

# Results for FY March 2010 and Forecasts for FY March 2011



May 14, 2010

**Yasuhiro Tsunemori**

**Vice Chief Executive Officer**

## I. CONSOLIDATED FINANCIAL RESULTS FOR FY March 2010

- How did the Company improve its profit?
  - Through the implementation of the mid-term business plan initiatives, sharp sales growth of ETC devices, and the effect of winter weather conditions
  - Through the wholesale sales catch up with the planned performance target in the second half of the year.

## II. FINANCIAL FORECASTS FOR FY March 2011

- How is the Company going to deal with the declining sales of ETC devices?
- How does the Company estimates the effects of the new medium term business plan, which starts this year?

# I CONSOLIDATED FINANCIAL RESULTS FOR FY March 2010

# FINANCIAL RESULTS



(billion yen)

	FY March 2010 results				FY March 2009 results (% of Net Sales)
	Forecast (Nov.6, 09)	Actual result (% of Net Sales)	YoY change (amount) YoY change (%)	Change from the original forecast (amount)	
Net Sales	231.3	232.9	▲26.2 ▲ 10.1%	+ 1.6	259.1
Gross Profit	74.0 32.0%	73.9 31.8%	▲7.1 ▲ 8.9%	+ 0.0	81.1 31.3%
SG&A	64.3 27.8%	63.8 27.4%	▲12.2 ▲16.1%	▲ 0.4	76.1 29.4%
Operating Income	9.7 4.2%	10.1 4.4%	+ 5.0 + 99.8%	+ 0.4	5.0 2.0%
Ordinary Income	10.9 4.7%	11.7 5.0%	+ 5.2 + 79.3%	+ 0.8	6.5 2.5%
Net Income	5.7 2.5%	5.8 2.5%	+ 9.2 —	+ 0.1	▲3.3 —
ROE	3.7%	3.8%	+0.1pt		▲2.1%

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

## REVENUE DECLINE BUT EARNINGS IMPROVEMENT

*Achieved the initial target for Earnings according to the implementation of the mid-term business plan initiatives and the sharp sales growth of ETC devices*

### 1. Business environment

- Positive: Strong sales of ETC devices and long distance driving goods(until Q2).
- Negative: Decline in unit price and the warm winter weather until December.  
Weak wholesale sales due to the stock squeezing effort taken by the franchisees.

### 2. Business consolidation following the introduction of the Mid-term Business Plan

- Withdrawal from overseas and domestic unprofitable businesses.
- Lowering purchase prices and implementation of several cost cutting initiatives
- Sales and profit improvement in French business due to cost-cutting efforts.
- Continuing sales growth of statutory safety inspection services.

# MAJOR DRIVERS OF VARIANCE



(billion yen)

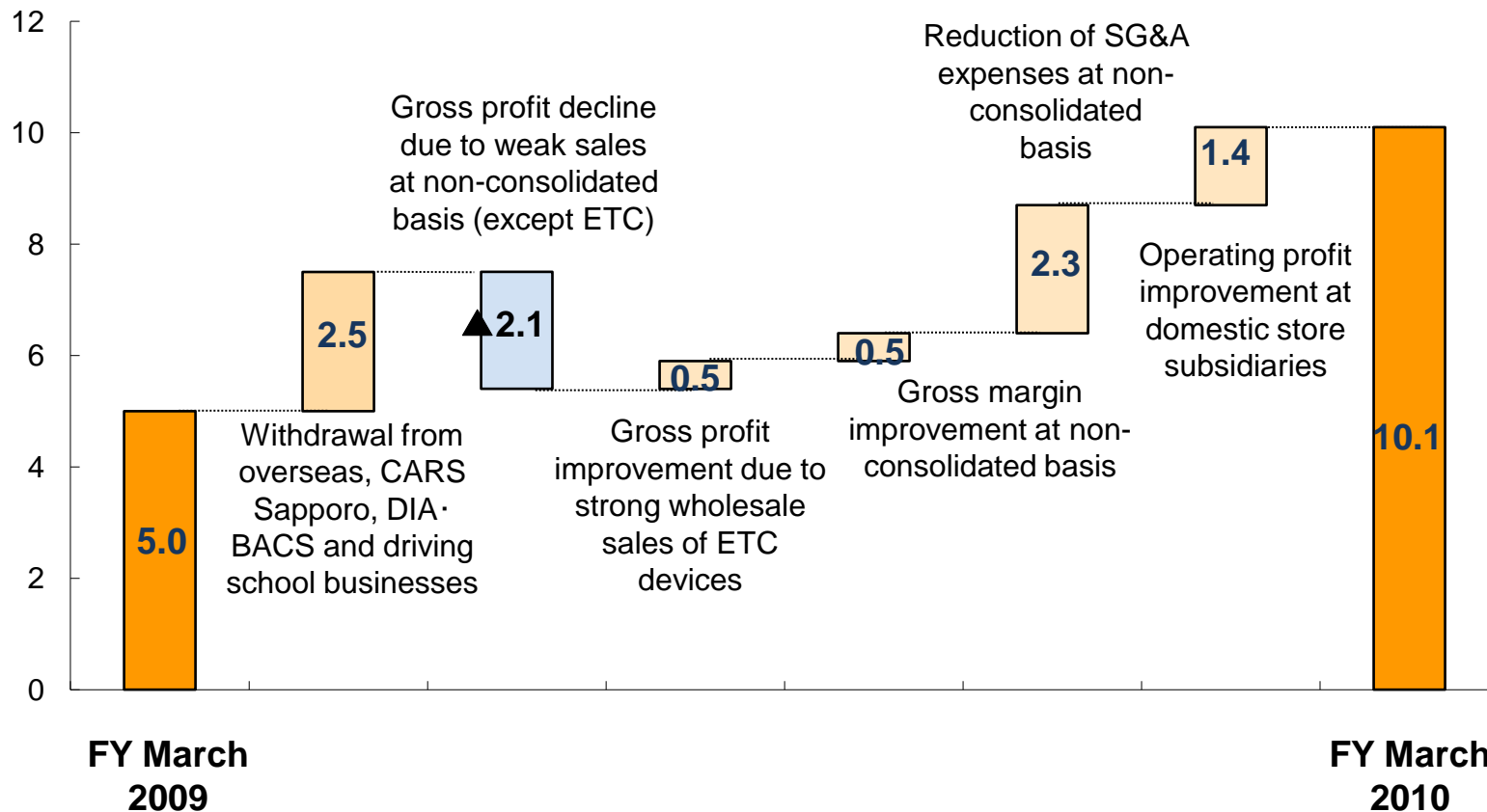
	FY March 2010			FY Mar 2009 results (% of Sales)
	Results (% of Sales)	YoY	Major drivers of variance	
Net Sales	232.9	▲10.1%	↓ Non-consolidated sales: ▲8.0 (see next slide) ↑ Domestic store subsidiaries: +2.8 ↓ Overseas subsidiaries(withdrawals): ▲18.5	259.1
Gross Margin	73.9 31.8%	▲8.9% (▲7.1 BY)	↓ Overseas subsidiaries: ▲7.9 ↑ Non-consolidated and Domestic store subsidiaries: +1.1	81.1 31.3%
SG&A	63.8 27.4%	▲16.1% (▲12.2BY)	↓ USA, Taiwan, CARS Sapporo, and DIA·BACS business: ▲9.5 ↓ Domestic sales promotion expenses: ▲0.8 ↓ Depreciation: ▲0.8	76.1 29.4%
Non-Operating Income & Expenses	1.5	(+0.1BY)	↓ Decrease in dividend income, currency option, and in loss on revaluation of investment securities.	1.4
Extraordinary Gains	3.9	(▲0.8BY)	【FY Mar 2009】Extraordinary income due to revision on lease accounting standard 【FY Mar 2010】Reversal of the allowance for business restructuring of AB STRAUSS, disposal of the AB STRAUSS's share.	4.8
Extraordinary Losses	5.1	(▲10.1BY)	【FY Mar 2009】Business restructuring expenses and loss on sale of investment securities 【FY Mar 2010】Allowance for doubtful receivables over loans to AB STRAUSS, impairment losses on the land owned by the driving schools subsidiaries, restructuring cost of domestic stores and French business.	15.3



