

May 23, 2005

**Summary of Quick Financial Announcement of Consolidated Financial Information For the Year Ended March 31, 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

Contact for further information : Hidehiro Ide, Director

Telephone : +81-3-6219-8728

Date of the Board of Directors' meeting for approval of annual accounts : May 23, 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 fiscal term (From April 1, 2004 to March 31, 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, % of increase or decrease(-))

	Net sales		Operating income		Ordinary income	
Year ended March 31, 2005	226,779	-0.1%	7,368	18.6%	12,694	21.1%
Year ended March 31, 2004	227,077	-1.5%	6,210	-18.8%	10,480	2.0%

  

	Net income		Basic net income per share(Yen)	Basic net income per share-diluted(Yen)
Year ended March 31, 2005	2,928	-46.2%	79.85	-
Year ended March 31, 2004	5,443	36.0%	149.80	-

  

	Net income to shareholders' equity	Ordinary income to total assets	Ordinary income to net sales
Year ended March 31, 2005	2.0%	6.3%	5.6%
Year ended March 31, 2004	3.7%	5.4%	4.6%

Notes: 1. Equity income on affiliates : 184 million Yen

(Equity expenses affiliates for the year ended March 31, 2004 : -17 million Yen)

2. The weighted average number of shares used in computing net income per share : 35,482,337  
(For the year ended March 31, 2004 : 35,850,561)

3. Changes in accounting policies : Yes

Accounting standards for impairment of fixed assets, "Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (August 9, 2002) issued by Business Accounting Deliberation Council and Financial Accounting Standards Implementation Guidance No.6 "Implementation Guidance on Accounting Standard for Impairment of Fixed Asset" (October 31, 2003), permit early adoption of these standards to the financial statements for the year ending March 31, 2004 or after and therefore the Company adopted these standards in this fiscal year. The effect of this early adoption is to decrease income

- before income taxes and minority interests by 4,384 million Yen.
4. Regarding net sales, operating income, ordinary income and net income, percentages show changes from the previous year.

(2) Financial position:

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

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (Yen)
Year ended March 31, 2005	203,224	148,982	73.3%	4,196.25
Year ended March 31, 2004	202,760	147,532	72.8%	4,153.92

Note: Number of shares outstanding: 35,481,179  
(For the year ended March 31, 2004: 35,483,316)

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Year ended March 31, 2005	10,979	(1,276)	236	51,150
Year ended March 31, 2004	13,807	(645)	4,605	41,155

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

Number of consolidated subsidiaries	60
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	10
Equity method	Addition	None
	Exclusion	2

2. Forecast for the next year (from April 1, 2005 to March 31, 2006)

(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income
Semiannual	110,000	5,400	2,800
Annual	232,500	13,400	6,900

- Notes: 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**

	(March 31, 2005)		(March 31, 2004)	
	Amount	Ratio	Amount	Ratio
		%		%
<b>Current assets</b>				
Cash and deposits	51,306		41,316	
Trade notes and accounts receivable	12,919		12,456	
Marketable securities	5,124		4,776	
Inventories	17,247		18,731	
Deferred tax assets	1,906		2,195	
Short-term loans	841		1,031	
Accounts receivable-other	14,133		13,372	
Other current assets	1,444		1,628	
Allowance for doubtful receivables	(710)		(1,149)	
Total current assets	<u>104,214</u>	<u>51.3</u>	<u>94,358</u>	<u>46.5</u>
<b>Fixed assets</b>				
<b>Tangible fixed assets</b>				
Buildings and structures	23,917		26,561	
Machinery, equipment and vehicle	1,298		1,478	
Tools, furniture and fixtures	4,940		5,912	
Land	21,070		26,064	
Construction in progress	172		277	
Total tangible fixed assets	<u>51,399</u>	<u>25.3</u>	<u>60,294</u>	<u>29.8</u>
<b>Intangible fixed assets</b>				
Goodwill	325		324	
Software	3,151		2,456	
Other intangible fixed assets	776		298	
Total intangible fixed assets	<u>4,253</u>	<u>2.1</u>	<u>3,079</u>	<u>1.5</u>
<b>Investments</b>				
Investment securities	12,883		12,277	
Long-term loans	2,657		3,392	
Deferred tax assets	4,802		4,782	
Rental deposits	23,650		24,662	
Other investments	1,880		1,687	
Allowance for doubtful receivables	(2,516)		(1,773)	
Total investments	<u>43,357</u>	<u>21.3</u>	<u>45,028</u>	<u>22.2</u>
Total fixed assets	<u>99,010</u>	<u>48.7</u>	<u>108,402</u>	<u>53.5</u>
<b>Total assets</b>	<u>203,224</u>	<u>100.0</u>	<u>202,760</u>	<u>100.0</u>

