

Results for the Nine Months Ended December 31, 2019



January 31, 2020

AUTOBACS SEVEN CO., LTD.

3Q FY March 2020 Consolidated P/L



Increase in both sales and profit: Operating income exceeded the year-ago level, reflecting higher net sales and gross profit.

In 3Q, sales of winter products were sluggish because of the effect of the warm winter over and above a reactionary decrease associated with the consumption tax hike. Despite that, gross profit of cumulative period increased not only in the AUTOBACS Business but also in the Overseas Business and the Car Dealership, BtoB and Internet Business. In addition, operating income increased significantly YoY, although SG&A expenses rose mainly due to the conversion of FC stores into subsidiaries.

(Billion Yen)

	Nine months ended Dec. 31, 2019			Nine months ended Dec. 31, 2018	
	Actual result	% of Sales	YoY change	Actual result	YoY change
Net sales	176.6	-	+6.5%	165.9	+0.5%
Gross profit	56.2	31.8%	+8.4%	51.8	-1.7%
SG&A	47.3	26.8%	+5.9%	44.6	-0.2%
Operating income	8.8	5.0%	+24.2%	7.1	-10.0%
Non-operating Income/expenses	0.6	0.3%	-23.5%	0.7	+54.2%
Ordinary income	9.4	5.4%	+19.5%	7.9	-6.1%
Net profit*	6.2	3.5%	+33.7%	4.6	-11.9%

Amounts are rounded down. % of Net Sales and YoY comparisons are calculated in the single digits.

*Net profit = Profit attributable to owners of parent

Quarterly P/L



(Billion Yen)

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter (Estimate-result)	FY March 2020 (Estimate)
Net sales	50.5	60.5	65.6	46.3	223.0
YoY	+3.0%	+24.9%	-4.0%	-3.3%	+4.3%
Gross margin (% of Sales)	16.2 (32.1%)	19.2 (31.9%)	20.6 (31.5%)	14.3 (30.1%)	70.6 (31.7%)
YoY	+10.5%	+19.7%	-1.6%	-8.6%	+4.5 %
SG&A	15.0	16.0	16.2	15.2	62.6
YoY	+4.3%	+7.8%	+5.6%	-1.0%	+4.2%
Operating income	1.2	3.2	4.4	-0.8	8.0
YoY	+325.3%	+164.3%	-21.5%	—	+7.0%
Ordinary income	1.3	3.3	4.7	-0.7	8.7
Net profit	0.8	2.0	3.4	-0.4	5.8
Same store sales	+5.0%	+17.5%	-11.6%	-1.0%	+1.3%

Amounts are rounded down.

% of Net Sales and YoY comparisons are calculated in the single digits.

※Estimate

Segment Information



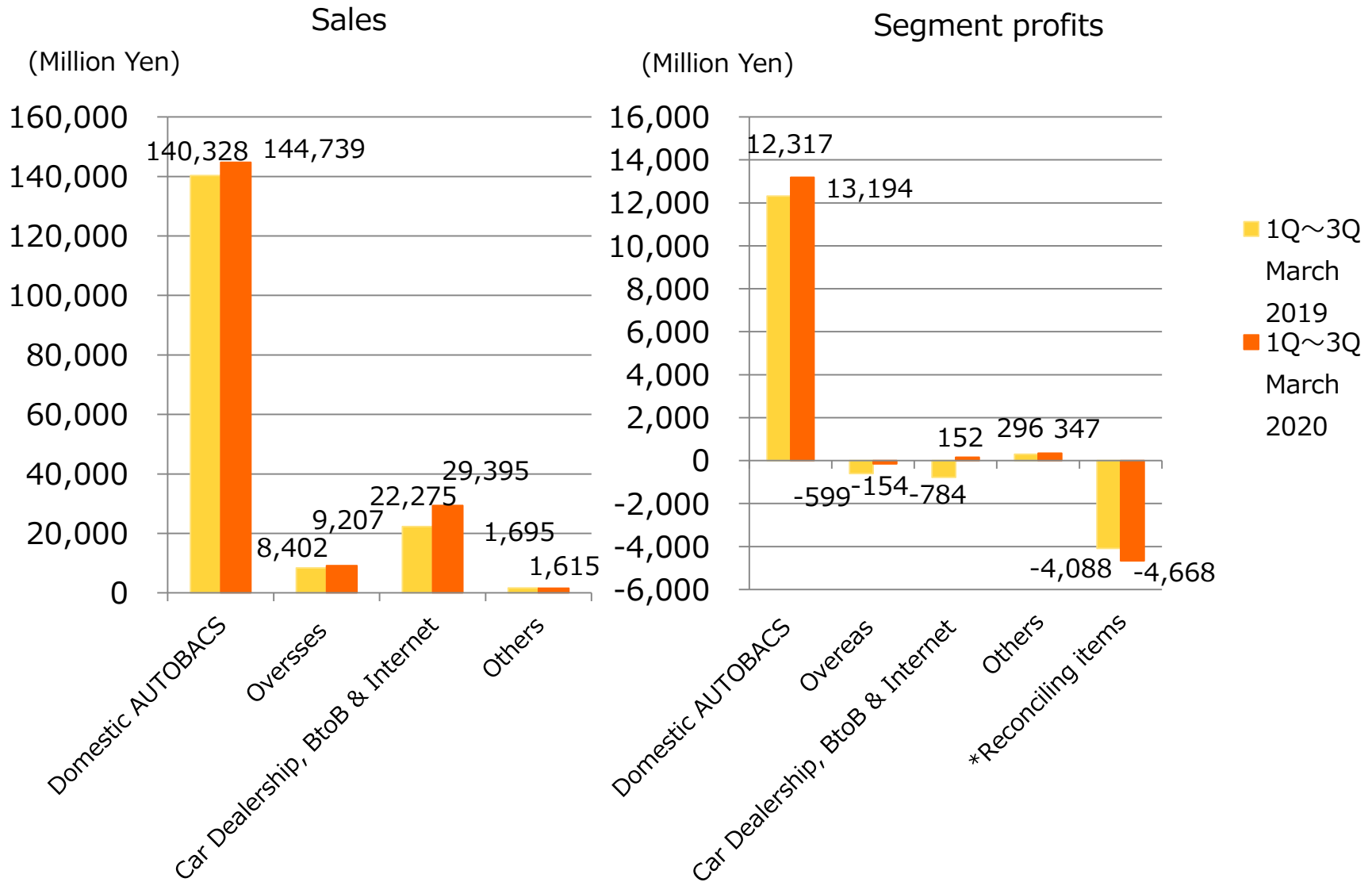
(Million Yen)

		Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2018	YoY	Summary
Domestic AUTOBACS Business	Sales	144,739	140,328	+3.1%	Sales of tires (Apr-Dec 2019) remained at the year-ago level despite the tax hike and price increases implemented by manufacturers. Dashcams continued to show a strong performance, resulting in increases in sales and gross profit. Operating income rose sharply despite an increase in SG&A attributable to the conversion of FC stores into subsidiaries.
	Gross profit	45,297	42,765	+5.9%	
	SG&A	32,102	30,447	+5.4%	
	Operating income	13,194	12,317	+7.1%	
Overseas Business	Sales	9,207	8,402	+9.6%	Due to making a wholesale company in Australia into a subsidiary in October 2018, increasing wholesale sales in China, converting a maintenance company into a subsidiary in Singapore and opening a store in Thailand, sales grew and operating loss shrank.
	Gross profit	4,288	4,107	+4.4%	
	SG&A	4,442	4,707	-5.6%	
	Operating income	-154	-599	-	
Car Dealership, BtoB and Internet Business	Sales	29,395	22,275	+32.0%	The segment restored profitability because of increased sales in the dealer business, as well as the improved profitability of a wholesale subsidiary in the BtoB business.
	Gross profit	6,035	4,405	+37.0%	
	SG&A	5,882	5,189	+13.3%	
	Operating income	152	-784	-	
Other Business	Operating income	1,615	1,695	-4.7%	No significant changes compared to LY.
	Gross profit	588	558	+5.3%	
	SG&A	240	262	-8.0%	
	Operating income	347	296	+17.0%	
Reconciling items	Operating income	-4,668	-4,088	-	

Amounts are rounded down.
YoY comparisons are calculated in the single digits.

Sales: Before elimination of transaction between segments.

Sales and profits of Reporting Segments



Amounts are rounded down.
Before elimination of transaction between segments

*Corporate expenses not allocated to each reporting segment, mainly general and administrative expenses

Non-Consolidated and Domestic Store Subsidiaries



(Million Yen)

	Non-consolidated		Domestic Store Subsidiaries	
	Results	YoY	Results	YoY
Net Sales	128,934	+4,390	43,348	+2,859
Gross Profit (%)	27,531 (21.4%)	+1,308 (+0.3pt)	18,616 (42.9%)	+1,581 (+0.8pt)
SG&A	21,177	+971	16,826	+1,176
Operating Income	6,353	-337	1,789	+404
	<p>-Sales and operating income increased</p> <p>-Sales of tires and wheels decreased YoY due to the effect of the warm winter. Even so, the gross profit improved, reflecting the strong performance of car electronics.</p> <p>-SG&A increased due to a surge in logistics expenses and the posting of expenses for systems aimed at supporting the consumption tax hike.</p>		<p>-Sales and operating income increased</p> <p>-Sales, gross profit and SG&A increased because of the conversion of franchisees into subsidiaries.</p> <p>-Gross profit margin improved due to strong sales of services including statutory safety inspections.</p>	

Amounts are rounded down.

