

August 10, 2006

Summary of Quick Financial Announcement of Consolidated Financial Information for the First Quarter 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

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Stock exchange listings: First section, both of Tokyo, Osaka and London

1. Notes concerning the preparation of the consolidated financial statements for the three months ended June 30, 2006.

(1) Whether the company has adopted simplified accounting procedures: None

(2) Accounting policies that differ from the fiscal year ended March 31, 2006: None

(3) 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:0 Excluded:1

2. Results for the three months ended June 30, 2006. (from April 1, 2006 to June 30, 2006)

(Note: Amounts less than 1 million Yen have been rounded down)

(1) Results of operations:

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

	Net sales		Operating income		Ordinary income	
<b>Three months ended June 30, 2006</b>	<b>61,459</b>	<b>3.0%</b>	<b>3,069</b>	<b>14.3%</b>	<b>4,007</b>	<b>4.3%</b>
Three months ended June 30, 2005	59,656	5.2%	2,686	114.3%	3,841	75.2%
(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>Three months ended June 30, 2006</b>	<b>2,112</b>	<b>(4.7%)</b>	<b>54.71</b>	<b>54.58</b>
Three months ended June 30, 2005	2,215	168.1%	62.45	-
(Reference) Year ended March 31, 2006	7,860		210.36	198.57

(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>Three months ended June 30, 2006</b>	<b>225,603</b>	<b>161,787</b>	<b>71.5%</b>	<b>4,203.58</b>
Three months ended June 30, 2005	207,833	150,304	72.3%	4,236.27
(Reference) Year ended March 31, 2006	227,707	161,535	70.9%	4,178.23

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
<b>Three months ended June 30, 2006</b>	<b>(1,684)</b>	<b>(4,709)</b>	<b>(2,677)</b>	<b>44,552</b>
Three months ended June 30, 2005	3,801	(1,605)	(3,273)	50,033
(Reference) Year ended March 31, 2006	24,136	(26,996)	5,177	53,622

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

(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income
Semiannual	118,000	8,400	4,800
Annual	246,500	17,300	9,400

Note: 1. The estimated net income per share for the year ending March 31, 2007 will be 240.90 Yen.

2. This forecast is unchanged from the forecast for the fiscal year 2007 announced on May 19, 2006 together with the final results for the fiscal year ended March 31, 2006.

3. 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	June 30, 2006		June 30, 2005		March 31, 2006	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
<b>Current assets</b>						
Cash and deposits	23,188		38,679		34,256	
Trade notes and accounts receivable	17,683		17,358		12,914	
Marketable securities	30,775		18,115		28,682	
Inventories	19,275		19,389		17,015	
Deferred tax assets	2,008		2,467		2,794	
Accounts receivable-other	12,682		11,706		14,285	
Other current assets	3,254		3,205		2,589	
Allowance for doubtful receivables	(575)		(715)		(520)	
<b>Total current assets</b>	<b>108,294</b>	<b>48.0</b>	<b>110,206</b>	<b>53.0</b>	<b>112,020</b>	<b>49.2</b>
<b>Fixed assets</b>						
<b>Tangible fixed assets</b>						
Buildings and structures	21,137		23,189		21,613	
Land	22,330		20,927		22,330	
Other fixed assets	6,271		6,180		5,849	
<b>Total tangible fixed assets</b>	<b>49,740</b>		<b>50,297</b>		<b>49,794</b>	
<b>Intangible fixed assets</b>						
Goodwill	5,006		-		4,975	
Consolidated adjustment account	371		300		398	
Software	5,099		3,053		4,753	
Other intangible fixed assets	770		771		772	
<b>Total intangible fixed assets</b>	<b>11,248</b>		<b>4,125</b>		<b>10,899</b>	
<b>Investments</b>						
Investment securities	27,619		13,133		26,513	
Long-term loans	1,755		2,656		1,876	
Deferred tax assets	4,343		4,845		4,034	
Rental deposits	22,584		23,433		22,698	
Other investments	1,523		1,681		1,529	
Allowance for doubtful receivables	(1,506)		(2,548)		(1,659)	
<b>Total investments</b>	<b>56,319</b>		<b>43,203</b>		<b>54,993</b>	
<b>Total fixed assets</b>	<b>117,309</b>	<b>52.0</b>	<b>97,626</b>	<b>47.0</b>	<b>115,687</b>	<b>50.8</b>
<b>Total assets</b>	<b>225,603</b>	<b>100.0</b>	<b>207,833</b>	<b>100.0</b>	<b>227,707</b>	<b>100.0</b>

