

May 22, 2002

Summary of Quick Financial Announcement of Consolidated Financial Information For the year ended March 31,2002

Company name: AUTOBACS SEVEN CO., LTD.

Code Number : 9832

(URL <http://www.autobacs-seven.com/>)

Headquarters : Tokyo, Japan

Contact for further information:

Hiroshi Yamamoto

Executive Vice President

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Date of the Board of Directors' meeting for approval of annual accounts: May 22, 2002

Stock Exchange Listings: First Section, both of Tokyo and Osaka.

Adoption of accounting principles generally accepted in the U.S.A.: None

1. Results for the fiscal term (From April 1, 2001 to March 31, 2002)

(Note: Amounts less than yen1 million have been rounded down)

(1) Results of operations:

(Unit: yen million except for per share information)

	Net sales		Operating income ( % of increase or decrease( - ) )		Ordinary income	
Year ended March 31,2002	227,737	1.0%	9,569	-22.7%	12,271	-17.5%
Year ended March 31,2001	225,377	2.5%	12,386	-2.1%	14,879	-4.4%

  

	Net income ( % of increase or decrease( - ) )		Net income per share-Basic	Net income per share-Diluted
Year ended March 31,2002	5,520	-28.9%	Yen 147.28	-
Year ended March 31,2001	7,767	-1.8%	Yen 207.23	-

  

	Net income to Shareholders equity	Ordinary income to total assets	Ordinary income to net sales
Year ended March 31,2002	3.9%	6.4%	5.4%
Year ended March 31,2001	5.6%	8.1%	6.6%

Notes:

- 1) Equity in profit of affiliates: yen32 million (For the year ended March 31, 2001: yen8 million)
- 2) The weighted average number of shares used in computing net income per share:37,481,289  
(For the year ended March 31, 2001:37,481,404)
- 3) Changes in Accounting policies: None.

(2) Financial position:

(Unit: yen million except for per share information)

	Total assets	Shareholders Equity	Equity ratio	Equity per share
Year ended March 31,2002	190,815	145,391	76.2%	Yen 3,879.09
Year ended March 31,2001	191,072	141,095	73.8%	Yen 3,764.43

(3) Statements of cash flows:

(Unit: yen million)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Year ended March 31,2002	11,795	(8,856)	(5,296)	32,835
Year ended March 31,2001	15,017	(8,990)	1,186	35,575

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

Number of consolidated subsidiaries	63
Number of non-consolidated subsidiaries	None
Number of affiliated companies to which equity method was applied	7

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

Consolidation	Addition	6
	Exclusion	3
Equity method	Addition	3

2. Forecast for the next year (April 1,2002 to March 31,2003):

(Unit: yen million)

	Net sales	Ordinary income	Net income
Semiannual	112,000	6,300	3,600
Annual	237,000	15,300	8,700

Note: The estimated net income per share for the year ending March 31,2003 will be yen 231.12

**Consolidated Balance Sheets**

(Unit: yen million)

Assets	(March31,2002)		(March31,2001)		Increase or (Decrease)
	Amount	Ratio	Amount	Ratio	
<b>Current assets</b>					
Cash and deposits	33,198		15,450		17,747
Trade notes and accounts receivable	12,859		13,509		(649)
Marketable securities	3,760		27,389		(23,628)
Inventories	15,918		14,481		1,437
Deferred income taxes	2,832		2,615		217
Short-term loans	860		1,835		(975)
Accounts receivable-other	12,824		12,039		785
Other current assets	1,965		1,975		(10)
Allowance for doubtful receivables	(2,177)		(2,354)		176
Total current assets	82,042	43.0	86,941	45.5	(4,899)
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Buildings and structures	22,646		22,902		(255)
Machinery, equipment and vehicle	1,638		1,905		(266)
Tools, furniture and fixtures	5,614		6,356		(741)
Land	23,762		19,198		4,564
Construction in progress	285		1,007		(721)
Total tangible fixed assets	53,948	28.3	51,369	26.9	2,578
<b>Intangible fixed assets</b>					
Goodwill	28		128		(99)
Software	2,767		3,472		(704)
Other intangible fixed assets	633		408		225
Total intangible fixed assets	3,430	1.8	4,008	2.1	(578)
<b>Investments</b>					
Investment securities	16,779		13,727		3,052
Long-term loans	5,841		6,555		(713)
Deferred income taxes	2,886		2,073		812
Rental deposits	25,851		25,644		206
Other investments	2,192		2,316		(123)
Allowance for doubtful receivables	(2,156)		(1,565)		(590)
Total investments	51,395	26.9	48,752	25.5	2,642
Total fixed assets	108,773	57.0	104,130	54.5	4,642
<hr/>					
Total assets	190,815	100.0	191,072	100.0	(256)

