(Translation)

(Securities code 9832)

[Disclaimer: Please note that this document is a translation of the official Japanese notice of convocation of the 62nd ordinary general meeting of shareholders of AUTOBACS SEVEN CO., LTD. prepared for the convenience of shareholders outside Japan with voting rights, for reference purposes only. In the case where there is any discrepancy between this translation and the official Japanese notice, the latter shall prevail.

June 5, 2009

To Our Shareholders

Setsuo Wakuda
Representative Director
AUTOBACS SEVEN CO., LTD.
6-52, Toyosu 5-chome,
Koto-ku, Tokyo

CONVOCATION NOTICE OF THE 62ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs and Madams:

Notice is hereby given that the 62nd ordinary general meeting of shareholders of AUTOBACS SEVEN CO., LTD. (the "Company") will be held in accordance with the schedule described below. Your attendance is respectfully requested.

If you are not able to attend the meeting, you may exercise your voting rights (i) in writing or (ii) by electromagnetic method (the Internet, etc.). To do so, please examine the reference material for the ordinary general meeting of shareholders set forth below and then exercise your voting rights by 5:50 p.m., Wednesday, June 24, 2009.

Schedule

1. Date and time: June 25, 2009 (Thursday) at 10:00 a.m.

2. Place: Hotel East 21 Tokyo, 3F, Room Eitai
3-3, Toyo 6-chome, Koto-ku, Tokyo

3. Subject matters:

Matters to be reported:

1. Matters concerning reports on the business report and the consolidated financial documents, and the reports by the Accounting Auditors and the Board of Corporate Auditors on the results of the audit of the consolidated financial documents for the 62nd Fiscal Year (from April 1, 2008 to March 31, 2009)

2. Matters concerning reports on the financial documents for the 62nd Fiscal Year (from April 1, 2008 to March 31, 2009)

Matters to be resolved:

Agenda Item No. 1:	Matters concerning the appropriation of surplus
Agenda Item No. 2:	Matters concerning the partial amendment of the Articles of Incorporation of the Company (the "Company's AOI")
Agenda Item No. 3:	Matters concerning the election of nine (9) Directors

4. Guidance notes on the exercise of voting rights:

Please refer to the "Guidance Notes on the Exercise of Voting Rights" on page 3.

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1. *When attending the meeting on the date set forth above, please submit the voting instruction form enclosed herewith to the reception desk.*
2. *If there are any amendments to the reference material for the ordinary general meeting of the shareholders, business reports, consolidated financial documents or financial documents, such amendments will be posted on the Company's website on the Internet (http://www.autobacs.co.jp/).*

[Guidance Notes on the Exercise of Voting Rights]

<Exercise of voting rights in writing>

Please indicate your approval or disapproval of each agenda item on the enclosed voting instruction form and then send such form back to us so that it reaches us no later than 5:50 p.m., Wednesday, June 24, 2009.

<Exercise of voting rights by electromagnetic method (the Internet, etc.)>

If you exercise your voting rights through the Internet, etc., please refer to "Procedures relating to Exercise of voting rights through the Internet" below, and exercise your voting rights by 5:50 p.m., Wednesday, June 24, 2009.

<Electromagnetic voting platform>

From this year, the Company has decided to participate in the electromagnetic voting platform "for institutional investors" operated by ICJ Inc. In addition to the above-described exercise of voting rights through the Internet, as a method for exercising voting rights by electromagnetic method at general meetings of shareholders of the Company, the electromagnetic voting platform is made available to custodian banks and any other nominee-shareholders (including standing proxies) who apply in advance to use such platform.

[Procedures relating to Exercise of voting rights through the Internet]

Before exercising your voting rights through the Internet, please confirm the following matters.

1. You may exercise your voting rights through the Internet only by accessing the following website for exercising voting rights. You may access and use the website for exercising voting rights through the Internet by using a cellular phone.

   URL for the website for exercising voting rights: http://www.webdk.net

2. If you exercise your voting rights through the Internet, please register your approval or disapproval of each agenda item, by using the code and the password described in the enclosed voting instruction form and by following the directions on the screen.

3. Although it is acceptable to exercise voting rights through the Internet until 5:50 p.m., Wednesday, June 24, 2009, please exercise your voting rights as soon as possible to assist us in compiling the results of the voting.

4. If you exercise your voting rights more than once, in writing and through the Internet, we will only accept the exercise of your voting rights through the Internet as valid.

5. If you exercise your voting rights more than once through the Internet, we will only accept the last exercise of your voting rights as valid.

6. Any access fees to internet service providers and any telecommunication fees to telecommunication carriers (such as phone charges) for the usage of the website for exercising voting rights shall be borne by you, the shareholders.

[System environment required in order to exercise voting rights through the Internet]

The following system environment is required in order to use the website for exercising voting rights:

1. Internet access;
2. If you exercise your voting rights by using a personal computer, Microsoft® Internet Explorer 5.5 SP2 or a later version, or Netscape 6.2 or a later version, as the Internet browser software, and a hardware environment appropriate to use such Internet browser software; and
3. If you exercise your voting rights by using a cellular phone, a type of cellular phone with the function allowing 128 bit SSL communications (encrypted communications). (Please note that since the website is only compatible with a type of cellular phone with the function allowing 128 bit SSL communications (encrypted communications) for security purposes, some types of cellular phones cannot be used to exercise your voting rights.)

   (Microsoft is a trademark of Microsoft Corporation of the United States, registered in the United States and other countries. Netscape is a trademark of Netscape Communications Corporation, registered in the United States and other countries.)

[Questions concerning the exercise of voting rights through the Internet]

Please contact our Transfer Agent at one of the following numbers, if you have any questions concerning the exercise of voting rights through the Internet.

Transfer Agent:
The Sumitomo Trust and Banking Co., Ltd., Stock Transfer Agency Department
0120-186-417 (24-hour service), toll free
Requests for forms and other questions:
0120-176-417 (Operating hours: Weekdays 9:00 a.m. to 5:00 p.m.), toll free

ANNEX

BUSINESS REPORT

(From April 1, 2008 to March 31, 2009)

1. Outline of AUTOBACS Group (the "Group")

(1) Progress and Results of the Business

In the fiscal year under review, the financial uncertainty that emerged from the United States became a global concern and the Japanese economy weakened acutely as stock prices fell and as corporate earnings and capital spending contracted. Consumer spending also stalled, as people became inclined to cut expenses and concentrate on protecting their lifestyles, and the concern grew about the uncertainty brought on by the worsening employment environment.

In the car parts and accessory sale industry, the overall operating environment has become extremely challenging, reflecting the deepening economic slump, along with consumers scaling back their spending on automobiles as a result of the surge in gasoline prices continuing from last spring to last autumn, and the lower than usual amount of snowfall on the Pacific Ocean side of the country. Demand for electronic toll collection (ETC) equipment, however, rose in the period toward the end of the fiscal year under review, given the government's additional economic policies, including the decision to lower expressway tolls and the provision of subsidies for the purchase of such equipment.

Responding to these circumstances, the Group adopted a medium-term business plan and has been carrying out initiatives under the plan to improve its management efficiency and strengthen its corporate governance. In particular, in accordance with the policy of reinforcing the domestic franchise chain business, one of the policies of the medium-term business plan, the Group has continued to focus on three main business areas—auto parts and accessories sales, statutory safety inspections and maintenance services, and car sales and purchases—to improve customer recognition of the corporate brand: "Anything car-related, you find at AUTOBACS."

<Overview of Domestic Business>

For "Sale of Car Parts and Accessory" at AUTOBACS stores in Japan, in tire sales the Group strengthened the line-up of low-priced merchandise, including private brand merchandise, and ran an intensive sale campaign involving newspaper advertisements. In car electronics, the Group strove to expand its share in the growing market of portable navigation devices by bolstering their line-ups. It also recorded robust sales on certain merchandise, including child safety seats, associated with the mandatory use of safety belts in the rear seats of vehicles, and ETC equipment, sales of which surged with the introduction of decreased expressway tolls. Moreover, with respect to the sales promotion, the Group continued to deploy sales counters for female customers in each store in line with the female customer store-visiting promotion project. It also began extending marketing initiatives to customers who had not yet visited AUTOBACS stores by commencing a point alliance with T Card from October 2008. However, given the limited snowfall on the Pacific side during the winter, sales of winter merchandise, including snow tires and tire chains, declined. Sales of motor sports goods and car audio equipment also fell, reflecting sluggish demand, while sales of the high-priced pre-installed car navigation systems declined as a result of the market transition to portable navigation systems. The above decline in sales impacted overall sales significantly.

In the field of “Statutory Safety Inspections and Maintenance”, the number of cars that underwent statutory inspections at our stores increased by 15.5% from the previous year, to 389,407. This was because of the increase in the number of designated and certified statutory inspection store locations (282 centers, 17 centers more compared to that at the end of the previous consolidated fiscal year), sales promotion activities via nationwide TV advertisements, as well as the impact of conducting telephone solicitation calls initiated by each store. As a result, total sales of “Car Parts and Accessory” and “Statutory Safety Inspection and Maintenance” from AUTOBACS, Super AUTOBACS and AUTO HELLOES, our mainstay stores, fell by 2.9% year-on-year on a total store basis and by 3.3% on a existing store basis.

In the area of car “Sales and Purchases”, the number of vehicle (including sales from franchisee corporations to the Company) increase, due to the growing number of stores adopting the “Sugokai” used car purchase system, which was introduced in the fiscal year ended March 2008, and the use of television CM to increase recognition. However, in connection with the globally weak automobile market, the distribution of used cars decreased, and the sales of cars by AUTOBACS chain stores slowed down during the second half of this fiscal year. Towards the end of this fiscal year, the number of cars handled by “Car Sales and Car Purchase” business increased to 21,241, an increase of 2.9% from the same period of the preceding year, due to concentration on C@RS affiliated stores in connection with the review of such business.

With respect to store consolidation, the Group newly opened a total of seven stores: four AUTOBACS stores, one Super AUTOBACS store, one AUTOBACS Hashiriya Tengoku Secohan Ichiba store and one AUTOBACS EXPRESS store. Meanwhile, it closed a total of 12 stores: four AUTOBACS stores, two AUTO HELLOES stores, two AUTOBACS Hashiriya Tengoku Secohan Ichiba stores and four AUTOBACS EXPRESS stores. The Group also transformed two stores from an AUTOBACS to a Super AUTOBACS, and it carried out scrap and build and relocation of seven AUTOBACS stores. Additionally, since the Group transferred its franchisor’s business of its motorcycle goods store “RICOLAND," six franchise stores and one direct owned store out of eight total RICOLAND stores were cut down from the Group’s consolidated store. Consequently, the total number of the Group’s overall domestic stores as of the end of the consolidated fiscal year under review fell by 12 stores year-on-year, to 519 stores.

As a result, domestic sales of AUTOBACS chain stores, which consist of wholesale sales (primarily to franchise chain stores, excluding direct owned stores and stores operated by consolidated subsidiaries) and retail sales of directly managed and subsidiary stores, stood at 232,681 million yen. Also, operating expenses were 224,488 million yen, reflecting an increase in sales promotion expenses for tires and system-related expenses, such as expenses for the Point of Sale system. Operating income amounted to 8,202 million yen.

<Overview of Overseas Business>

In North America, the Group focused on strengthening the line-up of low-priced merchandise and replacement parts at Strauss Discount Auto, an auto goods and services specialty chain operating on the U.S. East Coast, to improve the quality of the stores and bolster their sales. As a result, consolidated existing store sales continued to grow on a year-on-year basis during the first half of the fiscal year under review. Subsequently, however, sales growth slowed, reflecting the economic downturn starting in the fall. On the West Coast, despite the opening of one new store near Los Angeles, sales remained weak, attributable to high gasoline prices, sluggish consumer demand and the declining ability of the relevant commercial facilities to attract customers. As a result, net sales in the North America segment rose by 0.1%, to 15,759 million yen, but the operating loss was reduced by 48 million yen year-on-year, amounted 2,338 million yen, given costs associated with opening new stores. In February 2009, the U.S. based two consolidated subsidiaries applied for bankruptcy proceedings.

In Europe, sales rose, reflecting the opening of three new stores in France, growing recognition of AUTOBACS and the improvement of sales sites, and due to the changes in foreign exchange rate, net sales for Europe decreased by 8.6% to 7,869 million yen. However, operating loss improved by 303 million yen to 524 million yen, owing to a higher gross margin following the revision of unit sales prices, and cuts in selling, general and administrative expenses.

In Asia, while existing store sales from Thailand, Singapore and Taiwan remained strong, the Group opened one new store each in Thailand and Singapore. In China, with the opening of one store by a local franchisee, sales rose significantly year-on-year. However, the growth of existing store sales slowed, given the slowdown in economic growth. Net sales of Asia are affected by the changes in foreign exchange rate and the transfer of all shares of Taiwan business subsidiary in February 2009. As a result, net sales for Asia decreased by 16.2% to 3,316 million yen. Operating loss increased by 104 million yen to 249 million yen, reflecting the higher costs of business development, including the opening of new stores.

<Overview of Consolidated Results>

As a result of the activities above, the Group's consolidated sales for the fiscal year under review decreased by 7,285 million yen (2.7%) from the same period in the previous fiscal year, to 259,144 million yen.

In gross profit, though gross margin increased for the statutory safety inspection and maintenance services, the overall sales decline and the reduction in gross margin of tires and wheels resulted in the fall in gross profit by 1,658 million yen (2.0%) from a year ago, to 81,193 million yen.

Meanwhile, selling, general and administrative expenses increased by 187 million yen (0.2%) year-on-year, to 76,103 million yen, despite efforts to reduce expenses in accordance with the medium-term business plan. This increase reflected an increase in overall expenses because of a rise in the number of stores both in Japan and overseas, intensified spending on tire sales advertising, the deployment of the POS system which commenced from the fiscal year ended in March 2008, and spending on the promotion of the medium-term business plan.

Consequently, consolidated operating income slipped by 1,846 million yen (26.6%) from the same period in the previous fiscal year, to 5,090 million yen. Consolidated ordinary income increased by 494 million yen (8.2%) from a year earlier, to 6,556 million yen, because the decrease in the loss on revaluation of investment securities compared to a year ago exceeded the foreign exchange loss of 860 million yen, stemming from loans to overseas subsidiaries and a 1,334 million yen loss on the revaluation of investment securities, as a result of the lower revaluation of securitized papers.

The Group also recorded extraordinary income of 4,823 million yen associated with a change in the accounting standards concerning lease transactions of buildings rented to franchisee corporations. Meanwhile, as a result of initiatives adopted in line with the medium-term business plan to improve future earnings, the Group recorded extraordinary losses of 15,318 million yen. This primarily reflects business-restructuring expenses of 4,926 million yen associated with the withdrawal from the U.S. market, impairment losses on fixed assets of 5,289 million yen, losses on the revaluation and sales of investment securities of 3,993 million yen. As a result, net loss for the fiscal year under review was 3,397 million yen.

<Conditions of Respective Operations>

Wholesale Operations:

Wholesale sales to franchise chain stores (excluding directly owned stores and stores operated by consolidated subsidiaries) decreased by 3.0%, to ¥140,741 million, from the previous fiscal year, due to the decrease in sales of tire chains, car audio systems, wheels and motor sports related products, while sales of tires, which the Group placed focused on selling in this consolidated fiscal year, oil and batteries whose prices increased, and portable navigation systems, onboard ETC systems, cars, fuel, etc. increased.

Retail Operations:

As for retail sales, even though sales of services, including statutory safety inspection and maintenance services provided by directly owned stores and stores operated by consolidated subsidiaries increased, such increase could not cover the decrease of sales due to stagnant consumption, a rapid increase in gasoline prices, little snowfall in winter on the Pacific side of Japan, etc. The sales of overseas stores decreased due to the impact of economic slowdown and fluctuations in exchange rates especially in Europe and the United States. As a result, overall sales of retail operations in Japan and overseas decreased by 2.2%, to ¥114, 600 million, from the previous fiscal year.

Sales of Each Operation:

Operations	61st term (From April 1, 2007 to March 31, 2008)		62nd term (From April 1, 2008 to March 31, 2009)		Amount of Increase or Decrease (in million yen)	Rate of Increase or Decrease (%)
	Amount (in million yen)	Composition Ratio (%)	Amount (in million yen)	Composition Ratio (%)		
Wholesale Operations	145,072	54.4	140,741	54.3	△4,331	△3.0
Retail Operations	117,182	44.0	114,600	44.2	△2,582	△2.2
Other Operations (Note)	4,174	1.6	3,802	1.5	△371	△8.9
Total	266,429	100.0	259,144	100.1	△7,285	△2.7

Note: "Other Operations" include income from rent and leasing fees.

