

November 12, 2004

Summary of Quick Financial Announcement of Consolidated Financial Information For the Six Months Ended September 30, 2004

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 12, 2004

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 interim term (From April 1, 2004 to September 30, 2004)

(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 [% of increase or decrease(-)]		Ordinary income	
Six months ended September 30, 2004	107,209	-0.5%	2,247	16.1%	4,853	25.9%
Six months ended September 30, 2003	107,746	-1.2%	1,935	-42.3%	3,853	-17.3%
Year ended March 31, 2004	227,077	-1.5%	6,210	-18.8%	10,480	2.0%

	Net income [% of increase or decrease(-)]		Net income per share-Basic (Unit: Yen)		Net income per share-Diluted (Unit: Yen)	
Six months ended September 30, 2004	-1,080	-	-30.45	-	-	-
Six months ended September 30, 2003	1,773	-16.9%	49.24	-	-	-
Year ended March 31, 2004	5,443	36.0%	149.80	-	-	-

Notes: 1. Equity income on affiliates: 32 million Yen

(For the six months ended September 30, 2003: -138 million Yen)

2. The weighted average number of shares used in computing net income per share: 35,482,896

(For the six months ended September 30, 2003: 36,008,363)

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 interim term. 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 interim.

(2) Financial position:

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

	Total assets	Shareholders' equity	Equity ratio	Equity per share(Unit: Yen)
Six months ended September 30, 2004	195,572	145,709	74.5%	4,106.50
Six months ended September 30, 2003	197,048	145,638	73.9%	4,072.82
Year ended March 31, 2004	202,760	147,532	72.8%	4,153.92

Note: Number of shares outstanding: 35,482,599

(For the six months ended September 30, 2003: 35,758,553)

(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, 2004	2,026	-4,796	-856	37,563
Six months ended September 30, 2003	5,039	-1,543	6,411	33,340
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	64
Number of non-consolidated subsidiaries	None
Number of affiliated companies to which equity method was applied	10

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

Consolidation	Addition	1
	Exclusion	4
Equity method	Addition	-
	Exclusion	-

2. Forecast for the fiscal year 2005 (April 1, 2004 to March 31, 2005)

(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income	Basic net income Per share (Unit: Yen)
Annual	230,000	12,400	2,100	59.18

Note: 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	(September 30, 2004)		(September 30, 2003)		(March 31, 2004)	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Current assets						
Cash and deposits	37,658		33,486		41,316	
Trade notes and accounts receivable	10,504		10,059		12,456	
Marketable securities	3,142		6,302		4,776	
Inventories	19,746		19,854		18,731	
Deferred tax assets	2,533		2,545		2,195	
Other receivables	11,959		12,003		13,372	
Other current assets	3,097		3,674		2,659	
Allowance for doubtful receivables	(1,102)		(1,890)		(1,149)	
Total current assets	87,538	44.8	86,035	43.7	94,358	46.5
Fixed assets						
Tangible fixed assets						
Buildings and structures	25,408		27,289		26,561	
Land	22,345		25,981		26,064	
Other fixed assets	7,472		8,794		7,668	
Total tangible fixed assets	55,226		62,065		60,294	
Intangible fixed assets						
Goodwill	375		363		324	
Software	2,527		2,053		2,456	
Other intangible fixed assets	283		420		298	
Total intangible fixed assets	3,187		2,837		3,079	
Investments						
Investment securities	16,293		13,858		12,277	
Long-term loans	2,838		3,862		3,392	
Deferred tax assets	5,297		2,917		4,782	
Rental deposits	25,314		24,946		24,662	
Other investments	1,848		1,739		1,687	
Allowance for doubtful receivables	(1,972)		(1,214)		(1,773)	
Total investments	49,619		46,110		45,028	
Total fixed assets	108,033	55.2	111,013	56.3	108,402	53.5
Total assets	195,572	100.0	197,048	100.0	202,760	100.0

(Unit: Millions of Yen)

