

Results for the Nine Months Ended December 31, 2017



January 30, 2018

AUTOBACS SEVEN CO., LTD.

Q3 FY March 2018 Consolidated P/L



(Billion Yen)

	Nine months ended Dec. 31, 2017			Nine months ended Dec. 31, 2016	
	Actual result	% of Sales	YoY change	Actual result	% of Sales
Net sales	164.6	100.0%	+2.4%	160.6	100.0%
Gross profit	52.2	31.7%	+1.6%	51.4	32.0%
SG&A	44.8	27.2%	-0.9%	45.2	28.2%
Operating income	7.3	4.5%	+20.0%	6.1	3.8%
Non-operating Income/expenses	1.0	0.6%	+11.3%	0.9	0.6%
Ordinary income	8.4	5.1%	+18.8%	7.1	4.4%
Extraordinary gains	0.2	0.2%	-	-	-
Extraordinary losses	0.7	0.5%	-	-	-
Net profit*	5.2	3.2%	+13.9%	4.6	2.9%

Amounts are rounded down. % of Net Sales and YoY comparisons are calculated in the single digits.

*Net profit = Profit attributable to owners of parent

Major Index of FY Q1~Q3 March 2018



Consolidated Sales YoY +2.4%

Gross Margin Q1~Q3 FY 2018 Q1~Q3 FY 2017
31.7% ← 32.0%

SG&A YoY 410 Million Yen decreased

Operating Income Q1~Q3 FY 2018 Q1~Q3 FY 2017
7.39 Billion Yen ← 6.15 Billion Yen

Extraordinary gains 290 Million Yen Sales gain from investment securities

Extraordinary Losses 780 Million Yen Loss on liquidation of subsidiaries and affiliates due to store transfer, etc.

Points for the 3rd Quarter of FY March 2018

- Increase in demand for automotive goods and services due primarily to an increase in tire prices, demand for snow tires caused by cold weather, and public interest in dashboard camera
- Brisk sales of stores due to measures for the reduction of the wholesale prices applicable to the franchisees
- Increase in earnings of domestic store subsidiaries thanks to strong tire sales and continuous efforts to raise gross profit
- Decrease in selling, general, and administrative expenses as a whole despite an increase in the portion spent on improving TV ads, etc.
- Low profit at car purchase stores and in the BtoB Business due to the cost of establishing the business incurred ahead of operation and challenges in the business environment

Segment Information



(Billion Yen)

		Nine months ended Dec. 31, 2017	Nine months ended Dec 31, 2016	YoY	Summary
Domestic AUTOBACS Business	Sales	140.18	143.25	-2.1%	Both the wholesale and retail businesses delivered strong performances. Net sales decreased due largely to store transfers to the franchisees. The purchase cost ratio of the franchisees was reduced. Total SG&A expenses decreased despite increased expenses for TV ads, etc.
	Gross margin	44.25	45.00	-1.7%	
	SG&A	30.34	32.56	-6.8%	
	Operating income	13.90	12.43	+11.8%	
Overseas Business	Sales	6.90	6.01	+14.8%	Overall, it was almost on a par with the level in the same period of the previous year. Revenue in France increased thanks to the economic recovery, etc. Payment of expenses preceded business expansion in Singapore and Thailand.
	Gross margin	3.50	3.05	+14.5%	
	SG&A	3.95	3.51	+12.6%	
	Operating income	-0.45	-0.45	-	
Used car buying, Car dealer and B to B Business	Sales	23.30	17.19	+35.5%	In the car dealer business, the number of stores increased due to the acquisition of Motoren Tochigi Corp. and business in Nerima-ku, Tokyo. Meanwhile, profit decreased in car purchases and the BtoB Business due to increased expenses ahead of the operations.
	Gross margin	4.36	3.25	+34.1%	
	SG&A	5.40	3.61	+49.4%	
	Operating income	-1.04	-0.36	-	
Others	Operating income	0.05	0.03	+53.0%	
Reconciling items	Operating income	-5.07	-5.49	-	

Amounts are rounded down.

% of Net Sales and YoY comparisons are calculated in the single digits.

Quarterly P/L



(Billion Yen)

