

ANALYST MEETING

**Results of the first-half ended Sep 30, 2009
and outlook for the rest of the fiscal year**



November 9, 2009

Setsuo Wakuda

Representative Director and CEO

WHAT WE WANT TO EXPLAIN TODAY

I. FIRST-HALF RESULTS:

- Retail sales and wholesale sales seems not to be paralleled.
How will it move from now?

II. FINANCIAL FORECASTS FOR THE SECOND-HALF:

- ETC sales are likely to fall but how is AUTOBACS going to deal with it?

III. FROM NEXT FISCAL YEAR:

- How is AUTOBACS going to cope with this uncertain environment?

I. FIRST-HALF RESULTS:

FINANCIAL RESULTS (first-half ended Sep 30, 2009)



	First-half ended Sep 30, 2009				(billion Yen)
	Original forecast	Actual result	YoY change (amount / %)	Change from the original forecast (amount)	First-half result of the previous fiscal year
Net Sales	112.6	114.5	▲14.8 ▲ 11.4%	+ 1.9	129.3
Gross Profit <i>% of Net Sales</i>	35.9 31.9%	36.3 31.7%	▲3.2 ▲ 8.2%	+ 0.4	39.6 30.6%
SG&A <i>% of Net Sales</i>	31.9 28.3%	31.7 27.6%	▲7.5 ▲19.2%	▲ 0.2	39.2 30.3%
Operating Income <i>% of Net Sales</i>	4.0 3.6%	4.7 4.1%	+ 4.3 + 1029.7%	+ 0.7	0.4 0.3%
Ordinary Income <i>% of Net Sales</i>	4.6 4.1%	5.6 4.9%	+ 4.1 + 290.3%	+ 1.0	1.4 1.1%
Net Income <i>% of Net Sales</i>	2.6 2.3%	2.7 2.4%	+ 1.0 + 59.1%	+ 0.1	1.7 1.3%

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

FINANCIAL RESULTS: SUMMARY



REVENUE DECLINE BUT EARNINGS GROWTH

- *Reforms in the current Mid-term Business Plan began to take effect.*
- *Retail sales including FCs were steady, but wholesale sales were not linked to it.*

1. Business environment: positive and negative factors

- Positive: Sales of ETC devices and driving goods were brisk due to a partial reduction in highway toll rates.
- Negative: Sales of luxury items and motor sports goods fell with the slump in personal consumption.

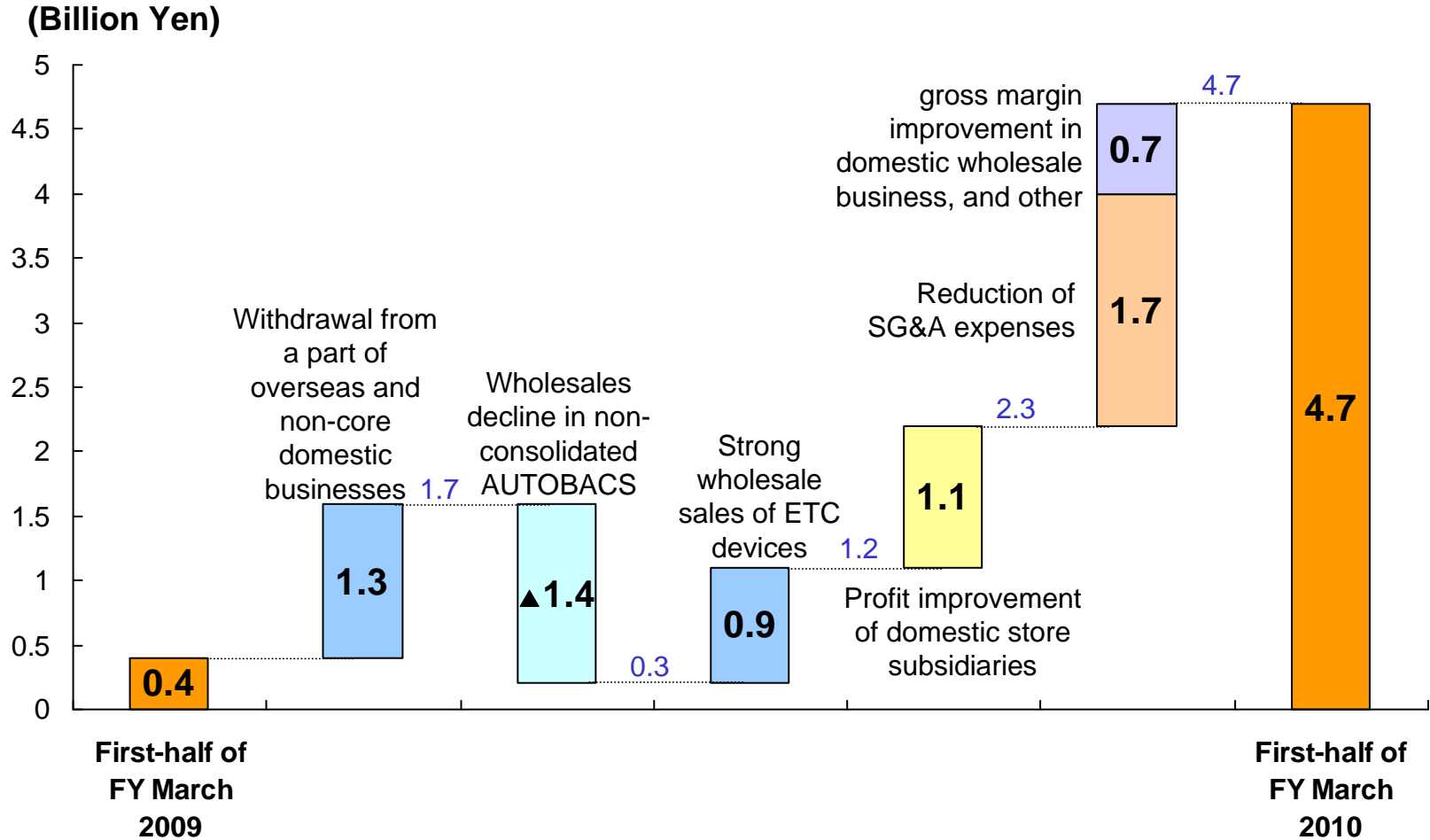
2. Business consolidation following the introduction of the Mid-term Business Plan began to take effect.

