

ANALYST MEETING

Results for the Six Months Ended September 30, 2011



November 1, 2011

Setsuo Wakuda
Representative Director and CEO

AUTOBACS SEVEN CO., LTD.

1. RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2011:

- Significant performance improvement attained due to higher gross margin and lower SG&A expenses and smaller than expected earthquake impact.

2. FINANCIAL FORECAST FOR THE LATTER SIX MONTHS OF FY 2012 (from Oct 1, 2011 to Mar 31, 2012):

- No revisions made to sales projection but to rebates, which increased in the first half, and to SG&A expense forecast.

3. MEASURES AND PROGRESS OF “AUTOBACS 2010 MEDIUM-TERM BUSINESS PLAN”:

- Progress almost in line with the plan in terms of sales store reforms, new store openings, etc. Now focusing on priority issues.

1. RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2011:

FINANCIAL RESULTS (Six Months Ended Sep. 30, 2011)



SALES DECLINE BUT PROFIT INCREASE: Net sales declined mainly affected by new car sales decline, though earthquake impact was smaller than expected. Gross margin improved due to change in merchandise mix, increase in rebates and reduction of discounts. SG&A expense also decreased, leading to large profit gains.

(Billion Yen)

	Six months ended September 30, 2011				Six months ended September 30, 2010
	Initial Forecast	Actual result	YoY change ratio	Change from initial forecast	
Net Sales	114.1	114.7	-0.3%	+0.6	115.0
Gross margin	36.1	36.9	+3.2%	+0.8	35.8
SG&A	31.4	30.7	-2.8%	-0.7	31.6
Operating income	4.7	6.2	+49.1%	+1.5	4.1
Non-operating income/ expenses	0.7	1.1	+325.3%	+0.4	0.3
Ordinary income	5.4	7.3	+65.2%	+1.9	4.4
Extraordinary gains/ losses	-	(0.1)	-	-0.1	(1.2)
Net income	3.0	4.2	+146.4%	+1.2	1.7

Amounts are rounded to the nearest hundred million yen.

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

Note: Figures in parentheses are negative.

- **East Japan Great Earthquake**

- ↓ Decline in automobile production and sales volume

- Discontinuation of 1,000-yen-limit on expressway tolls on Weekends and holidays

- ↑ Increase in demand for car goods in Tohoku region

- (same store sales yoy +11.1% at Tohoku area operation department)



**DIRECT EARTHQUAKE IMPACT WAS SMALLER THAN EXPECTED,
BUT NEW CAR SALES DECLINE AFFECTED TO SALES OF NAVIGATION
DEVICES AND ACCESSORIES**

- **Implementation of digital terrestrial broadcasting**

- ↑ Increase in sales and installation of exclusive tuners

- ↑ Increase in sales volume of mid-range navigations devices, but drop in unit price.

- **Other factors**

- Price hike of tires: did not significantly push up purchasing price due to increased number of low-end items

- Holiday shifts at manufacturing plants: sales declined especially in Chubu region

