

November 10, 2006

**Summary of Quick Financial Announcement of Consolidated Financial Information For the First Six Months of the Fiscal Year Ending March 31, 2007**

Company name : AUTOBACS SEVEN CO., LTD.

Code Number : 9832

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

Headquarters : Tokyo, Japan

Company Representative : Koichi Sumino, Representative Director and Chief Executive Officer

Contact for further information: Satoru Miyoshi, General Manager of Accounting and Financial Department

Telephone : +81-3-6219-8728

Date of the Board of Directors' meeting for approval of semiannual accounts : November 10, 2006

Stock Exchange Listings : First Section, both of Tokyo, Osaka, and London

Adoption of accounting principles generally accepted in the U.S.A.: None

**1. Results for the six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006)**

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

**(1) Results of operations:**

(Unit: Millions of Yen except for per share information, % of increase or decrease (-))

	Net sales		Operating income		Ordinary income	
<b>Six months ended</b>		%		%		%
<b>September 30, 2006</b>	<b>116,664</b>	<b>2.4</b>	<b>5,927</b>	<b>(8.9)</b>	<b>8,622</b>	<b>1.2</b>
Six months ended September 30, 2005	113,916	6.3	6,508	189.6	8,520	75.6
(Reference) Year ended March 31, 2006	240,207		13,637		16,922	

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
<b>Six months ended</b>		%		
<b>September 30, 2006</b>	<b>5,012</b>	<b>22.0</b>	<b>130.31</b>	<b>129.95</b>
Six months ended September 30, 2005	4,108	-	115.80	105.73
(Reference) Year ended March 31, 2006	7,860		210.36	198.57

Notes: 1. Equity income on affiliates: 50 million Yen

(For the six months ended September 30, 2005: 45 million Yen)

2. The weighted average number of shares used in computing net income per share:  
38,462,954

(For the six months ended September 30, 2005: 35,480,472)

3. Accounting policies that differ from the fiscal year ended March 31, 2006: None

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
<b>Six months ended</b>			%	
<b>September 30, 2006</b>	<b>230,229</b>	<b>164,319</b>	<b>71.1</b>	<b>4,283.63</b>
Six months ended				
September 30, 2005	206,430	152,440	73.8	4,296.56
(Reference) Year ended				
March 31, 2006	227,707	161,535	70.9	4,178.23

Note: Number of shares outstanding: 38,232,344

(For the six months ended September 30, 2005: 35,479,622)

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
<b>Six months ended</b>				
<b>September 30, 2006</b>	<b>5,746</b>	<b>(1,890)</b>	<b>(5,749)</b>	<b>51,800</b>
Six months ended				
September 30, 2005	8,831	(7,631)	(1,079)	51,310
(Reference) Year ended				
March 31, 2006	24,136	(26,996)	5,177	53,622

(4) Scope of consolidation and application of equity method:

Number of consolidated subsidiaries	62
Number of non-consolidated subsidiaries to which equity method was applied	None
Number of affiliated companies to which equity method was applied	8

(5) Change in the scope of application of consolidation or the equity method:

Number of consolidated companies:	New:1	Excluded:1
Number of companies to which the equity method is applied:	New:None	Excluded:1

2. Forecast for the fiscal year 2007 (from April 1, 2006 to March 31, 2007)

(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income
<b>Annual</b>	<b>246,500</b>	<b>17,300</b>	<b>9,400</b>

Note: 1. The estimated net income per share for the year ending March 31, 2007 will be 245.87 yen.

2. This forecast is based on the assumptions, estimates, recognition of facts and projections, which are currently available to the management of the Company. The actual results may differ materially from the projected figures in this release due to differences in actual experience or changes in assumptions.

## Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	(September 30, 2006)		(September 30, 2005)		(March 31, 2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
<b>Current assets</b>						
Cash and deposits	29,379		28,675		34,256	
Trade notes and accounts receivable	17,907		11,360		12,914	
Marketable securities	25,087		32,991		28,682	
Inventories	19,693		18,564		17,015	
Deferred tax assets	2,097		1,806		2,794	
Other receivables	12,649		11,644		14,285	
Other current assets	3,095		2,817		2,589	
Allowance for doubtful receivables	(240)		(365)		(520)	
Total current assets	109,668	47.6	107,493	52.1	112,020	49.2
<b>Fixed assets</b>						
<b>Tangible fixed assets</b>						
Buildings and structures	21,061		22,725		21,613	
Land	22,421		20,927		22,330	
Other fixed assets	6,929		5,930		5,849	
Total tangible fixed assets	50,412		49,582		49,794	
<b>Intangible fixed assets</b>						
Goodwill	5,599		-		4,975	
Consolidated adjustment account	-		273		398	
Software	6,160		3,433		4,753	
Other intangible fixed assets	957		774		772	
Total intangible fixed assets	12,717		4,482		10,899	
<b>Investments</b>						
Investment securities	29,007		15,641		26,513	
Long-term loans	1,112		2,274		1,876	
Deferred tax assets	3,575		4,938		4,034	
Rental deposits	22,354		23,100		22,698	
Other investments	3,019		1,421		1,529	
Allowance for doubtful receivables	(1,638)		(2,505)		(1,659)	
Total investments	57,430		44,871		54,993	
Total fixed assets	120,560	52.4	98,936	47.9	115,687	50.8
Total assets	230,229	100.0	206,430	100.0	227,707	100.0

