October 31, 2013

Consolidated Financial Results for the Six Months Ended September 30, 2013 【Japanese Standards】

Summary of Quick Financial Announcement of Consolidated Financial Information For the Second Quarter Ended September 30, 2013.

Company name : AUTOBACS SEVEN CO., LTD.
Code number : 9832
(URL http://www.autobacs.co.jp/)
Headquarters : Tokyo, Japan
Company Representative : Setsuo Wakuda, Representative Director
Contact for further information : Noritaka Hiraga, General Manager, Finance and Accounting
Telephone : +81-3-6219-8787
Stock exchange listing : Tokyo
Submission of Quarterly Business Report : November 7, 2013.
Start of cash dividend payments : November 29, 2013.
Supplementary quarterly materials prepared : Yes
Quarterly results information meeting held : Yes (for investors and analysts, etc.)

1. Results for the Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)

(Note: Amounts less than 1 million Yen have been rounded down. A figure in ( ) indicates a loss or a negative figure.)

(1) Results of operations:

(Unit: Millions of Yen except for per share information, and % information which indicates increase or decrease( ).)

	Net sales		Operating income		Ordinary income	
Six months ended September 30, 2013	**103,740**	**% (6.4)**	**4,464**	**% 5.9**	**5,591**	**% 13.0**
Six months ended September 30, 2012	110,797	(3.4)	4,214	(31.7)	4,947	(31.8)

Note: Comprehensive income : **4,418 million yen for the six months ended September 30, 2013 : 159.5 %**
1,702 million yen for the six months ended September 30, 2012 : (55.4 %)

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
Six months ended September 30, 2013	**2,988**	**% 32.8**	**32.59**	**-**
Six months ended September 30, 2012	2,250	(46.7)	23.84	-

The Company conducted a 1:3 stock split on common stock, with an effective date of April 1, 2013. Net income per share data has been calculated as if the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
Six months ended September 30, 2013	**191,029**	**142,478**	% **74.4**	**1,566.54**
Fiscal year ended March 31, 2013	205,526	143,301	69.5	1,544.08

(Reference) Equity : **Six months ended September 30, 2013 : 142,116 million Yen**

For the year ended March 31, 2013 : 142,861 million Yen

The Company conducted a 1:3 stock split on common stock, with an effective date of April 1, 2013. Net assets per share data has been calculated as if the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Dividends

Dividends per share (Yen)

	First Quarter	Second Quarter	Third Quarter	Year -end	Annual
Fiscal year ended March 31, 2013	-	75.00	-	81.00	156.00
Fiscal year ended March 31, 2014	-	**27.00**	-	-	-
Fiscal year ended March 31, 2014 (forecast)	-	-	-	27.00	54.00

Note : Revisions to dividend forecasts published most recently : None

The Company conducted a 1:3 stock split on common stock, with an effective date of April 1, 2013. The total dividends data for the year ending March 31, 2013, is the actual amount prior to the common stock split.

3. Forecast for the fiscal year ending March 2014 (from April 1, 2013 to March 31, 2014)

(Unit: Millions of Yen, percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income	
		%		%		%
Annual	229,100	(0.5)	13,500	5.9	14,600	0.9

	Net income		Basic net income per share(Yen)
		%	
Annual	8,200	8.0	90.39

Note : Revisions to financial forecasts published most recently : Yes

4. Other

(1) Significant changes in scope of consolidation : None

(2) Adoption of special accounting policies for quarterly financial statements : None

(3) Changes in accounting policies, accounting estimation change and restatement
1. Changes due to changes in accounting standard : None
2. Changes due to changes in accounting standard except (3)-1. : Yes
(Change in inventory valuation)
Prior to April 1, 2013, the Companys' inventories held at stores were costed using the lower of cost, determined by the retail method, or net selling value.
Effective April 1, 2013, however, the Companys changed its method of costing for inventory to the lower of cost, determined by the average method, or net selling value.
This accounting policy change was reflected to the consolidated financial statements as of April, 2013. As a result, the effect of this change on inventories, cost of goods sold, operating income, ordinary income, income before income taxes and minority interests and per share information for the current quarter is minimal.
3. Changes due to accounting estimation change : None
4. Restatement : None
Changes subject to Article 10(3) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements.

