

May 20, 2004

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

Contact for further information : Takashi Matsuo, Director

Telephone : +81-3-3454-0062

Date of the Board of Directors' meeting for approval of annual accounts : May 20, 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 fiscal term (From April 1, 2003 to March 31, 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		Ordinary income	
Year ended March 31, 2004	227,077	-1.5%	6,210	-18.8%	10,480	2.0%
Year ended March 31, 2003	230,478	1.2%	7,652	-20.0%	10,273	-16.3%

	Net income		Basic net income per share(Yen)	Basic net income per share-diluted(Yen)
Year ended March 31, 2004	5,443	36.0%	149.80	-
Year ended March 31, 2003	4,003	-27.5%	106.76	-

	Net income to shareholders' equity	Ordinary income to total assets	Ordinary income to net sales
Year ended March 31, 2004	3.7%	5.4%	4.6%
Year ended March 31, 2003	2.7%	5.4%	4.5%

Notes: 1. Equity expenses on affiliates : -17 million Yen

(Equity income on affiliates for the year ended March 31, 2003 : 58 million Yen)

2. The weighted average number of shares used in computing net income per share : 35,850,561
(For the year ended March 31, 2003 : 37,395,147)

3. Changes in accounting policies : None

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, 2004	202,760	147,532	72.8%	4,153.92
Year ended March 31, 2003	187,138	145,817	77.9%	3,979.02

Note: Number of shares outstanding: 35,483,316
(For the year ended March 31, 2003: 36,632,540)

(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, 2004	13,807	(645)	4,605	41,155
Year ended March 31, 2003	7,925	(8,002)	(9,098)	23,437

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

Number of consolidated subsidiaries	67
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	6
	Exclusion	6
Equity method	Addition	3
	Exclusion	1

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

(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income
Semiannual	110,000	4,300	2,100
Annual	234,000	12,000	6,200

Notes: 1. The estimated net income per share for the year ending March 31, 2005 will be 174.73 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, 2004)		(March 31, 2003)	
	Amount	Ratio	Amount	Ratio
		%		%
Current assets				
Cash and deposits	41,316		23,681	
Trade notes and accounts receivable	12,456		12,272	
Marketable securities	4,776		5,721	
Inventories	18,731		17,549	
Deferred tax assets	2,195		2,240	
Short-term loans	1,031		1,333	
Accounts receivable-other	13,372		13,302	
Other current assets	1,628		1,826	
Allowance for doubtful receivables	(1,149)		(2,100)	
Total current assets	<u>94,358</u>	<u>46.5</u>	<u>75,828</u>	<u>40.5</u>
Fixed assets				
Tangible fixed assets				
Buildings and structures	26,561		26,370	
Machinery, equipment and vehicle	1,478		1,598	
Tools, furniture and fixtures	5,912		5,906	
Land	26,064		25,014	
Construction in progress	277		574	
Total tangible fixed assets	<u>60,294</u>	<u>29.8</u>	<u>59,463</u>	<u>31.8</u>
Intangible fixed assets				
Goodwill	324		-	
Software	2,456		2,327	
Other intangible fixed assets	298		468	
Total intangible fixed assets	<u>3,079</u>	<u>1.5</u>	<u>2,795</u>	<u>1.5</u>
Investments				
Investment securities	12,277		16,128	
Long-term loans	3,392		3,614	
Deferred tax assets	4,782		3,182	
Rental deposits	24,662		25,375	
Other investments	1,687		2,069	
Allowance for doubtful receivables	(1,773)		(1,319)	
Total investments	<u>45,028</u>	<u>22.2</u>	<u>49,051</u>	<u>26.2</u>
Total fixed assets	<u>108,402</u>	<u>53.5</u>	<u>111,310</u>	<u>59.5</u>
Total assets	<u>202,760</u>	<u>100.0</u>	<u>187,138</u>	<u>100.0</u>

(Unit: Millions of Yen)

Liabilities and Shareholders' equity

	(March 31, 2004)		(March 31, 2003)	
	Amount	Ratio	Amount	Ratio
		%		%
Current liabilities				
Trade notes and accounts payable-trade	14,136		13,109	
Short-term borrowings	2,130		3,111	
Income taxes payable	3,525		2,342	
Other current liabilities	13,891		11,397	
Total current liabilities	<u>33,684</u>	16.6	<u>29,961</u>	16.0
Long-term liabilities				
Bonds	8		-	
Zero coupon convertible bonds	10,000		-	
Long-term debt	1,680		2,019	
Deferred tax liabilities	395		-	
Liability for retirement benefits	1,394		1,299	
Accrued retirement benefits for directors and corporate auditors	159		233	
Goodwill	-		42	
Other long-term liabilities	7,197		7,239	
Total long-term liabilities	<u>20,835</u>	10.3	<u>10,834</u>	5.8
Total liabilities	<u>54,519</u>	26.9	<u>40,796</u>	21.8
Minority interests	708	0.3	524	0.3
Shareholders' equity				
Common stock	31,958	15.8	31,958	17.1
Capital surplus	32,241	15.9	32,241	17.2
Retained earnings	88,651	43.7	84,523	45.2
Net unrealized gain (loss) on available-for-sale securities	192	0.1	(126)	(0.1)
Foreign currency translation adjustments	(400)	(0.2)	(179)	(0.1)
Treasury stock, at cost	(5,111)	(2.5)	(2,601)	(1.4)
Total shareholders' equity	<u>147,532</u>	72.8	<u>145,817</u>	77.9
Total liabilities, minority interests and shareholders' equity	<u>202,760</u>	100.0	<u>187,138</u>	100.0

