

November 15, 2007

Summary of Quick Financial Announcement of Consolidated Financial Information For the Second Quarter of the fiscal year ending March 31, 2008

Company name : AUTOBACS SEVEN CO., LTD.

Code Number : 9832

(URL <http://www.autobacs.co.jp/>)

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Date of the Board of Directors' meeting for approval of semiannual accounts : November 15, 2007

Stock Exchange Listings : Osaka and Tokyo

Adoption of accounting principles generally accepted in the U.S.A.: No

1. Results for the six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

(Note: Amounts less than 1 million Yen have been rounded down. A figure in () indicated 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	
Six months ended		%		%		%
September 30, 2007	129,551	11.0	3,032	(48.8)	4,817	(44.1)
Six months ended						
September 30, 2006	116,664	2.4	5,927	(8.9)	8,622	1.2
Year ended March 31,						
2007	242,532	-	12,219	-	16,323	-
	Net income		Basic net income per share (Yen)		Basic net income per share - diluted (Yen)	
Six months ended		%				
September 30, 2007	2,035	(59.4)	53.23		-	
Six months ended						
September 30, 2006	5,012	22.0	130.31		129.95	
Year ended March 31,						
2007	9,165	-	239.01		238.34	

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
Six months ended September 30, 2007	248,017	168,497	67.6	4,385.05
Six months ended September 30, 2006	230,229	164,319	71.1	4,283.63
Year ended March 31, 2007	240,627	168,650	69.8	4,394.15

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Six months ended September 30, 2007	418	(11,920)	1,375	49,136
Six months ended September 30, 2006	5,746	(1,890)	(5,749)	51,800
Year ended March 31, 2007	17,215	(7,102)	(4,698)	59,226

2. Forecast for the fiscal year 2008 (from April 1, 2007 to March 31, 2008)

(Unit: Millions of Yen)

	Net sales	Ordinary income	Net income
Annual	274,900	9,300	4,300

3. Notes concerning the preparation of the consolidated financial statements for the six months ended September 30, 2007.

(1) Significant changes in subsidiaries during the second quarter (changes in certain subsidiaries resulting in a change in the consolidation scope) : None

(2) Whether the company has adopted simplified accounting procedures : None

(3) Accounting policies that differ from the fiscal year ended March 31, 2007 : Yes

Changes in accounting methods from most recent consolidated fiscal year

Pursuant to an amendment to the Corporation Tax Law (Partial Revision of Income Tax Law, Law No.6 of March 30, 2007; Partial Revision of Income Tax Law Enforcement Ordinance, Cabinet Order No.83 of March 30, 2007), the treatment of depreciation on property, plant and equipment acquired after April 1, 2007, has been changed.

Consolidated Balance Sheets
(Unit: Millions of Yen)

Assets	September 30, 2007		September 30, 2006		March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Current assets						
Cash and deposits	32,754		29,379		34,020	
Trade notes and accounts receivable	21,049		17,907		15,833	
Marketable securities	22,725		25,087		30,005	
Inventories	25,333		19,693		19,654	
Deferred tax assets	1,953		2,097		2,325	
Other receivables	13,466		12,649		14,922	
Other current assets	3,592		3,095		2,862	
Allowance for doubtful receivables	(353)		(240)		(359)	
Total current assets	120,520	48.6	109,668	47.6	119,264	49.6
Fixed assets						
Tangible fixed assets						
Buildings and structures	21,998		21,061		21,334	
Land	25,399		22,421		23,512	
Other fixed assets	7,613		6,929		7,078	
Total tangible fixed assets	55,011		50,412		51,925	
Intangible fixed assets						
Goodwill	7,477		5,599		5,645	
Software	7,560		6,160		6,456	
Other intangible fixed assets	1,011		957		939	
Total intangible fixed assets	16,049		12,717		13,041	
Investments						
Investment securities	28,282		29,007		29,369	
Long-term loans	1,176		1,112		1,245	
Deferred tax assets	3,257		3,575		2,496	
Rental deposits	22,213		22,354		21,884	
Other investments	2,211		3,019		2,088	
Allowance for doubtful receivables	(705)		(1,638)		(690)	
Total investments	56,436		57,430		56,395	
Total fixed assets	127,496	51.4	120,560	52.4	121,362	50.4
Total assets	248,017	100.0	230,229	100.0	240,627	100.0

(Unit: Millions of Yen)