(Unit: Millions of Yen)

Liabilities and Net assets	June 30, 2006		June 30, 2005		March 31, 2006	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
<b>Current liabilities</b>						
Trade notes and accounts payable-trade	21,107		19,805		16,094	
Short-term borrowings	4,110		2,533		4,768	
Income taxes payable	965		2,197		4,800	
Other current liabilities	16,382		13,361		18,382	
Total current liabilities	42,565	18.9	37,897	18.2	44,046	19.4
<b>Long-term liabilities</b>						
Bonds	-		8		-	
Zero coupon convertible bonds	270		10,000		270	
Long-term debt	11,036		344		11,407	
Liability for retirement benefits	211		355		275	
Accrued retirement benefits for directors and corporate auditors	402		429		404	
Allowance for business restructuring	955		-		860	
Other long-term liabilities	8,374		7,979		8,437	
Total long-term liabilities	21,250	9.4	19,117	9.2	21,655	9.5
Total liabilities	63,816	28.3	57,015	27.4	65,701	28.9
<b>Owners' equity</b>						
Common stock	33,998	15.1	-	-	-	-
Capital surplus	34,512	15.3	-	-	-	-
Retained earnings	97,092	43.0	-	-	-	-
Treasury stock, at cost	(4,287)	(1.9)	-	-	-	-
Total owners' equity	161,316	71.5	-	-	-	-
<b>Valuation and translation adjustments</b>						
Net unrealized gain on available-for-sale securities	156	0.1	-	-	-	-
Foreign currency translation adjustments	(193)	(0.1)	-	-	-	-
Total valuation and translation adjustments	(37)	(0.0)	-	-	-	-
<b>Minority interests</b>	508	0.2	-	-	-	-
Total net assets	161,787	71.7	-	-	-	-
<b>Total liabilities and net assets</b>	<b>225,603</b>	<b>100.0</b>	-	-	-	-
<b>Minority interests</b>	-	-	513	0.3	469	0.2
<b>Shareholders' equity</b>						
Common stock	-	-	31,958	15.4	33,998	14.9
Capital surplus	-	-	32,241	15.5	34,512	15.2
Retained earnings	-	-	91,390	44.0	96,113	42.2
Net unrealized gain on available-for-sale securities	-	-	224	0.1	744	0.3
Foreign currency translation adjustments	-	-	(389)	(0.2)	(221)	(0.1)
Treasury stock, at cost	-	-	(5,120)	(2.5)	(3,610)	(1.6)
Total shareholders' equity	-	-	150,304	72.3	161,535	70.9
<b>Total liabilities, minority interests and shareholders' equity</b>	-	-	207,833	100.0	227,707	100.0