Consolidated Statements of Income

(Unit: Millions of Yen)

	Year ended March 31, 2004		Year ended March 31, 2003	
	Amount	Ratio %	Amount	Ratio %
Net sales	227,077	100.0	230,478	100.0
Cost of goods sold	159,271	70.1	163,457	70.9
Gross profit	67,806	29.9	67,021	29.1
Selling, general and administrative Expenses	61,595	27.1	59,369	25.8
Operating income	6,210	2.8	7,652	3.3
Non-operating income				
Interest income	233		378	
Dividend income	124		43	
Equity income on affiliates	-		58	
Rental income	2,271		1,778	
Lease revenue – system equipment	836		805	
Other non-operating income	3,542		3,145	
Total non-operating income	7,009	3.0	6,210	2.7
Non-operating expenses				
Interest expenses	99		152	
Equity expenses on affiliates	17		-	
Loss on disposal of fixed assets	190		421	
Other non-operating expenses	2,431		3,016	
Total non-operating expenses	2,738	1.2	3,589	1.5
Ordinary income	10,480	4.6	10,273	4.5
Extraordinary gains				
Gain on sale of investment securities	467		9	
Gain on sale of securities of subsidiary companies	112		-	
Reversal of allowance for doubtful receivables	702		470	
Total extraordinary gains	1,283	0.5	480	0.2
Extraordinary losses				
Loss on disposal of fixed assets	158		-	
Loss on arrangement of stores	166		184	
Depreciation of land	377		189	
Loss on sale of investment securities	-		45	
Write down of investment securities	266		330	
Loss on arrangement of stores in Europe	1,167		-	
Extraordinary retirement benefits	-		377	
Termination losses of pension and severance payment plan of subsidiaries	-		9	
Total extraordinary losses	2,137	0.9	1,137	0.5
Income before income taxes and minority interests	9,626	4.2	9,616	4.2
Income taxes – current	5,948	2.6	5,392	2.4
Income taxes – deferred	(1,764)	(0.8)	300	0.1
Minority interests	1	0.0	80	0.0
Net income	5,443	2.4	4,003	1.7

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

	Year ended March 31, 2004	Year ended March 31, 2003
(Capital surplus)		
Capital surplus at beginning of year	32,241	31,719
Increase in capital surplus		
Issuance of common stock	-	522
Gain on disposal of treasury stock	-	0
Decrease in capital surplus		
Loss on disposal of treasury stock	0	-
Capital surplus at end of year	32,241	32,241
(Retained earnings)		
Retained earnings at beginning of year	84,523	81,901
Increase in retained earnings		
Net income	5,443	4,003
Decrease in retained earnings		
Cash dividends	(1,303)	(1,349)
Bonuses to directors and corporate auditors	(10)	(31)
Loss on disposal of treasury stock	(1)	-
Retained earnings at end of year	88,651	84,523

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Year ended March 31, 2004	Year ended March 31, 2003
Operating activities:		
Income before income taxes and minority interests	9,626	9,616
Depreciation and amortization	5,798	5,394
Amortization of goodwill	159	114
Reversal of doubtful receivables	(501)	(507)
Reversal of retirement benefits	(25)	(116)
Increase in retirement benefits for directors and corporate auditors	(74)	(27)
Interest and dividend income	(358)	(422)
Interest expenses	99	152
Gain on foreign currency translation	(48)	(69)
Equity expenses (income) on affiliates	17	(58)
Lease revenue	(2,042)	(1,818)
Gain on sale of marketable securities	-	0
Loss on sale or disposal of fixed assets	362	513
(Gain) loss on sale of investment securities	(467)	45
Write-down of investment securities	266	330
Increase in trade notes and accounts receivable	(219)	(130)
Increase in inventories	(1,022)	(842)
Increase (decrease) in trade notes and accounts payable	540	(1,480)
Payment for bonuses for directors and corporate auditors	(10)	(31)
Others	5,745	2,054
Subtotal	17,843	12,718
Interest and dividend received	827	806
Interest paid	(97)	(154)
Taxes paid	(4,765)	(5,445)
Net cash provided by operating activities	13,807	7,925
Investing activities:		
Decrease in time deposit	288	325
Payment for marketable securities	(99)	(99)
Proceeds from sale of marketable securities	99	1,599
Payment for tangible and intangible fixed assets other than software	(6,832)	(9,728)
Proceeds from sale of tangible and intangible fixed assets other than software	133	202
Payment for software development	(1,062)	(603)
Payment for investment securities	(4,664)	(10,235)
Proceeds from sale of investment securities	10,088	7,182
Cash of subsidiaries (lost) acquired	(641)	316
Proceeds from loans	(1,222)	(549)
Collection of loans	2,173	1,996
Payment for rental deposits	(943)	(1,408)
Collection of rental deposits	506	888
Lease revenue	1,603	1,459
Others	(72)	652
Net cash used in investing activities	(645)	(8,002)
Financing activities:		
Net decrease in short-term borrowings	(1,509)	(2,562)
Proceeds from long-term debt	686	773
Repayments of long-term debt	(972)	(3,467)
Proceeds from issuance of zero coupon convertible bonds	10,000	-
Purchase of treasury stock	(2,503)	(2,575)
Proceeds from issuance of subsidiary stock	216	83
Dividends paid	(1,303)	(1,349)
Others	(9)	0
Net cash provided by (used in) financing activities	4,605	(9,098)
Effect of exchange rate changes on cash and cash equivalents	(37)	(25)
Net increase (decrease) in cash and cash equivalents	17,730	(9,200)
Cash and cash equivalents, beginning of year	23,437	32,835
Decrease in cash and cash equivalents exclusion of a consolidated subsidiary	(12)	(197)
Cash and cash equivalents, end of year	41,155	23,437

Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Year ended March 31, 2004		Year ended March 31, 2003		Increase or (decrease) Ratio
	Amount	Ratio	Amount	Ratio	
		%		%	%
Wholesale	135,551	59.7	137,267	59.6	(1.3)
Retail	91,526	40.3	93,211	40.4	(1.8)
Total	227,077	100.0	230,478	100.0	(1.5)

Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Year ended March 31, 2004		Year ended March 31, 2003		Increase or (decrease) Ratio
	Amount	Ratio	Amount	Ratio	
		%		%	%
Tires and wheels	45,514	20.0	47,243	20.5	(3.7)
Car electronics	67,346	29.7	68,672	29.8	(1.9)
Oil and batteries	17,653	7.7	19,253	8.3	(8.3)
Car exterior items	24,136	10.6	25,969	11.3	(7.1)
Car interior items	20,317	9.0	20,776	9.0	(2.2)
Motor sports goods and others	52,109	23.0	48,564	21.1	7.3
Total	227,077	100.0	230,478	100.0	(1.5)

New Executive Appointments

(1) New candidate for Director: (as of June 28, 2004)

Yasuo Nakata (current Director and Vice President of Calbee Foods Co., LTD.)

(2) New candidate for Auditor: (as of June 28, 2004)

Tatsuo Kubota (current Managing Director of WL Ross & Co.LLC and Corporate Auditor of FAST RETAILING CO., LTD.)

(3) Resigning from Auditor: (as of June 28, 2004)

Kenji Ogawa (current Corporate Auditor, to be appointed Advisor of the Board)

New Management (as of June 28, 2004)

< Board of Directors >

Koichi Sumino	Representative Director and Chief Executive Officer
Hidehiro Ide	Director and Officer (Financial Strategy)
Kozo Sumino	Director and Officer (New Business Development Division)
Hiroshi Sumino	Director and Officer (Domestic Store Subsidiaries Management)
Yasuhiro Tsunemori	Director and Co-Chief Operating Officer (Head of <i>Total Car-Life</i> Business Strategy)
Akira Nogami	Director and Chief Operating Officer
Takashi Matsuo	Director and Officer (Corporate Strategy, and General Manager of Corporate Planning & Control Office)
Hideaki Yokoi	Director and Officer (Personnel & Information System)
Setsuo Wakuda	Director and Co-Chief Operating Officer (Head of <i>Area-Dominant</i> Business Strategy)
Yasuo Nakata	Director

< Auditors >

Katsushi Koyama	Senior Corporate Auditor (Full-time)
Kotaro Morino	Senior Corporate Auditor (Full-time)
Harukuni Yoshida	Senior Corporate Auditor (Full-time)
Tatsuo Kubota	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, 2004.

< Corporate Officers >

Yoshihiro Emoto	Officer (North Kanto Area Store Support)
Naohumi Kamata	Officer (South Kanto Area Store Support)
Kosuke Kaya	Officer (Kansai Area Store Support)
Kiomi Kobayashi	Officer (Overseas Business Strategy, Overseas Store Support)
Satoshi Kohira	Officer (Business Strategy Operation Support, and General Manager of Store Support Planning Office)
Kazuyoshi Sawada	Officer (<i>Shaken</i> & Car Maintenance Division)
Shuichi Shino	Officer (Chinese Market Division)
Masachika Sumikura	Officer (Store Format Development Division, and Project Manager of SA Planning & Development)
Kenichi Takeda	Officer (<i>Total Car-Life</i> Business Strategy)
Yuzuru Toide	Officer (Northern Japan Region Store Support)
Teruyuki Matsumura	Officer (Southern Japan Region Store Support)
Yoshirou Miyama	Officer (AUTOBACS C@RS(cars))
Hironori Morimoto	Officer (Chubu Area Store Support)
Masahiro Morimoto	Officer (Used-Parts Sales Division)