

For the Fiscal Year Ended March 31, 2022

Annual Select[®] 2022

G-7 HOLDINGS Inc.

1-3, Yasakadai 2-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 78 AUTOBACS stores in and outside Japan and 175 Gyomu Supers, 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 Gyomu Super Business, the Motorcycle Parts and Accessories Business, the Agricultural Business, the Mini-supermarket 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.

We have formulated a new mid-term management plan with the term ending March 2026, the 50th anniversary of our establishment, as its final year, in which consolidated net sales of 250 billion yen and ordinary profit of 10 billion yen have been set as our numerical goals. 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 & BIKEWORLD Old Klan Road, Malaysia



Gyomu Super Fusehata Inter, Kobe, Japan

I. Summary of Selected Financial Data (Consolidated)

	43 rd term	44 th term	45 th term	46 th term	47 th term	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	
Net sales						
(Millions of yen)	¥119,816	¥122,502	¥132,642	¥163,556	¥168,525	\$1,376,950
(Thousands of U.S. dollars)						
Ordinary profit						
(Millions of yen)	4,568	5,019	5,995	7,306	7,877	64,359
(Thousands of U.S. dollars)						
Profit attributable to owners of parent						
(Millions of yen)	2,648	3,041	3,523	4,855	5,255	42,936
(Thousands of U.S. dollars)						
Comprehensive income						
(Millions of yen)	2,761	2,935	3,559	5,026	5,134	41,947
(Thousands of U.S. dollars)						
Net assets						
(Millions of yen)	17,732	19,502	22,018	21,263	24,747	202,197
(Thousands of U.S. dollars)						
Total assets						
(Millions of yen)	41,594	44,691	47,886	51,391	54,145	442,397
(Thousands of U.S. dollars)						
Net assets per share						
(Yen)	358.48	401.88	453.67	478.92	558.17	4.56
(U.S. dollars)						
Basic earnings per share						
(Yen)	54.68	62.78	72.73	105.82	119.28	0.97
(U.S. dollars)						
Diluted earnings per share						
(Yen)	—	—	—	—	—	—
(U.S. dollars)						
Equity ratio						
(%)	41.7	43.6	45.9	41.1	45.4	
Return on equity (ROE)						
(%)	16.19	16.51	17.00	22.54	23.00	
Price earnings ratio (PER)						
(Times)	11.27	9.29	15.95	12.47	13.87	
Net cash provided by (used in) operating activities						
(Millions of yen)	5,204	5,740	5,057	9,314	5,633	46,025
(Thousands of U.S. dollars)						
Net cash provided by (used in) investing activities						
(Millions of yen)	(1,678)	(1,700)	(2,615)	(2,974)	(3,245)	(26,513)
(Thousands of U.S. dollars)						
Net cash provided by (used in) financing activities						
(Millions of yen)	(1,638)	(803)	(506)	(6,555)	(1,618)	(13,220)
(Thousands of U.S. dollars)						
Cash and cash equivalents at end of period						
(Millions of yen)	11,279	14,518	16,465	16,254	17,028	139,129
(Thousands of U.S. dollars)						
Number of employees						
[Separately, average number of temporary employees]	1,698	1,659	1,737	1,962	2,054	
(Persons)	[3,393]	[3,471]	[3,713]	[5,670]	[5,667]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated for convenience only, at a rate of ¥122.39 = U.S. \$1.
2. Diluted earnings per share is not provided since there are no potential shares.
3. The Company conducted a 2-for-1 stock split for common stock with an effective date of January 1, 2020 and a 2-for-1 stock split for common stock with an effective date of October 1, 2021. The stated net assets per share and basic earnings per share have been calculated on the assumption that these stock splits were conducted at the beginning of the 43rd term.
4. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and the key management indicators, etc. for the fiscal year ended March 31, 2022 are those after applying the accounting standard and relevant ASBJ regulations.

II. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Assets			
Current assets			
Cash and deposits	16,259	17,033	139,169
Accounts receivable - trade	3,353	3,992	32,617
Merchandise and finished goods	6,517	6,854	56,001
Other	1,528	1,627	13,293
Allowance for doubtful accounts	(8)	(10)	(81)
Total current assets	27,650	29,498	241,016
Non-current assets			
Property, plant and equipment			
Buildings and structures	22,175	23,207	189,615
Accumulated depreciation	(14,358)	(14,830)	(121,170)
Buildings and structures, net	7,816	8,376	68,436
Machinery, equipment and vehicles	2,040	2,013	16,447
Accumulated depreciation	(1,538)	(1,554)	(12,697)
Machinery, equipment and vehicles, net	502	458	3,742
Land	5,086	5,086	41,555
Construction in progress	184	143	1,168
Other	6,141	6,961	56,875
Accumulated depreciation	(4,753)	(5,289)	(43,214)
Other, net	1,387	1,672	13,661
Total property, plant and equipment	14,977	15,737	128,580
Intangible assets			
Goodwill	516	437	3,570
Other	305	294	2,402
Total intangible assets	821	731	5,972
Investments and other assets			
Investment securities	581	417	3,407
Leasehold and guarantee deposits	5,226	5,525	45,142
Deferred tax assets	2,010	2,133	17,427
Other	822	274	2,238
Allowance for doubtful accounts	(698)	(173)	(1,413)
Total investments and other assets	7,941	8,177	66,811
Total non-current assets	23,741	24,647	201,380
Total assets	51,391	54,145	442,397

* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Liabilities			
Current liabilities			
Accounts payable - trade	8,296	8,479	69,278
Short-term borrowings	8,000	8,000	65,364
Income taxes payable	1,829	1,180	9,641
Provision for bonuses	1,122	1,081	8,832
Other	4,853	4,571	37,347
Total current liabilities	24,101	23,313	190,481
Non-current liabilities			
Long-term borrowings	1,300	1,300	10,621
Deferred tax liabilities for land revaluation	42	42	343
Provision for retirement benefits for directors (and other officers)	731	731	5,972
Asset retirement obligations	2,117	2,192	17,909
Retirement benefit liability	771	807	6,593
Other	1,063	1,010	8,252
Total non-current liabilities	6,027	6,084	49,709
Total liabilities	30,128	29,398	240,199
Net assets			
Shareholders' equity			
Share capital	1,785	1,785	14,584
Capital surplus	2,905	2,905	23,735
Retained earnings	16,834	20,415	166,802
Treasury shares	(0)	(0)	(0)
Total shareholders' equity	21,525	25,106	205,131
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	278	203	1,658
Revaluation reserve for land	(514)	(514)	(4,199)
Foreign currency translation adjustment	(167)	(196)	(1,601)
Remeasurements of defined benefit plans	(19)	(4)	(32)
Total accumulated other comprehensive income	(422)	(511)	(4,175)
Non-controlling interests	160	152	1,241
Total net assets	21,263	24,747	202,197
Total liabilities and net assets	51,391	54,145	442,397

* 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, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Net sales	163,556	168,525	1,376,950
Cost of sales	121,715	126,215	1,031,252
Gross profit	41,840	42,309	345,690
Selling, general and administrative expenses	34,782	34,860	284,827
Operating profit	7,058	7,448	60,854
Non-operating income			
Interest income	2	1	8
Dividend income	9	4	32
Commission income	168	156	1,274
Sponsorship money income	144	167	1,364
Subsidy income	55	23	187
Dividend income of insurance	–	96	784
Gain on sale of investment securities	0	79	645
Other	104	179	1,462
Total non-operating income	485	709	5,792
Non-operating expenses			
Interest expenses	30	28	228
Loss on disposal of non-current assets	70	134	1,094
Provision of allowance for doubtful accounts	56	33	269
Commission for purchase of treasury shares	24	–	–
Corporate funeral expenses	–	34	277
Other	55	47	384
Total non-operating expenses	236	280	2,287
Ordinary profit	7,306	7,877	64,359
Extraordinary income			
Gain on bargain purchase	43	–	–
Compensation income	–	62	506
Total extraordinary income	43	62	506
Extraordinary losses			
Loss on store closings	95	–	–
Loss on valuation of investment securities	14	12	98
Impairment losses	273	450	3,676
Loss on business of subsidiaries and associates	–	6	49
Total extraordinary losses	383	469	3,832
Profit before income taxes	6,967	7,470	61,034
Income taxes - current	2,294	2,342	19,135
Income taxes - deferred	(170)	(95)	(776)
Total income taxes	2,124	2,247	18,359
Profit	4,843	5,223	42,675
Profit attributable to non-controlling interests	(12)	(32)	(261)
Profit attributable to owners of parent	4,855	5,255	42,936

* 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, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Profit	4,843	5,223	42,675
Other comprehensive income			
Valuation difference on available-for-sale securities	185	(75)	(612)
Foreign currency translation adjustment	(3)	(28)	(228)
Remeasurements of defined benefit plans, net of tax	0	15	122
Total other comprehensive income	182	(88)	(719)
Comprehensive income	5,026	5,134	41,947
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	5,038	5,166	42,209
Comprehensive income attributable to non-controlling interests	(12)	(32)	(261)

* Please refer to the note 1 on page 1.

