



### China

Stores managed by consolidated subsidiaries: 2  
Stores managed by equity method affiliates: 4  
Stores managed by franchisees: 6



### Singapore

Stores managed by consolidated subsidiaries: 2



### Taiwan

Stores managed by franchisees: 4

# LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND EQUITY METHOD AFFILIATES

(As of March 31, 2009)

**Wholesale** Wholesale of car goods and automobiles to franchisees.

**Retail** Sale of automotive goods, automobiles, and related services, including statutory safety inspections principally to consumers.

**Others** Operational support for wholesale operations, retail operations, and franchisees and development of new type of businesses.

## CONSOLIDATED SUBSIDIARIES

Company name	Location	Capital stock or equity contribution (¥ million)	Percentage of voting rights held (%)
<b>Retail</b>			
A.M.C. Co., Ltd.	Sapporo, Hokkaido	495	100.0
ADR Ltd.	Shimohei-gun, Iwate	258	80.0
Car Life Ltd.	Sendai, Miyagi	99	100.0
Autobacs Benefit Ltd.	Chiba, Chiba	150	100.0
AUTOBACS Alpha Ltd.* <sup>7</sup>	Ichikawa, Chiba	225	100.0
Edogawa Sun-auto Ltd.* <sup>7</sup>	Ichikawa, Chiba	10	100.0
Autobacs Chiba Ltd.	Kashiwa, Chiba	200	100.0
Autobacs Kanagawa Ltd.	Yokohama, Kanagawa	95	90.6
AUTOBACS Yamanashi Ltd.	Kofu, Yamanashi	120	99.0
Super Auto Nagoya Ltd.	Nagoya, Aichi	225	94.2
Hokusetsu Autobacs Ltd.	Takatsuki, Osaka	96	100.0
Autobacs Sun Ace Ltd.	Shijonawate, Osaka	130	100.0
Autobacs Izumi Ltd.	Sakai, Osaka	85	85.1
AUTOBACS Three Arrow Ltd.	Hiroshima, Hiroshima	95	100.0
O.P.S. Ltd.	Fukuoka, Fukuoka	85	89.2
AUTOBACS U.S.A., Inc.* <sup>2,6,9</sup>	California, U.S.A.	US\$49.2 million	100.0
AUTOBACS STRAUSS Inc.* <sup>1,2,6,9</sup>	Delaware, U.S.A.	US\$32.3 million	100.0 (100.0)
SHANGHAI AUTOBACS PAIAN AUTO SERVICE Co., Ltd.	Shanghai, China	US\$4.5 million	65.0
Siam Autobacs Co., Ltd.* <sup>3</sup>	Bangkok, Thailand	THB39.9 million	49.9
<b>Retail and Wholesale</b>			
AUTOBACS FRANCE S.A.S.* <sup>8</sup>	Pierrelaye, France	€21.3 million	100.0
AUTOBACS VENTURE SINGAPORE Pte. Ltd.	Singapore, Singapore	S\$6.4 million	93.8
<b>Wholesale</b>			
AUTOBACS SHANGHAI TRADING Co., Ltd.* <sup>3</sup>	Shanghai, China	US\$1.0 million	41.0
AUTOBACS Qiche Yong Pin Co., Ltd.	Beijing, China	US\$5.0 million	100.0
PALSTAR K.K.	Yokohama, Kanagawa	200	51.0
Auto Refine Co., Ltd.	Yokohama, Kanagawa	52	97.4
CORES INTERNATIONAL, Inc.	Sakai, Osaka	145	81.4

Company name	Location	Capital stock or equity contribution (¥ million)	Percentage of voting rights held (%)
<b>Others</b>			
AUTOBACS Management Service Ltd.* <sup>10</sup>	Koto-ku, Tokyo	90	100.0
A.B. Consulting Co., Ltd.* <sup>10</sup>	Koto-ku, Tokyo	10	100.0
AUTOBACS SYSTEM SOLUTION Co., Ltd.	Koto-ku, Tokyo	95	100.0
BRAIN-ING Co., Ltd.	Koto-ku, Tokyo	50	100.0
ALFI Ltd.* <sup>11</sup>	Koto-ku, Tokyo	490	100.0
A·I·P Ltd.	Koto-ku, Tokyo	245	65.0
AUTOBACS Insurance Service Co., Ltd.* <sup>11</sup>	Koto-ku, Tokyo	15	100.0
Seibu Driving School Co., Ltd.	Kodaira, Tokyo	15	100.0
Tama Driving School Co., Ltd.	Hino, Tokyo	160	100.0

The Company has 20 consolidated subsidiaries in addition to the abovementioned companies, giving a total of 55 consolidated subsidiaries.

