

Results for the Three Months ended June 30, 2013



July 31, 2013

AUTOBACS SEVEN CO., LTD.

Sales and profits declined: The impact of the decline of net sales was partially offset by the improvement in gross margin and control of SG&A expenses.

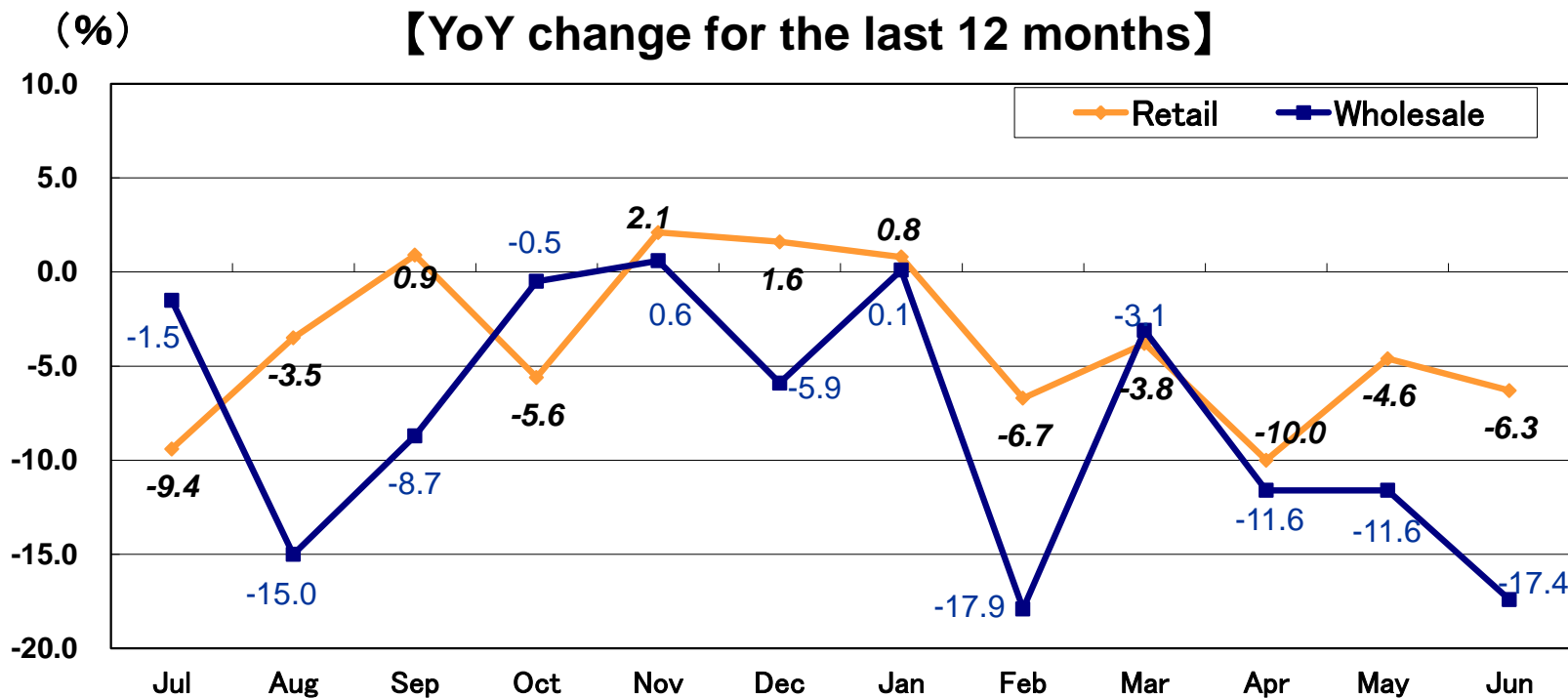
- Net sales fell due to a decline in sales of car accessories accompanied by fewer sales of new cars and a price erosion in car navigation devices.
- Gross margin improved due to the impact of a change in the sales mix and the effect of purchase reform.
- SG&A costs stayed within budget as commission paid and sales promotion costs were kept under control.

