Pep Boys Partners With IBM to Invest in the Latest Retail Technology

Pep Boys Collaborates With IBM and 360Commerce to Develop Industry-Leading Software and Systems

PHILADELPHIA – June 4, 2004 – The Pep Boys – Manny, Moe & Jack (NYSE: "PBY"), the nation's leading automotive aftermarket retail and service chain, announced that it has partnered with IBM, the world's largest information technology company, to develop and install advanced retail technology in all of Pep Boys' 595 stores and service centers. The new technology will help to enhance customer service and ease the introduction of new retail and service applications in Pep Boys' stores.

IBM is collaborating with 360Commerce, a leader in retail software solutions, to integrate and customize the technology for Pep Boys. The new technology includes IBM point-of-sale systems and in-store IBM eServer xSeries servers running the IBM WebSphere platform, as well as point-of-sale, back office and inventory applications from 360Commerce.

The new technology system will take advantage of the open-source Linux operating system in the stores, and is designed to significantly strengthen the flexibility and reliability of Pep Boys' store operations. The project will also enable Pep Boys to more easily deploy new applications to the store, which will allow quicker responses to today's dynamic business needs, and position the Company for future growth.

"This project allows Pep Boys to create a solid base from which to operate and expand," said Mike Elmore, Pep Boys' Chief Information Officer. "With the added stability and efficiency of the new technology, we will improve our daily operations and our customer service, as well as our ability to develop systems and grow our Company. We are also pleased to collaborate with strong, proven partners such as IBM, our primary contractor, and 360Commerce."

"Pep Boys is showing market leadership and innovation by moving to a retail store framework that provides on-demand capabilities," noted John Morris, general manager of IBM Distribution Sector Americas Group. "By using open technology, Pep Boys can expand as the business requires. This flexibility will allow Pep Boys to better serve its customers and enhance its business."

According to Jerry Rightmer, chief technology officer for 360Commerce, "Pep Boys is demonstrating its responsiveness to the needs of its customers by investing in technology solutions that both improve operational efficiency and also enable the next-generation services that shoppers expect today. By implementing the most flexible, scalable and functionality-rich

Java solutions available in the market today, Pep Boys is effectively building the foundation for future growth while lowering their total cost of ownership, both immediately and long-term."

About IBM
IBM, the world's largest information technology company, is the leader in providing the Retail Industry with a full range of e-business solutions, including: point-of-sale systems, automated self-checkout systems, other hardware and software technology, consulting focused on business transformation, IT strategy and planning, store operations improvement, and supply chain optimization, and with services, such as outsourcing, managed operations, systems integration, and application development and design. IBM has a list of retail customers in 100 countries worldwide that reads like a "Who's Who" of retailing. For more information on IBM Retail Solutions, please visit http://www.ibm.com/industries/retail.

About 360Commerce
From the point-of-service to the back office and across the enterprise, 360Commerce's J2EE solutions capture and leverage operational intelligence in real time to provide retailers with competitive advantage. The vendor with more Java store optimization solution customers than any other in the retail market, 360Commerce's industry-leading technology empowers retailers to increase profits through operational excellence and best-in-class customer service. Leading retailers on 360Commerce's customer list include Apple, Burlington Coat Factory, Circuit City, Cole National, The Home Depot, Gap Inc., KB Toys, and Kinko's. 360Commerce products include 360Store Point-of-Sale, Unleashed™ POS, Back Office, and 360Enterprise™ Central Office and Workforce Management. For more information, please visit www.360Commerce.com.

About Pep Boys
Pep Boys has 595 stores and over 6,000 service bays in 36 states and Puerto Rico. Along with its vehicle repair and maintenance capabilities, the company also serves the commercial auto parts delivery market and is one of the leading sellers of replacement tires in the United States. Customers can find the nearest location by calling 1-800-PEP-BOYS or by visiting pepboys.com.

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Media Contacts:
Pep Boys: Bill Furtkevic, 215-430-9676, bill_furtkevic@pepboys.com
IBM: Greg Thompson, 404-238-5052, gregoryt@us.ibm.com
360Commerce: Milly Pellizzari, 512-914-5760, mpellizzari@360commerce.com