(4) Shares outstanding (common stock)
1. Number of shares outstanding (including treasury stock)
Six months ended September 30, 2013 : 92,950,105 shares
Fiscal year ended March 31, 2013 : 97,950,105 shares

2. Number of treasury stock at the end of period
Six months ended September 30, 2013 : 2,229,648 shares
Fiscal year ended March 31, 2013 : 5,428,003 shares

3. Average shares outstanding over quarter
Six months ended September 30, 2013 : 91,705,725 shares
Six months ended September 30, 2012 : 94,366,717 shares

The Company conducted a 1:3 stock split on common stock, with an effective date of April 1, 2013. Number of shares outstanding has been calculated as if the stock split was conducted at the beginning of the previous consolidated fiscal year.

※Indication regarding the situation of quarterly review procedures
These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of the disclosure of the financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

※Statement regarding the proper use of financial forecasts and other special remarks
These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report.

※Autobacs Seven Co.,Ltd. will be held the Analysts Meeting on November 1, 2013. The presentation material and video picture of the meeting will be uploaded as soon as possible on the Company's website afterwards.

5. Qualitative Information concerning Consolidated Business Results for the six months ended September 31, 2013

(1) Qualitative Information Concerning Consolidated Business Results

1. Business environment

Regarding the domestic consumption of automotive goods and services during the first half of the consolidated fiscal year under review, favorable signs were seen in economic conditions, reflecting the continued depreciation of the yen and rising stock prices against the backdrop of the government's economic and financial policies, yet there was no significant increase in automobile sales or the consumption of automotive goods. After the increase in the number of new cars sold in the previous year due to government subsidies for purchasers of fuel-efficient cars, demand fell for goods closely related to the sale of new cars. Conditions were severe overall.

2. Overview of the domestic retail business

Overall sales for businesses in the AUTOBACS chain (including franchise outlets) in Japan for the first half of the consolidated fiscal year under review declined by 8.0% year on year on a same-store basis and by 5.9% year on year on an overall store basis.

In the automotive goods segment, the Group revised its merchandise lineup as well as its sales system to make tires its mainstay merchandise for sale, and strengthened its sales efforts for the entire AUTOBACS chain. As a result, sales were brisk for certain fuel-efficient tires. However, tire sales declined from the same period of the previous fiscal year, as the changeover from snow tires to regular tires was moved up to March in areas experiencing snowfall, except for Hokkaido, and demand for tire changes did not increase as initially expected. Sales of merchandise including wheels, interior accessories, and car-washing items, which had enjoyed increased demand thanks to the rise in the number of new cars sold in the previous year, were stagnant. In particular, sales of car navigation devices fell, reflecting the decline in sales volume and unit prices due to intensified competition with car dealers.

In the statutory safety inspections and maintenance segment, the Group continued to take steps to strengthen its guidance, focusing on stores with low sales of statutory safety inspections. As a result, both the number and amount of sales remained steady, and the number of statutory safety inspections that were carried out increased by 2.7% year on year, to about 277,000.

In the automobile purchase and sales business segment, sales of new cars suffered in reaction to the end of government subsidies for purchases of fuel-efficient cars, which had been offered in the previous year. However, the Group strengthened its sales at stores centering on light and compact cars, and actual results remained at the same level as the previous year. As for sales of used cars, the Group strengthened its systems, including its assessment system, and increased store inventories, and purchases of cars rose. Consequently, sales to both individuals and used car dealers remained brisk. As a result, the total number of vehicles sold increased by 16.9% year on year, to 9,882. The number of CARS franchise stores rose from 244 as of the end of the last fiscal year to 261 as of the end of September 2013.