<Progress of Mid-Term Management Plan>

Under the medium-term business plan announced in May 2008, the Group shifted its management policy from business expansion, which had been pursued up to the previous fiscal year, to a focus on profitability. Accordingly, it has taken initiatives from the perspective of strengthening of the Business Strategy, Financial Strategy and Governance System.

Business Strategies

The Business Strategy includes three specific initiatives: reinforcing the franchise chain business in Japan, reviewing of overseas businesses and increasing efficiency in headquarters functions and costs.

With respect to reinforcing the franchise chain business in Japan, the Group focused on improving profitability of stores, rebuilding an area-dominant strategy and reviewing new domestic businesses. To improve profitability of stores it took initiatives of strengthening sales of maintenancing merchandise associated with tires, oil and batteries, bolstering store sales and gross margin primarily by strengthening sales promotions of statutory safety inspections and maintenance services and reviewing store costs. To rebuild an area-dominant strategy, the Group improved its profitability and efficiency by reviewing its management structure. The initiative included the consolidation and the transfer of subsidiaries in the Chiba and Tochigi areas and a store transfer between subsidiaries in the Miyagi area in an effort to strengthen the stores' competitiveness in their local areas. Under the initiative of reviewing new domestic businesses, the Group determined to withdraw from new businesses such as the fuel business and motorcycle goods business, which were judged to be less effective in contributing to the domestic franchise business and have low growth potential in the future. Consequently, it liquidated subsidiaries associated with these businesses and sold the related businesses.

With respect to reviewing of overseas businesses, the Group examined each overseas operation from the perspectives of growth potential of markets and the Company's competitive superiority. As a result, it decided to cease supporting AUTOBACS U.S.A., INC. and AUTOBACS STRAUSS INC., the U.S. consolidated subsidiaries, as the Group judged that it would be difficult for these subsidiaries to establish their competitive superiority in the near future and improve their earnings in the short term given the stagnant conditions of the automotive industry. AUTOBACS U.S.A., INC. and AUTOBACS STRAUSS INC. filed petitions under Chapter 11. Therefore, both subsidiaries are expected to be out of the Group's consolidated base by means of stock redemption and other in the future. The discussion for the possibility of the Group's debt collection is to be advanced with the parties concerned. With respect to business in Taiwan, in light of market growth potential, the Group transferred all shares of a subsidiary in Taiwan to the third party. With respect to businesses in France, Thailand and Singapore, the Group examined operations and considered selling some businesses. However, as it turned out to be difficult to carry out such sales under the current market conditions, the Group decided to continue operations for the near futures and focus on improving their profitability and corporate value and will find out their business directions at the appropriate time. As for business in China, the Group determined that market potential is high and business will be continued. In the years ahead, the Group will make efforts to enhance the management system and cost efficiency of the head office and to improve the profitability of its stores.

With respect to making headquarters functions and costs more efficient, the Group took measures to cut expenses of the headquarters and business offices, and centered functions that were dispersed or duplicated by the Company and its subsidiaries to improve operational efficiency and cut costs. Moreover, as part of initiatives of rebuilding a business portfolio, the Group solicited the voluntary retirement of employees. A total of 39 employees have responded to this initiative.

Financial Strategies

Under the Financial Strategy, in an effort to improve assets and the assets' efficiency, the Group sold investment assets, including all holding shares of Halfords, Plc. of the United Kingdom, which was only remotely associated with the Group's business. It also sold assets, such as welfare facilities, that were not fully used. In addition, the Group carried out a share buyback in accordance with the policy of enhancing returns to shareholders by taking into account the financial stability.

Enhancement of Governance System

With respect to enhancing the governance system, in accordance with the resolution of the General Meeting of Shareholders held in June 2008, the Group appointed two additional outside directors and one outside auditor. As a result, of nine directors, four are now outside directors, and of five corporate auditors, three are outside auditors. Through these appointments, deliberation in Board of Directors meetings has become more effective and the decision-making process has improved. Moreover, the Group has established a Governance Committee, comprised of the representative director and outside directors, to strengthen the corporate governance system. The Committee examines management issues pointed out by the Board of Directors and presents proposals to the Board of Directors on an ongoing basis.

(2) Conditions of Capital Investment

During this consolidated fiscal year, the Group implemented capital investments in the aggregate amount of ¥4,719 million, which included investments in the following areas: information systems, such as Store Point of Sale systems and personnel systems; acquisitions of store sites, buildings and accessory equipment, and assets for leasing in connection with the opening of new stores; conversion of stores into different types; and rebuilding and relocation.

(3) Conditions of Fund Raising

During this consolidated fiscal year, the Group appropriated cash and deposits, and funds obtained from the sale of non-core assets pursuant to the policy of the mid-term management plan to capital demand for the capital investment above, and consequently, the Group raised funds in the aggregate amount of ¥480 million, by long-term borrowing from financial institutions for operating capital demand of subsidiaries.

(4) Issues to Be Addressed

With respect to the future prospects of the business environment, both increases and decreases in sales of the Group are expected because headwind is anticipated, such as continuous decline of consumer spending and decreasing sales of new cars due to Japan's stagnant economy, despite the anticipation that demand related to maintenance of car, etc. will increase due to the increase of car use, due to the lowering of expressway tolls and stable gasoline prices.

Under these circumstances, the Group's strategy aims at improving profits and increasing market share - e.g., (1) enhancing the competitive power of stores through the reinforcement of sales of car parts and accessories, (2) improving sales of maintenance-related products, such as tires, oil, batteries, etc. through the enhancement of relationships with customers centering on statutory safety inspection and maintenance and (3) improving productivity through optimum placement of management resources, under the slogan, "Anything car-related, you find at AUTOBACS." Furthermore, with respect to car sales and car purchases, the Group will focus on the restructuring of successful store models by concentrating on C@RS affiliated stores.

<Medium Term Management Strategy>

Under the management strategy of the Group, the Group will aim to expand market share in the car parts and accessories sales business and take an even stronger position in the car parts and accessories industry, based on brand power as the top store specializing in car parts and accessories in Japan and the financial stability of the Group, which are the Group's advantages, through improving the attractiveness of stores through a better selection of products, the opening, closing and renewal of stores, and through differentiation by developing service business, such as statutory safety inspection and maintenance. The Group will focus on the restructuring of successful store models for car sales and car purchase business, from which synergy effect would be expected as the growing area in the future, by concentrating on C@RS affiliated stores.

<Efforts to Implement Management Strategy>

In order to implement the management strategy above, the Group, in respect of the business of Sales of Car Parts and Accessories in Japan, will address the issue of top priority, in order to obtain awareness and trust of customers that ““Anything car-related, you find at AUTOBACS.”,” and to improve profitability of stores and the issues of (1) improving stores and performance on the sales floor, (2) enhancing relationships with customers, and (3) restructuring area strategy. As for (1) above, the Group will aim at increasing sales and gross profit margin ratios by reviewing the number of product items and the number of shelves for each product category in light of sales and gross profit margin to produce more effective performance on the sales floor, by improving the selection of exclusive products and private brand products, and by promoting category management. As for (2) above, the Group will conduct sales promotion activities and provide special services to customers who visit stores, and such promotional activities shall be continued on an ongoing basis by enhancing CRM (Customer Relationship Management) for existing members of the point system, centering on the business of statutory safety inspection and maintenance. As for (3) above, the Group will aim at expanding market share in sales and improving the profitability of stores, through restructuring area strategy by reviewing store management systems in each area, in addition to closing unfavorable stores and activating existing stores through relocation or renewal on an ongoing basis.

With respect to the business of Statutory Safety Inspection and Maintenance, the Group will work on telephone solicitation, obtaining advanced reservations, increasing the number of officially certified stores that are allowed to conduct statutory safety inspections and maintenance at their own sites, increasing the number of employees who are qualified as inspectors to enhance sales and capacity of stores, in order to increase the number of cars on which Statutory Safety Inspection and Maintenance is performed, and create mechanisms to encourage customers to visit stores again.

With respect to the business of Car Sales and Car Purchases, the Group will aim to establish a successful model store though management resource concentration, by limiting the number of stores having a car purchase system “Sugokai,,” and by accumulating sales know-how in store and developing human resources. Furthermore, the Group will make efforts to improve brand awareness and customer trust with respect to the Group’s car sales and car purchases, by providing customers with various benefits, such as the introduction of car loans that guarantee residual value, “Okiraku Kuruma Plan,” for used cars, in order to enhance retail sales.

With respect to overseas business, the Group will aim at achieving a surplus in overseas business operating profits in the fiscal year that is to end in March 2011, by implementing business strategies suitable for each area.

Moreover, the Group recognizes the importance of human resources development in improving the corporate value of the Group in the medium and long term. In this respect, the Group will provide training by occupation, such as management personnel, counselor, buyer, etc. and for each class and type of job of staff at stores, to develop human resources.

<Target Management Benchmarks>

The Group considers ROE as the most important benchmark and is aiming to improve corporate value by making efforts to improve operating profits through the enhancement of profitability and to improve asset efficiency and capital efficiency. Currently, the Group aims at 7% of ROE in the mid-term management plan until the fiscal year that is to end in March 2011.

Your further and continued support will be greatly appreciated.

(5) Progress of Properties and Income

Properties and Income of the Group

Classification	59th fiscal year (April 1, 2005 to March 31, 2006)	60th fiscal year (April 1, 2006 to March 31, 2007)	61st fiscal year (April 1, 2007 to March 31, 2008)	62nd fiscal year (April 1, 2008 to March 31, 2009)
Net sales (Millions of Yen)	240,207	242,532	266,429	259,144
Ordinary income (Millions of Yen)	16,922	16,323	6,062	6,556
Net income (Millions of Yen)	7,860	9,165	1,467	△3,397
Net income per share (Yen)	210.36	239.01	38.37	△90.29
Total assets (Millions of Yen)	227,707	240,627	234,126	224,168
Net assets (Millions of Yen)	161,535	168,650	165,205	155,478

Properties and Income of the Company

Classification	59th fiscal year (April 1, 2005 to March 31, 2006)	60th fiscal year (April 1, 2006 to March 31, 2007)	61st fiscal year (April 1, 2007 to March 31, 2008)	62nd fiscal year (April 1, 2008 to March 31, 2009)
Net sales (Millions of Yen)	203,056	203,272	204,284	199,002
Ordinary income (Millions of Yen)	15,692	17,159	8,321	8,562
Net income (Millions of Yen)	6,965	10,716	3,158	△6,723
Net income per share (Yen)	185.99	279.41	82.62	△178.62
Total assets (Millions of Yen)	225,262	237,684	228,746	214,154
Net assets (Millions of Yen)	161,831	169,617	167,923	154,601

(6) Conditions of Principal Subsidiaries, Etc. (as of March 31, 2009)

Name	Capital amount	Voting ratio of the Company	Details of main business
	Millions of Yen	%	
A.M.C. Ltd.	495	100.0	Business of retail sales of car parts and accessories
ALFI Ltd.	490	100.0	Leasing business
	Thousands of U.S. Dollars		
AUTOBACS STRAUSS INC.	*32,300	100.0	Business of retail sales of car parts and accessories
	Thousands of Euro		
AUTOBACS FRANCE S.A.S.	21,340	100.0	Business of retail sales of car parts and accessories

*As the capital amount is nominal, the amount includes the capital reserves.

(7) Details of Main Business of the Group (as of March 31, 2009)

The Group engages in the wholesale and retail sales of car parts and accessories in Japan and overseas, sales and purchase of cars, as well as the loan and credit business. In addition, the Group engages in leasing store facilities to AUTOBACS Group companies, consulting work, office support, advertising, information services, non-life insurance agency services and managing driving schools.

Categories related to the Group's business and relation between the business and operating departments are as follows:

Wholesale Operations	Wholesale sales of car parts and accessories, etc. to franchise chain stores. Main products are tires and wheels, car electronic products, etc.
Retail Operations	Sales of car parts and accessories and provision of installation services to consumers. Main brand names are AUTOBACS, Super AUTOBACS, AUTO HELLOES and AUTOBACS *Hashiriya Tengoku Secohan Ichiba.* Main products are tires and car wheels, car electronic products, etc.
Others	Support of the business of the Wholesale Operations, the Retail Operations and the franchise chain stores, and development of new types of business.

(8) Main Business Offices (as of March 31, 2009)

(i) Business Offices of the Company

Headquarters	Koto-ku, Tokyo	
Store Operations	Northern Japan Regional Department	Izumi-ku, Sendai-shi
	Kanto Regional Department	Ichikawa-shi, Chiba Prefecture
	Chubu Regional Department	Meito-ku, Nagoya-shi
	Kansai Regional Department	Suita-shi, Osaka
	Southern Japan Regional Department	Hakata-ku, Fukuoka-shi
Distribution Centers	Eastern Japan Logistics Center	Ichikawa-shi, Chiba Prefecture
	Western Japan Logistics Center	Miki-shi, Hyogo Prefecture

(ii) Headquarters of Principal Subsidiaries

A.M.C. Ltd.	Nishi-ku, Sapporo-shi
ALFI Ltd.	Koto-ku, Tokyo
AUTOBACS STRAUSS INC.	Delaware, U.S.A
AUTOBACS FRANCE S.A.S.	Pierrelaye, France

(iii) Headquarters of Principal Affiliates

Buffalo co., ltd.	Kawaguchi-shi, Saitama
Daytona International Trading Corporation	Shuchi-gun, Shizuoka

(9) Conditions of Employees (as of March 31, 2009)

Conditions of employees in the Group

Name of main operations	Number of employees	Variation in numbers from the last consolidated fiscal year
	persons	persons
Wholesale Operations	562 (36)	△32 (10)
Retail Operations	4,679 (1,649)	△279 (△261)
Companywide Operations	692 (36)	△248 (△558)
Total	5,933 (1,721)	△559 (△809)

(Notes) 1. The number of employees means the number of workers, and as for the number of temporary workers, the average yearly number is indicated in parentheses.

2. The number of employees indicated in Companywide Operations is that of the employees

belonging to the segment that cannot be classified as a specific segment.

Conditions of employees in the Company

Number of employees	Variation in numbers from the last consolidated fiscal year	Average age	Average working years
persons 1,026	persons 9	years old 38.4	years 11.0

(10) Conditions of Main Lenders (as of March 31, 2009)

Lenders	Outstanding borrowings
	Millions of Yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,701
Sumitomo Mitsui Banking Corporation	3,200
Nippon Life Insurance Company	2,900
The Sumitomo Trust and Banking Company, Limited	1,627

2. Outline of the Company (as of March 31, 2009)

(1) Conditions of Shares

(i) Aggregate Number of Issued Shares: Common Stock 39,255,175 shares
(including 1,800,971 shares of treasury stock)

(ii) Aggregate Number of Shareholders: 11,859 persons

(iii) Major Shareholders (Top 10 shareholders)

Name of Shareholders	Conditions of contribution to the Company	
	Number of shares held	Voting ratio
	Thousands of Shares	%
Ichigo Asset Trust	5,300	14.15
Sumino Holdings Incorporated	5,157	13.76
Japan Trustee Services Bank, Ltd. (Trust Account)	1,616	4.31
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1,492	3.98
Northern Trust Company (AVFC) Sub Account American Client	1,453	3.88
Silchester International Investors International Value Equity Trust	1,221	3.26
The Master Trust Bank of Japan, Ltd. (trust account)	1,001	2.67
The Yuumi Memorial Foundation For Home Health Care	1,000	2.66
Northern Trust Company (AVFC) Re U.S. Tax Exempted Pension Funds	987	2.63
Sumisho Holdings, Ltd.	800	2.13

(Notes) 1. Voting ratio is calculated by deducting shares of treasury stock from the total number of shares with voting rights.

2. The Company confirms that Ichigo Asset Trust, which is included in the list of “Major Shareholders” above, is the name recorded in the register of shareholders and that the beneficial owner of shares of Ichigo Asset Trust is Ichigo Asset Management International, Pte. Ltd.

3. (1) The amendment to the substantial shareholding report was filed with the Director-General of Kanto Local Finance Bureau by Silchester International Investors Limited on October 27, 2008 pursuant to Article 27-25, Paragraph 1 of the Financial Instruments and Exchange Act. However, the Company could not confirm the number of shares held as of March 31, 2009. As a result, the number of shares held by Silchester International Investors Limited is not included in the list of “Major Shareholders” above.
Contents of the amendment are as follows:

Substantial shareholder Silchester International Investors Limited

Number of shares held by the reporter 3,708,000 (Holding ratio: 9.45%)

(2) The amendment to the substantial shareholding report was filed with the Director-General of Kanto Local Finance Bureau by Société Générale Asset Management International Limited on February 13, 2009 pursuant to Article 27-25, Paragraph 1 of the Financial Instruments and Exchange Act. However, the Company could not confirm the number of shares held as of March 31, 2009. As a result, the number of shares held by Société Générale Asset Management International Limited is not included in the list of "Major Shareholders" above.