Note: Accumulated depreciation

28,859

24,661

(Unit: yen million)

Liabilities and Shareholders equity

	(March31,2002)		(March31,2001)		Increase or (Decrease)
	Amount	Ratio	Amount	Ratio	
Current liabilities					
Trade notes and accounts payable-trade	14,170		13,021		1,149
Short-term borrowings	4,917		6,638		(1,720)
Income taxes payable	2,394		4,719		(2,324)
Other current liabilities	11,985		11,755		230
Total current liabilities	33,468	17.5	36,134	18.9	(2,666)
Long-term liabilities					
Long-term borrowings	2,316		4,158		(1,841)
Liability for retirement benefits	1,385		1,334		50
Accrued retirement benefits for directors and corporate auditors	261		233		27
Other long-term liabilities	6,735		6,584		150
Total Long-term liabilities	10,697	5.6	12,311	6.5	(1,613)
Total liabilities	44,166	23.1	48,446	25.4	(4,279)
Minority interests					
Minority interests	1,257	0.7	1,530	0.8	(272)
Shareholders equity					
Common stock	31,958	16.8	31,958	16.7	-
Additional paid-in capital	31,719	16.6	31,719	16.6	-
Retained earnings	81,901	42.9	77,751	40.7	4,150
Net unrealized loss on investment securities	(169)	(0.1)	(315)	(0.2)	146
Foreign currency translation adjustments	(16)	(0.0)	(17)	(0.0)	0
	145,393	76.2	141,096	73.8	4,297
Treasury stock, at cost	(1)	(0.0)	(0)	(0.0)	(1)
Total shareholders equity	145,391	76.2	141,095	73.8	4,295
Total liabilities, minority interests and shareholders' equity	190,815	100.0	191,072	100.0	(256)

Note: Number of treasury stock                      643 shares                      119 shares

## Consolidated Statements of Income

(Unit: yen million)

	〔 Year ended March 31,2002 〕		〔 Year ended March 31,2001 〕		〔 Increase or (Decrease) 〕	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Net sales	227,737	100.0	225,377	100.0	2,360	1.0
Cost of goods sold	163,056	71.6	160,034	71.0	3,022	1.9
Gross profit	64,680	28.4	65,342	29.0	(662)	(1.0)
Selling, general and administrative expenses	55,111	24.2	52,956	23.5	2,154	4.1
Operating income	9,569	4.2	12,386	5.5	(2,816)	(22.7)
Non-operating incomes						
Interest income	454		569		(114)	
Dividend income	39		63		(24)	
Equity income on affiliates	32		8		23	
Rental income	1,538		1,211		327	
Other income	3,016		2,833		183	
Total non-operating income	5,081	2.2	4,685	2.1	395	8.5
Non-operating expenses						
Interest expenses	198		168		29	
Loss on disposal of fixed assets	253		208		45	
Other expenses	1,928		1,814		113	
Total non-operating expenses	2,379	1.0	2,191	1.0	187	8.6
Ordinary income	12,271	5.4	14,879	6.6	(2,608)	(17.5)
Extraordinary gains						
Gain on sale of fixed assets	-		0		(0)	
Reversal of allowance for doubtful receivables	891		74		816	
Profit on bad debt recovered	-		22		(22)	
Reversal of accrued bonuses	3		-		3	
Gain on sale of subsidiaries stock	5		-		5	
Total extraordinary gains	900	0.4	97	0.0	803	827.0
Extraordinary losses						
Loss on sale of fixed assets	0		0		(0)	
Loss on disposal of fixed assets	3		46		(43)	
Loss on sale of investment securities	1,697		-		1,697	
Write down of investment securities	1,083		34		1,048	
Loss on sale of subsidiaries stock	0		-		0	
Extraordinary retirement benefits	-		171		(171)	
Amortization of transitional liability of pension	-		452		(452)	
Write down of golf membership	127		325		(198)	
Cost of termination of pension and severance payment plan of subsidiaries	92		-		92	
Other losses	16		132		(115)	
Total extraordinary losses	3,021	1.3	1,164	0.5	1,857	159.5
Income before income taxes	10,149	4.5	13,812	6.1	(3,662)	(26.5)
Income taxes - current	6,058	2.7	7,421	3.3	(1,362)	(18.4)
Income taxes - deferred	(1,181)	(0.5)	(866)	(0.4)	(314)	(36.3)
Loss of minority interests	247	0.1	509	0.2	(261)	(51.3)
Net income	5,520	2.4	7,767	3.4	(2,246)	(28.9)