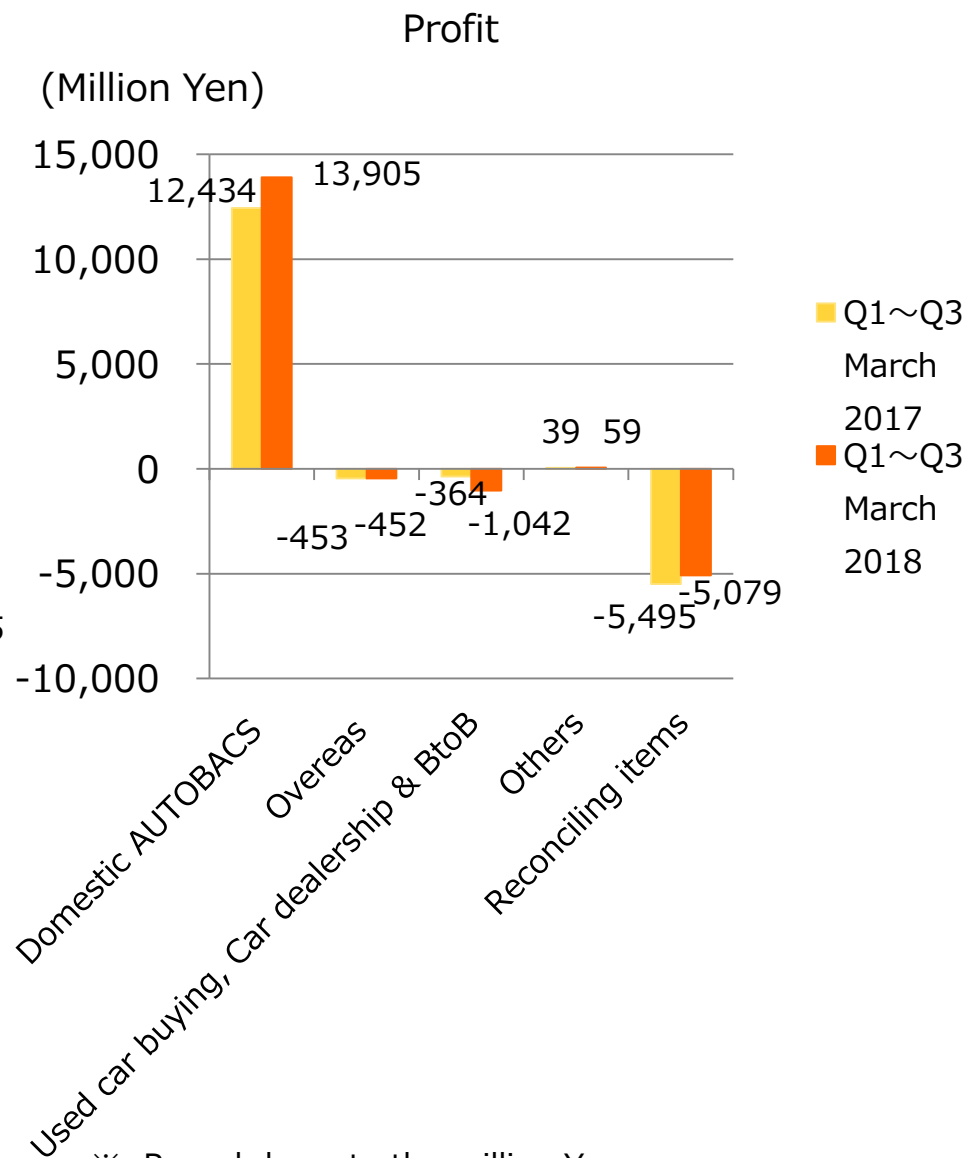
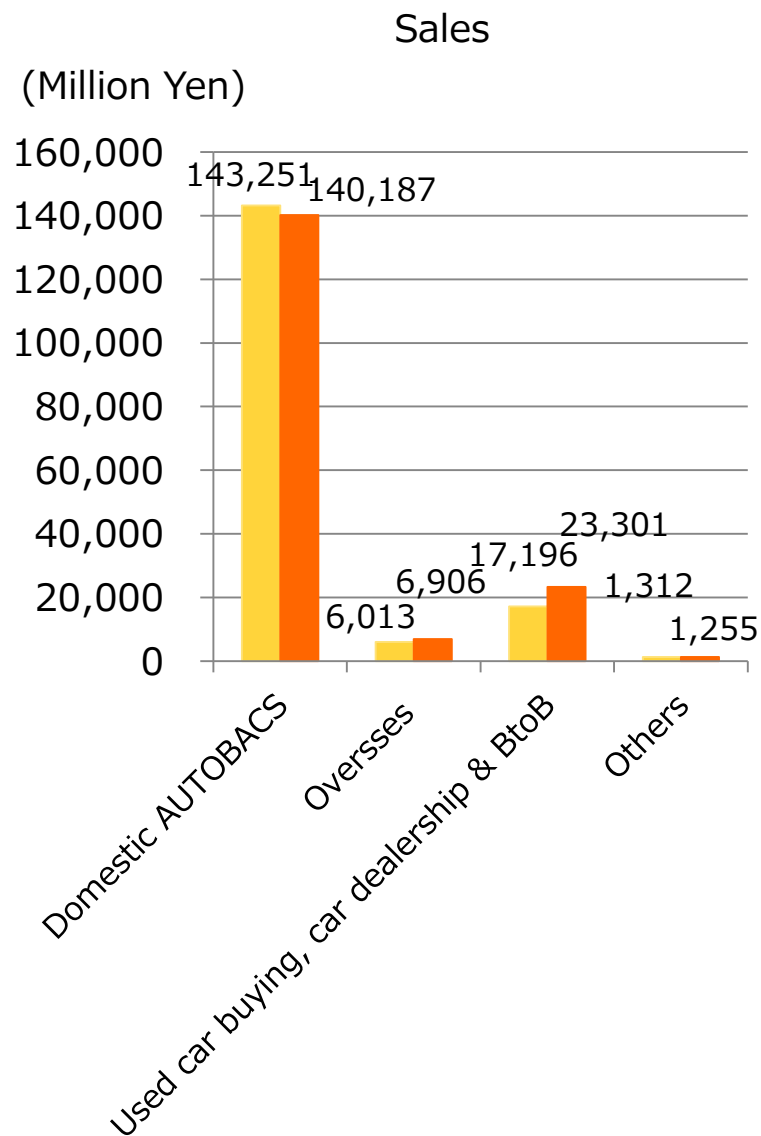
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter (Estimate-result)	FY March 2018 (Estimate)
Net sales	49.9	48.1	66.5	40.3	205.0
YoY	+5.1%	+1.8%	+1.0%	-6.8%	+0.5%
Gross margin (% of Sales)	15.3 (30.7%)	16.3 (34.0%)	20.5 (30.9%)	14.4 (35.8%)	66.7 (32.5%)
YoY	+3.2%	+3.6%	-1.1%	-1.9%	+0.8 %
SG&A	14.9	14.8	15.0	14.8	59.7
YoY	+2.0%	-0.9%	-3.7%	-1.5%	-1.0%
Operating income	0.3	1.5	5.5	-0.3	7.0
YoY	+96.9%	+86.3%	+6.9%	—	+20.1%
Ordinary income	0.6	1.8	5.9	-0.9	7.5
Net profit	0.3	1.0	3.9	-0.0	5.2
Same store sales	+5.6%	-2.9%	+1.4%	※+1.1%	+0.9%

※Estimate

Amounts are rounded down.

% of Net Sales and YoY comparisons are calculated in the single digits. 6

Sales and profits of Reporting Segments



※ Round down to the million Yen
 ※ Before elimination of transaction between segments

Non-Consolidated and Domestic Store Subsidiaries

(Million Yen)

