

ANALYST MEETING

Results for FY March 2014 and Forecasts for FY March 2015



May 9, 2014

Setsuo Wakuda
Representative Director and CEO

AUTOBACS SEVEN CO., LTD.

- I FY March 2014 Consolidated Results**
- II FY March 2015 Consolidated Forecasts**
- III 2014 Medium-Term Business Plan**

I FY March 2014 Consolidated Results

Financial Results (FY March 2014)



Both net sales and income increased.

First half: Sales declined in reaction to the strong sales of new cars in the previous fiscal year, but the effect of the decline in sales was minimized through an improvement in the gross margin and the curbing of SG&A.

Second half: Sales of tires, wheels, and cars rose, reflecting enhanced sales promotion and the reinforcement of store operation from the third quarter, as well as last-minute demand before the consumption tax hike. SG&A remained flat from a year ago.

(Billion Yen)

	FY March 2014				FY March 2013
	Latest forecast	Actual result	YoY change ratio	Change from the latest forecast	
Net sales	229.1	231.7	+0.7%	+1.1%	230.2
Gross profit	76.5	76.9	+1.6%	+0.5%	75.7
SG&A	63.0	63.0	-0.0%	-0.1	63.0
Operating income	13.5	13.9	+9.4%	+3.3%	12.7
Ordinary income	14.6	16.4	+13.5%	+12.5%	14.5
Net income	8.2	9.8	+28.9%	+19.3%	7.6
EPS(Yen)	90.4	107.7	+32.6%	+19.1%	81.2
ROE	6.5%	6.8%	+1.5pt	+0.3pt	5.3%

Amounts are rounded to the nearest hundred million yen.

% of Net Sales and YoY comparisons are calculated in million yen.

(For Reference) Overview of FY2014 2H Results

Results exceeded the plan and the year-ago level.

Net sales exceeded the plan mainly due to last-minute demand before the consumption tax hike.

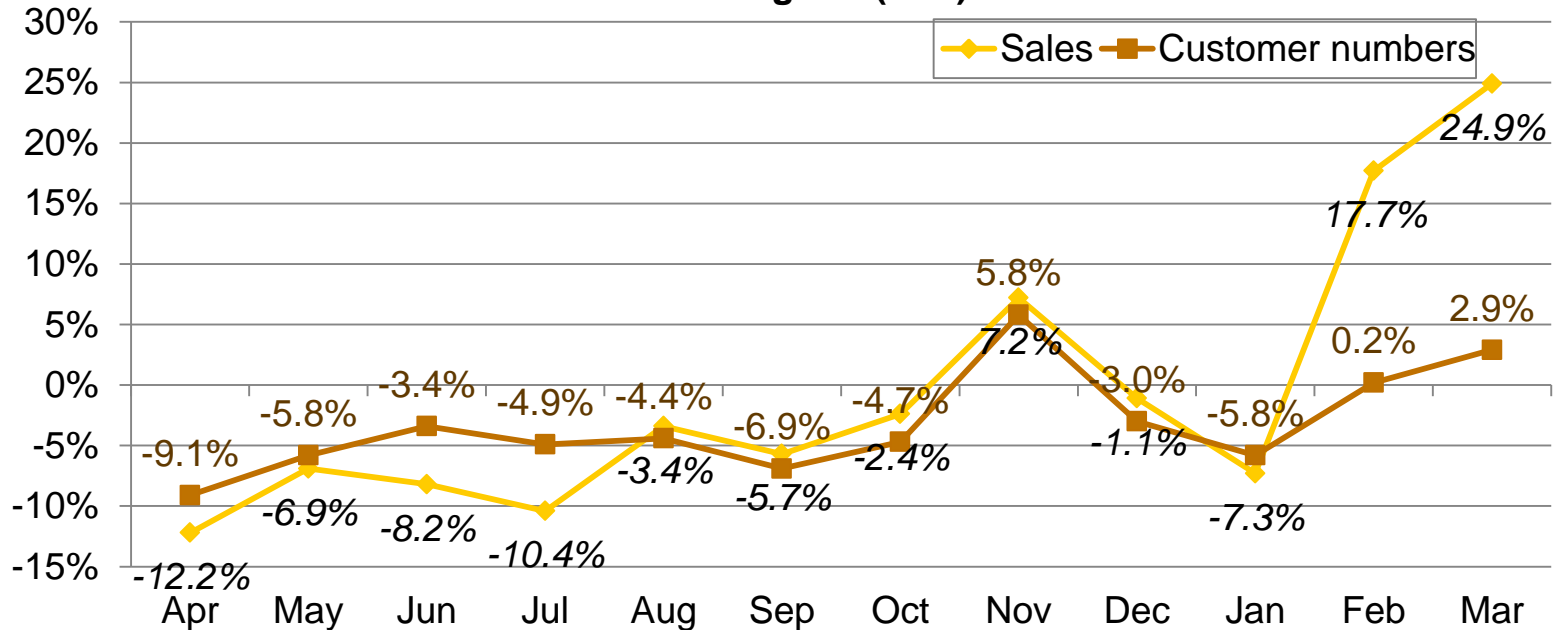
Gross margin fell below the plan chiefly due to lowered gross margin of tires and wheels.

SG&A was roughly on par with the plan.

(Billion Yen)					
	1st-half	2nd-half			Full Year
	Results	Results	Plan	FY 2013(2H)	Results
Net sales	103.7	127.9	125.3	119.3	231.6
Gross profit	34.6	42.2	41.8	40.4	76.9
% to Net sales	33.4%	33.0%	33.4%	33.9%	33.2%
SG&A	30.1	32.7	32.8	31.8	62.9
Salaries	14.6	15.0	15.2	14.7	29.7
Selling expenses	4.8	6.3	6.3	5.3	11.1
Facilities	6.0	6.3	6.2	6.6	12.4
Other	4.5	5.0	5.0	5.1	9.6
Operating income	4.4	9.4	9.0	8.5	13.9

Retail Sales Trend in FY March 2014

Same store sales and number of customers at domestic AUTOBACS-chain stores including FCs(YoY)



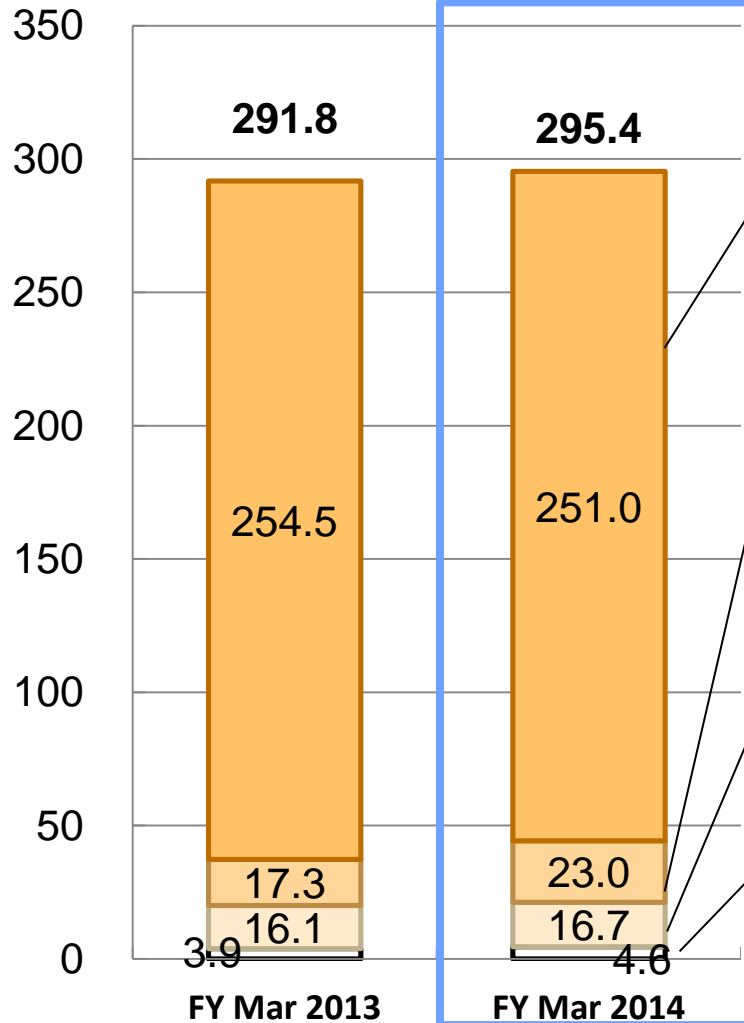
Business environment	Reaction to strong sales of new cars associated with the eco-car subsidy program in the previous year	Cold weather and snowfall nationwide	Last-minute demand before the consumption tax hike
		Strong new car sales	Strong sales of goods and services due to last-minute demand before tax hike
Topics by merchandise	Falls in sales of tires, wheels, and navigation devices	Strong sales of tires, wheels and tire chains	
		Decline in the unit price of navigation devices	

Domestic Retail Sales (FY March 2014)

(Billion Yen)

Sales at domestic AUTOBACS-chain stores including FCs*:

295.4 billion Yen (+ 1.2% YoY)



Car related goods and services:

251.0 billion Yen (-1.3% YoY)

Car purchase & sale:

23.1 billion Yen (+33.4% YoY)

23,142 cars (+25.5% YoY)

Number of fully certified & designated stores:
359 stores (+114 from the previous fiscal yearend)

Safety inspection & maintenance services:

16.7 billion Yen (+3.4% YoY)

581 thousand cars (+1.3% YoY)

Number of fully certified & designated stores:

379 stores (+27 from the previous fiscal year-end)

Others (Fuel & Second-hand goods sales):

4.6 billion Yen (+18.1% YoY)

* Include all store formats (AUTOBACS, Super AUTOBACS, AUTO HELLOES, CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

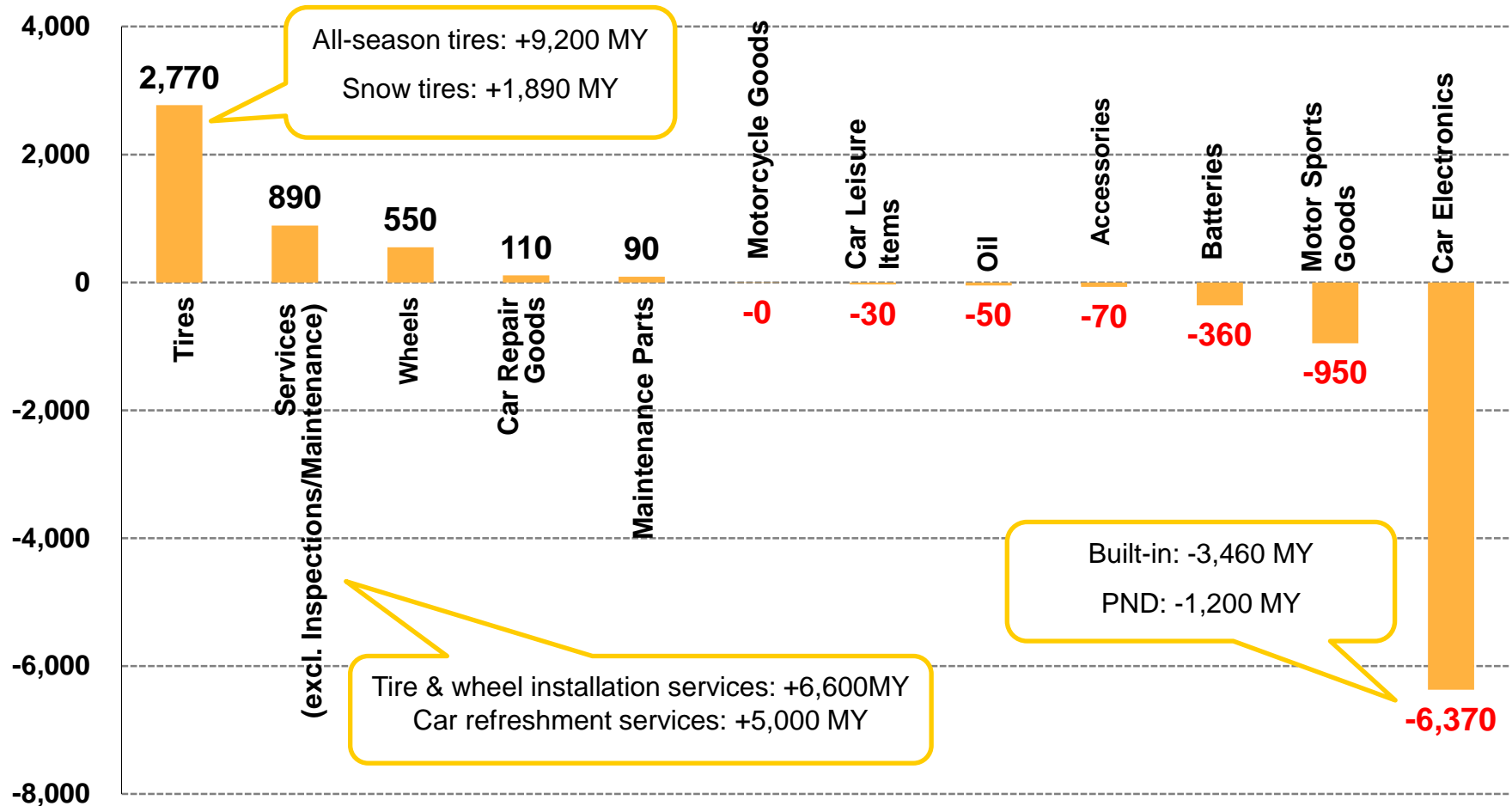
Sales Variance by Merchandise

【Same store basis】 Sales: -0.6% YoY, Number of customers: -3.3% YoY

Sales* changes by merchandise category

(Million Yen)

