

For the Fiscal Year Ended March 31, 2014

Annual Select[®] 2014

G-7 HOLDINGS Inc.

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

(Securities Code: 7508)

+81-78-797-7700

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 66 AUTOBACS stores in and outside Japan and 106 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/Car related Business, the Business Supermarket/Quality Food 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 has been opening new stores when the timing is right and engaging in M&A opportunities, premised on the aim of achieving our targets of ¥100 billion net sales and ¥4 billion operating income by the fiscal year ending March 31, 2016, our 40th year in business. Going forward, we will continue to take on challenges geared toward attaining further growth, through initiatives that include expanding sales channels by making the most of Group synergies and ramping up store openings in Southeast Asia.



Autobacs Malaysia first store



Business Supermarket Shin-tatsuno

I. Summary of Selected Financial Data (Consolidated)

	35 th term Fiscal year ended March 31, 2010	36 th term Fiscal year ended March 31, 2011	37 th term Fiscal year ended March 31, 2012	38 th term Fiscal year ended March 31, 2013	39 th term Fiscal year ended March 31, 2014
Net sales (Millions of yen) (Thousands of U.S. dollars)	¥67,078	¥71,457	¥76,130	¥82,623	¥88,178 \$881,780
Ordinary income (Millions of yen) (Thousands of U.S. dollars)	2,247	2,591	2,250	2,933	3,139 31,390
Net income (Millions of yen) (Thousands of U.S. dollars)	871	701	722	1,345	1,541 15,410
Comprehensive income (Millions of yen) (Thousands of U.S. dollars)	–	702	736	1,312	1,499 14,990
Net assets (Millions of yen) (Thousands of U.S. dollars)	8,648	8,936	9,502	10,558	11,599 115,990
Total assets (Millions of yen) (Thousands of U.S. dollars)	25,987	27,696	28,455	30,401	32,057 320,570
Net assets per share (Yen) (U.S. dollars)	695.13	734.25	780.73	867.54	953.05 9.5305
Net income per share (Yen) (U.S. dollars)	66.47	56.94	59.38	110.51	126.66 1.2660
Diluted net income per share (Yen) (U.S. dollars)	–	–	–	–	– –
Equity ratio (%)	33.3	32.3	33.4	34.7	36.2
Return on equity (ROE) (%)	10.25	7.98	7.84	13.41	13.92
Price earnings ratio (PER) (Times)	9.48	7.71	7.12	5.27	5.96
Net cash provided by (used in) operating activities (Millions of yen) (Thousands of U.S. dollars)	4,062	2,914	1,914	3,626	3,546 35,460
Net cash provided by (used in) investing activities (Millions of yen) (Thousands of U.S. dollars)	(745)	(1,888)	(3,103)	(1,722)	(2,096) (20,960)
Net cash provided by (used in) financing activities (Millions of yen) (Thousands of U.S. dollars)	(1,269)	(818)	235	(692)	(619) (6,190)
Cash and cash equivalents at end of period (Millions of yen) (Thousands of U.S. dollars)	¥5,806	¥6,021	¥5,072	¥6,299	¥7,183 \$71,830
Number of employees [Separately, average number of temporary employees] (Persons)	1,140 [1,702]	1,190 [1,813]	1,238 [2,220]	1,371 [2,422]	1,406 [2,455]