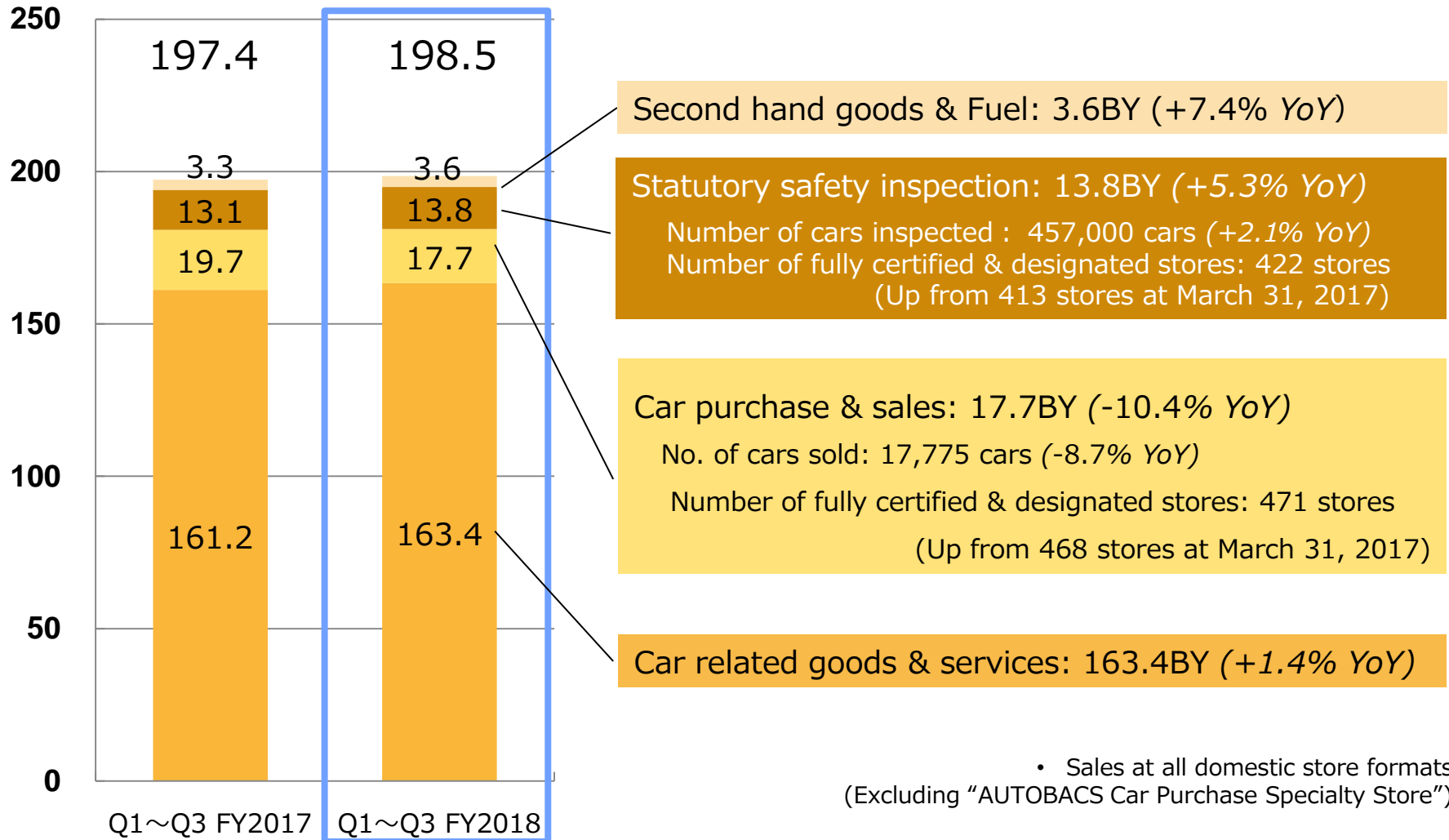
	Non-consolidated		Domestic Store Subsidiaries	
	Results	YoY	Results	YoY
Net Sales	125,033	+897	44,227	-7,637
Gross Margin(%)	26,083 (20.9%)	+883 (+0.6pt)	18,793 (42.5%)	-1,573 (+3.2pt)
SG&A	19,963	+526	17,333	-2,818
Operating Income	6,119	+357	1,460	+1,245
	<ul style="list-style-type: none"> • Despite measures taken to reduce wholesale gross margin for revitalizing stores, the total gross margin increased thanks to strong results of tire sales, car purchases, etc. • SG&A expenses increased, due chiefly to increased advertising such as TV commercials. 		<ul style="list-style-type: none"> • Net sales and operating loss decreased due to the business transfer of Autobacs Hokkaido and Yamagata. • Efforts such as reducing obsolete inventory to raise gross margin continued in addition to strong tire sales. 	

Retail Sales in Total AUTOBACS Group Stores



Retail Sales Including FCs: 198.5 billion yen (+0.6% YoY)

(Billion Yen)



Performance by Overseas Subsidiaries



	FRANCE		THAILAND		SINGAPORE		CHINA		MALAYSIA	
Number of stores at Dec. 31, 2017 -including FC stores-	11		8		3		0		5	
Period	9 months FY March 2018	9 months FY March 2017	9 months FY March 2018	9 months FY March 2017	9 months FY March 2018	9 months FY March 2017	9 months FY March 2018	9 months FY March 2017	9 months FY March 2018	9 months FY March 2017
Net sales (Million Yen)	5,180	4,590	280	200	1,050	940	340	200	20	10
SG&A (Million Yen)	2,750	2,480	170	140	460	360	120	80	40	40
Operating income (Million Yen)	-0	-60	-90	-80	60	90	0	0	-30	-40
Business conditions	In addition to the trend of economic recovery, sales of tires and services with safety inspections grew, resulting in profit growth.		Newly opened small outlets and existing large outlets further developed alliances, resulting in sales growth. In an alliance with the gas station chain PTG, the Company carried out preparations for store openings at gas stations.		Strengthened new businesses such as a service business for vehicles used for car sharing and the wholesale of automotive goods and services for retailers.		Investing in a company operating a platform for the sale of automotive goods and services and the manufacture and sale of on-board aromatics with the aim of expanding the wholesale business.		Losses are reduced mainly by opening new stores that help increase sales and by closing unprofitable stores.	

Amounts are rounded down to the million Yen.

Store Openings and Closings (Plan)



Domestic stores

	No. of stores as of March 31, 2017	Fiscal year ending March 31, 2018							No. of stores as of March 31, 2018 (Plan)
		Q1~Q3 (results)			No. of stores as of Dec. 31, 2017	Q4 (Plan)			
		New	S/B・R/L	Close		New	S/B・R/L	Close	
AUTOBACS	495	+5		-2	498	+1		-2	497
Super AUTOBACS	74				74				74
AUTOBACS Secohan Ichiba	9				9				9
AUTOBACS EXPRESS	11				11				11
AUTOBACS CARS	12	+2		-1	13				13
Total	601	+7		-3	605	+1		-2	604

