May 10, 2012

Consolidated Financial Results for the Year Ended March 31, 2012【Japanese Standards】

Summary of Quick Financial Announcement of Consolidated Financial Information for the Year Ended March 31, 2012.

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: Masahiko Katsushima, Officer, Finance and Accounting
Telephone: +81-3-6219-8829
Stock exchange listings: Tokyo and Osaka
Annual meeting of shareholders: June 26, 2012
Start of cash dividend payments: June 27, 2012
Submission of Annual Securities Report: June 27, 2012
Supplementary materials prepared: Yes
Financial results information meeting held: Yes (for securities analysts and institutional investors, etc)

1. Results for the year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(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	
		%		%		%
Fiscal year ended March 31, 2012	**237,342**	**0.4**	**13,720**	**14.5**	**15,307**	**17.2**
Fiscal year ended March 31, 2011	236,350	1.5	11,988	17.9	13,060	11.1

Note: Comprehensive income : **8,300 million yen for the year ended March 31, 2012: 39.0 %**
5,972 million yen for the year ended March 31, 2011: (2.2 %)

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
		%		
Fiscal year ended March 31, 2012	**8,402**	**36.0**	**252.85**	-
Fiscal year ended March 31, 2011	6,179	5.4	177.97	-

	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended March 31, 2012	% **5.7**	% **7.2**	% **5.8**
Fiscal year ended March 31, 2011	4.1	6.2	5.1

Reference: Equity income on a affiliates:

For the year ended March 31, 2012: 89 million Yen

For the year ended March 31, 2011: 74 million Yen

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
Fiscal year ended March 31, 2012	**217,948**	**146,193**	% **66.8**	**4,461.28**
Fiscal year ended March 31, 2011	207,794	147,962	71.0	4,307.43

(Reference) Equity : **For the year ended March 31, 2012 : 145,625 million Yen**

For the year ended March 31, 2011 : 147,504 million Yen

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Fiscal year ended March 31, 2012	**20,844**	**(10,155)**	**(11,573)**	**51,401**
Fiscal year ended March 31, 2011	15,375	(5,002)	(11,790)	52,316

2. Dividends

Dividends per share (Yen)

	First Quarter	Second Quarter	Third Quarter	Year-end
Fiscal year ended March 31, 2011	-	65.00	-	70.00
Fiscal year ended March 31, 2012	-	**70.00**	**-**	**75.00**
Fiscal year ended March 31,2013 (forecast)	-	75.00	-	75.00

	Full Year	Total Dividends Paid (Full Year) (Millions of Yen)	Payout Ratio (Consolidated)	Dividends paid/Net Assets (Consolidated)
			%	%
Fiscal year ended March 31, 2011	135.00	4,623	75.9	3.2
Fiscal year ended March 31, 2012	**145.00**	**4,758**	**57.3**	**3.3**
Fiscal year ended March 31, 2013 (forecast)	150.00	-	51.5	-

3. Forecast for the fiscal year 2013 (from April 1, 2012 to March 31, 2013)

	Net sales		Operating income		Ordinary income	
		%		%		%
Semiannual	116,300	1.4	6,200	0.5	7,100	(2.2)
Annual	242,500	2.2	14,500	5.7	15,900	3.9

	Net income		Basic net income per share(Yen)
		%	
Semiannual	4,200	(0.6)	128.67
Annual	9,500	13.1	291.04

4. Other

(1) Significant changes in subsidiaries during the year ended : None

(2) 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.: None
3. Changes due to accounting estimation change: None
4. Restatement: None

(3) Shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)

Fiscal year ended March 31, 2012: 34,251,605 shares

Fiscal year ended March 31, 2011: 37,454,204 shares

2. Number of treasury stock at the end of period

Fiscal year ended March 31, 2012: 1,609,485 shares

Fiscal year ended March 31, 2011: 3,209,982 shares

3. Average shares outstanding over period

Fiscal year ended March 31, 2012: 33,233,184 shares

Fiscal year ended March 31, 2011: 34,724,050 shares

※Indication regarding the situation of annual audit procedures

As of the disclosure of the financial results, the procedures for auditing financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

※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.

※Analyst Meeting of AUTOBACS SEVEN Co., Ltd. is to be held on May 11,2012. 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 Financial Results for the fiscal year ended March 31, 2012

(1) Descriptive analysis of the financial results

1. Financial results for the fiscal year under review

(Business practices implemented under the changing business environment)

Domestic consumption of automotive goods and services during the consolidated fiscal year under review was affected by the occurrence of many, various events over the course of the year that seasonally and regionally had an impact on the Group's business results. From the beginning of the fiscal year until the second quarter, there was a decline in automobile and car navigation unit production attributable to supply chain disruptions and other issues following the Great East Japan Earthquake, although the shift to digital terrestrial broadcasting in July increased demand for digital terrestrial tuners. From the third quarter and in the fourth quarter, production of some car navigation devices was halted due to flood damage in Thailand, but because of the recovery of the supply chain and government subsidies for the purchase of fuel efficient vehicles, automobile unit sales and sales of automotive goods and services recovered. In addition, unusually heavy snowfall increased demand for studless snow tires. Further, in the Tohoku region, demand for automobiles and automotive goods and services continued to be high due to earthquake recovery demand.