- 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 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, 2013	As of March 31, 2014	As of March 31, 2014
Assets			
Current assets			
Cash and deposits	6,299	7,183	71,830
Notes and accounts receivable - trade	1,844	2,084	20,840
Merchandise and finished goods	4,450	4,492	44,920
Deferred tax assets	341	430	4,300
Other	823	902	9,020
Allowance for doubtful accounts	(7)	(4)	(40)
Total current assets	13,751	15,089	150,890
Non-current assets			
Property, plant and equipment			
Buildings and structures	14,770	15,625	156,250
Accumulated depreciation	(8,317)	(9,002)	(90,020)
Buildings and structures, net	6,452	6,623	66,230
Machinery, equipment and vehicles	982	1,137	11,370
Accumulated depreciation	(609)	(690)	(6,900)
Machinery, equipment and vehicles, net	373	447	4,470
Land	3,934	3,979	39,790
Construction in progress	42	57	570
Other	2,715	2,951	29,510
Accumulated depreciation	(1,839)	(2,090)	(20,900)
Other, net	875	861	8,610
Total property, plant and equipment	11,678	11,969	119,690
Intangible assets			
Goodwill	291	197	1,970
Other	266	216	2,160
Total intangible assets	558	414	4,140
Investments and other assets			
Investment securities	94	93	930
Lease and guarantee deposits	3,332	3,416	34,160
Deferred tax assets	725	766	7,660
Other	262	326	3,260
Allowance for doubtful accounts	(1)	(18)	(180)
Total investments and other assets	4,414	4,584	45,840
Total non-current assets	16,650	16,968	169,680
Total assets	30,401	32,057	320,570

* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2013	As of March 31, 2014	As of March 31, 2014
Liabilities			
Current liabilities			
Accounts payable - trade	4,097	4,483	44,830
Short-term loans payable	4,800	6,500	65,000
Income taxes payable	732	839	8,390
Provision for bonuses	468	596	5,960
Provision for point card certificates	135	200	2,000
Other	3,002	3,024	30,240
Total current liabilities	13,236	15,645	156,450
Non-current liabilities			
Long-term loans payable	4,000	2,200	22,000
Deferred tax liabilities for land revaluation	49	49	490
Provision for retirement benefits	523	-	-
Provision for directors' retirement benefits	638	654	6,540
Asset retirement obligations	634	677	6,770
Net defined benefit liability	-	567	5,670
Other	761	663	6,630
Total non-current liabilities	6,606	4,812	48,120
Total liabilities	19,842	20,458	204,580
Net assets			
Shareholders' equity			
Capital stock	1,785	1,785	17,850
Capital surplus	2,717	2,717	27,170
Retained earnings	7,208	8,287	82,870
Treasury shares	(612)	(612)	(6,120)
Total shareholders' equity	11,099	12,178	121,780
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	4	6	60
Revaluation reserve for land	(529)	(529)	(5,290)
Foreign currency translation adjustment	(15)	(59)	(590)
Remeasurements of defined benefit plans	-	4	40
Total accumulated other comprehensive income	(540)	(578)	(5,780)
Total net assets	10,558	11,599	115,990
Total liabilities and net assets	30,401	32,057	320,570

* 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, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2014
Net sales	82,623	88,178	881,780
Cost of sales	60,338	64,487	644,870
Gross profit	22,285	23,691	236,910
Selling, general and administrative expenses	19,662	20,790	207,900
Operating income	2,622	2,900	29,000
Non-operating income			
Interest income	1	1	10
Dividend income	0	0	0
Commission fee	190	187	1,870
Co-sponsor fee	45	114	1,140
Foreign exchange gains	74	6	60
Other	112	63	630
Total non-operating income	425	374	3,740
Non-operating expenses			
Interest expenses	50	48	480
Loss on disposal of non-current assets	33	51	510
Other	30	36	360
Total non-operating expenses	114	136	1,360
Ordinary income	2,933	3,139	31,390
Extraordinary income			
Gain on sales of non-current assets	16	-	-
Gain on bargain purchase	25	-	-
Total extraordinary income	41	-	-
Extraordinary losses			
Loss on closing of stores	52	-	-
Loss on business withdrawal	-	52	520
Loss on valuation of investment securities	8	5	50
Provision of allowance for doubtful accounts	-	17	170
Impairment loss	272	147	1,470
Total extraordinary losses	333	221	2,210
Income before income taxes and minority interests	2,640	2,917	29,170
Income taxes - current	1,311	1,510	15,100
Income taxes - deferred	(15)	(134)	(1,340)
Total income taxes	1,295	1,376	13,760
Income before minority interests	1,345	1,541	15,410
Net income	1,345	1,541	15,410