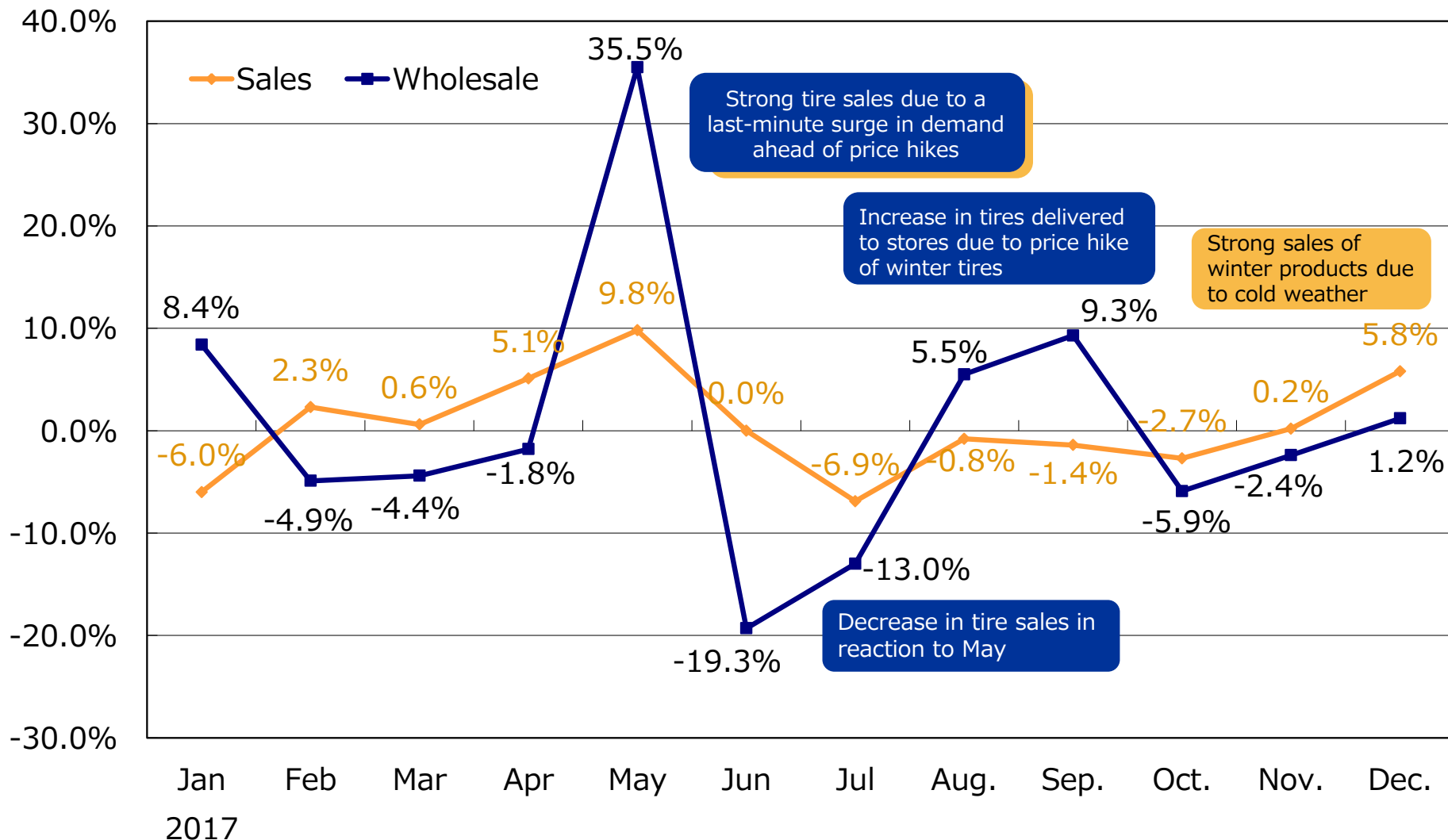
S/B=Scrap & Build, R/L=Relocation

Overseas stores

Country / Region	No. of stores as of March 31, 2017	FY March 2018(Results & Forecasts)			No. of stores as of Mar 31, 2018 (Plan)
		Q1~Q3 (results)	No. of stores as of Dec 31, 2017	Q4 (Plan)	
France	11		11		11
Thailand	8	+1/-1	8	+5	13
Singapore	2	+1	3		3
Taiwan	6		6		6
Malaysia	4	+2/-1	5		5
Indonesia	5	-1	4	+1	5
Philippines	2	+1	3	+1	4
Total	38	+5/-3	40	+7	47

Sales Trend: Retail & Wholesale

【YoY change for the last 12 months】



* Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

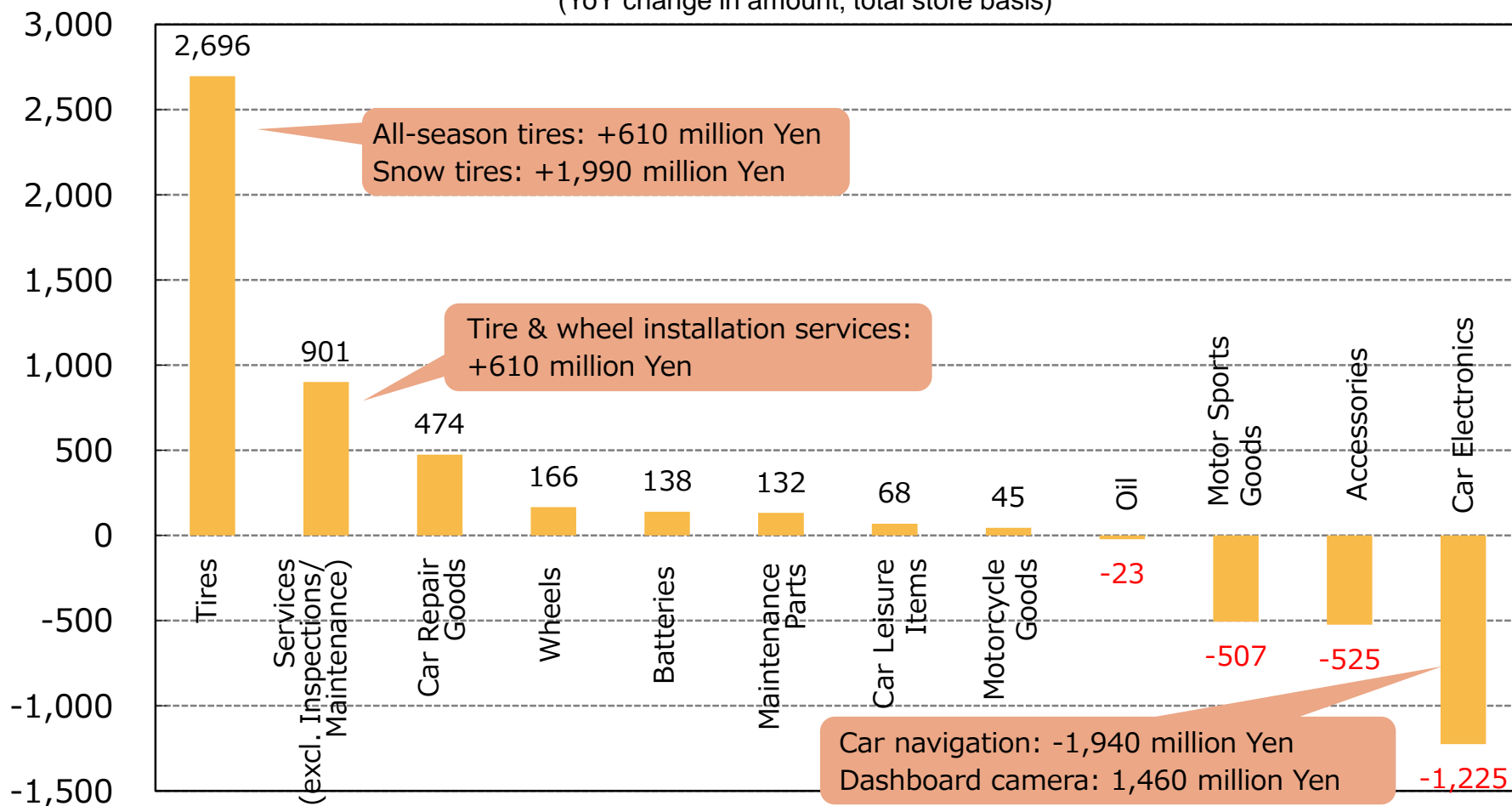
Sales Variance by Merchandise (Q1~Q3 FY2018)

【Same store basis】 Sales: +1.2% YoY, Number of customers: -1.4% YoY

Sales* changes by merchandise category

(Million Yen)

(YoY change in amount; total store basis)

