

Consolidated Financial Results for the Year Ended March 31, 2015 【Japanese Standards】

Summary of Quick Financial Announcement of Consolidated Financial Information for the Year ended March 31, 2015.

Company name: AUTOBACS SEVEN CO., LTD.

Code number: 9832

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

Headquarters: Tokyo, Japan

Company Representative: Setsuo Wakuda, Representative Director

Contact for further information: Noritaka Hiraga, General Manager, Finance and Accounting

Telephone: +81-3-6219-8787

Stock exchange listing: Tokyo

Annual meeting of shareholders: June 24, 2015

Start of cash dividend payments: June 25, 2015

Submission of Annual Securities Report: June 25, 2015

Supplementary materials prepared: Yes

Financial results information meeting held: Yes (for securities analysts and institutional investors, etc)

1. Results for the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(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	
Fiscal year ended		%		%		%
March 31, 2015	209,454	(9.6)	6,403	(54.1)	8,250	(49.8)
Fiscal year ended						
March 31, 2014	231,697	0.7	13,944	9.4	16,421	13.5

Note: Comprehensive income : **5,305 million yen for the year ended March 31, 2015 : (50.1 %)**
10,628 million yen for the year ended March 31, 2014 : 15.5 %

	Net income		Basic net income per share (Yen)	Basic net income per share - diluted (Yen)
Fiscal year ended		%		
March 31, 2015	4,609	(52.9)	52.83	-
Fiscal year ended				
March 31, 2014	9,786	28.9	107.71	-

	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended		%	%
March 31, 2015	3.3	4.3	3.1
Fiscal year ended			
March 31, 2014	6.8	8.1	6.0

Reference: Equity income on affiliates:

For the year ended March 31, 2015 : 6 million Yen

For the year ended March 31, 2014 : 50 million Yen

(2) Financial position:

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

	Total assets	Total net assets	Equity ratio	Net assets per share (Yen)
Fiscal year ended			%	
March 31, 2015	186,531	138,553	74.2	1,598.97
Fiscal year ended				
March 31, 2014	201,481	144,363	71.5	1,608.36

(Reference) Equity : **For the year ended March 31, 2015 : 138,337 million Yen**

For the year ended March 31, 2014 : 143,978 million Yen

(3) Statements of cash flows:

(Unit: Millions of Yen)

	Operating activities	Investing activities	Financing activities	Ending balances of cash and cash equivalents
Fiscal year ended				
March 31, 2015	11,829	(2,403)	(12,617)	42,218
Fiscal year ended				
March 31, 2014	12,072	1,519	(11,166)	45,384

2. Dividends

	Dividends per share				(Yen)
	First Quarter	Second Quarter	Third Quarter	Year-end	
Fiscal year ended March 31, 2014	-	27.00	-	37.00	
Fiscal year ended March 31, 2015	-	30.00	-	30.00	
Fiscal year ended March 31, 2016 (forecast)	-	30.00	-	30.00	

	Full Year	Total Dividends Paid	Payout Ratio	Dividends
		(Full Year)	(Consolidated)	paid/Net Assets
		(Millions of Yen)	(Consolidated)	(Consolidated)
Fiscal year ended March 31, 2014	64.00	5,763	59.4	4.1
Fiscal year ended March 31, 2015	60.00	5,192	113.6	3.7
Fiscal year ended March 31, 2016 (forecast)	60.00	-	74.1	-

Notes : Dividend for the year ending March 31, 2014:

ordinary dividend of 27.00 yen and commemorative dividend of 10.00 yen

3. Forecast for the fiscal year ending March 2016 (from April 1, 2015 to March 31, 2016)

(Unit: Millions of Yen, percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income	
		%		%		%
Semiannual	102,800	4.9	2,200	333.1	2,800	107.3
Annual	221,700	5.8	10,000	56.2	11,100	34.5

	Net income		Basic net income
		%	per share(Yen)
Semiannual	1,300	208.3	15.47
Annual	6,800	47.5	80.94

Notes: At the Board of Directors meeting held on May 8, 2015, the Board approved the repurchase of common stock and the cancellation of treasury stock. Forecast for the Basic net income per share considers the effect of the repurchase of common stock and the cancellation of treasury stock. Please refer to page 24 “9. Subsequent Events” about the repurchase of common stock and the cancellation of treasury stock.

4. Other

- (1) Significant changes in subsidiaries during the year ended : None
- (2) Changes in accounting policies, accounting estimation change and restatement
- | | |
|--|--------|
| 1. Changes due to changes in accounting standard | : None |
| 2. Changes due to changes in accounting standard except (2)-1. | : None |
| 3. Changes due to accounting estimation change | : None |
| 4. Restatement | : None |
- (3) Shares outstanding (common stock)
1. Number of shares outstanding (including treasury stock)
Fiscal year ended March 31, 2015: 89,950,105 shares
Fiscal year ended March 31, 2014: 92,950,105 shares
2. Number of treasury stock at the end of period
Fiscal year ended March 31, 2015: 3,433,108 shares
Fiscal year ended March 31, 2014: 3,431,070 shares
3. Average shares outstanding over period
Fiscal year ended March 31, 2015: 87,259,294 shares
Fiscal year ended March 31, 2014: 90,860,487 shares

※Indication regarding the situation of annual audit procedures

These financial results are not subject to the audit procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of the financial results, the procedures for auditing financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

※Statement regarding the proper use of financial forecasts and other special remarks

These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report.