**Consolidated Statements of Income**  
(Unit: Millions of Yen)

	Three months ended June 30, 2006		Three months ended June 30, 2005		Year ended March 31, 2006	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
<b>Net sales</b>	<b>61,459</b>	<b>100.0</b>	<b>59,656</b>	<b>100.0</b>	<b>240,207</b>	<b>100.0</b>
Cost of goods sold	<b>43,222</b>	<b>70.3</b>	<b>42,804</b>	<b>71.8</b>	<b>166,257</b>	<b>69.2</b>
<b>Gross profit</b>	<b>18,237</b>	<b>29.7</b>	<b>16,852</b>	<b>28.2</b>	<b>73,949</b>	<b>30.8</b>
Selling, general and administrative expenses	<b>15,167</b>	<b>24.7</b>	<b>14,166</b>	<b>23.7</b>	<b>60,312</b>	<b>25.1</b>
<b>Operating income</b>	<b>3,069</b>	<b>5.0</b>	<b>2,686</b>	<b>4.5</b>	<b>13,637</b>	<b>5.7</b>
Non-operating income						
Interest income	<b>96</b>		<b>52</b>		<b>235</b>	
Equity income on affiliates	-		<b>32</b>		<b>146</b>	
Rental income	<b>9</b>		<b>26</b>		<b>97</b>	
Lease revenue – system equipment	<b>218</b>		<b>216</b>		<b>851</b>	
Other non-operating income	<b>1,147</b>		<b>1,320</b>		<b>3,921</b>	
<b>Total non-operating income</b>	<b>1,472</b>	<b>2.4</b>	<b>1,648</b>	<b>2.7</b>	<b>5,252</b>	<b>2.1</b>
Non-operating expenses						
Interest expenses	<b>44</b>		<b>16</b>		<b>81</b>	
Equity expenses on affiliates	<b>13</b>		-		-	
Lease cost – system equipment	<b>184</b>		-		<b>512</b>	
Loss on disposal of fixed assets	<b>30</b>		<b>23</b>		<b>263</b>	
Other non-operating expenses	<b>261</b>		<b>452</b>		<b>1,109</b>	
<b>Total non-operating expenses</b>	<b>534</b>	<b>0.9</b>	<b>492</b>	<b>0.8</b>	<b>1,967</b>	<b>0.8</b>
<b>Ordinary income</b>	<b>4,007</b>	<b>6.5</b>	<b>3,841</b>	<b>6.4</b>	<b>16,922</b>	<b>7.0</b>
Extraordinary gains						
Gain on change in equity of an affiliated company	<b>72</b>		-		-	
Reversal of allowance for doubtful receivables	<b>86</b>		<b>55</b>		<b>774</b>	
<b>Total extraordinary gains</b>	<b>159</b>	<b>0.3</b>	<b>55</b>	<b>0.1</b>	<b>774</b>	<b>0.3</b>
Extraordinary losses						
Loss on sale of fixed assets	<b>33</b>		-		-	
Impairment losses on fixed assets	-		-		<b>1,151</b>	
Loss on businesses restructuring	<b>182</b>		<b>135</b>		<b>1,848</b>	
Other extraordinary losses	-		-		<b>831</b>	
<b>Total extraordinary losses</b>	<b>216</b>	<b>0.4</b>	<b>135</b>	<b>0.2</b>	<b>3,831</b>	<b>1.5</b>
<b>Income before income taxes and minority interests</b>	<b>3,950</b>	<b>6.4</b>	<b>3,760</b>	<b>6.3</b>	<b>13,865</b>	<b>5.8</b>
Income taxes – current	<b>972</b>	<b>1.6</b>	<b>2,178</b>	<b>3.6</b>	<b>6,454</b>	<b>2.7</b>
Income taxes – deferred	<b>862</b>	<b>1.4</b>	<b>(617)</b>	<b>(1.0)</b>	<b>(447)</b>	<b>(0.2)</b>
Minority interests in net (income) loss	<b>(3)</b>	<b>(0.0)</b>	<b>16</b>	<b>0.0</b>	<b>1</b>	<b>0.0</b>
<b>Net income</b>	<b>2,112</b>	<b>3.4</b>	<b>2,215</b>	<b>3.7</b>	<b>7,860</b>	<b>3.3</b>

## Consolidated Statement of Changes in Net assets

Three months ended June 30, 2006 (from April 1, 2006 to June 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			2,112		2,112					2,112
Purchase of treasury stock				(687)	(687)					(687)
Disposal of treasury stock				10	10					10
Net changes of items other than owners' equity						(588)	28	(559)	38	(521)
<b>Total change of items during the period</b>			979	(676)	302	(588)	28	(559)	38	(218)
<b>Balance at the end of the 1st Quarter</b>	33,998	34,512	97,092	(4,287)	161,316	156	(193)	(37)	508	161,787