3. Non-consolidated AUTOBACS and store subsidiaries beat the projections made at the start of the year.

- Retail sales including FCs were steady by deploying selling spaces reflecting the business environment (year-on-year sales rose for seven consecutive months from last April).
- Wholesale results for tires and wheels fell short of projections. FC companies adjusted their inventories from April to June. September showed a reaction to last-minute demand when tire price increase to FC companies was deferred by AUTOBACS in the previous year.
- Non-consolidated AUTOBACS and its store subsidiaries drastically reduced SG&A expenses.

IMPROVEMENT IN OPERATING INCOME

IMPROVEMENT IN OPERATING INCOME



ACHIEVEMENTS OF THE INITIATIVES SO FAR

THIS YEAR'S OBJECTIVES: *Strengthen the core business, the domestic franchise business.*

PLAN

SALES OF AUTOMOTIVE GOODS AND SERVICES, STATUTORY SAFETY INSPECTIONS

- Outlet reforms.
- Gross margin(GM) improvement by lowering purchase prices and revising sales prices and discounts.
- Reduction of store costs.
- Reinforcing customer relationship via statutory safety inspections

CAR SALES

- Focus on making a successful model store

RESULT

- Outlet reforms: Completed the experiment with a central gondola.
- GM improvement: Wholesale GM improved by approx. 200 million Yen(MY) by negotiations with suppliers, while store GM improved by approx. 150 MY.
- Strong sales of ETC devices: increased by 159.9% yoy at domestic stores including FCs.
- Wholesaling of tires and wheels fell short of projections.
- Number of cars certified by AUTOBACS's statutory safety inspection services climbed by 15.8% yoy to 206,000 cars.