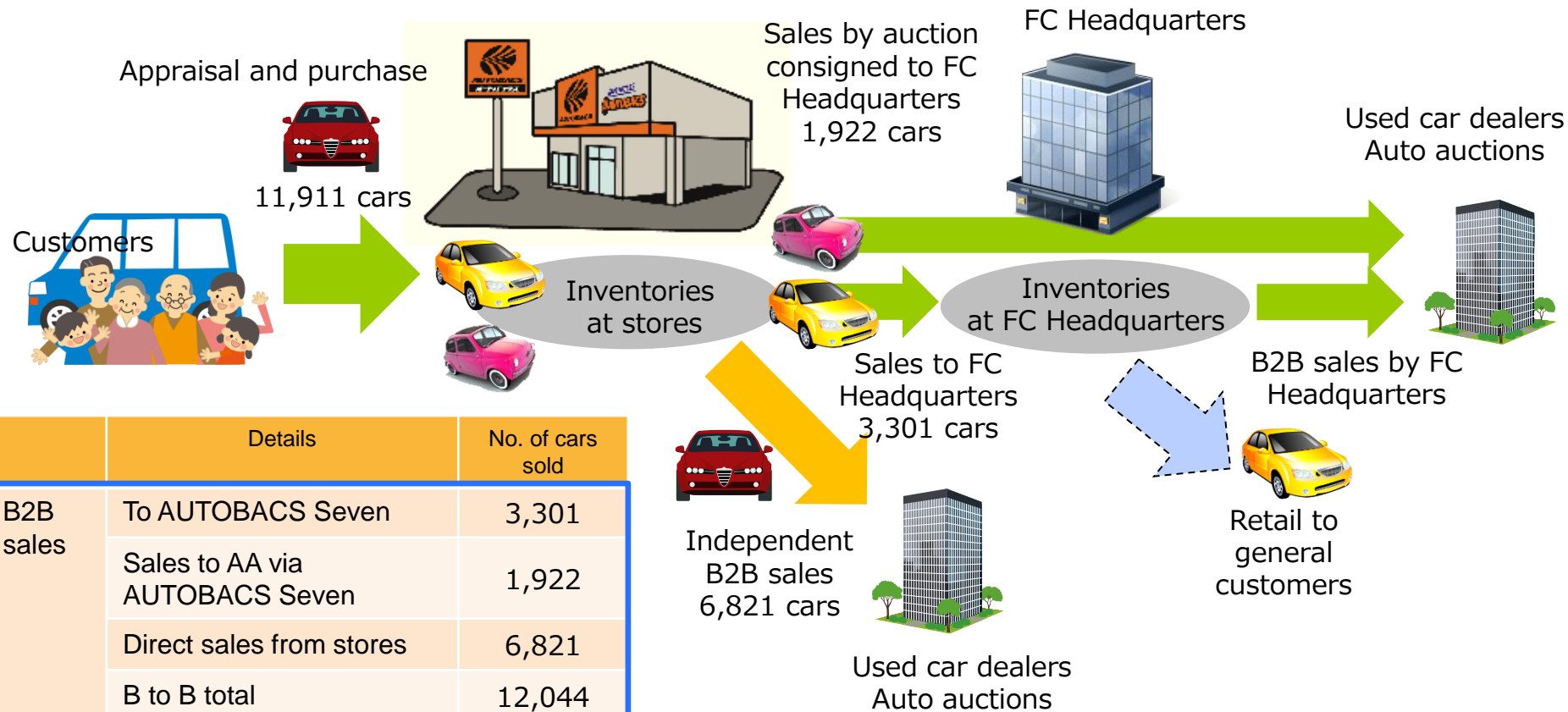


* Include sales at domestic AUTOBACS-chain stores including FCs; all store formats (AUTOBACS, Super AUTOBACS, CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

Automobile purchase and sales (1)

Commercial flow of car purchase and B2B sales

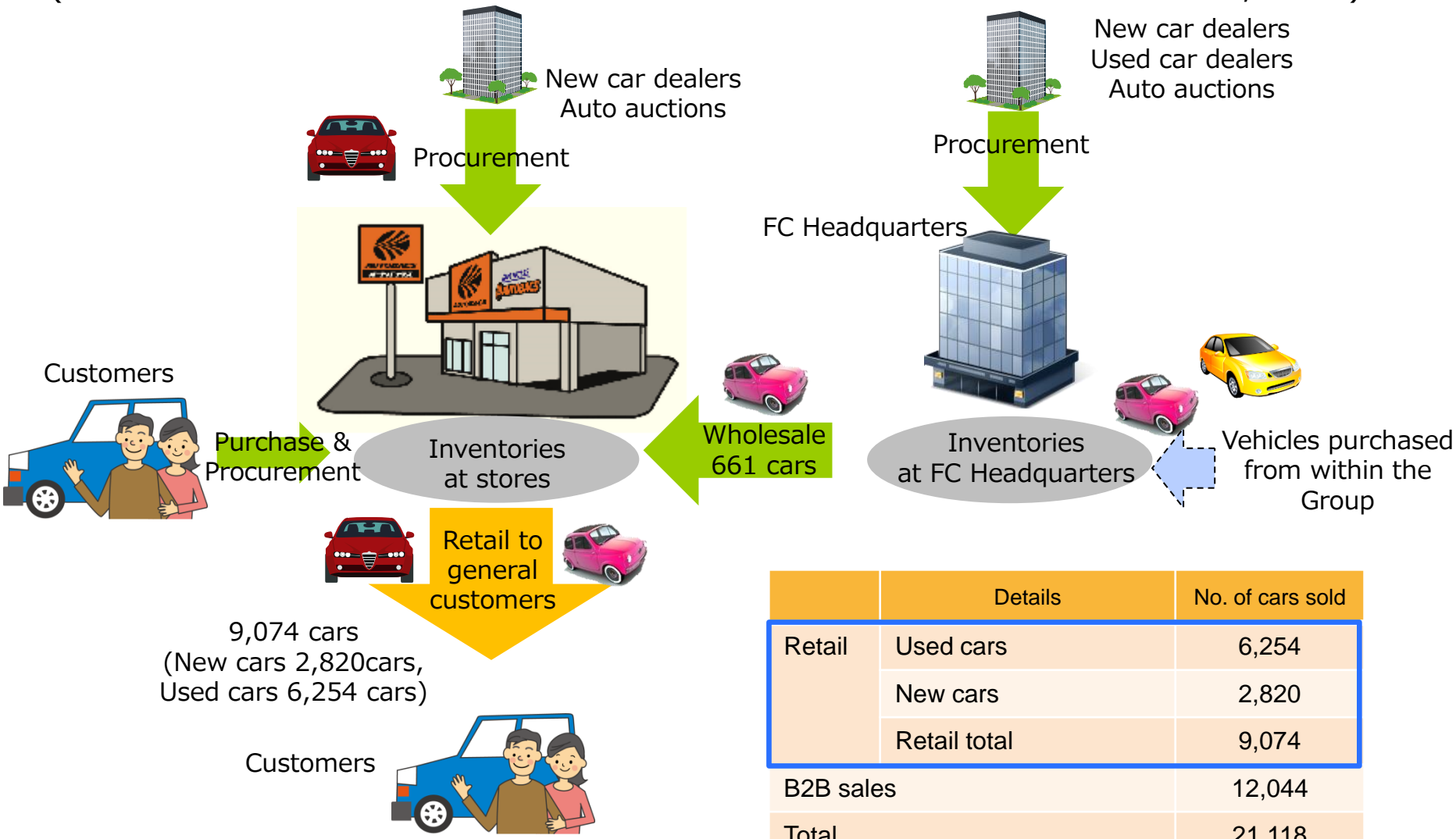
(No. of cars denotes cumulative units for the nine months ended Dec. 31, 2017)