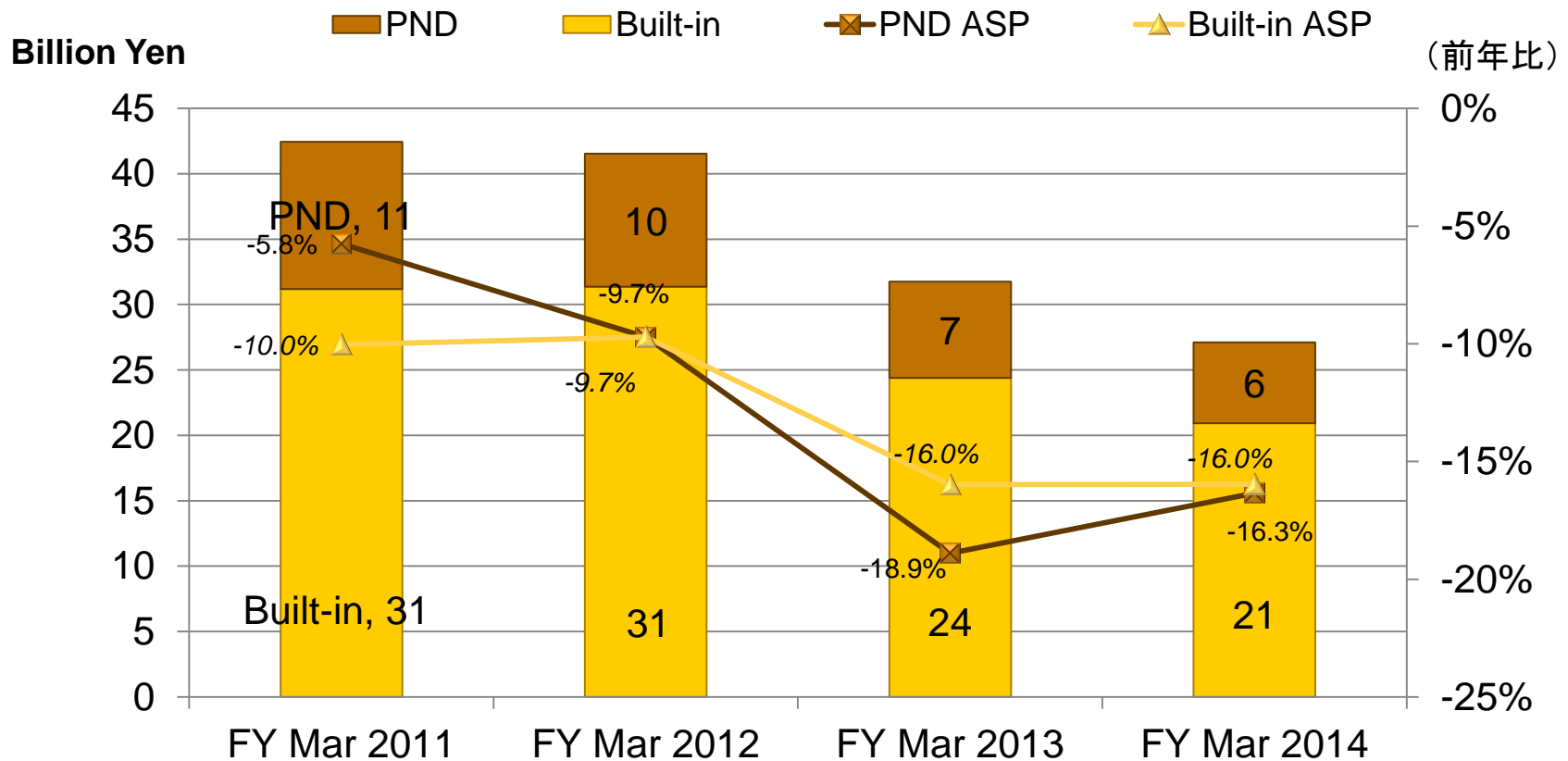
(for 12 months ended March 31, 2014; YoY change in amount; total store basis)



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

ASP of Car Navigation Devices at Stores

Sales* and ASP of navigation devices (YoY)

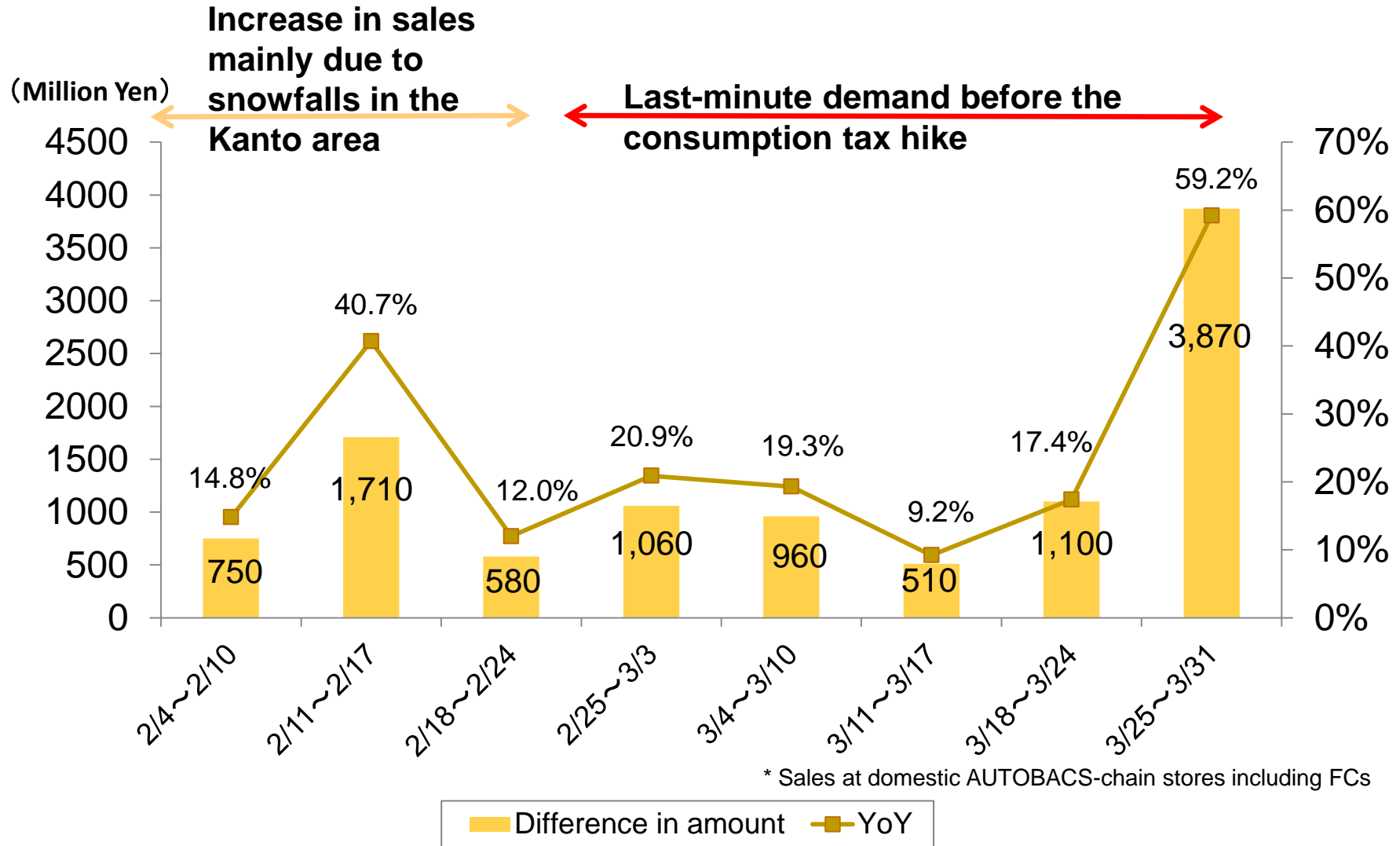


*Sales at domestic AUTOBACS-chain stores including FCs;
All domestic store formats (AUTOBACS, Super AUTOBACS, CARS,
AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

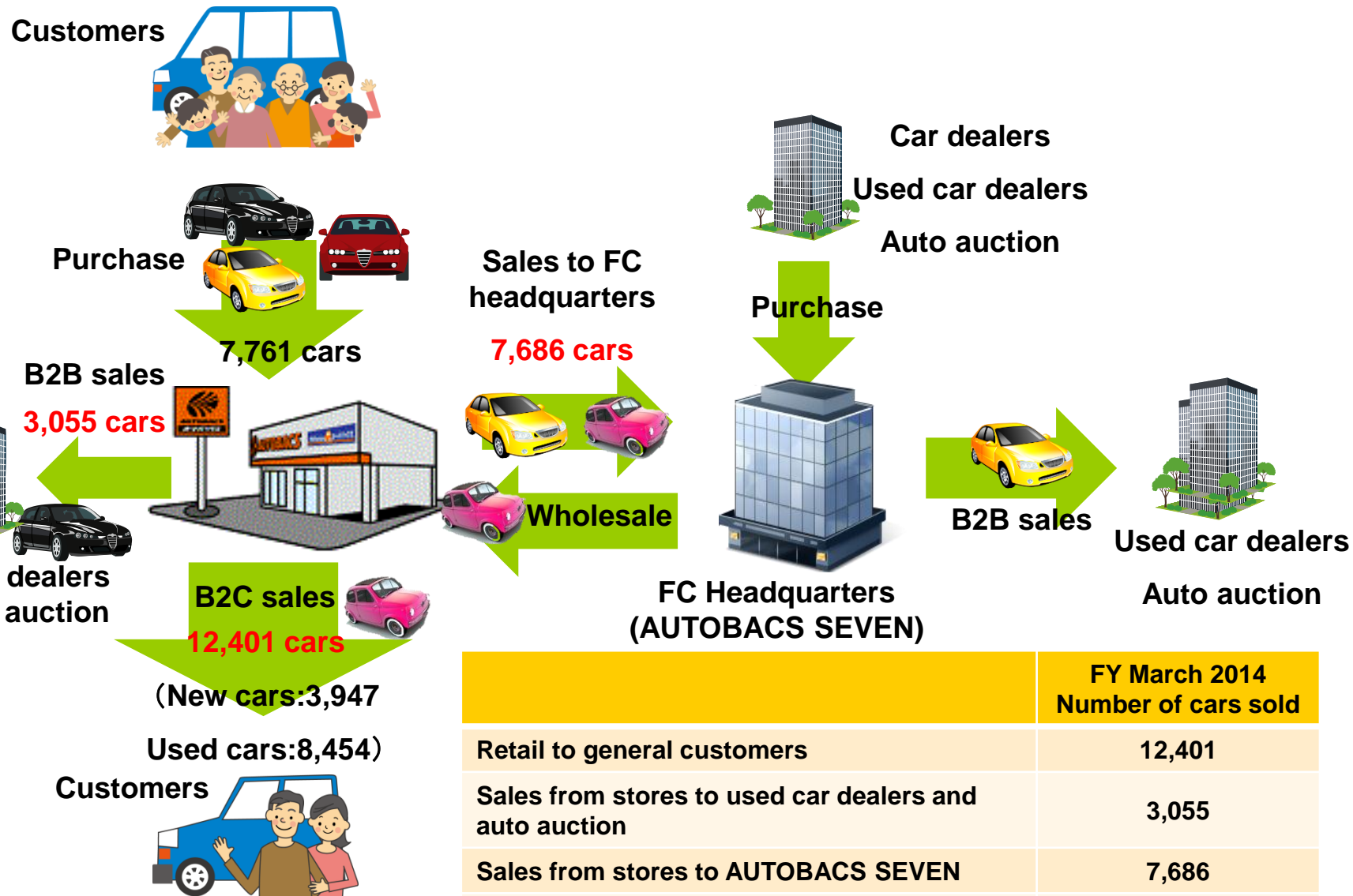
Last-Minute Demand before Consumption Tax Hike



Weekly YoY Changes in Sales at All Chain Stores* from Feb. 4 to Mar. 31, 2014



Flow of Car Sales and Purchase



	FY March 2014 Number of cars sold
Retail to general customers	12,401
Sales from stores to used car dealers and auto auction	3,055
Sales from stores to AUTOBACS SEVEN	7,686
Total	23,142

Major Drivers Of Variance (FY March 2014)

(Billion Yen)

	FY March 2014			FY Mar 2013 % of Sales
	Results % of Sales	YoY change	Major drivers of variance	
Net sales	231.7	+0.7%	Non-consolidated -3.54 BY Domestic store subsidiaries +3.33 BY Overseas subsidiaries +1.59BY Car goods supply subsidiaries +0.82 BY Subsidiaries for supporting function -0.23BY <div>Figures before consolidation adjustment</div>	230.2
Gross profit	76.9 33.2%	+1.6%	Wholesale -0.54 BY, Retail +1.85BY •Increases in gross profit and gross margin due to a rise in sales of tires and wheels •Falls in the gross profit and gross margin of car interiors	75.7 32.9%
SG&A	63.0 27.2%	-0.0%	Salaries: Increase in salaries at overseas store subsidiaries in association with movements in exchange rates Selling expenses: Increase in advertising expenses due to enhanced sales promotion Others: Falls in depreciation and commission paid	63.0 27.4%
Non-operating income/ expense	2.5 1.1%	+43.4%	Non-operating income: Insurance claims paid associated with compensation claims against officers in the United States, foreign exchange gains Non-operating expense: Decrease in exchange loss on foreign currency for allowance of two US subsidiaries	1.7 0.8%
Extraordinary gains	0.1	—		—
Extraordinary loss	0.5 —	-15.7%	Impairment losses on fixed assets (land and buildings for stores in Japan and abroad)	0.6 —
Adjustments to Income Taxes	2.0	+351.1%	Increase due to a reversal of deferred tax assets associated with the settlement of a lawsuit in the United States	0.4

Operating Income Components (FY March 2014)



Domestic AUTOBACS-chain store sales

Total store basis: +1.2% / same store basis: -0.6%

		Operating income (Million yen)	
		Amount	Major drivers of variance (yoy)
Segment	Non-consolidated	13,330	-400 MY • Net sales-3,540MY (-1.9%) • Gross Profit -1,930MY (21.2% (last year 21.9%)) - Improved gross margin of tires and wheels - Decreased gross margin of car electronics and car interiors • SG&A -1,520 - Decrease in the number of directly operating stores - Reductions in depreciation associated with IT systems and consulting fees - Increase in advertising and sales promotion from the third quarter
	Store subsidiaries	560	-1,340 MY (Net sales +3,330 MY +4.3%) - Increases in sales through the change of franchisees to subsidiaries and acquisition of directly managed stores and in sales of tires and wheels - Improved gross margin of tires, car electronics, and car interiors
	Overseas subsidiaries	10	+80 MY Improved earnings at the subsidiary in China
	Subsidiaries for supporting functions, car goods supply and other	690	+110 MY Increased wholesale sales of oil
	Segment total	14,590	+1,130 MY
Consolidation Adjustments		(640)	Adjustment amount decreased by 60MY from last year. Decrease in the amortization of goodwill through the change of franchisees to subsidiaries
Consolidated		13,940	+1,200 MY

Segment Information



(Billion Yen)

		FY March 2014 results	FY March 2013 results	YoY Change	Latest Forecast	% to Forecast
Non-consolidated	Net sales	183.8	187.3	-1.9%	182.7	+0.6%
	Operating income	13.3	13.7	-2.9%	13.3	+4.1%
Domestic store subsidiaries	Net sales	81.4	78.1	+4.3%	80.8	+0.7%
	Operating income	0.6	(0.8)	—	-0.1	—
Overseas subsidiaries	Net sales	10.4	8.8	+18.1%	10.2	+1.7%
	Operating income	0.0	(0.1)	—	0.0	—
Subsidiaries for car goods supply and other	Net sales	15.2	14.4	+5.7%	14.8	+2.5%
	Operating income	0.3	0.2	+57.4%	0.2	+27.5%
Subsidiaries for supporting function	Net sales	3.1	3.4	-6.8%	3.2	-1.6%
	Operating income	0.4	0.4	+3.8%	0.4	+8.3%
Segment total	Net sales	293.8	291.9	+0.7%	291.7	+0.7%
	Operating income	14.6	13.5	+8.4%	13.8	+5.7%

Amounts are rounded to the nearest hundred million yen.

% of Net Sales and YoY comparisons are calculated in million yen.

Note: Figures in parentheses are negative.

Performance By Country (FY March 2014)



	FRANCE		CHINA		SINGAPORE		THAILAND	
Number of stores at March 31, 2014 -including FC stores-	11		1		3		4	
Same store sales -including FC stores-	+2.1%		+36.3% (all stores)		-6.0%		-14.4%	
Period	FY March 2014	FY March 2013	FY March 2014	FY March 2013	FY March 2014	FY March 2013	FY March 2014	FY March 2013
Net sales (Million Yen)	7,840	6,520	520	390	1,430	1,280	590	590
SG&A (Million Yen)	3,920	3,190	300	370	460	410	230	170
Operating income (Million Yen)	(40)	(40)	(40)	(170)	170	150	(70)	(10)
Business conditions	Despite the stagnant European economy, winter goods sold well. Price competition, however, remained fierce. The operating loss improved, reflecting an improvement in the gross margin and the control of expenses.		Although the third directly managed store was closed at the end of October, wheels and oil, among other merchandise, sold well. The operating loss narrowed due to a reduction in expenses in association with the closing of the store.		Operating income declined slightly from a year ago, chiefly reflecting a fall in sales due to intensified competition with competitors, but the operating margin was stable at the 11% range.		Net sales declined with the closure of certain stores or the shortening of operating hours attributed to the impact of anti-government protests, which resulted in a wider operating loss.	