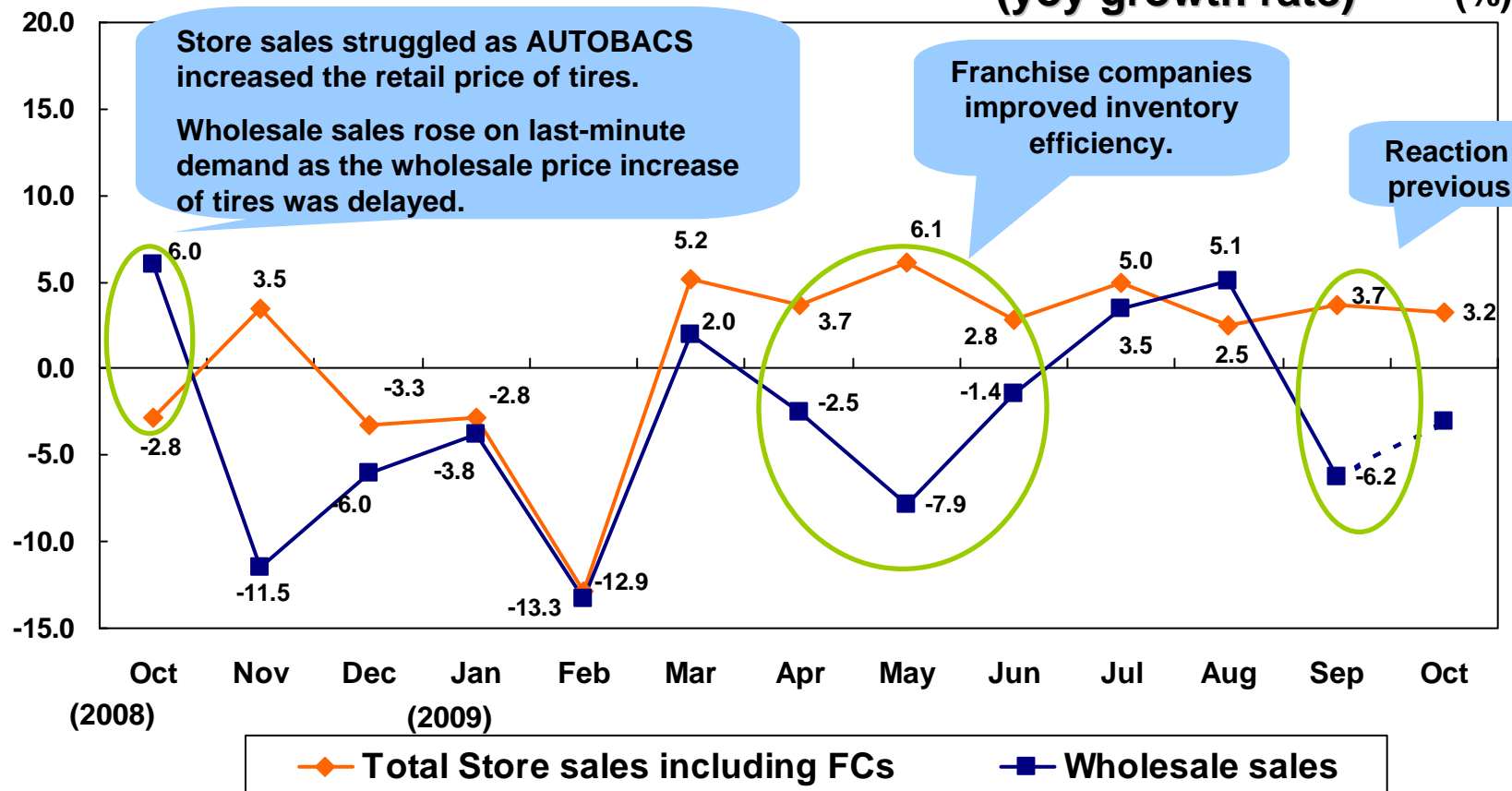
⇒ Improved store profitability

- Intensive trainings were held at 75 stores.
- Average car sales improved from 23 cars to 36 cars at stores that implemented the intensive training.

STORE SALES AND WHOLESALE RESULTS

Highlight (1)

Total store sales including FCs and wholesale results
(yoy growth rate) (%)



Sales at major store types (AB, SA, AH)



The gap between retail sales and wholesale is narrowing.

II. FINANCIAL FORECASTS FOR THE SECOND-HALF:

FINANCIAL FORECASTS (fiscal year ending Mar 31, 2010)



(billion Yen)

	Result for the fiscal year ended March 31, 2009	Fiscal year ending March 31, 2010				
		Full year original forecast	1st-half Result	2nd-half forecast*	Full Year forecast (Revised)	Change from the original forecast (Amount)
Net Sales	259.1	229.3	114.5	116.8	231.3	+ 2.0
Gross Profit <i>% of Net Sales</i>	81.2 <i>31.3%</i>	73.5 <i>32.1%</i>	36.3 <i>31.7%</i>	37.7 <i>32.3%</i>	74.0 <i>32.0%</i>	+ 0.5
SG&A <i>% of Net Sales</i>	76.1 <i>29.4%</i>	64.5 <i>28.1%</i>	31.7 <i>27.6%</i>	32.6 <i>28.0%</i>	64.3 <i>27.8%</i>	▲ 0.2
Operating Income <i>% of Net Sales</i>	5.1 <i>2.0%</i>	9.0 <i>3.9%</i>	4.7 <i>4.1%</i>	5.0 <i>4.3%</i>	9.7 <i>4.2%</i>	+ 0.7
Ordinary Income <i>% of Net Sales</i>	6.6 <i>2.5%</i>	10.0 <i>4.4%</i>	5.6 <i>4.9%</i>	5.3 <i>4.6%</i>	10.9 <i>4.7%</i>	+ 0.9
Net Income <i>% of Net Sales</i>	▲ 3.4 <i>—</i>	5.7 <i>2.5%</i>	2.7 <i>2.4%</i>	3.0 <i>2.6%</i>	5.7 <i>2.5%</i>	0
Major store sales YoY growth rate (AB, SA, AH)	▲ 2.9%	▲ 1.4%	+ 3.9%	▲ 2.0%	+ 0.8%	

Amounts are rounded down to the nearest hundred million Yen.

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

* Forecasts for the second half have been changed slightly given the effect of fractions of numeric values for full-year projections announced at the beginning of the fiscal year.

TOWARDS REALIZATION OF OUR VISION

Vision: “Anything about cars, you find at AUTOBACS”

Automotive goods and service market in the second half:

⇒ Remain weak in a struggling economy and growing environmental awareness although firm maintenance demand continues.

For growth of the AUTOBACS Group in future, we will continue Company-wide efforts towards realization of our vision:
“ANYTHING ABOUT CARS, YOU FIND AT AUTOBACS”

Sharing the same
operating directions

Reinforce our merchandise and
service lineup

- Automotive goods and services
- Statutory safety inspections
- Used car sales
- Maintenance, sheet metaling, insurance, and other

Simultaneous
adoption at all stores

Win the support and trust of
customers through...

- Store and sales space reformation
- Employee training
- Compliance

INITIATIVES FROM THE 2ND-HALF OF FY 2010

Highlight (2)

SALES OF AUTOMOTIVE GOODS AND SERVICES

- Initiatives to increase number of customers and the number of items per customer
 - Display "300 Special Price Items" that appeal to customers with their low prices and set up sales spaces for goods that support long distance driving and automotive goods for hybrid cars.
- Initiatives to raise customer's purchase amount
 - Reinforce upgrade items with PB and exclusive goods .
 - Expand sales of high value-added goods, such as audio-integrated memory navigation systems and eco-tires.
- Sales floor reform implemented by "Advanced store prototypes development project"

STATUTORY SAFETY INSPECTION AND MAINTENANCE SERVICES

- Comprehensively improve stores that have fewer statutory safety inspections.
- Strengthen customer relations by introducing maintenance service packages.