Domestic store openings and closings resulted in a net increase of ten stores, from 552 stores at the end of March to 562 stores as 14 new stores were opened, four stores were closed and two stores opened through scrap and build. Moreover, AUTOBACS *Secohan Ichiba* has five in-shop facilities at stores in other business categories but, from last fiscal year, these are no longer included in the store count.

3. Consolidated Business Results

Group sales during the first half of the fiscal year under review declined by 6.4% to 103,740 million yen, gross profit fell by 1.9% to 34,633 million yen and selling, general and administrative expenses decreased by 3.0% to 30,168 million yen, resulting in operating income of 4,464 million yen, increased by 5.9%. Non-operating income was 1,127 million yen due mainly to the decrease in foreign exchange loss. As a result, ordinary income rose by 13.0% to 5,591 million yen. In addition, an impairment loss on fixed assets of 194 million yen related to land and buildings of domestic and overseas stores was recorded as an extraordinary loss. Net income increased by 32.8% to 2,988 million yen.

Results by business segment are as shown below.

<Non-consolidated>

Sales fell by 9.3% year on year, to 81,661 million yen. In wholesale operations for franchise outlets, sales of cars, batteries, oil, and fuel rose, yet could not offset the decline in car electronics sales. Tire and wheel sales also declined. Therefore, in wholesale operations for franchise outlets, sales declined by 8.0% year on year. In retail operations, sales declined by 41.0% year on year, reflecting a drop in sales of car electronics, tires and wheels, and the transfer of directly managed stores to domestic store subsidiaries. Gross profit decreased by 8.6% year on year, to 17,463 million yen, as a result of the drop in sales. However, the gross margin improved from 21.2% in the same period of the previous fiscal year to 21.4%, reflecting a change in the gross profit mix including a decrease in the sales ratio for car electronics, a rise in the ratio for fuel-efficient tires, and an improvement in the gross profit ratio for tires through negotiations with suppliers. Selling, general and administrative expenses declined by 11.3% year on year, to 12,044 million yen, because of a drop in store management costs attributable to the transfer of directly managed stores to domestic store subsidiaries, a revision of advertising and sales promotion expenses, and a decline in information system–related costs and paid commissions. As a result, operating income decreased by 1.9% year on year, to 5,418 million yen.

<Domestic Store Subsidiaries>

Sales declined by 2.3% year on year, to 35,899 million yen, and operating loss improved by 138 million yen from the same period of the previous fiscal year, to 1,185 million yen. Total sales declined year on year, due to a decrease in sales of car electronics and tires from the previous year despite a rise in sales, attributable to the conversion of franchise outlets into subsidiaries and the transfer of directly managed stores. However, gross margins improved, reflecting a change in the sales mix due to the decrease in car electronics sales and an improvement in the gross profit ratio for tires. As for selling, general and administrative expenses, although there was an increase in total expenses, according to the conversion of franchise outlets into subsidiaries and the transfer of directly managed stores, this increase was curbed thanks to the decline in personnel expenses attributable to the transfer of employees to the Company with the aim of streamlining store operations, and the continued reduction of sales promotion expenses.

<Overseas Subsidiaries>

Sales rose by 23.7% year on year, to 5,297 million yen. Operating income increased by 167.1% year on year, to 70 million yen. In France, sales declined due to price competition with competitors in tires and car electronics amid the economic slowdown in Europe. However, operating income improved, as sales of oil, batteries, and services with a high gross margin remained brisk, and the Group endeavored to reduce its selling, general and administrative expenses. In China, sales of tires and wheels rose sharply due to strengthened sales promotion in two subsidiary-managed stores, and operating loss improved. In Thailand, sales of tires and maintenance-related goods rose as planned. However, operating loss increased slightly, reflecting a drop in sales due to price competition with competing stores. In Singapore, there was no significant change in operating conditions from the same period of the previous fiscal year, and sales and operating income increased year on year, due to fluctuations in foreign exchange rates. In Malaysia, a subsidiary of a domestic franchise outlet opened one store.