Contents of the amendment are as follows:

Substantial shareholder	Société Générale Asset Management International Limited
Number of shares held by the reporter	1,620,000 (Holding ratio: 4.13%)

(iv) Other Significant Matters Concerning Shares

Acquisition and disposal, etc. of treasury stock and the holding thereof

Shares held as of the end of the last fiscal year		1,020,418 shares	(i)
Acquired shares	Acquisition through purchase of shares constituting less than one (1) unit	2,053 shares (Aggregate acquisition values: 5,222,000 yen)	(ii)
	Acquisition of treasury stock in accordance with the provision of Article 156 of the Companies Act as applied under Paragraph 3 of Article 165 of the said act	778,500 shares (Aggregate acquisition values: 2,452,525,000 yen)	(iii)
Disposed shares		0 shares	
Shares held as of the end of the current fiscal year		1,800,971 shares ((i)+(ii)+(iii))	

(2) Conditions of Officers

(i) Directors and Corporate Auditors

Title	Name	Duty and Representation in Other Companies, Etc.
Representative Director	Setsuo Wakuda	Chief Executive Officer
Director	Yasuhiro Tsunemori	Chief Operating Officer, Corporate Strategy, Overseas Operation and Merchandising Strategy
Director	Hidehiro Ide	Senior Executive Officer, Business Management, Finance, Accounting and Group Companies Management
Director	Yasuo Nakata	Representative Director and President and Chief Executive Officer of Calbee Foods Co., Ltd.
Director	Eiju Miyauchi	Outside Corporate Auditor of Santen Pharmaceutical Co., Ltd.
Director	Hironori Morimoto	Senior Executive Officer, Regional and Area Strategy
Director	Kenichi Takeda	Chairman of AUTOBACS USA., INC. and Chairman (full-time) of AUTOBACS STRAUSS INC.
Director	Tatsuya Tamura	President of Global Management Institute Inc. and Chairman of Japan Independent Directors Network (Zenkoku Shagai Torishimariyaku Network in Japan) (specified nonprofit corporation)
Director	Norio Hattori	
Senior Corporate Auditor (Full-time)	Akira Nogami	
Senior Corporate Auditor (Full-time)	Kotaro Morino	
Senior Corporate Auditor (Full-time)	Hiroshi Sumino	
Corporate Auditor	Kensuke Tanabe	
Corporate Auditor	Tomoaki Ikenaga	Lawyer

(Notes) 1. Four (4) directors, Mr. Yasuo Nakata, Mr. Eiju Miyauchi, Mr. Tatsuya Tamura and Mr. Norio Hattori, are outside directors, as provided for in Article 2, Item 15 of the Companies Act.

2. Three (3) corporate auditors, Mr. Kotaro Morino, Mr. Kensuke Tanabe and Mr. Tomoaki Ikenaga, are outside corporate auditors, as provided for in Article 2, Item 16 of the Companies Act.

(ii) Remuneration and Other Benefits Paid to Directors and Corporate Auditors

Classification	Number of paid persons	Amount of payment
	Persons	Millions of Yen
Directors (Outside Directors)	11 (4)	242 (42)
Corporate Auditors (Outside Corporate Auditors)	5 (3)	75 (35)
Total	16	317

(Notes) 1. Director’s remuneration limit
¥480 million per year (upon a resolution at the ordinary general meeting of shareholders held on June 28, 2006)

2. Corporate Auditor’s remuneration limit
¥120 million per year (upon a resolution at the ordinary general meeting of shareholders held on June 28, 2006)

3. The above includes the two (2) directors who retired as of the conclusion of the 61st ordinary general meeting of shareholders held on June 26, 2008.

(iii) Matters concerning Outside Corporate Officers

a. Conditions that the Outside Corporate Officers concurrently serve as an Executive Director, etc. for other companies

Classification	Name	Other companies concurrently served	
Outside Director	Yasuo Nakata	Calbee Foods Co., Ltd.	Representative Director and President, and Chief Executive Officer
Outside Director	Tatsuya Tamura	Global Management Institute Inc.	President
		Japan Independent Directors Network (Zenkoku Shagai Torishimariyaku Network in Japan) (specified nonprofit corporation)	Chairman
Outside Corporate Auditor	Tomoaki Ikenaga	Anderson Mori & Tomotsune	Partner

(Notes) 1. Calbee Foods Co., Ltd. has no direct business relationship with the Company.

2. Global Management Institute Inc. has no direct business relationship with the Company.

3. The Company is a supporting member of Japan Independent Directors Network (Zenkoku Shagai Torishimariyaku Network in Japan) (specified nonprofit corporation).

4. Anderson Mori & Tomotsune has no direct business relationship with the Company.

b. Conditions that the Outside Corporate Officers serve as an Outside Corporate Officer for other companies

Classification	Name	Other companies concurrently served	
Outside Director	Eiju Miyauchi	Santen Pharmaceutical Co., Ltd.,	Outside Corporate Auditor

c. Relationship between special related business partners such as major clients

Not applicable.

d. Major activities during the current fiscal year

i. Attending meetings

Name		Board of Directors' Meetings			Board of Corporate Auditors' Meetings		
		Ordinary general meetings (12 times)	Extraordinary general meetings (8 times)	Attendance Rate (%)	Ordinary general meetings (14 times)	Extraordinary general meetings (7 times)	Attendance Rate (%)
Directors	Yasuo Nakata	12 times	3 times	75%	-	-	-
	Eiju Miyauchi	12 times	8 times	100%	-	-	-
	Tatsuya Tamura	8 times	5 times	81%	-	-	-
	Norio Hattori	9 times	7 times	100%	-	-	-
Corporate Auditors	Kotaro Morino	12 times	8 times	100%	14 times	7 times	100%
	Kensuke Tanabe	10 times	7 times	85%	10 times	4 times	67%
	Tomoaki Ikenaga	9 times	6 times	94%	10 times	2 times	100%

(Notes) Since three (3) outside corporate officers, Mr. Tatsuya Tamura, Mr. Norio Hattori and Mr. Tomoaki Ikenaga, assumed their respective offices as of June 26, 2008, meetings held on or before June 25, 2008 have been excluded from the calculation of their attendance rate. The meetings to be attended by these outside corporate officers are 9 times as for the ordinary general meeting of the Board of Directors and 7 times as for the extraordinary general meeting of the Board of Directors.

ii. Providing comments at meetings

Mr. Yasuo Nakata, Director, made necessary and appropriate comments on the agenda items primarily from a management perspective.

Mr. Eiju Miyauchi, Director, made necessary and appropriate comments on the agenda items primarily from a management perspective.

Mr. Tatsuya Tamura, Director, made necessary and appropriate comments on the agenda items primarily from a management perspective.

Mr. Norio Hattori, Director, made necessary and appropriate comments on the agenda items based on his extensive experience in foreign affairs.

Mr. Kotaro Morino, Corporate Auditor, objectively asked questions in respect of and commented on, as needed, matters to be resolved or reported matters.

Mr. Kensuke Tanabe, Corporate Auditor, objectively asked questions in respect of and commented on, as needed, matters to be resolved or reported matters, based on his experience in corporate management.

Mr. Tomoaki Ikenaga, Corporate Auditor, objectively asked questions in respect of and commented on, as needed, matters to be resolved or reported matters, based on his experience as a lawyer.

e. Outline of contents of liability limitation agreement

i. The Company has entered into an agreement with four (4) outside directors which limits the liability set forth in Article 423, Paragraph 1 of the Companies Act, and the liability limit pursuant to such agreement shall be the greater of (i) 10 million yen or (ii) the total amount of the amounts A) and B) described below, which are set forth in Article 425, Paragraph 1 of the Companies Act.

   A) The amount obtained by multiplying (x) the amount calculated by the method set forth in Article 113 of the Companies Act Enforcement Regulations as the amount equivalent to the annual amount of the property benefits received or to be received from the Company as consideration for the execution of his duties while he is in office by (y) 2.

   B) In the cases where he has subscribed for the Company's stock acquisition rights (set forth in Article 2, Item 21 of the Companies Act) (limited to the cases listed in each Item in Article 238, Paragraph 3 of the Companies Act), the amount calculated by the method set forth in Article 114 of the Companies Act Enforcement Regulations as the amount equivalent to the amount of the property benefits concerning such stock acquisition rights.

ii. The Company has entered into an agreement with three (3) outside corporate auditors which limits the liability set forth in Article 423, Paragraph 1 of the Companies Act, and the liability limit pursuant to such agreement shall be the greater of (i) 5 million yen or (ii) the total amount of the amounts A) and B) described below, which are set forth in Article 425, Paragraph 1 of the Companies Act.

   A) The amount obtained by multiplying (x) the amount calculated by the method set forth in Article 113 of the Companies Act Enforcement Regulations as the amount equivalent to the annual amount of the property benefits received or to be received from the Company as consideration for the execution of his duties while he is in office by (y) 2.

   B) In the cases where he has subscribed for the Company's stock acquisition rights (set forth in Article 2, Item 21 of the Companies Act) (limited to the cases listed in each Item in Article 238, Paragraph 3 of the Companies Act), the amount calculated by the method set forth in Article 114 of the Companies Act Enforcement Regulations as the amount equivalent to the amount of the property benefits concerning such stock acquisition rights.

f. The total amount of remuneration, etc. received as an officer of the current fiscal year from the parent company of the Company or the subsidiaries of the parent company of the Company.

Not applicable.

(4) Situation of the Accounting Auditor

(i) Name Deloitte Touche Tohmatsu

(ii) Amount of Remuneration, etc.

	Payment Amount
	(million yen)
Amount of remuneration, etc. related to the current fiscal year	90
Total amount of money and other property benefits payable to the accounting auditor from the Company and the subsidiaries	98

(Note) 1. Since the amount of audit remuneration of the audit based on the Financial Instruments and Exchange Act and the audit based on the Companies Act are not classified specifically under the audit agreement between the Company and the accounting auditor and may not be classified substantially, the amounts above include the aggregate amount of such remunerations.

2. The Company has paid the accounting auditor for the consideration of advice and direction for the Internal Control System, which are the operations other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act.

(iii) Policy concerning Removal or Non-reappointment of the Accounting Auditor

The Board of Directors' Meeting shall, when the accounting auditor falls under the matters set forth in each item of Article 340, Paragraph 1 of the Companies Act or when receives measure more than warning as an administrative measure from supervisory authorities, consider the removal and non-reappointment.

A corporate auditor shall, when the accounting auditor falls under the matters set forth in each item of Article 340, Paragraph 1 of the Companies Act, remove the accounting auditor upon agreement of all corporate auditors.

In such case, the corporate auditor selected by the Board of Corporate Auditors shall report that the accounting auditor is removed and such reason at the first Shareholder's Meeting convened after removal.

3. System and Policy of the Company

(1) Outline of resolution contents concerning systems that ensure directors comply with laws and ordinances and the Company’s AOI in executing their duties and systems that ensure the other operations

The Company, at the Board of Directors’ Meeting held on March 26, 2008, resolved to add the description concerning (i) a cutoff in relationship with antisocial forces and (ii) development of a total risk management system, with respect to the “Basic Framework of the Internal Control System to be Implemented” established at the Board of Directors’ Meeting held on May, 2006, and further resolved to change the name of posts at the Board of Directors’ Meeting held on March 31, 2009.
The current “Basic Framework of the Internal Control System to be Implemented” is as follows:

* Basic Framework of the Internal Control System to be Implemented

The Company provides various products and services in the business area centered on the sales of automotive-related goods, statutory vehicle inspections and maintenance services and car sales with many customers in the franchise system, and because the maintenance and improvement of the “Autobacs” brand is essential, the Company acknowledges that the most important task in the operation is that of continuously working on the “Enforcement of Brand Force”. In doing so, further support and confidence from various stakeholders is obtained by not only aiming at performance improvement but also by carrying out social responsibilities by arranging management systems related to the appropriate daily work.
Accordingly, in order to arrange the management system related to appropriate daily works, for the purposes of validity and affectivity of works, assurance of reliability of the financial statements, compliance to laws and ordinances, etc. and conservation of assets, in accordance with Article 362, Paragraph 5 and Paragraph 4, Item 6 of the same article of the Companies Act and Article 100, Paragraphs 1 and 3 of the Companies Act Enforcement Regulations, the “Basic Framework of the Internal Control System to be Implemented” has been decided as follows:

1. Systems that ensure directors and employees comply with laws and ordinances and the Company’s AOI in executing their duties
    a. Officers and employees work on business activities with high ethical standards pursuant to the “Conduct Code and Principles of Autobacs Seven Group” established on June 2, 2004 and revised on March 26, 2008.
    b. The Board of Directors promotes establishment, maintenance and improvement of the Internal Control System by providing the “Internal Control System Establishment Master Plan” in order to conduct the arrangement of the Internal Control System in combination with the risk management system focused on compliance, of which the internal control department plays the central role.
    c. Maintenance and improvement of the supervisory function of the execution of duties by the

directors are promoted by continuously electing an outside director and promoting separation of execution and supervision involving adoption of the executive officer system.

d. Corporate auditors audit the execution of duties of the directors including the establishment and the operation circumstances of the Internal Control System from an independent viewpoint.

e. The internal audit department checks whether the Internal Control System functions effectively.

f. Internal compliance regulations have been established. According to the regulations, the executive officer in charge has been appointed as the person with overall responsibility. Under the control of the executive officer, the compliance department has been established with the function of a secretariat and is responsible for the overall control of compliance issues across the Company. In addition, the maintenance and improvement of the awareness of the officers and employees with respect to compliance has been promoted by the “Orange Hot Line” (an internal group notification system), which serves as a notification system to an outside, commissioned company for reporting violations of laws and ordinances and other compliance.

g. The Company is improving the base to comply with the legal requirements by identifying the laws and ordinances, etc. applicable for the Company’s business and keeping the related divisions informed of such contents.

h. The Company keeps a resolute attitude against, cuts off any relationships with and rejects any unlawful demands from antisocial forces which pose a threat to the order and security of civil society and impede the sound development of corporations.

2. Systems for retention and management of information in connection with the execution of duties of directors

With respect to information related to decision-making at the “Board of Directors’ Meetings”, the “Management Committee Meetings”, the “Executive Officers’ Meetings”, and any other important meetings, and with respect to information related to important approvals of the President, Representative Director and Executive Officer, and others, and information related to finance, office work and risk compliance, the Company keeps and manages the above in appropriate and searchable conditions responding to such kept material and maintaining the available conditions as needed pursuant to the laws and ordinances, the Company’s AOI and internal rules, etc.

3. Risk management rules and other systems

a. The Company has developed a total risk management system for the entire Group to comprehensively and appropriately identify and evaluate risks that may significantly affect management. In addition, the Company has promoted the prior protection system in ordinary times by establishing a basic policy for the management of overall risk and basic rules for risk management in order to maintain the effectiveness and appropriateness of the total risk management system.

b. The risk management system is comprised of the Risk Management Committee, the Secretariat of Risk Management Committee and the Risk Management Task Force. The Risk Management Committee, which consists of the directors and is chaired by the President, Representative Director and Executive Officer, formulates an annual policy on risk management; and in accordance with such annual policy, an executive officer or a department head becomes the chief risk management officer, identifies and assesses the risks for each department and then promotes measures accordingly. The Risk Management Task Force promotes company-wide responses to risk in a cross-departmental manner.

c. The Company preliminarily establishes a crisis management system in case a contingency significantly affecting the management occurs, or could occur and takes preventive steps as well as handles contingency promptly.

d. To develop the crisis management system, the Company has formulated the serious case reporting manual and, in the event of an emergency and will establish a Crisis Management and Response Headquarters, which is headed by the President, Representative Director and Executive Officer. The Crisis Management and Response Headquarters has developed measures to prevent an increase in damage after the occurrence of a managerial crisis and to minimize losses. The Crisis Management and Response Headquarters plays a major role in the implementation of quick and proper measures.

e. The Company ensures the appropriateness of operations through the appropriate utilization of IT in the operation process.

f. The internal audit department audits with respect to effectiveness of the risk management system.

4. Systems that ensure the duties of directors are executed efficiently

a. As the base of the systems that ensure that the duties of directors are executed efficiently, the Company holds a "Board of Directors' Meeting" once a month regularly as well as additional meetings as needed. In addition, important matters concerning management policies and management strategies of the Company are discussed at the "Management Committee" preliminarily. The Management Committee identifies and assesses risks through deliberations at the Management Committee Meetings, takes measures and provides important materials for decision-making so that decisions regarding management may be made at the Board of Directors' Meetings after further discussion.

b. The Company engages in promoting the system in which the directors may concentrate on the supervisory function by promoting separation of execution and supervision due to the adoption of the executive officer system, and promotes further effectiveness of the directors' duties.