USED CAR SALES

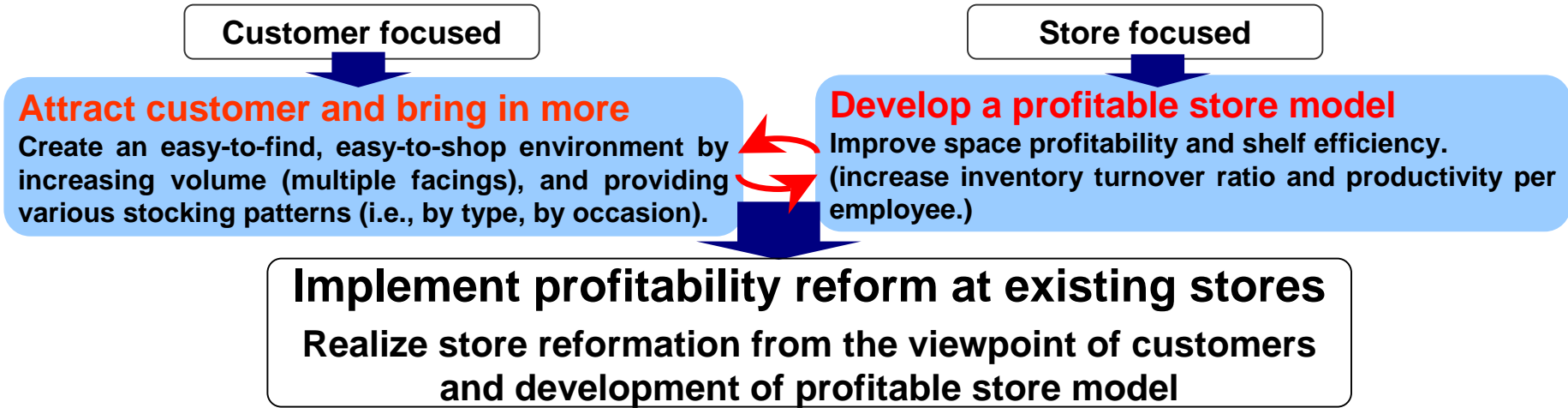
- Continue to deploy success models by supervising store employees.

ADVANCED STORE PROTOTYPE DEVELOPMENT

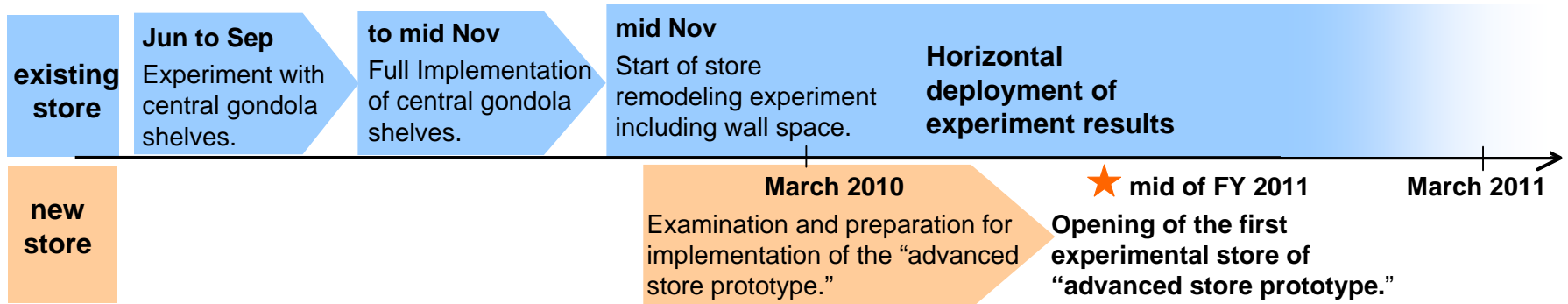
PURPOSE OF THE PROJECT:

- *To develop easy-to-select shopping space and improve shelf efficiency, as well as increase space productivity.*

CONCEPT OF THE PROJECT:



IMPLEMENTATION PLAN:



PROGRESS TOWARD THE VISION

Highlight (3)



	FY March 2009	FY March 2010	FY March 2011
Operating environment	<ul style="list-style-type: none"> - Sluggish consumer spending - Shift in consumer tastes to lower prices - Less interest in cars - Lower turnover in new car sales 	(In addition to items at left) <ul style="list-style-type: none"> - Temporary strong sales of ETC devices and long distance driving goods 	<ul style="list-style-type: none"> - Demand drops for luxury items and increasing demand for maintenance items - Growing concern over environmental issues
Vision	“Anything about cars, you find at AUTOBACS”		
Business objectives	Profitability <ul style="list-style-type: none"> - Focus on core business operations - Withdrawal from unprofitable business lines 	+ Earning growth <ul style="list-style-type: none"> - Review of organization and business portfolios - Reinforcement of the domestic FC business 	+ Sustainable growth Launch of a new Mid-term Business Plan <ul style="list-style-type: none"> - Reinforce of domestic FC business - Increase of the market share
Operating measures	<ul style="list-style-type: none"> - Review of business portfolio - Streamlining and consolidation of the support function and domestic store subsidiaries - Dividend increase and share buybacks - reduction of store costs 	<ul style="list-style-type: none"> - Launching the Advanced Store Prototypes Development project - Procurement improvements - Enhanced customer relations through safety inspections - Creation of successful car purchase/sales business model - Dividend increase and share buybacks 	<ul style="list-style-type: none"> - Improvement of cost efficiency at the headquarters - Pursuing of sustainable store profitability - Strengthening safety inspections, metal works, and other automotive related businesses
Financial targets			(current target) ROE: 7% or more DOE: 3% Ordinary income: 16 billion Yen
Annual dividend	100 Yen / share	120 Yen / share	

WHAT WE WANT TO TELL YOU TODAY: REVIEW



1. **Retail sales and wholesale sales seems not to be linked together. How will it move from now?**
 - **The gap between retail sales and wholesale is narrowing from the second half.**

2. **ETC sales are likely to fall but how is AUTOBACS going to deal with it?**
 - **The operating environment in the second half will be in line with projections made at the beginning of the fiscal year. The performance forecast remains unchanged, including an anticipated fall in sales of ETC devices.**

3. **How is AUTOBACS going to cope with this uncertain environment?**
 - **While executing ongoing initiatives, we will build a business foundation that ensures sustainable growth even in a challenging business environment.**

AUTOBACS Seven is determined to win the support and trust of all stakeholders by strengthening store profitability and pursuing continuous cost efficiency centering on store reforms.