# IMPROVEMENT IN OPERATING INCOME

## Factors of Improvements in the Consolidated Operating Income

(billion yen)



# PERFORMANCE OF SUBSIDIARIES



		FY March 2010				(billion yen) FY Mar 09 results
		Forecast (11/6/2009)	Results	YoY	Change from original estimates	
Domestic retail sales including FCs	Net Sales		292.6			296.2
Non-consolidated	Net Sales	189.9	190.9	96.0%	100.5%	199.0
	Ordinary Income	10.4	10.5	118.3%	101.3%	8.9
Domestic store subsidiaries	Net Sales	80.4	79.1	103.7%	98.3%	76.2
	Ordinary Income	0.3	▲ 0.1	—	—	▲ 1.5
Overseas subsidiaries	Net Sales	8.9	8.5	31.3%	95.2%	27.0
	Ordinary Income	▲ 0.5	▲ 0.7	—	—	▲ 2.9
Subsidiaries for supporting function	Net Sales	13.5	12.6	76.3%	93.4%	16.5
	Ordinary Income	0.8	0.7	92.9%	92.8%	0.8
Subsidiaries for car goods supply and other	Net Sales	13.0	13.0	77.3%	99.8%	16.8
	Ordinary Income	0.3	0.3	617.4%	94.7%	0.0

Amounts are rounded down to the nearest ten million Yen.

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



# PERFORMANCE BREAKDOWN



## Non-consolidated

(billion Yen)

<b>Net Sales</b> <b>190.9</b> (▲8.06)	<b>Wholesale</b> ▲6.50 (▲3.5%)	↑ Car electronics devices ↓ Tires & wheels, motorsports goods, motorcycle goods, used cars
	<b>Retail</b> ▲1.50 (▲12.9%)	↓ Tires & wheels, car electronics devices, motorcycle related goods, used cars
<b>Gross Margin</b> <b>39.1</b> (▲0.63)	<b>Wholesale</b> ▲0.26 (▲0.8%)	↓ Declined due to overall sales decline. However, gross profit ratio of car electronics devices, oils, batteries and used cars improved
	<b>Retail</b> ▲0.29 (▲8.0%)	↓ Declined due to overall sales decline. However, gross profit ratio improved for used parts
<b>SG&amp;A</b> <b>28.6</b> (▲2.26)	<b>Personnel:</b> ↑ personnel inflow from restructuring subsidiaries	
	<b>Sales promotion costs:</b> ↓ review on overall advertising and promotion initiatives	
	<b>Equipment costs:</b> ↓ fewer rents on land and buildings (store closure & transfer)	
	<b>Others:</b> ↓ administrative cost-cutting and fewer payment charges to subsidiaries	

## Domestic store subsidiaries

(Billion Yen)

<b>Net Sales</b> <b>79.0</b> (YoY: + 2.83)	<b>Net sales increased significantly due to store transfer.</b> <b>Gross profit improved due to reduction in SG&amp;A expenses.</b> <b>26 consolidated subsidiaries out of 27 ended profitable in ordinary income base.</b>
<b>Ordinary Income</b> <b>▲0.07</b> (YoY: +1.39)	