(Unit: Millions of Yen)

Liabilities and Net assets	(September 30, 2006)		(September 30, 2005)		(March 31, 2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
<b>Current liabilities</b>						
Trade notes and accounts payable-trade	26,037		13,065		16,094	
Short-term borrowings	1,771		4,754		4,768	
Income taxes payable	2,826		2,872		4,800	
Accrued bonuses for directors and corporate auditors	60		-		-	
Other current liabilities	13,960		12,626		18,382	
Total current liabilities	44,656	19.4	33,318	16.1	44,046	19.4
<b>Long-term liabilities</b>						
Convertible Bonds	270		10,000		270	
Long-term debt	11,529		304		11,407	
Liability for retirement benefits	156		363		275	
Accrued retirement benefits for directors and corporate auditors	394		421		404	
Allowance for business restructuring	569		887		860	
Other long-term liabilities	8,332		8,153		8,437	
Total long-term liabilities	21,252	9.2	20,131	9.8	21,655	9.5
Total liabilities	65,909	28.6	53,450	25.9	65,701	28.9
<b>Minority interests</b>	-	-	539	0.3	469	0.2
<b>Shareholders' equity</b>						
Common stock	-	-	31,958	15.5	33,998	14.9
Capital Surplus	-	-	32,241	15.6	34,512	15.2
Retained earnings	-	-	93,283	45.2	96,113	42.2
Net unrealized gain (loss) on available-for-sale securities	-	-	399	0.2	744	0.3
Foreign currency translation adjustments	-	-	(318)	(0.2)	(221)	(0.1)
Treasury stock, at cost	-	-	(5,124)	(2.5)	(3,610)	(1.6)
Total shareholders' equity	-	-	152,440	73.8	161,535	70.9
<b>Total liabilities, minority interests and shareholders' equity</b>	-	-	206,430	100.0	227,707	100.0
<b>Owners' equity</b>						
Common stock	33,998	14.8	-	-	-	-
Capital Surplus	34,512	15.0	-	-	-	-
Retained earnings	99,992	43.4	-	-	-	-
Treasury stock, at cost	(5,530)	(2.4)	-	-	-	-
Total owners' equity	162,973	70.8	-	-	-	-
<b>Valuation and translation adjustments</b>						
Net unrealized gain on available-for-sale securities	922	0.4	-	-	-	-
Foreign currency translation adjustments	(122)	(0.1)	-	-	-	-
Total valuation and translation adjustments	799	0.3	-	-	-	-
<b>Minority interests</b>	546	0.3	-	-	-	-
Total net assets	164,319	71.4	-	-	-	-
<b>Total liabilities and net assets</b>	230,229	100.0	-	-	-	-

## Consolidated Statements of Income

(Unit: Millions of Yen)

