

August 10, 2007

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

Company name : AUTOBACS SEVEN CO., LTD.

Code number : 9832

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

Headquarters : Tokyo, Japan

Company Representative : Koichi Sumino, Representative Director and Chief Executive Officer

Contact for further information : Kozo Sumino, Officer Accounting and Information Systems

Telephone : +81-3-6219-8728

Stock exchange listings : Osaka and Tokyo

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

1. Results for the three months ended June 30, 2007. (From April 1, 2007 to June 30, 2007)

(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, 2007	64,386	4.8	1,213	(60.5)	2,462	(38.5)
Three months ended June 30, 2006	61,459	3.0	3,069	14.3	4,007	4.3
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)
		%		
Three months ended June 30, 2007	1,154	(45.4)	30.19	30.10
Three months ended June 30, 2006	2,112	(4.7)	54.71	54.58
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)
Three months ended June 30, 2007	247,279	169,147	68.1	4,406.59
Three months ended June 30, 2006	225,603	161,787	71.5	4,203.58
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
Three months ended June 30, 2007	(622)	(6,263)	(1,530)	51,102
Three months ended June 30, 2006	(1,684)	(4,709)	(2,677)	44,552
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)

The forecast of consolidated results for the year ending March 31, 2008 are unchanged from May 11, 2007.

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

(1) Significant changes in subsidiaries during the first 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.

The effect of this change on the consolidated statement of operations under review was minimal.

Consolidated Balance Sheets
(Unit: Millions of Yen)

Assets	June 30, 2007		June 30, 2006		March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Current assets						
Cash and deposits	32,814		23,188		34,020	
Trade notes and accounts receivable	25,309		17,683		15,833	
Marketable securities	23,936		30,775		30,005	
Inventories	21,179		19,275		19,654	
Deferred tax assets	2,240		2,008		2,325	
Accounts receivable-other	14,077		12,682		14,922	
Other current assets	3,497		3,254		2,862	
Allowance for doubtful receivables	(443)		(575)		(359)	
Total current assets	122,612	49.6	108,294	48.0	119,264	49.6
Fixed assets						
Tangible fixed assets						
Buildings and structures	21,715		21,137		21,334	
Land	23,948		22,330		23,512	
Other fixed assets	6,649		6,271		7,078	
Total tangible fixed assets	52,314		49,740		51,925	
Intangible fixed assets						
Goodwill	5,807		5,006		5,645	
Consolidated adjustment account	-		371		-	
Software	7,050		5,099		6,456	
Other intangible fixed assets	932		770		939	
Total intangible fixed assets	13,791		11,248		13,041	
Investments						
Investment securities	31,194		27,619		29,369	
Long-term loans	1,298		1,755		1,245	
Deferred tax assets	2,224		4,343		2,496	
Rental deposits	22,162		22,584		21,884	
Other investments	2,368		1,523		2,088	
Allowance for doubtful receivables	(687)		(1,506)		(690)	
Total investments	58,561		56,319		56,395	
Total fixed assets	124,667	50.4	117,309	52.0	121,362	50.4
Total assets	247,279	100.0	225,603	100.0	240,627	100.0

(Unit: Millions of Yen)