(Billion Yen)

	Three months ended June 30, 2014			Three months ended June 30, 2013	
	Actual result	% of Sales	YoY change ratio	Actual result	% of Sales
Net sales	52.4		- 9.7%	58.0	
Gross margin	17.0	32.5	- 3.9%	17.7	30.6
SG&A	15.1	28.9	- 3.2%	15.6	27.0
Operating income	1.9	3.6	- 9.2%	2.1	3.6
Non-operating Income/expenses	0.5	1.0	+40.1%	0.4	0.7
Ordinary income	2.4	4.6	- 1.5%	2.5	4.3
Extraordinary gains/ losses	(0.1)	0.3	—	—	—
Net income	1.3	2.4	- 4.9%	1.3	2.3

Amounts are rounded to the nearest hundred million yen.
% of Net Sales and YoY comparisons are calculated in million yen.

Sales Trend : Retail & Wholesale (July 2012 – June 2013)



Business Environment	Eco-car subsidies drive increase in new car sales	Wave of cold weather and snowfall nationwide	
		Weak sales of new car after eco-car subsidies	
Topics by Products	Strong sales in wheels and accessories for new vehicles	Strong sales in tires, wheels and tire chains	Sluggish demand for car goods such as tires, wheels and accessories
	Decline of ASP and number of unit of car navigation systems		

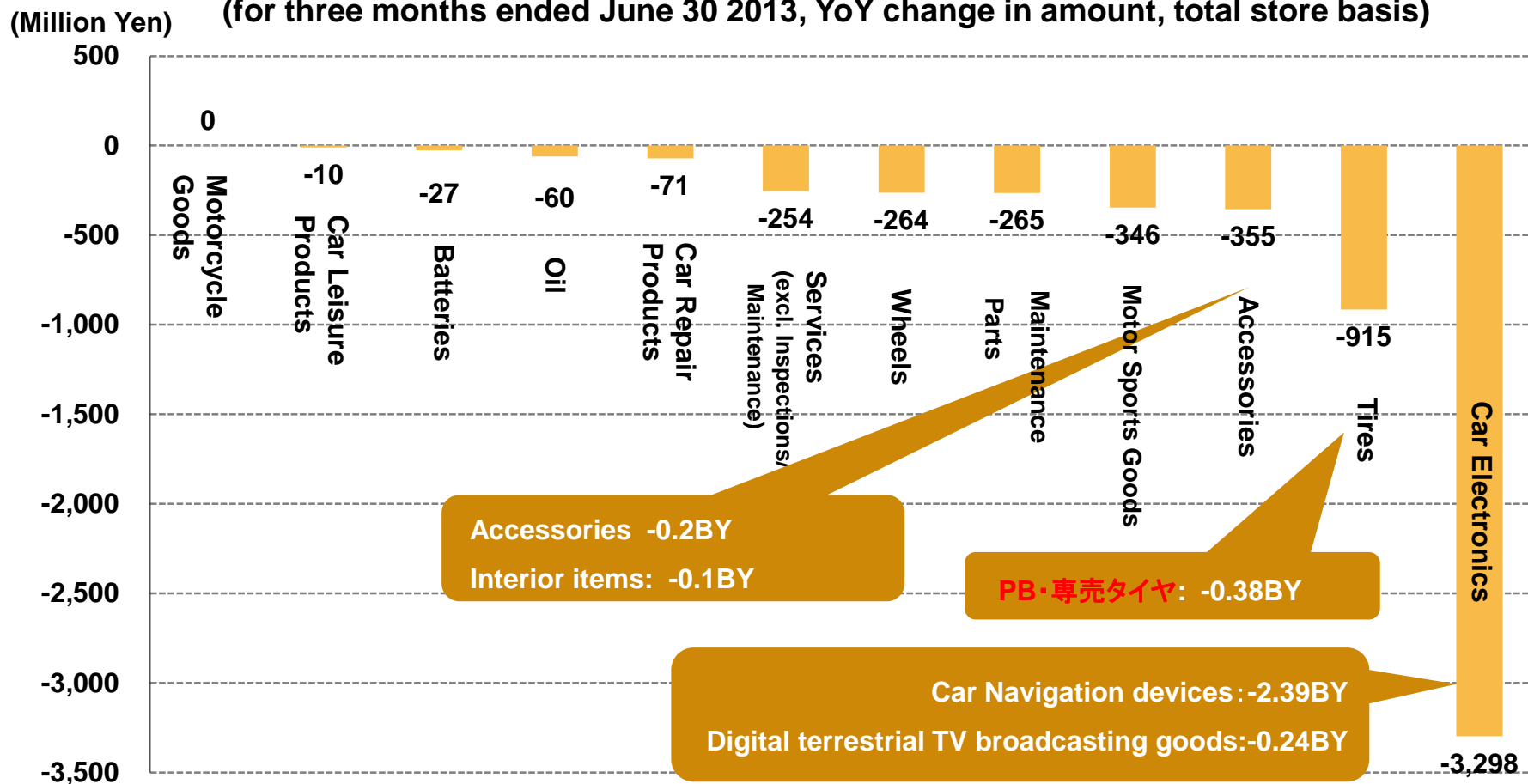
*Domestic retail sales including FCs: Major format stores (AB, SA, AH)
+ Used car goods + New & Used cars + Fuel