Note: Figures in parentheses are negative.

Amounts are rounded down to the nearest ten million yen.

Progress of Medium-term Business Plan



Measures	Progress of individual measure
Strengthening domestic business	
1. Improving stores' earnings power	Operating margin at existing stores: 6.2%
(i) Reform at stores	<ul style="list-style-type: none"> - Improved operations at stores (reviewed operational efficiency and introduced tablet PCs). - Refurbished Super AUTOBACS stores.
(ii) Reform in human resources	<ul style="list-style-type: none"> - Provided training for improving service and store managers' capabilities of developing strategies.
2. Increasing market share	Market share: 14.9%
(i) Opening new stores	<ul style="list-style-type: none"> - Opened 25 stores. <ul style="list-style-type: none"> → Promoted cost cutting, including changes in facilities. → Found sites to continue to open new stores. → Opened three tire specialty stores.
(ii) Promoting CRM strategy	<ul style="list-style-type: none"> - Built a new CRM system to propose goods and services suitable to individual customers.
(iii) Strengthening e-commerce	<ul style="list-style-type: none"> - Opened online stores on amazon.co.jp and Yahoo! Shopping.

Progress of Medium-term Business Plan



Measures	Progress of individual measure
Overseas operations	
(i) Moving into the black	- Total operating income at overseas subsidiaries moved into positive territory.
(ii) Operations in ASEAN nations	- Established a joint venture engaging in the wholesale of automotive goods and services. (Indonesia) - Focused on the retail of automotive goods and services through business and capital alliances. (Malaysia)
Financial strategy	
(i) Generating operating cash flow through aggressive investment	- Opened 27 new stores and relocated four stores in Japan and overseas.
(ii) Increasing returns to shareholders	- Acquired own shares(3 million shares worth approximately 4.6 billion yen). - Distributed commemorative dividends (10 yen per share).
CSR, governance	
(i) Contributions to the environment and society	- Started electric power selling using photovoltaic power generation. - Obtained ISO14001 certification at six places in Japan. - Continued activities to contribute to communities.
(ii) Promoting compliance and risk management	- Officers shared information on risks and countermeasures. - Bolstered the compliance system for franchisees.

Net sales for the FY Mar 31, 2014

: 1,360 million yen (up 59.0% year on year)

Direct delivery to customers: 590 million yen
Store sales: 770 million yen

- **Most selling categories**
 - **Car electronics: about 50% of total**
 - **Tires and wheels: about 20% of total**
- **By channel**
 - **Company website: about 67% of total**
 - **Shopping mall: about 33% of total**
- **Items picked-up at stores**
 - Tires and wheels sets**
 - ETC devices + installation services**
 - Navigation devices + installation services**
 - Drive recorders with ETC devices**
- **Increased merchandise assortment**
 - : about 100,000 SKU (as of March 31, 2014)**

AUTOBACS Yahoo! store



Store Openings And Closings (FY March 2014)

Domestic stores

Store Type	No. of stores at March 31, 2013	FY March 2014						No. of stores at March 31, 2014
		1st-half			2nd-half			
		New	S/B・R/L	Close	New	S/B・R/L	Close	
AUTOBACS	455	+14	+2/-1	-1	+9	+3/-3		478
Super AUTOBACS	76			-1				75
AUTOBACS <i>Secohan Ichiba</i>	14			-2			-2	10
AUTOBACS EXPRESS	7		-1		+2			8
Total	552	+14	+2/-2	-4	+11	+3/-3	-2	571

Overseas stores

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

Country / Region	No. of stores at March 31, 2013	FY March 2014		No. of stores at Mar 31, 2014
		1st-half	2nd-half	
France	11			11
China	2		-1	1
Thailand	4			4
Singapore	3			3
Taiwan	6		+1/-1	6
Malaysia	1	+1		2
Total	27	+1	+1/-2	27

Progress of New Store Openings



	Store name	Opening date
1	AUTOBACS KAMATA Store	2013/4/18
2	AUTOBACS KUMAMOTO HITOYOSHI Store	2013/4/18
3	AUTOBACS YANAI MINAMIMACHI Store	2013/6/21
4	AUTOBACS AIZUMI Store	2013/6/27
5	AUTOBACS FUKUROI IC Store	2013/7/11
6	AUTOBACS Tire Shop NAGAREYAMA Store	2013/7/17
7	AUTOBACS MAEBASHI AMAGAWA Store	2013/7/19
8	AUTOBACS SHIRONE Store	2013/8/8
9	AUTOBACS HITACHINAKA Store	2013/9/12
10	AUTOBACS KAHOKU Store	2013/9/13
11	AUTOBACS BANDO Store	2013/9/14
12	AUTOBACS TSURUGA Store	2013/9/20
13	AUTOBACS KAKAMIGAHARA Store	2013/9/20
14	AUTOBACS Tire Shop AKIRUNO Store	2013/9/21
15	才AUTOBACS AOMORI-CHUO Store	2013/10/4
16	AUTOBACS SHIZUNAI Store	2013/10/11
17	AUTOBACS AKITA OMAGARI Store	2013/10/11
18	AUTOBACS EXPRESS IYOSAIJO Store	2013/10/18
19	AUTOBACS Tire Shop MATSUMORI Store	2013/10/24
20	AUTOBACS KISARAZU KANEDA Store	2013/11/14
21	AUTOBACS EXPRESS KISARAZU KANEDA Store	2013/11/14
22	AUTOBACS MIZUNAMI IC Store	2014/2/14
23	AUTOBACS UJI Store	2014/3/7
24	AUTOBACS SUWA IC Store	2014/3/13
25	AUTOBACS HIROSHIMA FUCHU Store	2014/3/20

Engagement in the Tires Business

Opening low-cost stores specializing in tires

Low-cost operation: Management system mainly dealing in tires and wheels, with fewer staff (Average number of employees: 4~5)

Low-cost store openings: Reducing total investment by purchasing property including furniture, fixtures and appliances

Opening month	Store name	12 months ended Mar 31, 2014		
		Store sales (YoY)	Number of tires (YoY)	Sales of tires (YoY)
Feb-12	AUTOBACS Tire Shop OGORI Store	111.4%	110.3%	111.2%
Jul-13	AUTOBACS Tire Shop NAGAREYAMA Store	188.1%*	135.3%*	169.2%*
Sep-13	AUTOBACS Tire Shop -AKIRUNO Store	157.8%*	179.0%*	164.9%*
Oct-13	AUTOBACS Tire Shop -MATSUMORI Store	160.1%*	198.7%*	197.5%*



* Comparison to internal plan

AUTOBACS Tire Shop OGORI Store

Reorganization of Store Subsidiaries



Reorganization of Domestic Store Subsidiaries (including changes that comes into force by June 1, 2014)

Measures	Contents
Transfer of store ownership	<ul style="list-style-type: none">- Transfer of three stores in Nara area to a franchisee- Transfer of a store in southern Mie area to a franchisee- Transfer of a store in Tokyo area to a franchisee
Transfer of shares in Store Subsidiaries	<ul style="list-style-type: none">- Transfer of all shares in a store subsidiary in Kanagawa area to a franchisee (include transfer of four stores)
Merger of consolidated subsidiaries (as of June 1, 2014)	<ul style="list-style-type: none">- Consolidation of store subsidiaries in Fukuoka area (Merger of AUTOBACS Fukuoka Ltd. and OPS Ltd.)
Change of management	<ul style="list-style-type: none">- Management changes in seven companies

FY ended March 2014: 22 domestic store subsidiaries at the beginning of the fiscal year

FY ending March 2015: 19 domestic store subsidiaries (as of June 1, 2014)

II FY March 2015 Consolidated Forecasts

Financial Forecasts (FY March 2015)



(Billion Yen)

	FY March 2014 Results	FY March 2015 (Forecasts)			
		1st-half	2nd-half	Full year	YoY change (amount & rate)
Net sales	231.7	104.7	123.7	228.4	-3.3
Gross profit	76.9	34.4	40.9	75.3	-1.6
% to Net sales	33.2%	32.9%	33.1%	33.0%	-2.1%
SG&A	63.0	30.5	31.3	61.8	-1.2
% to Net sales	27.2%	29.1%	25.3%	27.1%	-1.8%
Operating income	13.9	3.9	9.6	13.5	-0.4
% to Net sales	6.0%	3.7%	7.8%	5.9%	-3.2%
Ordinary income	16.4	4.8	10.6	15.4	-1.0
% to Net sales	7.1%	4.6%	8.6%	6.7%	-6.2%
Net income	9.8	3.1	6.4	9.5	-0.3
% to Net sales	4.2%	3.0%	5.2%	4.2%	-2.9%
ROE	6.8%			6.5%	-0.3pt
Same store sales (yoy)	-0.6%	+0.7%	-4.9%	-2.4%	-1.8pt
Total store sales (yoy)	+1.2%	+2.7%	-2.9%	-0.4%	-1.6pt

Amounts are rounded down to the nearest hundred million Yen.
% of net sales and YoY comparisons are calculated in million Yen.

Premises of Sales Forecast

Business Environment

- **Reaction to last-minute demand before the consumption tax hike (a decline in demand for new cars)**
- **Snowfall expected to be as usual**
- **Consumer sentiment expected to decline in the first half and improve in the second half**

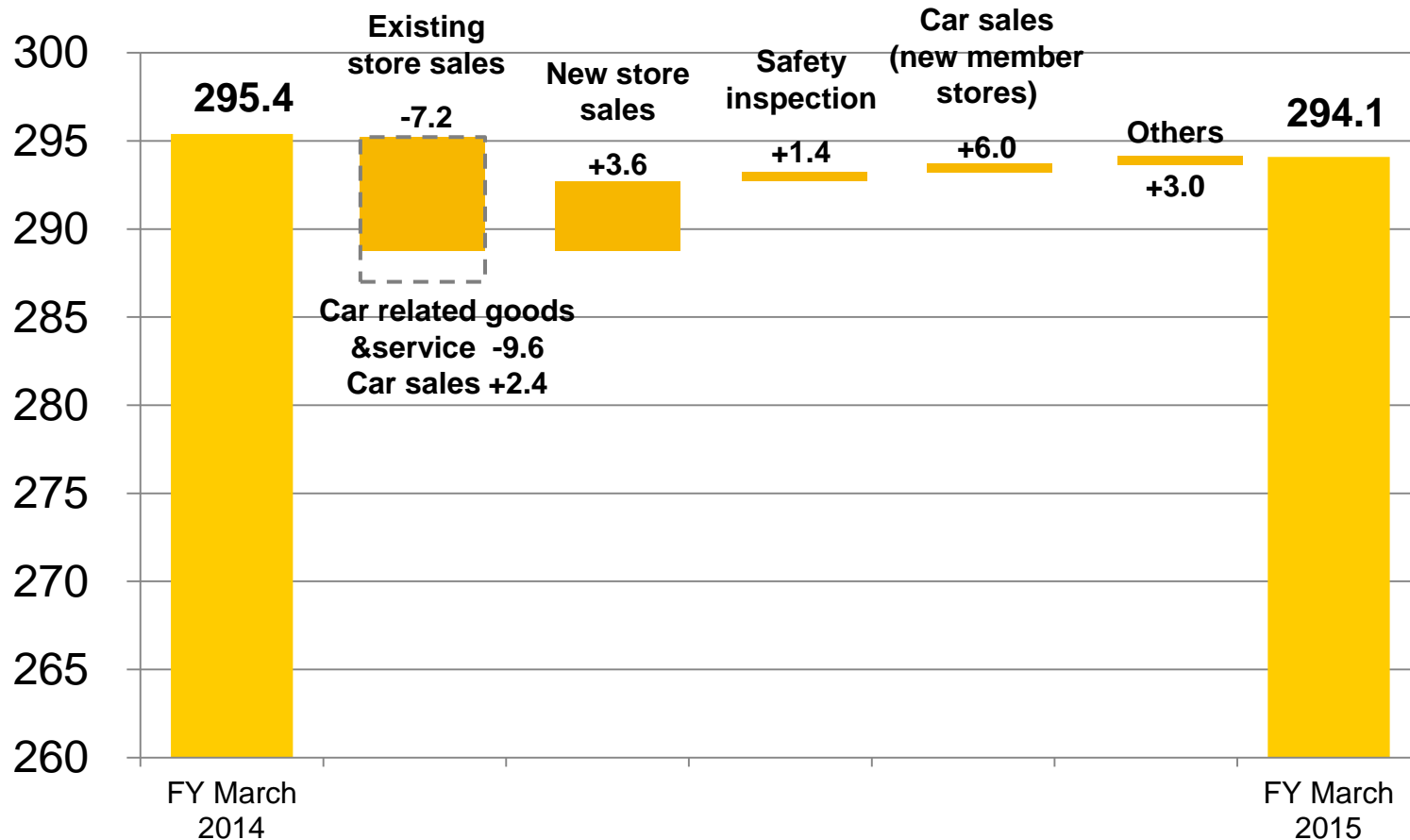
Factors Expected to Affect the Company's Earnings

- 1. Reaction to last-minute demand before the consumption tax hike**
- 2. Decrease in sales of navigation devices due to declining prices**
- 3. Addition of new stores**

Premises of Sales Forecast

(Billion Yen)

Forecast of Domestic Sales for FY March 2015



Same store sales (yoy): -2.4% (1st Half +0.7% 2nd Half -4.9%)

Other factors expected to affect sales: -9.6 billion Yen

Reaction to the last-minute demand before the consumption tax hike, decreasing demand of car electronics devices, and other.

Forecast at Parent & Subsidiary Level (FY March 2015)



(Billion Yen)

		FY March 2014 results	FY March 2015(Forecasts)			
			1st-half	2nd-half	Full Year	YoY change (amount)
Non-consolidated	Net sales	183.75	83.10	100.80	183.90	+0.1
	Ordinary income	13.33	4.70	8.10	12.80	-4.0
Domestic store subsidiaries	Net sales	81.39	34.90	41.30	76.20	-6.4
	Ordinary income	0.55	-0.90	1.40	0.50	-9.1
Overseas subsidiaries	Net sales	10.37	5.80	5.30	11.10	+7.0
	Ordinary income	0.01	0.10	0.10	0.0	—
Subsidiaries for car goods supply and other	Net sales	15.17	7.60	7.80	15.40	+1.5
	Ordinary income	0.25	0.10	0.15	0.25	-2.0
Subsidiaries for supporting functions	Net sales	3.14	1.55	1.55	3.10	-1.3
	Ordinary income	0.43	0.25	0.20	0.45	+4.7

Amounts are rounded down to the nearest ten million Yen.
% of Net sales and YoY comparisons are calculated in million Yen.