SALES VARIANCE BY MERCHANDISE

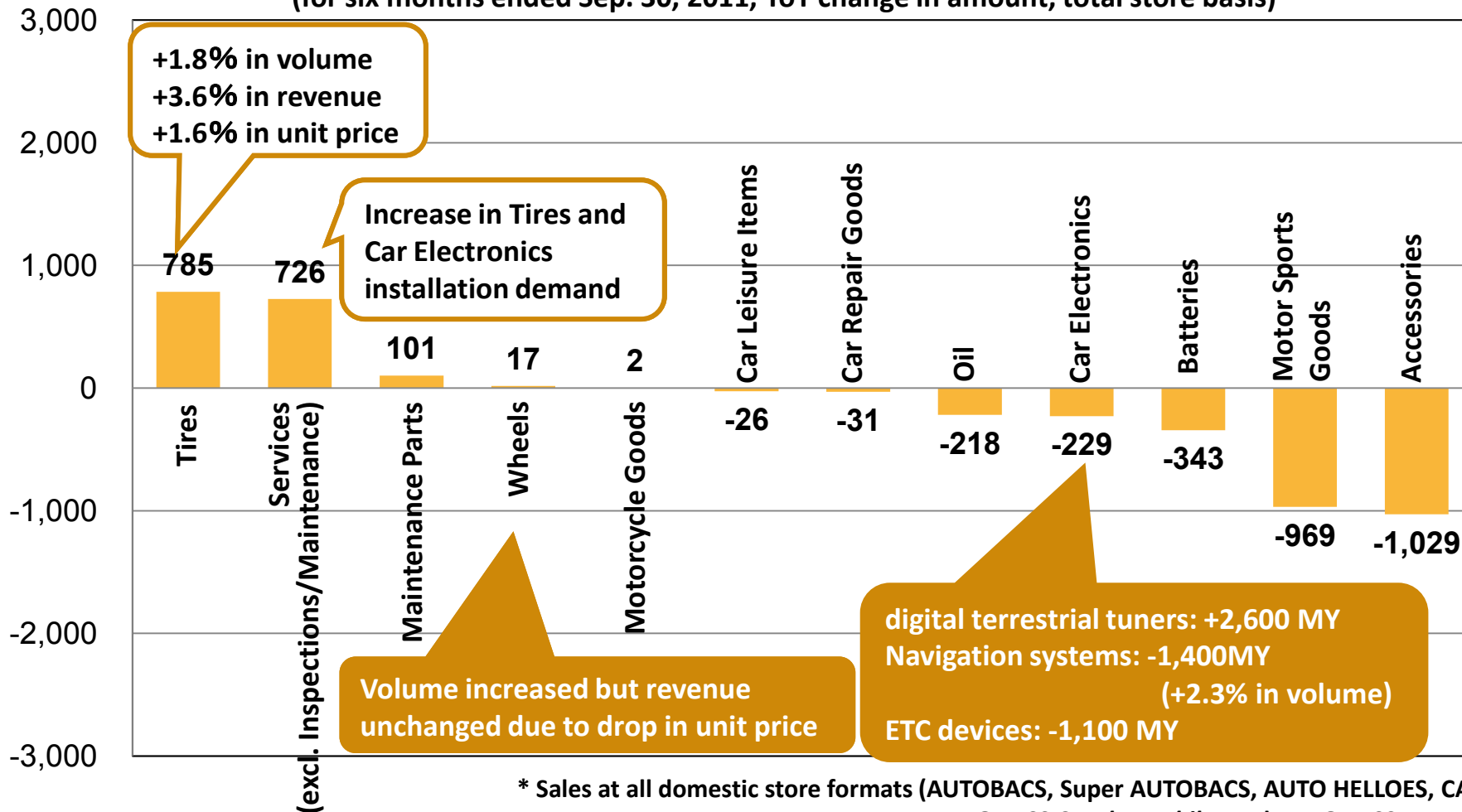


[Same store basis] Sales: -0.8% YoY, Number of customers: -2.8% YoY

(Million Yen)

Retail sales ups and downs by merchandise category

(for six months ended Sep. 30, 2011, YoY change in amount, total store basis)



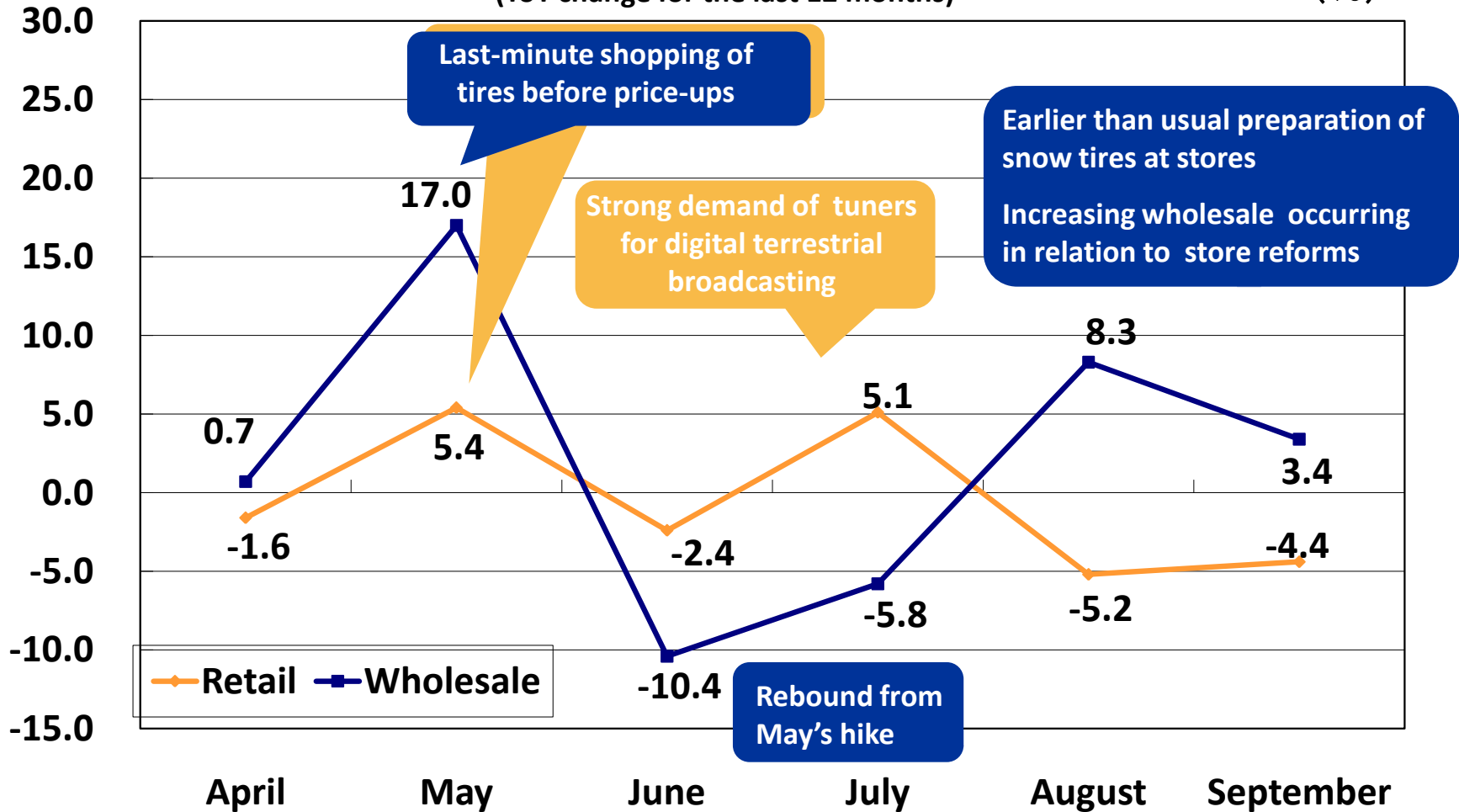
SALES TREND: Retail and Wholesale



Retail sales & Wholesale sales

(YoY change for the last 12 months)

(%)