# SUBSIDIARIES RESTRUCTURED



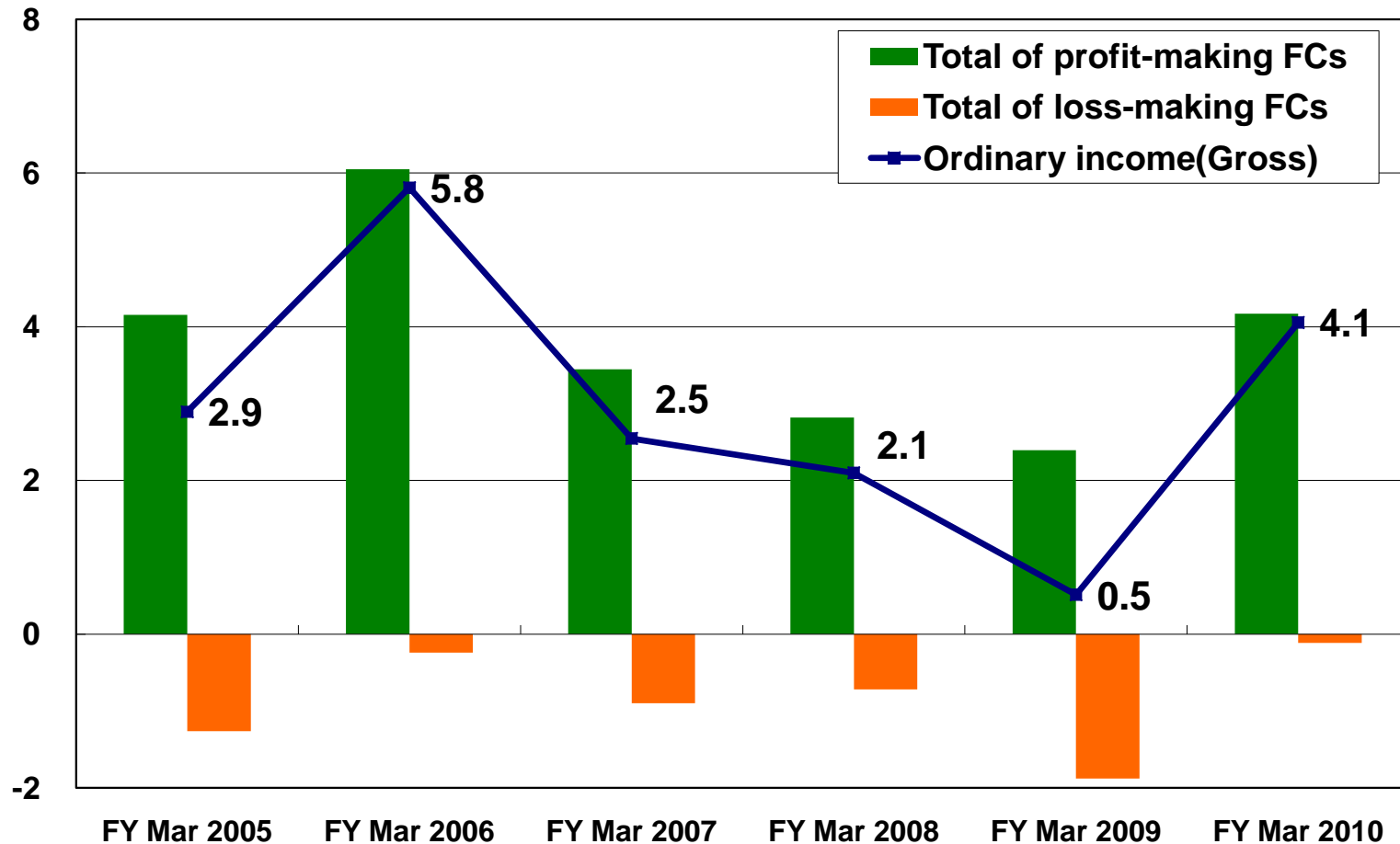
	Restructuring Initiatives executed by the end of March 2010
Subsidiaries for supporting functions	<ul style="list-style-type: none"> <li>• Merger of AUTOBACS Insurance Service Co., Ltd. and Alfi Ltd.</li> <li>• Merger of AUTOBACS Management Service Ltd. and A.B. Consulting Co., Ltd.</li> <li>• Dissolution and liquidation of Car Life Comprehensive Institute Ltd. and AUTOBACS SERVICE DEVELOPMENT CO., Ltd.</li> <li>• Share transfer of Support-A Ltd. and AUTOBACS SYSTEM SOLUTION Co., Ltd.</li> </ul> <p>Consolidated subsidiaries for FY March 2011(four companies)</p> <ul style="list-style-type: none"> <li>• BRAIN-ING Co., Ltd.</li> <li>• AUTOBACS Management Service Ltd.</li> <li>• AUTOBACS Financial Service Ltd.</li> <li>• AIP Ltd.</li> </ul>
Subsidiaries for car goods supply and other	<ul style="list-style-type: none"> <li>• Dissolution and liquidation of CARS Sapporo Co., Ltd.</li> <li>• Dissolution and liquidation of DIA·BACS Co., Ltd.</li> <li>• Share transfer of Tama Driving School Co., Ltd. and Seibu Driving School Co., Ltd.</li> </ul> <p>Consolidated subsidiaries for FY March 2011(three companies)</p> <ul style="list-style-type: none"> <li>• CORES INTERNATIONAL, Inc.</li> <li>• Auto Refine Co., Ltd.</li> <li>• PALSTAR K.K.</li> </ul>

# PERFORMANCE RESULTS OF FRANCHISEES



## Ordinary Income of Franchise Companies

(billion yen)



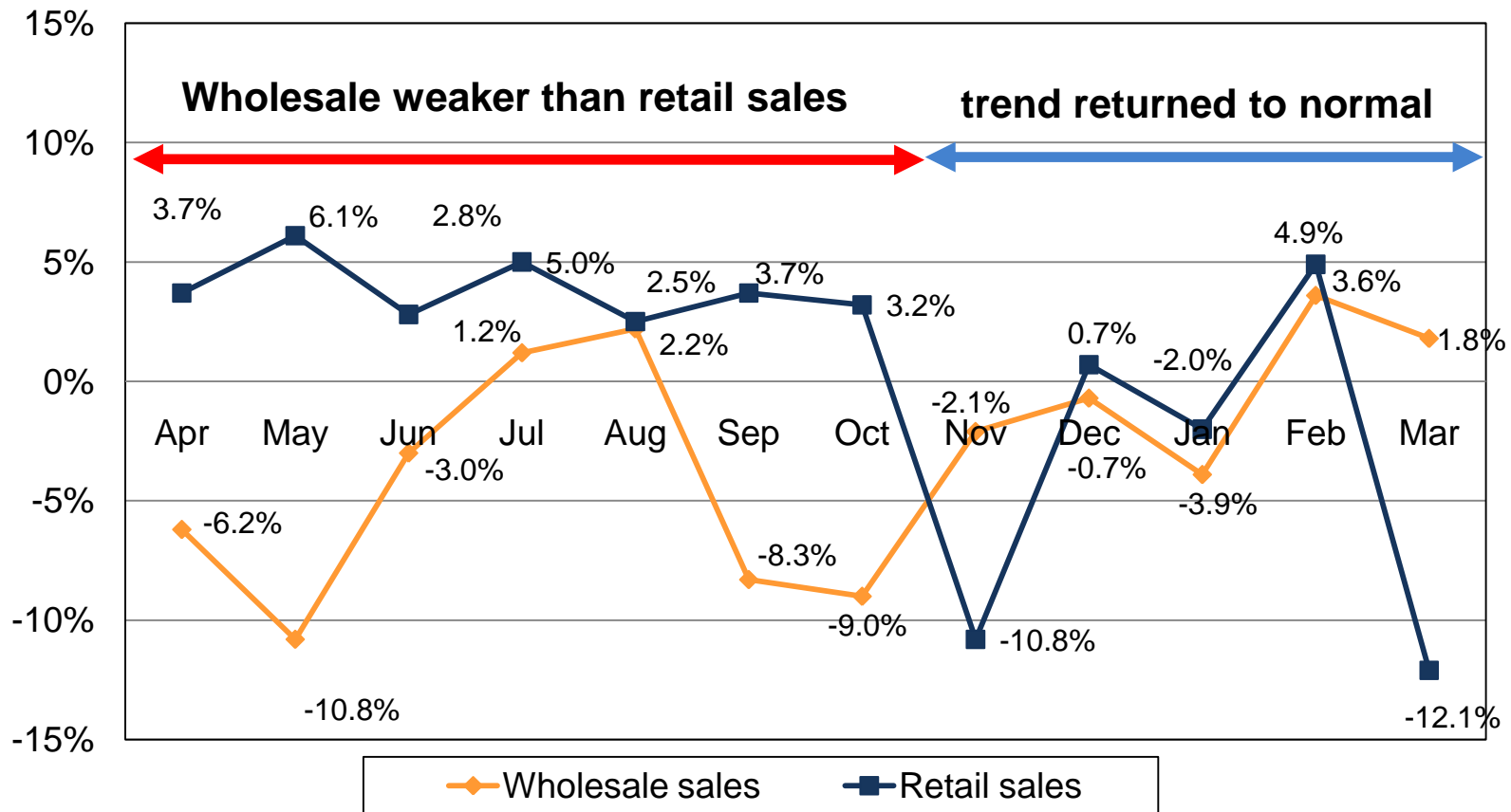
Notes) Three listed companies are not included.