	Six months ended September 30, 2006		Six months ended September 30, 2005		Year ended March 31, 2006	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
<b>Net sales</b>	<b>116,664</b>	<b>100.0</b>	113,916	100.0	240,207	100.0
Cost of goods sold	<u>80,559</u>	<u>69.0</u>	<u>79,518</u>	69.8	<u>166,257</u>	69.2
<b>Gross Profit</b>	<b>36,104</b>	<b>31.0</b>	34,397	30.2	73,949	30.8
Selling, general and administrative expenses	<u>30,177</u>	<u>25.9</u>	<u>27,889</u>	24.5	<u>60,312</u>	25.1
<b>Operating income</b>	<b>5,927</b>	<b>5.1</b>	6,508	5.7	13,637	5.7
Non-operating income						
Interest income	182		128		235	
Rental income	19		50		97	
Lease revenue - system equipment	449		422		851	
Other non-operating income	<u>2,931</u>		<u>2,395</u>		<u>4,067</u>	
Total non-operating income	<b>3,583</b>	<b>3.1</b>	2,997	2.6	5,252	2.1
Non-operating expenses						
Interest expenses	73		40		81	
Loss on disposal of fixed assets	53		68		263	
Lease cost - system equipment	354		255		512	
Other non-operating expenses	<u>406</u>		<u>620</u>		<u>1,109</u>	
Total non-operating expenses	<b>888</b>	<b>0.8</b>	<u>984</u>	0.8	<u>1,967</u>	0.8
<b>Ordinary income</b>	<b>8,622</b>	<b>7.4</b>	8,520	7.5	16,922	7.0
Extraordinary gains						
Gain on sales of fixed assets	33		-		-	
Reversal of allowance for business restructuring	76		-		-	
Profit on change of equity	72		-		-	
Reversal of allowance for doubtful receivables	<u>402</u>		<u>204</u>		<u>774</u>	
Total extraordinary gains	<b>585</b>	<b>0.5</b>	<u>204</u>	0.2	<u>774</u>	0.3
Extraordinary losses						
Impairment losses on fixed assets	-		-		1,151	
Loss on business restructuring	190		1,997		1,848	
Loss on sales of fixed assets	60		-		-	
Wright down of investment securities	-		6		206	
Loss on arrangement of stores	88		-		-	
Other extraordinary losses	<u>-</u>		<u>-</u>		<u>624</u>	
Total Extraordinary losses	<b>339</b>	<b>0.3</b>	<u>2,004</u>	1.8	<u>3,831</u>	1.5
Income before income taxes and minority interests	<b>8,867</b>	<b>7.6</b>	6,720	5.9	13,865	5.8
Income taxes - current	2,795	2.4	2,769	2.4	6,454	2.7
Income taxes - deferred	1,031	0.9	(143)	(0.1)	(447)	(0.2)
Minority interests in net (income) loss	<u>(28)</u>	<u>(0.0)</u>	<u>14</u>	0.0	<u>1</u>	0.0
<b>Net income</b>	<b>5,012</b>	<b>4.3</b>	4,108	3.6	7,860	3.3

## Consolidated Statement of Changes in Net assets

Six months ended September 30, 2006 (from April 1, 2006 to September 30, 2006) (Unit: Millions of Yen)

	Owners' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
<b>Balance at the end of previous period</b>	33,998	34,512	96,113	(3,610)	161,013	744	(221)	522	469	162,005
<b>Change of items during the period</b>										
Dividends from surplus (*)			(1,004)		(1,004)					(1,004)
Bonus to directors and corporate auditors (*)			(128)		(128)					(128)
Net income			5,012		5,012					5,012
Purchase of treasury stock				(1,930)	(1,930)					(1,930)
Disposal of treasury stock				10	10					10
Net changes of items other than owners' equity						177	99	277	76	353
<b>Total change of items during the period</b>	-	-	3,879	(1,919)	1,959	177	99	277	76	2,313
<b>Balance at the end of the period</b>	33,998	34,512	99,992	(5,530)	162,973	922	(122)	799	546	164,319

Note \*: It is an appropriation of retained earnings approved at the ordinary general meetings of shareholders held in June 2006.

## Consolidated Statements of Capital Surplus and Retained Earnings

(Unit: Millions of Yen)

	Six months ended September 30, 2005	Year ended March 31, 2006
<b>(Capital surplus)</b>		
<b>Capital surplus at beginning of year</b>	32,241	32,241
Increase in capital surplus		
Issuing of new stock by conversion of convertible bonds	-	2,036
Gain from disposal of treasury stock	-	234
<b>Capital surplus at end of period / year</b>	<b>32,241</b>	<b>34,512</b>
<b>(Retained earnings)</b>		
<b>Retained earnings at beginning of year</b>	90,121	90,121
Increase in retained earnings		
Net income	4,108	7,860
Decrease in retained earnings		
Cash dividends	(851)	(1,774)
Bonuses to directors and corporate auditors	(95)	(95)
Loss on disposal of treasury stock	(0)	-
<b>Retained earnings at end of period / year</b>	<b>93,283</b>	<b>96,113</b>

