

For the Fiscal Year Ended March 31, 2013

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Annual Select<sup>®</sup> 2013

G-7 HOLDINGS Inc.

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1-6, Yasakadai 3-chome, Suma-ku, Kobe-shi, Hyogo

(Securities Code: 7508)

+81-78-797-7700

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### Corporate Profile

The G-7 Group has achieved strong and steady growth of its store franchising business, which initially centered on franchise stores under the worldwide AUTOBACS brand of auto parts and accessories, and then made rapid progress with the development of Business Supermarkets.

Today, the G-7 Group operates 61 AUTOBACS stores in and outside Japan and 104 Business Supermarkets, making it the largest affiliated franchisee for both chains.

The G-7 Group has expanded to a wide range of businesses including the AUTOBACS/automotive-related business, the Business Supermarket business, the food production and sales business, the motorcycle parts and accessories business, the agricultural business, and overseas business.

In order to be a company that is worthy of the continued support of customers and shareholders, we will remain aggressive about entering new markets as we endeavor to sustain growth over the long term.

The G-7 Group targets net sales of ¥100 billion and operating income of ¥4 billion in the fiscal year ending March 2016, during which we will mark the 40th anniversary of the establishment of the Group's original company. To achieve these goals, we will continue to implement our three key growth strategies of (1) constantly opening new outlets and pursuing attractive M&A opportunities, (2) developing malls that combine several shops from our different franchise chains to achieve stronger customer drawing power, and (3) creating new growth opportunities by opening stores in Southeast Asia and by forming business alliances.



Autobacs Malaysia first store



Business Supermarket Shin-tatsuno



## I. Summary of Selected Financial Data (Consolidated)

	34 <sup>th</sup> term	35 <sup>th</sup> term	36 <sup>th</sup> term	37 <sup>th</sup> term	38 <sup>th</sup> term	
	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	
Net sales						
(Millions of yen)	¥65,297	¥67,078	¥71,457	¥76,130	¥82,623	\$826,230
(Thousands of U.S. dollars)						
Ordinary income						
(Millions of yen)	1,344	2,247	2,591	2,250	2,933	29,330
(Thousands of U.S. dollars)						
Net income						
(Millions of yen)	259	871	701	722	1,345	13,450
(Thousands of U.S. dollars)						
Comprehensive income						
(Millions of yen)	–	–	702	736	1,312	13,120
(Thousands of U.S. dollars)						
Net assets						
(Millions of yen)	8,387	8,648	8,936	9,502	10,558	105,580
(Thousands of U.S. dollars)						
Total assets						
(Millions of yen)	24,990	25,987	27,696	28,455	30,401	304,010
(Thousands of U.S. dollars)						
Net assets per share						
(Yen)	630.61	695.13	734.25	780.73	867.54	8.6754
(U.S. dollars)						
Net income per share						
(Yen)	19.57	66.47	56.94	59.38	110.51	1.1051
(U.S. dollars)						
Diluted net income per share						
(Yen)	19.41	–	–	–	–	–
(U.S. dollars)						
Equity ratio						
(%)	33.4	33.3	32.3	33.4	34.7	
Return on equity (ROE)						
(%)	3.12	10.25	7.98	7.84	13.41	
Price earnings ratio (PER)						
(Times)	18.50	9.48	7.71	7.12	5.27	
Net cash provided by (used in) operating activities						
(Millions of yen)	2,847	4,062	2,914	1,914	3,626	36,260
(Thousands of U.S. dollars)						
Net cash provided by (used in) investing activities						
(Millions of yen)	(1,653)	(745)	(1,888)	(3,103)	(1,722)	(17,220)
(Thousands of U.S. dollars)						
Net cash provided by (used in) financing activities						
(Millions of yen)	91	(1,269)	(818)	235	(692)	(6,920)
(Thousands of U.S. dollars)						
Cash and cash equivalents at end of period						
(Millions of yen)	¥3,758	¥5,806	¥6,021	¥5,072	¥6,299	\$62,990
(Thousands of U.S. dollars)						
Number of employees						
[Separately, average number of temporary employees]	1,085	1,140	1,190	1,238	1,371	
(Persons)	[1,626]	[1,702]	[1,813]	[2,220]	[2,422]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated for convenience only, at a rate of ¥100.00 = U.S. \$1.  
2. Net sales do not include consumption taxes.  
3. Diluted net income per share in the 35th, 36th and 37th terms is not provided since there are no potential shares.