Automobile purchase and sales (2)

Commercial flow of retail sales

(No. of cars denotes cumulative units for the nine months ended Dec. 31, 2017)



	Details	No. of cars sold
Retail	Used cars	6,254
	New cars	2,820
	Retail total	9,074
B2B sales		12,044
Total		21,118

Domestic New Store Openings (From Sep.1st, to Dec.31st, 2017)



	Store Name	Location (Prefecture)	Owner of store	Open Date
1	AUTOBACS HAKUI Store	Ishikawa	Franchise	Oct. 6 , 2017
2	AUTOBACS CARS Fukuoka Airport Store	Fukuoka	Direct	Oct. 17 , 2017
3	AUTOBACS Mini AEON Mall Kofu Showa	Yamanashi	Direct	Nov. 23, 2017
4	AUTOBACS Mini AEON Ujina	Hiroshima	Direct	Dec. 13, 2017



AUTOBACS
HAKUI Store



AUTOBACS CARS
Fukuoka Airport Store



AUTOBACS Mini
AEON Mall Kofu Showa



AUTOBACS Mini
AEON Ujina

Store transfer of store subsidiaries in North east area in Japan

- Transfer of 2 stores in the Iwate area to a franchisee (February 17, 2018)
- Transfer of 11 stores in the Miyagi area and 4 stores in the Akita area to a franchisee (March 1, 2018)

As of March 31, 2018 (plan) Domestic store subsidiaries: 108 stores operated by 16 companies

Used Car Buying, Car Dealer and BtoB Business

The operation of new import car dealers commenced in Nerima-ku, Tokyo (November 2017).

The number of authorized BMW and MINI dealers will total 11 stores and facility.



Nerima BMW: new car showroom



BMW Premium Selection Nerima



MINI Nerima

First Physical JACK & MARIE Store



Store name: JACK & MARIE Yokohama Bay Quarter

Scheduled opening: Friday, March 16, 2018

Floor space: approx. 210 sq. meters (approx. 63 tsubo)

Number of products offered: approx. 2,000

The opening of physical JACK & MARIE stores is also planned in and after the next fiscal year.