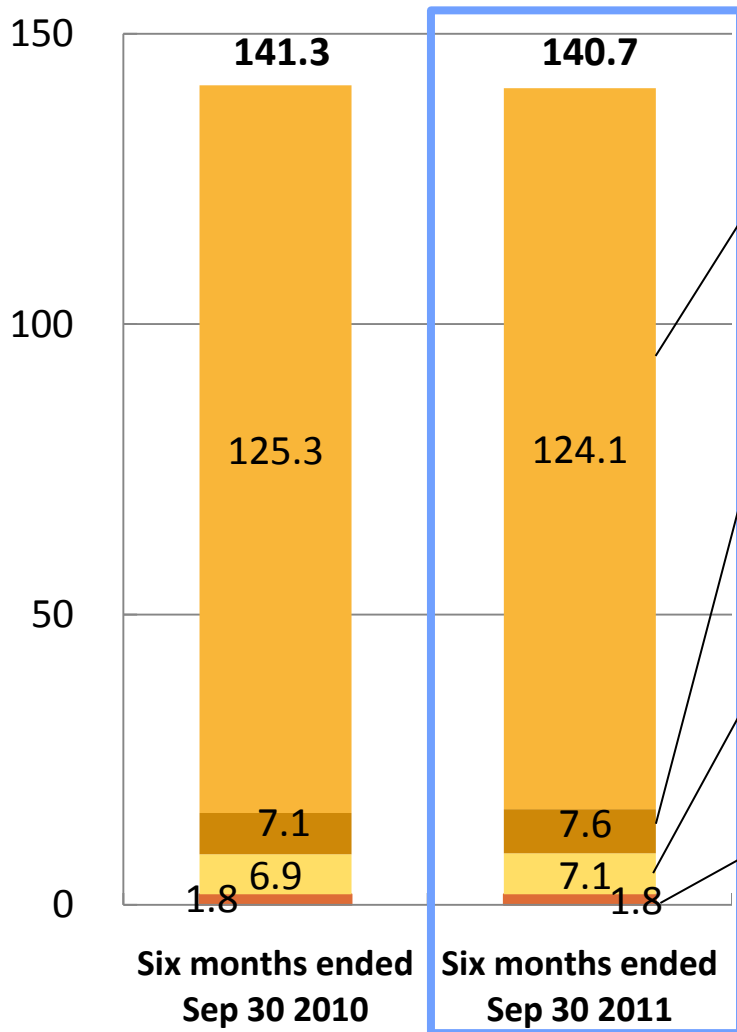


* Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTO HELLOES, CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

DOMESTIC RETAIL SALES



(Billion Yen) **Retail sales including FCs: 140.7 billion Yen (▲ 0.5% YoY)**



Car related goods and services sales:
124.1 billion Yen (▲1.0% YoY)

Car purchase & sales:
7.6 billion Yen (+6.8% YoY)
8,479 cars (+6.1% YoY)

Safety inspection & maintenance services:
7.1 billion Yen (+2.8% YoY)
249 thousand cars (+8% YoY)

Number of fully certified & designated stores:
320 stores (+2 from the previous fiscal year-end)

Others (Fuel & Second-hand goods sales):
1.8 billion Yen (▲2.5% YoY)

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

FACTORS LED TO GROSS MARGIN IMPROVEMENT



First half of FY 2012

Gross Margin(Plan) 31.6%  **Gross Margin(Result) 32.2%**

- **Change in Merchandise Mix**

- ↑Increased sales of Tires (price rise, earlier than usual wholesaling of snow tires)

- ↑Strong sales of digital terrestrial tuners and related services

- ↓Smaller sales of car navigation devices

- **Increase in Manufacturer's Rebates**

- ↑Massive purchasing of Tires from suppliers

- **Less Discounts**

- ↑less discounts for car navigation devices

MAJOR DRIVERS OF VARIANCE



(Billion Yen)

	Six months ended September 30, 2011			Six Months ended September 30, 2009
	Results % of Sales	YoY change	Major drivers of variance	
Net sales	114.7	▲0.3%	Whole Sales +0.2BY (Tires +1.5BY, Car electronics devices -0.6BY, internal items -0.4BY, motorsports goods -0.4BY) Retail Sales -0.4BY (AUTOBACS Secohan Ichiba store Close -0.2BY, temporarily close of direct-owned stores -0.15BY)	115.0
Gross profit	36.9 32.2%	+3.2%	Tires&Wheels+0.8BY, Car electronics devices +0.3BY, internal items -0.2BY	35.8 31.1%
SG&A	30.7	▲2.8%	Personnel : +0.2BY (performance-based wage) Sales promotion costs : -0.4BY (reduction plan by self-restraint of sales promotion) Equipment costs : -0.1BY (plan for saving electricity) Others : -0.7BY (Lawyer's fee & Consulting fee)	31.6
Non-operating income/ expenses	1.1	(+0.8BY)	Non-operating income; liability insurance by American court suit +0.1BY Non-operating expenses; exchange loss: -0.1BY	0.3
Extraordinary gains/ losses	-0.1	(+1.1BY)	Extraordinary losses: 59MY (Office relocation, loss by store, losses by store closing)	-1.2

SEGMENT INFORMATION



(Billion Yen)