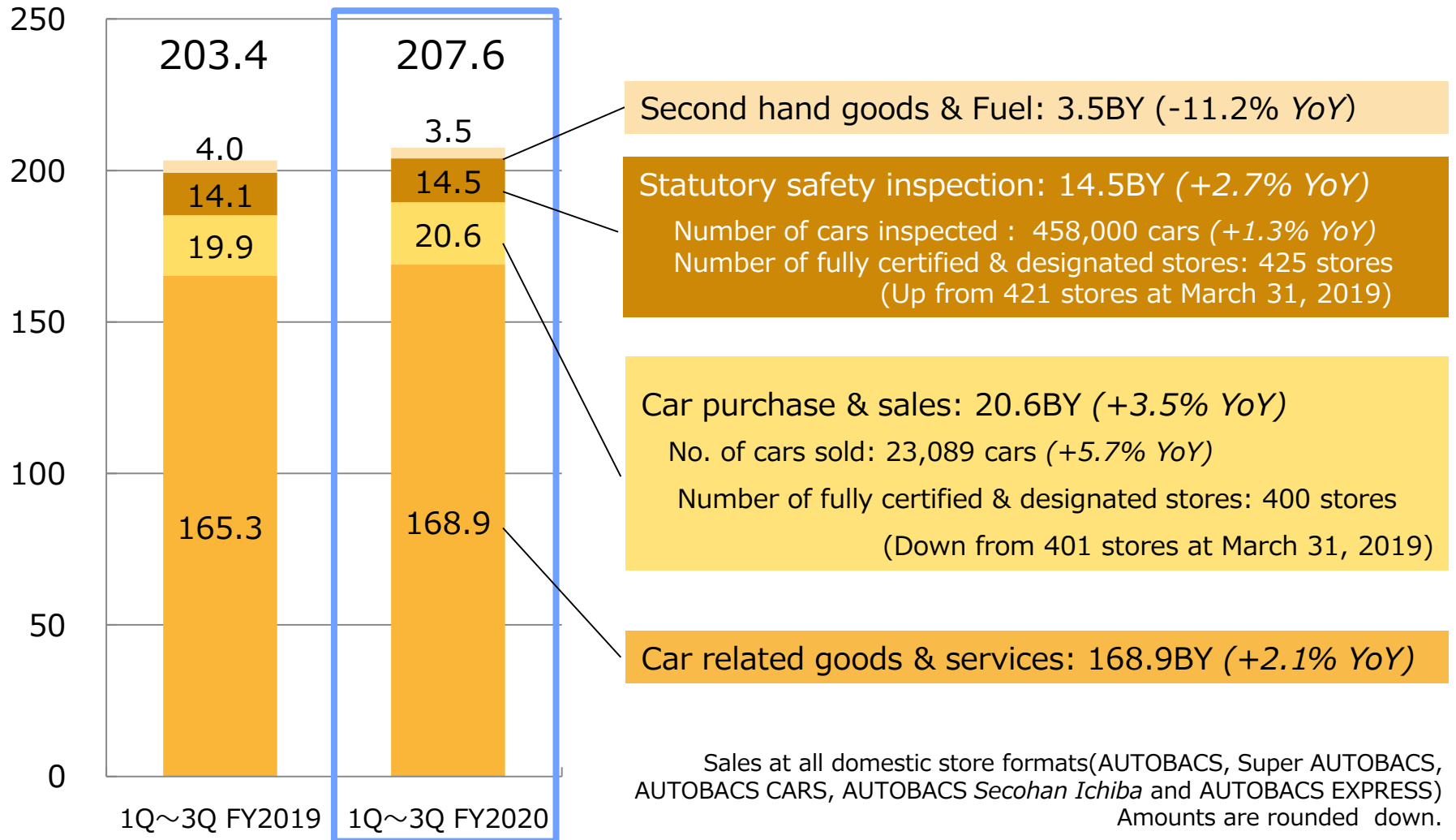
% of Net Sales and YoY comparisons are calculated in the single digits.

Retail Sales in Total AUTOBACS Group Stores



Retail Sales Including FCs: 207.6 billion Yen (+2.0% YoY)

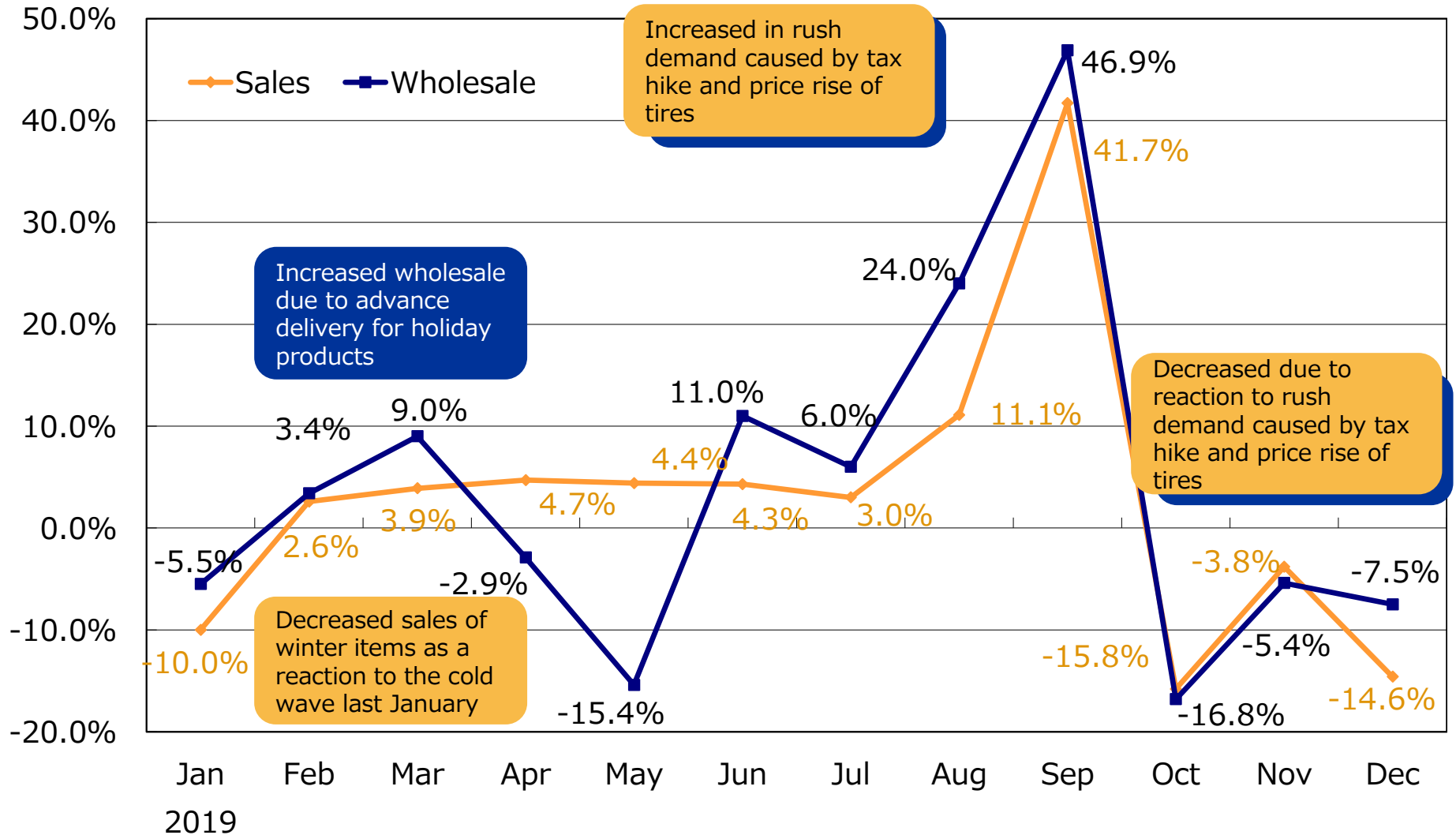
(Billion Yen)



