

Results of FY March 2012 Q3



AUTOBACS SEVEN CO., LTD.

January 31, 2012

**RESULTS FOR THE NINE MONTHS ENDED
DECEMBER 31, 2011:**

P/L for the Nine Months of FY March 31, 2012



Group-wide domestic sales (yoy): -0.6% in same store, 0.0% in total store
Store sales ended slightly lower than the plan, but the robust wholesale and GPM results, as well as reduced SG&A pushed up the consolidated results.

(Billion Yen)

	Nine months ended Dec 31, 2011			Nine months ended Dec 31, 2010	
	Actual result	% of Sales	YoY change ratio	Actual result	% of Sales
Net Sales	187.7	100.0%	-0.0%	187.7	100.0%
Gross margin	59.8	31.9%	+2.7%	58.2	31.0%
SG&A	46.9	25.0%	-1.4%	47.5	25.3%
Operating income	13.0	6.9%	+20.9%	10.7	5.7%
Non-operating Income/expenses	1.4	-	+178.7%	0.5	-
Ordinary income	14.4	7.7%	+28.1%	11.2	6.0%
Extraordinary gains/ losses	-0.1	-	-	-1.1	-
Net income	8.2	4.4%	+40.7%	5.9	3.1%

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

Quarterly P/L (FY March 2012)



(Billion Yen)

	Q1(Results)		Q2(Results)		Q3(Results)		Q4 (estimates – results)		Full Year(Estimates)	
		YoY		YoY		YoY		YoY		YoY
Net Sales	59.3	+0.5%	55.4	-1.1%	72.9	+0.4%	46.1	-5.2%	233.8	-1.1%
Gross margin	18.6	+3.2%	18.3	+3.1%	22.9	+2.1%	15.7	-10.5%	75.5	-0.3%
SG&A	15.4	-3.3%	15.4	-2.4%	16.1	+1.6%	15.8	-2.5%	62.7	-1.6%
Operating income	3.2	+52.3%	3.0	+45.8%	6.8	+3.1%	※ -0.2	—	12.8	+6.8%
Ordinary income	3.9	+75.7%	3.4	+54.6%	7.2	+4.4%	0.3	-84.0%	14.7	+12.6%
Net income	2.2	+306.2%	2.0	+72.4%	4.0	-3.1%	0.1	-82.6%	8.3	+34.3%

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

※ The operating income have achieved the FY target, yet the Company maintains its full year estimate, as there are still some uncertain factors that could hit the operating performance, such as store inventory conditions and changing weather conditions.

- **Impact of the Great East Japan Earthquake**

- ↓ Decline of new car sales affected to car goods sales as expected.
- Sales of car navigation devices did not fall as expected.

- **Influence of weather conditions**

- ↑ Strong sales of snow-tires due to heavier than usual snow fall.
- ↓ Sales of tire chain have decreased compare to last year, when snow fell over the regions that rarely see snows.

- **Transition of digital terrestrial broadcasting**

- ↑ Strong sales of digital terrestrial TV broadcasting tuner (total store sales increased three times from LY) .
- ↓ Sales of car navigation devices have declined following the drop in unit price accrued to the shift in demand toward memory type navigation devices).