* 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, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2014
Income before minority interests	1,345	1,541	15,410
Other comprehensive income			
Valuation difference on available-for-sale securities	4	2	20
Foreign currency translation adjustment	(37)	(44)	(440)
Total other comprehensive income	(32)	(42)	(420)
Comprehensive income	1,312	1,499	14,990
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	1,312	1,499	14,990
Comprehensive income attributable to minority interests	–	–	–

* Please refer to the note 1 on page 1.

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,785	2,717	6,119	(612)	10,010
Changes of items during period					
Dividends of surplus			(255)		(255)
Net income			1,345		1,345
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,089	(0)	1,089
Balance at end of current period	1,785	2,717	7,208	(612)	11,099

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	(0)	(529)	22	(507)	9,502
Changes of items during period					
Dividends of surplus					(255)
Net income					1,345
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	4	-	(37)	(32)	(32)
Total changes of items during period	4	-	(37)	(32)	1,056
Balance at end of current period	4	(529)	(15)	(540)	10,558

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,785	2,717	7,208	(612)	11,099
Cumulative effects of changes in accounting policies			(0)		(0)
Restated balance	1,785	2,717	7,208	(612)	11,099
Changes of items during period					
Dividends of surplus			(462)		(462)
Net income			1,541		1,541
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,079	(0)	1,079
Balance at end of current period	1,785	2,717	8,287	(612)	12,178

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	4	(529)	(15)	-	(540)	10,558
Cumulative effects of changes in accounting policies						(0)
Restated balance	4	(529)	(15)	-	(540)	10,558
Changes of items during period						
Dividends of surplus					-	(462)
Net income					-	1,541
Purchase of treasury shares					-	(0)
Net changes of items other than shareholders' equity	2	-	(44)	4	(37)	(37)
Total changes of items during period	2	-	(44)	4	(37)	1,041
Balance at end of current period	6	(529)	(59)	4	(578)	11,599

Fiscal year ended March 31, 2014

(Thousands of U.S. dollars)*

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,850	27,170	72,080	(6,120)	110,990
Cumulative effects of changes in accounting policies			(0)		(0)
Restated balance	17,850	27,170	72,080	(6,120)	110,990
Changes of items during period					
Dividends of surplus			(4,620)		(4,620)
Net income			15,410		15,410
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	10,790	(0)	10,790
Balance at end of current period	17,850	27,170	82,870	(6,120)	121,780

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	40	(5,290)	(150)	–	(5,400)	105,580
Cumulative effects of changes in accounting policies						(0)
Restated balance	40	(5,290)	(150)	–	(5,400)	105,580
Changes of items during period						
Dividends of surplus					–	(4,620)
Net income					–	15,410
Purchase of treasury shares					–	(0)
Net changes of items other than shareholders' equity	20	–	(440)	40	(370)	(370)
Total changes of items during period	20	–	(440)	40	(370)	10,410
Balance at end of current period	60	(5,290)	(590)	40	(5,780)	115,990

