January 31, 2012

Consolidated Financial Results for the Nine Months ended December 31, 2011 【Japanese Standards】

Summary of Quick Financial Announcement of Consolidated Financial Information for the Third Quarter ended December 31, 2011.

Company name: AUTOBACS SEVEN CO., LTD.
Code number: 9832
(URL http://www.autobacs.co.jp/)
Headquarters: Tokyo, Japan
Company Representative: Setsuo Wakuda, Representative Director
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Stock exchange listings: Tokyo and Osaka
Submission of Quarterly Business Report: February 7, 2012.
Start of cash dividend payments: -
Supplementary quarterly materials prepared: Yes
Quarterly results information meeting held: None

1. Results for the Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)

(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	
Nine months ended December 31, 2011	**187,666**	% **(0.0)**	**12,961**	% **20.9**	**14,409**	% **28.1**
Nine months ended December 31, 2010	187,694	0.6	10,724	3.5	11,244	(2.6)

Note: Comprehensive income: **7,742 million yen for the nine months ended December 31, 2011: 41.3 %**
5,479 million yen for the nine months ended December 31, 2010: - %

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
Nine months ended December 31, 2011	**8,245**	% **40.7**	**246.66**	**-**
Nine months ended December 31, 2010	5,862	3.4	168.06	-

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
			%	
Nine months ended December 31, 2011	**232,627**	**145,581**	**62.4**	**4,444.24**
Fiscal year ended March 31, 2011	207,794	147,962	71.0	4,307.43

(Reference) Equity: **Nine months ended December 31, 2011: 145,071 million yen**

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

2. Dividends

	Dividends per share				(Yen)
	First Quarter	Second Quarter	Third Quarter	Year -end	Annual
Fiscal year ended March 31, 2011	-	65.00	-	70.00	135.00
Fiscal year ended March 31, 2012	**-**	**70.00**	**-**	**-**	**-**
Fiscal year ended March 31, 2012 (forecast)	-	-	-	70.00	140.00

Note : Changes in dividends forecast for fiscal year 2012 as of December 31, 2011: None

3. Forecast for the fiscal year 2012 (from April 1, 2011 to March 31, 2012)

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

	Net sales		Operating income		Ordinary income	
		%		%		%
Annual	233,800	(1.1)	12,800	6.8	14,700	12.6

	Net income		Basic net income per share(Yen)
		%	
Annual	8,300	34.3	254.27

Note: Changes in forecast of consolidated operating results for fiscal year 2012 as of December 31, 2011: None

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

(4) Shares outstanding (common stock)

①Number of shares outstanding (including treasury stock)

As of December 31, 2011: 34,251,605 shares
As of March 31, 2011: 37,454,204 shares

②Number of treasury stock at the end of period

Nine months ended December 31, 2011: 1,609,093 shares
Fiscal year ended March 31, 2011: 3,209,982 shares

③Average shares outstanding over quarter

Nine months ended December 31, 2011: 33,427,997 shares
Nine months ended December 31, 2010: 34,880,462 shares

※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.

5. Qualitative Information concerning Consolidated Business Results for the nine months ended December 31, 2011

(1) Qualitative Information Concerning Consolidated Business Results

①Business environment

Domestic consumption of automotive goods and services for the first nine months of the fiscal year under review witnessed a decline in demand for car accessories associated with a decrease in the supply and unit sales of new automobiles caused by weak vehicle production after the Great East Japan Earthquake while interruptions in the production of car navigation systems due to flood damage in Thailand affected the supply of merchandise line-ups, making for a difficult management environment. On the other hand, there were also factors that pushed sales higher including a rise in demand for tuners for digital terrestrial broadcasting in association with a shift from analogue terrestrial TV broadcasting to digital broadcasting in July 2011, an increase in demand for goods for maintenance and used cars especially in the Tohoku region associated with reconstruction after the earthquake, higher tire prices and an increase in demand for studless snow tires due to a cold wave.

②Overview of the domestic retail business

Overall sales of the businesses of the AUTOBACS chain (including franchise outlets) in Japan decreased by 0.6% year on year on a same-store basis and were flat on a total-store basis.

In the automobile-related goods segment, sales of automobile maintenance merchandise such as tires, oil and batteries that are the focus of the group's promotional activities, expanded in line with the use of newspaper advertisements, television commercials, and circulars. 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, snowfall, largely along the Japan Sea coast, starting in October that boosted demand for snow tires. Car electronics sales declined, although sales of tuners for digital terrestrial broadcasting were strong in association with a shift to digital terrestrial TV broadcasting in July 2011, the earthquake and flooding in Thailand had an adverse impact on maintaining merchandise line-ups, especially for new model of car navigation systems while changes in hot-selling items reduced unit prices. Sales of interior accessories and interior merchandise fell due to the decline in the unit sales of new cars through the second quarter.