Management policy: Strengthening earning power and enhancing the ability to get things done

AUTOBACS business

Policy: Establishing a base for growth and increasing market share at individual stores

- Strengthening of relations with customers
- Human resource development
- Structural change to the store chain operation

Overseas business

- Promoting alliances, boosting earnings in the retail business, and developing human resources

New business

- Developing businesses that drives future growth

Initiatives for Domestic AUTOBACS Business

Car goods and services

- Strengthening tire sales (private brand, exclusive tires)
- Promoting private brand merchandise
- Sales promotion for the 40th anniversary of the opening of the first AUTOBACS store

Statutory safety inspection and maintenance

- Sales promotion based on the use of customer data
- Thorough instructions to stores with poor service results

Car purchase and sale

- Making all stores a CARS franchise
- Reinforcing the structure and training system for fair evaluation
- Enhancing stock level of stores and improving efficiency

Reform at stores

- Enhancing collaboration between the three existing business: car goods and service sales, statutory safety inspection and maintenance services, and car purchase and sales business
- Renovating of store operation
- Staff training

E-Commerce introduction

- Enhancing promotion to increase website visitors
- Increasing attractiveness of merchandise

New Private Brand and Exclusive Tires



Exclusive tire: ESPORTE AB01

Position: moderate-price, made in Japan

Target: compact cars and K-cars



PB tire: Maxrun EVERROAD

Position: made in Japan, fuel-efficient

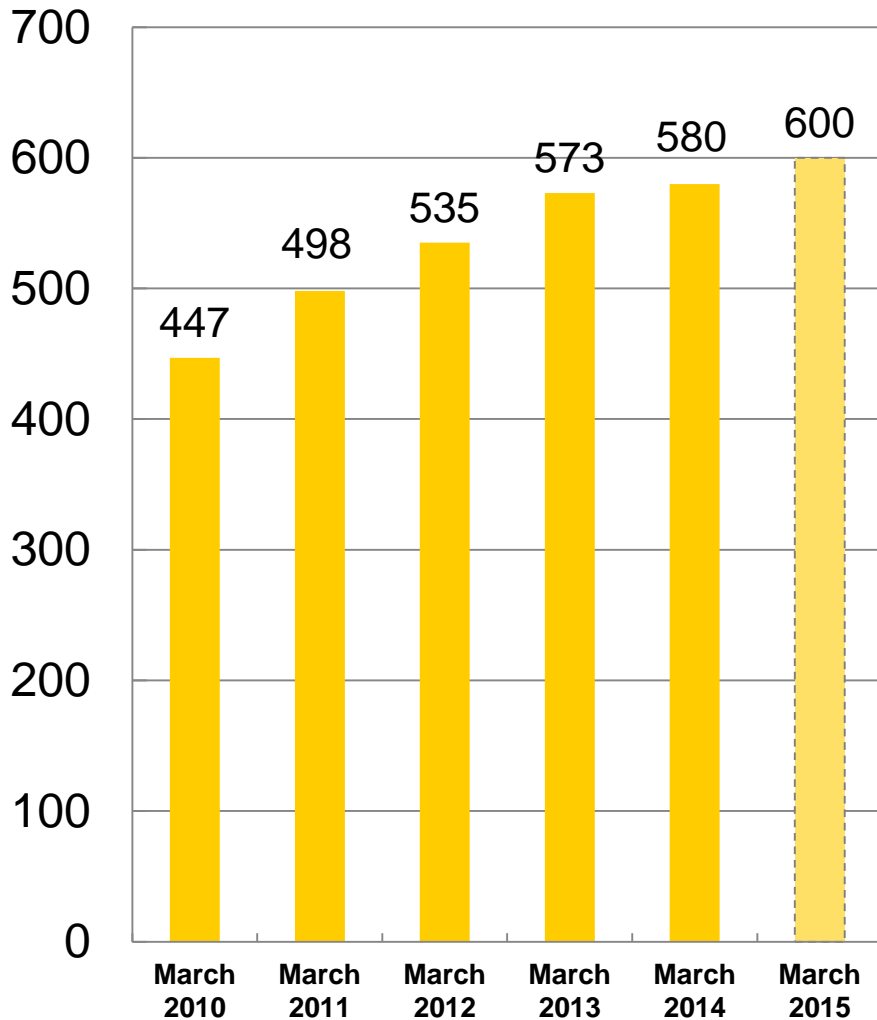
Target: compact cars and K-cars, minivans

Statutory Safety Inspection and Car Sales Business



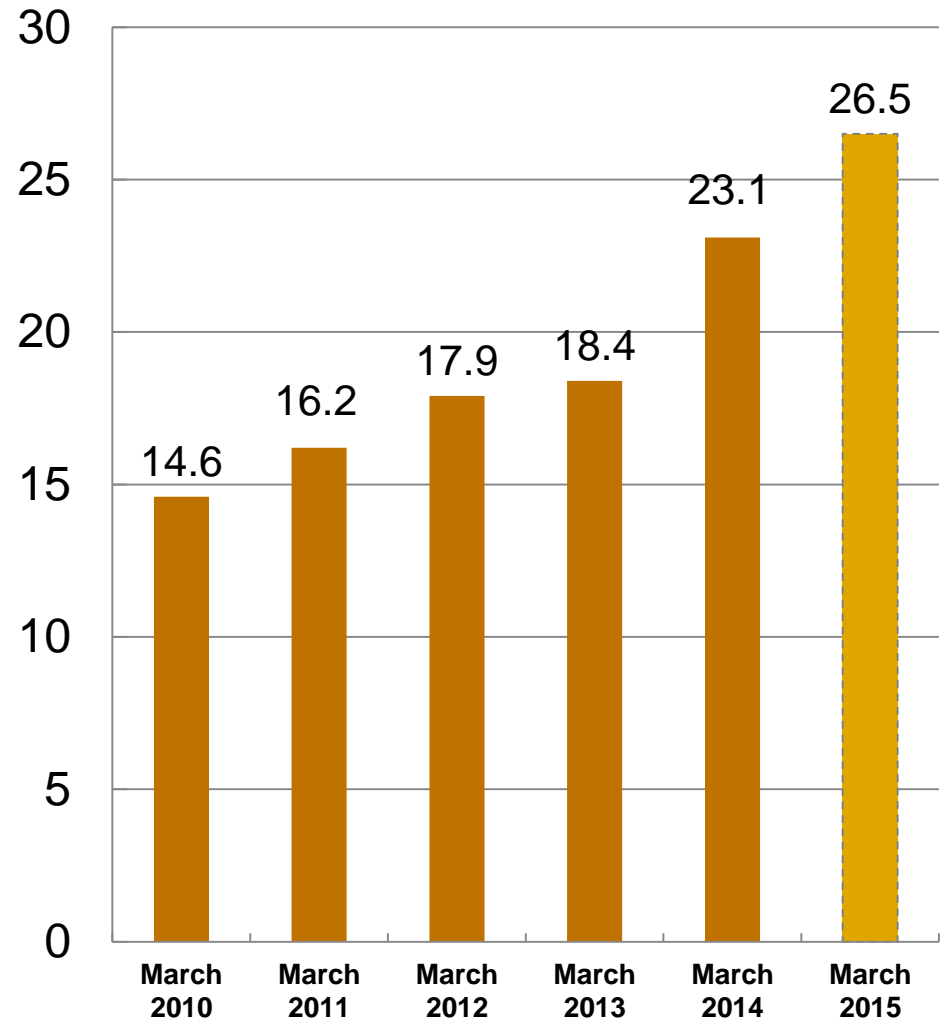
Statutory safety inspection (total stores)

(Thousands cars)

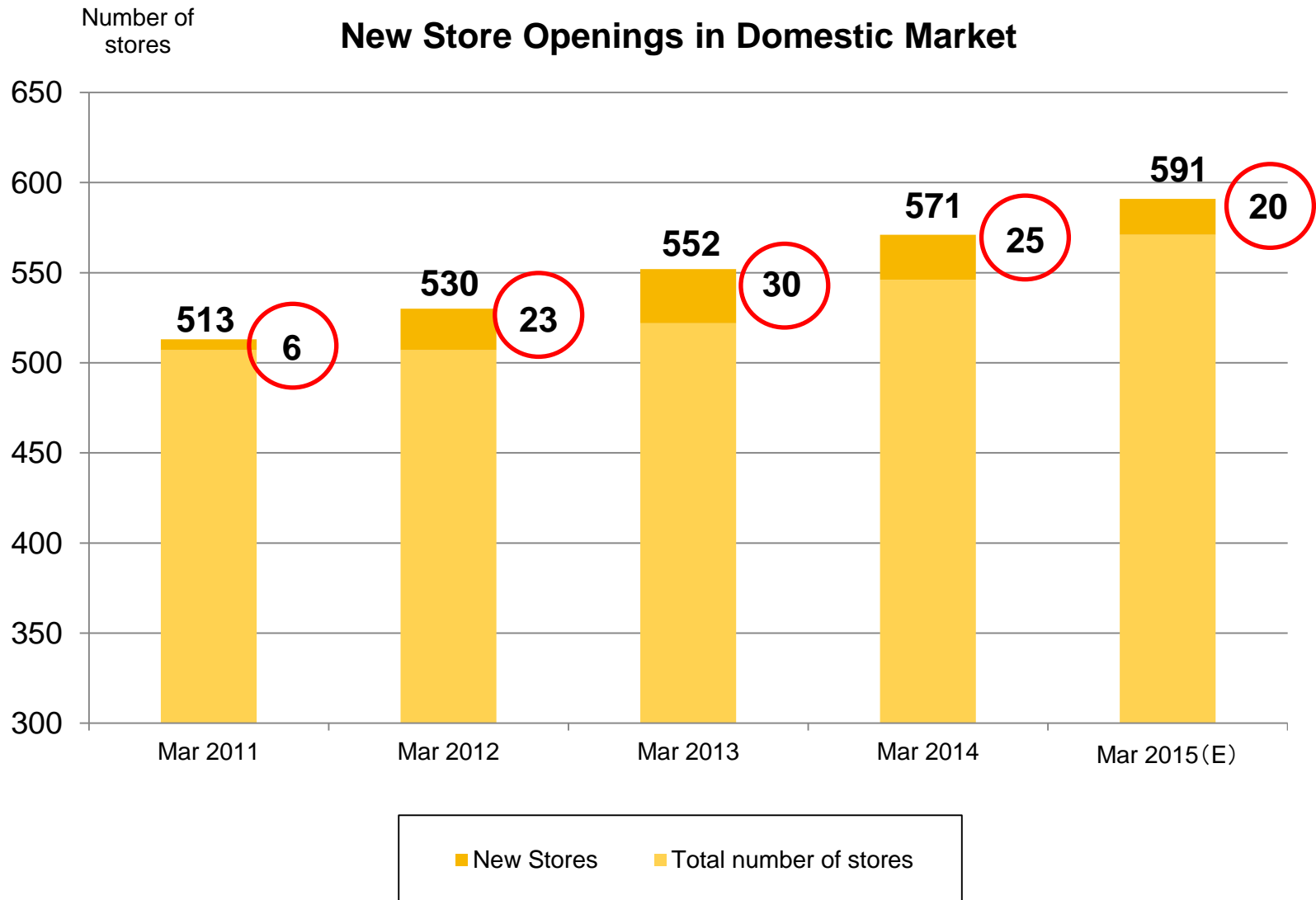


Car sales (total stores)

(Thousands cars)



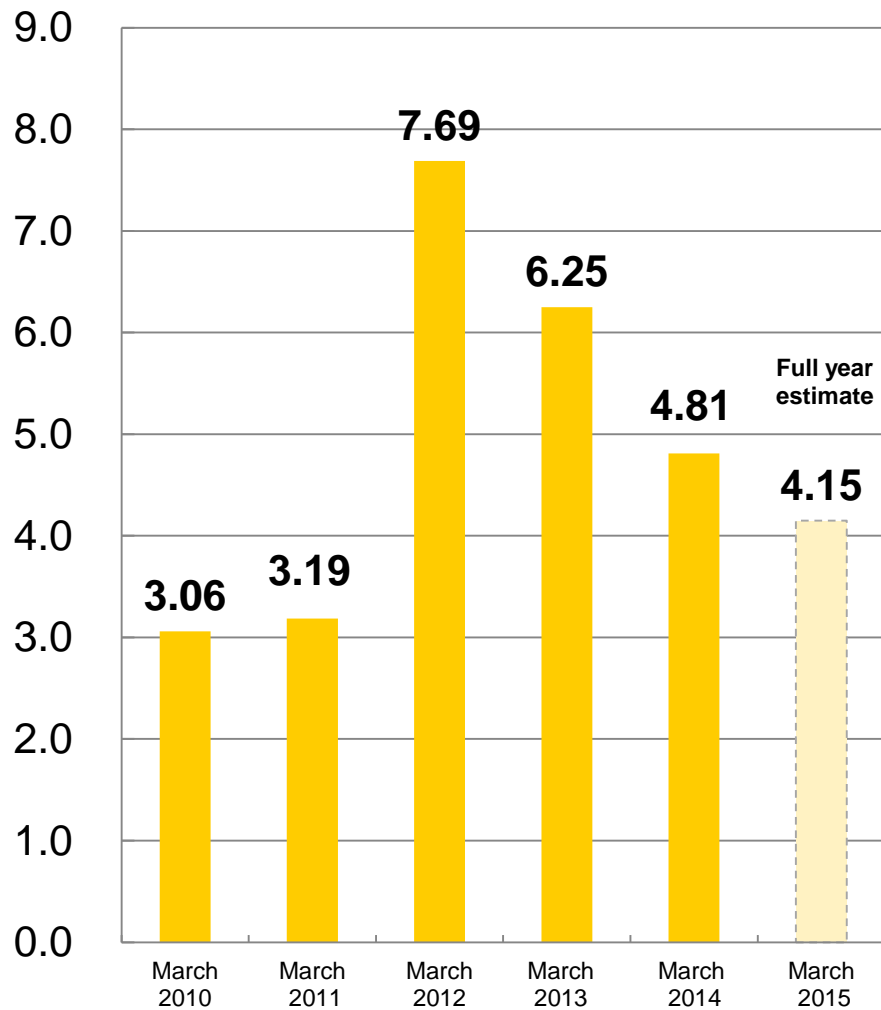
New Store Openings



Capital Expenditures & Depreciation

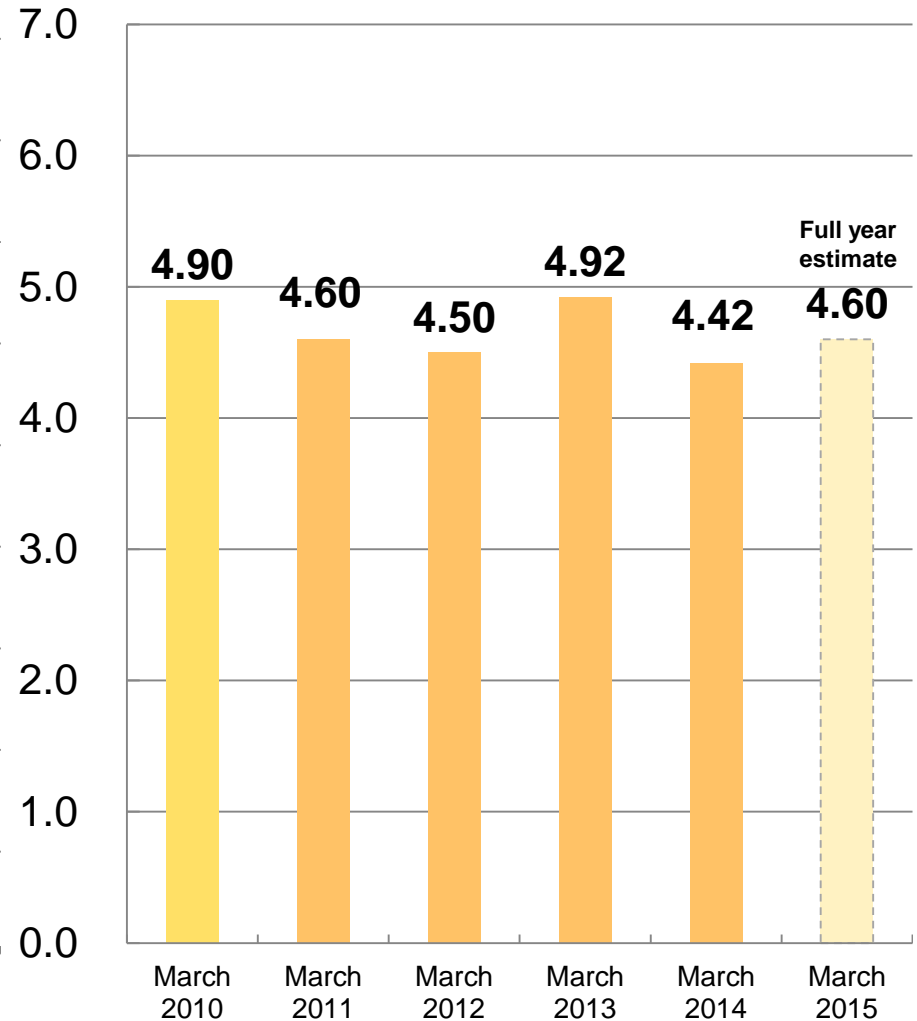
Capital Expenditures

(Billion Yen)