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,785	2,905	18,616	(725)	22,582
Changes during period					
Dividends of surplus			(1,119)		(1,119)
Profit attributable to owners of parent			4,855		4,855
Purchase of treasury shares				(4,792)	(4,792)
Cancellation of treasury shares			(5,518)	5,518	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,782)	725	(1,056)
Balance at end of period	1,785	2,905	16,834	(0)	21,525

	Accumulated other comprehensive income					Non-controlling interests	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 period	93	(514)	(164)	(20)	(605)	41	22,018
Changes during period							
Dividends of surplus							(1,119)
Profit attributable to owners of parent							4,855
Purchase of treasury shares							(4,792)
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	185	–	(3)	0	182	119	301
Total changes during period	185	–	(3)	0	182	119	(754)
Balance at end of period	278	(514)	(167)	(19)	(422)	160	21,263

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,785	2,905	16,834	(0)	21,525
Changes during period					
Dividends of surplus			(1,674)		(1,674)
Profit attributable to owners of parent			5,255		5,255
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,581	(0)	3,581
Balance at end of period	1,785	2,905	20,415	(0)	25,106

	Accumulated other comprehensive income					Non-controlling interests	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 period	278	(514)	(167)	(19)	(422)	160	21,263
Changes during period							
Dividends of surplus							(1,674)
Profit attributable to owners of parent							5,255
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(75)	–	(28)	15	(88)	(8)	(96)
Total changes during period	(75)	–	(28)	15	(88)	(8)	3,484
Balance at end of period	203	(514)	(196)	(4)	(511)	152	24,747

Fiscal year ended March 31, 2022

(Thousands of U.S. dollars)*

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,584	23,735	137,543	(0)	175,872
Changes during period					
Dividends of surplus			(13,677)		(13,677)
Profit attributable to owners of parent			42,936		42,936
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	29,258	(0)	29,258
Balance at end of period	14,584	23,735	166,802	(0)	205,131

	Accumulated other comprehensive income					Non-controlling interests	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 period	2,271	(4,199)	(1,364)	(155)	(3,447)	1,307	173,731
Changes during period							
Dividends of surplus							(13,677)
Profit attributable to owners of parent							42,936
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(612)	–	(228)	122	(719)	(65)	(784)
Total changes during period	(612)	–	(228)	122	(719)	(65)	28,466
Balance at end of period	1,658	(4,199)	(1,601)	(32)	(4,175)	1,241	202,197

* 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, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Cash flows from operating activities			
Profit before income taxes	6,967	7,470	61,034
Depreciation	1,668	1,868	15,262
Amortization of goodwill	80	79	645
Impairment losses	273	450	3,676
Increase (decrease) in allowance for doubtful accounts	394	(523)	(4,273)
Loss on store closings	95	–	–
Insurance claim income	–	(96)	(784)
Gain on bargain purchase	(43)	–	–
Increase (decrease) in provision for bonuses	17	(40)	(326)
Increase (decrease) in retirement benefit liability	(77)	35	285
Interest and dividend income	(12)	(6)	(49)
Subsidy income	(55)	(23)	(187)
Compensation income	–	(62)	(506)
Interest expenses	30	28	228
Corporate funeral expenses	–	34	277
Commission for purchase of treasury shares	24	–	–
Loss (gain) on sale of investment securities	(0)	(79)	(645)
Loss on retirement of property, plant and equipment	70	134	1,094
Loss (gain) on sale of property, plant and equipment	(3)	(7)	(57)
Loss (gain) on valuation of investment securities	14	12	98
Loss on business of subsidiaries and associates	–	6	49
Decrease (increase) in guarantee deposits	(137)	(61)	(498)
Foreign exchange losses (gains)	(11)	(47)	(384)
Decrease (increase) in trade receivables	183	(638)	(5,212)
Decrease (increase) in inventories	(412)	(322)	(2,630)
Decrease (increase) in other assets	(272)	272	2,222
Increase (decrease) in trade payables	407	180	1,470
Increase (decrease) in accrued consumption taxes	265	(295)	(2,410)
Increase (decrease) in other liabilities	215	(38)	(310)
Other, net	(98)	79	645
Subtotal	9,584	8,411	68,722
Interest and dividends received	26	6	49
Subsidies received	55	23	187
Interest paid	(25)	(24)	(196)
Proceeds from insurance income	–	96	784
Proceeds from compensation	–	62	506
Income taxes refund	779	150	1,225
Income taxes paid	(1,106)	(3,091)	(25,255)
Net cash provided by (used in) operating activities	9,314	5,633	46,025

* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,592)	(2,877)	(23,506)
Proceeds from sale of property, plant and equipment	4	20	163
Purchase of investment securities	(0)	(0)	(0)
Purchase of shares of subsidiaries and associates	–	(3)	(24)
Proceeds from sale of shares of subsidiaries and associates	100	–	–
Proceeds from sale of investment securities	59	119	972
Payments into time deposits	(5)	–	–
Proceeds from withdrawal of time deposits	15	–	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(284)	–	–
Loan advances	(25)	(9)	(73)
Proceeds from collection of loans receivable	43	4	32
Payments of leasehold and guarantee deposits	(342)	(475)	(3,881)
Proceeds from refund of leasehold and guarantee deposits	69	109	890
Guarantee deposits received	10	32	261
Proceeds from cancellation of insurance funds	89	13	106
Other payments	(116)	(183)	(1,495)
Other proceeds	–	1	8
Net cash provided by (used in) investing activities	(2,974)	(3,245)	(26,513)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(550)	–	–
Repayments of long-term borrowings	(48)	–	–
Proceeds from share issuance to non-controlling shareholders	–	24	196
Purchase of treasury shares	(4,816)	(0)	(0)
Dividends paid	(1,118)	(1,620)	(13,236)
Other payments	(22)	(23)	(187)
Net cash provided by (used in) financing activities	(6,555)	(1,618)	(13,220)
Effect of exchange rate change on cash and cash equivalents	4	4	32
Net increase (decrease) in cash and cash equivalents	(210)	773	6,315
Cash and cash equivalents at beginning of period	16,465	16,254	132,804
Cash and cash equivalents at end of period	16,254	17,028	139,129

* Please refer to the note 1 on page 1.

III. Corporate Data

Basic Information (as of March 31, 2022)

Trade name:	G-7 HOLDINGS Inc.
Established:	June 18, 1976
Listed market:	Prime Market 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:	2,054 (Consolidated; excluding temporary employees)
Head office:	1-3, Yasakadai 2-chome, Suma-ku, Kobe-shi, Hyogo
Telephone:	+81-78-797-7700

Group Companies (as of April 1, 2022)

G-7 AUTO SERVICE CO., LTD.
G7 RETAIL JAPAN CO., LTD.
G-7 SUPER MART CO., LTD.
G-7 BIKE WORLD CO., LTD.
G7 AGRI JAPAN CO., LTD.
G7 JAPAN FOOD SERVICE CO., LTD.
G-7 MEAT TERABAYASHI CO., LTD.
G-7 RICO'S STORES CO., LTD.
G7 STORE INNOVATIONS CO., LTD.
G7 RETAIL MALAYSIA SDN. BHD.
G-7. CrownTrading CO., LTD.

Directors and Director/Audit and Supervisory Committee Members (as of June 29, 2022)

Representative Director, Chairman, President and CEO	Tatsumi Kaneda
Managing Director	Yasumasa Kishimoto
Director	Yukitoshi Matsuda
Director	Daisaku Seki
Director	Isao Tamaki
Director*	Mitsuru Sakamoto
Director*	Yukihiro Shida
Director*	Yugo Ito
Director/Audit and Supervisory Committee Member (Full-time)	Taizo Yoshida
Director/Audit and Supervisory Committee Member**	Teiji Joko
Director/Audit and Supervisory Committee Member**	Hiroki Nishii

* Outside Director ** Outside Director/Audit and Supervisory Committee Member

Note: The Company designated Mr. Mitsuru Sakamoto, Mr. Yukihiro Shida, Mr. Yugo Ito, Mr. Teiji Joko, and Mr. Hiroki Nishii as Independent Directors stipulated by Tokyo Stock Exchange, Inc. and reported them to the Exchange.

Stock Status (as of March 31, 2022)

Total number of shares authorized:	208,000,000 shares
Total number of shares issued:	44,063,754 shares
Number of shareholders:	5,107
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
K Trust Association Trust Account	11,835	26.86
Yoko Kinoshita	6,966	15.80
G-7 Scholarship Foundation	3,661	8.30
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,882	6.54
Northern Trust Co. (AVFC) RE HCR00	2,049	4.65
Autobacs Seven Co., Ltd.	1,348	3.06
SSBTC CLIENT OMNIBUS ACCOUNT	1,048	2.37
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	763	1.73
Custody Bank of Japan, Ltd. (Trust Account)	618	1.40
Northern Trust Co. (AVFC) SUB A/C NON TREATY	411	0.93

Notes:

1. The share-holding ratios are calculated excluding treasury shares (24 shares).
2. The number of shares held is rounded down to units of one thousand.
3. The share-holding ratios are rounded down to the second decimal place.

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