

November 11, 2005

Summary of Quick Financial Announcement of Consolidated Financial Information For the Six Months Ended September 30, 2005

Company name : AUTOBACS SEVEN CO., LTD.

Code Number : 9832

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

Headquarters : Tokyo, Japan

Company Representative : Koichi Sumino, Representative Director

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Date of the Board of Directors' meeting for approval of semiannual accounts : November 11, 2005

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 (from April 1, 2005 to September 30, 2005)

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

A figure in() indicates a loss or negative figure.)

(1) Results of operations:

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

	Net sales		Operating income		Ordinary income	
Six months ended September 30, 2005	113,916	6.3	6,508	189.6	8,520	75.6
Six months ended September 30, 2004	107,209	(0.5)	2,247	16.1	4,853	25.9
(Reference) Year ended March 31, 2005	226,779		7,368		12,694	

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
Six months ended September 30, 2005	4,108	-	115.80	105.73
Six months ended September 30, 2004	(1,080)	-	(30.45)	-
(Reference) Year ended March 31, 2005	2,928		79.85	-

Notes: 1. Equity income on affiliates: 45 million Yen

(For the six months ended September 30, 2004: 32 million Yen)

2. The weighted average number of shares used in computing net income per share: 35,480,472
(For the six months ended September 30, 2004: 35,482,896)

3. Changes in Accounting policies: Yes

a. In the past, Rent revenue and Lease revenue and that these corresponding cost have been appropriated as "Non-operating income" and "Selling, general and administrative expenses", "Non-operating expenses."

From this interim closing, the Company reclassified Rent revenue and Lease revenue and these corresponding cost to "Net Sales" and "Cost of goods sold". The reasons of changing accounting policy are as follow. The Company estimates continual incomes with increasing number of stores.

The Company has been able to keep incomes and expenses every stores under control because of introduction of a new accounting system.

As a result, "Net-sales" increase 2,000 million yen and "Gross profit" increase 500 million yen, "Operating income" increase 1,143 million yen compared with the previous policy respectively. These reclassifications have no effect on "Ordinary income".

b. In the past, lease revenue - system equipment and these corresponding cost have been

appropriated as "Non-operating income" and "Selling, general and administrative expenses" .

From this interim closing , the Company reclassified the cost corresponding to lease revenue – system equipment to "Non-operating expenses" for correspondence between incomes and expenses and for enhancement of the quality of consolidated financial statement.

As a result, "Operating income" increase 255 million yen compared with the previous policy respectively. This reclassification has no effect on "Ordinary income".

c. In the past, as the difference of the closing of the accounting term between the Company and consolidated subsidiaries had been less than three months, the Company adopted financial statement in the closing of the accounting term of consolidated subsidiaries, and made some necessary revisions for consolidation. From this interim closing , the Company changed the policy to adopt more rational procedures that conform to the formal accounting procedure to enhance the quality of consolidated financial statement.

As a result, "Net-sales" increase 1,025 million yen, "Ordinary income" and "Net-income" decrease 79 million yen compared with the previous policy respectively.

d. Allowance for loss on business restructuring provides for losses related to the arrangement of business.

The Company appropriates prospect of losses that exceed the amount of actual investments and credits.

(2) Financial position:

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

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (Yen)
Six months ended September 30, 2005	206,430	152,440	73.8	4,296.56
Six months ended September 30, 2004	195,572	145,709	74.5	4,106.50
(Reference) Year ended March 31, 2005	203,224	148,982	73.3	4,196.25

Note: Number of shares outstanding: 35,479,622

(For the six months ended September 30, 2004: 35,482,599)

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Six months ended September 30, 2005	8,831	(7,631)	(1,079)	51,310
Six months ended September 30, 2004	2,026	(4,796)	(856)	37,563
(Reference) Year ended March 31, 2005	10,979	(1,276)	236	51,150

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

Number of consolidated subsidiaries 59
 Number of non-consolidated subsidiaries None
 Number of affiliated companies to which equity method was applied 8

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

Consolidation	Addition	3
	Exclusion	4
Equity method	Addition	1
	Exclusion	1

2. Forecast for the fiscal year 2006 (from April 1, 2005 to March 31, 2006)
(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income	Basic net income per share (Yen)
Annual	225,000	15,000	8,400	221.67

Note: 1. 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.