## EQUITY METHOD AFFILIATES

Company name	Location	Capital stock or equity contribution (¥ million)	Percentage of voting rights held (%)
<b>Retail</b>			
Hokuei Shoji Ltd.* <sup>4</sup>	Morioka, Iwate	90	16.3
Puma Ltd.	Tonami, Toyama	33	30.5
BLUE OCEAN Ltd.* <sup>4</sup>	Kumagaya, Saitama	69	17.1
Buffalo Ltd.* <sup>5</sup>	Kawaguchi, Saitama	510	24.2
FUNUS Corporation	Minato-ku, Tokyo	200	25.0
ZHEJIANG YUANTONG AUTOGOODS Co., Ltd.	Hangzhou, China	RMB10 million	25.0
<b>Wholesale</b>			
Daytona International Trading Corporation* <sup>5</sup>	Shuchi-gun, Shizuoka	412	21.4

\*1 Percentage of voting rights held listed in brackets represents an indirect holding.

\*2 The amount includes capital reserves.

\*3 The Company holds 50% or less of the voting rights for this company. However, it is treated as a subsidiary because the Company effectively controls it.

\*4 The Company holds 20% or less of the voting rights for this company. However, it is treated as an equity method affiliate because the Company effectively influences it.

\*5 The entity issues financial statements.

\*6 Classified as specified subsidiary.

\*7 In April 2009, Edogawa Sun-auto Ltd. absorbed AUTOBACS Alpha Ltd. and a new merged company was named as AUTOBACS NEXT Co., Ltd.

\*8 In June 2009, AUTOBACS FRANCE S.A.S. undertook a capital-raising exercise, increasing its capitalization from €21,340 thousand to €55,740 thousand. Accordingly, it became a specified subsidiary.

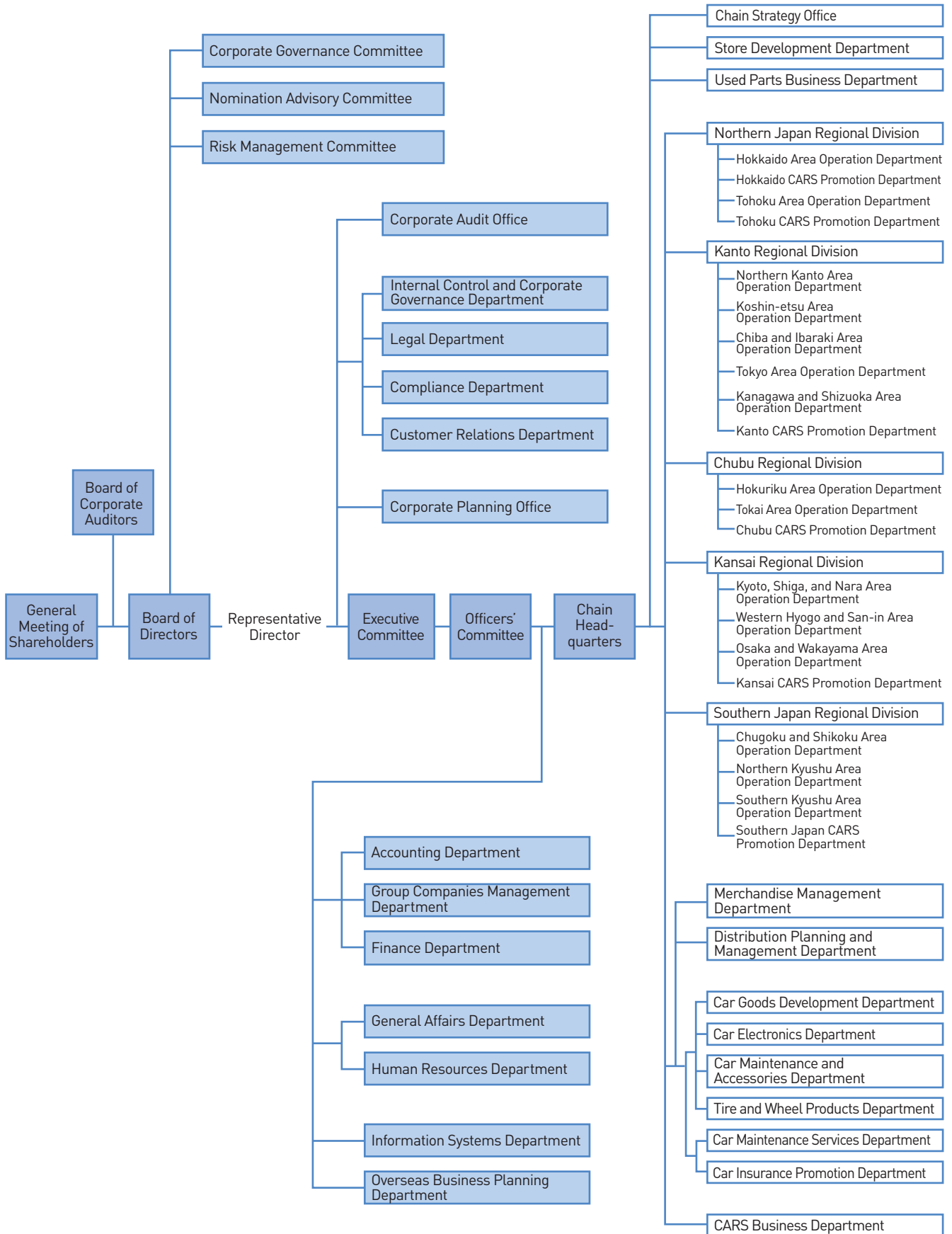
\*9 In February 2009, AUTOBACS U.S.A., Inc. and AUTOBACS STRAUSS Inc. filed applications for bankruptcy proceedings under Chapter 11 of the U.S. Bankruptcy Code.

