

For the Fiscal Year Ended March 31, 2015

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Annual Select<sup>®</sup> 2015

# 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 67 AUTOBACS stores in and outside Japan and 113 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.

In FY2015, celebrating the G-7 Group's 40th anniversary, we set the target of ¥100 billion net sales and ¥4 billion operating income. To achieve this target, the G-7 Group has been opening new stores when the timing is right and engaging in M&A opportunities. 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)

	36 <sup>th</sup> term Fiscal year ended March 31, 2011	37 <sup>th</sup> term Fiscal year ended March 31, 2012	38 <sup>th</sup> term Fiscal year ended March 31, 2013	39 <sup>th</sup> term Fiscal year ended March 31, 2014	40 <sup>th</sup> term Fiscal year ended March 31, 2015	
Net sales (Millions of yen) (Thousands of U.S. dollars)	¥71,457	¥76,130	¥82,623	¥88,178	¥88,261	\$738,585
Ordinary income (Millions of yen) (Thousands of U.S. dollars)	2,591	2,250	2,933	3,139	2,512	21,020
Net income (Millions of yen) (Thousands of U.S. dollars)	701	722	1,345	1,541	1,272	10,644
Comprehensive income (Millions of yen) (Thousands of U.S. dollars)	702	736	1,312	1,499	1,240	10,376
Net assets (Millions of yen) (Thousands of U.S. dollars)	8,936	9,502	10,558	11,599	12,404	103,799
Total assets (Millions of yen) (Thousands of U.S. dollars)	27,696	28,455	30,401	32,057	32,339	270,619
Net assets per share (Yen) (U.S. dollars)	734.25	780.73	867.54	953.05	1,019.17	8.52
Net income per share (Yen) (U.S. dollars)	56.94	59.38	110.51	126.66	104.59	0.87
Diluted net income per share (Yen) (U.S. dollars)	—	—	—	—	—	—
Equity ratio (%)	32.3	33.4	34.7	36.2	38.4	
Return on equity (ROE) (%)	7.98	7.84	13.41	13.92	10.61	
Price earnings ratio (PER) (Times)	7.71	7.12	5.27	5.96	9.57	
Net cash provided by (used in) operating activities (Millions of yen) (Thousands of U.S. dollars)	2,914	1,914	3,626	3,546	1,830	15,313
Net cash provided by (used in) investing activities (Millions of yen) (Thousands of U.S. dollars)	(1,888)	(3,103)	(1,722)	(2,096)	(1,288)	(10,778)
Net cash provided by (used in) financing activities (Millions of yen) (Thousands of U.S. dollars)	(818)	235	(692)	(619)	(799)	(6,686)
Cash and cash equivalents at end of period (Millions of yen) (Thousands of U.S. dollars)	6,021	5,072	6,299	7,183	6,952	58,175
Number of employees [Separately, average number of temporary employees] (Persons)	1,190 [1,813]	1,238 [2,220]	1,371 [2,422]	1,406 [2,455]	1,414 [2,613]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated for convenience only, at a rate of ¥119.50 = 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, 2014	As of March 31, 2015	As of March 31, 2015
<b>Assets</b>			
Current assets			
Cash and deposits	7,183	6,952	58,175
Notes and accounts receivable - trade	2,084	1,680	14,058
Merchandise and finished goods	4,492	5,198	43,497
Deferred tax assets	430	263	2,200
Other	902	924	7,732
Allowance for doubtful accounts	(4)	(1)	(8)
<b>Total current assets</b>	<b>15,089</b>	<b>15,018</b>	<b>125,673</b>
Non-current assets			
Property, plant and equipment			
Buildings and structures	15,625	16,907	141,481
Accumulated depreciation	(9,002)	(9,742)	(81,523)
Buildings and structures, net	6,623	7,164	59,949
Machinery, equipment and vehicles	1,137	1,249	10,451
Accumulated depreciation	(690)	(790)	(6,610)
Machinery, equipment and vehicles, net	447	459	3,841
Land	3,979	4,106	34,359
Construction in progress	57	16	133
Other	2,951	3,160	26,443
Accumulated depreciation	(2,090)	(2,382)	(19,933)
Other, net	861	778	6,510
<b>Total property, plant and equipment</b>	<b>11,969</b>	<b>12,525</b>	<b>104,811</b>
Intangible assets			
Goodwill	197	114	953
Other	216	228	1,907
<b>Total intangible assets</b>	<b>414</b>	<b>342</b>	<b>2,861</b>
Investments and other assets			
Investment securities	93	143	1,196
Lease and guarantee deposits	3,416	3,355	28,075
Deferred tax assets	766	736	6,158
Other	326	239	2,000
Allowance for doubtful accounts	(18)	(21)	(175)
<b>Total investments and other assets</b>	<b>4,584</b>	<b>4,453</b>	<b>37,263</b>
<b>Total non-current assets</b>	<b>16,968</b>	<b>17,321</b>	<b>144,945</b>
<b>Total assets</b>	<b>32,057</b>	<b>32,339</b>	<b>270,619</b>