<Subsidiaries for Car Goods Supply and Other>

Sales increased by 1.7% year on year to 7,397 million yen, chiefly thanks to brisk wholesale sales of oil, etc. in Palster K. K.. As a result, operating income rose by 60.8% year on year, to 103 million yen.

<Subsidiaries for Supporting Functions>

Sales declined by 7.0% year on year, to 1,594 million yen. Operating income decreased by 3.4% year on year, to 238 million yen. <Adjustments to consolidated operating income>

The adjustment to consolidated operating income, which is deducted from the total operating income for all segments, was reduced by 144 million yen from the same period of the previous fiscal year to 180 million yen. The main change in the consolidated adjustment from the previous fiscal year was a decrease in amortization of goodwill accounted by purchase of a franchisee company.

4. Progress in the AUTOBACS 2010 Medium-Term Business Plan

The Group continued to take steps to improve the profitability of its stores and increase its market share in the final year of the AUTOBACS 2010 Medium-Term Business Plan.As for improving store profitability, the Group focused on promoting repeat customer visits by improving its merchandise lineup for tires and distributing checksheets to notify customers when to perform car maintenance, along with maintaining and developing its remodeled sales floors. The Group also worked to maintain and improve customer service by regularly conducting training on how to serve and treat customers.

With respect to improving the profitability of store subsidiaries, which is the most important issue for the fiscal year under review, improving operations, which the Group began working on from the end of last year to enhance its efficiency, was carried out in 62 stores as planned, and a certain improvement in profitability was achieved.

With respect to the renovation of sales floors at Super AUTOBACS stores, the Group focused on developing sales floors by giving full rein to each store's attributes, and had renovated 16 stores by the end of the second half of the fiscal year under review. Thirty-five stores have been renovated since last fiscal year.

Looking to increase its market share, the Group opened 14 new stores, including two tire specialty stores, before the end of the second half of the fiscal year under review. A total of 71 stores have been opened since April 2010, which was the first year of the AUTOBACS 2010 Medium-Term Business Plan.

In addition to AUTOBACS.com, the Company's mail-order website, the Group worked to strengthen the Company's official Internet stores, which were opened in the online markets of Rakuten Ichiba and Amazon.co.jp. The Group's online booking service for oil changes, which has been introduced in all stores, produced far greater results than the previous fiscal year, thereby increasing customer convenience and helping to improve the operational efficiency of service pits.

(2) Review for Financial Condition

5. Information on future forecasts including consolidated financial results forecasts

The Group revised its results forecast for the fiscal year ending March 2014, which was announced on May 9, 2013, as follows:

Revision to the forecast of consolidated results for the fiscal year ending March 2014 (April 1, 2013–March 31, 2014)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Initial forecast (A) (May 9, 2013)	237,000 million yen	13,500 million yen	14,600 million yen	8,200 million yen	89.38 yen
Revised forecast (B)	229,100	13,500	14,600	8,200	90.39
Amount of change (B-A)	△7,900	—	—	—	—
Percentage change (%)	△3.3	—	—	—	—
Results for the previous fiscal year (Apr 1, 12 to Mar 31, 13)	230,168	12,745	14,472	7,590	81.22

Reasons for the revision:

As for the forecast of consolidated results for the fiscal year ending March 2014, sales are the amount which is combined by actual sales of the first half of the fiscal year and estimated sales for the second half of the fiscal year ending March 2014, announced on May 9, 2013. Operating income, ordinary income, and net income were not revised. As for the forecast for the third quarter and thereafter, a recovery in sales of new cars is expected as a rise in the consumption tax as of next April is planned. Therefore, we forecast a rise in demand for automotive goods. The Group aims to achieve this forecast by concentrating its management resources on statutory safety inspections and maintenance, and tire and automobile sales to secure sales, and by continuously making efforts to improve its gross margin and reduce expenses.