Sales Trend: Retail & Wholesale



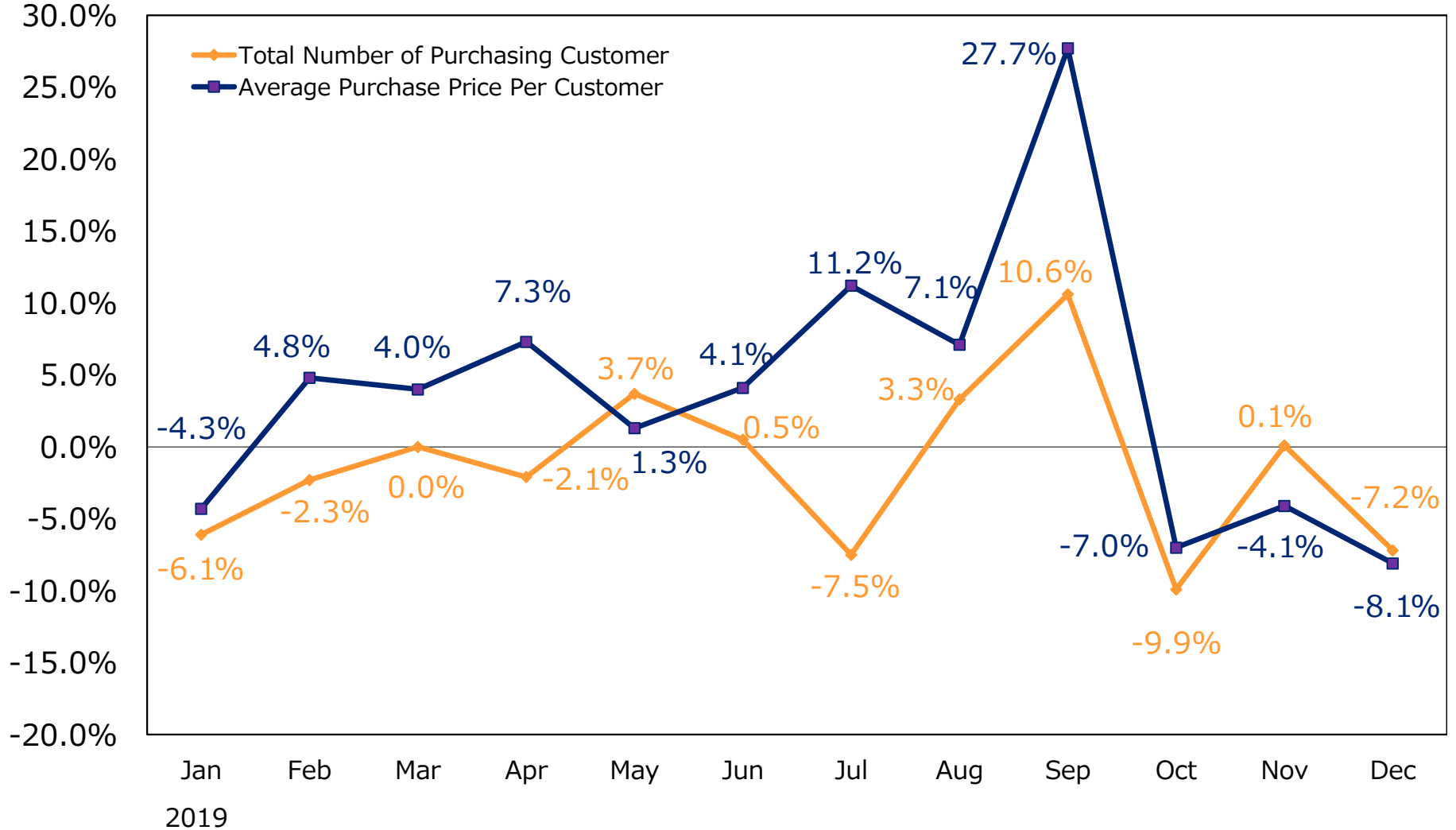
【YoY change for the last 12 months】



Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)
Wholesale from AUTOBACS SEVEN to all domestic AUTOBACS stores.