※Analysts Meeting (Financial results information meeting) is held on May 11, 2015. The presentation material and video picture of the meeting is uploaded as soon as possible on the Company's website afterwards.

5. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

(i) Business Results for the Fiscal Year Ended March 31, 2015

(Business environment)

During the consolidated fiscal year under review, the Japanese economy continued its modest recovery backed by the economic and monetary policies of the government and the Bank of Japan. The outlook for consumer spending remained uncertain, however, largely due to the reactionary fall from the last-minute rise in demand before the consumption tax hike coupled with a prolonged slump in consumer sentiment and increasingly thrifty consumers. As for domestic automobile-related consumption, sluggish demand for new and used cars continued following the consumption tax hike, and overall conditions were harsh.

(Overview of the domestic retail business)

For the consolidated fiscal year under review, total sales for domestic businesses in the AUTOBACS chain (including franchise outlets) declined by 11.0% year on year on a same-store basis and by 9.9% year on year on an overall-store basis.

The domestic AUTOBACS chain has implemented projects including the AUTOBACS 40th anniversary campaign and other sales promotions, the launch of the private brand AQ. (Autobacs Quality), and new maintenance membership, with the aim of being more supported and trusted than ever by all drivers in the three segments of sales of automotive goods and services, statutory safety inspection and maintenance services, and automobile purchases and sales.

Sales of automotive goods and services declined due to a fall in car navigation unit prices and lower snowfalls in large cities than in the previous year, in addition to the reactionary fall from the last-minute demand before the consumption tax hike, sluggish new car sales, and a slowdown in consumer spending.

In the statutory safety inspection and maintenance services segment, the number of vehicles that underwent statutory safety inspections and maintenance services increased by 1.4% year on year, to 589,000. This was thanks to the increased promotion of inspections and maintenance, despite the challenging business environment during the first half due to the drop in the number of vehicles subject to the second statutory safety inspection in the fifth year since the bankruptcy of Lehman Brothers.

In the automobile purchases and sales segment, the total number of vehicles sold increased by 3.4%, to 23,900, as a result of increasing the number of CARS franchise stores from 359 at the end of the previous fiscal year to 451, implementing nationwide sales promotions, and improving vehicle sales and purchases.

In terms of the number of domestic store openings and closings, 13 new stores were opened, resulting in an increase in the total number of stores from 571 as of the end of March 2014 to 584.

(Consolidated business results)

The Group's sales during the consolidated fiscal year under review decreased by 9.6% year on year, to 209,454 million yen, gross profit fell by 13.0% year on year, to 66,902 million yen, and

selling, general, and administrative expenses decreased by 3.9% year on year, to 60,498 million yen, resulting in operating income of 6,403 million yen, a decrease of 54.1% year on year. Ordinary income fell by 49.8% year on year, to 8,250 million yen. The gain of 401 million yen on the sale of an affiliated company's shares due to the sale of AUTOBACS Kanagawa Ltd. shares and the gain of 655 million yen on the sale of investment securities of Broadleaf Co., Ltd. were posted as extraordinary income. As a result, net income for the fiscal year under review decreased by 52.9% year on year, to 4,609 million yen.

Results by business segment are as shown below.

<Non-consolidated>

Sales fell by 9.2% year on year, to 166,828 million yen. Sales of automotive goods and services declined despite the increase in sales promotions implemented to boost sales in stores in response to low demand after the consumption tax hike. Gross profit declined by 11.1% year on year, to 34,673 million yen, reflecting an overall fall in sales that offset an increase in the gross profit margin for tires and wheels and etc. Selling, general, and administrative expenses increased by 0.6%, to 25,837 million yen, because advertisements and sales promotions were strengthened using mass media while efforts were primarily made to reduce controllable expenses. As a result, operating income decreased by 33.7% year on year, to 8,836 million yen.

<Domestic Store Subsidiaries>

Sales declined by 16.6% year on year, to 67,883 million yen, and operating loss came to 1,924 million yen (operating income of 555 million yen for the previous fiscal year). Sales of automotive goods and services and statutory safety inspection and maintenance services decreased, primarily due to the reactionary fall after the consumption tax hike and lower demand. Meanwhile, the gain on automobile purchases and sales increased year on year as a result of improved operations. Gross profit decreased due to reduced overall sales, which offset growth in the gross profit margin for tires and wheels. Selling, general, and administrative expenses decreased, largely due to the transfer of store subsidiaries to franchise companies, in addition to efforts made to reduce controllable expenses while increasing sales promotions.

<Overseas Subsidiaries>

Sales fell by 3.7% year on year, to 9,985 million yen, and operating loss stood at 177 million yen (operating income of 11 million yen for the previous fiscal year). Looking at the state of each country on a local currency basis, in France, sales of services were weak largely due to the recession, and sales and gross profit decreased from a year earlier, adding to the operating loss. In China, the Shanghai store was closed in September 2014 due to the restructure of the retail business in that country. As a result, net sales declined but the operating loss was reduced. In Thailand, one store was closed in the first half and two new stores were opened in the second half of the fiscal year under review. Although overall net sales declined, operating loss was reduced due to cost structure

improvement. In Singapore, sales decreased as a consequence of decreasing number of newly registered automobiles. Operating income increased, however, thanks to efforts to reduce expenses.