- **Impact of Thailand flood**

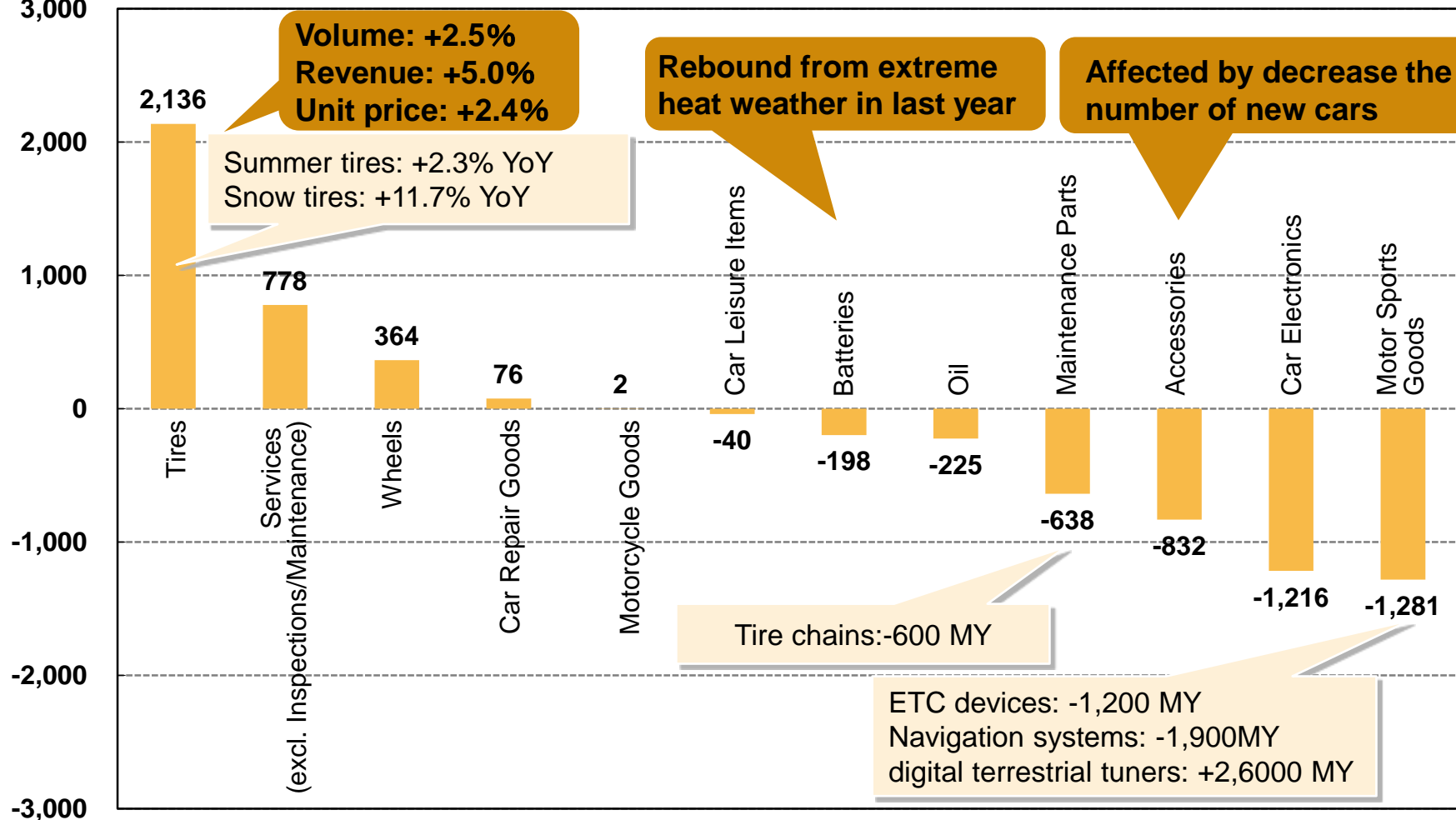
- ↓ Some impact were seen on sales due to difficulty maintaining merchandise line-ups, especially for new model of car navigation devices.

Sales Ups and Downs by Merchandize Category

(for 9 months ended December 31, 2011; YoY change in amount; total store basis)

(Million Yen)