Liabilities and Net assets	June 30, 2007		June 30, 2006		March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Current liabilities						
Trade notes and accounts payable-trade	34,465		21,107		25,497	
Short-term borrowings	2,185		4,110		2,196	
Accounts payable other	10,185		10,297		10,964	
Income taxes payable	1,274		965		3,426	
Other current liabilities	6,997		6,085		6,796	
Total current liabilities	55,108	22.3	42,565	18.9	48,881	20.3
Long-term liabilities						
Bonds	220		-		235	
Zero coupon convertible bonds	270		270		270	
Long-term debt	13,266		11,036		13,608	
Liability for retirement benefits	110		211		108	
Accrued retirement benefits for directors and corporate auditors	428		402		427	
Provision for business restructuring	264		955		274	
Other long-term liabilities	8,463		8,374		8,172	
Total long-term liabilities	23,024	9.3	21,250	9.4	23,095	9.6
Total liabilities	78,132	31.6	63,816	28.3	71,977	29.9
Owners' equity						
Common stock	33,998	13.7	33,998	15.1	33,998	14.1
Capital surplus	34,512	14.0	34,512	15.3	34,512	14.4
Retained earnings	103,082	41.7	97,092	43.0	103,075	42.8
Treasury stock at cost	(5,535)	(2.2)	(4,287)	(1.9)	(5,534)	(2.3)
Total owners' equity	166,058	67.2	161,316	71.5	166,052	69.0
Valuation and translation adjustments						
Net unrealized gain on available-for-sale securities	2,176	0.9	156	0.1	1,935	0.8
Foreign currency translation adjustments	235	0.1	(193)	(0.1)	6	0.0
Total valuation and translation adjustments	2,411	1.0	(37)	(0.0)	1,942	0.8
Minority interests	677	0.2	508	0.2	655	0.3
Total net assets	169,147	68.4	161,787	71.7	168,650	70.1
Total liabilities and net assets	247,279	100.0	225,603	100.0	240,627	100.0

Consolidated Statements of Income
(Unit: Millions of Yen)

	Three months ended June 30, 2007		Three months ended June 30, 2006		Year ended March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Net sales	64,386	100.0	61,459	100.0	242,532	100.0
Cost of goods sold	46,405	72.1	43,222	70.3	167,788	69.2
Gross profit	17,980	27.9	18,237	29.7	74,743	30.8
Selling, general and administrative expenses	16,767	26.0	15,167	24.7	62,524	25.8
Operating income	1,213	1.9	3,069	5.0	12,219	5.0
Non-operating income						
Interest income	118		96		395	
Rental income	11		9		47	
Lease revenue - system equipment	223		218		885	
Other non-operating income	1,455		1,147		4,733	
Total non-operating income	1,809	2.8	1,472	2.4	6,062	2.5
Non-operating expenses						
Interest expenses	48		44		182	
Lease cost - system equipment	192		184		635	
Loss on disposal of fixed assets	20		30		153	
Other non-operating expenses	299		275		987	
Total non-operating expenses	560	0.9	534	0.9	1,958	0.8
Ordinary income	2,462	3.8	4,007	6.5	16,323	6.7
Extraordinary gains						
Reversal of allowance for business restructuring	5		-		396	
Reversal of allowance for doubtful receivables	-		86		445	
Gain on change in equity of an affiliated company	-		72		72	
Other extraordinary gains	-		-		50	
Total extraordinary gains	5	0.0	159	0.3	965	0.4
Extraordinary losses						
Loss on sale of fixed assets	-		33		64	
Impairment losses on fixed assets	-		-		222	
Provision for businesses restructuring	-		182		216	
Other extraordinary losses	-		-		235	
Total extraordinary losses	-	-	216	0.4	740	0.3
Income before income taxes and minority interests	2,468	3.8	3,950	6.4	16,549	6.8
Income taxes - current	1,269	2.0	972	1.6	6,314	2.6
Income taxes - deferred	29	0.0	862	1.4	1,219	0.5
Minority interests in net (income) loss	(16)	(0.0)	(3)	(0.0)	150	0.1
Net income	1,154	1.8	2,112	3.4	9,165	3.8

Consolidated Statement of Changes in Net assets

Three months ended June 30, 2007(from April 1, 2007 to June 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)
Bonus to directors and corporate auditors					-					-
Net income			1,154		1,154					1,154
Purchase of treasury stock				(0)	(0)					(0)
Disposal of treasury stock					-					-
Net changes of items other than owners' equity						240	228	468	22	490
Total change of items during the period	-	-	6	(0)	6	240	228	468	22	496
Balance at the end of the 1st Quarter	33,998	34,512	103,082	(5,535)	166,058	2,176	235	2,411	677	169,147