5. Systems that ensure the entities within a corporate group (the Company and its subsidiaries) operate in an appropriate manner

a. The Company makes efforts to maintain close liaisons with the group companies (subsidiaries, affiliates and other franchisee companies).

b. The Company formulates basic policy and management policy for management of subsidiaries, respecting the independency of subsidiaries.

c. The Company ensures the appropriateness of the businesses through the appropriate utilization of IT in an effective range of the operations of the Company and subsidiaries.

d. The internal audit department audits with respect to the appropriateness of the operations of the Company and subsidiaries.

6. Matters pertaining to employees to assist with the duties of corporate auditors where corporate auditors request such assistance

Directors allocate an appropriate employee to assist with the duties of corporate auditors if requested by the Board of Corporate Auditors.

7. Matters pertaining to the independence from directors of the employee mentioned in the preceding paragraph

The Board of Corporate Auditors makes employee evaluations of the employee who assists with the duties of corporate auditors and corporate auditors and directors consult with respect to personnel transfer of such employee.

8. A system for directors and employees to report to corporate auditors, and other systems of reporting to corporate auditors

a. So that the corporate auditors can execute their duties effectively, directors, executive officers and employees are to report important matters on the management of the Company and business operations, and circumstances and results of execution of duties to the corporate auditors.
b. Directors are to report to the Board of Corporate Auditors in the case that directors discover anything that may possibly damage the Company significantly.
c. Reports to the Auditors are performed basically without omission and arbitrarily as needed without delay in addition to regular reports.

9. Any other system that ensures an audit by corporate auditors is conducted effectively

a. Corporate auditors are to strengthen mutual acknowledgement and confidence with the representative directors through holding regular meetings as a major event in order to audit the director's execution of duties, which is the responsibility of corporate auditors, and to improve the audit system.
b. Corporate auditors participate not only in the "Board of Directors' Meetings" but also in the "Management Committee Meetings", the "Executive Officers' Meetings", and in any other important meetings. Corporate auditors are to ensure the effective execution of duties by understanding the business execution circumstances of directors, executive officers and employees.
c. Corporate auditors may request directors, executive officers and employees to report whenever necessary.
d. Directors are to cooperate in ensuring smooth communication, information gathering and exchanges with corporate auditors, directors, corporate auditors or internal audit department of subsidiaries, etc. so that corporate auditors can appropriately execute their duties.

e. Directors are to improve the environment where coordination with outside authorities such as attorneys-at-law or public accountants, etc. is possible for the corporate auditors to execute their duties.

* Establishment Status of the Internal Control System in the Company

The Company is continuously establishing the Internal Control System, of which the internal control department plays the central role, in accordance with the "Internal Control System Establishment Master Plan" established on February, 2007 in response to practice standards disclosed by the Business Accounting Council.
The establishment status of the Internal Control System as of the end of March 2009 is as follows:

1. Systems that ensure directors and employees comply with laws and ordinances and the Company's AOI in executing their duties

The Company is promoting the strength of the supervisory function by currently having a system with nine (9) directors in total, four (4) of whom serve as independent outside directors, as well as by promoting separation of execution and supervision due to the adoption of the executive officer system in June 2002.
In addition, the Company continuously makes efforts to improve corporate governance through the "Governance Committee" established on July 2008, which is the advisory organization for the Board of Directors, of which outside directors are the main members.
As well as receiving reports on the establishment and the operation circumstances of the Internal Control System from each internal organization, corporate auditors participate in the Management Committee Meetings, the Executive Officers' Meetings, and any other important meetings, and monitor and audit the execution of duties of directors.

In addition, the internal audit department mainly audits the validity of the internal control system, through the operational audit and the evaluation of the internal control.
Officers and employees work on business activities with high ethical standards pursuant to the "Conduct Code and Principles of Autobacs Seven Group". Since April 2008, the Company (i) has commenced operations that requires the submission of documents with covenants on business execution, in accordance with conduct code and principles, and (ii) has promoted the further compliance and enhanced recognition of such conduct code and principles.
Moreover, the compliance department, the legal department and all other departments investigate laws and ordinances applicable to the Company, and, as needed, notify such relevant matters at the Board of Directors' Meetings, Management Committee Meetings, etc. to enhance recognition within the Company.
In addition, compliance with such laws and ordinances is promoted within the entire Autobacs Group by raising the awareness of the franchise managers through "FC Manager Meetings" and study sessions where all managers of the companies joining the franchise chain, including subsidiaries of the Company, attend.

Furthermore, the Company establishes the "Orange Hot Line Rules" for the purpose of smooth operation of the "Orange Hot Line" which is an internal group notification system regarding any breach of laws and ordinances and other compliances, and makes efforts to (i) conduct operations pursuant to the rules and (ii) raise the awareness within the group. The contents of the notification through the Orange Hot Line are disclosed to officers and employees semi-annually, and the Company makes efforts to maintain and improve the compliance awareness.

With respect to the Company's effort to eliminate antisocial forces, adding a description to its policy and the "Conduct Code and Principles of Autobacs Seven Group" was resolved at the Board of Directors' Meeting held on March 29, 2008. Furthermore, the Company is a member of the Tokyo Metropolitan Police Special Violence Prevention Association and makes efforts to collect information regarding antisocial forces and examine countermeasures by attending regular meetings, etc. The Company cooperates with external institutions to respond to unlawful demands from antisocial forces. It also promotes the awareness of antisocial forces by distributing manuals at each of its stores and departments within the Company and thorough understanding of responses to unlawful demands in the Company's trainings concerning customer service.

2. Systems for retention and management of information in connection with the execution of duties of directors

In accordance with Document Management Rules and Confidential Information Management Rules, documented materials are retained and managed in a locked cabinet and electronic data are retained and managed in an information system limiting access with security by password, at the Secretariat of Board of Directors or Management Committee, or the department in charge. In addition, in order to further improve the current effort, the Company (i) establishes the "Information Security Management Task Force", which promotes company-wide responses to risk in a cross-departmental manner, and (ii) works on the improvement thereof.

3. Risk management rules and other systems

The Company has promoted the prior protection system in ordinary times (i) by establishing the Risk Management Committees chaired by the President, Representative Director and Executive Officer, pursuant to the Total Risk Management Policy and the Risk Management Rules established on October 2008, in order to gain a correct understanding and evaluation of various risks and to control such risks appropriately, (ii) by managing the risks within Autobacs Seven Group, and (iii) by establishing and promoting the risk management system, across the Company.

Specifically, pursuant to the annual policy resolved by the Risk Management Committee chaired by the President, Representative Director and Executive Officer, an executive officer or a department head who is the chief risk management officer, selects the risk in the area in his charge, examines the risk assessment and measures, and reports to the Risk Management Committee. The Risk Management Committee makes efforts to operate and promote the risk management system (i) by discussing the sufficiency of each department's measures against risks as examined by the chief risk management officers and (ii) by conducting progress management.

In addition, in order to operate and promote the risk management system, the Company holds a training workshop targeting persons holding managerial posts, and distributes the risk management guidebook to employees.

Moreover, the Company establishes a crisis management system in case a contingency significantly affecting the management occurs, or could occur.

In the case where a contingency significantly affecting the management occurs or could occur, the President, Representative Director and Executive Officer who is the chairperson of the Risk Management Committee will, pursuant to the Total Risk Management Policy, the Risk Management Rules and the serious case reporting manual, establish a "Crisis Management and Response Headquarters", to be headed by himself, and will make efforts at quick and proper response and recovery.

4. Systems that ensure the duties of directors are executed efficiently

The Company enhances the prior deliberation for matters to be resolved at Board of Directors' Meetings in the Management Committee Meetings so that discussions and decisions are made appropriately at the Board of Directors' Meetings. In addition, the Company, as needed, examines issues on governance at the "Governance Committee", which was established in July 2008, and the consultative organization for the representative directors or the Board of Directors, of which outside directors are the main members. Subsequently, the results of such examination are reported to the President, Representative Director and Executive Officer or the Board of Directors.

Moreover, since April 2009, the Company has promoted further effectiveness of the directors' duties, by clearly defining (i) the Management Committee Meetings as the place for deliberation of the matters on the part of executive officers, and (ii) the Board of Directors' Meetings as the place of decision making for the management.

5. Systems that ensure the entities within a corporate group (the Company and its subsidiaries) operate in an appropriate manner

The Company promotes understanding, promotion and thoroughness of policy and measures at each kind of event and meeting inside the chain, including "FC Manager Meetings", and makes efforts to maintain close liaisons with the group companies, including the subsidiaries of the Company.

Furthermore, as to the subsidiaries, the Company has established common management rules which apply to domestic stores of the subsidiaries. Thus, the Company strives to ensure the appropriateness of operations.

The Company works on assuring appropriateness of business such as review of profit and loss, and financial conditions, as well as conducting a reconstruction of the IT system which will enable sharing necessary information such as sales, etc. between the Company and the franchisee stores in real time.

In light of risk and control, the internal audit department checks whether operation of the Company and the subsidiaries are operated appropriately, pursuant to the laws and ordinances, rules or manuals, etc.

6. Matters pertaining to employees to assist with the duties of corporate auditors where corporate auditors

request such assistance

An employee to assist with the duties of corporate auditors has been placed since April 2007, upon consultations between directors and corporate auditors, in response to the request by the corporate auditors.

7. Matters pertaining to the independence from directors of the employee mentioned in the preceding paragraph

Appropriate employees have been placed to assist with the duties of corporate auditors since April 2007, and with respect to personnel affairs arising upon the placement and changing of such employee, the corporate auditors and directors are to consult with each other, while the Board of Corporate Auditors makes employee evaluations of such employee.

8. A system for directors and employees to report to corporate auditors, and other systems of reporting to corporate auditors

Directors and executive officers are to regularly, or occasionally as needed, report important matters on the management of the Company and business operations, and circumstances and results of execution of duties to the corporate auditors, through Board of Directors' Meetings, Management Committee Meetings and Executive Officers' Meetings, at which corporate auditors attend.

Also, directors and executive officers are to immediately report to the Board of Corporate Auditors in the case that directors and executive officers discover anything that may possibly damage the Company significantly.

9. Any other system that ensures an audit by corporate auditors is conducted effectively

Corporate auditors endeavor to strengthen mutual acknowledgements and confidence with the representative directors through holding regular meetings with such representative directors.

Also, corporate auditors, without being subject to any restriction, participate from time to time in Board of Directors' Meetings, Management Committee Meetings, Executive Officers' Meetings, and in any other meetings deemed to be necessary by corporate auditors, and also understand the business execution circumstances of directors, executive officers and employees by, as necessary, requesting such directors, executive officers and employees to report on these circumstances or receiving such reports.

Directors cooperate in ensuring smooth communication, information gathering and exchanges by making employees who are in charge of the management of subsidiaries attend at the Auditors' Meeting of the Group held by the corporate auditors.

Upon execution of corporate auditors' duties, there are no restrictions on necessary coordination with outside authorities such as attorneys-at-law or public accountants, etc. Furthermore, directors are also fixing the environment, such as setting a place where persons in charge in each department can have meetings with such outside authorities as necessary.

(2) Basic Policy Concerning Control by the Company

The Company provides various products and services in the business area centered on the sales of automotive-related goods, statutory vehicle inspection and maintenance services and car sales with many customers in the franchise system and because the maintenance and improvement of the “Autobacs” brand is essential, the Company acknowledges that the most important task is, as well as aiming at performance improvement based on a medium and long-term management strategy, to endeavor to increase the general corporate value by carrying out social responsibilities by arranging management systems related to the appropriate works and by continuously working on the “Enforcement of Brand Force”, by which further support and confidence from various stakeholders is obtained .

Accordingly, the Company considers that, rather than aiming at obtaining short-term profits, management by the person who is the decision maker on the Company’s financial policies and business policies to achieve efficiency and profitability in the medium and long-term management through the continuous improvement of the “brand force” due to efforts to maintain mutual confidence with various stakeholders will contribute to ensuring and increasing the Company’s corporate value and further the common interests of the shareholders.

(3) Policy for Decisions on Distribution of Surplus, etc.

The Company places returning profits to the shareholders as one of its most important tasks in management. The Company’s basic policy for the distribution of profits in the mid-term management plan, in which the fiscal year ending March 2011 is to be the last year, is to (i) maintain the liquid assets required for continuation of business, and (ii) conduct stable and continuous distribution as well as agile acquisition of treasury stock, taking into consideration the Company’s operational results and financial stability, while targeting consolidated dividend on equity ratio (DOE) at three (3) %.

Implementation of Distribution and Acquisition of Treasury Stock in the Latest Three (3) Consolidated Fiscal Year

	60th fiscal year (April 1, 2006 to March 31, 2007)	61st fiscal year (April 1, 2007 to March 31, 2008)	62nd fiscal year* (April 1, 2008 to March 31, 2009)
Dividends per share (annual)	58 Yen	100 Yen	100 Yen
Total amount of dividends (annual)	2,217 million Yen	3,823 million Yen	3,745 million yen
Consolidated dividend payout ratio	24.3%	260.6%	-%
Amount of Acquisition Price of Treasury stock	1,932 million Yen	5 million Yen	2,457 million Yen
Return to shareholders ratio	45.3%	261.0%	-%

*Figures, on the assumption that agenda item concerning the appropriation of surplus, in the 62nd Ordinary General Meeting of Shareholders will be resolved.

(Note) As for the amounts and numbers of shares shown in this Business Report, any fractional amount or number less than the relevant unit is disregarded; as for other figures, over five-tenths (5/10) of the relevant unit are rounded upward and less than that are disregarded.

CONSOLIDATED BALANCE SHEETS

(As of March 31, 2009)

(Unit: Millions of Yen)

Account item	Amount	Account item	Amount
(ASSETS)		**(LIABILITIES)**	
Current assets	**136,968**	**Current liabilities**	**44,842**
Cash and deposits	39,140	Notes payable and trade accounts payable	16,457
Notes receivable and trade accounts receivable	23,645	Short-term borrowings	3,307
Lease investment assets	16,295	Lease liabilities	1,405
Marketable securities	13,830	Current portion of bonds	45
Merchandise	21,200	Accounts payable	11,445
Deferred tax assets	3,044	Income taxes payable	414
Short-term loans	381	Reserve for points	408
Accounts receivable	17,682	Accrued liability for business restructuring	4,826
Other current assets	2,429	Other current liabilities	6,531
Allowance for doubtful receivables	△ 683	**Non-current liabilities**	**23,847**
Non-current assets	**87,199**	Bonds	140
Tangible non-current assets	**40,992**	Long-term borrowings	12,496
Buildings and Structures	12,136	Deferred tax liabilities	415
Machines and equipment and delivery equipment	1,352	Accrued retirement benefits	134
Tools, instruments and fixtures	2,890	Accrued retirement benefits to officers	294
Land	23,907		
Lease assets	700	Other non-current liabilities	10,366
Construction in progress	5	**Total Liabilities**	**68,689**
Non-tangible non-current assets	**10,830**	**(NET ASSETS)**	
Goodwill	1,431	**Shareholders' equity**	**154,807**
Software	7,128	Common stock	33,998
Other non-tangible non-current assets	2,270	Capital surplus	34,511
Investments and other assets	**35,376**	Retained earning	94,297
Investment securities	5,277	Treasury stock	△ 8,000
Long-term loans	805	**Valuation and variance of translation**	**△ 44**
Deferred tax assets	6,955	Other stock variance of the estimate	△ 217
Long-term guaranty money deposited	21,279	Foreign currency translation adjustments	173
Other investments and other assets	1,709	**Minority interests**	**715**
Allowance for doubtful receivables	△ 651	**Total net assets**	**155,478**
TOTAL ASSETS	**224,168**	**TOTAL NET ASSETS AND LIABILITIES**	**224,168**

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2008 to March 31, 2009)

(Unit: Millions of Yen)

Account item	Amount	
Sales		259,144
Cost of sales		177,950
Gross Profit		**81,193**
Selling, general and administrative expenses		76,103
Operating income		**5,090**
Non-operating revenue		
Interest received	322	
Dividends received	347	
Investment income by the equity method	58	
Fees receivables	656	
Lease revenue - system equipment	1,495	
Miscellaneous income	4,464	7,344
Non-operating expenses		
Interest paid	286	
Loss from valuation of investment securities	1,334	
Lease cost - system equipment	1,532	
Loss from retirement of non-current assets	266	
Foreign exchange loss	860	
Miscellaneous expenses	1,597	5,878
Ordinary income		**6,556**
Extraordinary income		
Gain on sales of non-current assets	52	
Gain on sales of affiliated companies' stock	28	
Reversal of accrued retirement benefits to officers	90	
Effect of application of lease accounting standards	4,651	4,823
Extraordinary losses		
Loss from sales of non-current assets	261	
Impairment loss	5,289	
Loss from valuation of investment securities	201	
Loss from sales of investment securities	3,792	
Loss from sales of affiliated companies' stock	123	
Loss on disposal of stores	290	
Expenses for business restructuring	4,926	
Special retirement benefits	432	15,318
Loss before income taxes and other adjustments		**3,937**
Corporation, resident and enterprise taxes	1,325	
Adjustment amount for income taxes	△ 1,862	△ 537
Minority interests in net loss		3
Net loss for the consolidated fiscal year		**3,397**

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITIES

(From April 1, 2008 to March 31, 2009)

(Unit: Millions of Yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2008	33,998	34,512	102,247	△ 5,541	165,217
Change of items during the consolidated fiscal year					
Dividends from surplus			△ 4,549		△ 4,549
Net loss for the period			△ 3,397		△ 3,397
Purchase of treasury stock				△ 2,469	△ 2,469
Disposal of treasury stock		△ 0		10	9
Change of the scope of consolidation			△ 3		△ 3
Net change of items other than shareholders' equity during the period					
Total change of items during the period	-	△ 0	△ 7,950	△ 2,459	△ 10,410
Balance at March 31, 2009	33,998	34,511	94,297	△ 8,000	154,807

	Valuation and variance of translation			Minority interests	Total net assets
	Other stock variance of the estimates	Foreign currency translation adjustments	Total valuation and variance of translation		
Balance at March 31, 2008	△ 625	△ 256	△ 882	869	165,205
Change of items during the consolidated fiscal year					
Dividends from surplus					△ 4,549
Net loss for the period					△ 3,397
Purchase of treasury stock					△ 2,469
Disposal of treasury stock					9
Change of the scope of consolidation					△ 3
Net change of items other than shareholders' equity during the period	407	430	837	△ 154	683
Total change of items during the period	407	430	837	△ 154	△ 9,726
Balance at March 31, 2009	△ 217	173	△ 44	715	155,478

Notes to Consolidated Financial Documents

(BASIC SIGNIFICANT MATTERS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL DOCUMENTS)

1. Matters concerning the scope of consolidation

   (1) Number of consolidated subsidiaries, etc. 55 (During this fiscal year, 1 company was consolidated and 7 companies were liquidated.)