Liabilities and Net assets	September 30, 2007		September 30, 2006		March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Current liabilities						
Trade notes and accounts payable-trade	30,236		26,037		25,497	
Short-term borrowings	2,375		1,771		2,196	
Zero coupon convertible bonds with stock purchase warrants current portion	270		-		-	
Income taxes payable	2,229		2,826		3,426	
Accrued bonuses for directors and corporate auditors	-		60		-	
Allowance for point card	788		-		430	
Other current liabilities	16,733		13,960		17,330	
Total current liabilities	52,634	21.2	44,656	19.4	48,881	20.3
Long-term liabilities						
Bond	210		-		235	
Zero coupon convertible bonds	-		270		270	
Long-term debt	15,804		11,529		13,608	
Liability for retirement benefits	96		156		108	
Accrued retirement benefits for directors and corporate auditors	430		394		427	
Provision for business restructuring	258		569		274	
Other long-term liabilities	10,085		8,332		8,172	
Total long-term liabilities	26,885	10.9	21,252	9.2	23,095	9.6
Total liabilities	79,520	32.1	65,909	28.6	71,977	29.9
Owners' equity						
Common stock	33,998	13.7	33,998	14.8	33,998	14.1
Capital Surplus	34,512	13.9	34,512	15.0	34,512	14.4
Retained earnings	103,963	41.9	99,992	43.4	103,075	42.8
Treasury stock, at cost	(5,537)	(2.2)	(5,530)	(2.4)	(5,534)	(2.3)
Total owners' equity	166,936	67.3	162,973	70.8	166,052	69.0
Valuation and translation adjustments						
Net unrealized gain on available-for-sale securities	722	0.3	922	0.4	1,935	0.8
Foreign currency translation adjustments	(16)	(0.0)	(122)	(0.1)	6	0.0
Total valuation and translation adjustments	705	0.3	799	0.3	1,942	0.8
Minority interests	855	0.3	546	0.3	655	0.3
Total net assets	168,497	67.9	164,319	71.4	168,650	70.1
Total liabilities and net assets	248,017	100.0	230,229	100.0	240,627	100.0

Consolidated Statements of Income
(Unit: Millions of Yen)

	Six months ended September 30, 2007		Six months ended September 30, 2006		Year ended March 31, 2007	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Net sales	129,551	100.0	116,664	100.0	242,532	100.0
Cost of goods sold	<u>89,852</u>	<u>69.4</u>	<u>80,559</u>	69.0	<u>167,788</u>	69.2
Gross Profit	39,698	30.6	36,104	31.0	74,743	30.8
Selling, general and administrative expenses	<u>36,665</u>	<u>28.3</u>	<u>30,177</u>	25.9	<u>62,524</u>	25.8
Operating income	3,032	2.3	5,927	5.1	12,219	5.0
Non-operating income						
Interest income	262		182		395	
Dividend income	327		-		499	
Rental income	38		19		47	
Commission Income	332		-		684	
Lease revenue - system equipment	486		449		885	
Other non-operating income	<u>1,781</u>		<u>2,931</u>		<u>3,549</u>	
Total non-operating income	3,229	2.5	3,583	3.1	6,062	2.5
Non-operating expenses						
Interest expenses	108		73		182	
Loss on disposal of fixed assets	42		53		153	
Lease cost - system equipment	368		354		635	
Financing frame setting commission	300		-		-	
Other non-operating expenses	<u>623</u>		<u>406</u>		<u>987</u>	
Total non-operating expenses	1,444	1.1	888	0.8	1,958	0.8
Ordinary income	4,817	3.7	8,622	7.4	16,323	6.7
Extraordinary gains						
Gain on sales of fixed assets	-		33		50	
Reversal of allowance for business restructuring	11		76		396	
Reversal of allowance for doubtful receivables	-		402		445	
Gain on change in equity of an affiliated company	-		72		72	
Total extraordinary gains	11	0.0	585	0.5	965	0.4
Extraordinary losses						
Impairment losses on fixed assets	109		-		222	
Provision for business restructuring	-		190		216	
Loss on sales of fixed assets	-		60		64	
Wright down of investment securities	26		-		-	
Loss on arrangement of stores	-		88		213	
Other extraordinary losses	-		-		22	
Total Extraordinary losses	136	0.1	339	0.3	740	0.3
Income before income taxes and minority interests	4,693	3.6	8,867	7.6	16,549	6.8
Income taxes - current	2,200	1.7	2,795	2.4	6,314	2.6
Income taxes - deferred	426	0.3	1,031	0.9	1,219	0.5
Minority interests in net (income) loss	<u>(31)</u>	<u>(0.0)</u>	<u>(28)</u>	<u>(0.0)</u>	<u>150</u>	0.1
Net income	2,035	1.6	5,012	4.3	9,165	3.8

Consolidated Statement of Changes in Net assets

Six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007) (Unit: Millions of Yen)

	Owners' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at the end of previous period	33,998	34,512	103,075	(5,534)	166,052	1,935	6	1,942	655	168,650
Change of items during the period										
Dividends from surplus			(1,147)		(1,147)					(1,147)
Net income			2,035		2,035					2,035
Purchase of treasury stock				(3)	(3)					(3)
Net changes of items other than owners' equity						(1,213)	(23)	(1,236)	199	(1,037)
Total change of items during the period	-	-	887	(3)	884	(1,213)	(23)	(1,236)	199	(152)
Balance at the end of the period	33,998	34,512	103,963	(5,537)	166,936	722	(16)	705	855	168,497