Statutory safety inspections and maintenance segment sales temporarily stalled, given the effects of the earthquake and restraints on sales promotion activities during the first quarter. Starting on the second quarter, a telephone sales campaign and continuous promotional activities at the group's stores led to a recovery with the number of cars undergoing statutory inspections rising by 8.4% year on year to approximately 373,000.

In the automobile purchase and sales 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 nationwide stores and retail sales mainly in the Tohoku region were strong. In the third quarter, unit sales of new vehicles were headed for recovery. As a result, the number of vehicles sold during the nine month period rose by 6.9% year on year, to approximately 12,400.

③Consolidated business results

The group's cumulative nine-month sales were flat compared to the same period of last year at 187,666 million yen. Gross profit increased by 2.7% to 59,815 million yen. Selling, general and administrative expenses declined by 1.4% compared to the same period of last year to 46,853 million yen and operating income increased by 20.9% to 12,961 million yen. The increase in non-operating income was almost entirely due to a decline in foreign exchange losses. As a result, ordinary income increased by 28.1% to 14,409 million yen. The Group posted extraordinary losses of 115 million yen, 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 first nine months of the fiscal year under review increased by 40.7% year on year, to 8,245 million yen.

Results by business segment are as shown below.

<Non-consolidated>

Sales increased by 0.6% from a year earlier, to 158,652 million yen. In wholesale operations for franchise outlets, sales increased by 0.9% year on year thanks to increases in sales of tires and car exterior items and store fixtures to stores in association with renovations, which offset declines in sales of car electronics, car interior items, and motor sports goods. In retail operations, sales declined by 5.1% 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 5.5% year on year, to 33,528 million yen. The increase mainly reflected rises from a year ago in sales of tires and tuners for digital terrestrial broadcasting and the fact that the company tried to control gross profit margins for car navigation systems. Selling, general, and administrative expenses were down by 4.5% from a year earlier, to 20,575 million yen, reflecting fewer sales promotional activities and a decrease in fees and commissions paid, including attorneys' fee. As a result, operating income increased by 26.5% to 12,953 million yen.

<Domestic store subsidiaries>

Sales in this segment declined by 0.1% compared to the same period of last year to 62,541 million yen and operating income fell by 6.1% to 674 million yen. Sales of tires, wheels and digital terrestrial broadcasting tuners were positive and the impact of increased procurement of tires before the price hike improved gross profit margins. Selling, general and administrative expenses increased by 1.4% due to increased spending on sales floor remodeling and opening new stores.

<Overseas subsidiaries>

Sales increased by 5.3% over the same period of last year to 7,001 million yen while operating income improved by 92 million yen over last year to show a profit of 73 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, the group is continuing to explore ways to improve both the operations of and customer recognition for its second directly managed store in Shanghai, which opened in May 2011 but wholesale sales to local franchises and exports to Japan increased resulting in better sales and an improvement in the operating loss. Singapore began to feel the impact of the economic uncertainty in Europe during the third quarter but strong sales at existing stores led to an increase in operating income. The group opened its third AUTOBACS LOYANG Store in Singapore in December 2011. The business environment in Thailand was particularly difficult with political unrest and flooding to contend with. Sales declined but as a result of keeping costs under control, operating income was flat during the period.

<Subsidiaries for car goods supply and other>

Sales decreased by 4.3% from the previous fiscal year, to 10,002 million yen, reflecting a decrease in wholesale sales of oil. Operating income declined by 36.0% year on year, to 199 million yen.

<Subsidiaries for supporting functions>

Sales decreased by 52.6% year on year, to 2,539 million yen, and operating income decreased by 23.5%, to 340 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.

④Progress of the AUTOBACS 2010 Medium-Term Business Plan

Looking at the progress of the principal initiatives described in the AUTOBACS 2010 Medium-Term Business Plan, of 216 stores planned to be renovated during the fiscal year under review, the Company renovated 147 stores in the AUTOBACS format as planned in the nine month period under review. The renovations produced positive results. Sales, numbers of customers, and gross margins at the renovated stores were higher than at stores that were not renovated, and sales of goods and services for maintenance increased after renovations as intended. Meanwhile, the Company opened 15 new stores, primarily small format. The number of new stores planned to be opened in the fiscal year under review has been reduced to around 23 from 31, chiefly because final contracts will not have been concluded on places where stores are planned to be opened. As part of procurement reforms, the Company took steps to improve the gross margin through strategic initiatives with suppliers. In human resources and operation reforms, the Company continued the training in customer service it began in the previous fiscal year. Approximately 71% of the employees of the entire AUTOBACS Chain have now completed this training. According to the results of a survey conducted by an outside institution, customer service at group stores has improved, validating the results of the training.