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 substantially from forecasts due to such factors as changes in operating circumstances.

Data book

MAJOR DRIVERS OF VARIANCE



(Billion Yen)

	First-half of Fiscal year ending March 31, 2010			FY Mar 09 first-half results (% of Sales)
	Results (% of Sales)	YoY	Major drivers of variance	
Net Sales	114.5	▲14.8 ▲11.4%	↓ Non-consolidated sales: ▲4.2 - Business restructuring: ▲3.5, tires and wheels:▲1.2, motor sports goods:▲1.1, car electronics:+2.0 ↓ Overseas subsidiaries: ▲11.3 - U.S.A.:▲8.7, Taiwan:▲0.6, remaining business: ▲1.9 ↓ Subsidiaries for car goods supply and other: ▲2.4 - DIA·BACS: ▲2.0, CARS Sapporo: ▲0.3 ↑ Domestic store subsidiaries: +2.1 (streamlining & consolidation: +0.9) ⇒ Total sales reduction from business restructuring: ▲14.2	129.3
Gross Margin	36.3 31.7%	▲3.2 ▲8.2%	↓ Business restructuring: ▲3.8 ↑ Gross margin improvement (19.6%⇒20.4%) ↑ Sales increase of domestic store subsidiaries	39.6 30.6%
SG&A	31.7 27.6%	▲7.5 ▲19.2%	↓ Business restructuring: ▲6.0 ↓ Reduction in sales promotion expenses at non-consolidated and store subsidiary sector, reduction in IT related expenses	39.2 30.3%
Non-operating Income & Expenses	0.9	▲0.1	↓ Income: ▲1.5 - Decrease in dividend income, decrease in currency option, decrease in non-operating income related to STRAUSS ↓ Expenses: ▲1.4 - Decrease in loss on revaluation of investment securities, decrease in exchange loss	1.0
Extraordinary Gains and Losses	▲0.6	▲4.3	↓ Gains: ▲1.3 - Less influence from the revision of lease accounting rule, return on provisions for business restructuring ↑ Losses: + 3.0 - Provision for allowance for doubtful receivables (STRAUSS etc), impairments loss on fixed assets (driving school etc)	3.8

Amounts are rounded down to the nearest hundred million Yen.

PERFORMANCE OF SUBSIDIARIES



(Billion Yen)

		Original estimates	Results	YoY	Change from original estimates	FY Mar 2009 results
Domestic retail sales including FCs	Net Sales		143.87	+ 2.1%		140.80
Non-consolidated	Net Sales	94.20	94.18	▲ 4.3%	▲ 0.0%	98.46
	Ordinary Income	5.10	5.72	+ 58.4%	+ 12.2%	3.61
Domestic store subsidiaries	Net Sales	37.90	38.69	+ 5.8%	+ 2.1%	36.55
	Ordinary Income	▲ 0.70	0.16	-	-	▲ 0.92
Overseas subsidiaries	Net Sales	4.88	4.42	▲ 71.8%	▲ 9.5%	15.68
	Ordinary Income	▲ 0.19	▲ 0.30	-	-	▲ 0.92
Subsidiaries for supporting function	Net Sales	6.70	6.71	▲ 20.9%	+ 0.1%	8.48
	Ordinary Income	0.29	0.48	+ 9.2%	+ 64.5%	0.44
Subsidiaries for car goods supply and other	Net Sales	6.40	6.87	▲ 26.2%	+ 7.4%	9.31
	Ordinary Income	0.09	0.23	-	+ 156.7%	▲ 0.06

Amounts are rounded down to the nearest ten million Yen.

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

PERFORMANCE OF SUBSIDIARIES



Non-consolidated

(Billion Yen)

Net Sales 94.2 (YoY: ▲4.28)	Wholesale	▲ 3.71 (▲ 4.1%)	↑ Car electronics devices, oil ↓ Tires & wheels, motorsports goods, motorcycle related goods, used cars
	Retail	▲ 0.51 (▲ 8.8%)	↑ Services, oil ↓ motorcycle related goods, Tires & wheels, motor sports goods
Gross Margin 19.3 (YoY: ▲0.04)	Wholesale	+ 0.19 (+ 1.2%)	↑ Car electronics devices, oil, used cars ↓ Tires & wheels, motor sports goods
	Retail	▲ 0.15 (▲ 8.2%)	↑ Car electronics devices, second-hand automotive goods ↓ Tires & wheels, motor sports goods, motorcycle related goods
SG&A 13.9 (YoY: ▲1.99)	Personnel: ↑ restructuring of supporting function subsidiaries ↓ fewer direct-owned stores, implementation of voluntary retirement program		
	Sales promotion: ↓ fewer TV commercials, less advertising expenses for overseas business and used car sales		
	Equipment costs: ↓ less depreciation, fewer rents on land and buildings (store closure & transfer)		
	Other: ↓ Fewer payment charge to supporting function subsidiaries		

