

August 15, 2005

Summary of Quick Financial Announcement of Consolidated Financial Information for the First Quarter Ended June 30, 2005

Company name: AUTOBACS SEVEN CO., LTD.

Code number: 9832

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

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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

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

(2) Accounting policies that differ from the fiscal year ended March 31, 2005: Yes

Rent revenue and Lease revenue are reclassified to "Net Sales" and the cost corresponding to these revenues are reclassified to "Cost of goods sold".

And the cost corresponding to "Lease revenue - system equipment" is reclassified to "Non-operating expenses".

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

Number of consolidated companies: New:1 Excluded:0

Number of companies to which the equity method is applied: New:0 Excluded:1

2. Results for the three months ended (from April 1, 2005 to June 30, 2005)

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

(1) Results of operations:

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

	Net sales		Operating income		Ordinary income	
Three months ended June 30, 2005	59,656	5.2%	2,686	114.3%	3,841	75.2%
Three months ended June 30, 2004	56,711	-	1,253	-	2,193	-
(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)
Three months ended June 30, 2005	2,215	168.1%	62.45	-
Three months ended June 30, 2004	826	-	23.30	-
(Reference) Year ended March 31, 2005	2,928		79.85	

(2) Financial position:

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

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (Yen)
Three months ended June 30, 2005	207,833	150,304	72.3%	4,236.27
Three months ended June 30, 2004	205,214	147,827	72.0%	4,166.12
(Reference) Year ended March 31, 2005	203,224	148,982	73.3%	4,196.25

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Three months ended June 30, 2005	3,801	(1,605)	(3,273)	50,033
Three months ended June 30, 2004	(684)	(1,545)	(860)	38,037
(Reference) Year ended March 31, 2005	10,979	(1,276)	236	51,150

3. 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)
Semiannual	110,000	5,400	2,800	-
Annual	232,500	13,400	6,900	191.79

Note: 1. The estimated net income per share for the year ending March 31, 2006 will be 191.79 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	June 30, 2005		June 30, 2004		March 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Current assets						
Cash and deposits	38,679		38,170		51,306	
Trade notes and accounts receivable	17,358		16,881		12,919	
Marketable securities	18,115		3,747		5,124	
Inventories	19,389		20,298		17,247	
Deferred tax assets	2,467		2,271		1,906	
Accounts receivable-other	11,706		11,803		14,133	
Other current assets	3,205		3,330		2,285	
Allowance for doubtful receivables	(715)		(899)		(710)	
Total current assets	110,206	53.0	95,603	46.6	104,214	51.3
Fixed assets						
Tangible fixed assets						
Buildings and structures	23,189		26,650		23,917	
Land	20,927		25,449		21,070	
Other fixed assets	6,180		7,471		6,411	
Total tangible fixed assets	50,297		59,572		51,399	
Intangible fixed assets						
Goodwill	300		400		325	
Software	3,053		2,526		3,151	
Other intangible fixed assets	771		295		776	
Total intangible fixed assets	4,125		3,223		4,253	
Investments						
Investment securities	13,133		13,928		12,883	
Long-term loans	2,656		3,411		2,657	
Deferred tax assets	4,845		4,708		4,802	
Rental deposits	23,433		24,865		23,650	
Other investments	1,681		1,984		1,880	
Allowance for doubtful receivables	(2,548)		(2,081)		(2,516)	
Total investments	43,203		46,815		43,357	
Total fixed assets	97,626	47.0	109,611	53.4	99,010	48.7
Total assets	207,833	100.0	205,214	100.0	203,224	100.0

(Unit: Millions of Yen)

Liabilities and Shareholders' equity	June 30, 2005		June 30, 2004		March 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		
Current liabilities						
Trade notes and accounts payable-trade	19,805		19,265		14,335	
Short-term borrowings	2,533		1,918		4,863	
Income taxes payable	2,197		1,296		1,159	
Other current liabilities	13,361		13,035		14,252	
Total current liabilities	37,897	18.2	35,516	17.3	34,609	17.1
Long-term liabilities						
Bonds	8		8		8	
Zero coupon convertible bonds	10,000		10,000		10,000	
Long-term debt	344		1,728		415	
Liability for retirement benefits	355		1,407		385	
Accrued retirement benefits for directors and corporate auditors	429		119		429	
Other long-term liabilities	7,979		7,918		7,914	
Total long-term liabilities	19,117	9.2	21,182	10.3	19,153	9.4
Total liabilities	57,015	27.4	56,698	27.6	53,763	26.5
Minority interests	513	0.3	687	0.4	478	0.2
Shareholders' equity						
Common stock	31,958	15.4	31,958	15.6	31,958	15.7
Capital Surplus	32,241	15.5	32,241	15.7	32,241	15.9
Retained earnings	91,390	44.0	88,766	43.3	90,121	44.3
Net unrealized gain on available-for-sale securities	224	0.1	282	0.1	206	0.1
Foreign currency translation adjustments	(389)	(0.2)	(309)	(0.2)	(426)	(0.2)
Treasury stock, at cost	(5,120)	(2.5)	(5,111)	(2.5)	(5,118)	(2.5)
Total shareholders' equity	150,304	72.3	147,827	72.0	148,982	73.3
Total liabilities, minority interests and shareholders' equity	207,833	100.0	205,214	100.0	203,224	100.0

Consolidated Statements of Income

(Unit: Millions of Yen)