Total Number of Purchasing Customer and Average Purchasing Price Per Customer

【YoY change for the last 12 months】

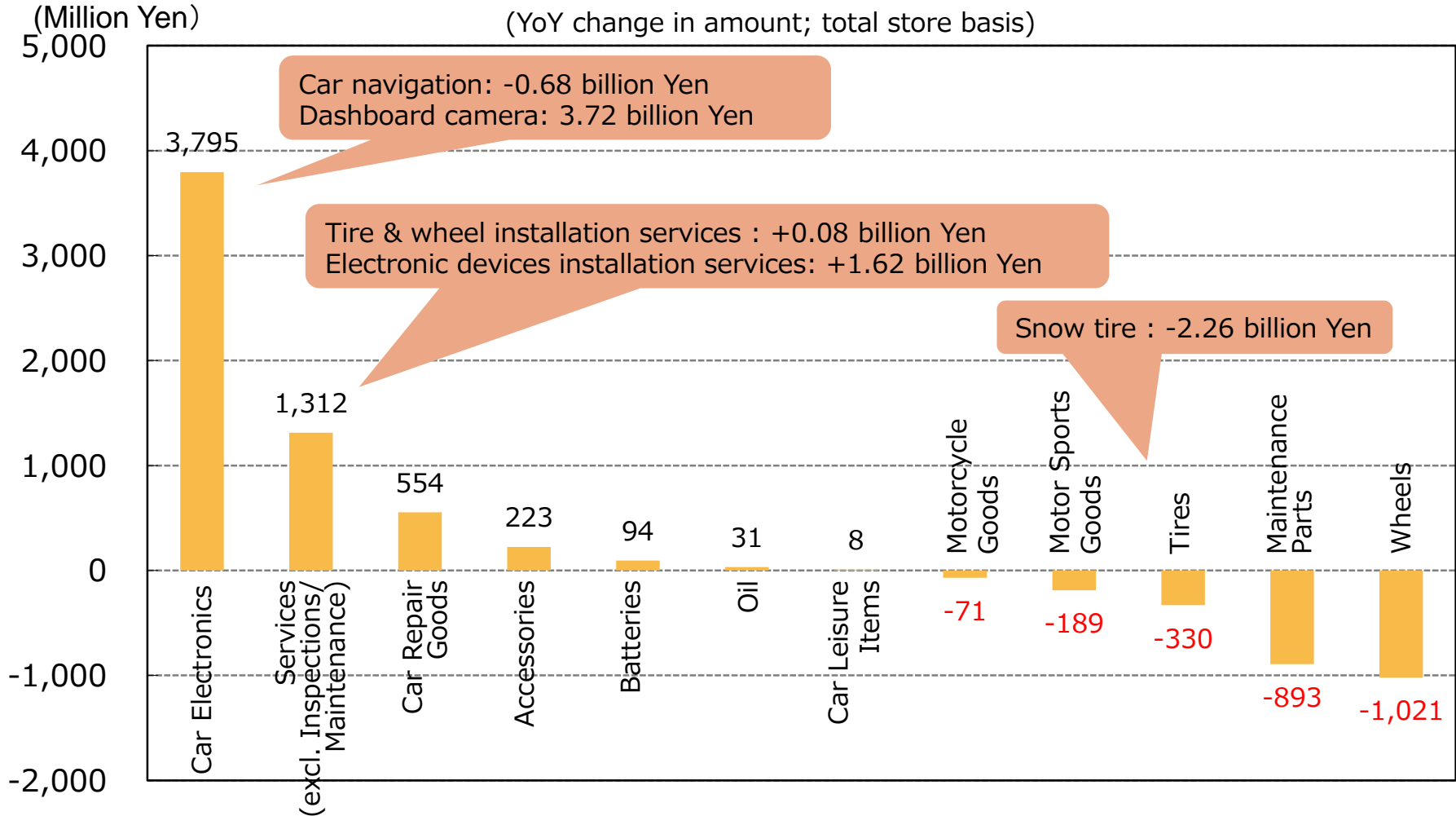


Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)

Sales Variance by Merchandise (1Q~3Q FY2020)



Sales* changes by merchandise category



Sales at all domestic store formats (AUTOBACS, Super AUTOBACS, AUTOBACS CARS, AUTOBACS Secohan Ichiba and AUTOBACS EXPRESS)
Amounts are rounded down.

Automobile purchase and sales business



BtoB Sales

Details	No. of cars sold
To AUTOBACS Seven	2,198
Sales to AA via AUTOBACS Seven	3,700
Direct sales from stores	8,364
BtoB total	14,262

Retail

Details	No. of cars sold
Used cars	5,688
New cars	3,139
Retail total	8,827

Toal 23,089 cars

YoY +5.7%

※Include sales at all domestic AUTOBACS CARS stores

Store Openings and Closings (Plan)



Domestic stores

	No. of stores as of March 31, 2019	Fiscal year ending March 31, 2020							No. of stores as of March 31, 2020 (Plan)
		1Q~3Q (results)			No. of stores as of Dec. 31, 2019	4Q (Plan)			
		New	S/B·R/L	Close		New	S/B·R/L	Close	
AUTOBACS	493	+2	+2/-2	-3	492	+1		-2	491
Super AUTOBACS	74				74				74
AUTOBACS <i>Secohan Ichiba</i>	7				7				7
AUTOBACS EXPRESS	11				11				11
AUTOBACS CARS	8			-5	3				3
Total	593	+2	+2/-2	-8	587	+1		-2	586