(Overview of the domestic retail business)

In this business environment, overall sales of the AUTOBACS chain (including franchise outlets) during the consolidated fiscal year under review increased by 0.1% year on year on a same store basis and increased by 0.9% year on year on a total store basis.

In the automobile goods segment, the Group focused its promotional activities on sales of automobile maintenance merchandise such as tires, oil, and batteries in line with the use of newspaper advertisements, television commercials, and circulars along with an improved selection of merchandises at the stores and an upgraded sales system. Sales of tires rose, reflecting a delay in the timing for changing snow tires to normal tires until April or later due to the effect of the weather and the earthquake, price hikes for national brand tires and heavier than normal snowfall, largely along the Japan Sea coast, that boosted demand for snow tires. In car electronics, the earthquake and flooding in Thailand had an impact on product selection for car navigation devices although unit sales of terrestrial digital broadcasting tuners for automobiles and in-dash car navigation devices were positive due to the shift to terrestrial digital television broadcasting. However, because changes in hot selling items reduced unit prices, the value of sales declined year on year. Sales of interior accessories and interior merchandise declined through the second quarter due to the impact of poor new car sales, but sales of new cars recovered after that, and from the third quarter, sales of interior accessories and interior merchandise recovered to exceed last year's levels.

Sales in the statutory safety inspections and maintenance segment were sluggish in the first quarter due to the earthquake and the Group's self-restraint in sales promotional activities, but from the second quarter, a telephone sales promotion campaign and continuous promotional activities at the Group's stores led to a recovery with the total number of cars undergoing statutory inspections up by 7.3% year on year to 535,000 units.

In the automobile purchase and sales business segment, unit sales of new automobiles declined through the second quarter, but the used car market benefited from an increasing demand in the areas affected by the disaster. Consequently, purchasing through stores and retail sales mainly in the Tohoku region were strong. New car sales recovered from the third quarter as government subsidies for the purchase of fuel efficient cars were introduced. As a result, unit sales during the consolidated fiscal year under review increased by 10.1% year on year to 18,000 units.

(Impact of the Great East Japan Earthquake)

The condition of the Group's recovery from the Great East Japan Earthquake was reported as of the end of May 2011 in the business report for the last fiscal year, but since then, the two stores that had to suspend operations, AUTOBACS ISHINOMAKI and AUTOBACS TAGAJO, reopened in August 2011.

Regarding the impact of the Great East Japan Earthquake on the Group's business results, sluggish sales of new cars and a limited selection of merchandise due to the earthquake reduced demand for automotive goods and services, but in order to expedite the recovery, demand for cars and automotive goods and services was high, centered on the disaster area, and sales of the AUTOBACS chain (including franchise stores) in Fukushima, Miyagi and Iwate prefectures increased by approximately 20% year on year.

(Consolidated business results)

The Group's consolidated fiscal year sales were flat compared to the same period last year at 237,342 million yen. Gross profit increased by 1.7% to 77,036 million yen. Selling, general and administrative expenses decreased by 0.7% to 63,315 million yen and operating income increased by 14.5% to 13,720 million yen. The increase in non-operating income was largely due to a decline in foreign exchange losses compared to last fiscal year. As a result, ordinary income increased by 17.2% to 15,307 million yen. Further, an extraordinary gain of 64 million yen was posted as profit on the sale of shares in a subsidiary while extraordinary losses of 115 million yen were posted, including a loss on sales and an impairment loss of fixed assets and a loss on the arrangement of stores associated with the relocation and closure of stores. As a result, net income for the fiscal year under review increased by 36.0% to 8,402 million yen and net income per share came to 252.85 yen.

Results by business segment are described as follows:

<Non-consolidated>

Sales increased by 0.5% from a year earlier to 195,601 million yen. In wholesale operations for franchise outlets, sales increased by 0.6% thanks to increases in sales of tires, wheels and store fixtures to stores in association with renovations, which offset declines in sales of car electronics, car exterior items, and motor sports goods. In retail operations, sales declined by 2.9% from a year earlier, reflecting the closure of directly managed second-hand automotive goods stores and the suspension of operations for renovation at certain stores. Gross profit increased by 2.8% from the same period last year to 41,746 million yen reflecting an increase in tire sales volume compared to last year and the fact that the Company worked to control the gross profit margin on car navigation devices. Selling, general, and administrative expenses were down by 2.5% from a year earlier, to 28,156 million yen, reflecting fewer sales promotion activities following the earthquake and a revision of sales promotions compared to a year ago, which offset increased bonus payments to employees resulting from improved business results and store remodeling intended, and further, attorney's fees paid in relation to a lawsuit in the United States declined. As a result of these factors, operating income increased by 15.7% to 13,590 million yen.

<Domestic store subsidiaries>

Sales in this segment increased by 0.6% year on year to 81,714 million yen and operating income increased by 14.0% to 434 million yen. Sales of tires, wheels, digital terrestrial tuners and automobile sales led the way and the gross profit margin improved. Further, nine new stores opened by the domestic store subsidiaries contributed to the increase in sales. Selling, general and administrative expenses increased by 1.4% year on year due to store remodeling and increased personnel and sales expenses for the new stores.

