

Business Highlights



Repurchase and Cancellation of Shares

To improve capital efficiency and bolster shareholder returns, the Board of Directors resolved to buy back up to 1.6 million shares for a maximum of ¥5.6 billion. At the same time, the board resolved to cancel 3,202,599 shares of treasury stock. The repurchases were conducted through until November 30, 2011, reaching the limit of 1.6 million shares at a cost of around ¥5.5 billion.

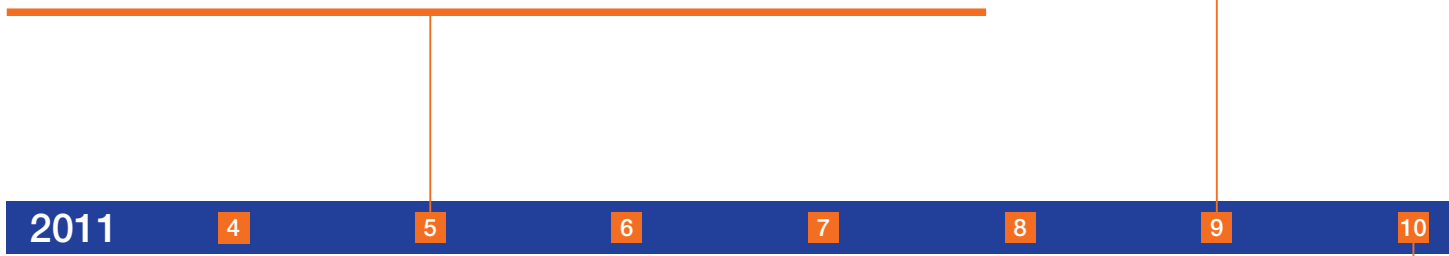
AUTOBACS SHANGHAI CAO AN GONG LU Store Opens

We opened a directly-managed store in Shanghai with improved pit service. The store concept is to be No. 1 in service in terms of merchandise, facilities, technologies, and the environment. Pit service enhancements include car washing and maintenance. A pit area with around 14 service bays accounts for approximately 80% of the floor space. Two lanes are for car washing. As well as basic service offerings, notably car washing, oil changes, tire installation, and wheel alignment, the store also provides such pit services as car body coating and polymer sealant car polishing.



New Television Commercial Aired

We started airing a new television commercial that promotes the reliability and security that comes with buying tires from AUTOBACS. The commercial focuses on tires, a key offering from the Group, and highlights the appeal and value of AUTOBACS stores for drivers by using the catch-phrase: "Anything about tires, you find at AUTOBACS."



New Concept Second-Hand Auto Parts Stores Open

In response to growing demand for recycling and reuse amid increasing consumer sentiment for saving money and protecting the environment, we have opened new types of second-hand auto parts store to accommodate a wider range of customers. Under this new concept, AUTOBACS *Secohan Ichiba* stores will gradually switch their lineup focuses away from motor sports toward offerings reflecting more diverse customer needs for tires, wheels, and car electronics, as at regular AUTOBACS stores.



Singapore AUTOBACS LOYANG Store Opens

This is our third store in Singapore. It offers the basic lineup of AUTOBACS small-format stores, which are expanding their market share. The lineup includes maintenance items such as oil, car electronics, and interior and exterior accessories. The store also provides an enhanced lineup of Japanese-made car accessories, which are popular in Singapore, as well as car washing and motor sports goods to differentiate from competing outlets. The store sells a broad range of tire brands to cater for diverse customer needs, including Pirelli, Yokohama, Dunlop, and Gerruti, as well as Michelin and Bridgestone, which have leading market shares in Singapore.



AUTOBACS for Coating Painting and Bodywork!—All AUTOBACS Stores Now Handle Car Bodywork

We are deploying AUTOBACS Quick Repair, a proprietary commissioning and estimate system, on the basis that offering bodywork and painting services at every store should increase customer convenience. This setup complements the advanced bodywork and painting services that some AUTOBACS stores already handle. At the same time, we have enabled all stores to offer bodywork and painting services by having some AUTOBACS stores commission partner workshops to produce estimates and perform the work.