Franchise figures of FY March 2010 are preliminary and are subject to revision

# STORE SALES AND WHOLESALE RESULTS

The unordinary trend of retail sales growth overwhelming the wholesale sales growth is settling down

## Store sales and Wholesale results



# GEOGRAPHICAL SEGMENTS (Overseas)

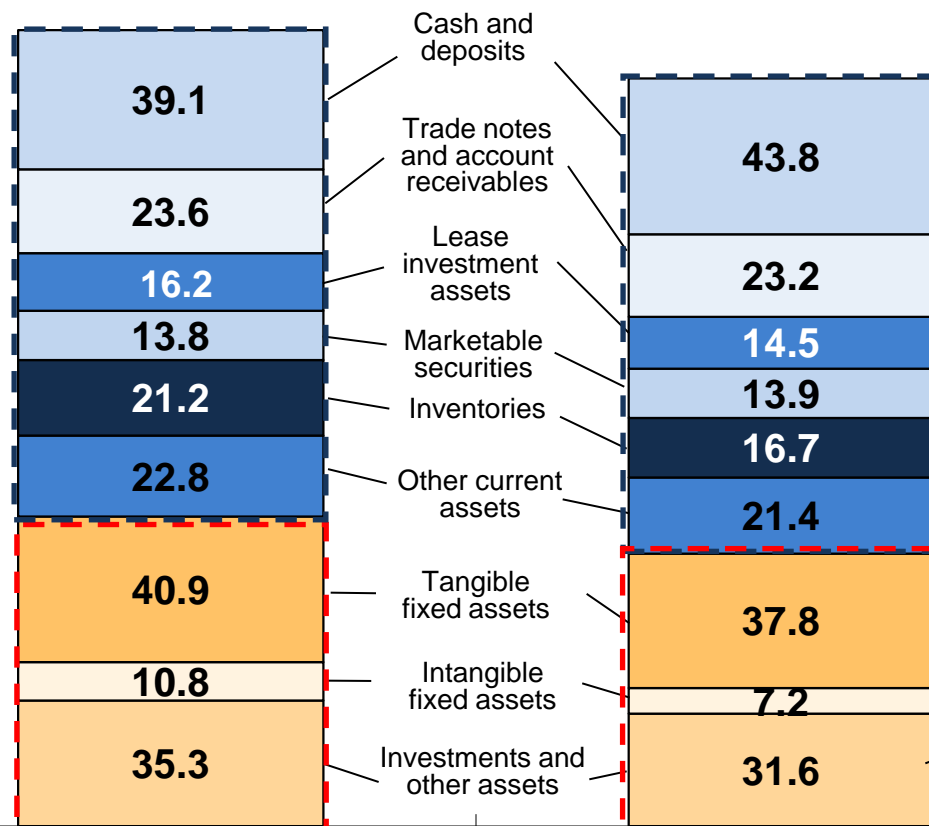
	FRANCE	CHINA	SINGAPORE	THAILAND
<b>Number of Stores</b> (at Mar 31, 2010)	<b>11</b>	<b>6</b>	<b>2</b>	<b>3</b>
<b>Comparable store sales</b> (yoy change rate)	<b>▲5.3%</b>	<b>▲18.0%</b>	<b>+7.9%</b>	<b>▲4.2%</b>
<b>Net Sales</b> (million yen)	<b>654</b>	<b>44</b>	<b>94</b>	<b>53</b>
<b>Operating Expenses</b> (million yen)	<b>384</b>	<b>28</b>	<b>30</b>	<b>13</b>
<b>Operating Income</b> (million yen)	<b>▲64</b>	<b>▲14</b>	<b>+8</b>	<b>+1</b>
<b>Business Conditions</b>	Sales declined in the worsening local economy and less number of stores after the dissolution and liquidation of FC companies. Strived to reduce costs by carrying out restructuring programs.	Sales declined due to store closures and review of the local area franchise system. Opened a directly owned model store in Shanghai.	Sales of maintenance related items are growing well.	Sales decreased as the latest opened third store in Thailand is not acknowledged by the community and its sales maintains weak. The unstable society and economy also pulled down the sales.

# BALANCE SHEET / Assets

## TOTAL ASSETS

224.1billion yen

210.6billion yen



## Major items changed

**Merchandise: ▲4.4billion yen**

**Land: ▲1.2billion yen**

Sold the Land of Tama Driving School

**Others: ▲3.7billion yen**

Transfer of investment securities to marketable securities, decrease of deferred tax assets due to withdraw from the U.S. business, decrease of allowance for doubtful accounts due to liquidation of AB STRAUSS business