<Subsidiaries for Car Goods Supply and other>

Sales grew by 1.5% year on year, to 15,396 million yen, and operating income decreased by 79.2%, to 53 million yen. Operating income fell from a year earlier due to an increase in expenses which was chiefly attributable to the expansion of the oil wholesale business in Palster K. K.

<Subsidiaries for Supporting Functions>

Sales declined by 3.1% year on year, to 3,051 million yen, partly due to a decline in sales of the leasing of store equipment to franchise companies, while operating income fell by 0.6% year on year, to 429 million yen, remaining almost unchanged from the previous fiscal year.

<Adjustments to Consolidated Operating Income>

The adjusted amount from the aggregate amount of all segments' operating income to consolidated operating income increased by 172 million yen from the same period of the previous fiscal year, to 812 million yen. Major items contributing to the change in adjustments to consolidated amounts from the previous fiscal year included an increase in the adjusted amount of inventory due to a larger unrealized profit from merchandise sold by the Company to domestic store subsidiaries and an increase in the amount of amortization of goodwill, which was attributable to the change of franchise companies into subsidiaries.

(ii) Outlook for Next Fiscal Year

The Company's business environment for the fiscal year ending March 2016 is expected to remain uncertain due to on-going sluggish new car sales, despite signs of recovery in private consumer spending. In this environment, the Group is revising the 2014 Medium-term Business Plan and continues to work on increasing the earnings of the domestic AUTOBACS business and developing overseas and new businesses based on the revised plan.

In the domestic AUTOBACS business, the Group is improving its maintenance services, merchandise offerings and sales floor structure at its stores and enhancing its relationships with customers through maintenance services. The Group also plans to open a total of 12 new stores in the domestic market.

In the overseas business, the Group is aiming to open small stores operating primarily in the maintenance business and expand businesses in cooperation with local partners in the ASEAN region, in addition to increasing the earnings of the existing AUTOBACS stores. The Group plans to open a total of 12 new overseas stores.

As for new businesses, the Group continues to develop businesses primarily in the automobile-related sector.

As a result of these activities, the full-year results for the fiscal year ending March 2016 are expected to include an increase in consolidated sales of 5.8%, to 221,700 million yen, an increase in

operating income of 56.2%, to 10,000 million yen, and an increase in net income of 47.5%, to 6,800 million yen.

(iii) Progress of the Medium-Term Business Plan

The Group has executed a number of initiatives under the four-year 2014 Medium-term Business Plan that commenced in the consolidated fiscal year under review, and has actively worked on developing new businesses with the aim of achieving its goal: “Anything about cars, you find at AUTOBACS.”

(Business strategy)

The Group has established the basic plan to increase the earnings of the domestic AUTOBACS business and develop new businesses, and has been taking on the challenge of adjusting the domestic AUTOBACS business to environmental changes and developing overseas and new businesses as new income sources. In the domestic AUTOBACS business, the Group has promoted maintenance-related goods and safety inspection and maintenance services for improved convenience and security for customers and strengthened the automobile purchases and sales business.

In sales of automotive goods and services, the Group opened six “Tire Senmonkan” tire specialty stores as new locations for selling tires by the end of March 2015, and also launched the sale of AUTOBACS proprietary tires “ESPORTE AB01” in cooperation with a leading Japanese manufacturer to provide customers with high-quality goods at affordable prices. Additionally, AUTOBACS house brands were unified as “AUTOBACS QUALITY (AQ.)” under the concept of “security first.”

In its statutory safety inspection and maintenance segment, a division specializing in improving the system of selling the statutory safety inspection service, which is one of the growth sectors of AUTOBACS, has been established to boost the sales of this business. Further, the Group has promoted Internet reservations for safety inspections, commenced the full operation of statutory safety inspection contact centers, and promoted the introduction of maintenance packages to increase customer convenience. As a result of these efforts, the cumulative total number of vehicles that have been inspected by the AUTOBACS Group has surpassed five million.

The automobile purchase and sales segment has been developed to be operated by all stores, and 451 stores had commenced business by the end of March 2015. As a new initiative, SUZUKI CARS 43 Doi was established at Super AUTOBACS 43 Doi Store (Amagasaki, Hyogo) after being certified as a sub-agency of Suzuki Jihan Hyogo Corporation in June 2014. This allows the purchase and installation of automotive goods, constituting strength of AUTOBACS, at the same as the purchase of a new car, which serves a wide range of customer needs. In October 2014, the Group sold AUTOBACS Car Lease “Marunori,” the right to obtain maintenance services at any AUTOBACS Group store in Japan.

In the implementation of the CRM Strategy, the Group worked to strengthen ties between customers and the AUTOBACS Group by developing and analyzing customer data. The Group has

developed a new customer system that allows the Group to offer goods and services that cater to each individual customer based on their purchasing history and interests and preferences.

E-commerce, which is positioned as one of the major sales channels of the AUTOBACS Group, has been strengthened continuously by improving the Group's own online shopping site. The Group worked on increasing customer satisfaction by adding the advance selection of merchandise to the online reservations for oil replacement offered by all stores, and by reducing waiting times in stores. A combination of online and physical stores has also been achieved by installing goods purchased online in stores.