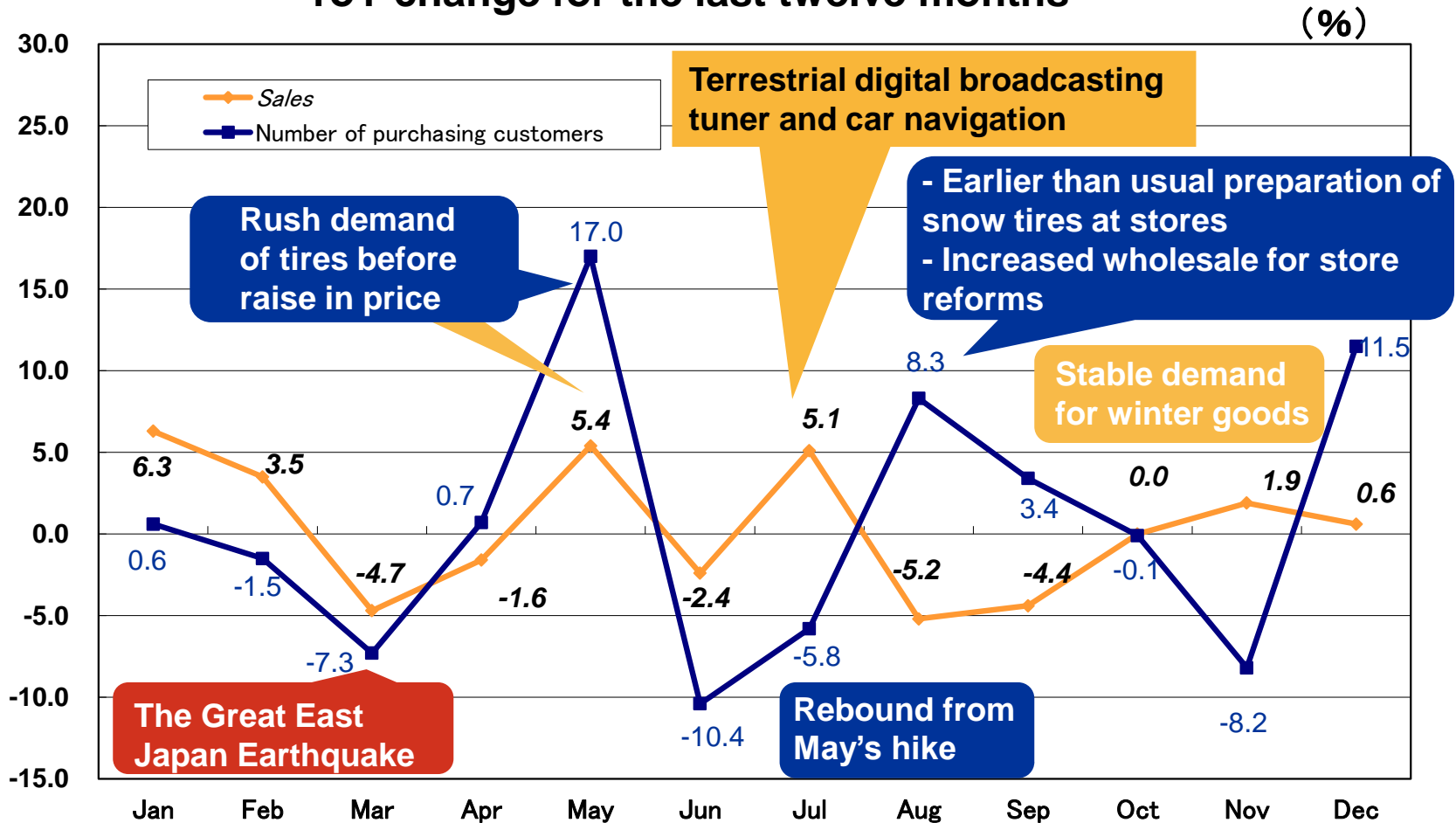
Same store sales -0.6%, Number of customer -1.9%(YoY)



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

Retail Sales Trend

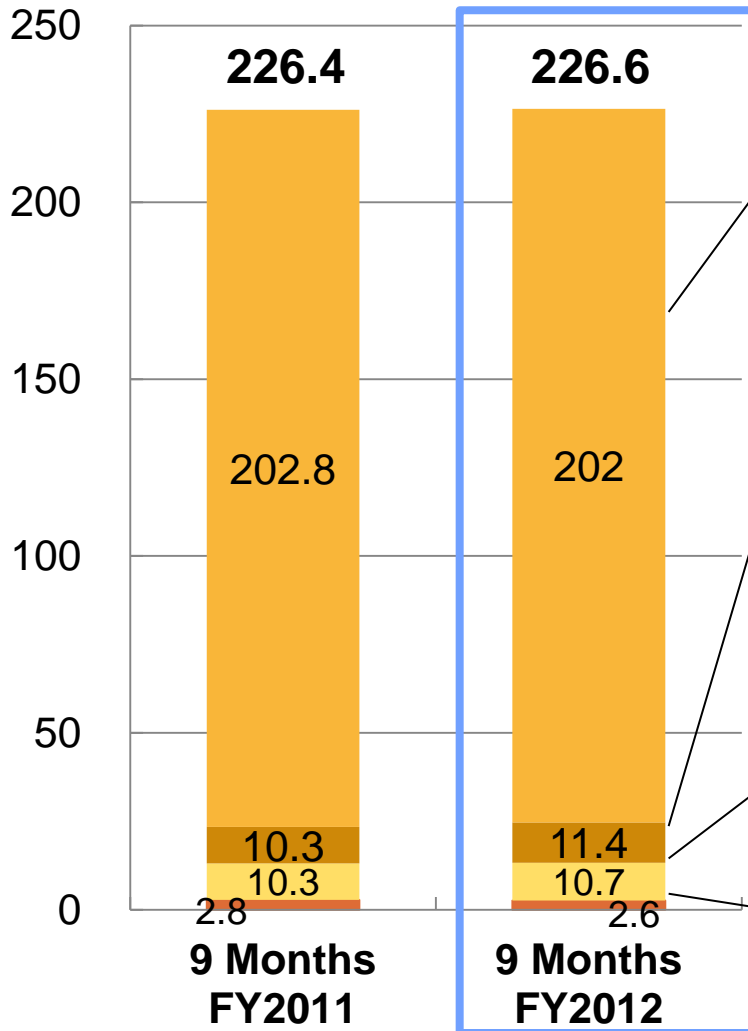
YoY change for the last twelve months



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

Domestic Retail Sales Including FC stores

(Billion Yen)