FY March 2009

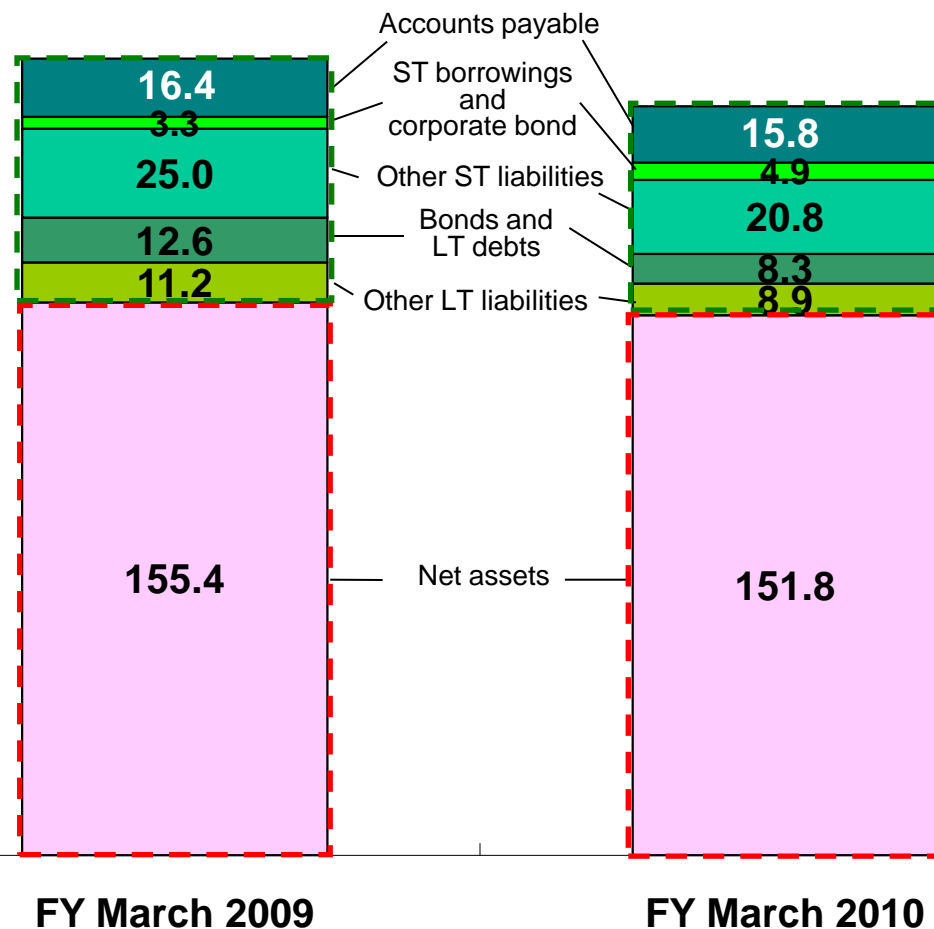
FY March 2010

# BALANCE SHEET / Liabilities & Net Assets

## TOTAL LIABILITIES AND NET ASSETS

224.1billion Yen

210.6billion Yen



## Major items changed

ST borrowings: +1.5billion yen

Provision for business restructuring: ▲3.5billion yen

Long-term debts: ▲4.2billion yen

liquidation of AB STRAUSS business: ▲2.3billion yen

Retained earnings: ▲5.8billion yen

Dividend increase, cancellation of treasury stocks

Treasury stock: +2.5billion yen

share buyback program, cancellation of treasury stocks

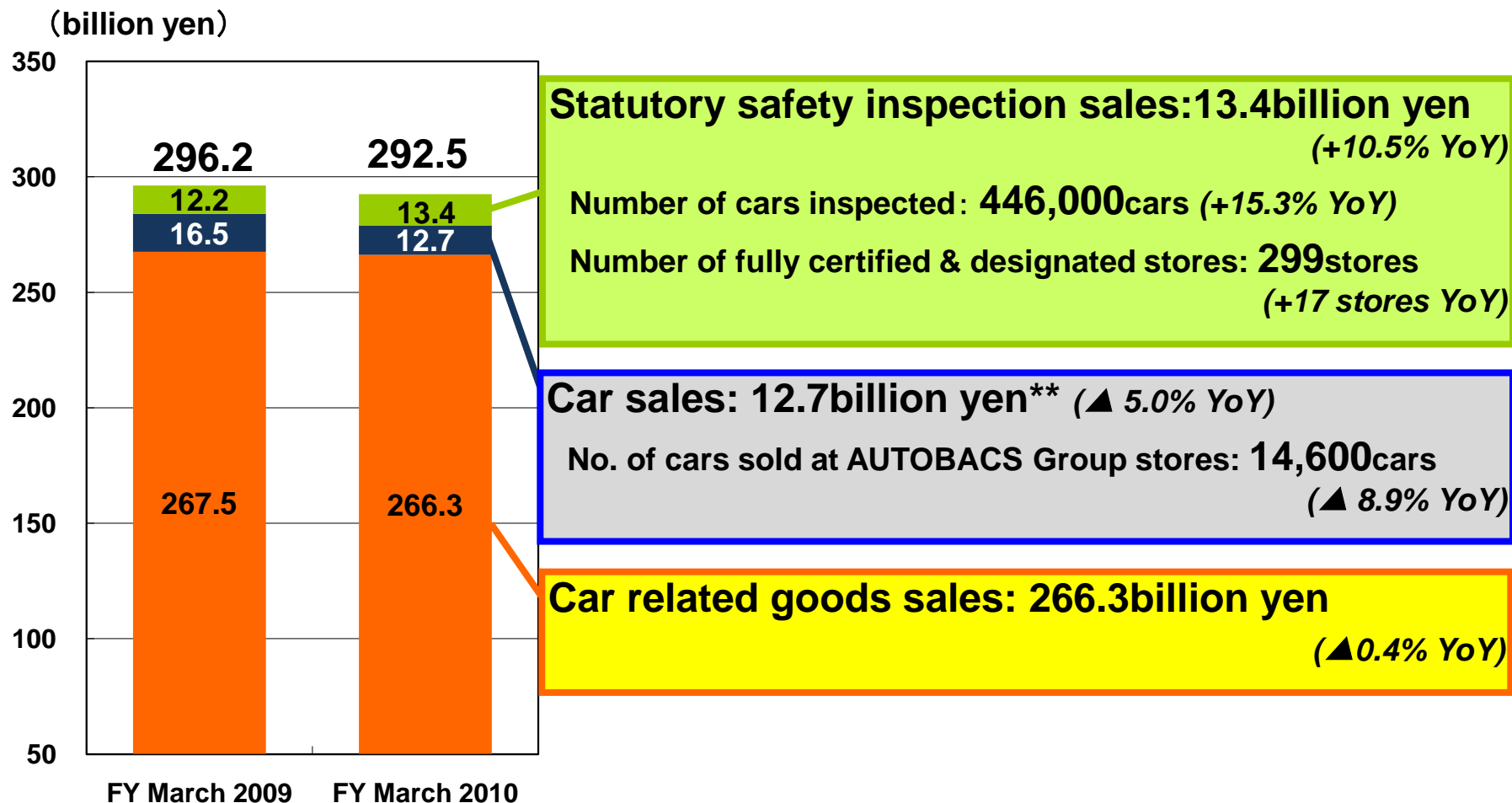