		Six months ended September 30, 2011	Six months ended September 30, 2010	YoY Change	Initial Forecast	% to Plan
Non-consolidated	Net sales	95.00	94.12	+0.9%	95.0	+0.0%
	Operating income	6.48	4.49	+44.3%	5.5	+17.8%
Domestic store subsidiaries	Net sales	38.97	39.22	▲0.6%	38.6	+1.0%
	Operating income	▲0.22	▲0.44	—	▲0.6	—
Overseas subsidiaries	Net sales	4.86	4.59	+6.0%	4.87	▲0.2%
	Operating income	0.11	▲0.16	—	0.13	▲13.1%
Subsidiaries for car good supply and other	Net sales	1.66	4.55	▲63.5%	1.7	▲2.4%
	Operating income	0.22	0.35	▲37.8%	0.2	+9.5%
Subsidiaries for supporting function	Net sales	6.39	6.81	▲6.2%	6.66	▲4.1%
	Operating income	0.12	0.17	▲27.6%	0.11	+11.8%
Segment total	Net sales	146.88	149.29	▲1.6%	146.83	+0.0%
	Operating income	6.72	4.42	+51.9%	5.34	+25.8%

Consolidation Adjustments

(Million Yen)

	Six months ended September 30, 2011	Six months ended September 30, 2010
Operating Income for segment total	6,719	4,422
Inventories (Unearned income of subsidiary inventories, etc.)	▲259	▲201
Depreciation of Goodwill	▲41	▲134
Allowance for point card	15	32
Elimination of Intersegment transaction	▲202	▲146
Other	▲64	164
Consolidation adjustment	▲553	▲286
Consolidated operating income	6,166	4,136

GEOGRAPHICAL SEGMENTS: OVERSEAS



Results of overseas subsidiaries by country

	FRANCE		CHINA		SINGAPORE		THAILAND	
Number of Stores at September 30, 2011 -include FC stores-	11		4		2		4	
Comparable store sales YoY change for the six months ended September 30, 2011 -include FC stores-	+4.1%		+8.7%		+10.6%		+5.6%	
	six months ended 9/30/2011	six months ended 9/30/2010	six months ended 9/30/2011	six months ended 9/30/2010	six months ended 9/30/2011	six months ended 9/30/2010	six months ended 9/30/2011	six months ended 9/30/2010
Net Sales (Million Yen)	3,800	3,600	220	200	570	510	270	270
SG & A (Million Yen)	1,710	1,820	140	110	170	160	70	80
Operating Income (Million Yen)	60	▲220	▲20	▲30	70	60	0	10
Business Conditions	Sales and profit grew due to promotions for tires, etc. From this summer, business conditions tended to slow down, affected by the weather and the economy.		Sales were higher than last year, due to growing recognition of the first direct store in Shanghai. Sales of the second store ended below forecast. However, gross margin improved due to increased service sales.		Sales remained solid by implementing several promotional initiatives. Profit also increased largely due to expansion of service sales.		Although the political situation has turned more stable than last year, other negative factors (such as heavy rain) hit stores' performance.	

- **Flooding in Thailand**

- ↓ Car electronics manufacturers' plants suspended operations and some delays occurred in shipment of new navigation devices.

- Impact on stores and sales in Thailand is little, so far.

- **Lawsuit in the United States**

- No particular progress: Filing a motion for dismissal without prejudice and awaiting court's decision.

2. FINANCIAL FORECAST FOR THE LATTER SIX MONTHS OF FY 2012 (from October 1, 2011 to March 31, 2012):

FORECASTS FOR FY 2012



(Billion Yen)

	Fiscal year ended Mar 31, 2011 <i>% of sales</i>	FY 2012				
		Forecast for the 12 months ending Mar 31, 2012 ① <i>% of sales</i>	Results for the six months ended Sep 30, 2011 <i>% of sales</i>	Forecast for the latter six months of FY 2012 <i>% of sales</i>	Revised forecast for the 12 months ending Mar 31, 2012 ② <i>% of sales</i>	Revised amount ②—①
Net sales	236.4	233.2	114.7	119.1	233.8	+0.6
Gross profit	75.7 32.0%	74.9 32.1%	36.9 32.2%	38.6 32.4%	75.5 32.3%	+0.6
SG&A	63.8 27.0%	63.2 27.1%	30.7 26.8%	32.0 26.8%	62.7 26.8%	▲0.5
Operating income	12.0 5.1%	11.7 5.0%	6.2 5.4%	6.6 5.6%	12.8 5.5%	+1.1
Ordinary income	13.1 5.5%	13.2 5.7%	7.3 6.3%	7.4 6.2%	14.7 6.3%	+1.5
Net income	6.2 2.6%	7.3 3.1%	4.2 3.7%	4.1 3.4%	8.3 3.6%	+1.0
Store sales YoY	▲1.9%	+0.3%	▲0.5%	+1.8%	+0.7%	

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

Surrounding Environment :

- Signs of recovery in new car sales
- Continuing demand linked to digital terrestrial broadcasting
- Growing demand for automobiles and car goods, especially in the Tohoku region
- Risk that flooding in Thailand may affect certain merchandise

Net Sales: maintain initial forecast though there are both positive and negative factors

Gross Margin: manufacturers' rebates likely to decrease in reaction to the gain in the First Half (approx. ▲0.2 billion Yen.)

SG&A: facility expenses and commission fees are expected to decrease (approx. ▲0.2 billion Yen.)

performance linked personnel expenses are expected to increase (approx. +0.3 billion Yen.)

1. Prepare for the expected growth in new car sales

- Create sales counter with various car navigation devices targeting on cars without car audios
- Strengthen sales of interior goods and accessories

2. Enhance sales share of tires and wheels

- Create attractive sales corners, enhance merchandise lineups (low-end items) and strengthen safety inspections and staff training
- Launch promotions linked with new TV commercials.
- Encourage customers purchasing of tire-and-wheel sets.