**Retail sales including FCs:
226.6 billion Yen (up 0.0% YoY)**

**Car related goods sales:
201.7 billion yen (down 0.5% YoY)**

**Car sales:
11.4 billion yen** (up 10.2% YoY)**

No. of cars sold at AUTOBACS Group stores:
12,450 cars (up 7.0% YoY)

**Statutory safety inspection:
10.7 billion Yen (up 4.1% YoY)**

Number of cars inspected: 373,000 cars (up 8.5% YoY)
Number of fully certified & designated stores: 325 stores
(up 7 stores from the previous fiscal year-end)

**Others (Fuel and used car goods)
2.6 billion Yen (down 7.2% YoY)**

MAJOR DRIVERS OF VARIANCE



(Billion Yen)

	Nine months ended December 31, 2011			Nine Months ended December 31, 2010
	Results % of Sales	YoY change	Major drivers of variance	
Net sales	187.7	▲0.0%	Whole Sales +0.5BY (Tires&Wheels +3.2BY, Car electronics devices -2.5BY, motorsports goods -0.5BY, external items -0.3BY) Retail Sales -0.4BY (Tires&Wheels +0.9BY, AUTOBACS Secohan Ichiba store and direct-owned stores Close -0.3BY)	187.7
Gross profit	59.8 31.9%	+2.7%	Tires&Wheels +1.1BY, Insurance commission +0.2BY, Oil&Batteries -0.2BY	58.2 31.0%
SG&A	46.9	▲1.4%	Personnel: +0.5BY (performance-based wage) Sales promotion costs: -0.5BY (reduction plan by self-restraint of sales promotion) Equipment costs: -0.03BY (plan for saving electricity) Others: -0.6BY (Lawyer's fee & Consulting fee)	47.5
Non-operating income/ expenses	1.4	(+0.9BY)	Non-operating income; Reversal of allowance for doubtful receivable (exchange loss) +0.3BY Non-operating expenses; exchange loss: -0.2BY	0.5
Extraordinary gains/ losses	-0.1	(+1.0BY)	Extraordinary losses: -2.1BY (Office relocation, loss by store, losses by store closing)	-1.1

Segment Information



(Billion yen)

		Nine months ended Dec 31, 2011	Nine months ended Dec 31, 2010	YoY change
Non-consolidated	Net Sales	158.7	157.8	+0.6%
	Ordinary Income	12.95	10.24	+26.5%
Domestic store subsidiaries	Net Sales	62.5	62.6	-0.1%
	Ordinary Income	0.67	0.72	-6.1%
Overseas subsidiaries	Net Sales	7.0	6.6	+5.3
	Ordinary Income	0.07	-0.02	—
Subsidiaries for car goods supply and other	Net Sales	2.5	5.4	-52.6%
	Ordinary Income	0.34	0.45	-23.6%
Subsidiaries for supporting function	Net Sales	10.0	10.4	-4.3%
	Ordinary Income	0.20	0.31	-36.2%
Segment total	Net Sales	240.7	242.8	-0.8%
	Ordinary Income	14.24	11.70	+21.8%

Note: Figures in parentheses are negative.

Amounts are rounded down to the nearest ten million Yen.
% of Net Sales and YoY comparisons are calculated in million Yen.