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

Overseas stores

Country / Region	No. of stores as of March 31, 2019	FY March 2020(Results & Forecasts)			No. of stores as of March 31, 2020 (Plan)
		1Q~3Q (results)	No. of stores as of Dec. 31, 2019	4Q (Plan)	
France	11		11	-1	10
Thailand	15	+2	17		17
Singapore	3		3		3
Taiwan	7	-1	6		6
Malaysia	4		4	+1	5
Indonesia	3	-1	2	+1/-1	2
Philippines	3		3		3
Total	46	+2/-2	46	+2/-2	46

Performance by Overseas Subsidiaries

(Million Yen)



	France		Thailand		Singapore		China		Malaysia		Australia	
Number of stores*	11		17		3		0		4		0	
Period	3Q FY2020	3Q FY2019	3Q FY2020	3Q FY2019	3Q FY2020	3Q FY2019	3Q FY2020	3Q FY2019	3Q FY2020	3Q FY2019	3Q FY2020	3Q FY2019
Net sales	5,412	6,011	592	364	1,217	987	853	473	47	35	1,047	405
SG&A	2,841	3,259	251	215	439	434	152	150	31	47	317	106
Operating income	30	-74	-70	-101	116	12	26	26	-14	-32	16	29
Business conditions	Although sales decreased due to the transfer of the business rights of a store in July, operating income increased due to reduced advertising expenses and other costs.		Although SG&A expenses were generated in advance in line with the opening of small stores, operating loss was reduced due to increased sales. In July, one store was transferred to the PTG Group.		Sales and operating income increased due to increased wholesale mainly of PB maintenance items for convenience stores and hypermarkets, and making SK AUTOMOBILE a consolidated subsidiary in Nov. 2019.		Wholesale sales of PB oil, etc. increased substantially for China's domestic market rose significantly. In October 2019, the CarHouse Group was converted into an equity method company through additional investment.		Operating loss shrank due to an increase in wholesale to hypermarkets and the effect of restructuring implemented in the previous term.		In October 2018, AudioXtra PtyLtd. was made into a new subsidiary in order to promote local wholesale.	

Amounts are rounded down.

*Including FC stores.