3. Expand sales corner related to digital terrestrial broadcasting

- Continue promotional activities at stores

4. Strengthen sales in the Tohoku region

- Enhance inventories, out-of-store sales and headquarters support

1. Promote service reservations to member customers
2. Implement new follow-up system for customers reserved
 - Establish exclusive call center and start careful follow-up service to customers that reserved inspection by online or by phone
3. Improve service for hybrid cars
 - Establish certification standards for hybrid cars within the Group, equip exclusive tools at stores, and improve staff training
 - Actively provide related information
4. Increase body repair and painting services
 - Expand body repair work by increasing the number of stores offering AUTOBACS Quick Repair

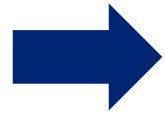


1. Increase used car assessments and purchases

- Number of car purchases at stores have increased after the earthquake
⇒ Contracts concluded based on assessments in first half: +32% YoY

2. Utilize shared inventory to increase sales

THE GROUP'S INTERNAL DISTRIBUTION MECHANISM BECOMES MORE ACKNOWLEDGED ACCORDING TO ABOVE INITIATIVES. REVENUES ARE ALSO STARTING TO MOVE UPWARD



3. Activate the online sales channels

- Use channels such as “Goo-net,” and “Car sensor-net” to increase recognition



Web site of “Goo-net”

3. MEASURES AND PROGRESS OF “AUTOBACS 2010 MEDIUM-TERM BUSINESS PLAN”:

PROGRESS OF MEDIUM-TERM BUSINESS PLAN



Measures	Progress of individual measure
1. Improving store profitability	
1)Store reform	<ul style="list-style-type: none"> -completed reform at 103 stores (fiscal year target is 215 stores) -examining countermeasures for new tasks
2)Merchandise/ purchase reform	<ul style="list-style-type: none"> -gross margin improved due to strict selection of suppliers, etc. -still some tasks remain for more strategic initiatives
3)Human resources/ store operation reform	<ul style="list-style-type: none"> -64% of all employees completed customer treatment training. Some stores are reporting that sales have increased after they have improved their customer servicing skills.
2. Increasing market share	
1)New store opening	<ul style="list-style-type: none"> -opened six stores during the first half of FY 2012 -plan to open 19 stores during the latter half to reach the total new stores during the FY 2012 to 25.
2)Development of service formats/ multichannel Strategy	<ul style="list-style-type: none"> -continuing efforts to enhance merchandise line-up and verify prices in e-commerce business
3. Overseas operation	
<ul style="list-style-type: none"> -continuing test operation at stores in Shanghai 	

Comparison of the store performance before and after reform

	Stores before reform (198 stores) -YoY change rate-	After-reform stores (187 stores) -YoY change rate-	Difference
Retail sales	98.1%	100.6%	+2.5pt
Number of customers	96.4%	98.1%	+1.7pt
Sales of Car goods	97.8%	100.4%	+2.6pt
Number of items purchased from central shelves	94.9%	98.2%	+3.3pt
Sales of maintenance items	95.8%	96.5%	+0.7pt
Sales of maintenance related services	100.8%	104.4%	+3.6pt

Achievement: Positive outcome attained in terms of number of items purchased by customers, gross margin, and etc.

Other effects, such as reduction of fixture costs (down around 30% from before), also attained

New Challenges: Level of effectiveness varies from store to store. Stores seek for more detailed layout change and shelving explanation.



Countermeasures :

Review staffing and store operations

Improve skills of store managers

Promote sharing of knowhow among group stores

Refurbish waiting corners and toilets, etc

PROGRESS OF NEW STORE OPENINGS



Store openings until October, 2011

	STORE NAME	Formats	Opening date
1	AUTOBACS Matsuyama Homen Store	Standard	April 21, 2011
2	AUTOBACS Tokamachi Store	Small Store	April 22, 2011
3	AUTOBACS Tsuruoka Store	Store for small commercial-zone	August 11, 2011
4	AUTOBACS Kumata Store	Small Store	August 12, 2011
5	AUTOBACS Iwamisawa Store	Store for small commercial-zone	September 11, 2011
6	AUTOBACS Abashiri Store	Store for small commercial-zone	September 30, 2011
7	AUTOBACS Tomitani Store	Store for small commercial-zone	October 6, 2011
8	AUTOBACS Miyanomori Store	Standard	October 7, 2011
9	AUTOBACS Hita Store	Store for small commercial-zone	October 21, 2011
10	AUTOBACS Senrioka Store	Standard	October 28, 2011

**Number of store openings: planning 25 new stores for FY 2012
(less than the initial forecast by 6 store)**

**Achievements: store sales above internal plan by +6.9%
(boosting by 10 new store openings in March 2011)
However, Level of achievements varies from store to store**

**Reduction of opening costs: trial opening a low-cost store in
January 2012, whose opening cost is less by 8 million Yen/store
compared to existing stores**



**Examine results attained by the newly opened stores
and apply them to the openings in the next fiscal year**

Improve AUTOBACS brand value

Improve qualities of each store



Increase Relief, Safety and Trust from Customers

- Although under the conditions that prevailed after the earthquake, the first six months profit results were higher than the forecast.
- In the latter six months of the fiscal year, the Company faces a number of uncertainties, but will push ahead with business as planned, responding to any changes in its operating environment.
- As regards the medium-term business plan, the Company is making progress with sales floor reforms and new store openings, and new issues requiring action have also emerged.
- The Company will adopt a customer centric approach to its store operations and work to enhance shareholder value.