Non-consolidated

Net Sale 158.7BY <i>YOY: +0.9BY</i>	Whole Sale	+1.27BY (+0.9%)	↑ Tires & wheels, new and used cars ↓ Car electronics devices, Fuel, motorsports goods
	Retail	-0.36BY (-5.1%)	↑ Fuel ↓ Used parts, internal items, motorsports goods
Gross Margin 33.5BY <i>YOY: +1.73BY</i>	Whole Sale	+1.84BY (+6.4%)	↑ Tires & wheels, Car electronics devices, ↓ Oil & Batteries, internal items
	Retail	-0.13BY (-5.6%)	↓ Used parts, Service
SG&A 20.6BY <i>YOY: -0.98BY</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: 62.5 BY <i>YoY: -0.04 BY</i>	Increase of Tire's profit ratio during no changes in Net sales from LY. Decrease of operating income by increase of new store opening costs.
Ordinary Income: (0.67 BY) <i>YoY: -0.04BY</i>	

DECREASE IN CONSOLIDATION ADJUSTMENTS



Consolidation Adjustments

(Million Yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2010
Operating Income for segment total	14,242	11,695
Inventories (Unearned income of subsidiary inventories, etc.)	▲693	▲609
Depreciation of Goodwill	▲58	▲175
Allowance for point card	▲83	▲0
Adjustment of Fixed assets	▲37	34
Elimination of Intersegment transaction	▲343	▲225
Other	▲63	5
Consolidation adjustment	▲1,281	▲971
Consolidated operating income	12,961	10,724

Results of Overseas by Country



	FRANCE		CHINA		SINGAPORE		THAILAND	
Number of stores at Dec 31, 2011 --including FCs stores-	11		4		3		4	
Same store sales -including FC stores-	+3.0%		+6.3%		+6.5%		+0.7%	
Period	4/1/2011 through 12/31/2011	4/1/2010 through 12/31/2010	4/1/2011 through 12/31/2011	4/1/2010 through 12/31/2010	4/1/2011 through 12/31/2011	4/1/2010 through 12/31/2010	4/1/2011 through 12/31/2011	4/1/2010 through 12/31/2010
Net sales (Million Yen)	5,448	5,111	315	323	849	800	387	411
SG&A (Million Yen)	2,529	2,517	213	171	260	243	102	122
Operating income (Million Yen)	12	-122	-43	-36	103	91	1	1
Business conditions	Sales increased thanks to strong sales of car audios during the holiday seasons, although tire sales dropped because of warm weather. Operating income increased due to cost-cutting efforts.		Wholesale and export business were in good condition. However, in terms of Shanghai retail store, more work is needed to improve its brand recognition and operation.		Sales maintained its strong momentum although business conditions were not as good as before. The newly built Loyang store is showing favorable results.		Due to the devastating flood damage, same-store sales declined about 10% and gross margin also dropped. However, operating income remained flat according to lower cost.	

Note: Figures in parentheses are negative. 12

FORECASTS FOR FY 2012



(Billion Yen)

	Fiscal year ended Mar 31, 2011 ^① <i>% of sales</i>	FY 2012			
		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	114.7	119.1	233.8	+0.6
Gross profit	75.7 32.0%	36.9 32.2%	38.6 32.4%	75.5 32.3%	+0.6
SG&A	63.8 27.0%	30.7 26.8%	32.0 26.8%	62.7 26.8%	▲0.5
Operating income	12.0 5.1%	6.2 5.4%	6.6 5.6%	12.8 5.5%	+1.1
Ordinary income	13.1 5.5%	7.3 6.3%	7.4 6.2%	14.7 6.3%	+1.5
Net income	6.2 2.6%	4.2 3.7%	4.1 3.4%	8.3 3.6%	+1.0
Store sales YoY	▲1.9%	▲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.

Progress of AUTOBACS 2010 Business Plan



(as of December 31, 2011)

Measures	Plan
1. Improving store profitability	
1) Store reform	<ul style="list-style-type: none"> ● Completed reform at 147 stores (fiscal year target is 224 stores) ● Positive outcome is attained by the reform, but achievement levels vary between stores.
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"> ● Completed training of 70% of group employees. Stores achieving higher evaluation score in customer service tend to get better improvement in sales performance
2. Increasing market share	
1) New store opening	<ul style="list-style-type: none"> ● Opened 15 stores by the end of Q3 ● Plan to open 8 more stores by the end of Q4, FY March 2012
2) Development of service formats/ multi-channel strategy	<ul style="list-style-type: none"> ● 400 employees finished training for hybrid cars maintenance. 206 stores are certified by internal standards ● Items sold in our website increased by 1.5 times. Completed site renewal ● Further strengthening website in line with the CRM project
3. Overseas operation	<ul style="list-style-type: none"> ● Opened third store in Singapore ● Continuing test operation at stores in Shanghai

Store Reform Results

Comparison of the store performance before and after reform

	Stores before reform (118 stores) -YoY change -	After-reform stores (265 stores*) - YoY change -	Difference
Retail sales	98.4%	100.6%	+2.2pt
Number of customers	97.0%	99.2%	+2.2pt
Number of items purchased from central shelves	98.0%	100.2%	+2.2pt
Sales of maintenance items	96.2%	100.5%	+4.3pt
Sales of maintenance related services	96.9%	98.6%	+1.7pt
No. of Cars Certified by our Statutory Safety Inspection Service	101.6%	105.5%	+3.9pt

※ Number of stores that passed over six-months after reform.