<Overseas subsidiaries>

Sales increased by 3.3% to 9,097 million yen while operating income improved by 209 million yen to a profit of 86 million yen. France was affected by economic instability in Europe beginning in the second quarter and by a comparatively mild winter but sales promotions featuring tires and Christmas sales of car electronics contributed to an improvement in store sales and gross profit margins while selling, general and administrative expenses were brought under control, improving profitability. In China, a local franchisee closed one of the stores it was operating, and in Shanghai, the Group's local subsidiary opened its second directly managed store in May 2011. The Company is continuing to construct its business model, looking for ways to improve customer recognition and operations at directly managed stores. Sales increased due to increased exports to Japan and stores in Asia and the operating loss was smaller than the previous fiscal year. The Group opened AUTOBACS LOYANG Store, its third store in Singapore, in December 2011. Given the overwhelming competitive advantages in the local market, sales and operating income increased. In Thailand, the impact of political unrest and flooding resulted in a slight decline of sales and earnings.

<Subsidiaries for car goods supply and other>

Sales decreased by 3.3% from the previous fiscal year to 12,604 million yen, reflecting a decrease in wholesale sales of oil. Operating income declined by 51.9% year on year, to 112 million yen.

<Subsidiaries for supporting functions>

Sales decreased by 45.3% to 3,382 million yen and operating income fell by 11.6% year on year to 430 million yen. These declines primarily resulted from the merger with BRAIN-ING Co., Ltd., the Company's subsidiary, in August 2010. Excluding the impact of this merger, sales and operating income in this segment were almost level with those in the previous fiscal year.

<Details of adjustments to consolidated operating income>

The value of the adjustment to derive consolidated operating income from the sum of the operating income of each segment was 933 million yen, a change of 193 million yen compared to last year. Major changes from last year were: i. Until last fiscal year, the Company (non-consolidated) posted credit commissions from the AUTOBACS chain as non-operating income but due to the transfer of the credit business, this is now posted as sales of AUTOBACS Management Service Co., Ltd., a subsidiary for supporting function (This is noted in the table on page 22, "Reconciliation of published figures and aggregated of reportable operating segment" in the item titled "Elimination of intersegment transaction."), ii. The increase in unrealized profit on sales of merchandise by the Company (non-consolidated) to retail store subsidiaries that is attributable to the increase of new stores (same table, item titled "Inventories" adjustment), iii. Increase in the valuation loss on merchandise at subsidiary stores where the store has been transferred (same table, item titled "Inventories" adjustment).

2. Business outlook

With respect to the outlook for the business environment for the next fiscal year, recovery demand from the earthquake will continue to drive the domestic economy, and particularly in the first half, lower taxes and subsidies for fuel efficient cars should lead to favorable new car sales which allows the Group to hope for higher demand for automotive goods and services. However, a reaction to a slowdown in new car sales, a decline in automobile use due to high gasoline prices and other uncertain factors have also been predicted.

The Group must adapt to this changing environment and continue to follow the medium-term business plan with a focus on improving the profitability of existing stores in particular, and adding new stores. In Japan, the renovation of all stores was completed during the last fiscal year so the Group will further analyze regional characteristics and create stores one by one that appeal to the people in the particular area. Further, the Group will work to improve the selection of tires, oil, batteries and other basic automobile maintenance merchandise at Group stores and improve the sales floor and customer service and strengthen the Group's merchandise line-up and sales promotions to fit with best-selling new cars.

Looking at store openings and closings, the Group plans to add 30 new stores, close and reopen five stores through scrap and build and relocation and to close one store. Overseas, in April, an affiliate of a franchise chain corporation opened a store in Malaysia, and in addition, two new stores will be opened in China and plans call for two stores to be closed in China.

As a result of the above, full-year consolidated sales are expected to increase by 2.2% to 242,500 million yen, and by working to cut costs to improve gross margins to cover the increased expense of opening new stores and by further improving the profitability of subsidiary stores, operating income is forecast to rise by 5.7% to 14,500 million yen, ordinary income by 3.9% to 15,900 million yen and net income by 13.1% to 9,500 million yen.

3. Progress of the AUTOBACS 2010 Medium-term Business Plan

The Group has executed a number of initiatives including business and financial strategies and CSR and corporate governance activities, under the AUTOBACS 2010 Medium-Term Business Plan, which was announced in May 2010.

Existing store reform, which is an important policy with the aim of radically strengthening the domestic business, completed store remodeling according to the original schedule, and in human resources reform, customer treatment training for store staff has exceeded the original plan. The result of these reforms is to create a base for the Group's further growth. In addition, new store openings are just about in line with plan due to the strengthened organizational structure.

(Business strategy)

Just like last year, the Group emphasized the strengthening of the domestic franchise business as a business strategy and sought to improve the profitability of the existing AUTOBACS stores.