Revision to the forecast of non-consolidated results for the fiscal year ending March 2014 (April 1, 2013–March 31, 2014)

	Net Sales	Ordinary Income	Net Income	Net Income per share
Initial forecast (A) (May 9, 2013)	188,800 million yen	13,300 million yen	8,600 million yen	92.92 yen
Revised forecast (B)	182,700	13,300	8,600	94.77
Amount of change (B-A)	△6,100	—	—	—
Percentage change (%)	△3.2	—	—	—
Results for the previous fiscal year (Apr 1, 12 to Mar 31, 13)	187,298	13,735	8,659	92.64

Reasons for the revision:

As for the forecast of non-consolidated results for the fiscal year ending March 2014, sales are the amount which is combined by actual sales of the first half of the fiscal year and estimated sales for the second half of the fiscal year ending March 2014, announced on May 9, 2013. Operating income and net income were not revised.

6. Consolidated Financial Statements

(1)Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	March 31, 2013 Amount	September 30, 2013 Amount
Current assets		
Cash and deposits	48,197	45,520
Trade notes and accounts receivable	24,748	20,773
Marketable securities	1,000	504
Inventories	16,576	16,704
Other current assets	36,908	30,398
Allowance for doubtful receivables	(228)	(211)
Total current assets	127,202	113,688
Fixed assets		
Tangible fixed assets		
Land	22,919	22,879
Other tangible fixed assets(net)	18,533	19,280
Total tangible fixed assets	41,453	42,159
Intangible fixed assets		
Goodwill	867	880
Other intangible fixed assets	4,591	4,398
Total intangible fixed assets	5,459	5,278
Investments		
Rental deposits	18,618	18,215
Other investments	16,792	11,795
Allowance for doubtful receivables	(3,999)	(109)
Total investments	31,411	29,901
Total fixed assets	78,324	77,340
Total assets	205,526	191,029

Liabilities and Net assets	March 31, 2013 Amount	**September 30, 2013 Amount**
Current liabilities		
Trade notes and accounts payable-trade	21,647	**14,542**
Short-term borrowings	2,124	**2,692**
Income taxes payable	2,578	**776**
Allowance for business restructuring	988	**191**
Other Allowances	465	**433**
Other current liabilities	17,216	**13,750**
Total current liabilities	45,020	**32,386**
Long-term liabilities		
Bonds	65	**40**
Long-term debt	6,083	**5,241**
Allowances	416	**368**
Asset retirement obligations	1,980	**1,998**
Other long-term liabilities	8,659	**8,515**
Total long-term liabilities	17,204	**16,165**
Total liabilities	62,225	**48,551**
Shareholders' equity		
Common stock	33,998	**33,998**
Capital surplus	34,278	**34,278**
Retained earnings	80,438	**74,331**
Treasury stock at cost	(7,230)	**(3,290)**
Total shareholders' equity	141,484	**139,317**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,271	**2,448**
Foreign currency translation adjustments	105	**350**
Total accumulated other comprehensive income	1,377	**2,799**
Minority interests	439	**361**
Total net assets	143,301	**142,478**
Total liabilities and net assets	205,526	**191,029**

(2) Consolidated Statements of Income and Comprehensive Income
(Unit: Millions of Yen)

	Six months ended September 30, 2012 Amount	**Six months ended September 30, 2013 Amount**
Net sales	110,797	**103,740**
Cost of goods sold	75,475	**69,107**
Gross profit	35,321	**34,633**
Selling, general and administrative expenses	31,107	**30,168**
Operating income	4,214	**4,464**
Non-operating income		
Interest income	73	**47**
Dividend income	26	**31**
Lease revenue-system equipment	581	**636**
Other non-operating income	1,434	**1,500**
Total non-operating income	2,116	**2,216**
Non-operating expenses		
Interest expenses	69	**47**
Equity in loss of affiliates	9	**24**
Lease cost-system equipment	571	**587**
Foreign exchange losses	198	**60**
Other non-operating expenses	534	**369**
Total non-operating expenses	1,383	**1,089**
Ordinary income	4,947	**5,591**
Extraordinary losses		
Impairment losses on fixed assets	76	**194**
Total extraordinary losses	76	**194**
Income before income taxes and minority interests	4,871	**5,397**
Income taxes		
Current	1,910	**635**
Deferred	739	**1,764**
Total income taxes	2,649	**2,399**
Income before minority interests	2,221	**2,997**
Minority interests in net income (losses)	(28)	**8**
Net income	2,250	**2,988**
Minority interests in net income (losses)	(28)	**8**
Income before minority interests	2,221	**2,997**
Other comprehensive income		
Valuation difference on available-for-sale securities	(284)	**1,176**
Foreign currency translation adjustment	(231)	**244**
Share of other comprehensive income of associates accounted for using equity method	(2)	**0**
Total other comprehensive income	(518)	**1,421**
Comprehensive income	1,702	**4,418**
Comprehensive income attributable to		
Owners of the parent	1,743	**4,410**
Minority interests	(41)	**8**