Depreciation

(Billion Yen)



FY March 2014

Dividends: Interim 27 Yen/share, Year-end 27 Yen/share,
40th anniversary commemorative 10 Yen/share,
Annual total 64 Yen/share

Share buyback: 4.60 billion Yen, 3,000,000 shares

FY March 2015 (Forecast)

Dividends: Interim 30 Yen/share, Year-end 30 Yen/share

Share buyback: Up to 5.4 billion Yen, Up to 3,000,000 shares
From May 12, 2014 to November 28, 2014

Cancellation of own shares: 3,000,000 shares
Planned date of cancellation is May 15, 2014

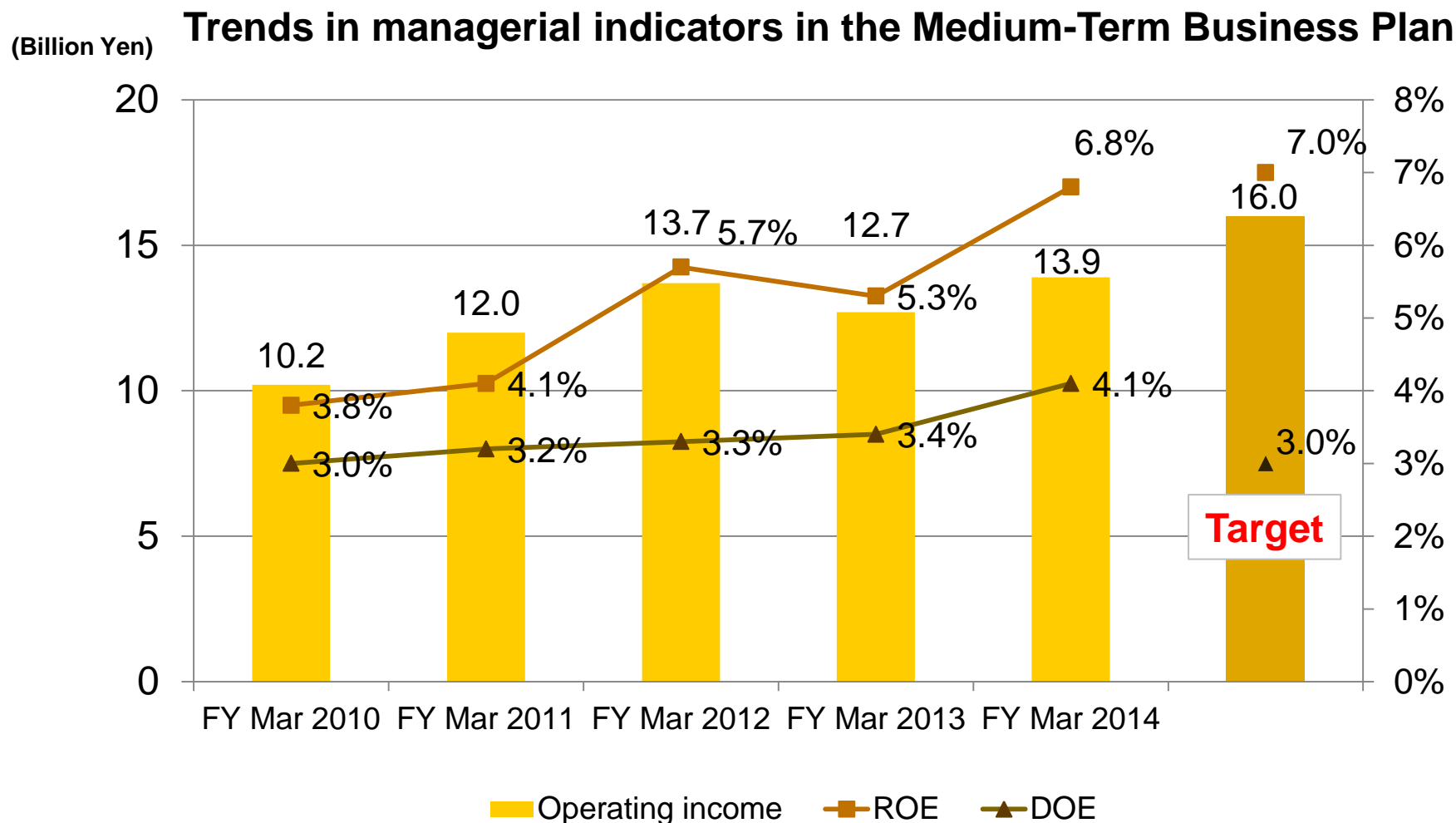
Ⅲ 2014 Medium-Term Business Plan

Summary of 2010 the Medium-Term Business Plan (1)



AUTOBACS 2010 Business Plan			FY March 2014	
Management targets				
	Operating income	16.0 billion Yen	➡	13.9 billion Yen
	ROE	7.0%	➡	6.8%
	Dividend-on-equity (DOE)	3.0%	➡	4.1%
Business targets				
	Operating income at AUTOBACS stores	6.9%	➡	6.2%
	Market share	18.0%	➡	14.9%
	Total new store openings	120 stores	➡	82 stores

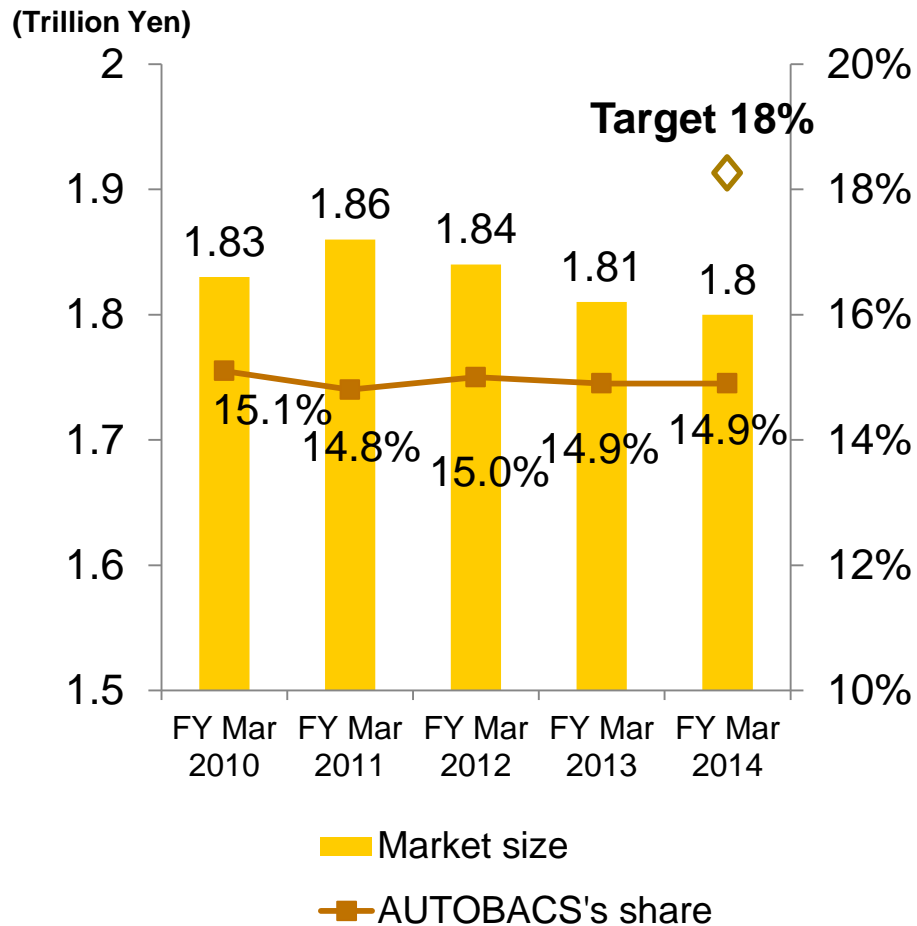
Summary of the 2010 Medium-Term Business Plan (2)



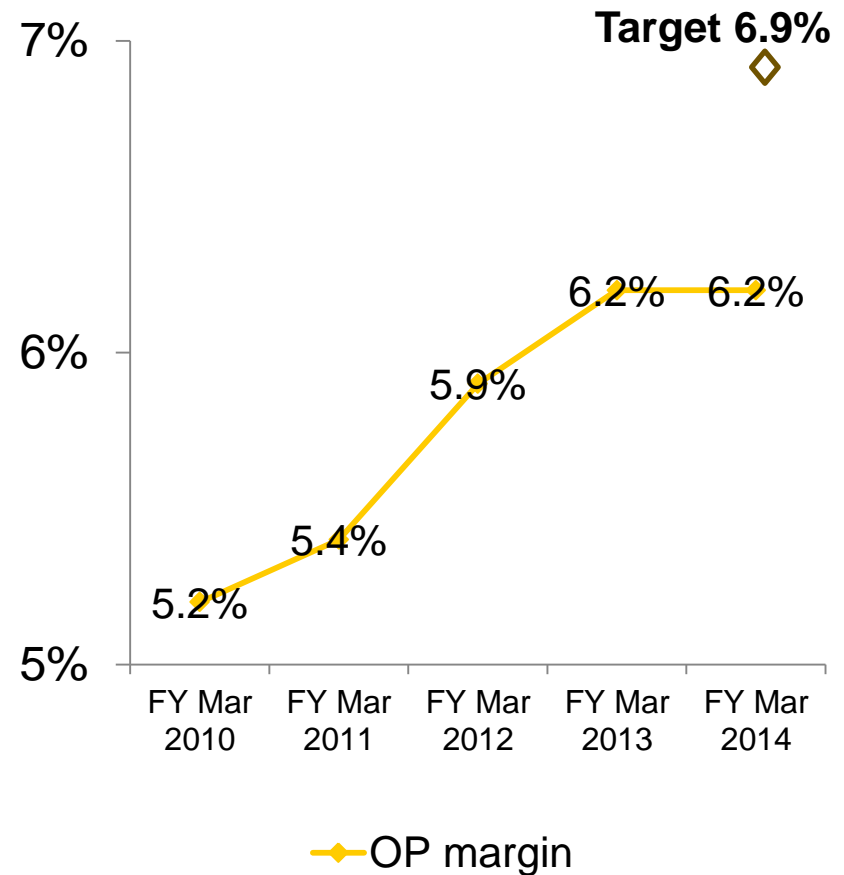
Summary of the 2010 Medium-Term Business Plan (3)



Size of domestic auto aftermarket and share of AUTOBACS



OP margin at AB-format stores

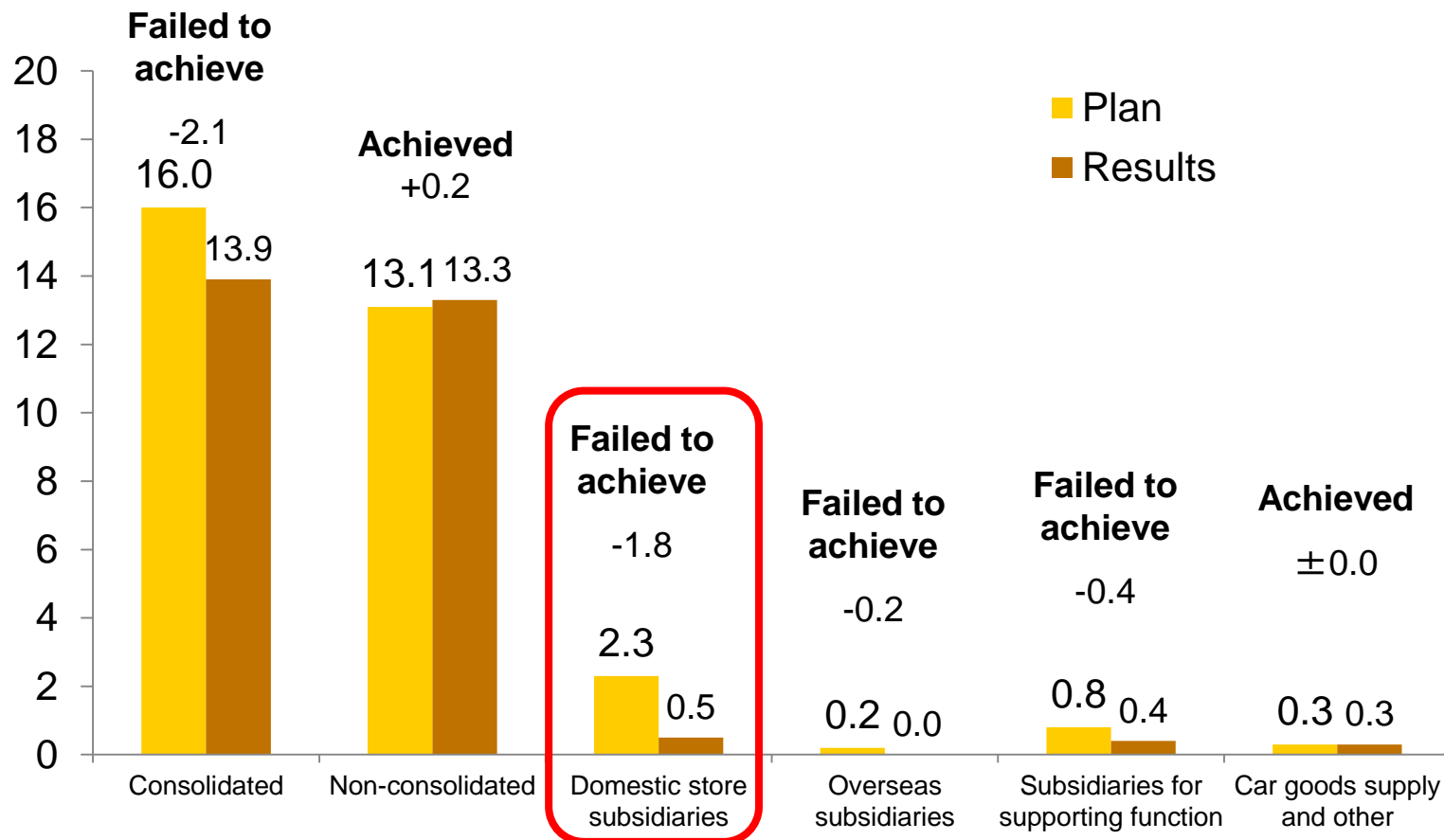


Summary of the 2010 Medium-Term Business Plan (4)