(2) Qualitative Information Concerning Consolidated Financial Position

Assets at the end of the second quarter under review increased by 24,832 million yen, or 12.0%, from the end of the previous fiscal year, to 232,627 million yen, primarily reflecting a decrease in marketable securities and increases in trade notes and accounts receivable

Liabilities enlarged by 27,213 million yen, or 45.5%, to 87,046 million yen, chiefly attributable to a decline in long-term debt and rises in Trade notes and accounts payable-trade.

Net assets slipped by 2,381 million yen, or 1.6%, to 145,581 million yen, mainly as a result of the purchase of treasury stock and dividend payments from retained earnings.

(3) Qualitative Information Concerning Consolidated Business Forecast

The consolidated business forecast for the full year announced on October 27, 2011 remains unchanged. Actual results may differ from forecast as a result of many factors, including weather conditions and other unanticipated events and conditions.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	March 31, 2011 Amount	December 31, 2011 Amount
Current assets		
Cash and deposits	43,767	43,181
Trade notes and accounts receivable	22,977	39,618
Marketable securities	13,348	10,447
Inventories	17,461	20,405
Accounts receivable-other	17,655	24,847
Other current assets	18,077	18,526
Allowance for doubtful receivables	(256)	(201)
Total current assets	133,031	156,826
Fixed assets		
Tangible fixed assets		
Land	21,695	22,835
Other tangible fixed assets(net)	15,236	16,389
Total tangible fixed assets	36,931	39,225
Intangible fixed assets		
Goodwill	913	752
Other intangible fixed assets	5,024	4,926
Total intangible fixed assets	5,938	5,678
Investments		
Rental deposits	19,997	19,325
Other investments	15,613	14,996
Allowance for doubtful receivables	(3,718)	(3,425)
Total investments	31,893	30,896
Total fixed assets	74,763	75,800
Total assets	207,794	232,627

Liabilities and Net assets	March 31, 2011 Amount	December 31, 2011 Amount
Current liabilities		
Trade notes and accounts payable-trade	15,307	**39,318**
Short-term borrowings	3,164	**3,200**
Income taxes payable	3,505	**3,957**
Allowance for business restructuring	1,101	**1,037**
Other allowances	328	**427**
Other current liabilities	17,241	**20,587**
Total current liabilities	40,648	**68,528**
Long-term liabilities		
Bonds	205	**155**
Long-term debt	8,481	**7,374**
Allowances	381	**384**
Asset retirement obligations	1,731	**1,795**
Other long-term liabilities	8,383	**8,808**
Total long-term liabilities	19,183	**18,517**
Total liabilities	59,832	**87,046**
Owners' equity		
Shareholders' equity		
Common stock	33,998	**33,998**
Capital surplus	34,278	**34,278**
Retained earnings	89,984	**82,916**
Treasury stock at cost	(10,636)	**(5,494)**
Total owners' equity	147,624	**145,698**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	**(82)**
Foreign currency translation adjustments	(141)	**(545)**
Total accumulated other comprehensive income	(120)	**(627)**
Minority interests	458	**510**
Total net assets	147,962	**145,581**
Total liabilities and net assets	207,794	**232,627**

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: Millions of Yen)

	Nine months ended December 31, 2010 Amount	**Nine months ended December 31, 2011 Amount**
Net sales	187,694	**187,666**
Cost of goods sold	129,473	**127,851**
Gross profit	58,220	**59,815**
Selling, general and administrative expenses	47,496	**46,853**
Operating income	10,724	**12,961**
Non-operating income		
Interest income	123	**123**
Dividend income	34	**35**
Equity in income on affiliates	39	**72**
Lease revenue-system equipment	869	**915**
Other non-operating income	2,138	**2,278**
Total non-operating income	3,205	**3,425**
Non-operating expenses		
Interest expenses	149	**125**
Lease cost-system equipment	873	**956**
Foreign exchange losses	497	**261**
Other non-operating expenses	1,165	**632**
Total non-operating expenses	2,685	**1,976**
Ordinary income	11,244	**14,409**
Extraordinary gains		
Gain from sale of fixed assets	437	**-**
Reversal of allowance for doubtful accounts	504	**-**
Reversal of allowance for business restructuring	156	**-**
Total extraordinary gains	1,098	**-**
Extraordinary losses		
Loss on sales of fixed assets	-	**29**
Impairment losses on fixed assets	318	**33**
Loss on arrangement of stores	282	**51**
Special retirement expenses	460	**-**
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,166	**-**
Total extraordinary losses	2,227	**115**
Income before income taxes and minority interests	10,116	**14,294**
Income taxes		
Current	2,826	**5,965**
Deferred	1,372	**63**
Total income taxes	4,199	**6,028**
Income before minority interests	5,916	**8,266**
Minority interests in net income	54	**20**
Net income	5,862	**8,245**