Existing store reform continued from last year, and the remodeling of AUTOBACS stores progressed with 217 stores being remodeled. As a result, a cumulative total of 358 stores have been remodeled, completing the plan for remodeling all of the AUTOBACS stores. An important policy within store reform is sales floor reform which installs merchandise displays and POP (point of purchase) to make it easier to compare and select merchandise and services, while for car maintenance merchandise, setting up consultation reception counters and general maintenance counters create a sales floor based on the customer's perspective. Most of the stores that have been remodeled have seen an improvement in business results and efficiency. Going forward, the Group will endeavor to make reforms to improve customer convenience and to improve profitability at stores.

Human resources reform and customer service education were designed to provide customers with safety and reliability to facilitate a comfortable shopping experience and training continued from last year to strengthen customer service. In addition to group training by a special team, in-store training for all employees raised the efficiency of the training. This fiscal year, 8,856 employees completed the training, nearly 100% of all registered employees. Going forward, continuous measures will be taken to firmly establish an awareness of customer service.

With regard to new stores, in order to improve customer convenience and to attract more customers, 23 new stores were opened in the year ended March 2012. Through the development of a low cost, smaller store model by reviewing store fixtures and service bay equipment, the Group is better able to open stores in smaller service areas or to fill in gaps between other stores where it had not been possible to open stores before. The Group has strengthened the Land Use & Development Department in preparation for an acceleration of new store openings from the year starting in April 2012.

One of the new stores is a test store that specializes in maintenance merchandise centering on tires and wheels and also oil and batteries called AUTOBACS Tire Specialty Shop Ogori Store. Going forward, as this store is verified and improved, stores that can meet customers' various needs more conveniently will be developed.

In addition, preparations have advanced for the start of CRM Strategy Implementation in the year to March 2013. The Group will start by taking a fresh look at its relationship with its customers, at changes in customers' feelings about cars, and focusing on the future market environment in order to strengthen customer ties. By getting to know the Group's existing customers even better, relationships can be built to turn them into repeat customers, and as new customers get to know the Group, new relationships can be built on mutual trust. In seeking to build better customer relationships, the study of specific issues from the customer's perspective has progressed. By taking these steps and creating stores that meet customers' needs in each region, the Group plans for AUTOBACS to get stronger, store by store.

Other policies include strengthening the fulfillment of merchandise and services provided to customers in statutory safety inspections and car sales, to reform gross profit margins by providing reasonably-priced merchandise and to strengthen e-commerce to improve customer convenience.

Overseas, the Group's two stores in China are making progress in verifying the business model. Going forward, the Group is looking ahead to developing business in China and in the Asia region and progressing market research and test marketing.

To improve the ability of the head office to get things done, the Group is taking important steps to reform head office personnel by optimally allocating management resources, and at the same time improving management by developing key personnel and providing training for different levels of management.

(Financial Strategy)

The Group's financial strategy is aimed at increasing future operational cash flow, therefore 23 new stores were opened in Japan, six stores were relocated and three new stores were opened overseas. The Group will continue to proactively invest in the business during fiscal year 2012 and beyond.

Further, with the aim of improving capital efficiency, and based on a policy of increasing shareholder returns, a total of 1.6 million shares of treasury stock were purchased for approximately 5,400 million yen and it has been decided that approximately 1.6 million shares of treasury stock will be cancelled and up to another 1.8 million shares of treasury stock will be purchased. Aiming at maintaining a consolidated ratio of dividend on equity (DOE) of at least 3%, and taking into consideration business results for the consolidated fiscal year under review, the term-end dividend is expected to be increased by 5 yen from the previous fiscal year to 75 yen per share.

(CSR activities)

The Group's CSR activities are an important management issue, and with the aim of operating the business in an environmentally friendly manner, the Toyosu head office has received ISO 14001 certification. Going forward, the Group will continue activities to raise environmental awareness, and at the same time, each regional office and the Eastern and Western Logistics Centers are making progress toward getting certified. During the summer, when there were concerns about a shortage of electric power, the head office and the regional offices worked to conserve electricity, and in addition, the Group's stores nationwide turned off wall-mounted signage and reduced lighting inside the store to save electricity. Further, the head office and stores established AUTOBACS Day to clean up the neighborhood as a contribution to local communities.

The Organized Crime Exclusion Ordinance went into effect throughout Japan in October 2011, and in response, a Manual for Handling Anti-Social Forces was prepared and study groups were held for all employees to strengthen the Group's risk management.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	March 31,2011 Amount	March 31,2012 Amount
Current assets		
Cash and deposits	43,767	50,959
Trade notes and accounts receivable	22,977	26,776
Investments in lease	13,396	13,413
Marketable securities	13,348	8,922
Inventories	17,461	17,083
Deferred tax assets	1,937	2,326
Short-term loans	717	195
Accounts receivable-other	17,655	19,955
Other current assets	2,025	2,096
Allowance for doubtful receivables	(256)	(118)
Total current assets	133,031	141,611
Fixed assets		
Tangible fixed assets		
Building and structures	35,865	37,182
Accumulated depreciation	(24,116)	(24,407)
Building and structures(net of depreciation)	11,748	12,775
Machinery, equipment and vehicle	5,235	5,419
Accumulated depreciation	(4,188)	(4,389)
Machinery, equipment and vehicle (net of depreciation)	1,046	1,030
Tools, furniture and fixtures	13,014	13,521
Accumulated depreciation	(10,953)	(11,217)
Tools, furniture and fixtures(net of depreciation)	2,060	2,303
Land	21,695	22,793
Leased assets	314	365
Accumulated depreciation	(37)	(66)
Leased assets (net of depreciation)	276	298
Construction in progress	103	322
Total tangible fixed assets	36,931	39,523
Intangible fixed assets		
Goodwill	913	764
Leased assets	32	43
Software	4,222	4,695
Other intangible fixed assets	769	751
Total intangible fixed assets	5,938	6,253
Investments		
Investment securities	5,989	5,752
Long-term loans	315	460
Deferred tax assets	4,501	4,169
Rental deposits	19,997	19,221
Other investments	4,807	4,639
Allowance for doubtful receivables	(3,718)	(3,683)
Total investments	31,893	30,559
Total fixed assets	74,763	76,337
Total assets	207,794	217,948