   (2) Name of principal consolidated subsidiaries, etc.

   A.M.C. Ltd.

   ALFI Ltd.

   AUTOBACS STRAUSS INC.

   AUTOBACS FRANCE S.A.S.

2. Matters concerning application of the equity method

   (1) Number of affiliates accounted for by the equity method 7

   (2) Name of principal affiliates accounted for by the equity method

   Buffalo co., Ltd.

   Daytona International Trading Corporation

3. Matters concerning the consolidated fiscal year of the consolidated subsidiaries, etc.

   The financial documents of overseas subsidiaries whose closing date is different from the consolidated closing date have been prepared based on the provisional settlement of accounts conducted as of the consolidated closing date.

4. Matters concerning the basis for accounting process

   (1) Valuation basis and method for major assets

   (i) Valuation basis and method for Marketable securities:

   Bonds to be held by the Company up to their maturities:

   Amortized cost method (straight-line method)

   Other securities:

   Where there is a market quotation: Market value method based on the market price at the closing date (The variance of valuation is processed by putting in the net assets, and the cost of securities sold is computed by the moving-average method.)

Where there is no market quotation:	moving-average cost method

(ii) Valuation basis and method for Derivatives:

Derivatives:	Market value method

(iii) Valuation basis and method for Inventories:

Wholesale operations:	Mainly moving-average cost method (For the value on the Balance Sheets, book value devaluation method due to decreased profitability)
Retail operations:	Mainly retail reduction method (For the value on the Balance Sheets, book value devaluation method due to decreased profitability) (Amendments to accounting policy) From the current consolidated fiscal year, the "Accounting Standards for Valuation of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has been adopted and cost method (for the value on the Balance Sheets, book value devaluation method due to decreased profitability) is used for the value on the Balance Sheets instead of the former cost method. As a result, the operating income and ordinary income have decreased in the amount of 64 million yen respectively, and loss before income taxes and other adjustments has increased in the amount of 64 million yen.

(2) Method of depreciation of major depreciable assets:

(i) Tangible non-current assets (excluding lease assets)

Depreciation is computed mainly by the declining-balance method. Main useful lives are as follows:

Buildings and structures for outlets:

As for the useful lives, the economic useful lives estimated by the Group itself are applied. As for buildings and structures on land held by fixed-term leases for business use, the relevant contract year is applied as the useful life thereof.

Buildings and Structures: 3 ~ 20 years

Other than the above

Buildings and Structures: 3 ~ 45 years

Machines and equipment and delivery equipment: 2 ~ 15 years

Tools and fixtures: 2 ~ 20 years

(ii) Non-tangible non-current assets (excluding lease assets)

Using a straight-line method. As for Software for internal use, the straight-line method based on useful lives for the Group (2-5 year period) is applied.

(iii) Lease assets

Adopting a straight-line method in which useful life is the lease term and residual value is zero. The non-ownership-transfer finance lease transactions in which the Company is a lessee and which started before March 31, 2008 is accounted for using a method similar to that for normal lease transactions.

(3) Basis of recording of significant allowances

(i) Allowance for doubtful receivables

In order to prepare against losses due to bad loans, the domestic consolidated companies provides an allowance for doubtful receivables based on the historical rate of default. For specific debts including debts where recovery is doubtful, the domestic consolidated companies estimate the likelihood of recovery on a case-by-case basis and make an allowance for doubtful receivables with the amount regarded as irrecoverable.

(ii) Reserve for Points

With respect to the points that were issued to customers during the current consolidated fiscal year, the estimated amount to be used in the future by such customers is reported as a reserve in order to prepare for the sales allowance applicable to the points that will be used by customers.

(iii) Accrued liability for business restructuring In order to prepare against loss to be accrued due to the business restructuring, the Company provides an allowance for accrued liability for business restructuring with a projected amount of loss to be borne by the Company.

(iv) Accrued retirement benefits

In order to prepare for payment of retirement benefits, some of the consolidated subsidiaries provide an allowance for accrued retirement benefits based on projected amount of retirement benefit obligations and pension fund assets as at the end of the current consolidated fiscal year.

(v) Accrued retirement benefits to officers

In order to prepare for payment of retirement benefits to officers, the Company provides allowances for accrued retirement benefits to officers with an amount payable at the end of the consolidated fiscal year in accordance with the internal rules. Having revised the system of payment of retirement benefits to officers, the Company has not provided allowances for accrued retirement benefits to officers paid after July 2002, and the consolidated subsidiaries, etc. (except for some) have not provided for accrued retirement benefits to officers paid after April 2005.

(4) Basis of recording of profits and expenses Recording of profits relating to the non-ownership-transfer finance lease transactions

The sales and the cost of sales are recorded at the time of the receipt of the lease payment.

(5) Other significant matters for preparation of the consolidated financial documents

(i) Principles of conversion of significant assets or liabilities in foreign currency into yen

Claim or obligation in foreign currency is converted into yen at the spot exchange rate on the closing date for consolidated accounts, and variances arising from such conversion are calculated as income and loss. Assets and liabilities of overseas subsidiaries are converted into yen at the spot exchange rate on the closing date of each of such subsidiaries, and profits and expenses of such subsidiaries are converted into yen at the average exchange rate. Variances arising from such conversion are shown as "foreign currency translation adjustments" and "minority interests" in the net assets.

(ii) Accounting for significant hedging activities

a) Hedging method

Designate accounting has been adopted. The exceptional accounting method has been applied to the interest rate swaps which satisfy the applicable requirements.

b) Hedging instruments and items hedged

1.	Hedging instruments:	Currency swap
	Items hedged:	Accounts payable in foreign currency
2.	Hedging instruments:	Interest rate swap
	Items hedged:	Interest on borrowings

c) Hedging policy and method of evaluating the efficacy of hedging activities

With respect to the currency swaps, the Company's policy is to hedge in the range of the balance and the provisional amount of transactions of accounts payable in foreign currencies in order to hedge against the risk of fluctuations in the exchange rate in the future relating to the transactions in foreign currencies, and the Company also evaluates the efficacy thereof and has it checked by the accounting department.

With respect to the interest rate swaps, the transactions have been carried out in order to hedge against the risk of fluctuations in the interest rate on borrowings and the items hedged are individually recognized. In addition, an assessment of the effectiveness of hedging transactions has not been made for the interest rate swaps which satisfy the applicable requirements to qualify for the exceptional accounting method.

(iii) Matters concerning valuation of assets and liabilities of the consolidated subsidiaries

All of the assets and liabilities of the consolidated subsidiaries are evaluated by the market value.

(iv) Matters concerning amortization of goodwill and negative goodwill

Goodwill is amortized on a straight-line basis based on a reasonable period not exceeding 20 years.

(v) Consumption tax and all liabilities similar thereto are not included in the financial documents.

5. Amendments to Basic Significant Matters for Preparation of the Consolidated Financial Documents

(1) Accounting Standard for Lease Transactions

From the current fiscal year, the non-ownership-transfer finance lease transactions, which had been accounted for using a method similar to normal lease transactions in the past, are accounted for using a method similar to that for normal sale transactions by applying the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued by the First Subcommittee of the Business Accounting Council on June 17, 1993 and amended on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued by the Accounting System Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994 and amended on March 30, 2007) . As for the basis of the recording of profits of the non-ownership-transfer finance lease transactions, the sales and the cost of sales are recorded at the time of the receipt of the lease payment, and the straight-line method in which useful life is the lease term and residual value is zero, has been adopted as the method in respect of depreciation of lease assets. Meanwhile, the non-ownership-transfer finance lease transactions in which the Company is a lessee and which started before the beginning of the first fiscal year of such adoption is continuously accounted for using a method similar to that for normal lease transactions. As a result, the lease investment assets in the amount of 16,295 million yen is recorded under the Current assets, and the operating income and ordinary income have increased in the amount of 179 million yen respectively, and loss before income taxes and other adjustments has decreased in the amount of 4,831 million yen in the current consolidated fiscal year, as compared to the case when treated in accordance with the former method.

(2) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

From the current consolidated fiscal year, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No.

18 issued on May 17, 2006) has been applied and the necessary closing adjustments for the current consolidated fiscal year have been made. The impact on the operating income, ordinary income and loss before income taxes and other adjustments, as a result of such adjustments is minor.

(3) Amendment of Record Method

(Consolidated Statement Of Income)

The amount of rental income received, which had been classified and recorded(101 million yen in the current fiscal year) until the previous consolidated fiscal year, is included in miscellaneous income in non-operating income from the current consolidated fiscal year, owing to its less importance. The amount of foreign exchange loss, which had been included in miscellaneous expenses in non-operating expenses, until the previous consolidated fiscal year, is classified and recorded as foreign exchange loss from the current consolidated fiscal year, because of an increase in its importance. The amount of foreign exchange loss in the consolidated previous fiscal year was 275 million yen.

(NOTES TO CONSOLIDATED BALANCE SHEETS)

1. Accumulated depreciation of tangible current assets: 36,990 million yen

2. Pledged assets / Secured liabilities

Pledged assets	Land	287	million yen
Secured liabilities	Accounts payable	52	million yen
	Short-term borrowings	350	million yen
	Long-term borrowings	158	million yen
	Total	562	million yen

3. Guarantees for liabilities

Guarantees for lease liabilities of franchise companies: 9 million yen (76 thousand euro)

4. DIP Finance Agreement

Autobacs Strauss Inc., a consolidated subsidiary, has executed a DIP finance agreement with KRC Capital Services, LLC, in order to proceed with the bankruptcy proceedings smoothly.

Unfunded Commitment at the end of this consolidated fiscal year is as follows:

Total Amount of Commitment	1,964 million yen (20,000,000 US dollars)
Outstanding Borrowings	- million yen
Unfunded Commitment	1,964 million yen (20,000,000 US dollars)

5. Any fractional amounts less than one million yen are discarded.

(NOTES TO THE CONSOLIDATED STATEMENT OF INCOME)

1. Impairment loss

The Group has reported the impairment losses of the following groups of assets for the current consolidated fiscal year.

Use	Place	Type	Impairment loss (Million yen)
Store	BRETIGNY and four (4) other stores (France)	Buildings, etc. Goodwill	3,171
	Shinonome Store (Minami-ku, Hiroshima)	Land Buildings, etc.	1,157
	STORE814 and thirty-eight (38) other stores (USA)	Buildings, etc. Others	361
	Cars Expo Kobe Port Island Store (Chuo-ku, Kobe)	Buildings, etc. Others	47
Driving School	Seibu Motor School (Kodaira, Tokyo)	Land Buildings	262
Assets leased to others	(Former) Asahikawa Ohmachi Store (Asahikawa, Hokkaido)	Land	93
	(Former) AUTO HELLOES Tomakomai Hokko Store (Tomakomai, Hokkaido)	Land Buildings	48
	(Former) Tomakomai Store (Tomakomai, Hokkaido)	Land	37
Idle asset	(Former) Hakodate Showa Store (Hakodate, Hokkaido)	Land	31
	Cars Sapporo Co., Ltd (Shiraishi-ku, Sapporo)	Buildings, etc.	29
	HUIS TEN BOSCH Co., Ltd. (Sasebo, Nagasaki)	Land Buildings, etc.	29
	CESAR Ichiban-kan (Aoba-ku, Sendai)	Land Buildings	12
	CESAR Kujukuri (Yamabe-gun, Chiba)	Land Buildings	5

The Group regards a store as a basic unit for the minimum unit generating cash flow, and each of the idle assets and the assets leased to others were deemed to be a group of assets separated from other assets, respectively.

With respect to a group of assets whose total amount of the future cash flow is below the book value resulting from the decline in the market value of land compared with such acquisition value along with the decline in land price, the book value of the relevant group of assets decreased to the recoverable value, and such decreased amount of ¥5,289 million is recorded as “impairment loss” in “extraordinary loss”. The breakdown of the impairment loss is ¥3,103 million for goodwill, ¥1,611 million for land, ¥459 million for buildings and ¥115 million for non-tangible non-current assets.

The recoverable value of such group of assets is the net sales value or the use value, whichever is higher.

The net sales value is calculated in accordance with the appraised real estate value by a real estate appraiser or the value of land facing a thoroughfare, etc. Weighted average capital cost (WACC) at 7.71% is used for the discount rate in calculation of the use value.

2. Any fractional amounts less than one million yen are discarded.

(NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITIES ETC.)

1. Type and number of issued shares as of the end of the current consolidated fiscal year

   Common shares 39,255,175 shares

2. Dividends

   (1) Amount of dividends

Resolution	Type of shares	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 26, 2008	Common stock	2,676	70	March 31, 2008	June 27, 2008
Meeting of Board of Directors on November 7, 2008	Common stock	1,872	50	September 30, 2008	December 10, 2008

   (2) The dividends of shares having a record date that falls under the current consolidated fiscal year and an effective date that falls under the following consolidated fiscal year

   The resolution is scheduled as follows:

Resolution	Type of shares	Total amount of dividends (million yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2009	Common stock	1,872	Retained earnings	50	March 31, 2009	June 26, 2009

(NOTES PER SHARE OF COMMON STOCK)

1. Net assets per share	4,132.75 yen
2. Net income per share	90.29 yen

(SIGNIFICANT SUBSEQUENT EVENTS)

Resolution in respect of Purchase of Treasury Stock

At the Board of Directors Meeting held on May 15, 2009, the Company resolved, in accordance with the provision of Article 156 of the Company Law as applied under Paragraph 3 of Article 165 of the said law, to repurchase treasury stock as follows:

1. Reason for purchase of treasury stock

   To improve capital efficiency and reinforce shareholder returns.

2. Details of Purchase

(1) Class of shares to be purchased	The Company’s common stock
(2) Total number of shares to be purchased	1,600,000 shares (maximum)
(3) Total amount of purchase values	5,600 million yen (maximum)
(4) Purchase period	From May 18, 2009 to July 31, 2009
(5) Method of purchase	Offering on market by way of trusts

Resolution in respect of Cancellation of Treasury Stock

At the Board of Directors Meeting held on May 15, 2009, the Company resolved, in accordance with the provision of Article 178 of the Company Law, to cancel treasury stock.