**Consolidated Statements of Retained Earnings**

(Unit: yen million)

	( Year ended March 31,2002 )	( Year ended March 31,2001 )	( Increase or (Decrease) )
Retained earnings, beginning of year	77,751	71,386	6,364
Increase from new application of equity method for a affiliated company	32	-	32
Cash dividends	(1,349)	(1,349)	(0)
Bonuses to directors and corporate auditors	(53)	(53)	-
Net income	5,520	7,767	(2,246)
Retained earnings, end of year	81,901	77,751	4,150

## Consolidated Statements of Cash Flows

(Unit: yen million)

	( Year ended March 31,2002 )	( Year ended March 31,2001 )
	Amount	Amount
<b>Operating Activities:</b>		
Net income before income taxes and minority interests	10,149	13,812
Depreciation and amortization	5,409	5,377
Amortization of goodwill	238	107
Provision for allowance for doubtful receivables	440	1,937
Provision for retirement benefits	39	1,330
Increase(Decrease) in retirement benefit for directors and corporate auditors	27	(609)
Interest and dividend income	(494)	(632)
Interest cost	198	168
Gain on foreign currency translation	(15)	(38)
Equity income on affiliates	(32)	(8)
Lease revenue	(1,943)	(1,843)
(Gain)Loss on sale of securities	99	(26)
Loss on disposal of fixed assets	256	254
Loss on sale of investment securities	1,697	-
Write-down of investment securities	1,083	34
Write-down of golf membership	127	325
Increase in trade notes and account receivable	(71)	(4,185)
Increase in inventories	(1,087)	(477)
Increase in trade notes and account payable	925	1,468
Payment for bonuses for directors and corporate auditors	(53)	(53)
Others	2,519	3,936
Subtotal	<u>19,514</u>	<u>20,880</u>
Interest and dividend received	858	1,026
Interest paid	(196)	(159)
Taxes paid	<u>(8,380)</u>	<u>(6,729)</u>
Net cash provided by operating activities	<u>11,795</u>	<u>15,017</u>
<b>Investing Activities:</b>		
Decrease in time deposit	67	392
Payment for purchase of marketable securities	(5,187)	(12,488)
Proceeds from sales of marketable securities	6,153	13,775
Payment for tangible and intangible fixed assets other than software	(7,927)	(8,211)
Proceeds from sale of tangible and intangible fixed assets other than software	182	116
Payment for software	(842)	(654)
Payment for investment securities	(9,760)	(6,190)
Proceeds from sale of investment securities	6,295	2,275
Cash of a subsidiary aquired	441	198
Loans made	(947)	(2,300)
Collection of loans	2,411	2,224
Payment for rental deposits	(1,840)	(1,144)
Collection of rental deposits	481	191
Rental received	1,549	1,421
Others	66	1,403
Net cash used for investing activities	<u>(8,856)</u>	<u>(8,990)</u>
<b>Financing Activities:</b>		
Net increase(decrease) in short-term borrowings	(2,286)	1,917
Proceeds from long-term borrowings	1,153	2,414
Repayment of long-term borrowings	(2,951)	(2,187)
Proceeds from issuance of subsidiary stock	145	391
Dividends paid	(1,349)	(1,349)
Others	(8)	-
Net cash provided by (used for) financing activities	<u>(5,296)</u>	<u>1,186</u>
Effect of exchange rate changes on cash and cash equivalents	73	66
Net increase(decrease) in cash and cash equivalents	<u>(2,284)</u>	<u>7,279</u>
Cash and cash equivalents, beginning of term / year	35,575	28,296
Net increase in cash and cash equivalents from merger	8	-
Decrease in cash and cash equivalents exclusion of a consolidated subsidiary	<u>(464)</u>	<u>-</u>
Cash and cash equivalents, end of term / year	<u>32,835</u>	<u>35,575</u>

### Consolidated Sales Component and Percentage by Division

(Unit: yen million)

Divisions	〔 Year ended March 30,2002 〕		〔 Year ended March 31,2001 〕		〔 Increase or (Decrease) 〕
	Amount	Ratio %	Amount	Ratio %	Ratio
Wholesale	138,366	60.8	143,391	63.6	(3.5)
Retail	89,370	39.2	81,985	36.4	9.0
Total	227,737	100.0	225,377	100.0	1.0

### Consolidated Sales Component and Percentage by Product Category

(Unit: yen million)