Sales Ups & Downs by Merchandise (Q1)

【Same Store Basis】 Sales: - 9.3 % YoY, Number of customers: - 6.3% YoY

Retail sales ups and downs by merchandise category

(for three months ended June 30 2013, YoY change in amount, total store basis)

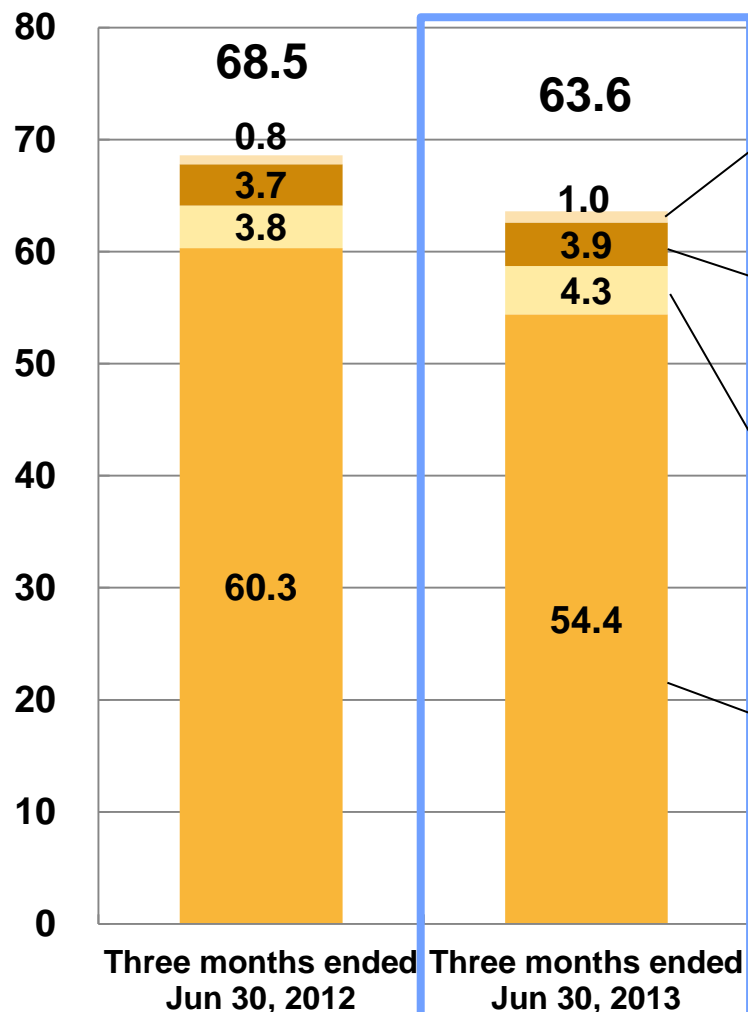


*Domestic retail sales including FCs: Major format stores (AB, SA)
+ Used car goods + New & Used Cars + Fuel

Retail Sales Including Franchisees

RETAIL SALES INCLUDING FCs*: 63.6billion yen (-7.2% YoY)

(Billion Yen)



Second hand goods & Fuel: 1.0BY (+23.3% YoY)

Statutory safety inspection: 3.9BY (+6.4% YoY)

Number of cars inspected: 132,000 cars (+4.3% YoY)
Number of fully certified & designated stores: 354 stores
(Up from 352 stores at March 31, 2013)

Car purchase & sales: 4.3BY (+15.1% YoY)

No. of cars sold: 4,533cars (+13.8% YoY)

