August 1, 2011

Consolidated Financial Results for the Three Months Ended June 30, 2011【Japanese Standards】

Summary of Quick Financial Announcement of Consolidated Financial Information For the First Quarter Ended June 30, 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 and Chief Executive Officer
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Telephone : +81-3-6219-8829
Stock exchange listings : Tokyo and Osaka
Submission of Quarterly Business Report: August 8, 2011.
Start of cash dividend payments : -
Supplementary quarterly materials prepared : Yes
Quarterly results information meeting held : None

1. Results for the Three months ended June 30, 2011 (From April 1, 2011 to June 30, 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	
Three months ended June 30, 2011	**59,314**	**% 0.5**	**3,202**	**% 52.3**	**3,887**	**% 75.7**
Three months ended June 30, 2010	59,024	(0.9)	2,102	0.8	2,212	(16.1)

Note: Comprehensive income : 2,176 million yen for fiscal year 2011 1st quarter, - %
61 million yen for fiscal year 2010 1st quarter, - %

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
Three months ended June 30, 2011	**2,204**	**% 306.2**	**64.63**	**-**
Three months ended June 30, 2010	542	(37.9)	15.21	-

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
Three months ended June 30, 2011	**206,050**	**146,279**	% **70.8**	**4,316.06**
Fiscal year ended March 31,2011	207,794	147,962	71.0	4,307.43

(Reference) Equity : **Three months ended June 30, 2011 : 145,799 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
Fiscal year ended March 31, 2011	**-**	**65.00**	**-**	**70.00**
Fiscal year ended March 31, 2012	-	-	-	-
Fiscal year ended March 31, 2012(forecast)	-	70.00	-	70.00

	Dividends per share
	Annual
Fiscal year ended March 31, 2011	**135.00**
Fiscal year ended March 31, 2012	-
Fiscal year ended March 31, 2012 (forecast)	140.00

Note : Changes in dividends forecast for fiscal year 2011 as of June 30, 2011 : None

3. Forecast for the fiscal year 2011 (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	
		%		%		%
Semiannual	114,100	(0.8)	4,700	13.6	5,400	22.9
Annual	233,200	(1.3)	11,700	(2.4)	13,200	1.1

	Net income		Basic net income per share(Yen)
		%	
Semiannual	3,000	74.9	87.61
Annual	7,300	18.1	213.17

Note : Changes in forecast of consolidated operating results for fiscal year 2011 as of June 30 : 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)

1.Number of shares outstanding (including treasury stock)
First quarter ended June 30, 2011 : 34,251,605 shares
Fiscal year ended March 31, 2011 : 37,454,204 shares

2. Number of treasury stock at the end of period
First quarter ended June 30, 2011 : 470,856 shares
Fiscal year ended March 31, 2011 : 3,209,982 shares

3. Average shares outstanding over quarter
First quarter ended June 30, 2011 : 34,109,725 shares
First quarter ended June 30, 2010 : 35,677,281 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. As of the disclosure of the financial results, the procedures for reviewing quarterly 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.

5. Qualitative Information concerning Consolidated Business Results for the three months ended June 30, 2011

(1) Qualitative Information Concerning Consolidated Business Results

i. Business environment

Domestic consumption of automotive goods and services during the first quarter of the consolidated fiscal year under review remained unpredictable with the development of a variety of both negative and positive factors. In the wake of the Great East Japan Earthquake, the breakdown of the supply chain and the suspension of production activities stemming from the power cuts resulted in a shortage of merchandise, including automobiles and car navigation systems. In this environment, consumers became even more cautious about spending, and prices of tires rose. Meanwhile, demand for tuners and other equipment grew, given the full introduction of digital terrestrial TV broadcasting in July 2011, and demand for goods for maintenance and used cars also rose, primarily in the Tohoku region.

ii. Overview of the domestic retail business

Overall sales of the businesses of the AUTOBACS chain in Japan decreased by 0.1% year on year on a same-store basis and increased by 0.4% on a total-store basis.