Domestic store subsidiaries

(Billion Yen)

Net Sales 38.7 (YoY: + 2.1)	Income increased significantly as SG&A expenses were contained and sales of ETC devices and other merchandises increased.
Ordinary Income 0.16 (YoY: + 1.08)	

GEOGRAPHICAL SEGMENTS (Overseas)



	FRANCE	CHINA	SINGAPORE, THAILAND
Number of Stores (at Sep 30, 2009)	12	6	5
Comp store sales (yoy change rate)	▲ 8.7%	▲ 22.0%	Singapore: + 3.7% Thailand: ▲ 2.9%
Net Sales (yoy change)	3.4 billion Yen (▲ 1.4 billion Yen)	0.3 billion Yen (▲ 0.6 billion Yen)	0.7 billion Yen (+ 0.05 billion Yen)
SG&A yoy change	2.0 billion Yen (▲ 0.4 billion Yen)	0.16 billion Yen (▲ 0.05 billion Yen)	0.2 billion Yen (▲ 0.02 billion Yen)
Operating Income yoy change	▲ 0.2 billion Yen (▲ 0.2 billion Yen)	▲ 0.08 billion Yen (+ 0.04 billion Yen)	0.04 billion Yen (+ 0.04 billion Yen)
Business Conditions	In the worsening local economy, it strived to reduce the costs by carrying out restructuring programs especially at administrative levels. Also started the rebuilding of poor performing stores including franchise stores.	Number of stores fell as the Company is studying a business model geared to local conditions. Although wholesale results fell, progress can be seen on the cost cutting program.	Sales were steady due partly to the impact of store openings.

BALANCE SHEET / Assets

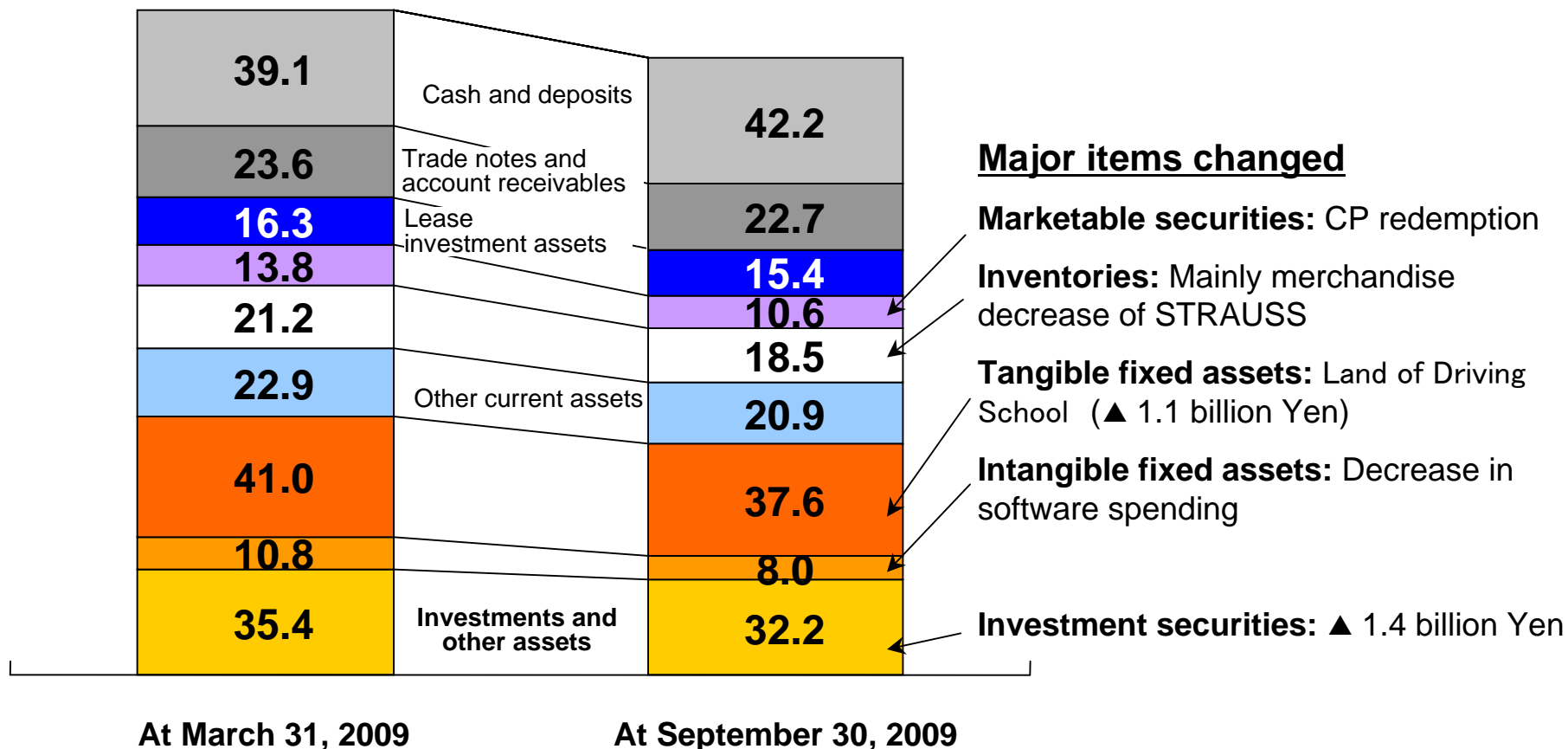


TOTAL ASSETS

224.2 billion Yen



207.9 billion Yen



Major items changed

Marketable securities: CP redemption

Inventories: Mainly merchandise decrease of STRAUSS

Tangible fixed assets: Land of Driving School (▲ 1.1 billion Yen)