(1) Class of shares to be cancelled	The Company’s common stock
(2) Total number of shares to be cancelled	1,800,971 shares
(3) Cancellation Date	May 22, 2009

BALANCE SHEETS

(As of March 31, 2009)

(Unit: Millions of Yen)

Account item	Amount	Account item	Amount
(ASSETS)		**(LIABILITIES)**	
Current assets	**122,398**	**Current liabilities**	**39,050**
Cash and deposits	34,244	Trade accounts payable	13,777
Notes receivable	258	Short-term borrowings	2,665
Trade accounts receivable	14,753	Lease liabilities	2,321
Lease investment assets	21,879	Accounts payable	14,264
Marketable securities	13,830	Expenses payable	1,431
Merchandise	7,252	Advances received	35
Prepaid expenses	938	Money deposits	2,453
Deferred tax assets	278	Advance received profit	747
Short-term loans	12,360	Reserve for points	25
Accounts receivable	17,058	Accrued liability for business restructuring	1,323
Other current assets	237	Other current liabilities	4
Allowance for doubtful receivables	△ 695	**Non-current liabilities**	**20,502**
Non-current assets	**91,756**	Long-term borrowings	12,162
Tangible non-current assets	**28,226**	Accrued retirement benefits to officers	15
Buildings	5,080	Deposits received for guarantees	8,316
Structures	339	Other non-current liabilities	7
Machines and equipment	779	**Total Liabilities**	**59,552**
Vehicle and delivery equipment	27	**(NET ASSETS)**	
Tools, instruments and fixtures	786	**Shareholders' equity**	**154,818**
Land	21,213	**Common stock**	**33,998**
Non-tangible non-current assets	**7,436**	**Capital surplus**	**34,512**
Leasehold	642	Additional paid-in capital	34,278
Software	6,755	Other capital surplus	234
Other non-tangible non-current assets	38	**Retained earnings**	**94,281**
Investments and other assets	**56,094**	Legal earned surplus	1,296
Investment securities	3,728	Other retained earnings	92,984
Affiliated companies' stock	9,266	Reserves for business expansion	665
Long-term loans	788	Reserves for reduction in assets	666
Long-term loans to affiliated companies	15,584	Other reserves	96,450
Claims in bankruptcy, etc.	6,260	Earned surplus carried forward	△ 4,796
Long-term prepaid expenses	1,120	**Treasury stock**	**△ 7,974**
Deferred tax assets	7,630	**Valuation and variance of translation**	**△ 216**
Long-term guaranty money deposited	20,716	Other securities variance of the estimates	△ 216
Other investments and other assets	144		
Allowance for loss from investments	△ 339		
Allowance for doubtful receivables	△ 8,806	**TOTAL NET ASSETS**	**154,601**
TOTAL ASSETS	**214,154**	**TOTAL NET ASSETS AND LIABILITIES**	**214,154**

STATEMENT OF INCOME

(From April 1, 2008 to March 31, 2009)

(Unit: Millions of Yen)

Account item	Amount	
Sales		199,002
Cost of sales		159,172
Gross profit		**39,829**
Selling, general and administrative expenses		30,917
Operating income		**8,912**
Non-operating income		
Interest received	596	
Interest on securities	151	
Dividends received	786	
Lease revenue - system equipment	2,067	
Miscellaneous income	1,456	5,058
Non-operating expenses		
Interest paid	216	
Foreign exchange loss	857	
Lease cost - system equipment	2,262	
Loss from valuation of investment securities	1,334	
Miscellaneous expenses	738	5,408
Ordinary income		**8,562**
Extraordinary income		
Gain on sales of non-current assets	52	
Gain on sales of affiliated companies' stock	103	
Reversal of accrued retirement benefits to officers	90	
Effect of application of lease accounting standards	7,592	7,838
Extraordinary losses		
Impairment loss	456	
Loss from valuation of investment securities	199	
Loss from sales of investment securities	3,793	
Loss from valuation of affiliated companies' stock	4,225	
Loss from sales of affiliated companies' stock	138	
Provision of allowance for losses from investments	21	
Provision of allowance for doubtful receivables	3,077	
Loss on disposal of affiliated companies	204	
Loss on disposal of stores	210	
Expenses for business restructuring	10,617	
Special retirement benefits	432	23,378
Loss before income taxes		**6,976**
Corporation, resident and enterprise taxes	663	
Adjustment amount for income taxes	△ 917	△ 253
Net loss for the fiscal year		**6,723**

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITIES
(From April 1, 2008 to March 31, 2009)

(Unit: Millions of Yen)

	Shareholders' Equity									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal earned surplus	Reserve for business expansion	Reserve for reduction in assets	Other reserves	Earned surplus carried forward	Total retained earnings
Balance at March 31, 2008	33,998	34,278	234	34,512	1,296	665	666	96,450	6,475	105,553
Change of items during the fiscal year										
Reversal of reserve for reduction in assets							△ 0		0	-
Dividends from surplus									△4,549	△4,549
Net loss for the period									△6,723	△6,723
Purchase of treasury stock										
Net change of items other than shareholders' equity during the period										
Total change of items during the period	-	-	-	-	-	-	△ 0	-	△11,272	△11,272
Balance at March 31, 2009	33,998	34,278	234	34,512	1,296	665	666	96,450	△4,796	94,281

	Shareholders' Equity		Valuation and variance of translation		Total net assets
	Treasury stock	Total shareholders' equity	Other stock variance of the estimates	Total valuation and variance of translation	
Balance at March 31, 2008	△5,516	168,548	△625	△625	167,923
Change of items during the fiscal year					
Reversal of reserve for reduction in assets		-			-
Dividends from surplus		△4,549			△4,549
Net loss for the period		△6,723			△6,723
Purchase of treasury stock	△2,457	△2,457			△2,457
Net change of items other than shareholders' equity during the period			408	408	408
Total change of items during the period	△2,457	△13,730	408	408	△13,321
Balance at March 31, 2009	△7,974	154,818	△216	△216	154,601

Notes to Non-Consolidated Financial Documents

(SIGNIFICANT ACCOUNTING POLICY)

1. Valuation basis and method for assets

(1) Valuation basis and method for marketable securities:	
(i) Bonds to be held by the Company up to their maturities:	Amortized cost method (straight-line method)
(ii) Subsidiaries' capital stock and affiliates' capital stock:	moving-average cost
(iii) Other securities	
Where there is a market quotation:	Market value method based on the market price, etc. at the closing date (The variance of valuation is processed by putting in the net assets, and the cost of securities sold is computed by the moving-average method.)
Where there is no market quotation:	moving-average cost
(2) Valuation basis and method for Derivatives	
Derivatives	Market value method
(3) Valuation basis and method for inventories	
(i) Wholesale operations:	Mainly moving-average cost (For the value on the Balance Sheets, book value devaluation method due to decreased profitability)
(ii) Retail operations:	Mainly retail reduction method (For the value on the Balance Sheets, book value devaluation method due to decreased profitability) (Amendments to accounting policy) From the current fiscal year, the "Accounting Standards for Valuation of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has been adopted and cost method (for the value on the Balance Sheets, book value devaluation method due to decreased profitability) is used for the value on the Balance Sheets instead of the former cost method. As a result, the operating

income and ordinary income have decreased in the amount of 55 million yen respectively, and net loss before income taxes has increased in the amount of 55 million yen.

2. Method of depreciation of non-current assets

(1) Tangible non-current assets (excluding lease assets)	Depreciation is computed mainly by the declining-balance method. Main useful lives are as follows:
(i) Buildings and structures for outlets	As for the useful lives, the economic useful lives estimated by the Company itself are applied. As for buildings and structures on land held by fixed-term leases for business use, the relevant contract year is applied as the useful life thereof.
Buildings:	3 ~ 20 years
Structures:	3 ~ 20 years
(ii) Other than the above	
Buildings:	3 ~ 45 years
Structures:	3 ~ 30 years
Machines and equipment:	5 ~ 15 years
Tools and fixtures:	2 ~ 20 years
(2) Non-tangible non-current assets (excluding lease assets)	Using a straight-line method. As for Software for internal use, the straight-line method based on useful lives for the Company (2 ~ 5 years) is applied.
(3) Lease assets	Adopting a straight-line method in which useful life is the lease term and residual value is zero. Meanwhile, The non-ownership-transfer finance lease transactions in which the Company is a lessee and which started before March 31, 2008 is accounted for using a method similar to that for normal lease transactions.

3. Basis of recording of allowances

(1) Allowance for doubtful receivables	In order to prepare against losses due to bad loans, the Company provides an allowance for doubtful receivables based on the historical rate

	of default. For specific debts including debts where recovery is doubtful, the Company estimates the likelihood of recovery on a case-by-case basis and makes an allowance for doubtful receivables with the amount regarded as irrecoverable.
(2) Allowance for loss from investments	In order to prepare against losses in respect of investments in affiliated companies, the Company makes allowances for losses from investment, having regard to the financial or other conditions of the relevant companies.
(3) Reserve for Points	With respect to the points that have been issued to customers at the end of the current fiscal year, the estimated amount to be used in the future by such customers is reported as a reserve in order to prepare for the sales allowance applicable to the points that will be used by customers.
Accrued liability for business restructuring	In order to prepare against loss to be accrued due to the business restructuring, the Company provides an allowance for accrued liability for business restructuring with a projected amount of loss to be borne by the Company in excess of the amount of investment and receivable.
(5) Accrued retirement benefits to officers	In order to prepare for payment of retirement benefits to officers, the Company provides allowances for accrued retirement benefits to officers with an amount payable at the end of the fiscal year in accordance with the internal rules. The Company, having revised the system of payment of retirement benefits to officers, has not provided allowances for accrued retirement benefits to officers paid after July 2002.

4. Basis of recording of profits and expenses

Recording of profits relating to the non-ownership-transfer finance lease transactions	The sales and the cost of sales are recorded at the time of the receipt of the lease payment.

5. Other Basic Significant Matters for Preparation of the Financial Documents

(1) Basis of conversion of assets and liabilities in foreign currency into yen

Claim or obligation in foreign currency is converted into yen at the spot exchange rate on the closing date, and variances arising from such conversion are calculated as income and loss.

(2) Accounting for hedging activities

(i) Hedge accounting method	Designate accounting has been adopted.
(ii) Hedging instruments and items hedged	Hedging instruments: Currency swap
	Items hedged: Accounts payable in foreign currency
(iii) Hedging policy and method of evaluating the efficacy of hedging activities	The Company's policy is to hedge in the range of balance and amount of anticipated transactions of accounts payable in foreign currency in order to hedge against the risk of fluctuations in the exchange rate in the future relating to its transactions in foreign currency, and the Company also evaluates the efficacy thereof and has it checked by the accounting department.

(3) Consumption tax and all liabilities similar thereto are not included in the financial documents.

6. Amendments to Significant Accounting Policy

(1) Accounting Standard for Lease Transactions

From the current fiscal year, the non-ownership-transfer finance lease transactions, which had been accounted for using a method similar to normal lease transactions in the past, are accounted for using a method similar to that for normal sale transactions with adoption of the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued by the First Subcommittee of the Business Accounting Council on June 17, 1993 and amended on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued by the Accounting System Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994 and amended on March 30, 2007). As for the basis of the recording of profits of the non-ownership-transfer finance lease transactions, the sales and the cost of sales are recorded at the time of the receipt of the lease payment, and the straight-line method, in which useful life is the lease term and residual value is zero, has been adopted as the method in respect of depreciation of lease assets. Meanwhile, the non-ownership-transfer finance lease transactions in which the Company is a lessee and which started before the beginning of the first fiscal year of such adoption is continuously accounted for using a method similar to that for normal lease transactions. As a result, the lease investment assets in the amount of 21,879 million yen is recorded in the Current assets, and the operating income and ordinary income in the current fiscal year have increased in the amount of 83 million yen respectively, and net loss before income taxes has decreased in the amount of 7,675 million yen, as compared to the case when treated in accordance with the former method.

(2) Amendment of Record Method

(Balance Sheets)

The amount which until the previous fiscal year had been classified and recorded as advanced payment (the outstanding amount at the end of the current fiscal year is 1 million yen) is from the current fiscal year included in other current assets under the current assets owing to its lesser importance.

The amount of claims in bankruptcy, etc. which until the previous fiscal year had been included in other investments and other assets under investments and other assets is from the current fiscal year classified and recorded as claims in bankruptcy, etc. because of an increase in its importance. The amount of claims in bankruptcy, etc. at the end of the previous fiscal year is 62 million yen.

(Statement of Income)

The amount which until the previous fiscal year had been classified and recorded as house rent received (181 million yen in the current fiscal year) is from the current fiscal year included in miscellaneous income under non-operating income owing to its lesser importance. The amount of foreign exchange loss which until the previous fiscal year had been included in miscellaneous expenses under non-operating expenses is classified and recorded as foreign exchange loss from the current fiscal year because of an increase in its importance. The amount of foreign exchange loss in the previous fiscal year was 265 million yen.

(NOTES TO THE BALANCE SHEETS)

1.	Accumulated depreciation of tangible non-current assets:	¥18,615 million
2.	Short-term claims to affiliated companies:	¥27,418 million
	Long-term claims to affiliated companies:	¥6,260 million
	Short-term debts to affiliated companies:	¥8,312 million
	Long-term debts to affiliated companies:	¥1,880 million

3. Lending commitment

Outstanding amount of lending commitment is as follows:

Total amount of lending commitment	¥10,590 million
Executed amount of lending commitment	¥2,566 million
Deducted Amount	¥8,023 million

Since the lending commitment agreement above includes the lending commitment which is subject to examination of credit status of borrowers, not all of the lending commitment will be implemented.

4. Any fractional amounts less than one million yen are discarded.

(NOTES TO THE STATEMENT OF INCOME)

1. Business transactions with affiliated companies:

Sales to affiliated companies:	¥67,038 million
Purchase from affiliated companies:	¥14,479 million
Other business transactions with affiliated companies:	¥5,878 million

2. Transactions with affiliated companies other than business transactions: ¥3,103 million

3. Impairment loss

Impairment losses of the following groups of assets are recorded for the current fiscal year.

Use	Place	Type	Impairment loss (¥ million)
Store	Cars Expo Kobe Port Island Store (Chuo-ku, Kobe)	Buildings, etc. Other	47
Assets leased to others	Seibu Motor School (Kodaira, Tokyo)	Land Buildings	262
	(Former) AUTO HELLOES Tomakomai, Hokko Store (Tomakomai, Hokkaido)	Land Buildings	48
	(Former) Tomakomai Store (Tomakomai, Hokkaido)	Land	37
Idle asset	(Former) Huis Ten Bosch (Sasebo, Nagasaki Prefecture)	Land Buildings, etc.	29
	(Former) Hakodate Showa Store (Hakodate, Hokkaido)	Land	31

The Company regards a store as a basic unit for the minimum unit generating cash flow, and each of the idle assets and the assets leased to others were deemed to be a group of assets separated from other assets, respectively.

Due to a decline in the market value of land compared with the acquisition value of such land along with a continuing decline in land prices, with respect to a group of assets of which the total amount of the future cash flow is below the book value of such group of assets, the book value of the relevant group of assets decreased to the recoverable value, and such decreased amount of ¥456 million is recorded as impairment loss under extraordinary loss.

The breakdown of the impairment loss is ¥394 million for land and ¥62 million for buildings, etc. The recoverable value of such group of assets is the net sales value or the use value, whichever is higher.

The net sales value is calculated in accordance with the appraised real estate value by a real estate appraiser or the value of land facing a thoroughfare, etc. Weighted average capital cost (WACC) at 7.71% is used for the discount rate in calculation of the use value.

4. Any fractional amounts less than one million yen are discarded.

(NOTES TO STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITIES)

1. Type and number of shares of treasury stock as of the end of the current fiscal year

Common shares	1,800,971 shares

(TAX EFFECT ACCOUNTING ITEMS)

Breakdown of Deferred tax assets and Deferred tax liabilities per main reason:

(Current)	(¥ million)
Deferred tax assets	
Disclaimer of accounts payable	120
Disclaimer of loss from valuation of commodities	311
Excess of deductible amount for allowance for doubtful receivables	215
Disclaimer of amount allocated to purchases rebate of commodities	119
Disclaimer of accrued liability for business restructuring	529
Others	56
Total deferred tax assets	1,352
Deferred tax liabilities	
Effect of application of lease accounting standards	△ 995
Others	△ 78
Total deferred tax liabilities	△ 1,073
Net amount of deferred tax assets	278
(Non-current)	
Deferred tax assets	
Excess of deductible allowance for depreciation	845
Impairment loss	2,113
Disclaimer of loss from valuation of affiliated companies' capital stock	5,003
Disclaimer of allowance for loss from investments	135
Disclaimer of loss from valuation of investment securities	1,835
Excess of deductible amount for allowance for doubtful receivables	2,979
Disclaimer of accrued retirement benefits to officers	6
Disclaimer of loss from valuation of golf club memberships, etc.	16
Other variance of the estimate on securities	144
Others	197
Sub-total deferred tax assets	13,277
Amount of allowance account	△ 5,099
Total deferred tax assets	8,177
Deferred tax liabilities	
Reserves for reduction in assets	△ 459
Others	△ 88
Total deferred tax liabilities	△ 547
Net amount of deferred tax assets	7,630

(NOTES TO NON-CURRENT ASSETS USED BY LEASE)

In addition to the non-current assets recorded in the balance sheets, a part of the office equipment and manufacturing facilities, etc. is being used under the non-ownership-transfer finance lease agreement.