FY March 2009

FY March 2010

# RETAIL SALES INCLUDING FRANCHISEES\*



## RETAIL SALES INCLUDING FCs: 292.5 billion yen (down by 1.2% YoY)



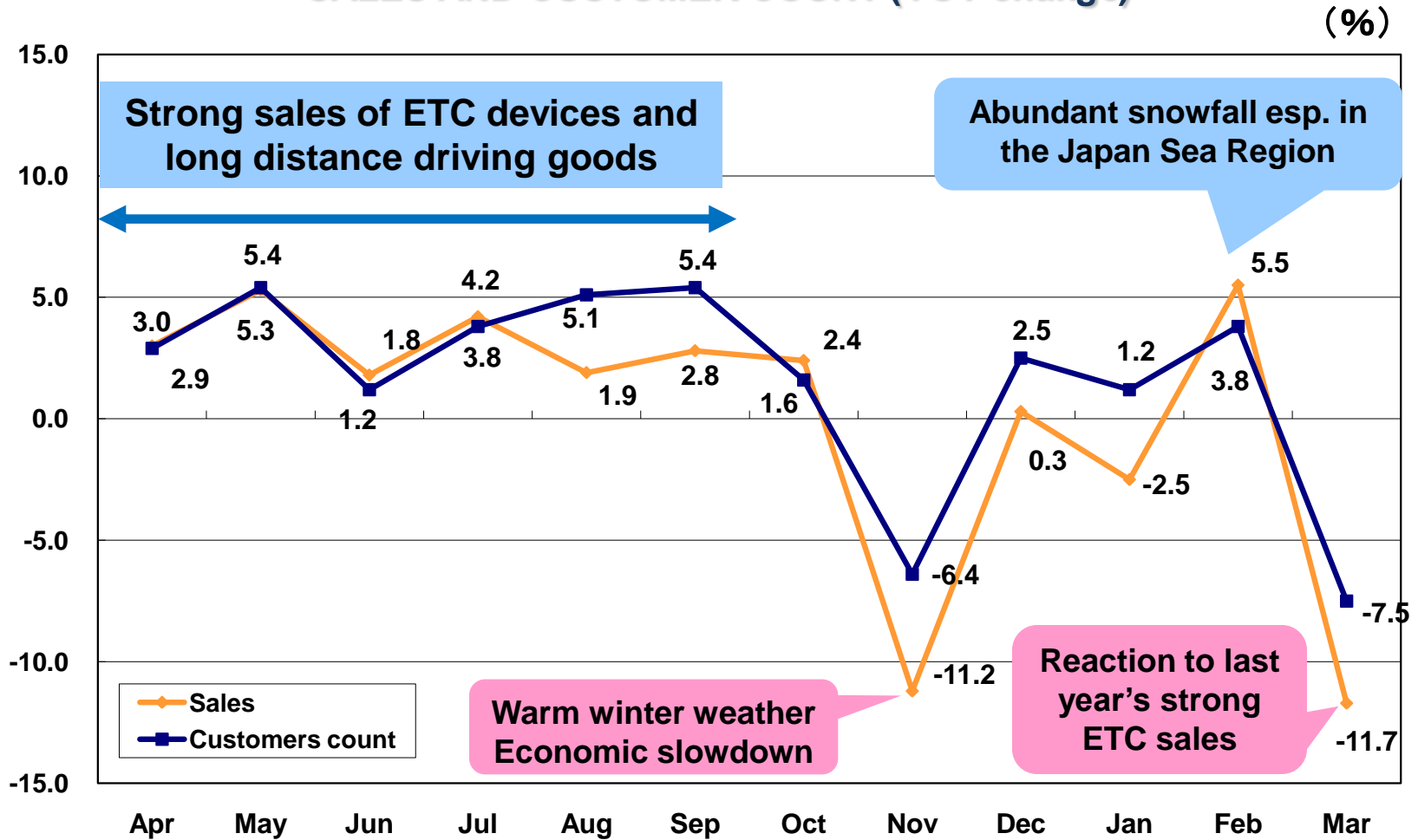
\*Domestic retail sales including FCs: Major format stores(AB, SA, AH)+Used car goods+C@RS(with vehicle search terminals)

\*\* Exclude auction sales from FY March 2010



# RETAIL SALES TREND

## SALES AND CUSTOMER COUNT (YOY change)

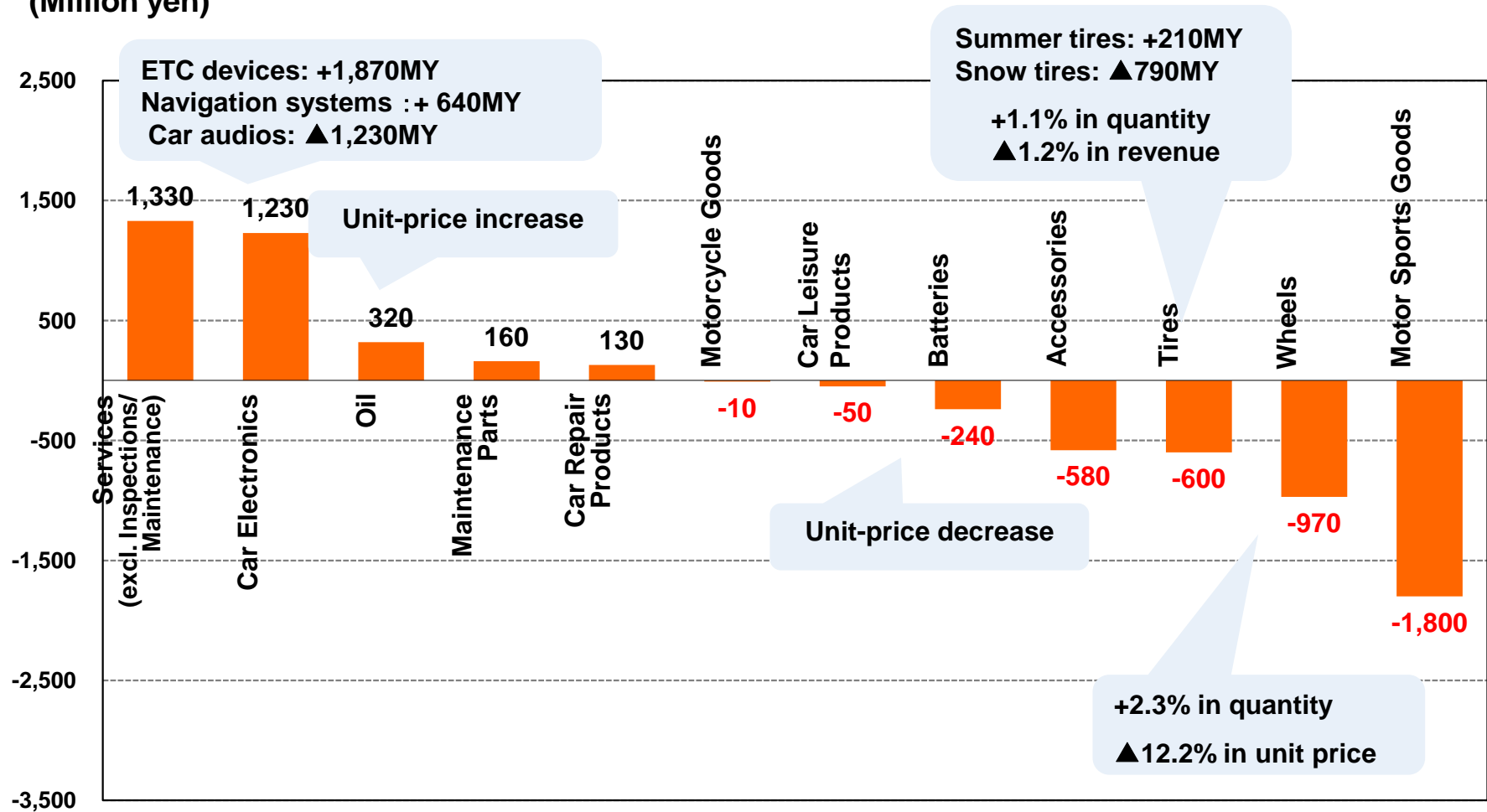


Sales at major store types (AB, SA, AH)

# SALES BY MERCHANDISE CATEGORY

## SALES TREND\* (YOY change, total store basis)

(Million yen)