## II. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2012	As of March 31, 2013	As of March 31, 2013
<b>Assets</b>			
Current assets			
Cash and deposits	5,072	6,299	62,990
Notes and accounts receivable-trade	1,684	1,844	18,440
Merchandise and finished goods	3,997	4,450	44,500
Deferred tax assets	379	341	3,410
Other	815	823	8,230
Allowance for doubtful accounts	(10)	(7)	(70)
<b>Total current assets</b>	<b>11,939</b>	<b>13,751</b>	<b>137,510</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	14,105	14,770	147,700
Accumulated depreciation	(7,587)	(8,317)	(83,170)
Buildings and structures, net	6,517	6,452	64,520
Machinery, equipment and vehicles	822	982	9,820
Accumulated depreciation	(517)	(609)	(6,090)
Machinery, equipment and vehicles, net	305	373	3,730
Land	3,853	3,934	39,340
Construction in progress	20	42	420
Other	2,492	2,715	27,150
Accumulated depreciation	(1,495)	(1,839)	(18,390)
Other, net	996	875	8,750
<b>Total property, plant and equipment</b>	<b>11,694</b>	<b>11,678</b>	<b>116,780</b>
Intangible assets			
Goodwill	362	291	2,910
Other	304	266	2,660
<b>Total intangible assets</b>	<b>667</b>	<b>558</b>	<b>5,580</b>
Investments and other assets			
Investment securities	32	94	940
Lease and guarantee deposits	3,228	3,332	33,320
Deferred tax assets	672	725	7,250
Other	223	262	2,620
Allowance for doubtful accounts	(2)	(1)	(10)
<b>Total investments and other assets</b>	<b>4,153</b>	<b>4,414</b>	<b>44,140</b>
<b>Total noncurrent assets</b>	<b>16,515</b>	<b>16,650</b>	<b>166,500</b>
<b>Total assets</b>	<b>28,455</b>	<b>30,401</b>	<b>304,010</b>

\* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2012	As of March 31, 2013	As of March 31, 2013
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable-trade	3,626	4,097	40,970
Short-term loans payable	5,570	4,800	48,000
Income taxes payable	474	732	7,320
Provision for bonuses	425	468	4,680
Provision for directors' bonuses	31	-	-
Provision for point card certificates	123	135	1,350
Other	2,622	3,002	30,020
<b>Total current liabilities</b>	<b>12,873</b>	<b>13,236</b>	<b>132,360</b>
<b>Noncurrent liabilities</b>			
Long-term loans payable	3,500	4,000	40,000
Deferred tax liabilities for land revaluation	49	49	490
Provision for retirement benefits	468	523	5,230
Provision for directors' retirement benefits	609	638	6,380
Asset retirement obligations	609	634	6,340
Other	843	761	7,610
<b>Total noncurrent liabilities</b>	<b>6,079</b>	<b>6,606</b>	<b>66,060</b>
<b>Total liabilities</b>	<b>18,953</b>	<b>19,842</b>	<b>198,420</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	1,785	1,785	17,850
Capital surplus	2,717	2,717	27,170
Retained earnings	6,119	7,208	72,080
Treasury stock	(612)	(612)	(6,120)
<b>Total shareholders' equity</b>	<b>10,010</b>	<b>11,099</b>	<b>110,990</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	(0)	4	40
Revaluation reserve for land	(529)	(529)	(5,290)
Foreign currency translation adjustment	22	(15)	(150)
<b>Total accumulated other comprehensive income</b>	<b>(507)</b>	<b>(540)</b>	<b>(5,400)</b>
<b>Total net assets</b>	<b>9,502</b>	<b>10,558</b>	<b>105,580</b>
<b>Total liabilities and net assets</b>	<b>28,455</b>	<b>30,401</b>	<b>304,010</b>

\* Please refer to the note 1 on page 1.