	Three months ended June 30, 2005		Three months ended June 30, 2004		Year ended March 31, 2005	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Net sales	59,656	100.0	56,711	100.0	226,779	100.0
Cost of goods sold	42,804	71.8	40,884	72.1	158,583	69.9
Gross profit	16,852	28.2	15,826	27.9	68,196	30.1
Selling, general and administrative expenses	14,166	23.7	14,573	25.7	60,827	26.8
Operating income	2,686	4.5	1,253	2.2	7,368	3.2
Non-operating income						
Interest income	52		73		209	
Equity income on affiliates	32		-		184	
Rental income	26		523		2,211	
Lease revenue - system equipment	216		210		862	
Other non-operating income	1,320		1,177		4,433	
Total non-operating income	1,648	2.7	1,984	3.5	7,900	3.5
Non-operating expenses						
Interest expenses	16		29		60	
Equity expenses on affiliates	-		30		-	
Loss on disposal of fixed assets	23		27		147	
Other non-operating expenses	452		956		2,366	
Total non-operating expenses	492	0.8	1,044	1.8	2,574	1.1
Ordinary income	3,841	6.4	2,193	3.9	12,694	5.6
Extraordinary gains						
Gain on sale of fixed assets	-		-		76	
Gain on sale of investment securities	-		-		609	
Reversal of allowance for doubtful receivables	55		-		577	
Total extraordinary gains	55	0.1	-	-	1,262	0.5
Extraordinary losses						
Loss on sale of fixed assets	-		186		554	
Impairment losses on fixed assets	-		-		4,384	
Reorganization of businesses	135		-		-	
Loss on arrangement of stores	-		-		1,146	
Other extraordinary losses	-		-		996	
Total extraordinary losses	135	0.2	186	0.4	7,081	3.1
Income before income taxes and minority interests	3,760	6.3	2,006	3.5	6,875	3.0
Income taxes - current	2,178	3.6	1,241	2.1	3,910	1.7
Income taxes - deferred	(617)	(1.0)	(43)	(0.1)	268	0.1
Minority interests	16	0.0	18	0.0	231	0.1
Net income	2,215	3.7	826	1.5	2,928	1.3

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

	Three months ended June 30, 2005 Amount	Three months ended June 30, 2004 Amount	Year ended March 31, 2005 Amount
Operating Activities:			
Income before income taxes and minority interests	3,760	2,006	6,875
Depreciation and amortization	905	1,290	5,536
Impairment losses on fixed assets	-	-	4,384
Lease revenue	-	(564)	(2,164)
Increase in trade notes and accounts receivable	(1,946)	(2,852)	(1,286)
Increase (decrease) in inventories	(2,110)	(1,571)	1,492
Increase in trade notes and accounts payable	5,421	5,129	135
Others	(1,181)	(811)	1,569
Subtotal	<u>4,848</u>	<u>2,626</u>	<u>16,545</u>
Interest and dividend received	109	188	792
Interest paid	(16)	(29)	(80)
Taxes paid	(1,140)	(3,470)	(6,276)
Net cash provided by (used in) operating activities	<u>3,801</u>	<u>(684)</u>	<u>10,979</u>
Investing Activities:			
Payment for marketable securities	(1,502)	-	(4,814)
Payment for tangible and intangible fixed assets other than software	(267)	(1,313)	(4,491)
Payment for software development	(331)	-	(1,857)
Acquisition of investment securities	(1,301)	(2,075)	(5,369)
Disposition of investment securities	1,030	1,533	6,382
Payment for loans	(250)	-	(1,303)
Collection of loans	270	268	1,980
Payment for rental deposits	(59)	(605)	(1,741)
Lease revenue	-	449	1,719
Others	806	197	8,217
Net cash used in investing activities	<u>(1,605)</u>	<u>(1,545)</u>	<u>(1,276)</u>
Financing Activities:			
Net (decrease) increase in short-term borrowings	(2,313)	(326)	1,922
Repayments of long-term debt	(99)	-	(587)
Purchase of treasury stock	(2)	(1)	(7)
Dividends paid	(851)	(638)	(1,384)
Others	(6)	105	292
Net cash (used in) provided by financing activities	<u>(3,273)</u>	<u>(860)</u>	<u>236</u>
Effect of exchange rate changes on cash and cash equivalents	(39)	(26)	55
Net (decrease) increase in cash and cash equivalents	(1,116)	(3,117)	9,994
Cash and cash equivalents, beginning of the period / year	51,150	41,155	41,155
Cash and cash equivalents, end of the period / year	<u>50,033</u>	<u>38,037</u>	<u>51,150</u>

Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Three months ended June 30, 2005		Three months ended June 30, 2004		Year ended March 31, 2005	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Wholesale	35,759	60.0	35,370	62.4	133,384	58.8
Retail	22,919	38.4	21,341	37.6	93,395	41.2
Others	977	1.6	-	-	-	-
Total	59,656	100.0	56,711	100.0	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	Three months ended June 30, 2005		Three months ended June 30, 2004		Year ended March 31, 2005	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Tires and wheels	10,596	17.8	10,437	18.4	45,965	20.3
Car electronics	19,232	32.2	18,629	32.9	65,358	28.8
Oil and batteries	3,965	6.6	3,955	7.0	16,564	7.3
Car exterior items	4,499	7.5	5,065	8.9	23,257	10.3
Car interior items	6,069	10.2	5,280	9.3	20,347	8.9
Motor sports goods and others	-	-	13,343	23.5	55,285	24.4
Motor sports goods	5,225	8.8	-	-	-	-
Services	3,031	5.1	-	-	-	-
Others	7,036	11.8	-	-	-	-
Total	59,656	100.0	56,711	100.0	226,779	100.0

Note: "Motor sports goods", "Services" and "Others" are reclassified from "Motor sports goods and others".
"Others" is Sales of Automobile, Rent revenue, Lease revenue and others.