Liabilities and Net assets	March 31, 2011 Amount	March 31,2012 Amount
Current liabilities		
Trade notes and accounts payable-trade	15,307	24,342
Short-term borrowings	3,164	5,087
Current portion of bond	70	70
Leased obligations	62	112
Accrued liabilities	11,034	13,314
Income taxes payable	3,505	4,957
Allowance for point card	328	426
Allowance for business restructuring	1,101	1,089
Allowance for loss disaster	171	-
Asset retirement obligations	8	21
Other current liabilities	5,894	6,227
Total current liabilities	40,648	55,649
Long-term liabilities		
Bonds	205	135
Long-term debt	8,481	5,160
Leased obligations	756	1,270
Deferred tax liabilities	89	37
Accrued for retirement benefits	127	119
Accrued for directors' retirement benefits	253	205
Asset retirement obligations	1,731	1,801
Other long-term liabilities	7,537	7,375
Total long-term liabilities	19,183	16,105
Total liabilities	59,832	71,755
Owners' equity		
Shareholders' equity		
Common stock	33,998	33,998
Capital surplus	34,278	34,278
Retained earnings	89,984	83,074
Treasury stock at cost	(10,636)	(5,496)
Total owners' equity	147,624	145,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	51
Foreign currency translation adjustments	(141)	(281)
Total accumulated other comprehensive income	(120)	(229)
Minority interests	458	567
Total net assets	147,962	146,193
Total liabilities and net assets	207,794	217,948

(2) Consolidated Statements of Income and Comprehensive Income

(3

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2011 Amount	**Fiscal year ended March 31, 2012 Amount**
Net sales	236,350	**237,342**
Cost of goods sold	160,611	**160,306**
Gross profit	75,739	**77,036**
Selling, general and administrative expenses	63,750	**63,315**
Operating income	11,988	**13,720**
Non-operating income		
Interest income	162	**162**
Dividend income	40	**35**
Equity in income on affiliates	74	**89**
Commission income	748	**434**
Lease revenue-system equipment	1,163	**1,230**
Other non-operating income	2,062	**2,145**
Total non-operating income	4,252	**4,097**
Non-operating expenses		
Interest expenses	189	**163**
Lease cost-system equipment	1,273	**1,266**
Loss on disposal of fixed assets	179	**115**
Foreign exchange losses	413	**51**
Other non-operating expenses	1,124	**914**
Total non-operating expenses	3,181	**2,510**
Ordinary income	13,060	**15,307**
Extraordinary gains		
Gain from sale of fixed assets	438	**-**
Gain on sales of shares in affiliates	7	**64**
Reversal of allowance for doubtful accounts	515	**-**
Reversal of allowance for business restructuring	136	**-**
Total extraordinary gains	1,098	**64**
Extraordinary losses		
Loss on sales of fixed assets	8	**30**
Impairment losses on fixed assets	349	**51**
Loss on arrangement of stores	285	**74**
Special retirement expenses	460	**-**
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,166	**-**
Loss on disaster	386	**-**
Total extraordinary losses	2,657	**155**
Income before income taxes and minority interests	11,501	**15,217**
Income taxes		
Current	4,370	**6,934**
Deferred	905	**(122)**
Total income taxes	5,276	**6,812**
Income before minority interests	6,225	**8,404**
Minority interests in net income	45	**2**
Net income	6,179	**8,402**

	Fiscal year ended March 31, 2011 Amount	**Fiscal year ended March 31, 2012 Amount**
Minority interests in net income	45	**2**
Income before minority interests	6,225	**8,404**
Other comprehensive income		
Valuation difference on available-for-sale securities	(86)	**26**
Foreign currency translation adjustment	(168)	**(135)**
Share of other comprehensive income of associates accounted for using equity method	2	**4**
Total other comprehensive income	(252)	**(104)**
Comprehensive income	5,972	**8,300**
Comprehensive income attributable to		
Owners of the parent	5,936	**8,293**
Minority interests	35	**6**