* 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, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2014
Cash flows from operating activities			
Income before income taxes and minority interests	2,640	2,917	29,170
Depreciation	1,470	1,409	14,090
Amortization of goodwill	138	93	930
Gain on bargain purchase	(25)	–	–
Impairment loss	272	147	1,470
Increase (decrease) in allowance for doubtful accounts	(2)	14	140
Increase (decrease) in provision for retirement benefits	50	–	–
Increase (decrease) in provision for directors' retirement benefits	29	16	160
Loss on withdrawal from business	–	52	520
Increase (decrease) in provision for bonuses	32	127	1,270
Increase (decrease) in provision for directors' bonuses	42	–	–
Increase (decrease) in provision for point card certificates	9	65	650
Increase (decrease) in net defined benefit liability	–	51	510
Interest and dividend income	(1)	(2)	(20)
Interest expenses	50	48	480
Loss on retirement of property, plant and equipment	63	61	610
Loss (gain) on valuation of investment securities	8	5	50
Loss (gain) on sales of non-current assets	(16)	–	–
Decrease (increase) in guarantee deposits	(31)	(49)	(490)
Foreign exchange losses (gains)	(74)	(6)	(60)
Decrease (increase) in notes and accounts receivable - trade	(100)	(239)	(2,390)
Decrease (increase) in inventories	(430)	(40)	(400)
Decrease (increase) in other assets	(13)	(83)	(830)
Increase (decrease) in notes and accounts payable - trade	402	386	3,860
Increase (decrease) in accrued consumption taxes	94	20	200
Increase (decrease) in other liabilities	78	78	780
Other, net	33	(73)	(730)
Subtotal	4,723	5,001	50,010
Interest and dividend income received	1	2	20
Interest expenses paid	(51)	(49)	(490)
Income taxes paid	(1,047)	(1,407)	(14,070)
Net cash provided by (used in) operating activities	3,626	3,546	35,460

* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2014
Cash flows from investing activities			
Purchase of shares of subsidiaries	(16)	(26)	(260)
Purchase of property, plant and equipment	(1,548)	(1,867)	(18,670)
Proceeds from sales of property, plant and equipment	82	-	-
Purchase of investment securities	(44)	(15)	(150)
Proceeds from sales of investment securities	-	36	360
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	7	-	-
Payments of loans receivable	(25)	(100)	(1,000)
Payments for lease and guarantee deposits	(201)	(136)	(1,360)
Proceeds from collection of lease and guarantee deposits	83	38	380
Proceeds from guarantee deposits received	12	40	400
Other payments	(71)	(65)	(650)
Net cash provided by (used in) investing activities	(1,722)	(2,096)	(20,960)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(1,770)	-	-
Proceeds from long-term loans payable	1,500	1,000	10,000
Repayments of long-term loans payable	(107)	(1,100)	(11,000)
Purchase of treasury shares	(0)	(0)	(0)
Cash dividends paid	(256)	(460)	(4,600)
Other payments	(58)	(59)	(590)
Net cash provided by (used in) financing activities	(692)	(619)	(6,190)
Effect of exchange rate change on cash and cash equivalents	15	54	540
Net increase (decrease) in cash and cash equivalents	1,226	884	8,840
Cash and cash equivalents at beginning of period	5,072	6,299	62,990
Cash and cash equivalents at end of period	6,299	7,183	71,830

* Please refer to the note 1 on page 1.

III. Corporate Data

Basic Information (as of March 31, 2014)

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:	1,406 (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. G7 INTERNATIONAL PTE. LTD. G7 RETAIL MALAYSIA SDN. BHD. G7 VIET NAM CO., LTD. G7 AGRI VIET NAM CO., LTD. CM G-7 AGRI MYANMAR CO., LTD. PT. G7SERVICE. INDONESIA SEVEN FORTUNE GROUP LTD. (HONG KONG) SEVEN FORTUNE (SHANGHAI) SUPERMARKET CO., LTD. SEVEN FORTUNE CO., LTD. (TAIWAN)

Directors and Corporate Auditors (as of June 27, 2014)

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 Joko, and Mr. Hiroki Nishii as Independent Directors/Auditors stipulated by Tokyo Stock Exchange and reported them to the Exchange.

Stock Status (as of March 31, 2014)

Total number of shares authorized:	52,000,000 shares
Total number of shares issued:	13,336,400 shares
Number of shareholders:	6,047
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)	214	1.76
The Master Trust Bank of Japan, Ltd. (Trust account)	206	1.69
ESOP of G-7 HOLDINGS Inc.	110	0.90
Takamichi Tsukamoto	101	0.83

Notes:

1. G-7 HOLDINGS Inc. holds treasury stock of 1,165,488 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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