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

# STORE OPENINGS AND CLOSINGS



## Domestic stores

Store Type	No. of stores at March 31, 2009	FY March 2010						No. of stores at March 31, 2010
		1st-half (result)			2nd-half (plan)			
		New	S/B · R/L	Close	New	S/B · R/L	Close	
AUTOBACS	397	+2	+1/▲1			+3/▲3	▲4	395
Super AUTOBACS	77			▲1	+1			77
AUTO HELLOES	8							8
AUTOBACS Hashiriya Tengoku Secohan Ichiba	30			▲2			▲3	25
AUTOBACS EXPRESS	6							6
RICOLAND	1						▲1	0
Total	519	+2	0	▲3	+1	0	▲8	511

## Overseas stores

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

Country / Region	No. of stores at Mar 31, 2009	FY March 2010		No. of stores at Mar 31, 2010
		1st-half (result)	2nd-half (plan)	
U.S.A	0			0
France	12		▲1	11
China	12	▲6	+1/▲1	6
Taiwan	4			4
Thailand	3			3
Singapore	2			2
Total	33	▲6	▲1	26

## II FINANCIAL FORECASTS FOR FY March 2011

# FINANCIAL FORECASTS (FY March 2011)



(Billion yen)

	FY March 2010 Results (% of sales)	FY March 2011 (Forecasts)			
		1st-half (% of sales)	2nd-half (% of sales)	Full Year (% of sales)	YoY (%)
Net Sales	232.9	111.0	114.9	225.9	▲3.0%
Gross Profit	73.9 31.8%	36.3 32.7%	37.7 32.8%	74.0 32.8%	+0.0%
SG&A	63.8 27.4%	32.1 28.9%	31.3 27.2%	63.4 28.1%	▲ 0.7%
Operating Income	10.1 4.4%	4.2 3.8%	6.4 5.6%	10.6 4.7%	+4.2%
Ordinary Income	11.7 5.0%	5.2 4.7%	7.2 6.3%	12.4 5.5%	+5.5%
Net Income	5.8 2.5%	2.2 2.0%	3.9 3.4%	6.1 2.7%	—
ROE	3.8%			4.4%	—

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

## REVENUE DECLINE BUT EARNINGS GROWTH

### Achieve earnings growth in the challenging business conditions

1. By boosting sales of maintenance goods (esp. Tires) and services, offsetting the revenue decline in ETC devices.
2. By improving gross margin and continuing cost control initiatives through the implementation of the new medium term business plan.
3. By reducing one-time restructuring cost generated in FY March 2010.

### Sales Assumptions (YOY, total store basis\*)

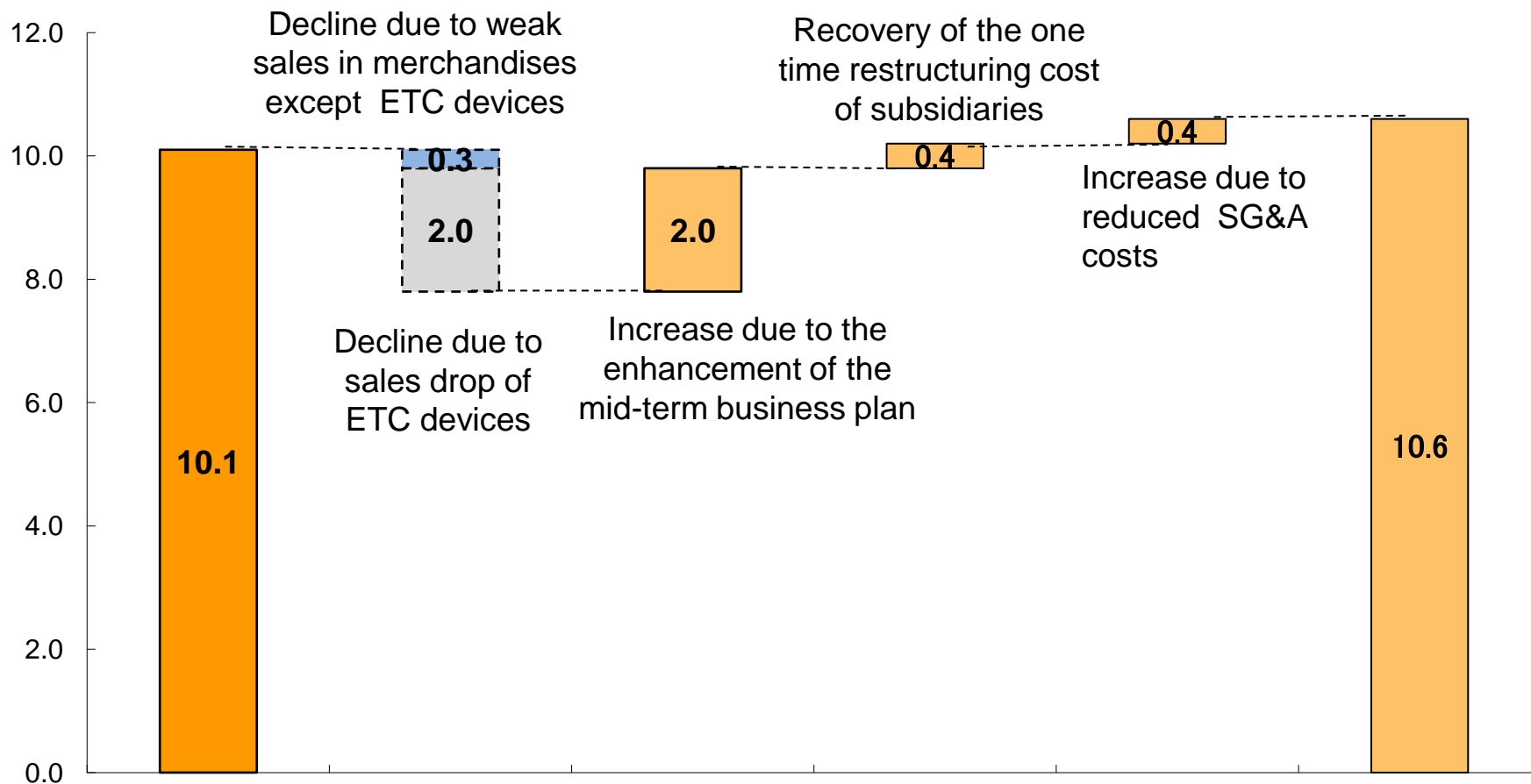
	1st-half	2nd-half	Full year
Automotive goods (merchandise only)	▲4.3%	▲1.3%	▲2.7%
of which, Tires Oil and Batteries	+3.1%	+3.9%	+3.5%
of which, ETC devices except installation	▲65.9%	▲38.8%	▲57.5%
Services	+2.8%	+6.1%	+4.4%
<b>TOTAL AUTOMOTIVE GOODS AND SERVICES SALES</b>	<b>▲3.1%</b>	<b>▲0.1%</b>	<b>▲1.5%</b>