Sales of accessories and interiors declined, given the fall in the number of new vehicle sales. However, sales of tires rose, reflecting the delay in the timing for changing snow tires due to the effects of the weather and the earthquake, and last-minute buying before the price hikes in the AUTOBACS chain from June 2011. Sales of tuners were strong, a result of the full introduction of digital terrestrial broadcasting in July 2011, while demand for fixed navigation devices also remained steady. As a result of these factors, sales of automotive goods and services were unchanged year on year. In the statutory safety inspections and maintenance segment, sales temporarily stalled, given the effects of the earthquake and the restraint on sales promotion activities, but they recovered from June 2011. As a result, the number of automobiles receiving safety inspections rose by 6.8% from the same period of the previous fiscal year, to approximately 118,000 units. In the automobile purchase and sales segment, sales of new automobiles declined, given the effects of production adjustments made by manufacturers. On the other hand, the used car market benefited from increasing demand for used cars in the areas afflicted by the disaster. Consequently, purchasing through nationwide stores and retail sales mainly in the Tohoku region were strong. As a result, the number of vehicles sold by franchise outlets (excluding vehicles sold for the auction of used vehicles) rose by 6.2% year on year, to approximately 3,900 units.

iii. Consolidated business results

The Group's consolidated sales for the first quarter of the fiscal year under review increased by 0.5% from a year earlier, to 59,314 million yen. The gross margin rose by 3.2% year on year, to 18,556 million yen. Selling, general, and administrative expenses decreased by 3.3%, to 15,353 million yen. As a result, consolidated operating income increased by 52.3% year on year, to 3,202 million yen. As for non-operating expenses, foreign exchange losses, in particular, decreased year on year.

Consolidated ordinary income increased by 75.7% from a year earlier, to 3,887 million yen. The Group also posted impairment loss for fixed assets of 15 million yen as extraordinary losses. As a result, net income for the first quarter of the fiscal year under review increased 306.2% year on year, to 2,204 million yen.

Results by business segment are as shown below.

<Non-consolidated>

Sales increased by 1.0% from a year earlier, to 50,522 million yen. In wholesale operations for franchise outlets, sales increased by 1.5% year on year, thanks to strong sales of tires from last-minute buying before the prices of tires rose, and strong sales of tuners for digital terrestrial broadcasting. These factors offset the decrease in sales of car electronics mainly due to the decrease in unit prices. In retail operations, sales decreased by 7.4% from a year earlier, reflecting the closure of directly managed second-hand automotive goods stores.

Gross profit increased by 6.1% year on year, to 10,293 million yen. This increase mainly reflected the improvement in the gross margin mix, attributable to higher sales of tires from the previous year, and the slowdown in cutting prices of car navigation devices, given the tightening balance between supply and demand. Selling, general, and administrative expenses were down by 7.2% from a year earlier, to 6,640 million yen, reflecting fewer sales promotional activities compared to the previous fiscal year and the voluntary restraint of general promotional activities after the earthquake. As a result, operating income increased by 43.3% year on year, to 3,653 million yen.

<Domestic Store Subsidiaries>

Sales in this segment increased by 1.2% year on year, to 19,272 million yen, and the operating loss stood at 57 million yen, an improvement of 355 million yen from the same period in the previous fiscal year. The higher sales primarily reflected strong sales of tires and wheels, tuners for digital terrestrial broadcasting, and used cars. The improvement in income was attributable to the higher gross margin, as a result of the bulk purchase of tires before their prices rose, and the decline in selling, general, and administrative expenses from the previous fiscal year, mainly because of voluntary restraints on sales promotion in the wake of the earthquake.

<Overseas Subsidiaries>

Sales decreased by 23.3% year on year, to 2,463 million yen, and the operating loss amounted to 34 million yen, an improvement of 63 million yen from the previous fiscal year. Same-store sales rose in all regions. In France, sales promotion primarily for tires contributed to higher sales, and operating income improved, mainly reflecting the effects of cutbacks in selling, general, and administrative expenses. In China, given strong sales of goods for maintenance, the gross margin increased and operating income improved. In Singapore and Thailand, operating results turned profitable, thanks to strong sales and strict cost controls.

<Subsidiaries for Car Goods Supply and Other>

Sales decreased by 7.6% from the previous fiscal year, to 3.3 billion yen, reflecting the decrease of wholesale of oil. The operating income decreased by 24.0% year on year, to 76 million yen.

<Subsidiaries for Supporting Functions>

Sales decreased by 73.0% year on year, to 839 million yen, and operating income decreased by 43.9%, to 128 million yen. These declines primarily resulted from the August 2010 merger of BRAIN-ING Co., Ltd., the Company's subsidiary. Excluding the impact of this merger, sales and operating income in this segment were almost level with those in the previous fiscal year.

iv. Progress of the AUTOBACS 2010 Medium-Term Business Plan

Looking at the progress of the principle initiatives described in the AUTOBACS 2010 Medium-Term Business Plan, with respect to the sales floor reform, the Company renovated 32 stores in the AUTOBACS format out of the planned renovation of 217 stores during the fiscal year under review. Stores that carried out the renovation recorded strong sales of goods for maintenance, including tires, oil and batteries, and car accessories. In fact, they posted higher sales and gross margins compared with those recorded before the renovation, in the previous fiscal year. Meanwhile, the Company newly opened two stores out of 31 stores it plans to open in the fiscal year under review. Sales of new stores opened since the previous fiscal year have been almost in line with plans, although performance varied. Moreover, as part of supplier reforms, the Company has taken steps to improve rebate income with suppliers. To improve the way in which it deals with its customers, the Company continued the training in customer service it held in the previous fiscal year. Approximately 60% of the employees of the entire AUTOBACS Chain have now completed this training.