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Six months ended September 30, 2006	Six months ended September 30, 2005	Year ended March 31, 2006
	Amount	Amount	Amount
<b>Operating Activities:</b>			
Income before income taxes and minority interests	8,867	6,720	13,865
Depreciation and amortization	2,302	2,464	4,935
Impairment losses on fixed assets	-	-	1,151
Provision for business restructuring	(290)	887	860
Amortization of consolidated adjustment income	-	48	132
Amortization of goodwill	237	-	-
(Reversal of) provision for doubtful receivables	(301)	(354)	(1,046)
Reversal of retirement benefits	(119)	(22)	(109)
Reversal of retirement benefit for directors and corporate auditors	(9)	(8)	(25)
Interest and dividend income	(501)	(142)	(254)
Interest expenses	73	40	81
Equity income on affiliates	(50)	(45)	(146)
(Decrease) increase in trade notes and accounts receivable	(3,476)	4,011	(22)
(Decrease) increase in inventories	(2,617)	(1,256)	10
Increase (decrease) in trade notes and accounts payable	9,874	(1,294)	1,893
Others	(3,928)	(1,434)	5,614
Subtotal	<u>10,061</u>	<u>9,613</u>	<u>26,940</u>
Interest and dividend received	506	133	288
Interest paid	(70)	(38)	(67)
Taxes paid	(4,750)	(877)	(3,024)
Net cash provided by operating activities	<u>5,746</u>	<u>8,831</u>	<u>24,136</u>
<b>Investing Activities:</b>			
Payment for marketable securities	(6,999)	(6,802)	(13,809)
Proceeds from sales of marketable securities	13,800	2,000	7,000
Payment for tangible and intangible fixed assets other than software	(3,379)	(970)	(9,397)
Payment for software development	(2,145)	(328)	(2,002)
Payment for investment securities	(6,425)	(4,298)	(15,865)
Proceeds from sales of investment securities	4,041	1,416	5,686
Payment for loans	(501)	(253)	(253)
Collection of loans	731	648	1,172
Payment for rental deposits	(474)	(194)	(965)
Collection of rental deposits	196	112	478
Others	(735)	1,039	960
Net cash used in investing activities	<u>(1,890)</u>	<u>(7,631)</u>	<u>(26,996)</u>
<b>Financing Activities:</b>			
Net (decrease) increase in short-term borrowings	(3,005)	974	(299)
Proceeds from long-term debt	1,000	-	13,000
Repayment of long-term debt	(871)	(1,209)	(1,848)
Purchase of treasury stock	(1,929)	(5)	(3,909)
Dividends paid	(1,004)	(851)	(1,774)
Others	61	12	9
Net cash (used in) provided by financing activities	<u>(5,749)</u>	<u>(1,079)</u>	<u>5,177</u>
Effect of exchange rate changes on cash and cash equivalents	72	(12)	102
Net (increase) decrease in cash and cash equivalents	<u>(1,821)</u>	<u>108</u>	<u>2,420</u>
Cash and cash equivalents, beginning of period / year	<u>53,622</u>	<u>51,150</u>	<u>51,150</u>
Increase in cash and cash equivalents resulting from initial consolidation of subsidiary	-	51	51
<b>Cash and cash equivalents, end of period / year</b>	<u><b>51,800</b></u>	<u><b>51,310</b></u>	<u><b>53,622</b></u>



## Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Six months ended September 30, 2006		Six months ended September 30, 2005		Increase or (decrease)		Year ended March 31, 2006	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Wholesale	66,762	57.2	65,788	57.7	973	1.5	139,543	58.1
Retail	48,018	41.2	46,127	40.5	1,891	4.1	96,865	40.3
Others	1,883	1.6	2,000	1.8	(117)	(5.9)	3,798	1.6
<b>Total</b>	<b>116,664</b>	<b>100.0</b>	<b>113,916</b>	<b>100.0</b>	<b>2,748</b>	<b>2.4</b>	<b>240,207</b>	<b>100.0</b>

Note: "Others" is consisted of revenue of Rent and Lease.

## Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Six months ended September 30, 2006		Six months ended September 30, 2005		Increase or (decrease)		Year ended March 31, 2006	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Tires and wheels	20,925	17.9	20,402	17.9	523	2.6	50,024	20.8
Car electronics	35,997	30.9	36,878	32.4	(881)	(2.4)	69,185	28.8
Oil and batteries	8,574	7.4	8,180	7.2	393	4.8	17,341	7.2
Car exterior items	10,179	8.7	8,877	7.8	1,302	14.7	25,762	10.7
Car interior items	13,003	11.1	12,797	11.2	205	1.6	22,280	9.3
Motor sports goods	9,872	8.5	10,620	9.3	(747)	(7.0)	22,034	9.2
Service	7,154	6.1	6,461	5.7	693	10.7	13,255	5.5
Others	10,956	9.4	9,697	8.5	1,258	13.0	20,322	8.5
<b>Total</b>	<b>116,664</b>	<b>100.0</b>	<b>113,916</b>	<b>100.0</b>	<b>2,748</b>	<b>2.4</b>	<b>240,207</b>	<b>100.0</b>

Note: "Others" is consisted of Revenue of car sales, Used car items, Royalty, Rent and Lease.