2. Basic net income per share is calculated based on the number of shares by taking into consideration of acquisition and disposal of treasury stocks as mentioned as Subsequent Events afterward.

Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	(September 30, 2005)		(September 30, 2004)		(March 31, 2005)	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Current assets						
Cash and deposits	28,675		37,658		51,306	
Trade notes and accounts receivable	11,360		10,504		12,919	
Marketable securities	32,991		3,142		5,124	
Inventories	18,564		19,746		17,247	
Deferred tax assets	1,806		2,533		1,906	
Other receivables	11,644		11,959		14,133	
Other current assets	2,817		3,097		2,285	
Allowance for doubtful receivables	(365)		(1,102)		(710)	
Total current assets	107,493	52.1	87,538	44.8	104,214	51.3
Fixed assets						
Tangible fixed assets						
Buildings and structures	22,725		25,408		23,917	
Land	20,927		22,345		21,070	
Other fixed assets	5,930		7,472		6,411	
Total tangible fixed assets	49,582		55,226		51,399	
Intangible fixed assets						
Goodwill	273		375		325	
Software	3,433		2,527		3,151	
Other intangible fixed assets	774		283		776	
Total intangible fixed assets	4,482		3,187		4,253	
Investments						
Investment securities	15,641		16,293		12,883	
Long-term loans	2,274		2,838		2,657	
Deferred tax assets	4,938		5,297		4,802	
Rental deposits	23,100		25,314		23,650	
Other investments	1,421		1,848		1,880	
Allowance for doubtful receivables	(2,505)		(1,972)		(2,516)	
Total investments	44,871		49,619		43,357	
Total fixed assets	98,936	47.9	108,033	55.2	99,010	48.7
Total assets	206,430	100.0	195,572	100.0	203,224	100.0

(Unit: Millions of Yen)

Liabilities and Shareholders' Equity	(September 30, 2005)		(September 30, 2004)		(March 31, 2005)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Current liabilities						
Trade notes and accounts payable-trade	13,065		12,670		14,335	
Short-term borrowings	4,754		2,875		4,863	
Income taxes payable	2,872		2,373		1,159	
Other current liabilities	12,626		12,254		14,252	
Total current liabilities	33,318	16.1	30,173	15.4	34,609	17.1
Long-term liabilities						
Bonds	-		8		8	
Zero coupon convertible Bonds	10,000		10,000		10,000	
Long-term debt	304		571		415	
Liability for retirement benefits	363		506		385	
Accrued retirement benefits for directors and corporate auditors	421		115		429	
Allowance for business restructuring	887		-		-	
Other long-term liabilities	8,153		7,864		7,914	
Total long-term liabilities	20,131	9.8	19,066	9.8	19,153	9.4
Total liabilities	53,450	25.9	49,240	25.2	53,763	26.5
Minority interests	539	0.3	622	0.3	478	0.2
Shareholders' equity						
Common stock	31,958	15.5	31,958	16.3	31,958	15.7
Capital Surplus	32,241	15.6	32,241	16.5	32,241	15.9
Retained earnings	93,283	45.2	86,859	44.4	90,121	44.3
Net unrealized gain (loss) on available-for-sale securities	399	0.2	50	0.0	206	0.1
Foreign currency translation adjustments	(318)	(0.2)	(286)	(0.1)	(426)	(0.2)
Treasury stock, at cost	(5,124)	(2.5)	(5,113)	(2.6)	(5,118)	(2.5)
Total shareholders' equity	152,440	73.8	145,709	74.5	148,982	73.3
Total liabilities, minority interests and shareholders' equity	206,430	100.0	195,572	100.0	203,224	100.0

Consolidated Statements of Income

(Unit: Millions of Yen)