Store Openings and Closings



Domestic Store

	As of March 31, 2011	FY March 2012							As of March 31, 2012
		From April 1, 2011 to Dec. 31, 2011 (Result)			As of Dec. 31, 2011	Q4 FY March 2012 (Forecast)			
		New	S/B R/L	Close		New	S/B R/L	Close	
AUTOBACS	404	+15	+7 / (3)	(1)	422	+8	+1 / (1)		430
Super AUTOBACS	76				76				76
AUTO HELLOES	5		(4)		1				1
Secohan Ichiba	21		+1 / (1)	(1)	20		+1 / (1)	(2)	18
EXPRESS	7			(2)	5				5
Domestic Total	513	+15	+8 / (8)	(4)	524	+8	+2 / (2)	(2)	530

Overseas Store

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

	As of March 31, 2011	FY March 2012			As of March 31, 2012
		From April 1, 2011 to Dec. 31, 2011 (Result)	As of Dec. 31, 2011	Q4 FY March 2012 (Forecast)	
France	11		11		11
China	4	+1 / (1)	4		4
Thailand	4		4		4
Singapore	2	+1	3		3
Taiwan	4	+1	5		5
Malaysia	0		0	+1	1
Overseas Total	25	+3 / (1)	27	1	28

PROGRESS OF NEW STORE OPENINGS



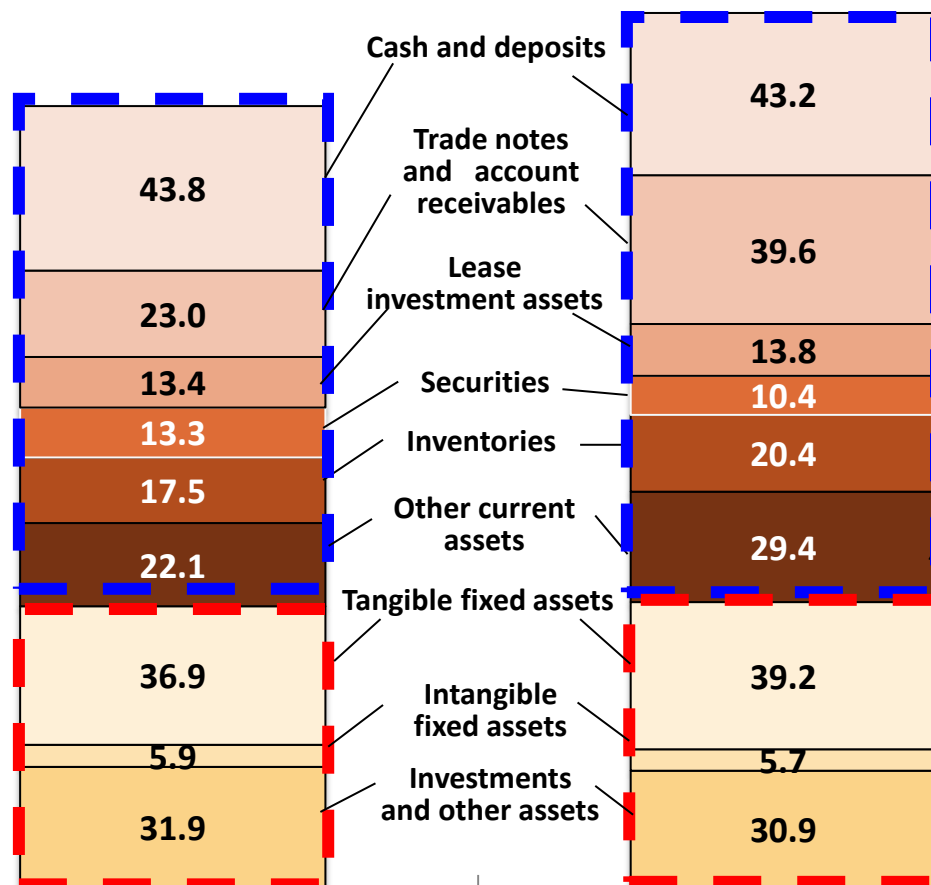
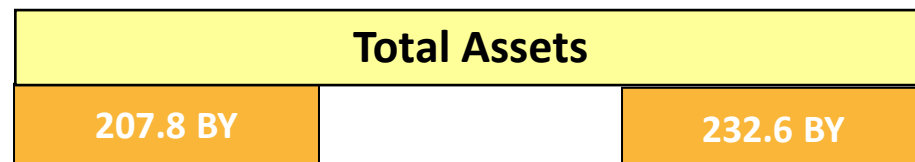
Store openings until November, 2011