Car related goods & services: 54.4BY (-9.7% YoY)

*Domestic retail sales including FCs: Major format stores (AB, SA, AH)
+ Used car goods + New & Used cars + Fuel

Analysis for Operating Income

Domestic retail sales		Total stores -7.2% / Same store sales -9.3% (YoY)	
		OP	YoY
Segments	Non-consolidated	2,780MY	-320MY Sales: -6,940MY (-14.2%) →Transfer of directly managed stores to subsidiaries=-7,300MY Gross profits: -1,100MY (GPM: 20.9% - up from LY's 20.2%) →GPM improved due to gross profit mix change and better purchasing conditions SG&A -780MY →Decrease in IT costs, operational costs for directly managed stores and advertising and sales promotion expenses
	Domestic store Subsidiaries	(650MY)	+70MY Sales: -630MY (-3.4%) Gross profits: +120MY (GPM: 37.8% - up from LY's 35.9%) →due to a change in the gross profit mix and improvement of purchasing conditions
	Overseas Subsidiaries	(10MY)	+20MY
	Others	210MY	+30MY
Total segments		2,340MY	-200MY
Consolidation Adjustment		(440MY)	Adjustment amount decreased by 4MY from last year
Consolidated		1,900MY	-190MY

Decrease in Consolidation Adjustments

Consolidation Adjustments

(Million Yen)

	Three months ended June 30, 2013	Three months ended June 30, 2012
Operating Income for segment total	2,339	2,534
Inventories (Unearned income of subsidiary inventories, etc.)	(395)	(271)
Depreciation of Goodwill	(27)	(97)
Allowance for point card	3	(31)
Adjustment in fixed assets	54	60
Elimination of Intersegment transaction	(43)	(118)
Other	(32)	15
Consolidation adjustment	(439)	(443)
Consolidated operating income	1,899	2,091

Amounts are rounded off to the nearest million yen.

Note: Figures in parentheses are negative.

Performance Breakdown (Three months ended Jun 30, 2013)



Parental company (Non-consolidated)

Net Sales: 41.9 BY <i>YoY: -6.93BY</i>	Wholesale	-6.15 BY -13.4%	↑ fuel, used car, oil, batteries, services ↓ Car electronics devices, Tires & wheels, etc.
	Retail	-0.79 BY -38.8%	↑ on-line store, fuel ↓ Car electronics devices, services, Tires & wheels, etc.
Gross Margin: 8.7BY <i>YoY: -1.09BY</i>	Wholesale	-0.75 BY -8.3%	↑ oil, batteries, Tires & wheels, etc. ↓ car electronics devices, motor sports goods, etc.
	Retail	-0.29 BY -44.8%	↑ — ↓ services, tires & wheels, Car interior items, etc.
SG&A: 5.9BY <i>YoY: -0.77BY</i>	Personnel: On par with previous year's level. Decreased due to transfer of direct stores to subsidiaries, and increased due to personnel transfer from subsidiaries.		
	Sales promotion costs: Decreased due to a revision of sales promotion initiatives.		
	Equipment costs: Decreased due to less depreciation costs of information systems and less land and building cost of directly managed stores .		
	Others: Decreased due to less consulting cost		

Domestic store subsidiaries

Net Sales: 17.8 BY <i>YoY: -0.63 BY</i>	Net sales declined due to a drop in sales of tires and car electronics, though partly offset by the increase in number of subsidiary-managed stores as a result of store transfer from FCs and the parent company.
Ordinary Income: (0.65BY) <i>YoY: +0.07 BY</i>	Gross margin was up partly due to an improvement in sales mix resulting from the decline in car electronics sales and a rise in sales of services; improved purchasing criteria; and a strong demand for fuel-efficient tires. In addition, the operating loss was reduced from the previous year level as a result of reductions in number of store personnel and sales promotion.