Intangible fixed assets: Decrease in software spending

Investment securities: ▲ 1.4 billion Yen

At March 31, 2009

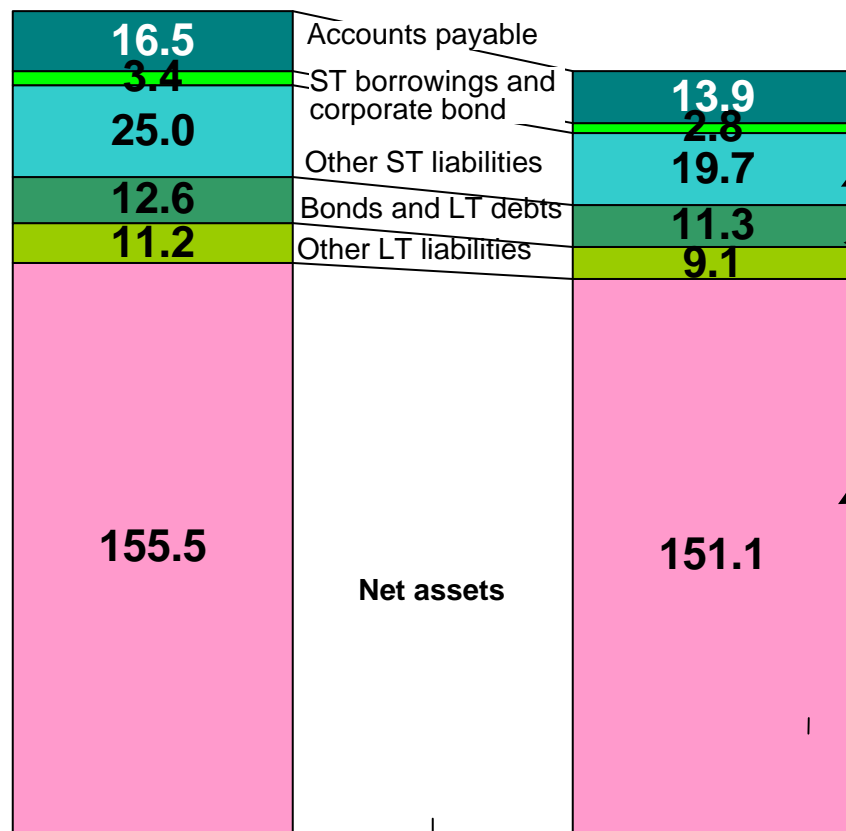
At September 30, 2009

BALANCE SHEET / Liabilities & Net Assets



TOTAL LIABILITIES AND NET ASSETS

224.2 billion Yen  207.9 billion Yen



Major items changed

Other ST liabilities: Provision for business restructuring (+ 4.8 billion Yen)

Long-term debts: ▲ 2.4 billion Yen

Net assets: ▲ 4.4 billion Yen

Net earnings: + 2.7 billion Yen

Dividend payments: ▲ 1.9 billion Yen

Share buyback: ▲ 5.4 billion Yen

(Treasury stock cancellation: 8.0 billion yen)

At March 31, 2009

At September 30, 2009

RETAIL SALES INCLUDING FRANCHISEES*



RETAIL SALES INCLUDING FCs: 143.8 billion yen (up by 2.1% YoY)

(billion yen)



Statutory safety inspection sales:** 6.4 billion Yen (+10.0% YoY)

Number of cars inspected: 206,000 cars (+15.8% YoY)

Number of fully certified & designated stores: 293 stores (+10 stores YoY)

Car sales: 6.6 billion Yen (▲ 24.2% YoY)

No. of cars sold at AUTOBACS Group stores: 8,222 cars

➤ of which, 17% were sold at auction (▲ 26.1% YoY)

Car related goods sales: 130.8 billion (+ 3.6% YoY)

*Domestic retail sales including FCs: Major format stores(AB, SA, AH)+Used car goods+C@RS(with vehicle search terminals)