In the overseas business, the Group has been focusing on the ASEAN region where future growth is anticipated while strengthening its management system by, for instance, closing unprofitable stores. In Malaysia, the Group has founded a local subsidiary that primarily sells automotive goods and provides automobile-related services. In Thailand, two new stores offering maintenance goods such as tires, engine oils, and batteries were opened, which are small yet located in a commercial district where they provide increased customer convenience. This has brought the total number of stores in Thailand to five.

(CSR and risk management)

The Company has signed an agreement with local governments to designate its stores as "homecoming support stations on disastrous occasions," which was extended to 320 stores by the end of March 2015. In addition, the Company continues to participate in cleaning activities in the neighborhood of the head office and at the foot of Mt. Fuji, as well as in environmental conservation activities based on ISO 14001 certification.

As part of its risk management, it has identified and ranked the risks to which the AUTOBACS Group is exposed, held discussions regarding measures against them among the officers, and improved its risk management. The Company has also worked on strengthening the compliance structure of the franchise companies.

(2) Basic policy for profit distribution and dividends for the fiscal year under review and the next fiscal year

The Company positions shareholder returns as one of the most important management issues and makes efforts to increase its corporate value through sustainable profit growth. The Company's basic policy on profit distribution is to maintain the consolidated ratio of dividend on equity (DOE) at 3% or higher while ensuring sufficient cash on hand for business continuity, taking into account the management environment, financial stability and earnings conditions.

For the fiscal year under review, the Company is distributing a year-end dividend of 30 yen per share as initially planned. Consequently, the annual dividend is 60 yen per share, and the consolidated ratio of dividend on equity (DOE) is 3.7%.

For the fiscal year ending March 31, 2016, the Company plans to distribute an annual dividend of 60 yen per share, with 30 yen per share each for intermediate and year-end dividends, by taking its dividend policy into consideration.

6. Business Policy

(1) Policy Concerning Company Control

Since the opening of the first AUTOBACS store in 1974, the Company has been striving to contribute to enriching its customers' driving experiences by developing and expanding the AUTOBACS franchise chain, comprising AUTOBACS headquarters, the Company's directly operated stores, and its domestic and foreign franchise stores.

Based on its founding management principle, namely "constantly suggesting the most appropriate driving experiences to each customer and creating a rich and sound motorized society," the Group has been making all-out, concerted efforts to communicate its vision, "Anything about cars, you find at AUTOBACS," thereby winning support and trust from customers.

In the years ahead, the Group is determined to develop the AUTOBACS franchise chain even further, continuously enhance its corporate governance and investor relations, and ensure greater transparency of the Group's management. These steps, the Group believes, will contribute toward maximizing profits for all the stakeholders, particularly the shareholders.

In this context, the Company is convinced that the people who make decisions on the Company's financial and business policies must be those who understand the importance of mutual trust among franchise stores, clients, employees and other parties concerned in the AUTOBACS franchise chain and who are willing and able to improve the medium- and long-term corporate values and shareholders' common profit.

(2) Issues to be addressed

The Group launched the 2014 Medium-term Business Plan in the consolidated fiscal year under review and worked on growing the earnings from the AUTOBACS business and developing new businesses, aiming to achieve the goals of consolidated operating income of 18 billion yen, consolidated ROE of 8%, and maintaining the consolidated DOE at 3% or higher.

In the plan for the consolidated fiscal year under review, the Group had expected in the first quarter a reactionary fall from the last-minute demand before the consumption tax hike, in addition to the long-term shrinking trend of the market. The impact of this, however, lasted longer than anticipated, resulting in an unexpectedly sluggish environment for the AUTOBACS business.

Taking this situation into consideration, the Group decided that it would be difficult to achieve the targets as initially planned and that the 2014 Medium-term Business Plan should be revised. As announced in May 2015, some numerical targets such as the consolidated operating income and business strategies are to be revised, and new targets and specific measures are to be established while maintaining the same basic policy for the plan.

The revised 2014 Medium-term Business Plan is outlined below. The numerical targets and other details are being examined at present, and announced as soon as they are finalized.

(i) Overview of the 2014 Medium-term Business Plan

The Group maintains the basic policy of increasing the earnings from the domestic AUTOBACS business and developing overseas and new businesses as the core of future earnings in the medium to long term. It also keeps its basic concept of a financial strategy for focusing on returns to

shareholders and increasing capital efficiency. Meanwhile, the Group is revising its specific strategies and measures for the domestic AUTOBACS business and aim to achieve the new financial targets set in the new business environment. The revised plan runs until the fiscal year ending March 31, 2018, which is the same to the initial plan.

(ii) Overview of domestic AUTOBACS business strategy

The Group maintains the business strategy policy for domestic AUTOBACS business, which is to implement measures focusing on building and strengthening relationships with customers by selling automotive goods and services, providing safety inspection and maintenance services, and purchasing and selling automobiles while aiming to establish a competitive advantage by rebuilding customer value “providing customers with convenience and security.” By actively offering statutory inspections, maintenance, and other services to customers who have used AUTOBACS mostly through automotive goods in the past, the Group aims to ensure that they use AUTOBACS for all of their automobile needs, since “anything about cars, you find at AUTOBACS.” To this end, the Group plans to make effective use of its store network and customer data, constituting its largest management resources, and develop the omni-channel concept.