	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
11	AUTOBACS Toyokawa Store	Store for small commercial-zone	November 3, 2011
12	AUTOBACS Chiba new town Store	Standard	November 3, 2011
12	AUTOBACS Kumamoto-naoki Store	Store for small commercial-zone	November 17, 2011
13	AUTOBACS Ibaraki-nishi Store	Small Store	November 18, 2011
15	AUTOBACS Kawasaki-saiwai Store	Standard	November 23, 2011

BALANCE SHEET: Assets



(Billion Yen)



Major items changed

- Trade notes and account receivables : +16.6
- Inventories : +2.9BY
- Accounts receivable: +7.2BY
- Tangible fixed assets
-Land : +1.1 BY

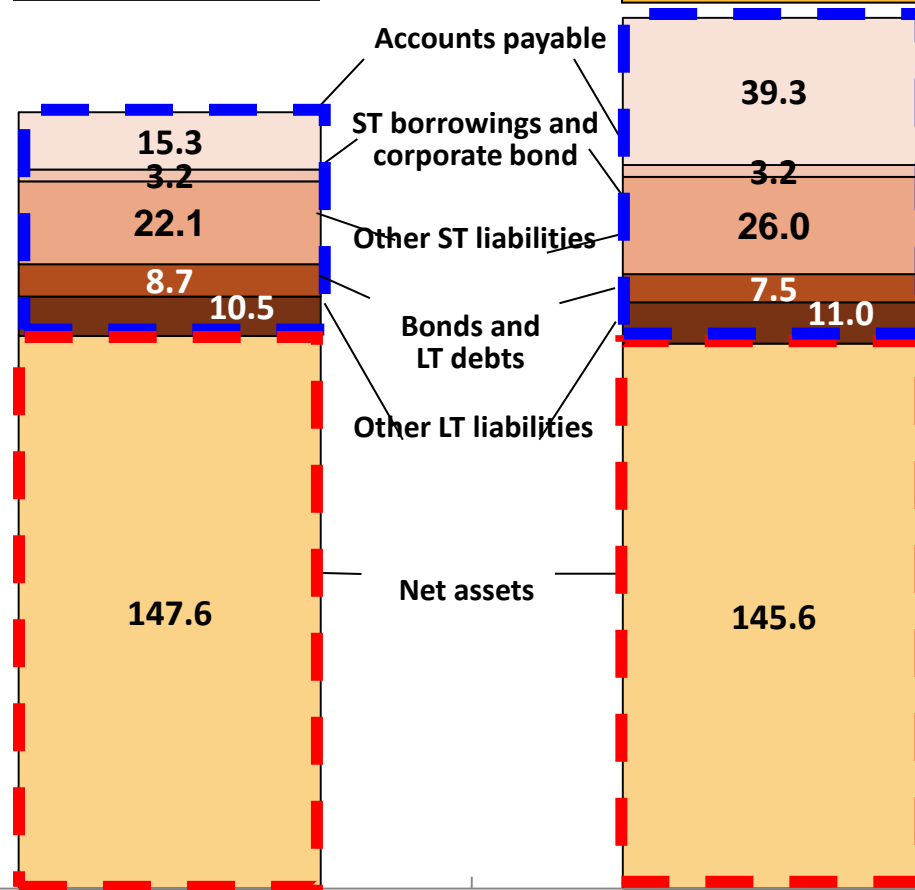
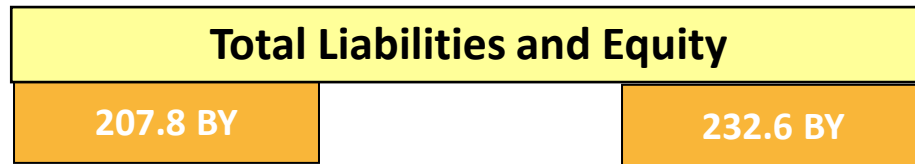
At March 31, 2011

At December 31, 2011

BALANCE SHEET: Liabilities and Equity



(Billion Yen)