(3) Consolidated Statements of Changes in assets

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2011 Amount	**Fiscal year ended March 31, 2012 Amount**
Owners' equity		
Common stock		
Balance at the end of previous period	33,998	**33,998**
Balance at the end of the period	33,998	**33,998**
Capital surplus		
Balance at the end of previous period	34,278	**34,278**
Balance at the end of the period	34,278	**34,278**
Retained earnings		
Balance at the end of previous period	88,398	**89,984**
Change of items during the period		
Dividends from surplus	(4,556)	**(4,706)**
Net income	6,179	**8,402**
Change of scope of equity method	(37)	**-**
Cancellation of treasury stock	-	**(10,606)**
Total changes of items during the period	1,585	**(6,910)**
Balance at the end of the period	89,984	**83,074**
Treasury stock		
Balance at the end of previous period	(5,402)	**(10,636)**
Change of items during the period		
Purchase of treasury stock	(5,234)	**(5,465)**
Cancellation of treasury stock	-	**10,606**
Total changes of items during the period	(5,234)	**5,140**
Balance at the end of the period	(10,636)	**(5,496)**
Total owners' equity		
Balance at the end of previous period	151,273	**147,624**
Change of items during the period		
Dividends from surplus	(4,556)	**(4,706)**
Net income	6,179	**8,402**
Purchase of treasury stock	(5,234)	**(5,465)**
Change of scope of equity method	(37)	**-**
Total changes of items during the period	(3,649)	**(1,769)**
Balance at the end of the period	147,624	**145,854**
Accumulated other comprehensive income		
Valuation different on available-for-sale securities		
Balance at the end of previous period	107	**21**
Change of items during the period		
Net changes of items other than owners' equity	(86)	**30**
Total change of items during the period	(86)	**30**
Balance at the end of the period	21	**51**

	Fiscal year ended March 31, 2011 Amount	**Fiscal year ended March 31, 2012 Amount**
Foreign currency translation adjustments		
Balance at the end of previous period	15	**(141)**
Change of items during the period		
Net change of items other than owners' equity	(156)	**(139)**
Total change of items during the period	(156)	**(139)**
Balance at the end of the period	(141)	**(281)**
Total valuation and translation adjustments		
Balance at the end of previous period	122	**(120)**
Change of items during the period		
Net change of items other than owners' equity	(243)	**(109)**
Total changes of items during the period	(243)	**(109)**
Balance at the end of the period	(120)	**(229)**
Minority interests		
Balance at the end of previous period	456	**458**
Change of items during the period		
Net change of items other than owners' equity	1	**109**
Total change of items during the period	1	**109**
Balance at the end of the period	458	**567**
Total net assets		
Balance at the end of previous period	151,852	**147,962**
Change of items during the period		
Dividends from surplus	(4,556)	**(4,706)**
Net income	6,179	**8,402**
Purchase of treasury stock	(5,234)	**(5,465)**
Change of scope of equity method	(37)	**-**
Net change of items other than owners' equity	(241)	**0**
Total change of items during the period	(3,890)	**(1,769)**
Balance at the end of the period	147,962	**146,193**

(4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2011 Amount	**Fiscal year ended March 31, 2012 Amount**
Operating Activities:		
Income before income taxes and minority interests	11,501	**15,217**
Depreciation and amortization	4,562	**4,545**
Impairment losses on fixed assets	349	**51**
Amortization of goodwill	235	**98**
Increase (decrease) in allowance for business restructuring	(223)	**(11)**
Increase (decrease) in allowance for doubtful accounts	(424)	**(170)**
Increase (decrease) in provision for retirement benefits	(43)	**(8)**
Increase (decrease) in provision for retirement benefits for directors and corporate auditors	(17)	**(48)**
Interest and dividend income	(203)	**(197)**
Interest expenses	189	**163**
Equity (income) loss on affiliates	(74)	**(89)**
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,166	**-**
Loss (gain) on sales or disposal of fixed assets	(249)	**145**
Loss (gain) on sales of investment in securities	(7)	**(70)**
Decrease (increase) in trade notes and accounts receivable	584	**(6,052)**
Decrease (increase) in investments in lease	1,365	**484**
Decrease (increase) in inventories	(486)	**135**
Increase (decrease) in trade notes and accounts payable	(677)	**9,108**
Others	357	**3,102**
Subtotal	17,906	**26,403**
Interest and dividend received	234	**230**
Interest paid	(201)	**(163)**
Income taxes refund (paid)	(2,565)	**(5,625)**
Net cash provided by (used in) operating activities	15,375	**20,844**
Investing Activities:		
Decrease (increase) in time deposits	632	**(3,608)**
Purchase of short-term investment securities	(5,291)	**(4,544)**
Proceeds from sales and redemption of securities	2,009	**6,840**
Payment for tangible and intangible fixed assets	(3,187)	**(7,690)**
Proceeds from sales of tangible fixed assets and intangible fixed assets	1,431	**80**
Purchase of investment securities	(2,574)	**(2,390)**
Proceeds from sales and redemption of investment securities	2,157	**354**
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(257)	**-**
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(9)	**-**
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	**233**
Payment of loans receivable	(140)	**(384)**
Collection of loans receivable	305	**760**
Payment for rental deposits	(953)	**(459)**
Collection of rental deposits	564	**323**
Others	311	**329**
Net cash provided by (used in) investing activities	(5,002)	**(10,155)**