Operating Income Performance Results by Segment

(Billion Yen)



Summary of the 2010 Medium-Term Business Plan (5)



	Assessment	Measures
Business Strategy	Stronger Domestic business <ul style="list-style-type: none"> Improvements in store profitability <ul style="list-style-type: none"> Existing store operating margin increased to 6.9% Improvements in market share <ul style="list-style-type: none"> Auto after-market share increased to 18% 	<ul style="list-style-type: none"> Restructuring of existing stores Training of store staff for better customer service Opening of 82 new stores (Plan 120 stores) Development and experiment of specialized business Improvement in gross margin Statutory safety vehicle inspection services to 580,000 cars (Plan 650,000 cars) Reinforcing of car purchase & sales business Optimization of the number of employees in store subsidiaries
	Overseas operations <ul style="list-style-type: none"> Total operating income at overseas subsidiaries moved into positive Fixed toe policy of China business through verification 	<ul style="list-style-type: none"> Continuing efforts to eliminate operating loss Experiment of service-centered small-size stores at China
	Improvement in headquarters' executive ability <ul style="list-style-type: none"> Enhancement of the headquarters' supporting system Rebuilding of the management system Improvement in cost efficiency of the headquarters 	<ul style="list-style-type: none"> Reducing the headquarters' SG&A cost to 25.7 billion Yen (Last FY 28.6 billion Yen) Preparing for the IFRS accounting changes
	Financial strategy <ul style="list-style-type: none"> Generating operating cash flow through aggressive investment Enhancing shareholders' returns 	<ul style="list-style-type: none"> Aggressive investments for new stores openings and other (although fell short of Plan) Commitment to increase shareholders' return
	CSR/ Governance <ul style="list-style-type: none"> Making environmental actions and social contributions Promoting compliance and risk management 	<ul style="list-style-type: none"> Achievement of ISO14001 certification at seven regional offices Launching of solar power business Continuation of social contribution activities Reviewing of risk management methods Strengthening of the compliance system for FCs

Position of the 2014 Medium-Term Business Plan

Profitability + Governance

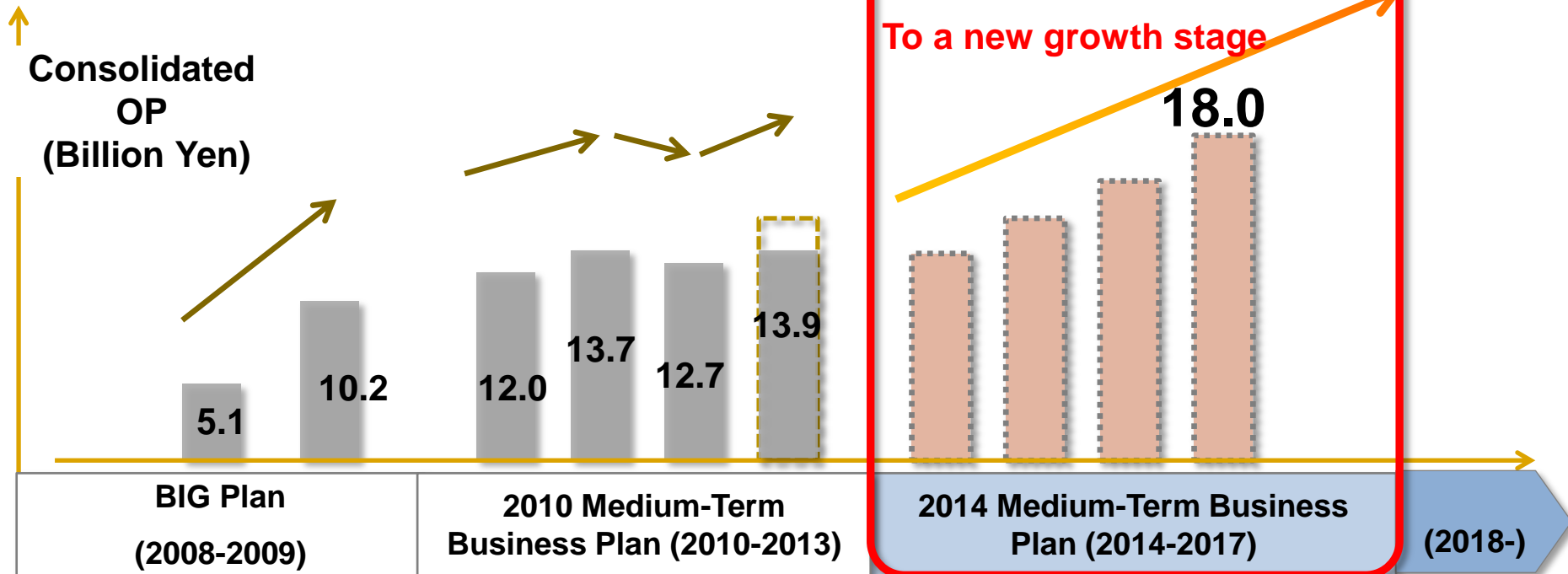
Improving cost efficiency and strengthening governance system

Profitability + Profit Growth

- Focusing on domestic FC business
- Improving capital efficiency

Profit Growth + New Growth Strategy

Improving profit at AB stores and creating new businesses



Basic Policy and Management Targets

Basic Policy

**Improving Profitability of AUTOBACS Business and
Creating New Business for Growth**

- 1. Domestic AUTOBACS Business**
- 2. New Business**
- 3. Overseas Business**

Management Targets

FY March 2018

Consolidated Operating Income: 18 billion Yen

Consolidated ROE: 8.0%

Consolidated DOE: maintain over 3.0%

Period

Four years from April 2014 to March 2018

Cars

Average age of cars continuing to grow.

Increasing number of hybrid cars and K-cars. Electric vehicles becoming more practical.

Enhanced road safety through technology innovations such as automated driving system.

Domestic auto aftermarket

Increasing popularity of small and high-performance cars.

Price falls for car navigation devices and declining demand of motor sports goods.

Shrinking trend of domestic auto aftermarket. Probability of two to three percent annual shrinkage in future.

Customers

Increasing number of elderly drivers and young adults not buying cars.

Rising popularity of the niche sports car segment.

Increasing use of internet for purchase of products and services.

Competitors

Intensified competition with car dealers and car manufacturers.

Increasing possibility of new competitors entering the market from other industries.

Business Policy

**Creating Higher Value for Customers and
Establishing Competitive Advantage**

Enhancing Customers' Convenience and Security

Business Strategy

- 1. Upgrading to “One-stop car goods and service” Business**
Providing customer with “Car” “Maintenance service” and “Fun”
- 2. Enhancing Sales Channel and Bases**
- 3. Rebuilding Private Brand Merchandise Strategy**

Major Initiatives of Domestic AUTOBACS Business



Business Fields	Major Initiatives
Car Goods and Services	<ul style="list-style-type: none"> • Bolstering tire sales by expanding sales bases and using e-commerce Tire sales target: 8.0million tires (+1.23million tires vs FY Mar 2014) • Developing quality and competitive-priced private brand merchandise and services
Statutory Safety Inspection and Maintenance	<ul style="list-style-type: none"> • Expanding service bases and enhancing convenience Sales target : 1.00million cars (+0.42million cars vs FY Mar 2014)
Car Purchase and Sale	<ul style="list-style-type: none"> • Making all AUTOBACS stores a CARS franchise and enhancing advertising and sales promotion Sales target: 50.0 BY (+27.0BY vs FY Mar 2014)
E-Commerce	<ul style="list-style-type: none"> • Making most of the strengths of brick-and-mortar stores and developing initiatives not dependent on stores Sales target: 10.0 BY (+8.6BY vs FY Mar 2014)
Other	<ul style="list-style-type: none"> • Executing Initiatives to enhance convenience • Simplifying the purchasing process • Promoting omni-channel retailing • Expanding new stores (+100 stores) • Promoting CRM to build new relationship with customers • Reviewing operations at stores

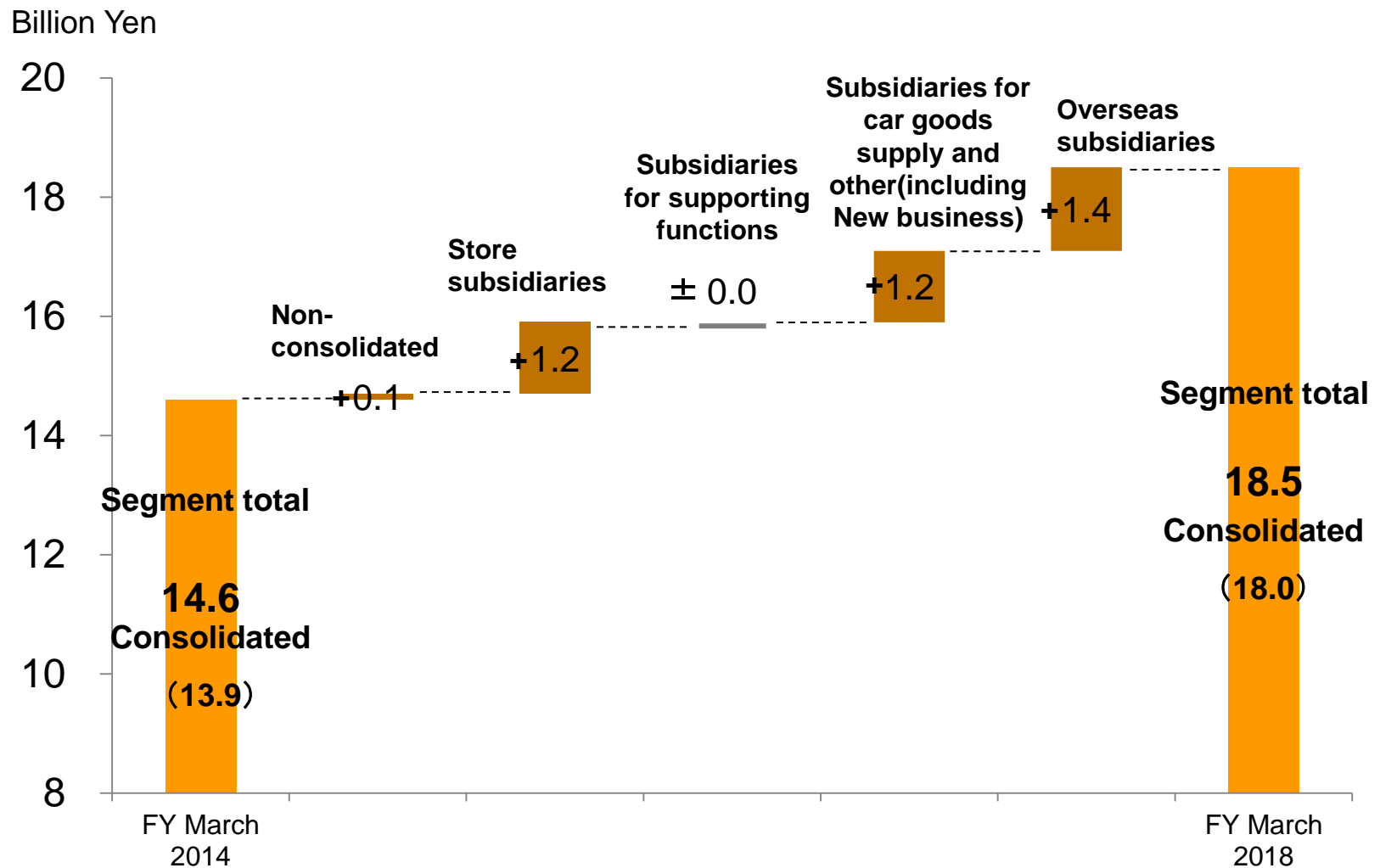
New Business

- 1. Developing new business focusing on fields related to automobile, where the Group can take advantage of its strengths**
- 2. Developing new business emphasizing on speed, through M&A and alliances**
- 3. Allocating management resources to new business in order to bolster it into future growth business**

Overseas Business

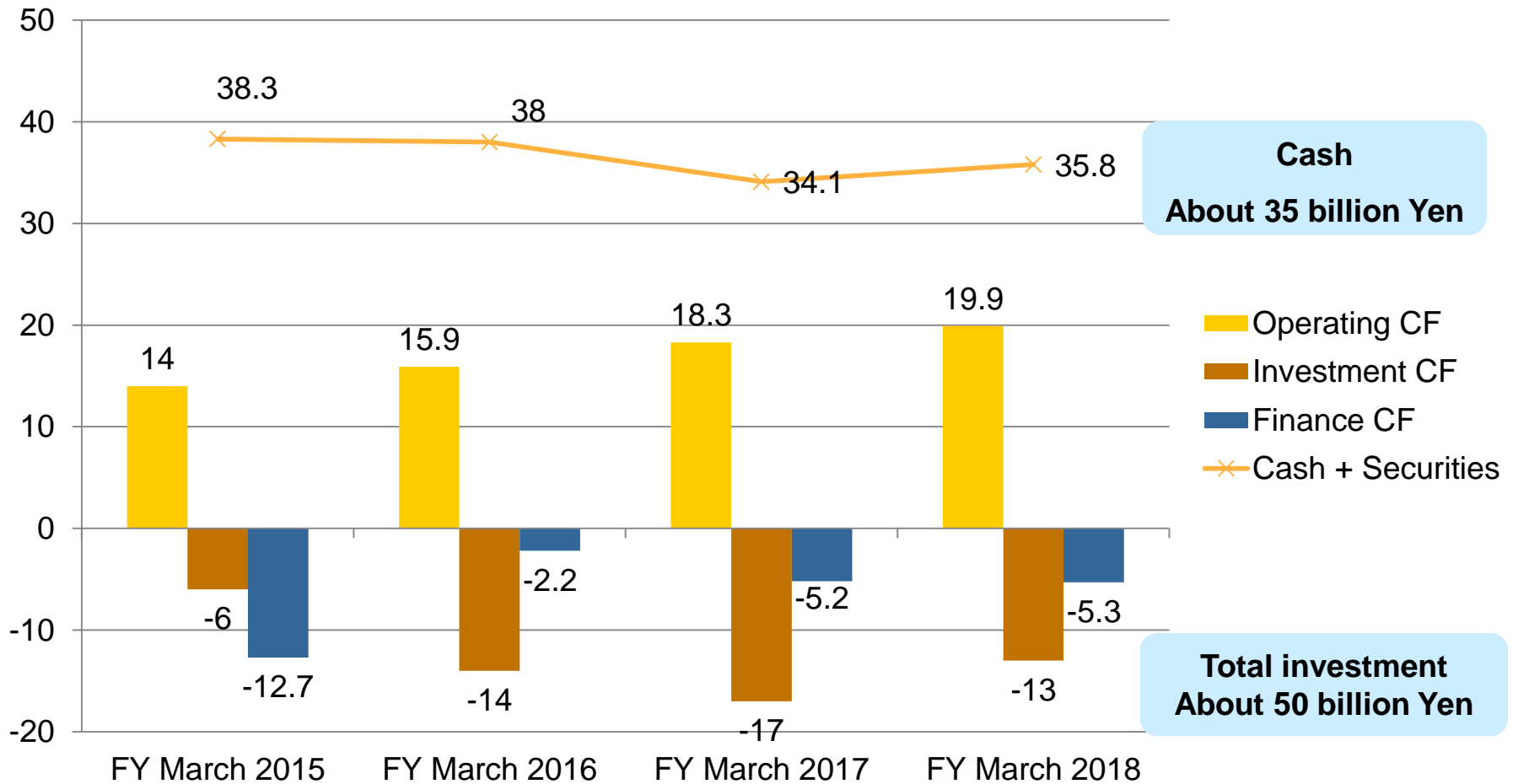
- 1. Developing business, emphasizing on speed, especially in the ASEAN region through M&A and partnerships with local companies**
- 2. Developing not only retail business but also related business, including wholesale**
- 3. Allocating management resources to overseas business in order to bolster it into future growth business**

<Reference> Toward the Goal of 18.5BY in Operating Income



Consolidated Cash Flow and Liquidity (four year simulation)

Billion Yen



Business Policy

Continuing to take action on compliance, integrated risk management, and environmental load reduction among other initiatives, in communication with stakeholders, especially communities, through the AUTOBACS business.