APPENDIX

PERFORMANCE BREAKDOWN



Non-consolidated

Net Sale 95.0BY <i>YOY: +0.88BY</i>	Whole Sale +1.15BY (+1.3%)	↑ Tires & wheels, new and used cars ↓ Car electronics devices, internal items, motorsports goods
	Retail -0.25BY (-5.5%)	↑ Fuel ↓ Used parts, internal items, motorsports goods
Gross Margin 19.9BY <i>YOY: +1.04BY</i>	Whole Sale +1.18BY (+7.0%)	↑ Tires & wheels, Car electronics devices, ↓ Oil & Batteries, internal items
	Retail -0.09BY (-5.9%)	↓ Used parts, Service
SG&A 13.4BY <i>YOY: -0.95BY</i>	Personnel: ↑ executive remuneration , Number of employees increased by merger (Brain-Ing)	
	Sales promotion costs: ↓ self-restraint of sales promotion	
	Equipment costs: ↓ Fewer amount of depreciation	
	Others: ↓ Fewer amount Lawyer's fee & Consulting fee	

Domestic Store Subsidiaries

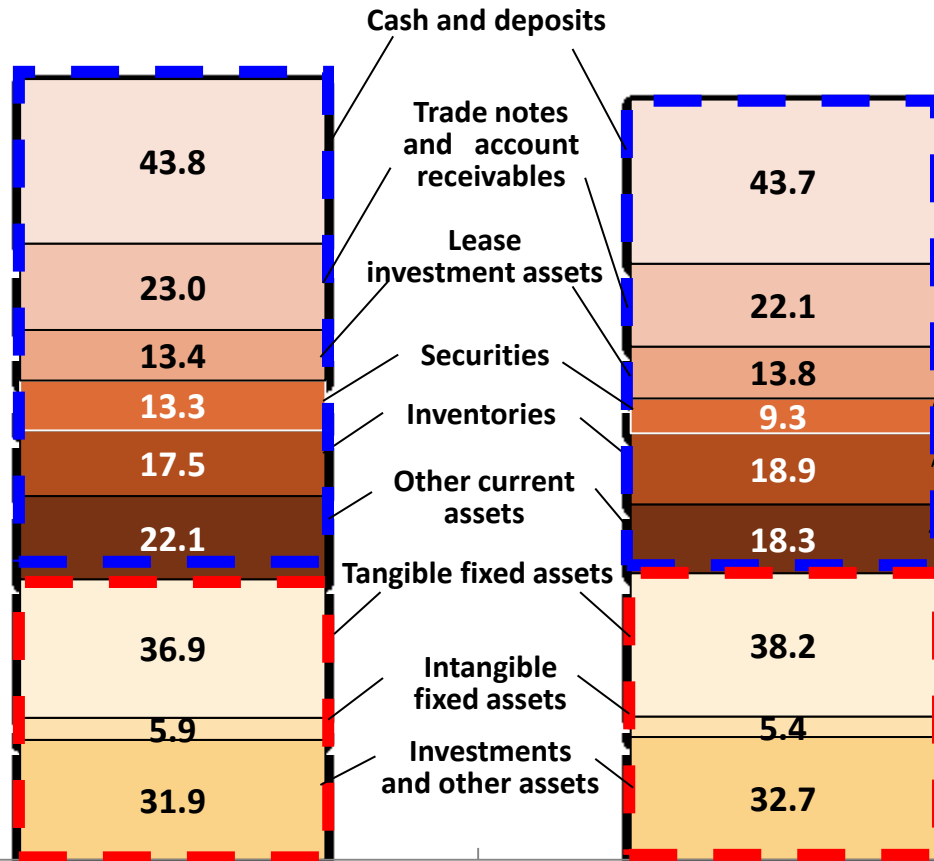
Net Sales: 39.0 BY <i>YoY: -0.25 BY</i>	Composition of sales changed by increase of Tires and digital terrestrial tuner's sale
Ordinary Income: (0.22 BY) <i>YoY: +0.22BY</i>	Improvement of operating profit by reduction of Sales promotion costs

BALANCE SHEET: Assets



(Billion Yen)