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

**(Consolidated Statements of Income)**

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2013
Net sales	76,130	82,623	826,230
Cost of sales	55,552	60,338	603,380
Gross profit	20,577	22,285	222,850
Selling, general and administrative expenses	18,398	19,662	196,620
Operating income	2,178	2,622	26,220
Non-operating income			
Interest income	2	1	10
Dividends income	0	0	0
Commission fee	162	190	1,900
Co-sponsor fee	58	45	450
Foreign exchange gains	9	74	740
Other	93	112	1,120
Total non-operating income	326	425	4,250
Non-operating expenses			
Interest expenses	56	50	500
Loss on disposal of noncurrent assets	127	33	330
Other	71	30	300
Total non-operating expenses	255	114	1,140
Ordinary income	2,250	2,933	29,330
Extraordinary income			
Gain on sales of noncurrent assets	–	16	160
Gain on bargain purchase	–	25	250
Total extraordinary income	–	41	410
Extraordinary loss			
Loss on closing of stores	210	52	520
Loss on valuation of investment securities	–	8	80
Impairment loss	301	272	2,720
Total extraordinary losses	512	333	3,330
Income before income taxes and minority interests	1,738	2,640	26,400
Income taxes-current	1,088	1,311	13,110
Income taxes-deferred	(73)	(15)	(150)
Total income taxes	1,015	1,295	12,950
Income before minority interests	722	1,345	13,450
Net income	722	1,345	13,450

\* Please refer to the note 1 on page 1.

## (Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2013
Income before minority interests	722	1,345	13,450
Other comprehensive income			
Valuation difference on available-for-sale securities	0	4	40
Revaluation reserve for land	7	–	–
Foreign currency translation adjustment	5	(37)	(370)
Total other comprehensive income	13	(32)	(320)
Comprehensive income	736	1,312	13,120
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	736	1,312	13,120
Comprehensive income attributable to minority interests	–	–	–

\* Please refer to the note 1 on page 1.

### (3) Consolidated Statements of Changes in Net Assets

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2013
<b>Shareholders' equity</b>			
Capital stock			
Balance at the beginning of current period	1,785	1,785	17,850
Changes of items during the period			
Total changes of items during the period	–	–	–
Balance at the end of current period	1,785	1,785	17,850
Capital surplus			
Balance at the beginning of current period	2,717	2,717	27,170
Changes of items during the period			
Total changes of items during the period	–	–	–
Balance at the end of current period	2,717	2,717	27,170
Retained earnings			
Balance at the beginning of current period	5,566	6,119	61,190
Changes of items during the period			
Dividends from surplus	(170)	(255)	(2,550)
Net income	722	1,345	13,450
Total changes of items during the period	552	1,089	10,890
Balance at the end of current period	6,119	7,208	72,080
Treasury stock			
Balance at the beginning of current period	(612)	(612)	(6,120)
Changes of items during the period			
Purchase of treasury stock	–	(0)	(0)
Total changes of items during the period	–	(0)	(0)
Balance at the end of current period	(612)	(612)	(6,120)
<b>Total shareholders' equity</b>			
Balance at the beginning of current period	9,457	10,010	100,100
Changes of items during the period			
Dividends from surplus	(170)	(255)	(2,550)
Net income	722	1,345	13,450
Purchase of treasury stock	–	(0)	(0)
Total changes of items during the period	552	1,089	10,890
Balance at the end of current period	10,010	11,099	110,990

\* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2013
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities			
Balance at the beginning of current period	(1)	(0)	(0)
Changes of items during the period			
Net changes of items other than shareholders' equity	0	4	40
Total changes of items during the period	0	4	40
Balance at the end of current period	(0)	4	40
Revaluation reserve for land			
Balance at the beginning of current period	(536)	(529)	(5,290)
Changes of items during the period			
Net changes of items other than shareholders' equity	7	-	-
Total changes of items during the period	7	-	-
Balance at the end of current period	(529)	(529)	(5,290)
Foreign currency translation adjustment			
Balance at the beginning of current period	16	22	220
Changes of items during the period			
Net changes of items other than shareholders' equity	5	(37)	(370)
Total changes of items during the period	5	(37)	(370)
Balance at the end of current period	22	(15)	(150)
Total accumulated other comprehensive income			
Balance at the beginning of current period	(521)	(507)	(5,070)
Changes of items during the period			
Net changes of items other than shareholders' equity	13	(32)	(320)
Total changes of items during the period	13	(32)	(320)
Balance at the end of current period	(507)	(540)	(5,400)
Total net assets			
Balance at the beginning of current period	8,936	9,502	95,020
Changes of items during the period			
Dividends from surplus	(170)	(255)	(2,550)
Net income	722	1,345	13,450
Purchase of treasury stock	-	(0)	(0)
Net changes of items other than shareholders' equity	13	(32)	(320)
Total changes of items during the period	565	1,056	10,560
Balance at the end of current period	9,502	10,558	105,580

\* Please refer to the note 1 on page 1.



#### (4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2013
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes and minority interests	1,738	2,640	26,400
Depreciation and amortization	1,393	1,470	14,700
Amortization of goodwill	124	138	1,380
Gain on bargain purchase	–	(25)	(250)
Impairment loss	301	272	2,720
Increase (decrease) in allowance for doubtful accounts	(2)	(2)	(20)
Increase (decrease) in provision for retirement benefits	47	50	500
Increase (decrease) in provision for directors' retirement benefits	27	29	290
Increase (decrease) in provision for bonuses	(66)	32	320
Increase (decrease) in provision for directors' bonuses	31	42	420
Increase (decrease) in provision for point card certificates	24	9	90
Interest and dividends income	(3)	(1)	(10)
Interest expenses	56	50	500
Loss on retirement of property, plant and equipment	273	63	630
Loss (gain) on valuation of investment securities	–	8	80
Loss (gain) on sales of noncurrent assets	–	(16)	(160)
Decrease (increase) in guarantee deposits	(92)	(31)	(310)
Foreign exchange losses (gains)	–	(74)	(740)
Decrease (increase) in notes and accounts receivable-trade	(212)	(100)	(1,000)
Decrease (increase) in inventories	(419)	(430)	(4,300)
Decrease (increase) in other assets	188	(13)	(130)
Increase (decrease) in notes and accounts payable-trade	(279)	402	4,020
Increase (decrease) in accrued consumption taxes	9	94	940
Increase (decrease) in other liabilities	190	78	780
Other, net	(18)	33	330
<b>Subtotal</b>	<b>3,314</b>	<b>4,723</b>	<b>47,230</b>
Interest and dividends income received	3	1	10
Interest expenses paid	(55)	(51)	(510)
Income taxes paid	(1,347)	(1,047)	(10,470)
<b>Net cash provided by (used in) operating activities</b>	<b>1,914</b>	<b>3,626</b>	<b>36,260</b>

\* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2013
<b>Net cash provided by (used in) investing activities</b>			
Purchase of investments in subsidiaries	–	(16)	(160)
Purchase of property, plant and equipment	(2,769)	(1,548)	(15,480)
Proceeds from sales of property, plant and equipment	17	82	820
Purchase of investment securities	(4)	(44)	(440)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(148)	–	–
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	–	7	70
Payments of loans receivable	–	(25)	(250)
Collection of loans receivable	0	–	–
Payments for lease and guarantee deposits	(107)	(201)	(2,010)
Proceeds from collection of lease and guarantee deposits	81	83	830
Proceeds from guarantee deposits received	35	12	120
Other payments	(208)	(71)	(710)
Net cash provided by (used in) investing activities	(3,103)	(1,722)	(17,220)
<b>Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	450	(1,770)	(17,700)
Proceeds from long-term loans payable	2,500	1,500	15,000
Repayment of long-term loans payable	(2,500)	(107)	(1,070)
Purchase of treasury stock	–	(0)	(0)
Cash dividends paid	(169)	(256)	(2,560)
Other payments	(45)	(58)	(580)
Net cash provided by (used in) financing activities	235	(692)	(6,920)
Effect of exchange rate change on cash and cash equivalents	5	15	150
Net increase (decrease) in cash and cash equivalents	(948)	1,226	12,260
Cash and cash equivalents at beginning of period	6,021	5,072	50,720
Cash and cash equivalents at end of period	5,072	6,299	62,990

\* Please refer to the note 1 on page 1.

### III. Corporate Data

#### Basic Information (as of March 31, 2013)

Trade name:	G-7 HOLDINGS Inc.
Established:	June 18, 1976
Listed market:	The first Section of Tokyo Stock Exchange (Securities Code: 7508)
Listed:	August 22, 1996
Business year:	From April 1 to March 31 of the following year
Paid-in capital:	1,785 million yen
Number of employees:	1,371 (Consolidated)
Head office:	1-6, Yasakadai 3-chome, Suma-ku, Kobe-shi, Hyogo
Telephone:	+81-78-797-7700
Group companies:	G-7 AUTO SERVICE CO., LTD. G-7 SUPER MART CO., LTD. G-7 DEVELOPMENT CO., LTD. G-7 MOTORS CO., LTD. G-7 FOOD SYSTEM CO., LTD. G-7 AGRI JAPAN CO., LTD. UENO-SHOKUHIN CO., LTD. G7 INTERNATIONAL PTE. LTD. G7 RETAIL MALAYSIA SDN. BHD. SEVEN FORTUNE GROUP LTD. SEVEN FORTUNE (SHANGHAI) SUPERMARKET CO., LTD.

#### Directors and Corporate Auditors (as of June 27, 2013)

Chairman and Representative Director	Mamoru Kinoshita
President and Representative Director	Tatsumi Kaneda
Executive Director	Norio Kinoshita
Director	Yasumasa Kishimoto
Director	Yukitoshi Matsuda
Director	Keiichi Okumoto
Director*	Hiroyoshi Kobayashi
Director*	Mitsuru Sakamoto
Corporate Auditor (Full-time)	Hiroshi Fukuda
Corporate Auditor**	Teiji Joko
Corporate Auditor**	Hiroki Nishii

\* Outside Director    \*\* Outside Corporate Auditor

Note: The Company designated Mr. Hiroyoshi Kobayashi, Mr. Mitsuru Sakamoto, Mr. Teiji Joukou, and Mr. Hiroki Nishii as Independent Directors/Auditors stipulated by Tokyo Stock Exchange and Osaka Securities Exchange and reported them to the Exchanges.

**Stock Status (as of March 31, 2013)**

Total number of shares authorized:	52,000,000 shares
Total number of shares issued:	13,336,400 shares
Number of shareholders:	7,059
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
Mamoru Kinoshita	1,830	15.04
Norio Kinoshita	1,829	15.03
Kinoshita Family Service	1,154	9.48
Chinami Seki	1,129	9.27
Yoko Kinoshita	826	6.78
Autobacs Seven Co., Ltd.	337	2.77
Japan Trustee Services Bank, Ltd. (Trust Account)	182	1.49
The Master Trust Bank of Japan, Ltd. (Trust account)	173	1.42
ESOP of G-7 HOLDINGS Inc.	111	0.91
Nomura Securities Co., Ltd.	109	0.89

## Notes:

1. G-7 HOLDINGS Inc. holds treasury stock of 1,165,438 shares, which are not included in the above table.
2. Shares less than 1,000 are rounded down.
3. Share-holding ratio was calculated excluding treasury stock.
4. Figures for share-holding ratio are rounded down to the nearest second decimal place.

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