Balance Sheet / Assets



203.0BY

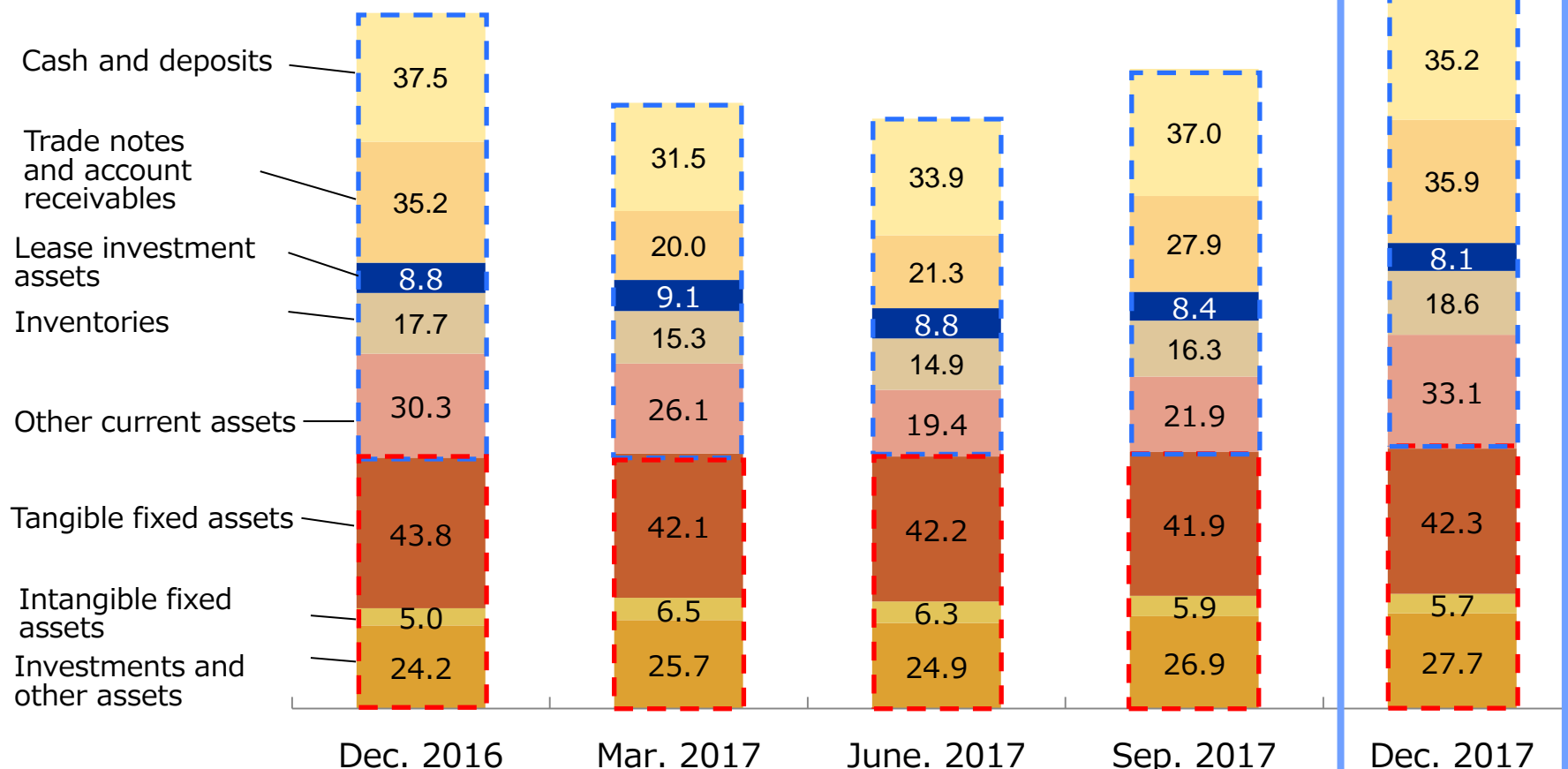
176.7BY

172.2BY

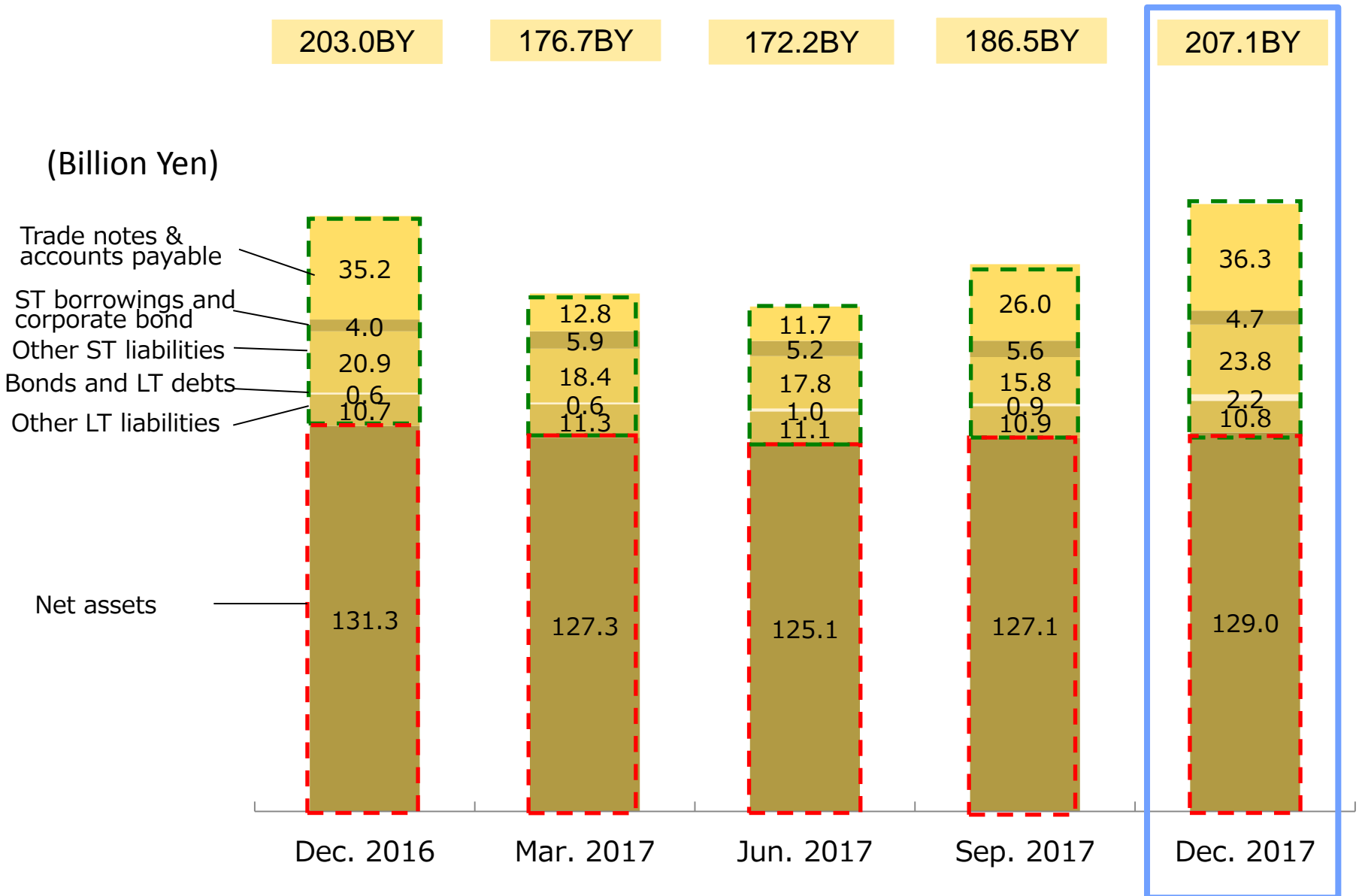
186.5BY

207.1BY

(Billion Yen)