Liabilities and Shareholders' Equity	(September 30, 2004)		(September 30, 2003)		(March 31, 2004)	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Current liabilities						
Trade notes and accounts payable-trade	12,670		13,454		14,136	
Short-term borrowings	2,875		2,275		2,130	
Income taxes payable	2,373		2,627		3,525	
Other current liabilities	12,254		11,028		13,891	
Total current liabilities	30,173	15.4	29,385	14.9	33,684	16.6
Long-term liabilities						
Bonds	8		8		8	
Zero coupon convertible Bonds	10,000		10,000		10,000	
Long-term debt	571		2,208		1,680	
Liability for retirement benefits	506		1,374		1,394	
Accrued retirement benefits for directors and corporate auditors	115		159		159	
Other long-term liabilities	7,864		7,756		7,592	
Total long-term liabilities	19,066	9.8	21,508	10.9	20,835	10.3
Total liabilities	49,240	25.2	50,893	25.8	54,519	26.9
Minority interests	622	0.3	516	0.3	708	0.3
Shareholders' equity						
Common stock	31,958	16.3	31,958	16.2	31,958	15.8
Capital Surplus	32,241	16.5	32,241	16.4	32,241	15.9
Retained earnings	89,859	44.4	85,624	43.4	88,651	43.7
Net unrealized gain (loss) on available-for-sale securities	50	0.0	322	0.2	192	0.1
Foreign currency translation adjustments	(286)	(0.1)	(120)	(0.1)	(400)	(0.2)
Treasury stock, at cost	(5,113)	(2.6)	(4,388)	(2.2)	(5,111)	(2.5)
Total shareholders' equity	145,709	74.5	145,638	73.9	147,532	72.8
Total liabilities, minority interests and shareholders' equity	195,572	100.0	197,048	100.0	202,760	100.0

Consolidated Statements of Income

(Unit: Millions of Yen)

	Six months ended September 30, 2004		Six months ended September 30, 2003		Year ended March 31, 2004	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Net sales	107,209	100.0	107,746	100.0	227,077	100.0
Cost of goods sold	75,292	70.2	75,575	70.1	159,271	70.1
Gross Profit	31,916	29.8	32,171	29.9	67,806	29.9
Selling, general and administrative expenses	29,669	27.7	30,235	28.1	61,595	27.1
Operating income	2,247	2.1	1,935	1.8	6,210	2.8
Non-operating income						
Interest income	97		106		233	
Rental income	1,189		1,163		2,271	
Lease revenue-system equipment	421		377		836	
Other non-operating income	2,097		1,710		3,667	
Total non-operating income	3,805	3.5	3,359	3.1	7,009	3.0
Non-operating expenses						
Interest expenses	31		57		99	
Loss on disposal of fixed assets	43		92		190	
Loss on lease cancellation	-		11		-	
Other non-operating expenses	1,124		1,279		2,448	
Total non-operating expenses	1,199	1.1	1,441	1.3	2,738	1.2
Ordinary income	4,853	4.5	3,853	3.6	10,480	4.6
Extraordinary gains						
Gain on sales of investment securities	607		-		467	
Reversal of allowance for doubtful receivables	-		225		702	
Other extraordinary gains	-		-		112	
Total extraordinary gains	607	0.6	225	0.2	1,283	0.5
Extraordinary losses						
Write down of investment securities	-		76		266	
Impairment losses on fixed assets	4,384		-		-	
Cost of transition to defined contribution pension plan	363		-		-	
Loss on sales of property	279		-		-	
Other extraordinary losses	-		-		1,870	
Total Extraordinary losses	5,027	4.7	76	0.1	2,137	0.9
Income before income taxes and minority interests	432	0.4	4,002	3.7	9,626	4.2
Income taxes-current	2,289	2.0	2,593	2.4	5,948	2.6
Income taxes-deferred	(674)	(0.5)	(356)	(0.3)	(1,764)	(0.8)
Minority interests	102	0.1	8	0.0	1	0.0
Net income / losses	(1,080)	(1.0)	1,773	1.6	5,443	2.4

Consolidated Statements of Capital Surplus and Retained Earnings

(Unit: Millions of Yen)

	Six months ended September 30, 2004	Six months ended September 30, 2003	Year ended March 31, 2004
(Capital surplus)			
Capital surplus at beginning of year	32,241	32,241	32,241
Decrease in capital surplus			
Loss on disposal of treasury stock	-	-	0
Capital surplus at end of period / year	32,241	32,241	32,241
(Retained earnings)			
Retained earnings at beginning of year	88,651	84,523	84,523
Increase in retained earnings			
Net income	-	1,773	5,443
Decrease in retained earnings			
Net losses	(1,080)	-	-
Cash dividends	(638)	(659)	(1,303)
Bonuses to directors and corporate auditors	(73)	(10)	(10)
Loss on disposal of treasury stock	(0)	(2)	(1)
Retained earnings at end of period / year	86,859	85,624	88,651