(2) Qualitative Information Concerning Consolidated Business Forecasts

Business forecasts that were announced on May 11, 2011 remain unchanged. The outlook for the business environment remains uncertain, given factors such as a fall in demand for tires in reaction to last-minute buying in the first quarter of the fiscal year under review, changes in the style of using cars following the end of the pilot program of eliminating expressway tolls, and a recovery in production by auto manufacturers.

The Group will strive to respond flexibly and promptly to changes in the short-term business environment as described above, while it will aim to achieve its forecasts by steadily executing the initiatives stipulated in the AUTOBACS 2010 Medium-Term Business Plan. If the forecasts need to be revised, the Group will disclose revisions quickly and appropriately.

6. Consolidated Financial Statements
(1)Consolidated Balance Sheets
(Unit: Millions of Yen)

Assets	March 31, 2011 Amount	**June 30, 2011** **Amount**
Current assets		
Cash and deposits	43,767	42,877
Trade notes and accounts receivable	22,977	23,379
Marketable securities	13,348	13,256
Inventories	17,461	18,269
Other current assets	35,732	34,127
Allowance for doubtful receivables	(256)	(199)
Total current assets	133,031	131,710
Fixed assets		
Tangible fixed assets		
Land	21,695	21,695
Other tangible fixed assets(net)	15,236	15,392
Total tangible fixed assets	36,931	37,087
Intangible fixed assets		
Goodwill	913	906
Other intangible fixed assets	5,024	4,528
Total intangible fixed assets	5,938	5,435
Investments		
Rental deposits	19,997	19,752
Other investments	15,613	15,717
Allowance for doubtful receivables	(3,718)	(3,652)
Total investments	31,893	31,816
Total fixed assets	74,763	74,339
Total assets	207,794	206,050

(Unit: Millions of Yen)

Liabilities and Net assets	March 31, 2011 Amount	**June 30, 2011 Amount**
Current liabilities		
Trade notes and accounts payable-trade	15,307	16,965
Short-term borrowings	3,164	3,134
Income taxes payable	3,505	1,684
Allowance for business restructuring	1,101	1,072
Other Allowances	328	316
Other current liabilities	17,241	17,417
Total current liabilities	40,648	40,591
Long-term liabilities		
Bonds	205	190
Long-term debt	8,481	8,173
Allowances	381	372
Asset retirement obligations	1,731	1,745
Other long-term liabilities	8,383	8,697
Total long-term liabilities	19,183	19,179
Total liabilities	59,832	59,770
Owners' equity		
Shareholders' equity		
Common stock	33,998	33,998
Capital surplus	34,278	34,278
Retained earnings	89,984	79,185
Treasury stock at cost	(10,636)	(1,511)
Total owners' equity	147,624	145,950
Accumulated other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	21	18
Foreign currency translation adjustments	(141)	(169)
Total accumulated other comprehensive income	(120)	(150)
Minority interests	458	479
Total net assets	147,962	146,279
Total liabilities and net assets	207,794	206,050

(2)Consolidated Statements of Income and Comprehensive Income

(Unit: Millions of Yen)

	Three months ended June 30, 2010 Amount	**Three months ended June 30, 2011 Amount**
Net sales	59,024	**59,314**
Cost of goods sold	41,042	**40,758**
Gross profit	17,982	**18,556**
Selling, general and administrative expenses	15,879	**15,353**
Operating income	2,102	**3,202**
Non-operating income		
Interest income	39	**37**
Dividend income	19	**21**
Equity in income on affiliates	-	**9**
Lease revenue-system equipment	289	**300**
Other non-operating income	841	**1,040**
Total non-operating income	1,189	**1,408**
Non-operating expenses		
Interest expenses	53	**42**
Equity in loss of affiliates	22	**-**
Lease cost-system equipment	289	**294**
Foreign exchange losses	214	**103**
Other non-operating expenses	500	**282**
Total non-operating expenses	1,080	**723**
Ordinary income	2,212	**3,887**
Extraordinary gains		
Gain from sale of fixed assets	431	**-**
Reversal of allowance for doubtful accounts	223	**-**
Reversal of allowance for business restructuring	74	**-**
Total extraordinary gains	729	**-**
Extraordinary losses		
Impairment losses on fixed assets	129	**15**
Loss on arrangement of stores	268	**-**
Special retirement expenses	446	**-**
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,166	**-**
Total extraordinary losses	2,009	**15**
Income (loss) before income taxes and minority interests	932	**3,872**
Income taxes		
Current	628	**1,666**
Deferred	(240)	**(7)**
Total income taxes	387	**1,659**
Income before minority interests	544	**2,213**
Minority interests in net income (loss)	2	**8**
Net income	542	**2,204**