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

	Three months ended June 30, 2007 Amount	Three months ended June 30, 2006 Amount	Year ended March 31, 2007 Amount
Operating Activities:			
Income before income taxes and minority interests	2,468	3,950	16,549
Depreciation and amortization	1,499	1,113	5,874
Impairment losses on fixed assets	-	-	222
Increase in trade notes and accounts receivable	(8,711)	(3,070)	(2,888)
Increase in inventories	(1,497)	(2,245)	(1,942)
Increase in trade notes and accounts payable	8,872	4,986	8,651
Others	(21)	(1,772)	(2,317)
Subtotal	<u>2,609</u>	<u>2,963</u>	<u>24,149</u>
Interest and dividend received	168	123	915
Interest paid	(54)	(54)	(173)
Taxes paid	<u>(3,346)</u>	<u>(4,716)</u>	<u>(7,676)</u>
Net cash (used in) provided by operating activities	<u>(622)</u>	<u>(1,684)</u>	<u>17,215</u>
Investing Activities:			
Payment for marketable securities	(499)	(3,999)	(12,999)
Proceeds from sale of marketable securities	-	4,500	20,300
Payment for tangible and intangible fixed assets other than software	(2,349)	(1,454)	(7,557)
Payment for software development	(1,649)	(1,204)	(2,798)
Acquisition of investment securities	(2,500)	(3,201)	(9,456)
Proceeds from sale of investment securities	907	486	5,878
Payment for loans	(235)	(54)	(1,136)
Collection of loans	219	181	1,100
Payment for rental deposits	(552)	(277)	(648)
Others	395	314	216
Net cash used in investing activities	<u>(6,263)</u>	<u>(4,709)</u>	<u>(7,102)</u>
Financing Activities:			
Net decrease in short-term borrowings	(8)	(612)	(2,054)
Repayments of long-term debt	(444)	(416)	(1,693)
Purchase of treasury stock	(0)	(686)	(1,932)
Dividends paid	(1,147)	(1,004)	(2,075)
Others	71	43	3,057
Net cash used in financing activities	<u>(1,530)</u>	<u>(2,677)</u>	<u>(4,698)</u>
Effect of exchange rate changes on cash and cash equivalents	292	1	189
Net (decrease) increase in cash and cash equivalents	<u>(8,123)</u>	<u>(9,069)</u>	<u>5,604</u>
Cash and cash equivalents, beginning of the period / year	<u>59,226</u>	<u>53,622</u>	<u>53,622</u>
Cash and cash equivalents, end of the period / year	<u>51,102</u>	<u>44,552</u>	<u>59,226</u>

Consolidated Sales Component and Percentage by Division

(Unit: Millions of Yen)

Divisions	Three months ended June 30, 2007		Three months ended June 30, 2006		Year ended March 31, 2007	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Wholesale	38,933	60.5	37,302	60.7	138,586	57.1
Retail	24,322	37.8	23,216	37.8	100,151	41.3
Others	1,130	1.7	941	1.5	3,793	1.6
Total	64,386	100.0	61,459	100.0	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	Three months ended June 30, 2007		Three months ended June 30, 2006		Year ended March 31, 2007	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Tires and wheels	10,855	16.9	11,090	18.1	50,878	21.0
Car electronics	21,215	32.9	20,060	32.6	68,903	28.4
Oil and batteries	5,371	8.3	4,190	6.8	17,686	7.3
Car exterior items	5,648	8.8	5,787	9.4	23,644	9.7
Car interior items	5,975	9.3	6,203	10.1	23,685	9.8
Motor sports goods	4,957	7.7	5,064	8.2	20,109	8.3
Service	3,600	5.6	3,491	5.7	14,343	5.9
Others	6,762	10.5	5,570	9.1	23,281	9.6
Total	64,386	100.0	61,459	100.0	242,532	100.0

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