Balance Sheet / Assets



202.1BY

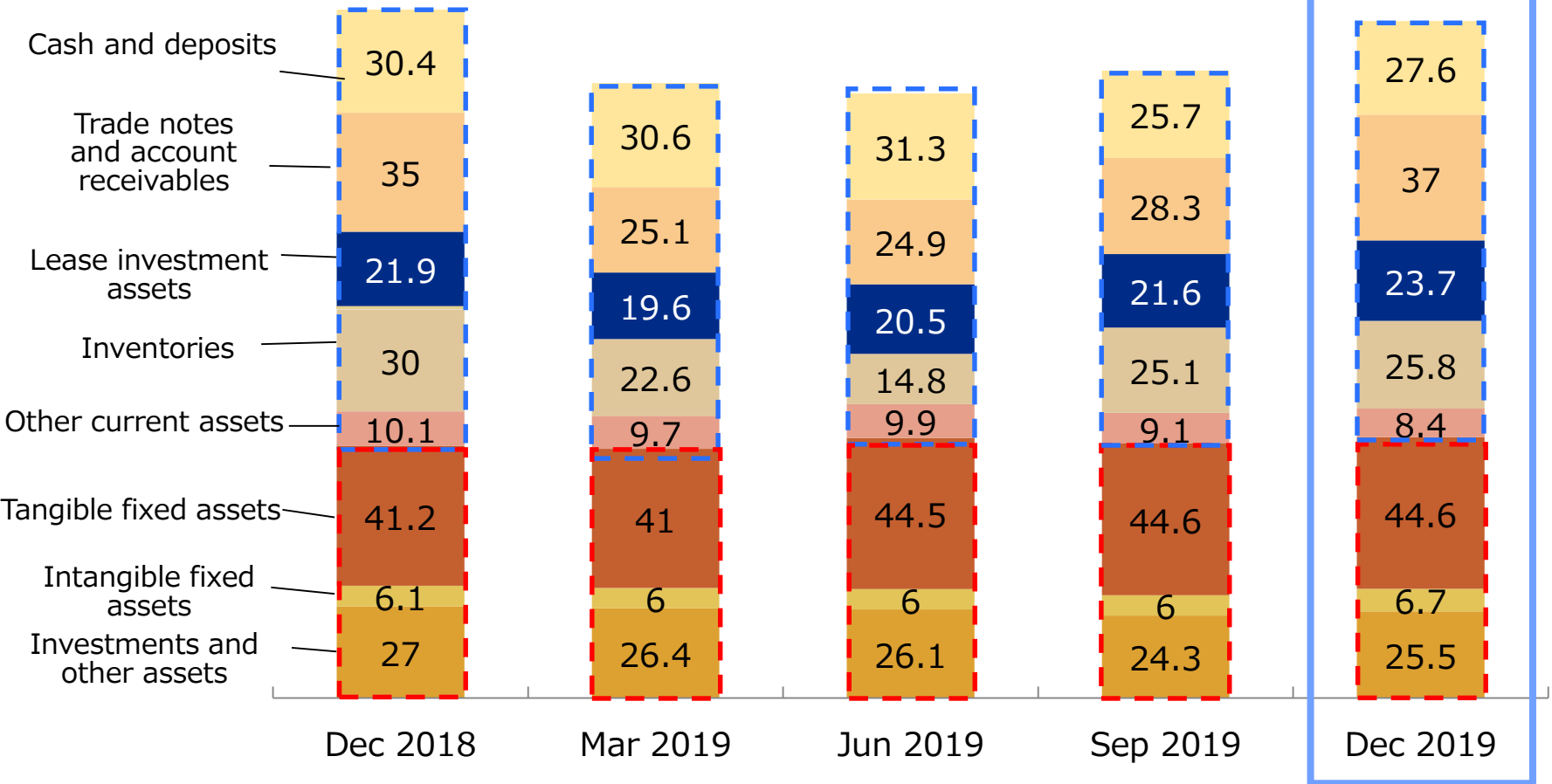
181.3BY

178.3BY

185.0BY

199.7BY

(Billion Yen)



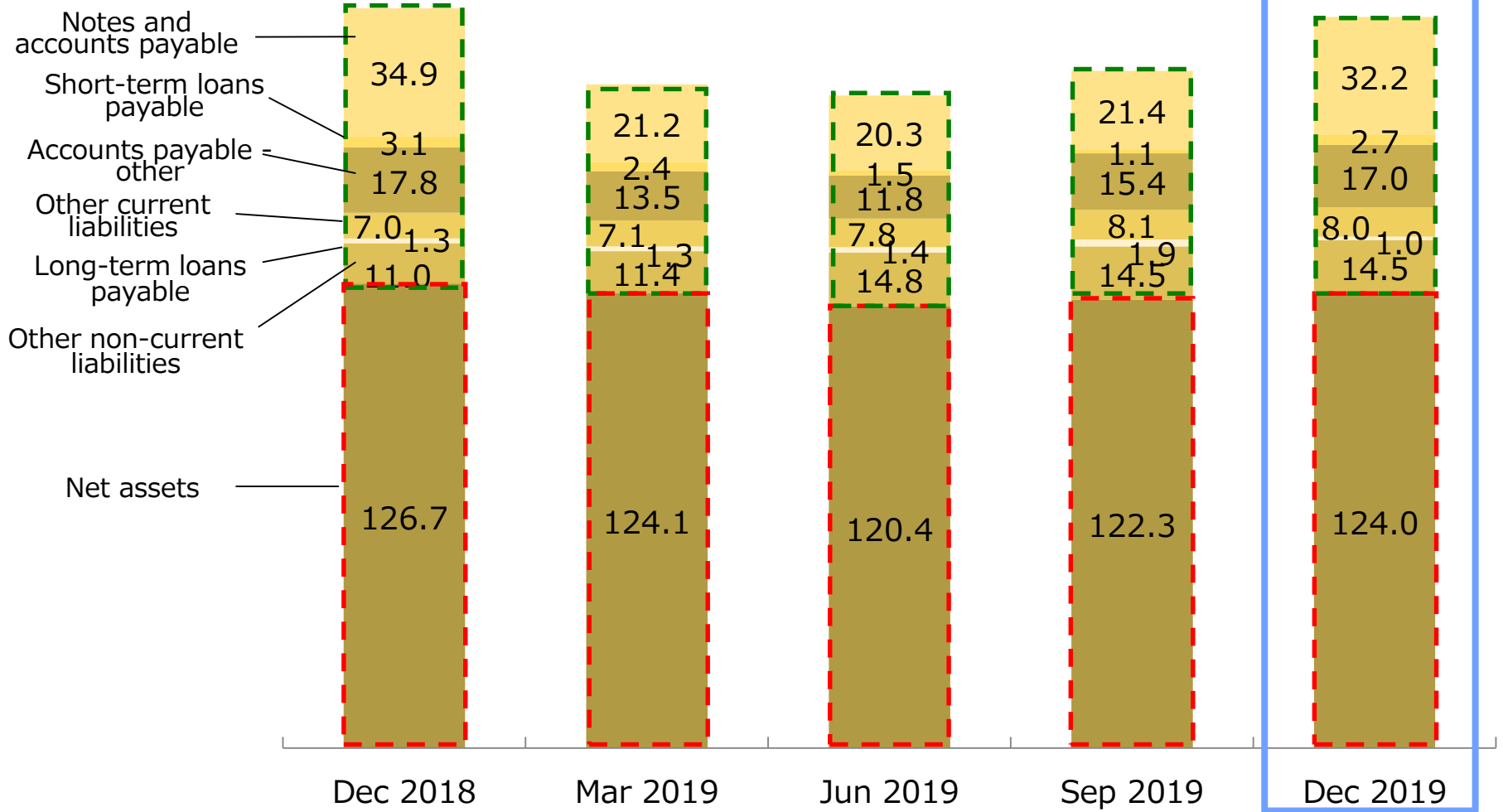
Amounts are rounded down.