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Six months ended September 30, 2004	Six months ended September 30, 2003	Year ended March 31, 2004
	Amount	Amount	Amount
Operating Activities:			
Net income before income taxes and minority interests	432	4,002	9,626
Depreciation and amortization	2,652	2,802	5,798
Impairment losses on fixed assets	4,384	-	-
Amortization of goodwill	55	119	159
Provision for (reversal of) doubtful receivables	165	(315)	(501)
Reversal of retirement benefits	(888)	(45)	(25)
Decrease in retirement benefit for directors and corporate auditors	(43)	(74)	(74)
Interest and dividend income	(151)	(174)	(358)
Interest expenses	31	57	99
Equity (income) losses on affiliates	(32)	138	17
Lease revenue	(1,158)	(995)	(2,042)
Decrease (Increase) in trade notes and accounts receivable	3,356	3,582	(219)
Increase in inventories	(1,013)	(2,112)	(1,022)
(Decrease) increase in trade notes and accounts payable	(1,471)	(210)	540
Others	(1,254)	198	5,846
Subtotal	5,063	6,972	17,843
Interest and dividend received	434	434	827
Interest paid	(27)	(57)	(97)
Taxes paid	(3,443)	(2,309)	(4,765)
Net cash provided by operating activities	2,026	5,039	13,807
Investing Activities:			
Payment for marketable securities	-	(99)	(99)
Proceeds from redemption and sales of marketable securities	99	99	99
Payment for tangible and intangible fixed assets other than software	(2,916)	(4,275)	(6,832)
Payment for software development	(653)	(222)	(1,062)
Payment for investment securities	(5,075)	(1,797)	(4,664)
Proceeds from redemption and sales of investment securities	2,827	4,026	10,088
Cash of subsidiaries acquired	-	(988)	(641)
Proceeds from loans	(358)	(1,158)	(1,222)
Collection of loans	825	1,502	2,173
Payment for rental deposits	(1,227)	(371)	(943)
Collection of rental deposits	124	181	506
Lease revenue	923	776	1,603
Others	635	784	349
Net cash used in investing activities	(4,796)	(1,543)	(645)
Financing Activities:			
Net decrease in short-term borrowings	(487)	(780)	(1,509)
Proceeds from long-term debt	119	120	686
Repayment of long-term debt	-	(516)	(972)
Proceeds from issuance of zero coupon convertible bonds	-	10,000	10,000
Purchase of treasury stock	(3)	(1,792)	(2,503)
Dividends paid	(638)	(659)	(1,303)
Others	154	39	207
Net cash (used in) provided by financing activities	(856)	6,411	4,605
Effect of exchange rate changes on cash and cash equivalents	34	7	(37)
Net (decrease) increase in cash and cash equivalents	(3,592)	9,915	17,730
Cash and cash equivalents, beginning of period / year	41,155	23,437	23,437
Decrease in cash and cash equivalents exclusion of a consolidated subsidiary	-	(12)	(12)
Cash and cash equivalents, end of period / year	37,563	33,340	41,155

Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Six months ended September 30, 2004		Six months ended September 30, 2003		Increase or (decrease)		Year ended March 31, 2004	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Wholesale	63,026	58.8	64,114	59.5	(1,087)	(1.7)	135,551	59.7
Retail	44,182	41.2	43,631	40.5	551	1.3	91,526	40.3
Total	107,209	100.0	107,746	100.0	(536)	(0.5)	227,077	100.0

Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Six months ended September 30, 2004		Six months ended September 30, 2003		Increase or (decrease)		Year ended March 31, 2004	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Tires and wheels	18,971	17.7	18,514	17.2	456	2.5	45,514	20.0
Car electronics	34,156	31.9	34,175	31.7	(18)	(0.1)	67,346	29.7
Oil and batteries	8,269	7.7	8,639	8.0	(370)	(4.3)	17,653	7.7
Car exterior items	9,566	8.9	10,429	9.7	(862)	(8.3)	24,136	10.6
Car interior items	10,126	9.4	10,681	9.9	(555)	(5.2)	20,317	9.0
Motor sports goods and others	26,118	24.4	25,305	23.5	813	3.2	52,109	23.0
Total	107,209	100.0	107,746	100.0	(536)	(0.5)	227,077	100.0