(Unit: Millions of Yen)

**Liabilities and Shareholders' equity**

	(March 31, 2005)		(March 31, 2004)	
	Amount	Ratio	Amount	Ratio
				%
<b>Current liabilities</b>				
Trade notes and accounts payable-trade	14,335		14,136	
Short-term borrowings	4,863		2,130	
Income taxes payable	1,159		3,525	
Other current liabilities	14,252		13,891	
Total current liabilities	34,609	17.1	33,684	16.6
<b>Long-term liabilities</b>				
Bonds	8		8	
Zero coupon convertible bonds	10,000		10,000	
Long-term debt	415		1,680	
Deferred tax liabilities	393		395	
Liability for retirement benefits	385		1,394	
Accrued retirement benefits for directors and corporate auditors	429		159	
Other long-term liabilities	7,520		7,197	
Total long-term liabilities	19,153	9.4	20,835	10.3
Total liabilities	53,763	26.5	54,519	26.9
<b>Minority interests</b>	478	0.2	708	0.3
<b>Shareholders' equity</b>				
Common stock	31,958	15.7	31,958	15.8
Capital surplus	32,241	15.9	32,241	15.9
Retained earnings	90,121	44.3	88,651	43.7
Net unrealized gain (loss) on available-for-sale securities	206	0.1	192	0.1
Foreign currency translation adjustments	(426)	(0.2)	(400)	(0.2)
Treasury stock, at cost	(5,118)	(2.5)	(5,111)	(2.5)
Total shareholders' equity	148,982	73.3	147,532	72.8
<b>Total liabilities, minority interests and shareholders' equity</b>	203,224	100.0	202,760	100.0

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

	Year ended March 31, 2005		Year ended March 31, 2004	
	Amount	Ratio	Amount	Ratio
<b>Net sales</b>	226,779	100.0	227,077	100.0
Cost of goods sold	158,583	69.9	159,271	70.1
<b>Gross profit</b>	68,196	30.1	67,806	29.9
Selling, general and administrative Expenses	60,827	26.8	61,595	27.1
<b>Operating income</b>	7,368	3.2	6,210	2.8
Non-operating income				
Interest income	209		233	
Dividend income	86		124	
Equity income on affiliates	184		-	
Rental income	2,211		2,271	
Lease revenue – system equipment	862		836	
Other non-operating income	4,346		3,542	
<b>Total non-operating income</b>	7,900	3.5	7,009	3.0
Non-operating expenses				
Interest expenses	60		99	
Equity expenses on affiliates	-		17	
Loss on disposal of fixed assets	147		190	
Other non-operating expenses	2,366		2,431	
<b>Total non-operating expenses</b>	2,574	1.1	2,738	1.2
<b>Ordinary income</b>	12,694	5.6	10,480	4.6
Extraordinary gains				
Gain on sale of investment securities	609		467	
Gain on sale of securities of subsidiary Companies	-		112	
Reversal of allowance for doubtful receivables	577		702	
Gain on sale of fixed assets	76		-	
<b>Total extraordinary gains</b>	1,262	0.5	1,283	0.5
Extraordinary losses				
Loss on sale and disposal of fixed assets	653		158	
Impairment losses on fixed assets	4,384		-	
Loss on write-down of land	-		377	
Loss on arrangement of stores	1,146		166	
Loss on sale and write down of investment securities	25		266	
Loss on arrangement of stores in Europe	-		1,167	
Provision for directors' retirement allowance	226		-	
Cost of transition to defined contribution pension plan	339		-	
Loss on write-down of inventories	107		-	
Other extraordinary losses	198		-	
<b>Total extraordinary losses</b>	7,081	3.1	2,137	0.9
<b>Income before income taxes and minority interests</b>	6,875	3.0	9,626	4.2
Income taxes – current	3,910	1.7	5,948	2.6
Income taxes – deferred	268	0.1	(1,764)	(0.8)
Minority interests	231	0.1	1	0.0
<b>Net income</b>	2,928	1.3	5,443	2.4