(iii) Overview of overseas business strategy

The Group maintains the business strategy policy and priority measures for overseas business. The Group plans to actively use its partnerships with local companies, primarily in the ASEAN region, which are currently in the growth stage, and accelerate its business development not only in the retail industry but also in the wholesale and related industries.

(iv) Overview of new business strategy

The Group maintains its business strategy policy and priority measures for new business. Regardless of whether there is synergy with the AUTOBACS business, the Group makes efforts to seek businesses, mostly in automobile-related sectors, which forms the basis of its future earnings. It plans to promptly develop businesses by actively using M&A and alliances. In April 2015, AUTOBACS purchased all the shares of the authorized BMW dealership, Autoplatz K.K., and its subsidiary and an authorized MINI dealership, Autoplatz Motors K.K., and commenced the operation of Ikebukuro BMW and MINI Ikebukuro.

(v) Financial strategy

The Group continues to increase its cash flow, invest actively in businesses, and maintains its consolidated DOE at 3% or higher to provide stable and continuous returns to shareholders. It also continues to position its consolidated ROE as one of the most important indicators. By increasing profit and investment profitability, and ensuring its financial health, the Group aims to achieve a consolidated ROE of 8%.

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

Assets	March 31, 2014 Amount	March 31, 2015 Amount
Current assets		
Cash and deposits	45,675	42,744
Trade notes and accounts receivable	22,467	18,665
Investments in lease	12,001	10,999
Marketable securities	801	-
Inventories	16,383	16,798
Deferred tax assets	1,979	2,110
Short-term loans	100	67
Accounts receivable-other	25,219	19,718
Other current assets	2,264	2,405
Allowance for doubtful receivables	(183)	(85)
Total current assets	126,709	113,425
Fixed assets		
Tangible fixed assets		
Building and structures	41,034	40,890
Accumulated depreciation	(27,027)	(27,556)
Building and structures(net of depreciation)	14,007	13,333
Machinery, equipment and vehicle	5,684	5,633
Accumulated depreciation	(4,524)	(4,586)
Machinery, equipment and vehicle (net of depreciation)	1,160	1,046
Tools, furniture and fixtures	13,162	11,792
Accumulated depreciation	(11,018)	(9,655)
Tools, furniture and fixtures(net of depreciation)	2,143	2,137
Land	22,849	22,073
Leased assets	568	635
Accumulated depreciation	(125)	(152)
Leased assets (net of depreciation)	443	483
Construction in progress	397	732
Total tangible fixed assets	41,002	39,806
Intangible fixed assets		
Goodwill	880	740
Software	3,968	4,987
Other intangible fixed assets	744	742
Total intangible fixed assets	5,592	6,470
Investments		
Investment securities	7,833	7,559
Long-term loans	92	231
Deferred tax assets	1,374	771
Rental deposits	17,709	17,015
Other investments	1,251	1,547
Allowance for doubtful receivables	(84)	(296)
Total investments	28,177	26,830
Total fixed assets	74,771	73,106
Total assets	201,481	186,531

Liabilities and Net assets	March 31, 2014 Amount	March 31, 2015 Amount
Current liabilities		
Trade notes and accounts payable-trade	17,600	12,814
Short-term borrowings	4,394	2,927
Current portion of bond	50	15
Leased obligations	93	206
Accrued liabilities	13,998	11,213
Income taxes payable	1,818	1,876
Allowance for point card	477	521
Allowance for business restructuring	194	81
Other current liabilities	5,405	4,873
Total current liabilities	44,033	34,530
Long-term liabilities		
Bonds	15	-
Long-term debt	2,312	2,197
Leased obligations	1,324	1,512
Deferred tax liabilities	49	103
Accrued for directors' retirement benefits	152	88
Net defined benefit liability	189	82
Asset retirement obligations	2,005	2,154
Other long-term liabilities	7,036	7,309
Total long-term liabilities	13,084	13,447
Total liabilities	57,118	47,978
Shareholders' equity		
Common stock	33,998	33,998
Capital surplus	34,278	34,278
Retained earnings	78,679	72,859
Treasury stock at cost	(5,165)	(5,699)
Total shareholders' equity	141,790	135,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,588	2,224
Foreign currency translation adjustments	599	676
Total accumulated other comprehensive income	2,188	2,901
Minority interests		
Total net assets	384	215
Total net assets	144,363	138,553
Total liabilities and net assets		
	201,481	186,531

(2) Consolidated Statements of Income and Comprehensive Income
(Unit: Millions of Yen)