(NOTES TO TRANSACTIONS WITH RELATED PARTIES)

1. Subsidiaries and affiliates, etc. (¥ million)

Attribution	Name of Company, etc.	Holding (held) ratio of voting rights, etc.	Relationship with related parties	Content of transaction	Transacted amount	Item	Current year end balance
Subsidiary	ALFI Ltd.	(Holding ratio) 100% (directly)	Assistance in financing	Loans	8,472	Short-term loans Long-term loans	5,140 8,928
Subsidiary	Autobacs France S.A.S.	(Holding ratio) 100% (directly)	Assistance in financing	Loans	5,629	Short-term loans Long-term loans	1,420 3,947
Subsidiary	Autobacs Strauss Inc.	(Holding ratio) 100% (indirectly)	Assistance in financing	Loans	6,187	Claims in bankruptcy, etc.	3,953

(Notes)

1. Conditions of transactions and policies for decisions on conditions of transactions, etc.

   The interest rate of the loans was determined in consideration of market rates.

2. Allowance for doubtful receivables in the amount of ¥3,077 million has been recorded for the loans, etc. to Autobacs France S.A.S., and provision for allowance for doubtful receivables in the amount of ¥3,077 million has been recorded under extraordinary losses for the current fiscal year.

3. Autobacs Strauss Inc. filed a petition for Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court on February 4, 2009 (local time). Accordingly, allowance for doubtful receivables in the amount of ¥3,953 million has been recorded with respect to claims in bankruptcy, etc. and a projected amount of loss in the amount of ¥1,086 million to be borne by the Company in the future has been recorded under accrued liability for business restructuring. In addition, an expense for business restructuring in the amount of ¥5,294 million has been recorded under extraordinary losses for the current fiscal year.

2. Officers and principal individual shareholders (¥ million)

Attribution	Name of Company, etc. or Officer	Holding (held) ratio of voting rights, etc.	Relationship with related parties	Content of transaction	Transacted amount	Item	Current year end balance
Officer and his relatives	Koichi Sumino	(held ratio) 1.05%	Brother-german of Yasushi Sumino, a former Representative Director and auditor of the Company, Chairman of *Gakko Hojin Sumino Gakuen*	Contribution	138	-	-

(Notes) 1. Conditions of transactions and policies for decisions on conditions of transactions, etc.

The amount of important contribution to *Gakko Hojin Sumino Gakuen* was determined in accordance with a resolution of the Board of Directors, and such contribution was made as a transaction by a third party representative.

2. Koichi Sumino already resigned from the office of Director at the ordinary general meeting of shareholders held on June 26, 2008.

(NOTES TO PER SHARE DATA)

1. Net assets per share 4,127.76 yen
2. Current term net loss per share 178.62 yen

(SIGNIFICANT SUBSEQUENT EVENT)

Resolution in respect of Purchase of Treasury Stock

At the Board of Directors Meeting held on May 15, 2009, the Company resolved, in accordance with the provision of Article 156 of the Companies Act as applied with modification under Paragraph 3 of Article 165 of the said law, to purchase treasury stock.

1. Reason for purchase of treasury stock

   To improve capital efficiency and reinforce shareholder returns

2. Details of Purchase

   (1) Class of shares to be purchased — The Company's common stock
   (2) Total number of shares to be purchased — 1,600,000 shares (maximum)
   (3) Total amount of purchase values — 5,600 million yen (maximum)
   (4) Purchase period — From May 18, 2009 to July 31, 2009
   (5) Method of purchase — Offering on market by way of trusts

Resolution in respect of Cancellation of Treasury Stock

At the Board of Directors Meeting held on May 15, 2009, the Company resolved, in accordance with the provision of Article 178 of the Companies Act, to cancel treasury stock.

(1)	Class of shares to be cancelled	The Company’s common stock
(2)	Total number of shares to be cancelled	1,800,971 shares
(3)	Cancellation Date	May 22, 2009

Accounting Auditors' Report Concerning the Consolidated Financial Documents

Complete Copy

INDEPENDENT AUDITORS' REPORT

May 19, 2009

To: The Board of Directors of
AUTOBACS SEVEN CO., LTD.

Deloitte Touche Tohmatsu

Shigeji Sugimoto, Certified Public Accountant,
Designated Partner and Engagement Partner (seal)

Hidetsugu Tsuda, Certified Public Accountant,
Designated Partner and Engagement Partner (seal)

Yoshihiro Ishikawa, Certified Public Accountant,
Designated Partner and Engagement Partner (seal)

We have audited the consolidated financial documents, that is, the consolidated balance sheets, the consolidated statement of income, the consolidated statements of changes in shareholders' equities and notes to the consolidated financial documents for the consolidated fiscal year of AUTOBACS SEVEN CO., LTD (the "Company") from April 1, 2008 to March 31, 2009, pursuant to Article 444, Paragraph 4 of the Companies Act. The Company's management is responsible for the preparation of the consolidated financial documents, and our responsibility is to represent our opinion on the consolidated financial documents from the point of view of the Independent Auditors.

Our audit was made in accordance with auditing standards generally accepted as fair and appropriate in Japan. The auditing standards require us to acquire a reasonable warranty that the consolidated financial documents do not include any material false statements. The audit was made based on a testing audit and includes an examination of the statements in the consolidated financial documents as a whole including the accounting policy and method of application thereof adopted by the Company's management and the valuation of estimates made by the Company's management. We consider that we have obtained a reasonable basis for the representation of our opinion as a result of our audit.

In our opinion, the above consolidated financial documents present fairly, in all material respects, the state of assets and the condition of profits and losses of the Group consisting of the Company and its consolidated subsidiaries, for the period relating to the consolidated financial documents, in accordance with corporate accounting standards generally accepted as fair and appropriate in Japan.

Additional Information

As described in Amendments to Basic Significant Matters for Preparation of the Consolidated Financial Documents, the Company has prepared the consolidated financial documents, by applying the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16), from the current consolidated fiscal year.

There is no interest between the Company and ourselves to be stated herein pursuant to the Certified Public Accountant Law.

[END OF DOCUMENT]

Accounting Auditors' Report　Complete Copy

INDEPENDENT AUDITORS' REPORT

May 19, 2009

To: The Board of Directors of
AUTOBACS SEVEN CO., LTD.

Deloitte Touche Tohmatsu

Shigeji Sugimoto, Certified Public Accountant,
Designated Partner and Engagement Partner (seal)

Hidetsugu Tsuda, Certified Public Accountant,
Designated Partner and Engagement Partner (seal)

Yoshihiro Ishikawa, Certified Public Accountant,
Designated Partner and Engagement Partner (seal)

We have audited the financial documents, that is, the balance sheets, the statement of income, the statements of changes in shareholder's equities and notes to the financial documents and the supplementary schedules thereto for the 62nd fiscal year of AUTOBACS SEVEN CO., LTD (the "Company") from April 1, 2008 to March 31, 2009, pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act. The Company's management is responsible for the preparation of the financial documents and the supplementary schedules thereto, and our responsibility is to represent our opinion on the financial documents and the supplementary schedules thereto from the point of view of the Independent Auditors.

Our audit was made in accordance with auditing standards generally accepted as fair and appropriate in Japan. The auditing standards require us to acquire a reasonable warranty that the financial documents and the supplementary schedules thereto do not include any material false statements. The audit was made based on a testing audit and includes an examination of the statements in the financial documents and the supplementary schedules thereto as a whole including the accounting policy and method of application thereof adopted by the Company's management and the valuation of estimates made by the Company's management. We consider that we have obtained a reasonable basis for the representation of our opinion as a result of our audit.

In our opinion, the above financial documents and the supplementary schedules thereto present fairly, in all material respects, the state of assets and the condition of profits and losses of the Company, for the period relating to the financial documents and the supplementary schedules thereto, in accordance with corporate accounting standards generally accepted as fair and appropriate in Japan.

Additional Information

As described in Amendments to Significant Accounting Policy, the Company has prepared the financial documents and the supplementary schedules thereto, by applying the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16), from the current fiscal year.

There is no interest between the Company and ourselves to be stated herein pursuant to the Certified Public Accountant Law.

[END OF DOCUMENT]

Report of the Board of Corporate Auditors Complete Copy

AUDIT REPORT

The Board of Corporate Auditors has prepared this audit report regarding the performance of duties by the Directors of AUTOBACS SEVEN CO., LTD. (the "Company"), for the 62nd fiscal year from April 1, 2008 to and including March 31, 2009, upon deliberation, based on the audit reports prepared by each Corporate Auditor, and hereby reports as follows:

1. Auditing Method Used by the Corporate Auditors and the Board of Corporate Auditors and Details Thereof:

    The Board of Corporate Auditors established an auditing policy and the assignment of the duties of each Corporate Auditor, etc., received from each Corporate Auditor reports on the execution of audits and the results thereof and, in addition, received from the Directors, etc., and the Independent Auditors reports on the performance of their duties and, when necessary, requested explanations regarding such reports.

    In accordance with the auditing standards for Corporate Auditors established by the Board of Corporate Auditors, and based on the auditing policy and the assignment of duties, etc., each Corporate Auditor has taken steps to facilitate communication with the Directors and the internal audit department as well as other employees, etc., and has endeavored to gather information and create an improved environment for auditing. Each Corporate Auditor also attended meetings of the Board of Directors and other important meetings, received from the Directors, employees and other related persons reports on the performance of their duties and, when necessary, requested explanations regarding such reports. In addition, each Corporate Auditor inspected important authorized documents and related information, and examined the business and financial status of the Company at the head office and main branch offices of the Company. Furthermore, each Corporate Auditor monitored and examined the content of resolutions made by the Board of Directors concerning the establishment of systems to ensure that the performance of duties by the Directors will be in compliance with laws and regulations and with the Company's AOI and other systems set forth in Article 100, Paragraphs 1 and 3 of the Companies Act Enforcement Regulations as systems necessary to ensure that the Company's operation will be conducted appropriately and the status of such systems (internal control systems) established by such resolutions.

    With respect to the internal controls concerning the financial reporting, each Corporate Auditor received from the Directors, etc., and from Deloitte Touche Tohmatsu, reports on the evaluation of the relevant internal controls and the status of the audit, and, when necessary, each Corporate Auditor requested explanations regarding such reports.

With respect to the basic policy as provided in Article 118, Item 3 (i) of the Companies Act Enforcement Regulations described in the business report, each Corporate Auditor additionally examined the content thereof in response to the status, etc., of deliberation at the Board of Directors' meeting and other meetings. As for the subsidiaries of the Company, each Corporate Auditor has taken steps to facilitate communication with the directors and corporate auditors and other related persons of the subsidiaries and to share information among them and, when necessary, received reports from the subsidiaries regarding their businesses. Based on the foregoing method, we examined the business report and the supplementary schedules thereto for this fiscal year.

In addition, each Corporate Auditor also monitored and examined whether the Independent Auditors maintain their independence and carry out audits in an appropriate manner. Each Corporate Auditor received from the Independent Auditors reports on the performance of their duties and, when necessary, requested explanations regarding such reports. Each Corporate Auditor also received a notification from the Independent Auditors that they have taken steps to improve the "System to Ensure Appropriate Execution of the Duties of the Independent Auditors" (as enumerated in each Item of Article 131 of the Company Calculation Regulations) in compliance with the "Quality Control Standards Relating to Auditing" (adopted by the Business Accounting Deliberation Council on October 28, 2005), etc. When necessary, each Corporate Auditor requested explanations on such notification. Based on the foregoing method, each Corporate Auditor reviewed the financial documents (the balance sheets, the statement of income, the statements of changes in shareholder's equities and notes to the financial documents) and the supplementary schedules thereto and the consolidated financial documents (the consolidated balance sheets, the consolidated statement of income, the consolidated statements of changes in shareholders' equities and notes to the consolidated financial documents) for this fiscal year.

2. Results of the Audit:

(1) Results of the Audit of the Business Report, etc.;

a. We consider that the business report and the supplementary schedules thereto represent fairly the conditions of the Company in conformity with the applicable laws and regulations and the Company's AOI.

b. We consider that there is no fraudulent act or material fact that violated the applicable laws and regulations or the Company's AOI in the course of the performance of duties by the Directors.

c. We consider that the content of resolutions by the Board of Directors concerning internal control systems is appropriate, and there is no matter to be particularly commented on as to the performance of the Directors' duties concerning relevant internal control systems, including the internal controls concerning the financial reporting.

d. We consider that there is no matter to be particularly commented on as to the basic policy concerning the existence of such persons who take control of the financial affairs and the business policy of the Company described in the business report.

(2) Results of the Audit of the Financial Documents and the Supplementary Schedules Thereto;

We consider that the auditing methods adopted by Deloitte Touche Tohmatsu, an accounting auditor, and the results thereof to be appropriate and sufficient.

(3) Results of the Audit of the Consolidated Financial Documents;

We consider that the auditing methods adopted by Deloitte Touche Tohmatsu, an accounting auditor, and the results thereof to be appropriate and sufficient.

May 27, 2009

The Board of Corporate Auditors of AUTOBACS SEVEN CO., LTD.
Akira Nogami, Senior Corporate Auditor (full-time) (seal)
Kotaro Morino, Outside Senior Corporate Auditor (full-time) (seal)
Hiroshi Sumino, Senior Corporate Auditor (full-time) (seal)
Kensuke Tanabe, Outside Corporate Auditor (seal)
Tomoaki Ikenaga, Outside Corporate Auditor (seal)

[END OF DOCUMENT]

Reference Material for the Ordinary General Meeting of Shareholders

Agenda Items and Reference Matters:

Agenda Item No. 1: Matters concerning the appropriation of surplus

The Company proposes to conduct the appropriation of surplus as follows:

1. Matters concerning year-end dividends

   The Company places returning profits to the shareholders as one of its most important management tasks, and the Company's basic policy for the distribution of profits is to appropriate the profits, in a medium and long-term perspective, to returning profits to the shareholders and enriching retained earnings for the future development of business.

   In the Company's mid-term management plan announced on May 15, 2008, the Company established a policy to reinforce shareholder returns that is to be realized by paying dividends, taking into consideration the Company's operational results and financial stability.

   In order to respond to the shareholders' support of the Company and to meet the expectations of the shareholders, the Company proposes to pay year-end dividends for this fiscal year as described below, pursuant to this basic policy for the distribution of profits and the Company's mid-term management plan.

   (1) Type of assets to be distributed

   Cash

   (2) Matters concerning the allotment of assets to be distributed to the shareholders and the aggregate amount thereof

   ¥50 per ordinary share of the Company, and ¥1,872,710,200 in total

   The Company has paid interim dividends of ¥50 per share. Therefore, annual dividends for this fiscal year, including the interim dividends, shall be ¥100 per share.

   (3) Effective date of dividends from surplus

   June 26, 2009

2. Other matters concerning the appropriation of surplus

   Item of surplus increased and the amount of such increase

   Earned surplus carried forward: ¥20,100,000,000

Item of surplus decreased and the amount of such decrease

Other reserves: ¥20,100,000,000

Agenda Item No. 2: Matters concerning the partial amendment of the Company's AOI

1. Purpose of Amendment

   The Company proposes to amend the Company's AOI as set forth below, in accordance with the enforcement of the "Law for Partial Amendments to the Law Concerning Book-entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trades of Stocks and Other Securities" (Law No. 88 of 2004) (the "Law for Streamlining the Settlement").

   (1) Pursuant to the provisions set forth in Article 6, Paragraph 1 of the Supplementary Provisions of the Law for Streamlining the Settlement, the Company is deemed to have made a resolution regarding the amendment of the Company's AOI to abolish, as of the effective date of the electronic share certificate system (January 5, 2009), provisions with respect to the issuance of share certificates. Thus, Article 7 (Issuance of Share Certificates) will be deleted, and phrases concerning share certificates will be deleted or amended; provided, however, that, as the register of loss of share certificates is required to be prepared and kept for the one-year period from the day immediately following the effective date of the Law for Streamlining the Settlement, necessary provisions will be newly established as Supplementary Provisions.

   (2) In accordance with the abolishment of the "Law Concerning Custody and Book-entry Transfer of Share Certificates, etc." (Law No. 30 of 1984), phrases concerning the beneficial shareholders and the register of beneficial shareholders, which are included in the current Company's AOI, will be deleted or amended.

   (3) Other necessary amendments, including the renumbering of articles, will be made.

2. Details of Amendments

   Details of the amendments are as follows:

(The amended sections are underlined.)