	Fiscal year ended March 31, 2011 Amount	**Fiscal year ended March 31, 2012 Amount**
Financing Activities:		
Net increase (decrease) in short-term loans payable	78	**(25)**
Proceeds from long-term debt	3,180	**1,380**
Repayments of long-term debt	(5,278)	**(2,753)**
Purchase of treasury stock	(5,232)	**(5,463)**
Proceeds from stock issuance to minority shareholders	-	**137**
Dividends paid	(4,554)	**(4,705)**
Others	18	**(144)**
Net cash provided by (used in) financing activities	(11,790)	**(11,573)**
Effect of exchange rate changes on cash and cash equivalents	(52)	**(30)**
Net increase (decrease) in cash and cash equivalents	(1,469)	**(914)**
Cash and cash equivalents, beginning of the period/ year	53,785	**52,316**
Cash and cash equivalents, end of the period	52,316	**51,401**

7. Segment Information

(1) Outlines reportable segment

The Company's reporting segments are the components of the Company about which separate financial information is available. These segments are subject to periodic examination to enable the Company's Board of Directors to decide how to allocate resources and assess performance. The companies operate the AUTOBACS franchise chain consisting of businesses in automotive goods, safety inspections and maintenance services, and automobile purchase and sales business. The Group comprises segments made up of groups of companies based on wholesale division and retail division functions for these businesses. The Group has five reporting segments: "the company," "domestic store subsidiaries," "overseas subsidiaries," "subsidiaries for car goods supply and other," and "subsidiaries for supporting functions."

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions
Automotive goods	Wholesale・Retail	Retail	Wholesale・Retail	Wholesale	-
Safety inspection and maintenance services	Wholesale・Retail	Retail	Retail	-	-
The automobile purchase and sales business	Wholesale・Retail	Retail	-	-	-
Others	Lease business	-	-	-	Lease business・Others

Note: Other subsidiaries for supporting functions are loan credit business, nonlife insurance agency and office work representation business.

(2) Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

Segment income for each reporting segment is presented on an operating income basis. Internal sales and transfers between segments are based, for the most part, on prevailing market prices. Among the assets of the reporting segments, the goodwill associated with overseas subsidiaries is tested for impairment as a non-amortized asset, while in the consolidated financial statements it is amortized using the straight-line method. In addition, some store buildings, POS systems and other items are subject to lease transactions between segments. The asset and expense items of the reporting segments and their amounts are adjusted as shown below.

	Reportable segment			Consolidated Financial Statement
	The company	Domestic Store Subsidiaries	Subsidiaries for Supporting Functions	
Assets	Investments in Lease	-	Investments in Lease	Property ,Plant and equipment and Intangible assets
Cost	Cost of goods sold	Rent payment and Lease payment	Cost of goods sold	Depreciation
Amortized method	Interest method	-	Interest method	Declining balance method and Straight-line method

(3) Segment sales ,income(loss),assets and others

Fiscal year ended March 31,2011
(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	140,231	80,512	8,655	5,977	973	236,350
Intersegment sales or transfers	54,483	694	154	7,057	5,206	67,596
Total	194,715	81,206	8,810	13,034	6,180	303,947
Net income (loss)	11,749	381	(123)	233	487	12,728
Segment assets	207,298	22,094	9,281	3,649	16,570	258,893
Other items						
Depreciation	1,846	332	267	30	20	2,496
Amortization of goodwill	-	19	-	-	6	25
Share of associates accounted for using equity method	504	-	-	-	-	504
Increase in property and equipment and intangible assets	1,336	388	106	8	13	1,854

Fiscal year ended March 31,2012
(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	140,755	80,784	8,850	5,973	979	237,342
Intersegment sales or transfers	54,845	929	247	6,631	2,402	65,057
Total	195,601	81,714	9,097	12,604	3,382	302,399
Net income (loss)	13,590	434	86	112	430	14,654
Segment assets	208,930	23,772	9,007	3,906	27,786	273,404
Other items						
Depreciation	1,825	353	240	32	13	2,465
Amortization of goodwill	-	15	-	-	6	21
Share of associates accounted for using equity method	504	-	-	-	-	504
Increase in property and equipment and intangible assets	5,178	496	127	16	29	5,848

(4) Reconciliation of published figures and aggregated of reportable operating segment

(Adjustment) (Unit: Millions of Yen)

Net sales	Fiscal year ended March 31,2011	Fiscal year ended March 31,2012
Total reportable segments	303,947	302,399
Elimination of intersegment transaction	(67,596)	(65,057)
Net sales	236,350	237,342

(Adjustment) (Unit: Millions of Yen)

Income	Fiscal year ended March 31,2011	Fiscal year ended March 31,2012
Total reportable segments	12,728	14,654
Elimination of intersegment transaction	(343)	(477)
Inventories	(66)	(325)
Allowance for point card	(24)	(83)
Amortization of goodwill	(152)	(76)
Fixed assets	(60)	8
Others	(91)	20
Operating income	11,988	13,720

(Adjustment) (Unit: Millions of Yen)