	Fiscal year ended March 31, 2014 Amount	Fiscal year ended March 31, 2015 Amount
Net sales	231,697	209,454
Cost of goods sold	154,790	142,552
Gross profit	76,907	66,902
Selling, general and administrative expenses	62,962	60,498
Operating income	13,944	6,403
Non-operating income		
Interest income	91	81
Dividend income	97	102
Equity in earnings of affiliates	50	6
Commission income	470	382
Lease revenue-system equipment	1,292	1,394
Insurance income	654	303
Other non-operating income	1,905	1,556
Total non-operating income	4,562	3,828
Non-operating expenses		
Interest expenses	88	62
Lease cost-system equipment	1,158	1,176
Loss on disposal of fixed assets	142	89
Other non-operating expenses	696	654
Total non-operating expenses	2,085	1,982
Ordinary income	16,421	8,250
Extraordinary gains		
Gain on sale of fixed assets	-	125
Gain on sales of investment securities	133	658
Gain on sales of subsidiaries and associates' stocks	-	401
Total extraordinary gains	133	1,185
Extraordinary losses		
Loss on sales of non-current assets	-	118
Impairment losses	469	265
Total extraordinary losses	469	383
Income before income taxes and minority interests	16,085	9,052
Income taxes		
Current	4,310	4,174
Deferred	1,962	302
Total income taxes	6,272	4,476
Income before minority interests	9,812	4,576
Minority interests in net income (losses)	26	(33)
Net income	9,786	4,609

	Fiscal year ended March 31, 2014 Amount	Fiscal year ended March 31, 2015 Amount
Minority interests in net income (losses)	26	(33)
Income before minority interests	9,812	4,576
Other comprehensive income		
Valuation difference on available-for-sale securities	315	628
Foreign currency translation adjustment	499	93
Share of other comprehensive income of associates accounted for using equity method	1	7
Total other comprehensive income	816	728
Comprehensive income	10,628	5,305
Comprehensive income attributable to		
Owners of the parent	10,597	5,322
Minority interests	31	(17)

(3) Consolidated Statements of Changes in Net assets
Fiscal year ended March 31,2014

(Unit: Millions of Yen)

	Owners' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at the beginning of current period	33,998	34,278	80,438	(7,230)	141,484
Cumulative effect of changes in accounting policies			63		63
Balance at the beginning of current period reflected the changes in accounting policies	33,998	34,278	80,501	(7,230)	141,547
Changes of items during the period					
Dividends from surplus			(4,948)		(4,948)
Net income			9,786		9,786
Purchase of treasury stock				(4,595)	(4,595)
Cancellation of treasury stock			(6,660)	6,660	-
Disposal of treasury stock				0	0
Net change of items other than owners' equity					
Total changes of items during the period	-	-	(1,822)	2,065	242
Balance at the end of the period	33,998	34,278	78,679	(5,165)	141,790

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation different on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at the beginning of current period	1,271	105	1,377	439	143,301
Cumulative effect of changes in accounting policies					63
Balance at the beginning of current period reflected the changes in accounting policies	1,271	105	1,377	439	143,364
Changes of items during the period					
Dividends from surplus					(4,948)
Net income					9,786
Purchase of treasury stock					(4,595)
Cancellation of treasury stock					-
Disposal of treasury stock					0
Net change of items other than owners' equity	316	493	810	(54)	756
Total changes of items during the period	316	493	810	(54)	998
Balance at the end of the period	1,588	599	2,188	384	144,363

Fiscal year ended March 31,2015

(Unit: Millions of Yen)

	Owners' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at the beginning of current period	33,998	34,278	78,679	(5,165)	141,790
Changes of items during the period					
Dividends from surplus			(5,909)		(5,909)
Net income			4,609		4,609
Purchase of treasury stock				(5,053)	(5,053)
Cancellation of treasury stock			(4,520)	4,520	-
Disposal of treasury stock				0	0
Net change of items other than owners' equity					
Total changes of items during the period	-	-	(5,820)	(533)	(6,353)
Balance at the end of the period	33,998	34,278	72,859	(5,699)	135,436

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation different on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at the beginning of current period	1,588	599	2,188	384	144,363
Changes of items during the period					
Dividends from surplus					(5,909)
Net income					4,609
Purchase of treasury stock					(5,053)
Cancellation of treasury stock					-
Disposal of treasury stock					0
Net change of items other than owners' equity	635	77	713	(168)	544
Total changes of items during the period	635	77	713	(168)	(5,809)
Balance at the end of the period	2,224	676	2,901	215	138,553

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

	Fiscal year ended March 31, 2014 Amount	Fiscal year ended March 31, 2015 Amount
Operating Activities:		
Income before income taxes and minority interests	16,085	9,052
Depreciation and amortization	4,423	4,579
Impairment losses	469	265
Amortization of goodwill	127	225
Increase (decrease) in allowance for business restructuring	5	(112)
Increase (decrease) in allowance for doubtful accounts	(3,964)	116
Increase (decrease) in provision for retirement benefits for directors and corporate auditors	(42)	(64)
Increase (decrease) in net defined benefit liability	(35)	(103)
Interest and dividend income	(188)	(184)
Insurance income	(654)	(303)
Interest expenses	88	62
Equity (income) loss on affiliates	(50)	(6)
Loss (gain) on sales or disposal of fixed assets	138	83
Loss (gain) on sales of investment in securities	(133)	(658)
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	(401)
Decrease (increase) in trade notes and accounts receivable	(2,960)	9,124
Decrease (increase) in investments in lease	269	1,252
Decrease (increase) in inventories	435	(468)
Increase (decrease) in trade notes and accounts payable	(4,187)	(4,732)
Others	7,251	(2,260)
Subtotal	17,077	15,465
Interest and dividend received	230	218
Interest paid	(91)	(67)
Proceeds from insurance income	654	303
Litigation settlement paid	(858)	-
Income taxes paid	(4,938)	(4,091)
Net cash provided by (used in) operating activities	12,072	11,829
Investing Activities:		
Payments into time deposits	(1,277)	(1,063)
Proceeds from withdrawal of time deposits	6,407	807
Payment for tangible and intangible fixed assets	(4,819)	(6,127)
Proceeds from sales of tangible fixed assets and intangible fixed assets	22	1,360
Purchase of investment securities	(0)	(0)
Proceeds from sales and redemption of investment securities	1,145	2,043
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	545
Purchase of stocks of subsidiaries and affiliates	(386)	(250)
Payment of loans receivable	(173)	(255)
Collection of loans receivable	440	148
Payment for rental deposits	(262)	(316)
Collection of rental deposits	397	350
Others	25	353
Net cash provided by (used in) investing activities	1,519	(2,403)