	Six months ended September 30, 2005		Six months ended September 30, 2004		Year ended March 31, 2005	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Net sales	113,916	100.0	107,209	100.0	226,779	100.0
Cost of goods sold	79,518	69.8	75,292	70.2	158,583	69.9
Gross Profit	34,397	30.2	31,916	29.8	68,196	30.1
Selling, general and administrative expenses	27,889	24.5	29,669	27.7	60,827	26.8
Operating income	6,508	5.7	2,247	2.1	7,368	3.2
Non-operating income						
Interest income	128		97		209	
Rental income	50		1,189		2,211	
Lease revenue-system equipment	422		421		862	
Other non-operating income	2,395		2,097		4,617	
Total non-operating income	2,997	2.6	3,805	3.5	7,900	3.5
Non-operating expenses						
Interest expenses	40		31		60	
Loss on disposal of fixed assets	68		43		147	
Lease-system equipment cost	255		-		-	
Other non-operating expenses	620		1,124		2,366	
Total non-operating expenses	984	0.8	1,199	1.1	2,574	1.1
Ordinary income	8,520	7.5	4,853	4.5	12,694	5.6
Extraordinary gains						
Gain on sales of fixed assets	-		-		76	
Gain on sales of investment securities	-		607		609	
Reversal of allowance for doubtful receivables	204		-		577	
Total extraordinary gains	204	0.2	607	0.6	1,262	0.5
Extraordinary losses						
Impairment losses on fixed assets	-		4,384		4,384	
Cost of transition to defined contribution pension plan	-		363		339	
Loss on business restructuring	1,997		-		-	
Loss on sales of fixed assets	-		279		554	
Loss on arrangement of stores	-		-		1,146	
Wright down of investment securities	6		-		17	
Other extraordinary losses	-		-		640	
Total Extraordinary losses	2,004	1.8	5,027	4.7	7,081	3.1
Income before income taxes and minority interests	6,720	5.9	432	0.4	6,875	3.0
Income taxes-current	2,769	2.4	2,289	2.1	3,910	1.7
Income taxes-deferred	(143)	(0.1)	(674)	(0.6)	268	0.1
Minority interests	14	0.0	102	0.1	231	0.1
Net income / losses	4,108	3.6	(1,080)	(1.0)	2,928	1.3

Consolidated Statements of Capital Surplus and Retained Earnings

(Unit: Millions of Yen)

	Six months ended September 30, 2005	Six months ended September 30, 2004	Year ended March 31, 2005
(Capital surplus)			
Capital surplus at beginning of year	32,241	32,241	32,241
Capital surplus at end of period / year	32,241	32,241	32,241
(Retained earnings)			
Retained earnings at beginning of year	90,121	88,651	88,651
Increase in retained earnings			
Net income	4,108	-	2,928
Decrease in retained earnings			
Net losses	-	1,080	-
Cash dividends	851	638	1,384
Bonuses to directors and corporate auditors	95	73	73
Loss on disposal of treasury stock	0	0	0
Retained earnings at end of period / year	93,283	86,859	90,121