	Three months ended June 30, 2010 Amount	**Three months ended June 30, 2011 Amount**
Minority interests in income (loss)	2	**8**
Income before minority interests	544	**2,213**
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(104)	**(3)**
Foreign currency translation adjustments	(379)	**(34)**
Share of other comprehensive income of associates accounted for using equity method	0	**0**
Total other comprehensive income	(483)	**(36)**
Comprehensive income	61	**2,176**
Comprehensive income attributable to		
Owners of the parent	68	**2,174**
Minority interests	(7)	**1**

7. Segment Information

Ⅰ First quarter Ended June 30, 2010

(1) Information about sales and profit (loss)

(Unit: Millions of Yen)

	The company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	36,332	18,906	1,933	1,606	245	59,024
Intersegment sales or transfers	13,709	127	64	1,966	2,864	18,732
Total	50,041	19,034	1,997	3,572	3,109	77,757
Net income (loss)	2,550	(413)	(29)	100	228	2,437

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

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	2,437
Inventories	(306)
Elimination of intersegment transaction	(115)
Amortization of goodwill	(33)
Allowance for point card	56
Fixed assets	65
Others	(0)
Operating income	2,102

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

Not applicable

Ⅱ First quarter ended June 30, 2011

(1) Information about sales and profit (loss)

(Unit: Millions of Yen)

	The company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	36,066	19,063	2,426	1,521	236	59,314
Intersegment sales or transfers	14,455	209	37	1,778	603	17,084
Total	50,522	19,272	2,463	3,300	839	76,398
Net income (loss)	3,653	(57)	34	76	128	3,835

Note: 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 first quarter ended June 30, 2010.

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

(Unit: Millions of Yen)

Income	Amount
Total reportable segments	3,835
Inventories	(436)
Elimination of intersegment transaction	(133)
Amortization of goodwill	(19)
Fixed assets	(12)
Allowance for point card	8
Others	(40)
Operating income	3,202

(3)Impairment losses of assets, goodwill, and others, by reporting segment
Not applicable

8. 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 June 30, 2011, Autobacs Seven Co., Ltd. repurchased 462,900 shares of common stock for 1,479 millions of 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 were decreased by 10,606 millions of Yen.

9. Additional Information

(1)Consolidated Sales Component and Percentage by Division
(Unit: Millions of Yen)

	First quarter ended June 30, 2011		Year-on-Year Increase/Decrease
Divisions	Amount	Ratio	Ratio
		%	%
Wholesale	35,018	59.0	99.8
Retail	23,458	39.6	101.8
Others (letting and hiring fee of leased object)	837	1.4	92.8
Total	59,314	100.0	100.5

Note : Consumption taxes are excluded from the above amounts.

(2)Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	First quarter ended June 30, 2011 Amount	Ratio	Year-on-Year Increase/Decrease
Wholesale		%	%
Tires and wheels	8,597	24.5	125.0
Car electronics	11,330	32.4	90.8
Oil and batteries	3,785	10.8	94.9
Car exterior items	2,961	8.5	100.4
Car interior items	3,142	9.0	96.5
Motor sports	1,818	5.2	85.1
Services	561	1.6	102.0
Others	2,820	8.0	99.2
Subtotal	35,018	100.0	99.8
Retail			
Tires and wheels	4,539	19.4	110.0
Car electronics	5,117	21.8	99.9
Oil and batteries	1,859	7.9	100.1
Car exterior items	2,601	11.1	106.0
Car interior items	2,245	9.6	94.9
Motor sports	1,385	5.9	88.2
Services	3,942	16.8	103.8
Others	1,766	7.5	100.7
Subtotal	23,458	100.0	101.8
Others (letting and hiring fee of leased object)	837	-	92.8
Total			
Tires and wheels	13,137	22.2	119.4
Car electronics	16,448	27.7	93.5
Oil and batteries	5,644	9.5	96.6
Car exterior items	5,563	9.4	103.0
Car interior items	5,387	9.1	95.9
Motor sports	3,203	5.4	86.5
Services	4,504	7.6	103.6
Others	5,424	9.1	98.6
Total	59,314	100.0	100.5

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.