	Fiscal year ended March 31, 2014 Amount	Fiscal year ended March 31, 2015 Amount
Financing Activities:		
Net increase (decrease) in short-term loans payable	(433)	591
Proceeds from long-term debt	520	2,030
Repayments of long-term debt	(1,587)	(4,202)
Purchase of treasury stock	(4,592)	(5,051)
Dividends paid	(4,949)	(5,909)
Others	(123)	(74)
Net cash provided by (used in) financing activities	(11,166)	(12,617)
Effect of exchange rate changes on cash and cash equivalents	126	25
Net increase (decrease) in cash and cash equivalents	2,551	(3,166)
Cash and cash equivalents, beginning of the period/ year	42,832	45,384
Cash and cash equivalents, end of the period	45,384	42,218

8. Segment Information

(1) Outlines reportable segment

The Company's reporting segments are the components of the Company about which separate financial information is available. These segments are subject to periodic examination to enable the Company's Board of Directors to decide how to allocate resources and assess performance. The companies operate the AUTOBACS franchise chain consisting of businesses in automotive goods, safety inspections and maintenance services, and sales business and automobile purchase. The Group comprises segments made up of groups of companies based on wholesale division and retail division functions for these businesses. The Group has five reporting segments: "the company," "domestic store subsidiaries," "overseas subsidiaries," "subsidiaries for car goods supply and other," and "subsidiaries for supporting functions."

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions
Automotive goods	Wholesale Retail	Retail	Wholesale Retail	Wholesale	-
Safety inspection and maintenance services	Wholesale Retail	Retail	Retail	Retail	-
The automobile purchase and sales business	Wholesale Retail	Retail	-	Retail	-
Others	Lease business	-	-	-	Lease business Others

Note: Others of subsidiaries for supporting functions are loan credit business, nonlife insurance agency and office work representation business.

(2) Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

Segment income for each reporting segment is presented on an operating income basis. Internal sales and transfers between segments are based, for the most part, on prevailing market prices. Among the assets of the reporting segments, the goodwill associated with overseas subsidiaries is tested for impairment as a non-amortized asset, while in the consolidated financial statements it is amortized using the straight-line method. In addition, some store buildings, POS systems and other items are subject to lease transactions between segments. The asset and expense items of the reporting segments and their amounts are adjusted as shown below.

	Reportable segment			Consolidated Financial Statement
	The Company	Domestic Store Subsidiaries	Subsidiaries for Supporting Functions	
Assets	Investments in Lease	-	Investments in Lease	Property ,Plant and equipment and Intangible assets
Cost	Cost of goods sold	Rent payment and Lease payment	Cost of goods sold	Depreciation
Amortized method	Interest method	-	Interest method	Declining balance method and Straight-line method

(3) Segment sales, income(loss), assets and others
Fiscal year ended March 31, 2014
(Unit: Millions of Yen)

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	132,738	79,928	9,975	8,182	871	231,697
Intersegment sales or transfers	51,019	1,463	397	6,992	2,275	62,147
Total	183,758	81,391	10,372	15,174	3,147	293,844
Net income	13,330	555	11	255	432	14,585
Segment assets	187,912	21,937	10,418	4,974	29,444	254,687
Other items						
Depreciation	2,056	317	256	38	13	2,682
Amortization of goodwill	-	15	-	-	6	21
Share of associates accounted for using equity method	848	-	-	-	-	848
Increase in property and equipment and intangible assets	4,064	314	108	24	-	4,512

Fiscal year ended March 31, 2015
(Unit: Millions of Yen)

	The Company	Domestic Store Subsidiaries	Overseas Subsidiaries	Subsidiaries for Car Goods Supply and Other	Subsidiaries for Supporting Functions	Total
Net sales						
Sales to outside customers	124,332	66,097	9,695	8,446	882	209,454
Intersegment sales or transfers	42,495	1,785	290	6,950	2,168	53,690
Total	166,828	67,883	9,985	15,396	3,051	263,145
Net income (loss)	8,836	(1,924)	(177)	53	429	7,216
Segment assets	173,106	17,974	9,432	5,067	24,606	230,187
Other items						
Depreciation	2,310	271	243	38	11	2,875
Amortization of goodwill	-	7	-	27	-	34
Share of associates accounted for using equity method	922	-	-	-	-	922
Increase in property and equipment and intangible assets	5,118	281	146	175	3	5,725