Balance Sheet / Liabilities & Net Assets



202.1BY 181.3BY 178.3BY 185.0BY 199.7BY

(Billion Yen)



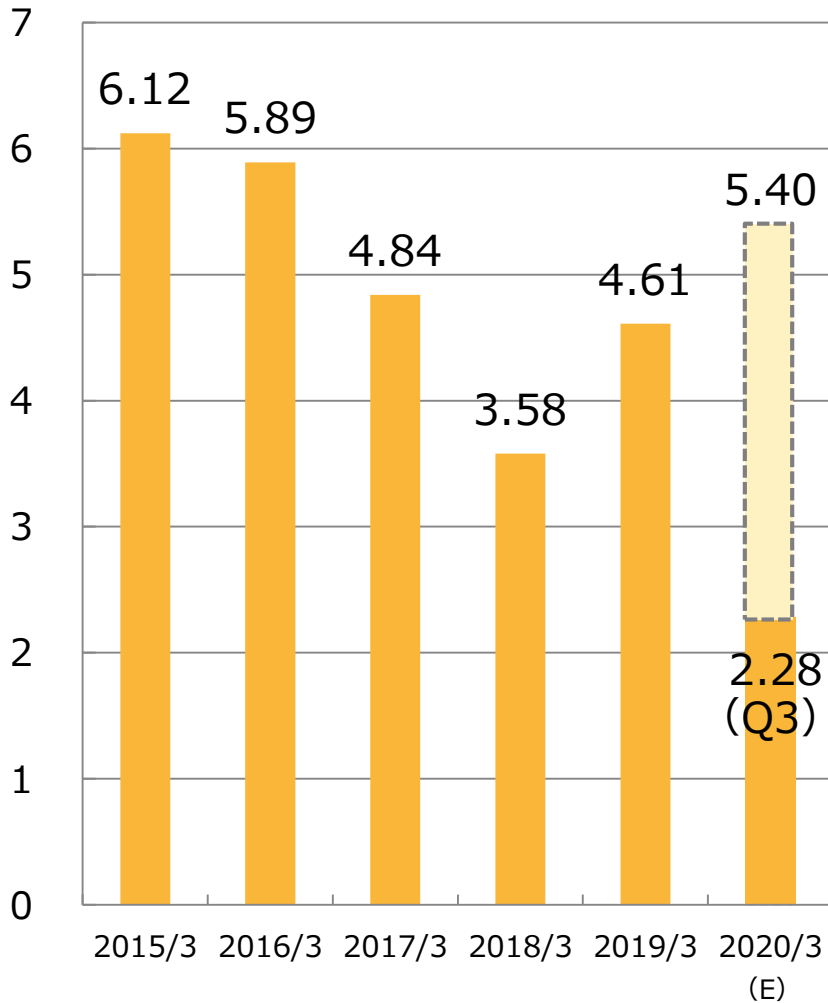
Amounts are rounded down.

CAPEX and Depreciation



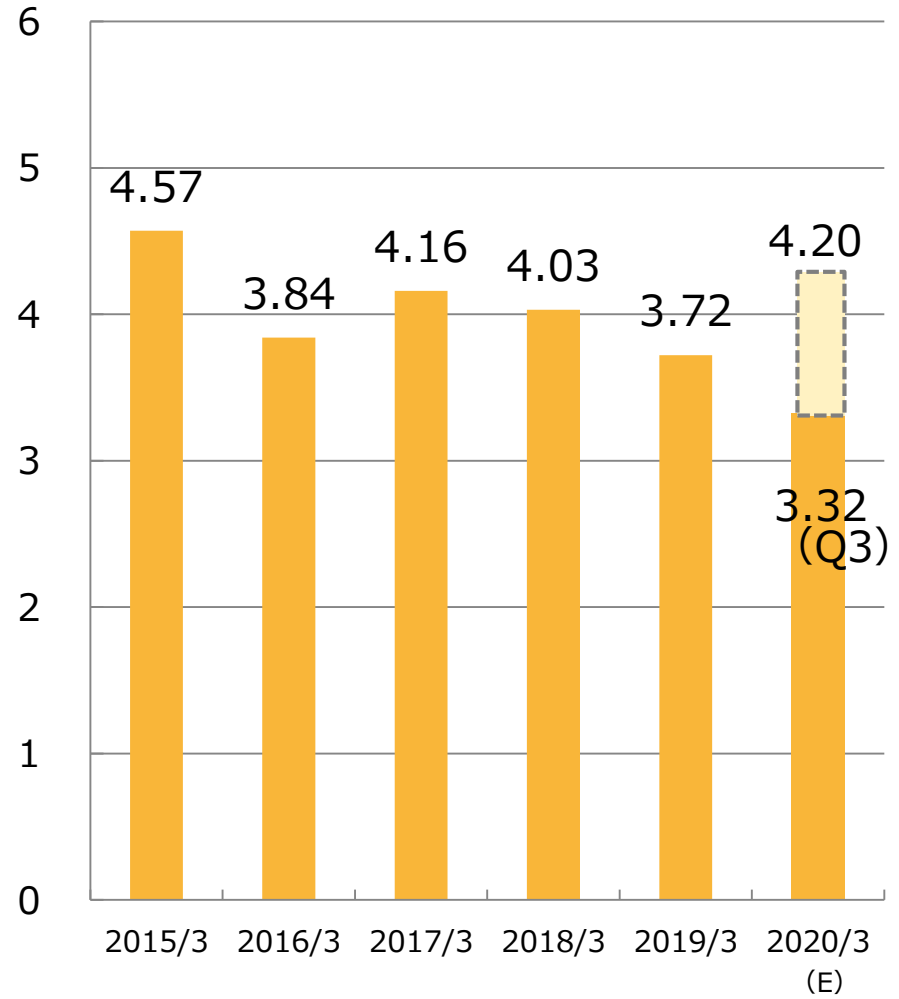
CAPEX

(Billion Yen)



Depreciation

(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.