\*10 In June 2009, AUTOBACS Management Service Ltd. absorbed A.B. Consulting Co., Ltd.

\*11 In April 2009, AUTOBACS Insurance Service Co., Ltd. absorbed ALFI Ltd. and a new merged company was named as AUTOBACS Financial Service Co., Ltd.

# ORGANIZATION

(As of April 1, 2009)



# CORPORATE DATA

(As of March 31, 2009)

## AUTOBACS SEVEN CO., LTD.

Head Office	6-52, Toyosu 5-Chome, Koto-Ku, Tokyo, 135-8717, Japan
Corporate Website	<a href="http://www.autobacs.co.jp/">http://www.autobacs.co.jp/</a>
Date of Foundation	February 1947
Paid-in Capital	¥33,999 million
Number of Employees	5,933 (consolidated)
Main Business Offices	Northern Japan Regional Division (Sendai, Miyagi) Kanto Regional Division (Ichikawa, Chiba) Chubu Regional Division (Nagoya, Aichi) Kansai Regional Division (Suita, Osaka) Southern Japan Regional Division (Fukuoka, Fukuoka)

## CORPORATE HISTORY

February 1947	The late Toshio Sumino founded Suehiro Syokai as a privately owned wholesaler of automobile parts in Fukushima-ku, Osaka.
August 1948	Transferred into a joint-stock company to establish Fuji-Syokai Co., Ltd., in Osaka and began the wholesale of automobile parts.
January 1958	Wholesale division spun off to form DAIHO-SANGYO Co., Ltd.
December 1958	Established the Drive Shop Division.
November 1974	Opened AUTOBACS Higashi Osaka Store as the Company's first directly managed, one-stop specialty store for car goods and services.
April 1975	Opened AUTOBACS Hakodate Nakamichi Store as the Company's first franchise chain store.
February 1978	Changed trade name from Fuji-Syokai Co., Ltd., to AUTOBACS SEVEN Co., Ltd.
March 1979	AUTOBACS SEVEN Co., Ltd., merged with DAIHO-SANGYO Co., Ltd., and Autobacs Higashi Osaka Co., Ltd. and changed the trade name to DAIHO-SANGYO Co., Ltd.
March 1980	Trade name changed to AUTOBACS SEVEN Co., Ltd.
April 1981	Opened AUTOBACS Koshigaya Store as the Company's first directly managed store in eastern Japan.
June 1984	Head office relocated to Suita, Osaka.
March 1989	Listed on Second Section of Osaka Securities Exchange.
June 1993	Head office relocated to Toyonaka, Osaka.
August 1993	Listed on Second Section of Tokyo Stock Exchange.
September 1993	Designated for listing on first sections of Tokyo Stock Exchange and Osaka Securities Exchange.
March 1995	Listed on London Stock Exchange.
March 1997	Opened first Super AUTOBACS store in Naganuma, Chiba, as a new store format targeting larger commercial areas.
October 1998	Formed capital and operational tie-up with AUTO HELLOES Co., Ltd. (currently A.M.C. Co., Ltd.)
August 1999	Established AUTOBACS SEVEN Europe S.A.S. (currently AUTOBACS FRANCE S.A.S.) as a joint venture company with RENAULT Societe Anonyme.
January 2001	Launched Internet shopping website: <a href="http://www.autobacs.com">http://www.autobacs.com</a> .
June 2001	Head office relocated to Minato-ku, Tokyo.
October 2002	AUTO HELLOES Co., Ltd. (currently A.M.C. Co., Ltd.), becomes a wholly owned subsidiary through an exchange of shares.
October 2004	Head office relocated to Koto-ku, Tokyo.
January 2006	Acquired six Eldorauto stores in France.
March 2007	Delisted from London Stock Exchange.
May 2007	Acquired 89 stores of U.S. car parts retailer STRAUSS Discount AUTO.
February 2009	U.S. subsidiaries AUTOBACS STRAUSS Inc. and AUTOBACS U.S.A., Inc. filed applications for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code.
February 2009	Transferred all shares of the Taiwanese subsidiary, AUTOBACS TAIWAN Co., Ltd. (franchise agreement continued).
March 2009	Store network totaled 635 stores, consisting of 238 stores included in consolidation (97 overseas and 141 domestic) and 397 franchise chain stores (19 overseas and 378 domestic).