(4) Reconciliation of published figures and aggregated of reportable operating segment

(Adjustment)	(Unit: Millions of Yen)	
Net sales	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015
Total reportable segments	293,844	263,145
Elimination of intersegment transaction	(62,147)	(53,690)
Net sales	231,697	209,454

(Adjustment)	(Unit: Millions of Yen)	
Income	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015
Total reportable segments	14,585	7,216
Elimination of intersegment transaction	(526)	(450)
Inventories	(253)	(346)
Amortization of goodwill	(105)	(190)
Allowance for point card	(17)	(24)
Fixed assets	256	358
Others	5	(159)
Operating income	13,944	6,403

(Adjustment)	(Unit: Millions of Yen)	
Assets	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015
Total reportable segments	254,687	230,187
Elimination of intersegment transaction	(46,117)	(37,316)
Amortization of goodwill	(4,101)	(3,972)
Fixed assets	(3,299)	(1,776)
Inventories	(1,460)	(1,625)
Investments in associates accounted for using equity method	949	860
Others	823	175
Total assets	201,481	186,531

(Unit: Millions of Yen)

Other items	Total reportable segments		Adjustment		Consolidated total	
	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015
Depreciation	2,682	2,875	1,386	1,331	4,068	4,207
Amortization of goodwill	21	34	105	190	127	225
Investments in associated for using equity method	848	922	949	860	1,797	1,782
Increase in property, plant and equipment and intangible assets	4,512	5,725	307	401	4,819	6,127

Note: The adjustment amounts for other items are as follows.

1. Depreciation and the increase in property and equipment and intangible assets, is principally the adjustment amount for intersegment lease transactions on the consolidated financial statements.
2. The adjustment amount for amortization of goodwill is principally the amount for amortization of goodwill recorded for overseas subsidiaries.
3. The adjustment amount for investments in associates accounted for using the equity method is the adjustment amount according to the equity method.

9. Subsequent Events

(Treasury stock)

At the Board of Directors meeting held on May 8, 2015, the Board approved the repurchase of common stock up to a maximum of 2,500,000 shares to the aggregate amount of 5,500 million yen from May 13, 2015 to February 29, 2016.

At the Board of Directors held on May 8, 2015, the Board approved the cancellation 3,000,000 shares of treasury stock and is scheduled to carry it out on May 15, 2015.

10. Additional Information

(1) Consolidated Sales Component and Percentage By Division

(Unit: Millions of Yen)

Divisions	Fiscal year ended March 31,2014		Fiscal year ended March 31,2015		Year-on -year Increase/Decrease
	Amount	Ratio	Amount	Ratio	Ratio
		%		%	%
Wholesale	132,733	57.3	124,279	59.3	93.6
Retail	95,540	41.2	82,039	39.2	85.9
Others (letting and hiring fee of leased object)	3,422	1.5	3,136	1.5	91.6
Total	231,697	100.0	209,454	100.0	90.4

Note: Consumption taxes are excluded from the above amounts.

(2) Consolidated Sales Component and Percentage by Product Category
(Unit: Millions of Yen)

Products	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		Year-on-Year Increase/Decrease
	Amount	Ratio	Amount	Ratio	Ratio
Wholesale		%		%	%
Tires and wheels	35,905	27.1	35,252	28.4	98.2
Car electronics	26,822	20.2	22,538	18.1	84.0
Oil and batteries	17,817	13.4	17,031	13.7	95.6
Car exterior items	13,436	10.1	12,519	10.1	93.2
Car interior items	13,179	9.9	11,845	9.5	89.9
Motor sports	8,077	6.1	7,808	6.3	96.7
Services	3,351	2.5	3,017	2.4	90.0
Others	14,142	10.7	14,265	11.5	100.9
Subtotal	132,733	100.0	124,279	100.0	93.6
Retail					
Tires and wheels	22,337	23.4	18,460	22.5	82.6
Car electronics	13,877	14.5	10,551	12.8	76.0
Oil and batteries	8,324	8.7	7,277	8.9	87.4
Car exterior items	11,232	11.8	9,921	12.1	88.3
Car interior items	9,572	10.0	8,090	9.9	84.5
Motor sports	5,697	6.0	5,085	6.2	89.3
Services	16,709	17.5	14,554	17.7	87.1
Others	7,789	8.1	8,096	9.9	103.9
Subtotal	95,540	100.0	82,039	100.0	85.9
Others (letting and hiring fee of leased object)	3,422	-	3,136	-	91.6
Total					
Tires and wheels	58,243	25.1	53,713	25.6	92.2
Car electronics	40,700	17.6	33,089	15.8	81.3
Oil and batteries	26,142	11.3	24,309	11.6	93.0
Car exterior items	24,668	10.7	22,441	10.7	91.0
Car interior items	22,752	9.8	19,936	9.5	87.6
Motor sports	13,775	5.9	12,893	6.2	93.6
Services	20,060	8.7	17,572	8.4	87.6
Others	25,354	10.9	25,498	12.2	100.6
Total	231,697	100.0	209,454	100.0	90.4

Notes: 1. Consumption taxes are excluded from the above amounts.

2. Others is consisted of revenue of Car sales, Used car goods sales and Royalty income.

3. The sales amount to application of equity method companies are in the wholesale.