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

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
<b>Liabilities</b>			
Current liabilities			
Accounts payable - trade	4,483	4,164	34,845
Short-term loans payable	6,500	3,458	28,937
Income taxes payable	839	149	1,246
Provision for bonuses	596	343	2,870
Provision for point card certificates	200	245	2,050
Other	3,024	3,258	27,263
<b>Total current liabilities</b>	<b>15,645</b>	<b>11,620</b>	<b>97,238</b>
Non-current liabilities			
Long-term loans payable	2,200	5,000	41,841
Deferred tax liabilities for land revaluation	49	44	368
Provision for directors' retirement benefits	654	705	5,899
Asset retirement obligations	677	750	6,276
Net defined benefit liability	567	429	3,589
Other	663	1,383	11,573
<b>Total non-current liabilities</b>	<b>4,812</b>	<b>8,314</b>	<b>69,573</b>
<b>Total liabilities</b>	<b>20,458</b>	<b>19,934</b>	<b>166,811</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	1,785	1,785	14,937
Capital surplus	2,717	2,717	22,736
Retained earnings	8,287	9,125	76,359
Treasury shares	(612)	(612)	(5,121)
<b>Total shareholders' equity</b>	<b>12,178</b>	<b>13,015</b>	<b>108,912</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	6	5	41
Revaluation reserve for land	(529)	(524)	(4,384)
Foreign currency translation adjustment	(59)	(121)	(1,012)
Remeasurements of defined benefit plans	4	28	234
<b>Total accumulated other comprehensive income</b>	<b>(578)</b>	<b>(611)</b>	<b>(5,112)</b>
<b>Total net assets</b>	<b>11,599</b>	<b>12,404</b>	<b>103,799</b>
<b>Total liabilities and net assets</b>	<b>32,057</b>	<b>32,339</b>	<b>270,619</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, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net sales	88,178	88,261	738,585
Cost of sales	64,487	65,372	547,046
Gross profit	23,691	22,889	191,539
Selling, general and administrative expenses	20,790	20,583	172,242
Operating income	2,900	2,306	19,297
Non-operating income			
Interest income	1	2	16
Dividend income	0	0	0
Commission fee	187	179	1,497
Co-sponsor fee	114	59	493
Foreign exchange gains	6	47	393
Other	63	51	426
Total non-operating income	374	340	2,845
Non-operating expenses			
Interest expenses	48	43	359
Loss on disposal of non-current assets	51	54	451
Other	36	37	309
Total non-operating expenses	136	134	1,121
Ordinary income	3,139	2,512	21,020
Extraordinary losses			
Loss on closing of stores	-	41	343
Loss on business withdrawal	52	-	-
Loss on valuation of investment securities	5	-	-
Provision of allowance for doubtful accounts	17	3	25
Impairment loss	147	85	711
Total extraordinary losses	221	129	1,079
Income before income taxes and minority interests	2,917	2,382	19,933
Income taxes - current	1,510	964	8,066
Income taxes - deferred	(134)	145	1,213
Total income taxes	1,376	1,109	9,280
Income before minority interests	1,541	1,272	10,644
Net income	1,541	1,272	10,644