Current AOI	Proposed Amendment
Article 7. <u>*(Issuance of Share Certificates)*</u> <u>The Company shall issue share certificates representing its issued shares.</u>	<u>(Deleted.)</u>
Article <u>8</u>. *(Shares Authorized to be Issued)* The shares authorized to be issued by the Company are shares of common stock.	**Article <u>7</u>.** *(Shares Authorized to be Issued)* The shares authorized to be issued by the Company are shares of common stock.

Current AOI	Proposed Amendment
Article 9. *(Number of Shares Constituting One Unit and Non-Issuance of Certificates for Shares Constituting Less than One Full Unit)* 1. The number of shares constituting one unit of shares of the Company shall be one hundred (100) shares. 2. The Company may choose not to issue any certificate for shares constituting less than one full unit (hereinafter referred to as "fractional unit shares").	**Article 8.** *(Number of Shares Constituting One Unit)* The number of shares constituting one unit of shares of the Company shall be one hundred (100) shares. (Deleted.)
Article 10. *(Rights of Fractional Unit Shareholders)* (Omitted.)	**Article 9.** *(Rights of Fractional Unit Shareholders)* (Not amended.)
Article 11. *(Transfer Agent)* 1. The Company shall appoint a transfer agent. 2. (Omitted.) 3. The Company shall engage the transfer agent in preparing and keeping the register of shareholders (including the register of beneficial shareholders; hereinafter the same shall apply), the register of stock acquisition rights, and the register of loss of share certificates of the Company, and handling other business pertaining to the register of shareholders, the register of stock acquisition rights and the register of loss of share certificates, and the Company itself shall not handle such business.	**Article 10.** *(Transfer Agent)* 1. The Company shall appoint a transfer agent. 2. (Not amended.) 3. The Company shall engage the transfer agent in preparing and keeping the register of shareholders and the register of stock acquisition rights of the Company, and handling other business pertaining to the register of shareholders and the register of stock acquisition rights, and the Company itself shall not handle such business.
Article 12. *(Share Handling Regulations)* The denomination of share certificates of the Company, the change of the descriptions in the register of shareholders such as names of shareholders (including beneficial shareholders whose names appear or are recorded on the register of beneficial shareholders; hereinafter the same shall apply), the purchase of fractional unit shares and any other procedures relating to shares as well as the fees therefor, shall be governed by the Share Handling Regulations established by the Board of Directors.	**Article 11.** *(Share Handling Regulations)* The handling of shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors.

Current AOI	Proposed Amendment
Article 13. *(Convocation)* (Omitted)	**Article 12.** *(Convocation)* (Not amended.)
Article 14. *(Record Date)* The Company shall deem any shareholder whose name appears, or is recorded, on the register of shareholders as of March 31 of each year, to be a shareholder entitled to exercise his/her rights at an ordinary general meeting of shareholders.	**Article 13.** *(Record Date)* The Company shall deem any shareholder whose name is recorded on the register of shareholders as of March 31 of each year, to be a shareholder entitled to exercise his/her rights at an ordinary general meeting of shareholders.
Article 15. to **Article 38.** (Omitted.)	**Article 14.** to **Article 37.** (Not amended.)
Article 39. *(Dividends from Surplus)* 1. The Company shall, by a resolution of a general meeting of shareholders, make a payment of year-end dividends to the shareholders or the registered stock pledgees whose names appear or are recorded on the register of shareholders as of the last day of each fiscal year. 2. In addition to Paragraph 1 hereof, the Company may, by a resolution of the Board of Directors, make a payment of interim dividends to the shareholders or the registered stock pledgees whose names appear or are recorded on the register of shareholders as of September 30, each year.	**Article 38.** *(Dividends from Surplus)* 1. The Company shall, by a resolution of a general meeting of shareholders, make a payment of year-end dividends to the shareholders or the registered stock pledgees whose names are recorded on the register of shareholders as of the last day of each fiscal year. 2. In addition to Paragraph 1 hereof, the Company may, by a resolution of the Board of Directors, make a payment of interim dividends to the shareholders or the registered stock pledgees whose names are recorded on the register of shareholders as of September 30, each year.
Article 40. to **Article 42.** (Omitted.)	**Article 39.** to **Article 41.** (Not amended.)
	Supplementary Provisions
(Newly Established.)	**Article 1.** The Company shall engage the transfer agent in preparing and keeping the register of loss of share certificates of the Company, and handling other business pertaining to the register of loss of share certificates, and the Company itself shall not handle such business.
(Newly Established.)	**Article 2.** The provisions of the immediately preceding Article and this Article 2 shall remain in effect until January 5, 2010, and such provisions shall be deleted

Current AOI	Proposed Amendment
	<u>on January 6, 2010.</u>

Agenda Item No. 3: Matters concerning the election of nine (9) Directors

The term of office of all the Directors (nine (9) persons) will expire at the conclusion of this general meeting.

Thus, the Company asks for the election of nine (9) Directors.

The candidates for the offices of Directors are as follows:

Candidate Number	Name (Date of birth)	Brief Personal History, Position and Assignment in the Company, and Status in Representing Other Companies		Number of Company Shares Owned
1	Setsuo Wakuda (December 25, 1948)	March 1967	Joined the FUJI-SYOKAI Co., Ltd.	26,914
		April 1998	General Manager of Chain Store Planning Office	
		June 1998	Director and General Manager of Chain Store Planning Office	
		June 2002	Executive Officer in charge of Supporting Store Operations	
		June 2003	Director and Executive Officer in charge of Franchise Business Strategy	
		June 2004	Director and Co-Chief Operating Officer in charge of Area Dominant Strategy	
		April 2006	Director	
		March 2008	Representative Director and Project Management Officer	
		June 2008	Representative Director and Chief Executive Officer	
		April 2009	Representative Director, Chief Executive Officer and Chief Chain Officer (current position)	

Candidate Number	Name (Date of birth)	Brief Personal History, Position and Assignment in the Company, and Status in Representing Other Companies		Number of Company Shares Owned
2	Yasuhiro Tsunemori (March 22, 1952)	April 1977	Joined the SHOUTENSEKKEI Co., Ltd.	200
		March 1978	Joined the DAIHO-SANGYO Co. Ltd.	
		April 2000	General Manager of Merchandise Department of the Company	
		June 2000	Director and General Manager of Merchandise Department	
		June 2002	Executive Officer in charge of Merchandising Strategy	
		June 2003	Director and Executive Officer in charge of Merchandising Strategy	
		June 2004	Director and Co-Chief Operating Officer in charge of Total Car-Life Business Strategy	
		April 2006	Director	
		June 2008	Director and Chief Operating Officer, Corporate Strategy and Overseas Operation	
		December 2008	Director and Chief Operating Officer, Head of Corporate Strategy, Overseas Operation and Merchandising Strategy	
		April 2009	Director and Chief Operating Officer, Head of Information Systems & General Affairs, Overseas Operation and Car Dealing (current position)	

Candidate Number	Name (Date of birth)	Brief Personal History, Position and Assignment in the Company, and Status in Representing Other Companies		Number of Company Shares Owned
3	Hidehiro Ide (August 1, 1955)	March 1974	Joined the FUJI-SYOKAI Co., Ltd.	3,100
		April 1998	General Manager of Accounting Department and General Manager of Affiliates Department	
		June 1998	Director, General Manager of Accounting Department and General Manager of Affiliates Department	
		June 2002	Executive Officer in charge of Supporting Corporate Management	
		June 2003	Director, Executive Officer in charge of Supporting Corporate Management	
		June 2004	Director, Officer in charge of Establishing Financial Basis	
		April 2006	Representative Director and CEO of ALFI Ltd. Representative Director and CEO of AUTOBACS Management Service Ltd.	
		April 2007	Chairman of Board of Directors of ALFI Ltd.	
		June 2008	Director and Senior Executive Officer, Business Management, Finance, Accounting and Group Companies Management	
		April 2009	Director and Senior Executive Officer, Head of Finance & Accounting (current position)	
4	Yasuo Nakata (February 24, 1943)	April 1967	Joined UBE Industries, Ltd.	-
		October 1970	Joined Mitsubishi Rayon Co., Ltd.	
		February 1979	Joined Calbee Foods Co., Ltd.	
		June 1985	Director of Calbee Foods Co., Ltd.	
		June 1992	Managing Director of Calbee Foods Co., Ltd.	
		June 1997	Senior Managing Director of Calbee Foods Co., Ltd.	
		June 2003	Director and Vice President and Chief Financial Officer of Calbee Foods Co., Ltd.	
		June 2004	Director of the Company (current position)	
		June 2005	Representative Director and President and Chief Executive Officer of Calbee Foods Co., Ltd. (current position)	

Candidate Number	Name (Date of birth)	Brief Personal History, Position and Assignment in the Company, and Status in Representing Other Companies		Number of Company Shares Owned
5	Eiju Miyauchi (May 4, 1938)	April 1961	Joined Sony Corporation	-
		September 1996	Joined USC Corporation	
		June 1997	Senior Managing Director of USC Corporation	
		April 1999	President and Representative Director of USC Corporation	
		June 2002	General Counsel and Director of USC Corporation	
		June 2005	Director of the Company (current position)	
		June 2007	Outside Corporate Auditor of Santen Pharmaceutical Co., Ltd. (current position)	
6	Hironori Morimoto (June 2, 1957)	March 1981	Joined the Company	600
		April 2006	Co-Chief Operating Officer in charge of Area Dominant Strategy, Sales Promotion, Store Development and Store Format Development, and General Manager in charge of Sales Promotion	
		June 2006	Director and Co-Chief Operating Officer in charge of Area Dominant Strategy, Sales Promotion, Store Development and Store Format Development, and General Manager in charge of Sales Promotion	
		November 2006	Director and Co-Chief Operating Officer in charge of Area Dominant Strategy, Store Development and Store Format Development	
		April 2007	Director and Co-Chief Operating Officer in charge of Area Dominant Strategy and Store Development	
		May 2007	Director and Co-Chief Operating Officer in charge of Area Dominant Strategy, Total Car-Life Business Strategy and Store Development	
		June 2008	Director and Senior Executive Officer, Regional and Area Strategy	
		April 2009	Director and Senior Executive Officer, Head of Chain Strategy (current position)	

Candidate Number	Name (Date of birth)	Brief Personal History, Position and Assignment in the Company, and Status in Representing Other Companies		Number of Company Shares Owned
7	Tatsuya Tamura (October 11, 1938)	April 1961	Joined the Bank of Japan	-
		September 1969	Worked at Domestic Research Division of Research Bureau at the Economic Planning Agency	
		May 1986	Representative of the Bank of Japan in Europe	
		February 1992	Executive Director of the Bank of Japan	
		April 1996	Chairman of A.T. Kearney, Inc.	
		June 1996	Foreign and Colonial Pacific Investment Fund, Adviser to the Board	
		April 1999	Secretary of KEIZAI DOYUKAI (Japan Association of Corporate Executives)	
		June 1999	Outside Director of ORIX Corporation	
		June 2000	Outside Director of Suruga Bank, Ltd.	
		May 2002	President of Global Management Institute Inc. (current position) Auditor of Japan Center for Economic Research (current position)	
		June 2002	Outside Director of JAPAN TELECOM CO.,LTD	
		March 2003	Chairman of Japan Independent Directors Network (Zenkoku Shagai Torishimariyaku Network in Japan) (Specific nonprofit corporation) (current position)	
		June 2003	Outside Director of SKY Perfect Communications Inc.	
		October 2004	Outside Director of Kanebo COSMETICS INC.	
		June 2006	Outside Director of SANDEN Corporation	
		June 2008	Director of the Company (current position)	

Candidate Number	Name (Date of birth)	Brief Personal History, Position and Assignment in the Company, and Status in Representing Other Companies		Number of Company Shares Owned
8	Norio Hattori (April 3, 1946)	April 1970	Joined the National Police Agency	-
		June 1974	Long term overseas research personnel dispatched from the National Personnel Authority (Studied at Harvard Business School)	
		June 1981	First Secretary at the Japanese Embassy in Israel	
		July 1991	Director General of Yamanashi Prefectural Police Headquarters	
		August 1995	Chief Inspection Officer of the National Police Agency	
		December 1996	Director General of Saitama Prefectural Police Headquarters	
		July 1998	Director General of the Imperial Guard Headquarters	
		August 2000	Director General of the Kanto Regional Office Bureau	
		September 2001	Retired from the National Police Agency	
		October 2001	Full-time General Counsel of All Nippon Airways Co., Ltd.	
		October 2006	General Counsel at Fukoku Mutual Life Insurance Company (current position)	
		June 2008	Director of the Company (current position)	
9	Teruyuki Matsumura* (November 25, 1961)	March 1984	Joined the Company	1,121
		April 1998	General Manager of Chugoku Store Management Department	
		February 1999	General Manager of Shikoku Store Operations Department	
		April 2001	General Manager of North Kyushu Store Operations Department	
		December 2001	Division Manager of Southern Japan Store Operations Division	
		June 2002	Operating Officer, Southern Japan Store Support Division	
		September 2004	Officer, Kansai Region	
		June 2008	Officer, Kanto Region	
		April 2009	Executive Officer and General Manager of Kanto Regional Division (current position)	

(Notes) 1. None of these candidates for the offices of Directors have a special interest in the Company.

2. “*” in the “Name” column of a candidate for the office of Director indicates that the relevant candidate is newly appointed.

3. Mr. Yasuo Nakata, Mr. Eiju Miyauchi, Mr. Tatsuya Tamura and Mr.Norio Hattori are the candidates for the offices of outside Directors set forth in Article 2, Item 15 of the Companies Act.

4. Matters to be particularly described concerning the candidates for the offices of outside Directors are as follows:

(1) Election of outside Directors

(i) The Company asks for the election of Mr. Yasuo Nakata and Mr. Eiju Miyauchi as outside Directors in order for the management of the Company to benefit from their extensive experience, knowledge and insight as management executives. As announced in the press release of Calbee Foods Co., Ltd. dated April 1, 2009, Mr. Yasuo Nakata will retire from the position of the Representative Director and President and Chief Executive Officer of Calbee Foods Co., Ltd. and will become a consultant of Calbee Foods Co., Ltd. upon approval at the ordinary general meeting of shareholders of Calbee Foods Co., Ltd. to be held in late June 2009.

(ii) The Company asks for the election of Mr. Tatsuya Tamura as an outside Director in order for the management of the Company to benefit from his extensive experience in, knowledge of and insight into corporate governance and financial affairs. As announced in the press release of NIPPONKOA Insurance Company, Limited dated May 20, 2009, Mr. Tatsuya Tamura will become a director (outside director) of NIPPONKOA Insurance Company, Limited, upon approval at the ordinary general meeting of shareholders of NIPPONKOA Insurance Company, Limited to be held in late June 2009.

(iii) The Company asks for the election of Mr. Norio Hattori as an outside Director in order for the management of the Company to benefit from his extensive experience in, knowledge of and insight into the management of organizations, including risk management and measures to prevent involvement with anti-social forces and extensive experience in foreign affairs.

(2) The number of years as of the conclusion of this general meeting, which will have passed since each of the candidates for the offices of outside Directors assumed his office as an outside Director

(i) At the conclusion of this general meeting, five (5) years will have passed since Mr. Yasuo Nakata's assumption of office as an outside Director.

(ii) At the conclusion of this general meeting, four (4) years will have passed since Mr. Eiju Miyauchi's assumption of office as an outside Director.

(iii) At the conclusion of this general meeting, one (1) year will have passed since Mr. Tatsuya Tamura's assumption of office as an outside Director.

(iv) At the conclusion of this general meeting, one (1) year will have passed since Mr. Norio Hattori's assumption of office as an outside Director.

(3) Liability limitation agreements with outside Directors

Mr. Yasuo Nakata, Mr. Eiju Miyauchi, Mr. Tatsuya Tamura and Mr. Norio Hattori, who are all outside Directors, are currently outside Directors of the Company and have entered into an agreement with the Company which limits the liability set forth in Article 423, Paragraph 1 of the Companies Act. If they are re-elected, the said agreement will continue to be binding on them.

The liability limit pursuant to such agreement shall be the greater of (i) 10 million yen or (ii) the total amount of the amounts A) and B) described below which is set forth in Article 425, Paragraph 1 of the Companies Act.

A) The amount obtained by multiplying (x) the amount calculated by the method set forth in Article 113 of the Companies Act Enforcement Regulations as the amount equivalent to the annual amount of the property benefits received or to be received by each of outside Directors from the Company as consideration for the execution of their respective duties while they are in office, by (y) 2.

B) In the cases where each of outside Directors has subscribed for the Company's stock acquisition rights (set forth in Article 2, Item 21 of the Companies Act) (limited to the cases listed in each Item in Article 238, Paragraph 3 of the Companies Act), the amount calculated by the method set forth in Article 114 of the Companies Act Enforcement Regulations as the amount equivalent to the amount of the property benefits concerning such stock acquisition rights.

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