Total Assets	
207.8 BY	202.5 BY



At March 31, 2011

At September 30, 2011

Major items changed

Marketable securities: -4BY

Inventories: +1.5BY

Accounts receivable: -3.7BY

Others: +0.8BY

-Increase of investment securities: +1.2BY

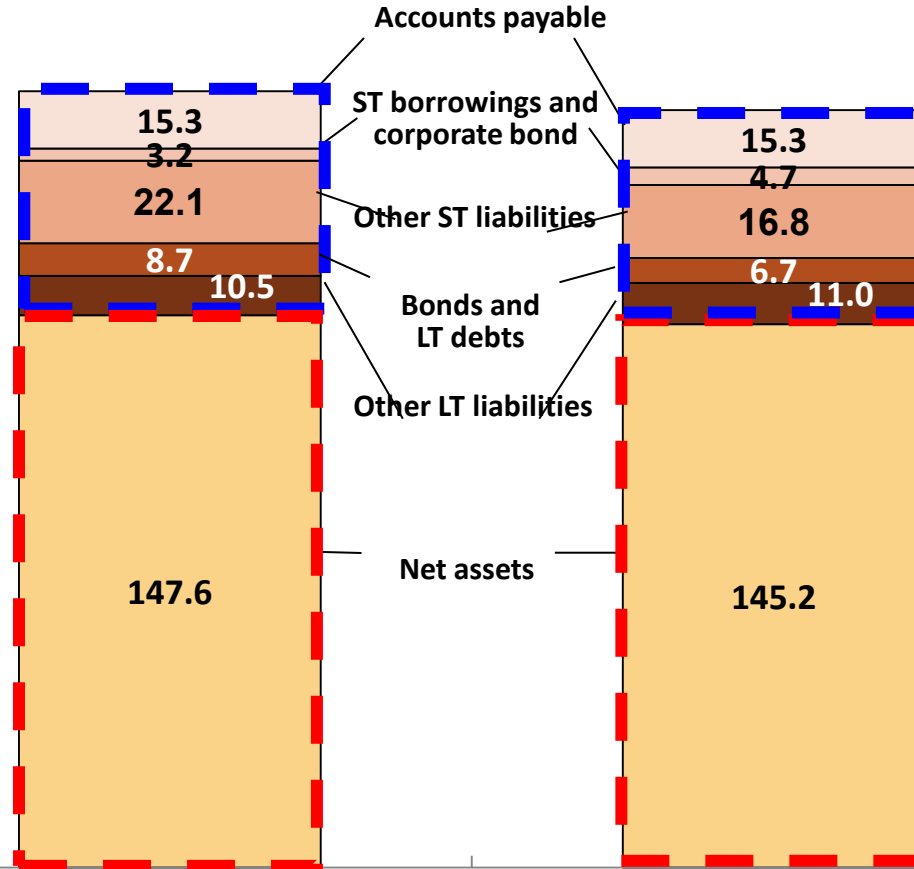
-Decrease of Rental deposits: -0.4BY

BALANCE SHEET: Liabilities and Equity



(Billion Yen)

Total Liabilities and Equity	
207.8 BY	202.5 BY



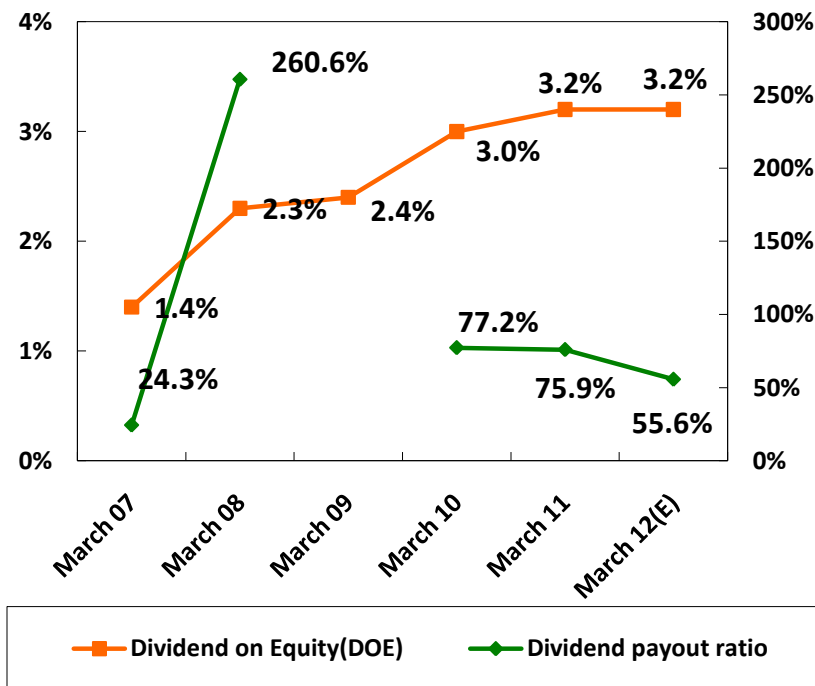
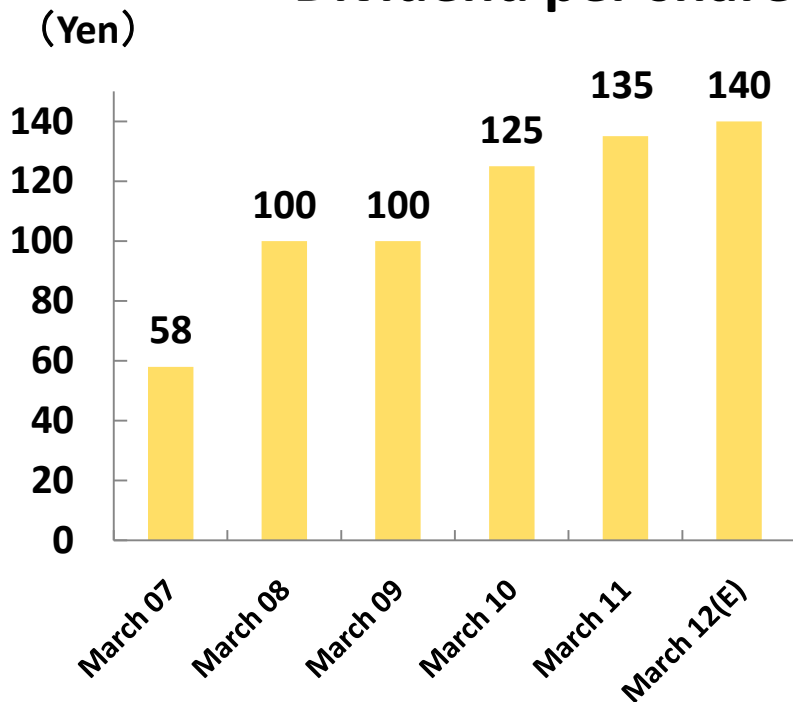
Major items changed

ST borrowings: +1.5 BY
Other ST liabilities -Decrease in outstanding accounts
Other LT liabilities: -1.9 BY
Net assets -Retained Earnings (dividend payments): -8.8BY -Treasury Stock (share buyback): +6.4 BY

At March 31, 2011

At September 30, 2011

Dividend per share and Dividend on Equity



Share Buyback Plan

Period : May 12, 2011 - December 21, 2011

Upper Limit: 1,600,000 shares (1,400,000 shares / October, 31)