\* 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, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Income before minority interests	1,541	1,272	10,644
Other comprehensive income			
Valuation difference on available-for-sale securities	2	(0)	(0)
Revaluation reserve for land	–	4	33
Foreign currency translation adjustment	(44)	(61)	(510)
Remeasurements of defined benefit plans, net of tax	–	24	200
Total other comprehensive income	(42)	(32)	(267)
Comprehensive income	1,499	1,240	10,376
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	1,499	1,240	10,376
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, 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, 2015

(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	8,287	(612)	12,178
Cumulative effects of changes in accounting policies			75		75
Restated balance	1,785	2,717	8,363	(612)	12,254
Changes of items during period					
Dividends of surplus			(511)		(511)
Net income			1,272		1,272
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	761	–	761
Balance at end of current period	1,785	2,717	9,125	(612)	13,015

	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	6	(529)	(59)	4	(578)	11,599
Cumulative effects of changes in accounting policies						75
Restated balance	6	(529)	(59)	4	(578)	11,675
Changes of items during period						
Dividends of surplus					–	(511)
Net income					–	1,272
Net changes of items other than shareholders' equity	(0)	4	(61)	24	(32)	(32)
Total changes of items during period	(0)	4	(61)	24	(32)	728
Balance at end of current period	5	(524)	(121)	28	(611)	12,404



Fiscal year ended March 31, 2015

(Thousands of U.S. dollars)\*

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,937	22,736	69,347	(5,121)	101,907
Cumulative effects of changes in accounting policies			627		627
Restated balance	14,937	22,736	69,983	(5,121)	102,543
Changes of items during period					
Dividends of surplus			(4,276)		(4,276)
Net income			10,644		10,644
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	6,368	–	6,368
Balance at end of current period	14,937	22,736	76,359	(5,121)	108,912

	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	50	(4,426)	(493)	33	(4,836)	97,062
Cumulative effects of changes in accounting policies						627
Restated balance	50	(4,426)	(493)	33	(4,836)	97,698
Changes of items during period						
Dividends of surplus					–	(4,276)
Net income					–	10,644
Net changes of items other than shareholders' equity	(0)	33	(510)	200	(267)	(267)
Total changes of items during period	(0)	33	(510)	200	(267)	6,092
Balance at end of current period	41	(4,384)	(1,012)	234	(5,112)	103,799

\* 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, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	2,917	2,382	19,933
Depreciation	1,409	1,386	11,598
Amortization of goodwill	93	83	694
Impairment loss	147	85	711
Increase (decrease) in allowance for doubtful accounts	14	(2)	(16)
Increase (decrease) in provision for directors' retirement benefits	16	51	426
Loss on withdrawal from business	52	–	–
Loss on store closings	–	41	343
Increase (decrease) in provision for bonuses	127	(252)	(2,108)
Increase (decrease) in provision for point card certificates	65	44	368
Increase (decrease) in net defined benefit liability	51	14	117
Interest and dividend income	(2)	(3)	(25)
Interest expenses	48	43	359
Loss on retirement of property, plant and equipment	61	41	343
Loss (gain) on valuation of investment securities	5	–	–
Decrease (increase) in guarantee deposits	(49)	(21)	(175)
Foreign exchange losses (gains)	(6)	(47)	(393)
Decrease (increase) in notes and accounts receivable - trade	(239)	403	3,372
Decrease (increase) in inventories	(40)	(703)	(5,882)
Decrease (increase) in other assets	(83)	(9)	(75)
Increase (decrease) in notes and accounts payable - trade	386	(319)	(2,669)
Increase (decrease) in accrued consumption taxes	20	181	1,514
Increase (decrease) in other liabilities	78	138	1,154
Other, net	(73)	(11)	(92)
Subtotal	5,001	3,525	29,497
Interest and dividend income received	2	3	25
Interest expenses paid	(49)	(43)	(359)
Income taxes paid	(1,407)	(1,655)	(13,849)
Net cash provided by (used in) operating activities	3,546	1,830	15,313