Consolidated Statements of Cash Flows
(Unit: Millions of Yen)

	Six months ended September 30, 2007	Six months ended September 30, 2006	Year ended March 31, 2007
	Amount	Amount	Amount
Operating Activities:			
Income before income taxes and minority interests	4,693	8,867	16,549
Depreciation and amortization	3,191	2,302	5,874
Impairment losses on fixed assets	109	-	222
Reversal of business restructuring	(15)	(290)	(586)
Amortization of goodwill	225	237	596
Provision for (reversal of) doubtful receivables	9	(301)	(1,130)
Reversal of retirement benefits	(11)	(119)	(178)
Provision for (reversal of) retirement benefit for directors and corporate auditors	3	(9)	(18)
Interest and dividend income	(590)	(501)	(894)
Interest expenses	108	73	182
Equity income on affiliates	34	(50)	(148)
Increase in trade notes and accounts receivable	(3,870)	(3,476)	(2,888)
Increase in inventories	(3,116)	(2,617)	(1,942)
Increase in trade notes and accounts payable	3,544	9,874	8,651
Others	(1,034)	(3,928)	(139)
Subtotal	3,280	10,061	24,149
Interest and dividend received	622	506	915
Interest paid	(99)	(70)	(173)
Taxes paid	(3,385)	(4,750)	(7,676)
Net cash provided by operating activities	418	5,746	17,215
Investing Activities:			
Payment for marketable securities	(499)	(6,999)	(12,999)
Proceeds from sales of marketable securities	-	13,800	20,300
Payment for tangible and intangible fixed assets other than software	(3,963)	(3,379)	(7,557)
Payment for software development	(1,989)	(2,145)	(2,798)
Payment for investment securities	(2,799)	(6,425)	(9,456)
Proceeds from sales of investment securities	1,145	4,041	5,878
Cash of subsidiaries acquired	-	-	115
Cash of acquisition of business	(3,330)	-	-
Payment for loans	(271)	(501)	(1,136)
Collection of loans	548	731	1,100
Payment for rental deposits	(1,177)	(474)	(648)
Collection of rental deposits	219	196	389
Others	196	(735)	(288)
Net cash used in investing activities	(11,920)	(1,890)	(7,102)
Financing Activities:			
Net increase (decrease) in short-term borrowings	99	(3,005)	(2,054)
Proceeds from long-term debt	3,160	1,000	3,000
Repayment of long-term debt	(884)	(871)	(1,693)
Purchase of treasury stock	(2)	(1,929)	(1,932)
Dividends paid	(1,147)	(1,004)	(2,075)
Others	150	61	57
Net cash provided by (used in) financing activities	1,375	(5,749)	(4,698)
Effect of exchange rate changes on cash and cash equivalents	36	72	189
Net (decrease) increase in cash and cash equivalents	(10,090)	(1,821)	5,604
Cash and cash equivalents, beginning of period / year	59,226	53,622	53,622
Cash and cash equivalents, end of period / year	49,136	51,800	59,226

Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Six months ended September 30, 2007		Six months ended September 30, 2006		Increase or (decrease)		Year ended March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Wholesale	70,277	54.3	66,762	57.2	3,515	5.3	138,586	57.1
Retail	57,160	44.1	48,018	41.2	9,141	19.0	100,151	41.3
Others	2,113	1.6	1,883	1.6	230	12.2	3,793	1.6
Total	129,551	100.0	116,664	100.0	12,887	11.0	242,532	100.0

Note: "Others" is consisted of revenue of Rent and Lease.

Consolidated Sales Component and Percentage by Product Category

(Unit: Millions of Yen)

Products	Six months ended September 30, 2007		Six months ended September 30, 2006		Increase or (decrease)		Year ended March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Tires and wheels	21,892	16.9	20,925	17.9	966	4.6	50,878	21.0
Car electronics	36,472	28.1	35,997	30.9	474	1.3	68,903	28.4
Oil and batteries	12,506	9.7	8,574	7.4	3,931	45.8	17,686	7.3
Car exterior items	13,762	10.6	10,179	8.7	3,582	35.2	23,644	9.7
Car interior items	12,635	9.8	13,003	11.1	(367)	(2.8)	23,685	9.8
Motor sports goods	9,814	7.6	9,872	8.5	(58)	(0.6)	20,109	8.3
Service	8,971	6.9	7,154	6.1	1,816	25.4	14,343	5.9
Others	13,497	10.4	10,956	9.4	2,541	23.2	23,281	9.6
Total	129,551	100.0	116,664	100.0	12,887	11.0	242,532	100.0

Note: "Others" is consisted of revenue of Car sales, Rent and Lease.