	Nine months ended December 31, 2010 Amount	**Nine months ended December 31, 2011 Amount**
Minority interests in net income	54	**20**
Income before minority interests	5,916	**8,266**
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	**(105)**
Foreign currency translation adjustment	(395)	**(420)**
Share of other comprehensive income of associates accounted for using equity method	2	**1**
Total other comprehensive income	(437)	**(523)**
Comprehensive income	5,479	**7,742**
Comprehensive income attributable to		
Owners of the parent	5,439	**7,737**
Minority interests	39	**4**

6. Segment Information

(1) Nine months ended December 31, 2010

①Information 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	113,635	62,135	6,520	4,656	745	187,694
Intersegment sales or transfers	44,119	446	127	5,791	4,614	55,100
Total	157,755	62,582	6,647	10,448	5,360	242,794
Net income (loss)	10,238	718	(19)	312	445	11,695

②Difference between operating income and Sum of operating income (loss) in reportable segments for the Nine months ended December 31

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	11,695
Inventories	(609)
Elimination of intersegment transaction	(225)
Amortization of goodwill	(175)
Allowance for point card	(0)
Fixed assets	34
Others	5
Operating income	10,724

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

Not applicable.

(2) Nine months ended December 31, 2011

①Information 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	113,662	61,845	6,818	4,614	726	187,666
Intersegment sales or transfers	44,989	695	183	5,388	1,813	53,070
Total	158,652	62,541	7,001	10,002	2,539	240,737
Net income	12,953	674	73	199	340	14,242

②Difference between operating income and Sum of operating income (loss) in reportable segments for the Nine months ended December 31

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	14,242
Inventories	(693)
Elimination of intersegment transaction	(343)
Allowance for point card	(83)
Amortization of goodwill	(58)
Fixed assets	(37)
Others	(63)
Operating income	12,961

③Measurement 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 Nine months ended December 31, 2010.

④Impairment losses of assets, goodwill, and others, by reporting segment

Not applicable.

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

At the Board of Directors held on May 11, 2011, the Board approved the repurchase of common stock. From May 12, 2011 to December 21, 2011, AUTOBACS SEVEN Co., Ltd. repurchased 1,600,000 shares of common stock for 5,458 million yen.

The Board also approved the cancelation 3,202,599 shares of treasury stock at the above Board of Directors and carried it out on May 18, 2011. As a result, retained earnings and treasury stock at cost decreased by 10,606 million yen.

8. Additional Information

(1)Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

	Nine months ended December 31,2011		
Divisions	Amount	Ratio	Year-on-Year Increase/Decrease Ratio
		%	%
Wholesale	109,952	58.6	100.4
Retail	75,147	40.0	99.5
Others (letting and hiring fee of leased object)	2,567	1.4	97.1
Total	187,666	100.0	100.0

Note: Consumption taxes are excluded from the above amounts.

(2)Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Nine months ended December 31,2011 Amount	Ratio	Year-on-Year Increase/Decrease Ratio
Wholesale		%	%
Tires and wheels	29,512	26.8	112.0
Car electronics	30,810	28.0	92.4
Oil and batteries	12,622	11.5	98.6
Car exterior items	10,703	9.7	103.1
Car interior items	9,373	8.5	97.2
Motor sports	5,886	5.4	91.5
Services	1,823	1.7	121.4
Others	9,218	8.4	101.8
Subtotal	109,952	100.0	100.4
Retail			
Tires and wheels	16,342	21.7	105.5
Car electronics	15,680	20.9	98.1
Oil and batteries	6,389	8.5	98.8
Car exterior items	8,021	10.7	99.2
Car interior items	6,853	9.1	95.7
Motor sports	4,567	6.1	91.9
Services	12,136	16.1	102.2
Others	5,155	6.9	93.1
Subtotal	75,147	100.0	99.5
Others (letting and hiring fee of leased object)	2,567	-	97.1
Total			
Tires and wheels	45,855	24.4	109.6
Car electronics	46,491	24.8	94.3
Oil and batteries	19,012	10.1	98.7
Car exterior items	18,725	10.0	101.4
Car interior items	16,226	8.7	96.6
Motor sports	10,453	5.6	91.7
Services	13,960	7.4	104.4
Others	16,941	9.0	98.3
Total	187,666	100.0	100.0

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.