Major Initiatives

1. Conducting compliance training and educational campaigns within the AUTOBACS Group
2. Conducting adequate risk control and responding quickly when serious risk events occur
3. Conducting eco-friendly corporate management
4. Conducting community-based CSR activities, including neighborhood clean-up and safety driving activities, and support of motorsports activities

- In the fiscal year ended March 31, 2014, income exceeded the plan, reflecting initiatives that the headquarters and stores executed together, snowfalls, and last-minute demand before the consumption tax hike.
- The business environment will be challenging in the fiscal year ending March 31, 2015. We have developed a profit plan for minimizing the adverse effects of the environment through car purchases and sales at all stores and the strengthening of connections between car purchases and sales, sales of automotive goods and services, and statutory safety inspection and maintenance services.
- We aim to achieve operating income of 18.0 billion Yen, ROE of 8%, and DOE of 3% or more in the 2014 Medium-Term Business Plan. We aim to boost our enterprise value and improve capital efficiency through aggressive investment in our business and returns to shareholders.

Appendix

Quarterly P/L (FY March 2014)



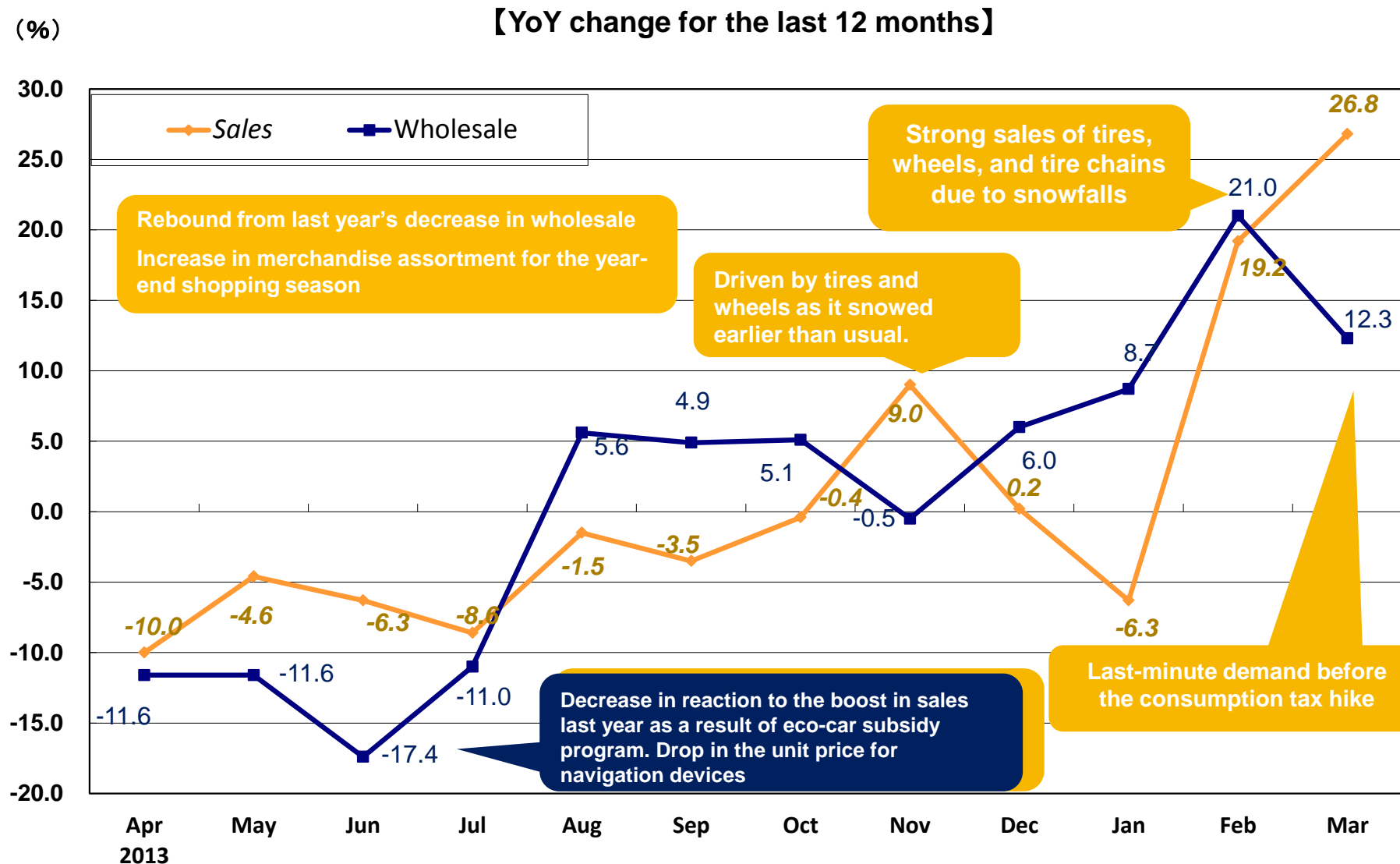
(Billion Yen)

	Q1(Results)	Q2(Results)	Q3(Results)	Q4(Results)	Full Year (Results)
Net sales	52.4	51.3	74.6	53.4	231.7
YoY	-9.7%	-2.7%	+3.4%	+12.9%	+0.7%
Gross profit (% of Sales)	17.0 (32.5%)	17.6 (34.3%)	24.0 (32.2%)	18.3 (34.2%)	76.9 (33.2%)
YoY	-3.9%	-0.0%	+1.8%	+8.5 %	+1.6 %
SG&A	15.1	15.0	16.5	16.3	63.0
YoY	-3.2%	-2.9%	+0.2%	+5.7%	-0.1 %
Operating income	1.9	2.6	7.5	2.0	13.9
YoY	-9.2%	+20.8%	+5.5%	+39.2%	+9.4%
Ordinary income	2.4	3.2	7.8	3.0	16.4
YoY	-1.5 %	+27.6 %	+3.6%	+52.9%	+13.5%
Net income	1.3	1.7	5.0	1.8	9.8
YoY	-4.9%	+87.0 %	+14.0%	+88.9%	+28.9%

Amounts are rounded to the nearest hundred million yen.

% of Net Sales and YoY comparisons are calculated in million yen.

Sales Trend: Retail & Wholesale (Apr 2013 – Mar 2014)



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

Performance Breakdown (FY Mar 31, 2014)



Non-consolidated

Net sales 183.7 BY <i>YoY: -3.54BY</i>	Wholesale	-0.15BY <i>-0.1%</i>	↑ tires & wheels, car sales, services, external items ↓ car electronics devices, motor sports goods
	Retail	-3.36BY <i>-38.4%</i>	↑ on-line store, fuel, ↓ car electronics devices, services, tires & wheels, etc.
Gross profit 39.0 BY <i>YoY: -1.92 BY</i>	Wholesale	-0.66BY <i>-1.7%</i>	↑ tires & wheels, services, car sales, etc. ↓ car electronics devices, furniture and fixtures, car interior items, etc.
	Retail	-0.95 BY <i>-38.6%</i>	↑ car sales, fuel, on-line store ↓ services, oil, battery, tires & wheels, etc.
SG&A 25.6 BY <i>YoY: -1.52 BY</i>	Personnel expenses: Increase in performance-based remuneration		
	Selling expenses: Increase in sales promotion costs, decrease in consumable supplies for sales		
	Equipment costs: Decrease in depreciation costs of information systems		
	Others: Decrease in legal and consulting fees		

Domestic store subsidiaries

Net sales: 81.3 BY <i>YoY: +3.33BY</i>	<p>Despite a fall in sales of car electronics, overall sales increased, reflecting a rise in sales of tires and wheels in association with snowfalls nationwide and last-minute demand before the consumption tax hike, franchisees changing into subsidiaries, and acquisitions of directly managed stores. Gross profit increased thanks to an improvement in the gross margin on tires and car electronics. SG&A increased as franchisees and directly managed stores became subsidiaries, and also benefited from enhanced sales promotion starting the third quarter, though the SG&A ratio did not rise.</p>
Ordinary income: 0.55 BY <i>YoY: +1.34BY</i>	

Decrease in Consolidation Adjustments



Consolidation Adjustments

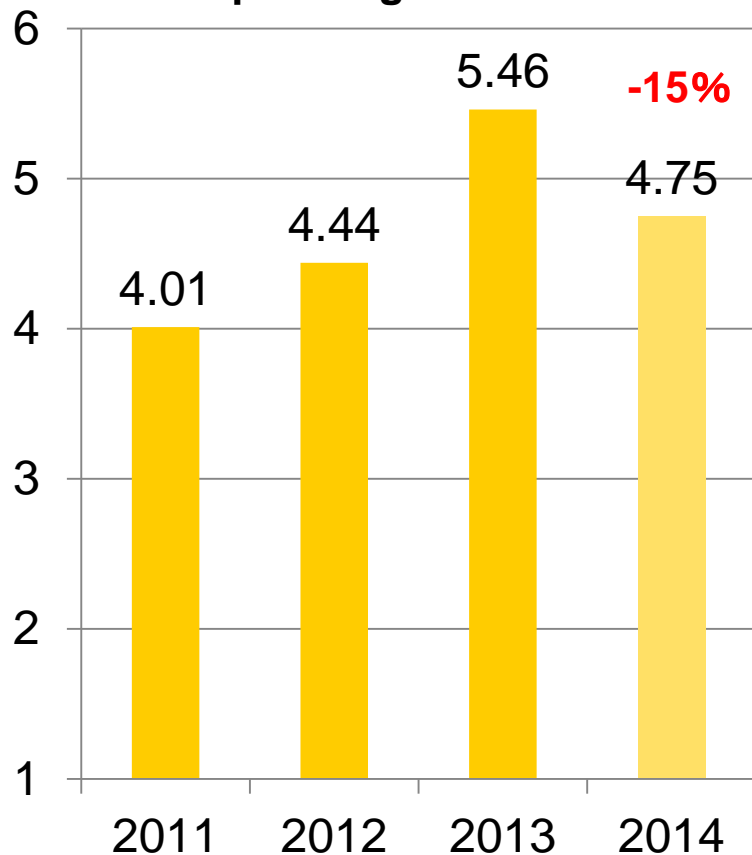
(Million Yen)

	FY Mar 31, 2014	FY Mar 31, 2013
Operating income for segment total	14,585	13,453
Inventories (Unearned income of subsidiary inventories, etc.)	(253)	(297)
Depreciation of goodwill	(105)	(263)
Allowance for point card	(17)	(35)
Elimination of intersegment transaction	(526)	(383)
Adjustment in fixed assets	256	179
Other	5	91
Consolidation adjustment	(641)	(708)
Consolidated operating income	13,944	12,745

Note: Figures in parentheses are negative.

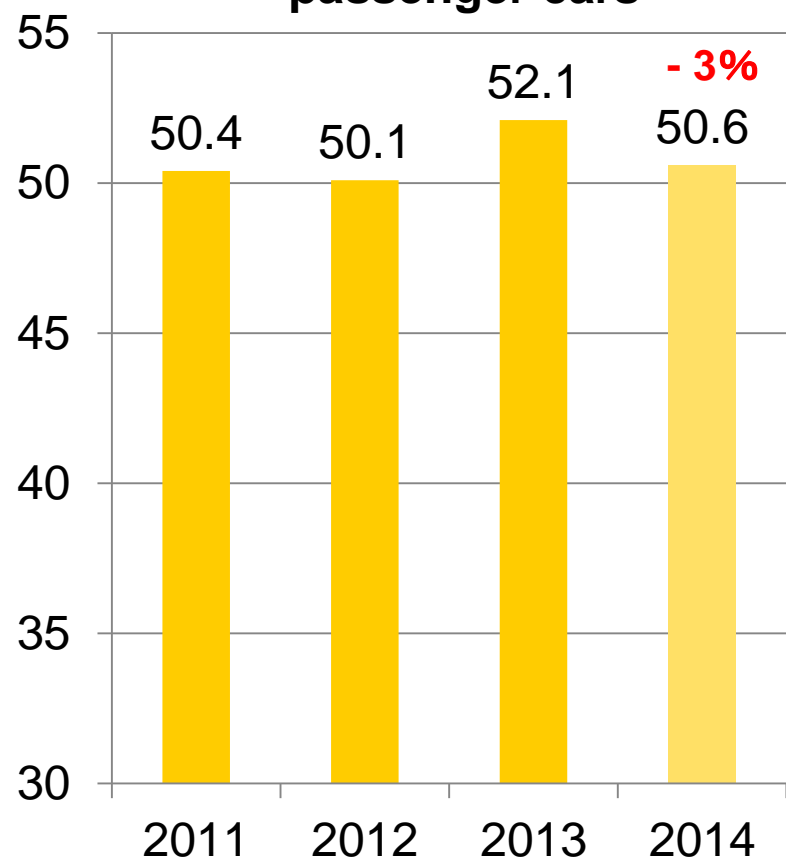
<Reference> Domestic Automobile Market Predictions

(million cars) Domestic demand for passenger cars



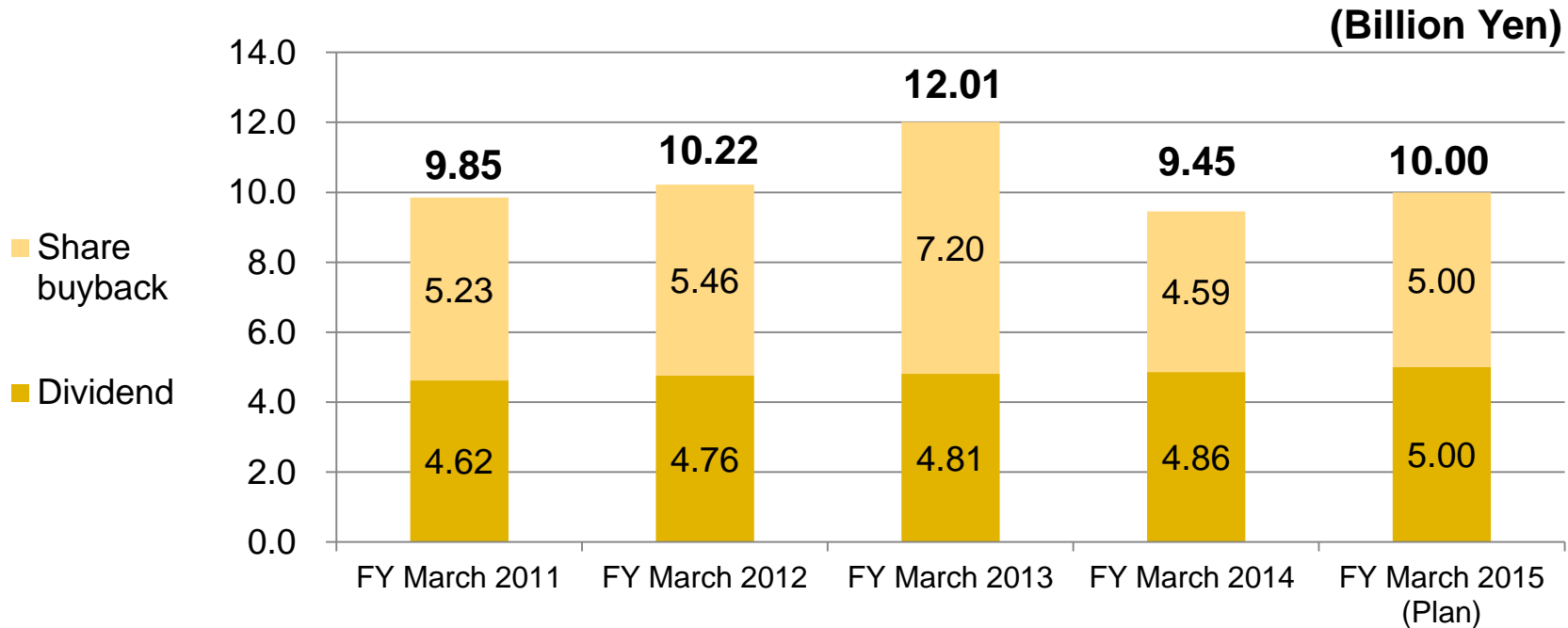
Source: Japan Automobile Manufacturers Association, Inc (JAMA)