※Includes sales of AUTOBACS, Super AUTOBACS and AUTO HELLOES

**Target number of Statutory Safety Inspection: 500,000cars**

**Target number of Car Sales: 16,200cars**

## Changing Factors of Consolidated Operating Income



# FORECASTS AT PARENT & SUBSIDIARY LEVEL



(billion yen)

		FY March 2010 Results	FY March 2011 (Forecasts)			
			1st-half	2nd-half	Full Year	YoY
<b>Non-consolidated</b>	Net Sales	190.93	90.90	94.80	185.70	▲5.23
	Ordinary Income	10.53	4.70	5.90	10.60	+0.06
<b>Domestic store subsidiaries</b>	Net Sales	79.06	39.00	41.00	80.00	+0.93
	Ordinary Income	▲ 0.07	▲0.20	0.50	0.30	+0.37
<b>Overseas subsidiaries</b>	Net Sales	8.47	4.71	4.29	9.00	+0.52
	Ordinary Income	▲ 0.71	▲0.05	▲0.10	▲0.15	+0.56
<b>Subsidiaries for supporting functions</b>	Net Sales	12.61	5.60	5.40	11.00	▲1.61
	Ordinary Income	0.74	0.40	0.20	0.60	▲0.14
<b>Subsidiaries for car goods supply and other</b>	Net Sales	12.97	6.80	6.40	13.20	+0.22
	Ordinary Income	0.28	0.15	0.10	0.25	▲0.03

Amounts are rounded down to the nearest ten million Yen.

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



# FY Mar 2011 STORE OPENINGS AND CLOSINGS



## Domestic stores

Store Type	No. of stores at Mar 31, 2010	FY March 2011 (Forecasts)						No. of stores at Mar 31, 2011
		1st-half			2nd-half			
		New	S/B · R/L	Close	New	S/B · R/L	Close	
AUTOBACS	395	+4	+4/▲4		+2	+2/▲2	▲2	399
Super AUTOBACS	77			▲1				76
AUTO HELLOES	8			▲2			▲1	5
AUTOBACS <i>Hashiriya Tengoku Secohan Ichiba</i>	25			▲1				24
AUTOBACS EXPRESS	6				+1			7
RICOLAND	511	+4	0	▲4	+3	0	▲3	511

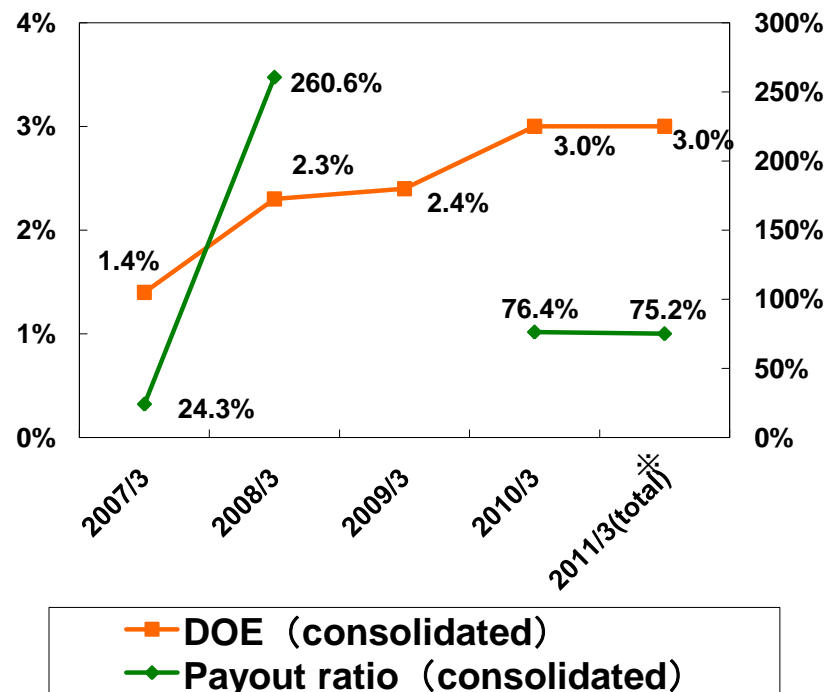
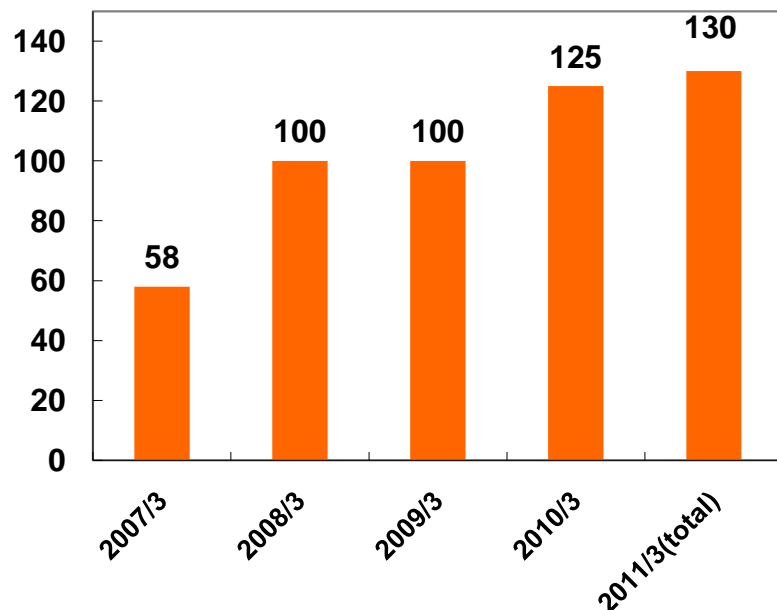
S/B=Scrap & Build、R/L=Relocation

## Overseas stores

Country / Region	No. of stores at Mar 31, 2010	FY March 2011 (Forecasts)		No. of stores at Mar 31, 2011
		1st-half	2nd-half	
<b>France</b>	<b>11</b>			<b>11</b>
<b>China</b>	<b>6</b>	<b>▲1</b>	<b>+1</b>	<b>6</b>
<b>Taiwan</b>	<b>4</b>			<b>4</b>
<b>Thailand</b>	<b>3</b>		<b>+1</b>	<b>4</b>
<b>Singapore</b>	<b>2</b>			<b>2</b>
<b>Total</b>	<b>26</b>	<b>▲1</b>	<b>+2</b>	<b>27</b>

## RESULTS AND PLAN OF DIVIDEND

( yen per share )



\* Excluding the effect of the share buy back in FY 2011

## SHARE BUY-BACK

Period: May 17, 2010 - September 17, 2010

Aggregate number of shares to be acquired: Up to 1,600,000 shares

Aggregate purchase price of shares: Up to 5.6 billion 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.