Private Brand Merchandise Launched During Fiscal 2012

Panasonic SSD portable car navigation system CN-GPA600FVD—exclusive model for AUTOBACS



AUTOBACS PRO series wheel covers—five new types designed with a high-quality feel, compliant with statutory safety requirements



AUTOBACS PRO series car cleaning wipes—four new items



SX-V3 private brand alloy wheel



KENWOOD DDX318 multi-media player with 6.1 inch LCD screen—exclusive model for AUTOBACS





Launching AUTOBACS Tire Shop as a New Format Dedicated to Tire Sales and Service

We inaugurated the AUTOBACS Tire Shop as a format smaller than regular AUTOBACS stores for focusing on sales and service for tires and wheels. Stores in this new format also offer regular maintenance and replacements for such items as oil and batteries. This is our first such free-standing format for tires and wheels. By opening outlets specializing in tires and maintenance items in areas without AUTOBACS stores, we intend to build closer ties with customers, and offer them greater convenience.

Toyosu Headquarters Obtained ISO 14001 Certification

On February 22, 2012, our headquarters building in Toyosu, Tokyo, obtained certification under ISO 14001, an international standard for environmental management systems. We have made progress in reducing the environmental impact of our business, notably by lowering energy consumption and CO₂ emissions, conserving resources, and engaging in recycling and reuse initiatives. Since fiscal 2011, we have built an environmental management system to foster more effective and viable activities to obtain certification. Looking ahead, we plan to expand our environmental management system to distribution centers and regional sites to make our activities even more environmentally friendly.

Overview of Damage from Great East Japan Earthquake and Restoration Efforts

1. After the earthquake and tsunami (March 11, 2011)

In the Tohoku and Kanto regions, merchandise and other items fell off shelves and buildings were damaged at 59 of our stores and other business sites, forcing them to fully or partially suspend operations. The Eastern Japan Logistics Center in Ichikawa, Chiba Prefecture, suffered damage, and halted its logistics and distribution operations. The Western Japan Logistics Center took over shipments to all stores in Japan.



2. Providing support to disaster-hit areas (March 14, 2011)

We donated ¥100 million through the Japanese Red Cross Society to provide support. All of the AUTOBACS Group's approximately 500 stores in Japan began fund-raising activities. Together they donated around 39,000 cell phone car chargers and 5,000 inverters. All of our AUTOBACS Group stores in Japan implemented measures to conserve electricity, including by turning off outdoor sign lighting.

3. Most stores recommenced operations (March 31, 2011)

As restoration work progressed, all except three stores recommenced operations. Those three remained closed owing to tsunami damage and the accident at the Fukushima Daiichi Nuclear Power Station.

4. The Eastern Japan Logistics Center reopened (May 2, 2011)

We completed restoration at the Eastern Japan Logistics Center and restarted operations there. At this time facilities still with operations suspended were the AUTOBACS ISHINOMAKI Store, and AUTOBACS TAGAJI Store.

5. Disaster-affected stores restarted operations (August 5 and 15)

The AUTOBACS ISHINOMAKI Store and AUTOBACS TAGAJI Store restarted operations on August 5 and 15.



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Full-Fledged Launch Roll-Out of Statutory Safety Inspection Contact Center to Improve Customer Convenience

Our Statutory Safety Inspection Contact Center is a call center that handles customer inquiries and offers consultations about statutory safety inspections. The center takes reservations for inspections and follows up to ensure that customers deliver their vehicles to stores on the agreed dates. We set up the center to eliminate inconvenience for customers. Some might need advice on the statutory safety inspections but not know where to go. Others might want to go to a store to consult and to make a reservation but have no time to do so.

Completion of Store Reform Initiative Reforms Based on the Customer's Perspective Made It Easier to Understand and Choose Merchandise

On March 28, 2012, we completed sales area reforms at all existing AUTOBACS stores. These efforts were part of a store reform initiative that was a central priority in the AUTOBACS 2010 Medium-Term Business Plan. With the remodeling completed, we have received a lot of positive feedback from customers on sales areas being easier to understand and merchandise being easier to choose. The initiative has also helped increase store sales, gross profit, and numbers of purchasing customers.

Opening Eight Stores, Including in Smaller Commercial Areas

We opened 23 new stores in fiscal 2012.

AUTOBACS PRO series all purpose paper towels



Lowen TS7 private brand alloy wheel



OZ X-Line series "Milano" alloy wheel—exclusive model for AUTOBACS