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

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
<b>Cash flows from investing activities</b>			
Purchase of shares of subsidiaries	(26)	(53)	(443)
Purchase of property, plant and equipment	(1,867)	(1,950)	(16,317)
Purchase of investment securities	(15)	(0)	(0)
Proceeds from sales of investment securities	36	1	8
Payments of loans receivable	(100)	(13)	(108)
Collection of loans receivable	–	109	912
Payments for lease and guarantee deposits	(136)	(29)	(242)
Proceeds from collection of lease and guarantee deposits	38	37	309
Proceeds from guarantee deposits received	40	758	6,343
Other payments	(65)	(149)	(1,246)
Net cash provided by (used in) investing activities	(2,096)	(1,288)	(10,778)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	–	(541)	(4,527)
Proceeds from long-term loans payable	1,000	3,000	25,104
Repayments of long-term loans payable	(1,100)	(2,700)	(22,594)
Purchase of treasury shares	(0)	–	–
Cash dividends paid	(460)	(510)	(4,267)
Other payments	(59)	(47)	(393)
Net cash provided by (used in) financing activities	(619)	(799)	(6,686)
Effect of exchange rate change on cash and cash equivalents	54	25	209
Net increase (decrease) in cash and cash equivalents	884	(231)	(1,933)
Cash and cash equivalents at beginning of period	6,299	7,183	60,108
Cash and cash equivalents at end of period	7,183	6,952	58,175

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

### III. Corporate Data

#### Basic Information (as of March 31, 2015)

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:	1,414 (Consolidated)
Head office:	1-6, Yasakadai 3-chome, Suma-ku, Kobe-shi, Hyogo
Telephone:	+81-78-797-7700

#### Group Companies (as of June 26, 2015)

G-7 AUTO SERVICE CO., LTD.  
G-7 SUPER MART CO., LTD.  
G-7 DEVELOPMENT CO., LTD.  
G7 JAPAN FOOD SERVICE CO., LTD.  
BIKE WORLD JAPAN CO., LTD.  
G-7 AGRI JAPAN CO., LTD.  
G-7 MOTORS CO., LTD.  
TERABAYASHI CO., LTD.  
G7 INTERNATIONAL PTE. LTD.  
G7 RETAIL MALAYSIA SDN. BHD.  
G7 AGRI VIET NAM CO., LTD.  
G7 VIET NAM BINH DUONG CO., LTD.  
PT. G7 SERVICE. INDONESIA  
CM G-7 AGRI MYANMAR CO., LTD.  
G7-MK (THAILAND) CO., LTD.  
SEVEN FORTUNE GROUP LTD. (HONG KONG)  
SEVEN FORTUNE CO., LTD. (TAIWAN)

### Directors and Corporate Auditors (as of June 26, 2015)

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*	Mitsuru Sakamoto
Director*	Yutaka Fukunishi
Director*	Yukihiro Shida
Corporate Auditor (Full-time)**	Shoji Hashimoto
Corporate Auditor**	Teiji Joko
Corporate Auditor**	Hiroki Nishii

\* Outside Director \*\* Outside Corporate Auditor

Note: The Company designated Mr. Mitsuru Sakamoto, Mr. Yutaka Fukunishi, Mr. Yukihiro Shida, 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, 2015)

Total number of shares authorized:	52,000,000 shares
Total number of shares issued:	13,336,400 shares
Number of shareholders:	5,221
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
MSIP CLIENT SECURITIES	299	2.46
Japan Trustee Services Bank, Ltd. (Trust Account)	192	1.58
The Master Trust Bank of Japan, Ltd. (Trust Account)	186	1.53
BANK JULIUS BAER AND CO. LTD.	160	1.31

Notes:

1. G-7 HOLDINGS Inc. holds 1,165,488 treasury 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 shares.
4. Figures for share-holding ratio are rounded down to the nearest second decimal place.

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