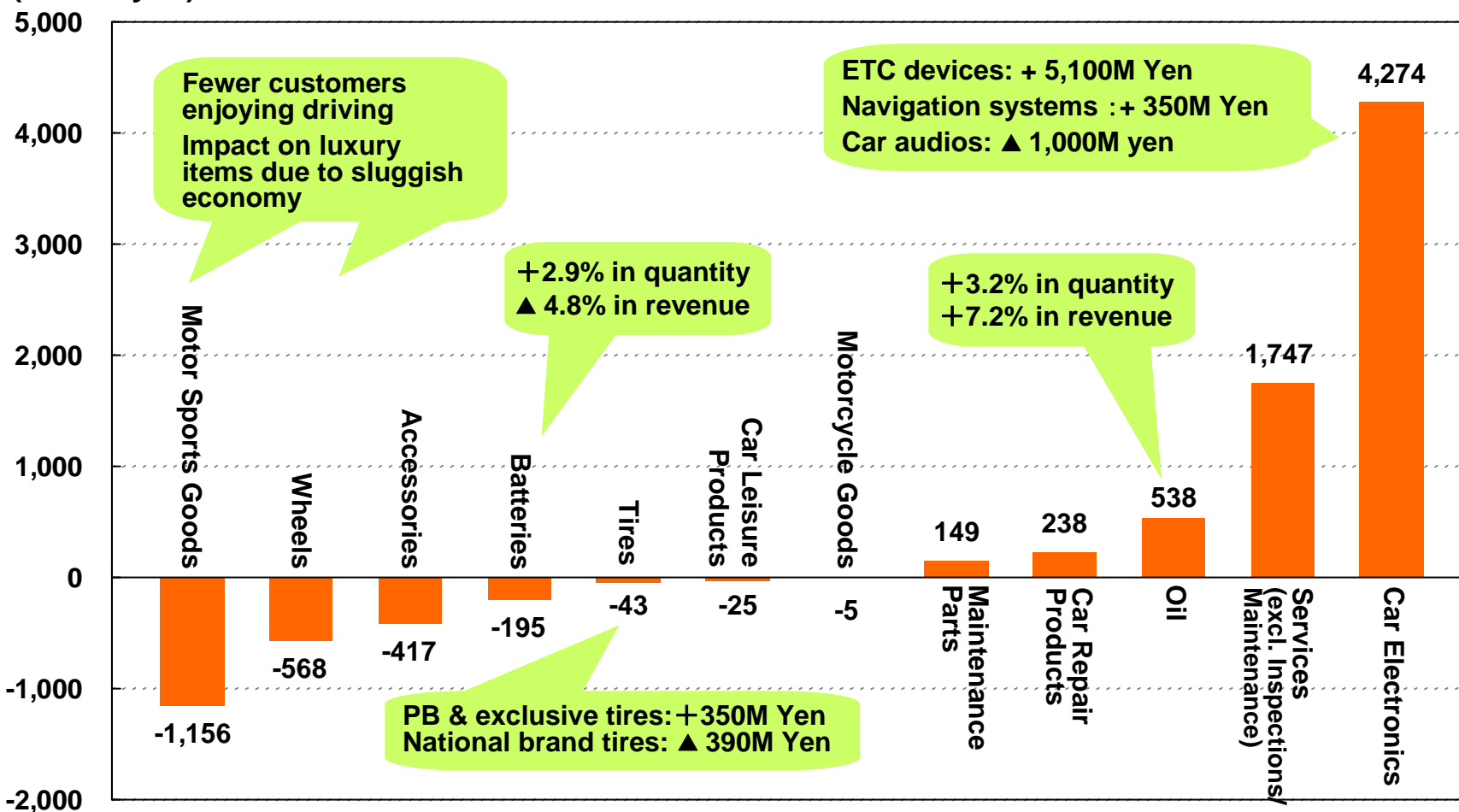
** 500 units inspected at the AUTOBACS EXPRESS stores are not included in this figure

SALES BY MERCHANDISE CATEGORY



SALES TREND* (YOY change, total store basis)

(Million yen)



* Sales at major store formats (AB, SA, AH)

ESTIMATES AT PARENT & SUBSIDIARY LEVEL



(Billion Yen)

		Fiscal year ended March 31, 2009 Results	Fiscal year ending March 31, 2010				Change from the original forecast (Amount)
			Original forecast	1st-half Result	2nd-half forecast (Revised)	Full Year forecast (Revised)	
Non-consolidated	Net Sales	199.00	190.00	94.18	95.72	189.90	▲ 0.10
	Ordinary Income	8.56	10.50	5.72	5.38	11.10	+ 0.60
Domestic store subsidiaries	Net Sales	76.23	79.70	38.69	41.71	80.40	+ 0.70
	Ordinary Income	▲ 0.61	0.2	0.16	0.84	1.00	+ 0.80
Overseas subsidiaries	Net Sales	27.04	9.36	4.42	4.48	8.90	▲ 0.46
	Ordinary Income	▲ 2.96	▲ 0.47	▲ 0.30	▲ 0.30	▲ 0.6	▲ 0.13
Subsidiaries for supporting functions	Net Sales	16.52	14.40	6.71	6.79	13.50	▲ 0.90
	Ordinary Income	0.91	0.70	0.48	0.42	0.90	+ 0.20
Subsidiaries for car goods supply and other	Net Sales	16.80	12.60	6.87	6.13	13.00	+ 0.40
	Ordinary Income	0.05	0.15	0.23	0.07	0.30	+ 0.15

Net Sales are rounded down to the nearest hundred million yen.

Ordinary Incomes are rounded down to the nearest million yen.

STORE OPENINGS AND CLOSINGS

Domestic stores

Store Type	No. of stores at Mar 31, 2009	Fiscal year ending March 31, 2010						No. of stores at Mar 31, 2010
		1st-half (Results)			2nd-half (Forecasts)			
		New	S/B · R/L	Close	New	S/B · R/L	Close	
AUTOBACS	397	+2	+1/▲1			+3/▲3	▲2	397
Super AUTOBACS	77			▲1	+1			77
AUTO HELLOES	8							8
AUTOBACS Hashiriya Tengoku Secohan Ichiba	30			▲2				28
AUTOBACS EXPRESS	6							6
RICOLAND	1						▲1	0
Total	519	+2	+1/▲1	▲3	+1	+3/▲3	▲3	516

Overseas stores

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

	No. of stores at Mar 31, 2009	Fiscal year ending March 31, 2010		No. of stores at Mar 31, 2010
		1st-half	2nd-half	
U.S.A	83	—	—	—
France	12		▲1	11
China	12	▲6	+1/▲1	6
Taiwan	4			4
Thailand	3			3
Singapore	2			2
Total	116	▲6	▲1	26



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 substantially from forecasts due to such factors as changes in operating circumstances.