(3)Consolidated Statements of Cash Flows
(Unit: Millions of Yen)

	Six months ended September 30, 2012 Amount	Six months ended September 30, 2013 Amount
Operating Activities:		
Income before income taxes and minority interests	4,871	**5,397**
Depreciation and amortization	2,302	**2,128**
Impairment losses on fixed assets	76	**194**
Amortization of goodwill	127	**72**
Increase (decrease) in allowance for business restructuring	(53)	**2**
Increase (decrease) in allowance for doubtful accounts	(186)	**(3,909)**
Interest and dividend income	(99)	**(79)**
Interest expenses	69	**47**
Equity (income) loss on affiliates	9	**24**
Loss (gain) on revaluation of investment securities	64	**-**
Loss (gain) on sales of investment in securities	24	**(5)**
Decrease (increase) in trade notes and accounts receivable	3,619	**10,045**
Decrease (increase) in investments in lease	317	**499**
Decrease (increase) in inventories	(818)	**25**
Increase (decrease) in trade notes and accounts payable	144	**(7,179)**
Others	(4,134)	**113**
Subtotal	6,333	**7,374**
Interest and dividend received	125	**112**
Interest paid	(73)	**(48)**
Litigation settlement paid	-	**(858)**
Income taxes refund (paid)	(4,747)	**(2,222)**
Net cash provided by (used in) operating activities	1,637	**4,357**
Investing Activities:		
Payments into time deposits	(12,205)	**(1,391)**
Proceeds from withdrawal of time deposits	5,066	**5,392**
Purchase of short-term investment securities	(499)	**-**
Proceeds from sales and redemption of securities	500	**-**
Payment for tangible and intangible fixed assets	(3,773)	**(2,696)**
Proceeds from sales of tangible fixed assets and intangible fixed assets	32	**10**
Purchase of investment securities	(0)	**(0)**
Proceeds from sales and redemption of investment securities	356	**1,010**
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(37)	**-**
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	140	**-**
Collection of loans receivable	137	**270**
Others	(42)	**(154)**
Net cash provided by (used in) investing activities	(10,324)	**2,441**

	Six months ended September 30, 2012 Amount	**Six months ended September 30, 2013 Amount**
Financing Activities:		
Net increase (decrease) in short-term loans payable	180	**(183)**
Proceeds from long-term debt	1,300	**470**
Repayments of long-term debt	(2,496)	**(560)**
Purchase of treasury stock	(7,194)	**(2,719)**
Dividends paid	(2,447)	**(2,500)**
Others	(232)	**(70)**
Net cash provided by (used in) financing activities	(10,890)	**(5,563)**
Effect of exchange rate changes on cash and cash equivalents	(102)	**54**
Net increase (decrease) in cash and cash equivalents	(19,680)	**1,290**
Cash and cash equivalents, beginning of the period/ year	51,401	**42,832**
Cash and cash equivalents, end of the period	31,721	**44,123**

7. Notes in case significant changes were made to the amount of shareholders' equity

At the Board of Directors Meeting held on May 9, 2013, the Board approved the repurchase of common stock.
From May 13, 2013 to September 30, 2013, Autobacs Seven Co., Ltd. repurchased 1,800,000 shares of common stock for 2,717 millions of Yen.
The Board also approved the cancellation 5,000,000 shares of treasury stock at the above Board of Directors and carried it out on May 16, 2013.
As a result, Retained earnings and Treasury stock at cost were decreased by 6,660 millions of Yen.