Segment Information



(Billion yen)

		Three months ended June 30, 2013	Three months ended June 30, 2012	YoY change
Non-consolidated	Net Sales	41.9	48.9	-14.2%
	Ordinary Income	2.8	3.1	-10.3%
Domestic store subsidiaries	Net Sales	17.8	18.5	-3.4%
	Ordinary Income	(0.7)	(0.7)	-
Overseas subsidiaries	Net Sales	2.5	2.1	+22.6%
	Ordinary Income	(0.0)	(0.0)	-
Subsidiaries for car goods supply and other	Net Sales	3.8	3.8	+1.6%
	Ordinary Income	0.1	0.0	+77.6%
Subsidiaries for supporting function	Net Sales	0.8	0.9	-4.2%
	Ordinary Income	0.1	0.1	-7.3%
Segment total	Net Sales	66.9	74.0	-9.6%
	Ordinary Income	2.3	2.5	-7.7%

Note: Figures in parentheses are negative.

Amounts are rounded down to the nearest ten million Yen.

Results of Overseas Operation by Country

	FRANCE		CHINA		SINGAPORE		THAILAND	
Number of stores at June 30, 2013 -including FCs stores-	11		2		3		4	
Total store sales -including FC stores-	-3.8%		+42.0%		-1.5%		-6.4%	
Period	Q1 FY2014	Q1 FY2013	Q1 FY2014	Q1 FY2013	Q1 FY2014	Q1 FY2013	Q1 FY2014	Q1 FY2013
Net sales (Million Yen)	1,900	1,560	110	90	360	290	170	140
SG&A (Million Yen)	950	760	90	90	120	90	60	40
Operating income (Million Yen)	(10)	(20)	(30)	(50)	50	30	(10)	0
Business conditions	Earnings remained at levels posted the previous year partly due to the reduction in SG&A costs, even though euro-denominated sales declined as a result of price competition with rival firms amid the languishing European economy.		The second directly managed store is improving remarkably. Sales and operating loss improved as a result of promoting sales of maintenance merchandise, including those for car cleaning, tires and oil.		Although competition is intensifying at some of the stores, profitability was secured as wheels, maintenance goods and services posted growth.		Net sales declined partly as a result of a drop in services sales associated with a change in vehicle-related regulation. The Group posted an operating loss, even though it worked on cutting costs.	

Note: Figures in parentheses are negative.

Amounts are rounded down to the nearest ten million yen.

Store Openings and Closings (Plan)

< Domestic stores >

	No. of stores as of March 31, 2013	Fiscal year ending March 31, 2014							No. of stores as of March 31, 2014
		Q1 (result)			No. of stores as of June 30, 2013	Q2 – Q3 (Plan)			
		New	S/B · R/L	Close		New	S/B · R/L	Close	
AUTOBACS	455	+4	+2 / -1		460	+27	+3 / -3		487
Super AUTOBACS	76				76			-1	75
<i>Secohan Ichiba</i>	14			-1	13			-2	11
AUTOBACS EXPRESS	7		-1		6	+2			8
Domestic total	552	+4	+2 / -2	-1	555	+29	+3 / -3	-3	581

< Overseas stores >

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

	No. of stores as of March 31, 2013	FY March 2014(Results & Forecasts)			No. of stores as of Mar 31, 2014
		Q1 (result)	No. of stores as of June 30, 2013	Q2 - Q3 (Plan)	
France	11		11		11
China	2		2		2
Thailand	4		4		4
Singapore	3		3		3
Taiwan	6		6	+1	7
Malaysia	1		1	+1	2
Total	27		27	+2	29

Progress of AUTOBACS 2010 Business Plan



Measures	Progress of individual measure
1. Improving store profitability	
1) Store reform	Improved merchandise lineup for tires and encouraged repeat customer visits
2) Merchandise/ purchase reform	Improved purchasing conditions for tires and other merchandise
3) Human resources/ store operation reform	Continued to focus on developing store personnel such as strengthening store managers' managerial abilities and training staff on merchandise and improving their skills
2. Increasing market share	
1) New store opening	Opened four stores (plans 30 store openings in FY 2014)
2) Development of service formats/ multi-channel strategy	Online reservations for oil changes and internet-based sales of a package of ETC in-car units that includes installation did well. An AUTOBACS store was opened on Amazon.co.jp.
3. Overseas operation	Prepared for the business development in ASEAN region

Name of JV company: PT. AUTOBACS INDOMOBIL INDONESIA

Line of Business:

- 1. Wholesale, import and export of automobile parts and accessories**
- 2. Sublicensing to retail stores including AUTOBACS brand stores**
- 3. Body work and maintenance for automobile**

Counterparty of JV: PT. CENTRAL SOLE AGENCY (Indomobil group)

Capital: 6 Million USD

Ownership of AUTOBACS SEVEN :49%

Scheduled date of foundation: End of September, 2013

Business environment

The decline in sales in areas including car electronics and car accessories is expected to continue into Q2, although signs of improvement are seen in the business environment, such as in the increase in the number of customers.