(million tires) Commercial tires for passenger cars



Source: Japan automobile tyre Manufacturers Association (JATMA)

Financial Strategies – Shareholder Return Policy



Dividend per share (After-Share Split)	45 Yen	48.3 Yen	52 Yen	64 Yen	60 Yen
DOE	3.2%	3.3%	3.4%	4.1%	3.7%
Total return ratio	159.5%	121.7%	160.1%	105.8%	109.1%
Dividend payout ratio	75.9%	57.3%	64.0%	59.4%	55.8%

Balance Sheet: Assets



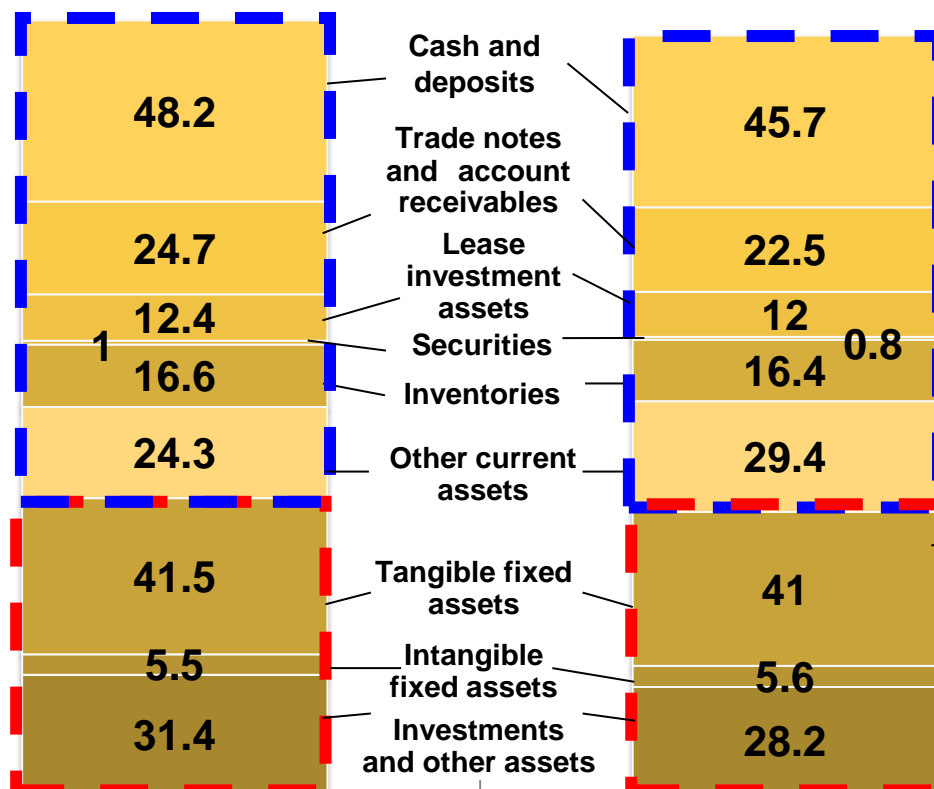
(Billion Yen)

Total Assets

205.5 BY

201.5 BY

Major items changed



Cash and deposits: -2.5BY

Trade notes and account receivables : -2.3BY

Inventories: -0.4BY

Land and Building : -0.5BY

Deferred tax assets: -2.2BY

At March 31, 2013

At Mar 31, 2014

Amounts are rounded to the nearest hundred million yen.

Balance Sheets: Liabilities & Equity

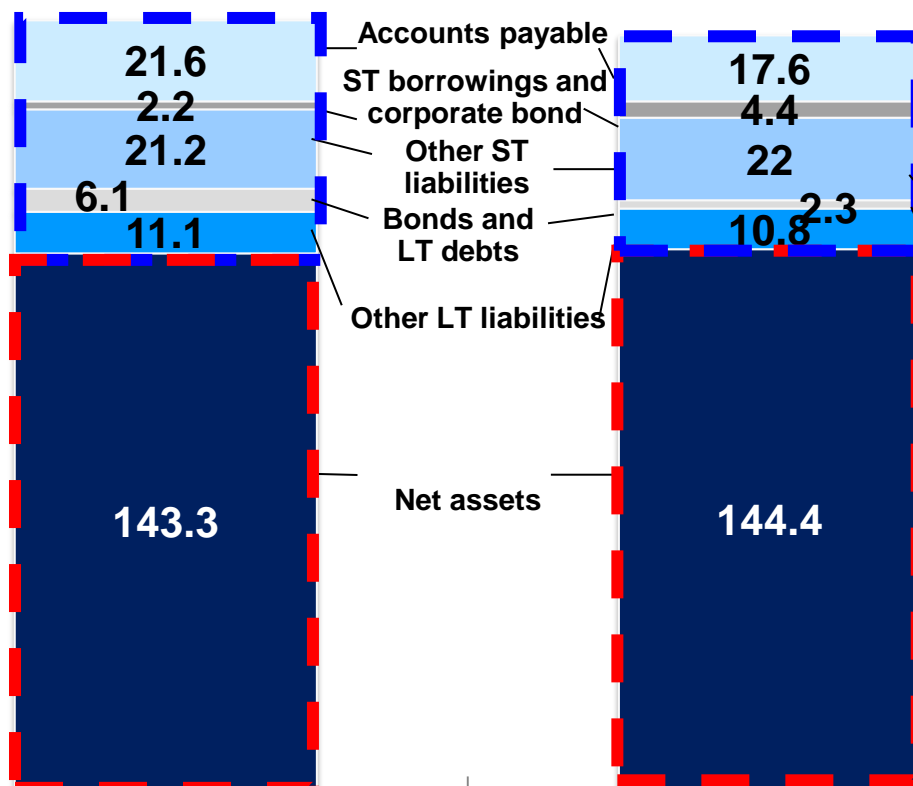


(Billion Yen)

Total Liabilities & Equity

205.5BY

201.5 BY



Major items changed

accounts payable-trade: -4.0 BY

Short-term borrowings : +2.3 BY

Accrued liabilities: +1.8 BY
Allowance for business restructuring: -0.8BY

Long-term debt : -3.8 BY

Retained earnings: -1.8BY
Treasury Stock (share buyback): +2.1BY

At March 31, 2013

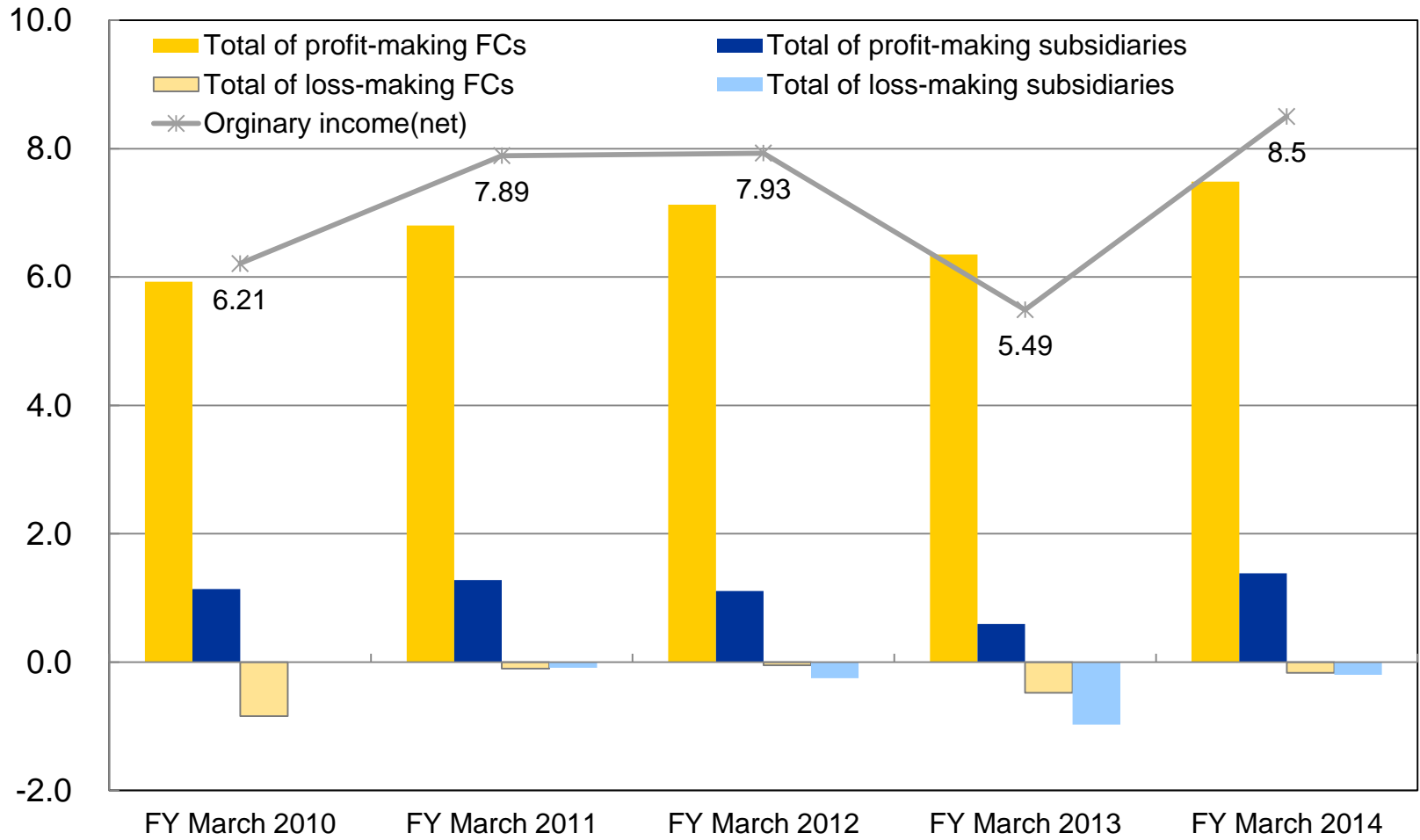
At March 31, 2014

Performance Results Of Franchisees

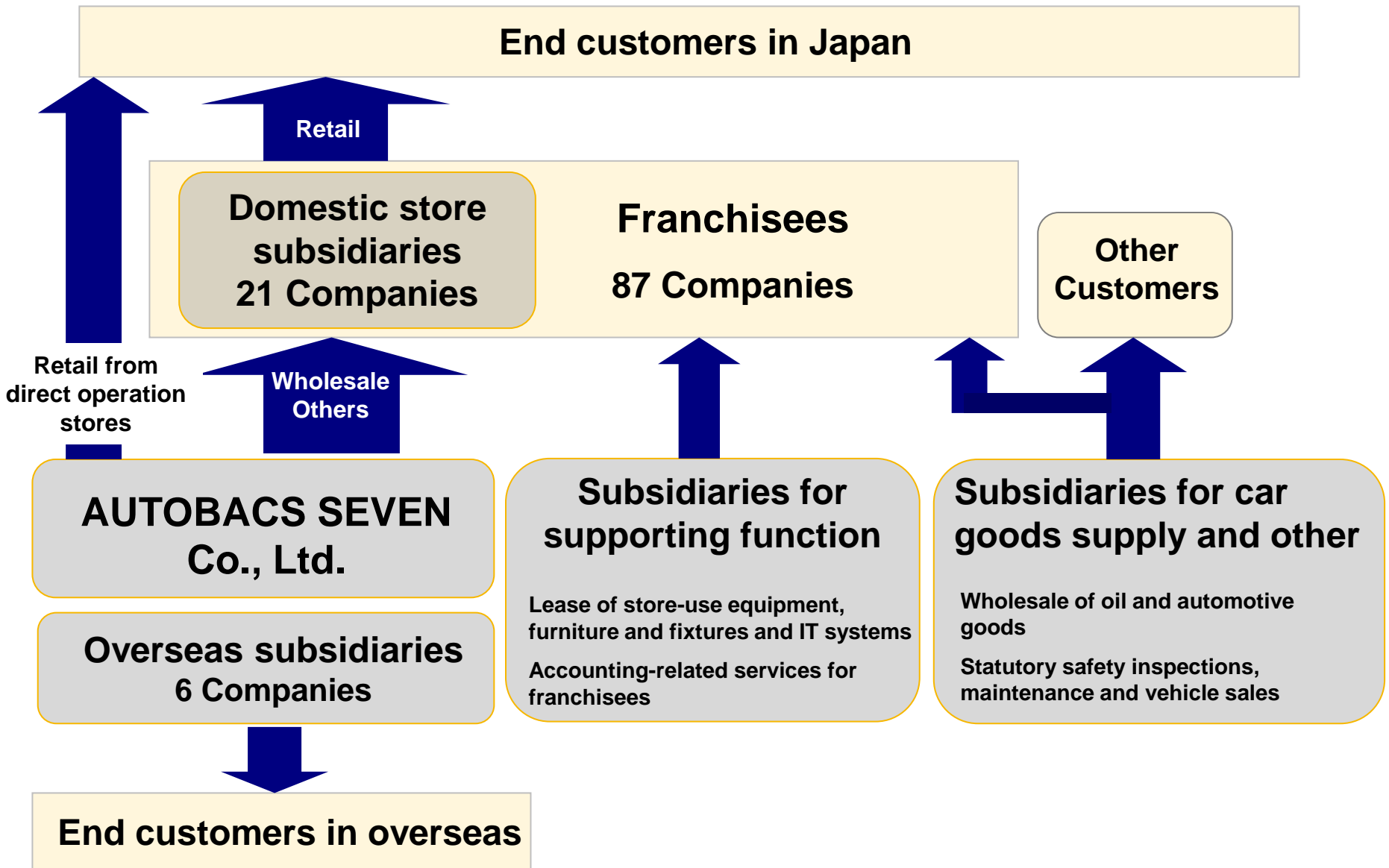


Ordinary Income of Franchise Companies (Preliminary)

(Billion Yen)



Segment Information (as of April 1, 2014)





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.