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

	Six months ended September 30, 2005	Six months ended September 30, 2004	Year ended March 31, 2005
	Amount	Amount	Amount
Operating Activities:			
Net income before income taxes and minority interests	6,720	432	6,875
Depreciation and amortization	2,464	2,652	5,536
Impairment losses on fixed assets	-	4,384	4,384
Provision for business restructuring	887	-	-
Amortization of goodwill	48	55	82
(Reversal of) provision for doubtful receivables	(354)	165	186
Reversal of retirement benefits	(22)	(888)	(1,009)
(Decrease) increase in retirement benefit for directors and corporate auditors	(8)	(43)	270
Interest and dividend income	(142)	(151)	(296)
Interest expenses	40	31	60
Equity income on affiliates	(45)	(32)	(184)
Lease revenue	-	(1,158)	(2,164)
Decrease (Increase) in trade notes and accounts receivable	4,011	3,356	(1,286)
(Increase) decrease in inventories	(1,256)	(1,013)	1,492
(Decrease) increase in trade notes and accounts payable	(1,294)	(1,471)	135
Others	(1,434)	(1,254)	2,458
Subtotal	9,613	5,063	16,545
Interest and dividend received	133	434	792
Interest paid	(38)	(27)	(80)
Taxes paid	(877)	(3,443)	(6,276)
Net cash provided by operating activities	8,831	2,026	10,979
Investing Activities:			
Payment for marketable securities	(6,802)	-	(4,814)
Proceeds from redemption and sales of marketable securities	2,000	99	3,399
Payment for tangible and intangible fixed assets other than software	(970)	(2,916)	(4,491)
Payment for software development	(328)	(653)	(1,857)
Payment for investment securities	(4,298)	(5,075)	(5,369)
Proceeds from redemption and sales of investment securities	1,416	2,827	6,382
Proceeds from loans	(253)	(358)	(1,303)
Collection of loans	648	825	1,980
Payment for rental deposits	(194)	(1,227)	(1,741)
Collection of rental deposits	112	124	1,560
Lease revenue	-	923	1,719
Others	1,039	635	3,257
Net cash used in investing activities	(7,631)	(4,796)	(1,276)
Financing Activities:			
Net decrease (increase) in short-term borrowings	974	(487)	1,922
Proceeds from long-term debt	-	119	120
Repayment of long-term debt	(1,209)	-	(587)
Purchase of treasury stock	(5)	(3)	(7)
Dividends paid	(851)	(638)	(1,384)
Others	12	154	172
Net cash (used in) provided by financing activities	(1,079)	(856)	236
Effect of exchange rate changes on cash and cash equivalents	(12)	34	55
Net increase (decrease) in cash and cash equivalents	108	(3,592)	9,994
Cash and cash equivalents, beginning of period / year	51,150	41,155	41,155
Decrease in cash and cash equivalents exclusion of a consolidated subsidiary	51	-	-
Cash and cash equivalents, end of period / year	51,310	37,563	51,150

Subsequent Events

1.Acquisition of treasury stocks

The Company executed the repurchase of its shares based on the resolution made at the board of directors' meeting held on September 30, 2005, under the provision of article 211-3, paragraph 1, item 2 of the commercial code of Japan, during the period from October 1, 2005 to October 31, 2005 as follows.

- (1) Type of shares: The Company's common stock
- (2) Total number of shares repurchased: 76,000 shares
- (3) Acquisition cost: 319 million yen

2. Disposal of treasury stocks

The Company disposed treasury stocks in lieu of issuance of new shares, when the warrants of Zero coupon convertible Bonds due 2023 were exercised during the period from October 1, 2005 to October 31, 2005 as follows.

- (1) Type and number of shares of disposal: The Company's common stock, 2,061,257 shares
- (2) Total book value of shares of disposal: 4,984 million yen
- (3) Total disposal price of shares : 5,215 million yen
- (4) Excess arising from disposal of treasury stocks: 230 million yen

Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Six months ended September 30, 2005		Six months ended September 30, 2004		Increase or (decrease)		Year ended March 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Wholesale	65,788	57.7	63,026	58.8	2,761	4.4	133,384	58.8
Retail	46,127	40.5	44,182	41.2	1,944	4.4	93,395	41.2
Others	2,000	1.8	-	-	2,000	-	-	-
Total	113,916	100.0	107,209	100.0	6,706	6.3	226,779	100.0

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

Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Six months ended September 30, 2005		Six months ended September 30, 2004		Increase or (decrease)		Year ended March 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Tires and wheels	20,402	17.9	18,971	17.7	1,430	7.5	45,965	20.3
Car electronics	36,878	32.4	34,156	31.9	2,722	8.0	65,358	28.8
Oil and batteries	8,180	7.2	8,269	7.7	(88)	(1.1)	16,564	7.3
Car exterior items	8,877	7.8	9,566	8.9	(689)	(7.2)	23,257	10.3
Car interior items	12,797	11.2	10,126	9.4	2,670	26.4	20,347	8.9
Motor sports goods And others	-	-	26,118	24.4	(26,118)	-	55,285	24.4
Motor sports goods	10,620	9.3	-	-	10,620	-	-	-
Service	6,461	5.7	-	-	6,461	-	-	-
Others	9,697	8.5	-	-	9,697	-	-	-
Total	113,916	100.	107,209	100.	6,706	6.3	226,779	100.

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Note: "Motor sports goods", "Service", "Others" which reclassifies from "Motor sports goods and others".
"Others" is Sales of Automobile, Rent revenue, Lease revenue and others.