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

	Three months ended June 30, 2006 Amount	Three months ended June 30, 2005 Amount	Year ended March 31, 2006 Amount
<b>Operating Activities:</b>			
Income before income taxes and minority interests	3,950	3,760	13,865
Depreciation and amortization	1,113	905	4,935
Impairment losses on fixed assets	-	-	1,151
Increase in trade notes and accounts receivable	(3,070)	(1,946)	(22)
(Increase) decrease in inventories	(2,245)	(2,110)	10
Increase in trade notes and accounts payable	4,986	5,421	1,893
Others	(1,772)	(1,181)	5,106
Subtotal	<u>2,963</u>	<u>4,848</u>	<u>26,940</u>
Interest and dividend received	123	109	288
Interest paid	(54)	(16)	(67)
Taxes paid	(4,716)	(1,140)	(3,024)
Net cash (used in) provided by operating activities	<u>(1,684)</u>	<u>3,801</u>	<u>24,136</u>
<b>Investing Activities:</b>			
Payment for marketable securities	(3,999)	(1,502)	(13,809)
Proceeds from sale of marketable securities	4,500	-	7,000
Payment for tangible and intangible fixed assets other than software	(1,454)	(267)	(9,397)
Payment for software development	(1,204)	(331)	(2,002)
Acquisition of investment securities	(3,201)	(1,301)	(15,865)
Disposition of investment securities	486	1,030	5,686
Payment for loans	(54)	(250)	(253)
Collection of loans	181	270	1,172
Payment for rental deposits	(277)	(59)	(965)
Others	314	806	1,439
Net cash used in investing activities	<u>(4,709)</u>	<u>(1,605)</u>	<u>(26,996)</u>
<b>Financing Activities:</b>			
Net decrease in short-term borrowings	(612)	(2,313)	(299)
Repayments of long-term debt	(416)	(99)	(1,848)
Purchase of treasury stock	(686)	(2)	(3,909)
Dividends paid	(1,004)	(851)	(1,774)
Others	43	(6)	13,009
Net cash (used in) provided by financing activities	<u>(2,677)</u>	<u>(3,273)</u>	<u>5,177</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1</u>	<u>(39)</u>	<u>102</u>
Net (decrease) increase in cash and cash equivalents	<u>(9,069)</u>	<u>(1,116)</u>	<u>2,420</u>
Cash and cash equivalents, beginning of the 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 subsidiaries	<u>-</u>	<u>-</u>	<u>51</u>
Cash and cash equivalents, end of the period / year	<u>44,552</u>	<u>50,033</u>	<u>53,622</u>

### Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Three months ended June 30, 2006		Three months ended June 30, 2005		Year ended March 31, 2006	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Wholesale	37,302	60.7	35,759	60.0	139,543	58.1
Retail	23,216	37.8	22,919	38.4	96,865	40.3
Others	941	1.5	977	1.6	3,798	1.6
<b>Total</b>	<b>61,459</b>	<b>100.0</b>	<b>59,656</b>	<b>100.0</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	Three months ended June 30, 2006		Three months ended June 30, 2005		Year ended March 31, 2006	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Tires and wheels	11,090	18.1	10,596	17.8	50,024	20.8
Car electronics	20,060	32.6	19,232	32.2	69,185	28.8
Oil and batteries	4,190	6.8	3,965	6.6	17,341	7.2
Car exterior items	5,787	9.4	4,499	7.5	25,762	10.7
Car interior items	6,203	10.1	6,069	10.2	22,280	9.3
Motor sports goods	5,064	8.2	5,225	8.8	22,034	9.2
Service	3,491	5.7	3,031	5.1	13,255	5.5
Others	5,570	9.1	7,036	11.8	20,322	8.5
<b>Total</b>	<b>61,459</b>	<b>100.0</b>	<b>59,656</b>	<b>100.0</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.