Products	〔 Year ended March 31,2002 〕		〔 Year ended March 31,2001 〕		〔 Increase or (Decrease) 〕
	Amount	Ratio %	Amount	Ratio %	Ratio
Tires and wheels	48,340	21.3	48,248	21.4	0.2
Car electronics	67,880	29.8	66,855	29.7	1.5
Oil and batteries	20,295	8.9	20,995	9.3	(3.3)
Car exterior items	27,364	12.0	28,740	12.7	(4.8)
Car interior items	19,853	8.7	20,009	8.9	(0.8)
Motor sports goods and others	44,002	19.3	40,527	18.0	8.6
Total	227,737	100.0	225,377	100.0	1.0



## New Executive Appointments

### (1) New Candidate for Board of Director: (as of June 27, 2002)

Takashi Matsuo (current General Manager of Corporate Planning & Control Office)

### (2) Resigning from Board of Directors: (as of June 27, 2002)

Takashi Akiyama (current Senior Managing Director, President of Brain-ing Co., Ltd.)  
Shigeo Fujimori (current Managing Director, President of Autobacs Sun Aces Co., Ltd.)  
Katsuhiko Furusho (current Director, President of Kyoto Car Life Co., Ltd.)  
Shuichi Shino (current Director, to be appointed Corporate Officer of our company)  
Koichi Yonetani (current Director, to be appointed President Consolidated Subsidiaries)  
Setsuo Wakuda (current Director, to be appointed Corporate Officer of our company)  
Hidehiro Ide (current Director, to be appointed Corporate Officer of our company)  
Yasuhiro Tsunemori (current Director, to be appointed Corporate Officer of our company)  
Hideaki Yokoi (current Director, to be appointed Corporate Officer of our company)

### (3) New Candidate for Corporate Officers: (as of June 27, 2002)

Shuichi Shino (current Director, In charge of Store Development Strategy and SA Store Promotion)  
Setsuo Wakuda (current Director, In charge of Store Operating Supervision)  
Hidehiro Ide (current Director, In charge of Corporation Supervision)  
Yasuhiro Tsunemori (current Director, In charge of Merchandise Strategy)  
Hideaki Yokoi (current Director, In charge of Business Development Strategy)  
Kenichi Takeda (current General Manager of Merchandise Management Department)  
Yuzuru Toide (current Division Manager of Northern Japan Store Operations Division)  
Naofumi Kamata (current Division Manager of South Kanto Store Operations Division)  
Yoshihiro Emoto (current Division Manager of North Kanto Store Operations Division)  
Hironori Morimoto (current Division Manager of Chubu Store Operations Division)  
Kosuke Kaya (current Division Manager of Kansai Store Operations Division)  
Teruyuki Matsumura (current Division Manager of Southern Japan Store Operations Division)  
Kiomi Kobayashi (current Division Manager of Overseas Operations Division)  
Yoshirou Miyama (current Division Manager of C@RS Division)  
Masahiro Morimoto (current Division Manager of U-PARTS Division)

## New Order

Following the management plans composed of June 27, 2002

### < Board of Directors >

Koichi Sumino President and Chief Executive Officer  
Tomikazu Nishihara Director  
Hiroshi Yamamoto Director  
Akira Nogami Director and Chief Operating Officer  
Hiroshi Sumino Director  
Kozo Sumino Director  
Takashi Matsuo Director

< Auditors >

Kotaro Morino	Senior Corporate Auditor (Full-time)
Katsushi Koyama	Senior Corporate Auditor (Full-time)
Harukuni Yoshida	Senior Corporate Auditor (Full-time)
Kenji Ogawa	Corporate Auditor

< Corporate Officers >

Shuichi Shino	In charge of Store Development Strategy and SA Store Promotion
Setsuo Wakuda	In charge of Store Operating Supervision
Hidehiro Ide	In charge of Corporation Supervision
Yasuhiro Tsunemori	In charge of Merchandise Strategy
Hideaki Yokoi	In charge of Business Development Strategy
Kenichi Takeda	In charge of Marketing Strategy
Yuzuru Toide	In charge of Northern Japan Store Operations Division
Naofumi Kamata	In charge of South Kanto Store Operations Division
Yoshihiro Emoto	In charge of North Kanto Store Operations Division
Hironori Morimoto	In charge of Chubu Store Operations Division
Kosuke Kaya	In charge of Kansai Store Operations Division
Teruyuki Matsumura	In charge of Southern Japan Store Operations Division
Kiomi Kobayashi	In charge of Overseas Operations Division
Yoshirou Miyama	In charge of C@RS Division
Masahiro Morimoto	In charge of U-PARTS Division