Assets	Fiscal year ended March 31,2011	Fiscal year ended March 31,2012
Total reportable segments	258,893	273,404
Elimination of intersegment transaction	(43,936)	(48,198)
Fixed assets	(3,886)	(3,786)
Amortization of goodwill	(3,354)	(3,141)
Inventories	(1,255)	(1,570)
Investments in associates accounted for using equity method	780	847
Others	553	394
Total assets	207,794	217,948

(Unit: Millions of Yen)

Other items	Total reportable segments		Adjustment		Consolidated total	
	Fiscal year ended March 31,2011	**Fiscal year ended March 31,2012**	Fiscal year ended March 31,2011	**Fiscal year ended March 31,2012**	Fiscal year ended March 31,2011	**Fiscal year ended March 31,2012**
Depreciation	2,496	**2,465**	1,409	**1,471**	3,906	**3,936**
Amortization of goodwill	25	**21**	209	**76**	235	**98**
Investments in associated for using equity method	504	**504**	780	**847**	1,285	**1,352**
Increase in property, plant and equipment and intangible assets	1,854	**5,848**	1,333	**1,842**	3,187	**7,690**

Note: The adjustment amounts for other items are as follows.

1. Depreciation and the increase in property and equipment and intangible assets, is principally the adjustment amount for intersegment lease transactions on the consolidated financial statements.
2. The adjustment amount for amortization of goodwill is principally the amount for amortization of goodwill recorded for overseas subsidiaries.
3. The adjustment amount for investments in associates accounted for using the equity method is the adjustment amount according to the equity method

(5)Measurement method for profit (loss) of Domestic Store Subsidiaries and Overseas Subsidiaries has been changed since April 1, 2011.

According to this method, Information about sales and profit (loss) was stated for the Fiscal year ended March 31, 2011.

8. Subsequent Events

At the Board of Directors meeting held on May 10, 2012, the Board approved the repurchase of common stock up to a maximum of 1,800,000 shares to the aggregate amount of ¥8,100 million from May 11, 2012 to December 20, 2012.

At the Board of Directors held on May 10, 2012, the Board approved the cancellation 1,601,570 shares of treasury stock and will carry it out on May 17, 2012.

9.Additional Information

(1)Consolidated Sales Component and Percentage By Division

(Unit: Millions of Yen)

Divisions	Fiscal year ended March 31,2011 Amount	Ratio	**Fiscal year ended March 31,2012 Amount**	**Ratio**	Year-on -year Increase/Decrease Ratio
		%		**%**	%
Wholesale	134,689	57.0	**135,570**	**57.1**	100.7
Retail	98,162	41.5	**98,313**	**41.4**	100.2
Others (letting and hiring fee of leased object)	3,498	1.5	**3,459**	**1.5**	98.9
Total	236,350	100.0	**237,342**	**100.0**	100.4

Note: Consumption taxes are excluded from the above amounts.

(2)Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Fiscal year ended March 31, 2011 Amount	Ratio	**Fiscal year ended March 31, 2012 Amount**	**Ratio**	Year-on-year Increase/Decrease
Wholesale		%		**%**	%
Tires and wheels	31,850	23.7	**34,913**	**25.8**	109.6
Car electronics	39,372	29.2	**37,825**	**27.9**	96.1
Oil and batteries	16,057	11.9	**15,910**	**11.7**	99.1
Car exterior items	12,693	9.4	**12,304**	**9.1**	96.9
Car interior items	12,408	9.2	**12,522**	**9.2**	100.9
Motor sports	8,059	6.0	**7,463**	**5.5**	92.6
Services	1,897	1.4	**2,448**	**1.8**	129.1
Others	12,351	9.2	**12,183**	**9.0**	98.6
Subtotal	134,689	100.0	**135,570**	**100.0**	100.7
Retail					
Tires and wheels	19,565	19.9	**20,435**	**20.8**	104.4
Car electronics	20,476	20.9	**20,310**	**20.7**	99.2
Oil and batteries	8,508	8.7	**8,495**	**8.6**	99.8
Car exterior items	11,174	11.4	**10,696**	**10.9**	95.7
Car interior items	9,131	9.3	**9,213**	**9.4**	100.9
Motor sports	6,391	6.5	**6,053**	**6.1**	94.7
Services	15,608	15.9	**16,014**	**16.3**	102.6
Others	7,305	7.4	**7,093**	**7.2**	97.1
Subtotal	98,162	100.0	**98,313**	**100.0**	100.2
Others (letting and hiring fee of leased object)	3,498	-	**3,459**	**-**	98.9
Total					
Tires and wheels	51,415	21.8	**55,348**	**23.3**	107.7
Car electronics	59,848	25.3	**58,135**	**24.5**	97.1
Oil and batteries	24,565	10.4	**24,406**	**10.3**	99.3
Car exterior items	23,868	10.1	**23,000**	**9.7**	96.4
Car interior items	21,540	9.1	**21,735**	**9.1**	100.9
Motor sports	14,451	6.1	**13,516**	**5.7**	93.5
Services	17,505	7.4	**18,462**	**7.8**	105.5
Others	23,155	9.8	**22,736**	**9.6**	98.2
Total	236,350	100.0	**237,342**	**100.0**	100.4

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

2. Others consist 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.