Balance Sheet / Liabilities & Net Assets

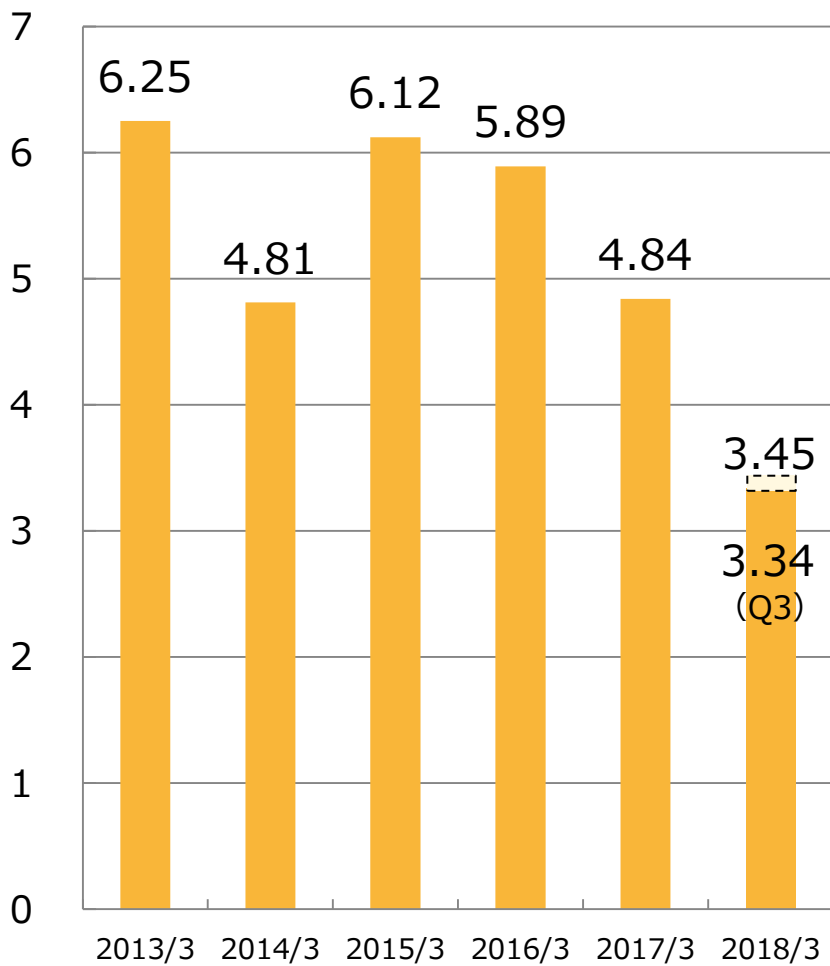


CAPEX and Depreciation



CAPEX

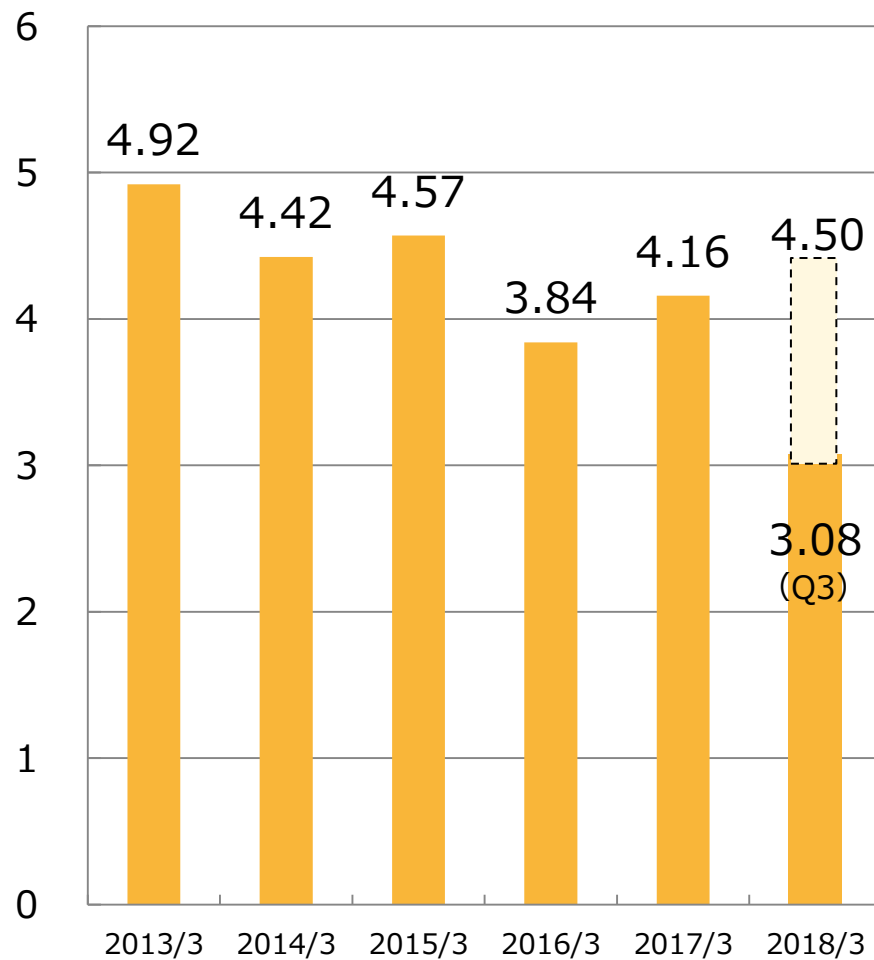
(Billion Yen)



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Depreciation

(Billion Yen)

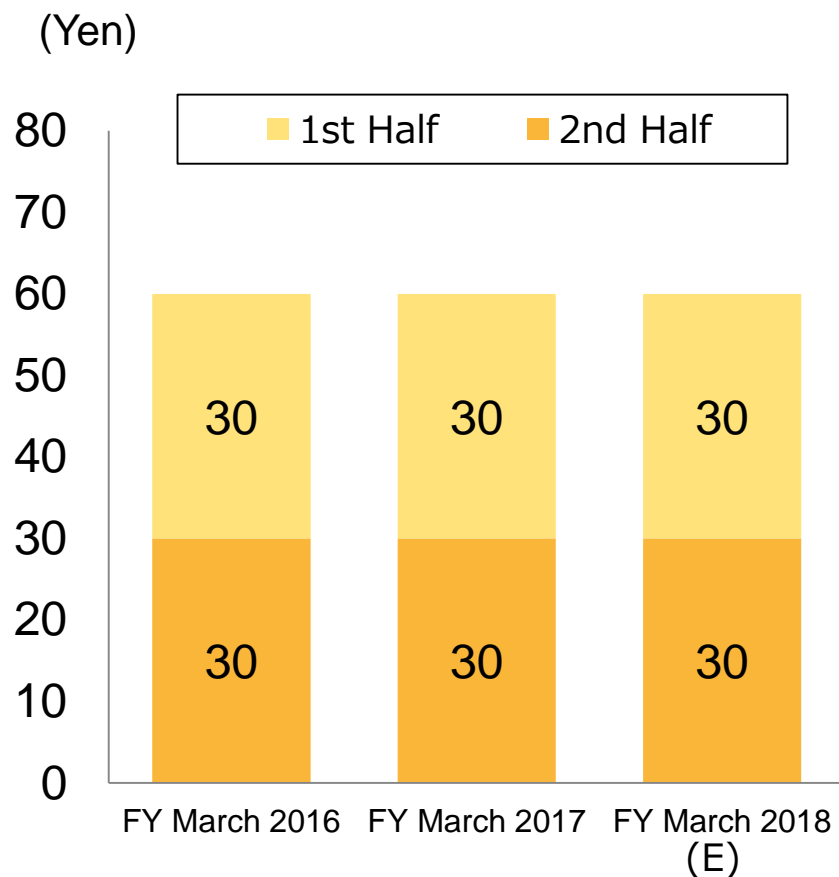


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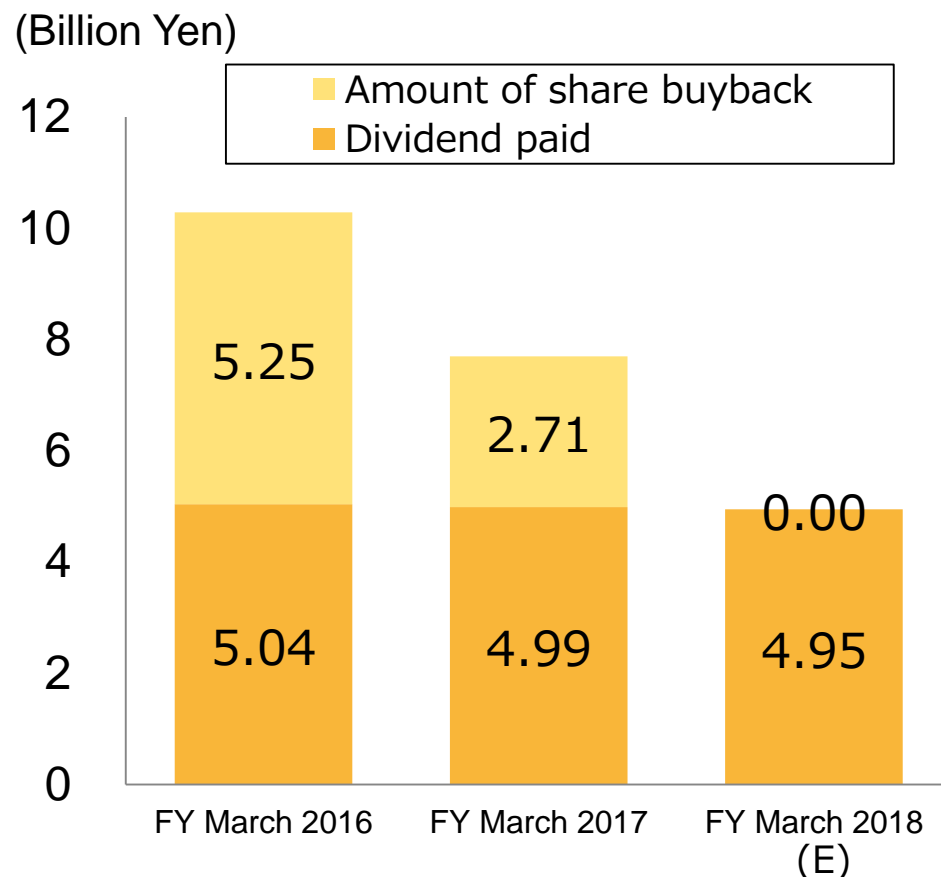
Shareholders Return



Dividends per share



Dividends and share buyback





Forward-Looking Statements

These materials include forecasts regarding the Company's future plans, strategies, and performance. This information is based on judgments and estimates made in accordance with information currently available. Actual results may differ materially from forecasts due to such factors as changes in operating circumstances.