8. Segment Information

I Six months ended September 30, 2012

(1) Information about sales and profit (loss)

(Unit: Millions of Yen)

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	66,035	36,440	4,163	3,653	503	110,797
Intersegment sales or transfers	24,044	316	120	3,620	1,210	29,313
Total	90,080	36,757	4,284	7,274	1,714	140,110
Net income (loss)	5,525	(1,323)	26	64	246	4,539

(2)Difference between operating income and Sum of operating income (loss) in reportable segments for the Six months ended September 30

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	4,539
Elimination of intersegment transaction	(218)
Inventories	(155)
Amortization of goodwill	(116)
Allowance for point card	10
Fixed assets	117
Others	37
Operating income	4,214

(3)Impairment losses of assets, goodwill, and others, by reporting segment

Not applicable.

Ⅱ Six months ended September 30, 2013

(1) Information about sales and profit (loss)

(Unit: Millions of Yen)

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	58,896	35,420	5,103	3,870	450	103,740
Intersegment sales or transfers	22,764	478	193	3,527	1,144	28,109
Total	81,661	35,899	5,297	7,397	1,594	131,850
Net income (loss)	5,418	(1,185)	70	103	238	4,644

(2)Difference between operating income and Sum of operating income (loss) in reportable segments for the Six months ended September 30

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	4,644
Inventories	(245)
Elimination of intersegment transaction	(80)
Amortization of goodwill	(61)
Allowance for point card	13
Fixed assets	110
Others	82
Operating income	4,464

(3)Impairment losses of assets, goodwill, and others, by reporting segment

Not applicable.

9. Additional Information

(1)Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

	Six months ended September 30, 2013		
Divisions	Amount	Ratio	Year-on-Year Increase/Decrease Ratio
		%	%
Wholesale	58,837	56.7	91.9
Retail	43,183	41.6	96.0
Others (letting and hiring fee of leased object)	1,720	1.7	95.9
Total	103,740	100.0	93.6

Note : Consumption taxes are excluded from the above amounts.

(2)Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

	Six months ended September 30, 2013		
Products	Amount	Ratio	Year-on-Year Increase/Decrease Ratio
Wholesale		%	%
Tires and wheels	13,923	23.7	92.9
Car electronics	12,833	21.8	75.2
Oil and batteries	8,478	14.4	102.7
Car exterior items	5,473	9.3	98.9
Car interior items	6,569	11.2	92.3
Motor sports	3,643	6.2	95.7
Services	1,493	2.5	113.9
Others	6,421	10.9	108.5
Subtotal	58,837	100.0	91.9
Retail			
Tires and wheels	8,188	19.0	97.9
Car electronics	6,836	15.8	80.7
Oil and batteries	3,966	9.2	102.2
Car exterior items	4,845	11.2	101.3
Car interior items	5,026	11.6	99.0
Motor sports	2,742	6.4	94.2
Services	8,118	18.8	99.9
Others	3,458	8.0	102.1
Subtotal	43,183	100.0	96.0
Others (letting and hiring fee of leased object)	1,720	-	95.9
Total			
Tires and wheels	22,111	21.3	94.7
Car electronics	19,670	19.0	77.0
Oil and batteries	12,444	12.0	102.6
Car exterior items	10,318	9.9	100.0
Car interior items	11,596	11.2	95.1
Motor sports	6,385	6.1	95.0
Services	9,611	9.3	101.9
Others	11,600	11.2	104.5
Total	103,740	100.0	93.6

Notes : 1.Consumption taxes are excluded from the above amounts.

2.Others is consisted of revenue of Car sales, Used car goods sales and Royalty income .

3.The sales amount to application of equity method companies are in the wholesale.