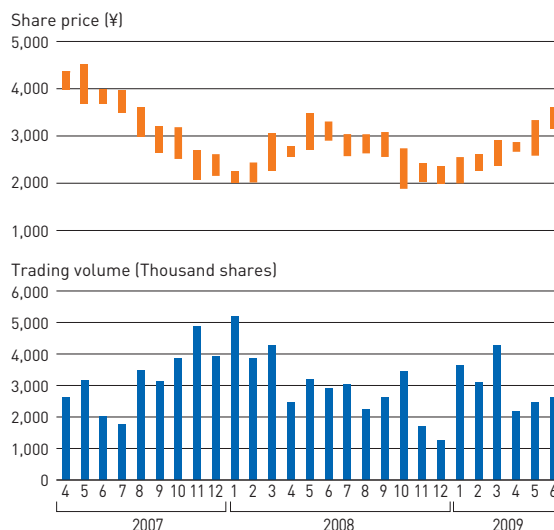
# SHARE INFORMATION

(As of March 31, 2009)

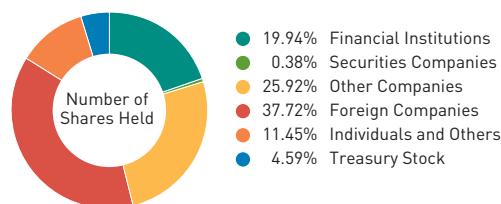
Total Number of Authorized Shares	109,402,300 shares
Common Stock Issued	39,255,175 shares
Number of Shareholders	11,859
Settlement Date	March 31
Record Dates	Annual General Shareholders' Meeting: March 31 Year-end dividends: March 31 Interim dividends: September 30 Prior notice of extraordinary dividends payments made as required.
Share Trading Unit	100 shares
Newspaper Used for Notifications	Nihon Keizai Shimbun The Company discloses balance sheets, statements of income, and related information at: <a href="http://www.autobacs.co.jp/">http://www.autobacs.co.jp/</a>
Stock Listings	Osaka Securities Exchange Tokyo Stock Exchange
Independent Auditor	Deloitte Touche Tohmatsu*
Transfer Agent	The Sumitomo Trust and Banking Co., Ltd. 3-1, Yaesu 2-chome, Chuo-ku, Tokyo

\*From July, 2009, corporate name has been changed to Deloitte Touche Tohmatsu LLC.

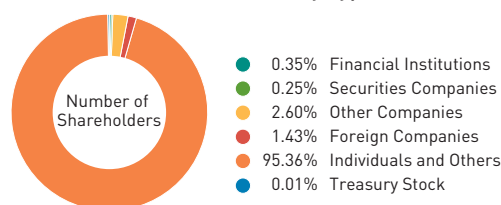
## Share Price Trend



## Breakdown of Shareholders (by Size of Shareholding)



## Breakdown of Shareholders (by Type)



## MAJOR SHAREHOLDERS

Name or Trading Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
Ichigo Asset Trust	5,300	13.50
Sumino Holdings, Ltd.	5,157	13.14
Japan Trustee Service Bank, Ltd. (Trust Account)	1,616	4.12
Japan Trustee Service Bank, Ltd. (Trust Account 4)	1,492	3.80
Northern Trust Co. (AVFC) Sub A/C American Clients	1,453	3.70
The Silchester International Investors International Value Equity Trust	1,221	3.11
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,001	2.55
The Yuumi Memorial Foundation for Home Health Care	1,000	2.55
Northern Trust Co. AVFC Re U.S. Tax Exempted Pension Funds	987	2.51
Sumisho Holdings, Ltd.	800	2.04
Total	20,031	51.02

Note: The number of treasury stocks held by the Company (1,800 thousand shares; percentage of shares held: 4.59%) is excluded from the abovementioned list of major shareholders due to the restrictions on the exercise of voting rights (as of March 31, 2009). In addition, the abovementioned 1,800 thousand shares of treasury stocks have been retired on May 22, 2009. As a result, the total number of issued shares amounts to 37,454,204 shares.





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