**Consolidated Statements of Capital Surplus and Retained Earnings**  
(Unit: Millions of Yen)

	Year ended March 31, 2005	Year ended March 31, 2004
<b>(Capital surplus)</b>		
<b>Capital surplus at beginning of year</b>	32,241	32,241
Increase in capital surplus		
Issuance of common stock	-	-
Gain on disposal of treasury stock	-	-
Decrease in capital surplus		
Loss on disposal of treasury stock	-	0
<b>Capital surplus at end of year</b>	<b>32,241</b>	<b>32,241</b>
<b>(Retained earnings)</b>		
<b>Retained earnings at beginning of year</b>	88,651	84,523
Increase in retained earnings		
Net income	2,928	5,443
Decrease in retained earnings		
Cash dividends	(1,384)	(1,303)
Bonuses to directors and corporate auditors	(73)	(10)
Loss on disposal of treasury stock	0	(1)
<b>Retained earnings at end of year</b>	<b>90,121</b>	<b>88,651</b>

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Year ended March 31, 2005	Year ended March 31, 2004
<b>Operating activities:</b>		
Income before income taxes and minority interests	6,875	9,626
Depreciation and amortization	5,536	5,798
Impairment losses on fixed assets	4,384	-
Loss on arrangement in subsidiary Companies	1,146	166
Amortization of goodwill	82	159
Provision for (reversal of) doubtful receivables	186	(501)
Reversal of retirement benefits	(1,009)	(25)
Increase (Decrease) in retirement benefits for directors and corporate auditors	270	(74)
Interest and dividend income	(296)	(358)
Interest expenses	60	99
Gain on foreign currency translation	(239)	(48)
Equity expenses (income) on affiliates	(184)	17
Lease revenue	(2,164)	(2,042)
Gain on sale of marketable securities	0	-
Loss on sale or disposal of fixed assets	701	362
Gain on sale of investment securities	(601)	(467)
Write-down of investment securities	17	266
Increase in trade notes and accounts receivable	(1,286)	(219)
Decrease (Increase) in inventories	1,492	(1,022)
Increase in trade notes and accounts payable	135	540
Payment for bonuses for directors and corporate auditors	(73)	(10)
Others	1,506	5,578
Subtotal	16,545	17,843
Interest and dividend received	792	827
Interest paid	(80)	(97)
Taxes paid	(6,276)	(4,765)
Net cash provided by operating activities	10,979	13,807
<b>Investing activities:</b>		
Decrease in time deposit	4	288
Payment for marketable securities	(4,814)	(99)
Proceeds from sale of marketable securities	3,399	99
Payment for tangible and intangible fixed assets other than software	(4,491)	(6,832)
Proceeds from sale of tangible and intangible fixed assets other than software	1,376	133
Payment for software development	(1,857)	(1,062)
Payment for investment securities	(5,369)	(4,664)
Proceeds from sale of investment securities	6,382	10,088
Cash of subsidiaries lost	-	(641)
Payment for loans	(1,303)	(1,222)
Collection of loans	1,980	2,173
Payment for rental deposits	(1,741)	(943)
Collection of rental deposits	1,560	506
Lease revenue	1,719	1,603
Others	1,876	(72)
Net cash used in investing activities	(1,276)	(645)
<b>Financing activities:</b>		
Net Increase (decrease) in short-term borrowings	1,922	(1,509)
Proceeds from long-term debt	120	686
Repayments of long-term debt	(587)	(972)
Proceeds from issuance of zero coupon convertible bonds	-	10,000
Purchase of treasury stock	(7)	(2,503)
Proceeds from issuance of subsidiary stock	197	216
Dividends paid	(1,384)	(1,303)
Others	(25)	(9)
Net cash provided by (used in) financing activities	236	4,605
Effect of exchange rate changes on cash and cash equivalents	55	(37)
Net increase (decrease) in cash and cash equivalents	9,994	17,730
Cash and cash equivalents, beginning of year	41,155	23,437
Decrease in cash and cash equivalents exclusion of a consolidated subsidiary	-	(12)
<b>Cash and cash equivalents, end of year</b>	51,150	41,155

### Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Year ended March 31, 2005		Year ended March 31, 2004		Increase or (decrease) Ratio	
	Amount	Ratio	Amount	Ratio		
		%		%		%
Wholesale	133,384	58.8	135,551	59.7	(1.6)	
Retail	93,395	41.2	91,526	40.3	2.0	
<b>Total</b>	<b>226,779</b>	<b>100.0</b>	<b>227,077</b>	<b>100.0</b>	<b>(0.1)</b>	

### Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Year ended March 31, 2005		Year ended March 31, 2004		Increase or (decrease) Ratio	
	Amount	Ratio	Amount	Ratio		
		%		%		%
Tires and wheels	45,965	20.3	45,514	20.0	1.0	
Car electronics	65,358	28.8	67,346	29.7	(3.0)	
Oil and batteries	16,564	7.3	17,653	7.7	(6.2)	
Car exterior items	23,257	10.3	24,136	10.6	(3.6)	
Car interior items	20,347	8.9	20,317	9.0	0.2	
Motor sports goods and others	55,285	24.4	52,109	23.0	6.1	
<b>Total</b>	<b>226,779</b>	<b>100.0</b>	<b>227,077</b>	<b>100.0</b>	<b>(0.1)</b>	



## **New Executive Appointments**

### **(1) New candidate for Director: (as of June 28, 2005)**

Eiju Miyauchi

### **(2) Resigning from Director: (as of June 28, 2005)**

Hiroshi Sumino

### **(3) New candidate for Auditor: (as of June 28, 2005)**

Hiroshi Sumino                      Director and Officer

Kensuke Tanabe                      Corporate Controller (Full-time) of Tokai Labor Credit Association

### **(4) Resigning from Auditor: (as of June 28, 2005)**

Tatsuo Kubota

Katsushi Koyama

## **New Management (as of June 28, 2005)**

### **< Board of Directors >**

Koichi Sumino                      Representative Director and Chief Executive Officer

Akira Nogami                      Director and Chief Operating Officer

Setsuo Wakuda                      Director and Co-Chief Operating Officer (Head of *Area-Dominant Business Strategy*)

Yasuhiro Tsunemori                      Director and Co-Chief Operating Officer (Head of *Total Car-Life Business Strategy*)

Hidehiro Ide                      Director and Officer (Financial Strategy)

Hideaki Yokoi                      Director and Officer (Human Resources)

Kozo Sumino                      Director and Officer (Overseas Business Strategy)

Takashi Matsuo                      Director and Officer (Corporate Strategy)

Yasuo Nakata                      Director

Eiju Miyauchi                      Director

### **< Auditors >**

Kotaro Morino                      Senior Corporate Auditor (Full-time)

Harukuni Yoshida                      Senior Corporate Auditor (Full-time)

Hiroshi Sumino                      Senior Corporate Auditor (Full-time)

Kensuke Tanabe                      Corporate Auditor

**(Note)**

**The above New Management is subject to the approval of the shareholders at the Annual General Meeting scheduled to be held on June 28, 2005.**