Elements to focus on for the rest of the year

- Promote sales of tires, statutory safety inspections and maintenance services, and car sales**
- Improve profitability of domestic store subsidiaries**
- Continue to progress on each policy of the Medium-term business plan and achieve initial forecast**

Balance Sheet / Assets

206.8BY

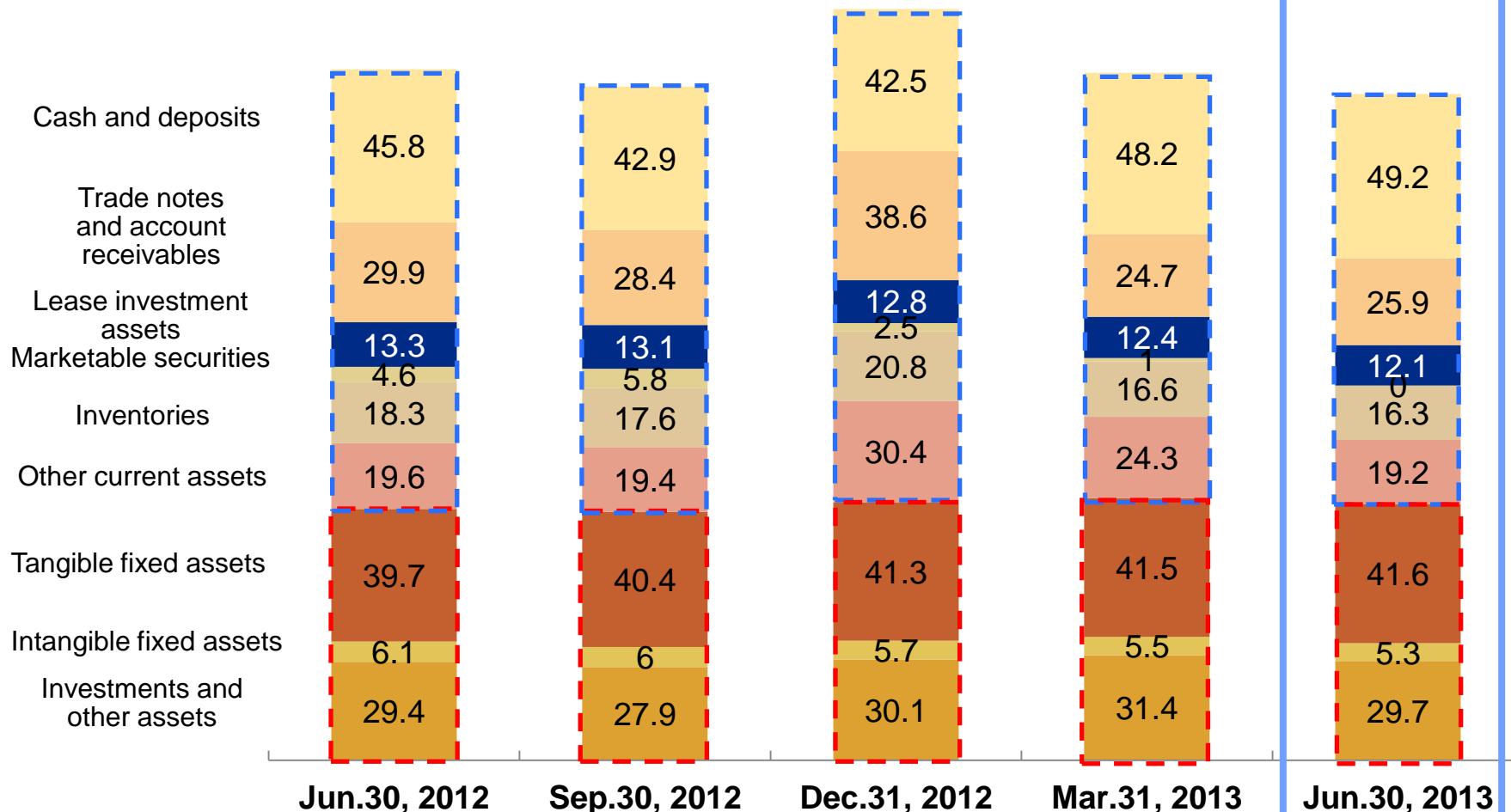
201.5BY

224.7BY

205.5BY

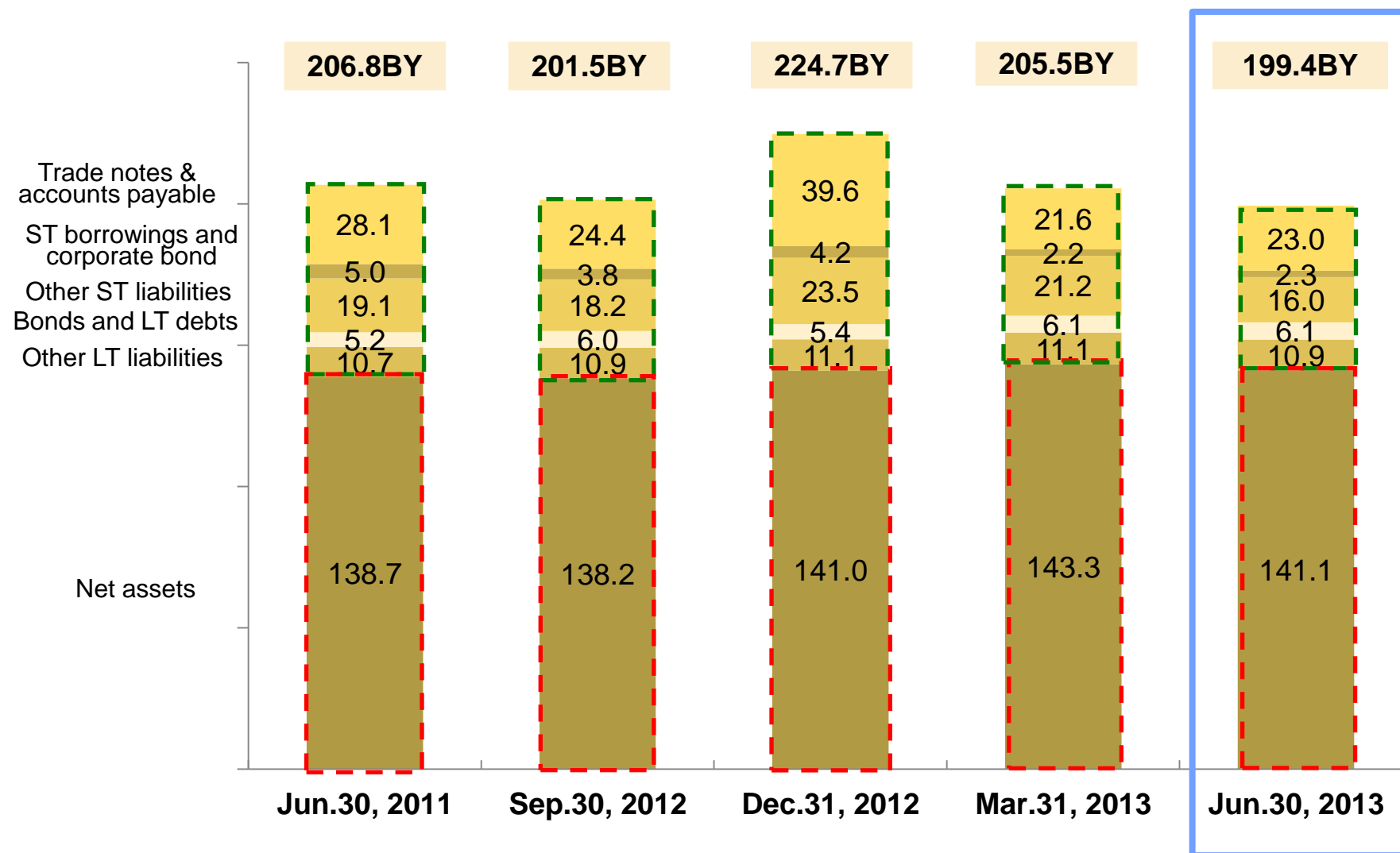
199.4BY

(Billion Yen)



Balance Sheet / Liabilities & Net Assets

(Billion Yen)





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.