5,600 million yen

STORE OPENINGS AND CLOSINGS



Domestic Store

	As of March 31, 2011	Fiscal year ending March 31, 2012							As of March 31, 2012
		From Apr 1, 2011 to Sep 30, 2011 (Result)			As of Sep 30, 2011	From Oct 1, 2011 to Mar 31, 2012 (Forecast)			
		New	S/B R/L	Close		New	S/B R/L	Close	
AUTOBACS	404	+6	+5/▲3	▲1	411	+19	+3/▲1	▲1	431
Super AUTOBACS	76				76				76
AUTO HELLOES	5		▲4		1				1
Secohan Ichiba	21				21		+1/▲1	▲1	20
EXPRESS	7			▲2	5				5
Domestic Total	513	+6	+5/▲7	▲3	514	+19	+4/▲2	▲2	533

S/B=Scrap & Build、R/L=Relocation (include format change)

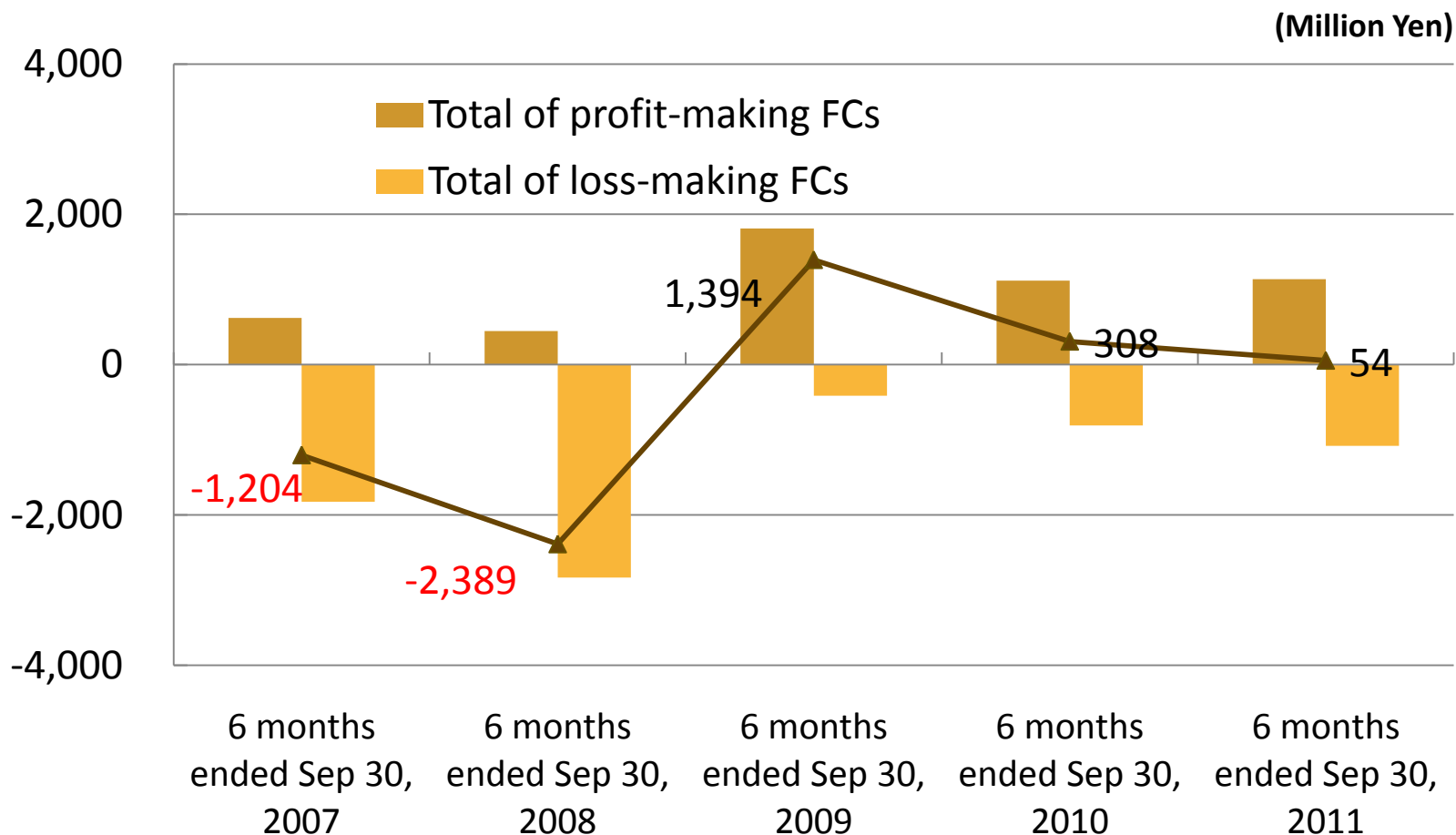
Overseas Store

	As of March 31, 2011	Fiscal year ending March 31, 2012			As of March 31, 2012
		From Apr 1, 2011 to Sep 30, 2011 (Result)	As of Sep 30, 2011	From Oct 1, 2011 to Mar 31, 2012 (Forecast)	
France	11		11		11
China	4	+1/▲1	4		4
Thailand	4		4		4
Singapore	2		2	+1	3
Taiwan	4	+1	5		5
Overseas Total	25	+2/▲1	26	+1	27

PERFORMANCE RESULTS OF FRANCHISEES



Ordinary Income of Franchise Companies



Notes) Three listed companies are not included.

Franchise figures are preliminary and are subject to revision.



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.