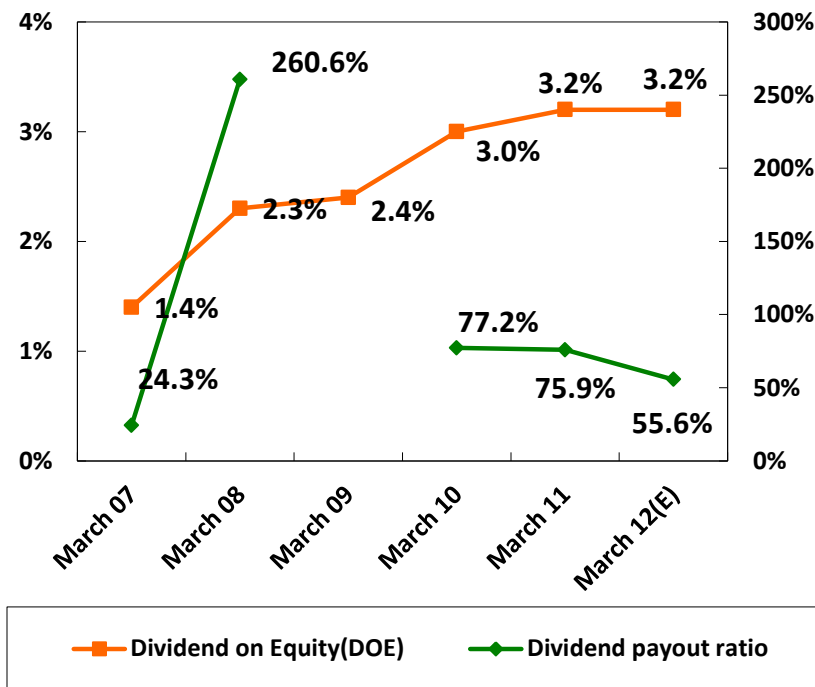
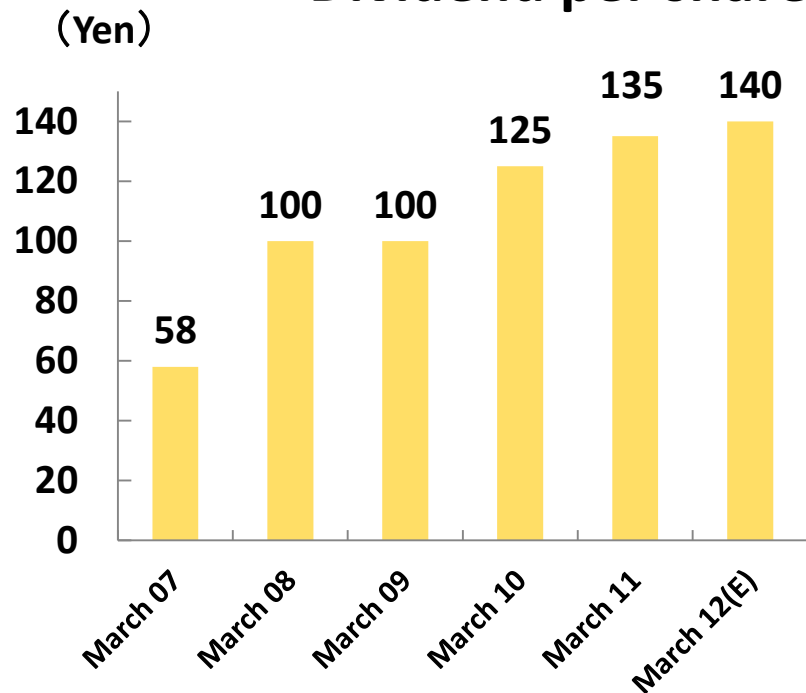
Major items changed

- Accounts payable: +24 BY
- Other ST liabilities
 - Outstanding accounts: +4.8BY
- Other LT liabilities: -1.1 BY
- Net assets
 - Retained Earnings (dividend payments): -7.1BY
 - Treasury Stock (share buyback): +5.1 BY

At March 31, 2011

At December 31, 2011

Dividend per share and Dividend on Equity



Share Buyback Plan

Period : May 12, 2011 - November 30, 2011

Upper Limit: 1,600,000 shares

5,458 million yen



Forward-Looking Statements

These materials include forecasts regarding the Company's future plans, strategies, and performance. This information is based on judgments and estimates made in accordance with information currently available. Actual results may differ materially from forecasts due to such factors as changes in operating circumstances.