

For the Fiscal Year Ended March 31, 2023

Annual Select[®] 2023

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 Gyomu Supers.

Today, the G-7 Group operates 79 AUTOBACS stores in and outside Japan and 183 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 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)

	44 th term	45 th term	46 th term	47 th term	48 th term	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	
Net sales						
(Millions of yen)	¥122,502	¥132,642	¥163,556	¥168,525	¥176,922	\$1,324,960
(Thousands of U.S. dollars)						
Ordinary profit						
(Millions of yen)	5,019	5,995	7,306	7,877	6,813	51,022
(Thousands of U.S. dollars)						
Profit attributable to owners of parent						
(Millions of yen)	3,041	3,523	4,855	5,255	3,824	28,637
(Thousands of U.S. dollars)						
Comprehensive income						
(Millions of yen)	2,935	3,559	5,026	5,134	3,957	29,633
(Thousands of U.S. dollars)						
Net assets						
(Millions of yen)	19,502	22,018	21,263	24,747	26,757	200,381
(Thousands of U.S. dollars)						
Total assets						
(Millions of yen)	44,691	47,886	51,391	54,145	57,202	428,383
(Thousands of U.S. dollars)						
Net assets per share						
(Yen)	401.88	453.67	478.92	558.17	607.25	4.54
(U.S. dollars)						
Basic earnings per share						
(Yen)	62.78	72.73	105.82	119.28	86.78	0.64
(U.S. dollars)						
Diluted earnings per share						
(Yen)	—	—	—	—	—	—
(U.S. dollars)						
Equity ratio						
(%)	43.6	45.9	41.1	45.4	46.8	
Return on equity (ROE)						
(%)	16.51	17.00	22.54	23.00	14.89	
Price earnings ratio (PER)						
(Times)	9.29	15.95	12.47	13.87	16.66	
Net cash provided by (used in) operating activities						
(Millions of yen)	5,740	5,057	9,314	5,633	3,959	29,648
(Thousands of U.S. dollars)						
Net cash provided by (used in) investing activities						
(Millions of yen)	(1,700)	(2,615)	(2,974)	(3,245)	(3,308)	(24,773)
(Thousands of U.S. dollars)						
Net cash provided by (used in) financing activities						
(Millions of yen)	(803)	(506)	(6,555)	(1,618)	(1,996)	(14,947)
(Thousands of U.S. dollars)						
Cash and cash equivalents at end of period						
(Millions of yen)	14,518	16,465	16,254	17,028	15,683	117,449
(Thousands of U.S. dollars)						
Number of employees						
[Separately, average number of temporary employees]	1,659 [3,471]	1,737 [3,713]	1,962 [5,670]	2,054 [5,667]	2,023 [5,399]	
(Persons)						

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated for convenience only, at a rate of ¥133.53 = 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 44th 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 47th term, and the key management indicators, etc. from the 47th term onward 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, 2022	As of March 31, 2023	As of March 31, 2023
Assets			
Current assets			
Cash and deposits	17,033	15,688	117,486
Accounts receivable - trade	3,992	4,395	32,913
Merchandise and finished goods	6,854	7,982	59,776
Other	1,627	2,205	16,513
Allowance for doubtful accounts	(10)	(13)	(97)
Total current assets	29,498	30,259	226,608
Non-current assets			
Property, plant and equipment			
Buildings and structures	23,207	25,867	193,716
Accumulated depreciation	(14,830)	(15,420)	(115,479)
Buildings and structures, net	8,376	10,446	78,229
Machinery, equipment and vehicles	2,013	2,015	15,090
Accumulated depreciation	(1,554)	(1,579)	(11,825)
Machinery, equipment and vehicles, net	458	436	3,265
Land	5,086	5,166	38,687
Construction in progress	143	19	142
Other	6,961	7,648	57,275
Accumulated depreciation	(5,289)	(5,792)	(43,376)
Other, net	1,672	1,856	13,899
Total property, plant and equipment	15,737	17,924	134,232
Intangible assets			
Goodwill	437	16	119
Other	294	276	2,066
Total intangible assets	731	292	2,186
Investments and other assets			
Investment securities	417	465	3,482
Leasehold and guarantee deposits	5,525	5,932	44,424
Deferred tax assets	2,133	2,255	16,887
Other	274	254	1,902
Allowance for doubtful accounts	(173)	(181)	(1,355)
Total investments and other assets	8,177	8,725	65,341
Total non-current assets	24,647	26,943	201,774
Total assets	54,145	57,202	428,383

* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2022	As of March 31, 2023	As of March 31, 2023
Liabilities			
Current liabilities			
Accounts payable - trade	8,479	8,896	66,621
Short-term borrowings	8,000	6,300	47,180
Income taxes payable	1,180	984	7,369
Provision for bonuses	1,081	1,029	7,706
Other	4,571	4,619	34,591
Total current liabilities	23,313	21,829	163,476
Non-current liabilities			
Long-term borrowings	1,300	3,000	22,466
Deferred tax liabilities for land revaluation	42	42	314
Provision for retirement benefits for directors (and other officers)	731	78	584
Asset retirement obligations	2,192	3,792	28,398
Retirement benefit liability	807	767	5,744
Other	1,010	934	6,994
Total non-current liabilities	6,084	8,615	64,517
Total liabilities	29,398	30,444	227,993
Net assets			
Shareholders' equity			
Share capital	1,785	1,785	13,367
Capital surplus	2,905	2,783	20,841
Retained earnings	20,415	22,566	168,995
Treasury shares	(0)	(0)	(0)
Total shareholders' equity	25,106	27,135	203,212
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	203	251	1,879
Revaluation reserve for land	(514)	(514)	(3,849)
Foreign currency translation adjustment	(196)	(169)	(1,265)
Remeasurements of defined benefit plans	(4)	54	404
Total accumulated other comprehensive income	(511)	(378)	(2,830)
Non-controlling interests	152	—	—
Total net assets	24,747	26,757	200,381
Total liabilities and net assets	54,145	57,202	428,383

* 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, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
Net sales	168,525	176,922	1,324,960
Cost of sales	126,215	133,568	1,000,284
Gross profit	42,309	43,353	324,668
Selling, general and administrative expenses	34,860	36,848	275,952
Operating profit	7,448	6,504	48,708
Non-operating income			
Interest income	1	1	7
Dividend income	4	6	44
Commission income	156	164	1,228
Sponsorship money income	167	247	1,849
Subsidy income	23	2	14
Dividend income of insurance	96	—	—
Gain on sale of investment securities	79	10	74
Other	179	90	674
Total non-operating income	709	523	3,916
Non-operating expenses			
Interest expenses	28	29	217
Loss on disposal of non-current assets	134	133	996
Provision of allowance for doubtful accounts	33	15	112
Corporate funeral expenses	34	—	—
Other	47	36	269
Total non-operating expenses	280	213	1,595
Ordinary profit	7,877	6,813	51,022
Extraordinary income			
Compensation income	62	—	—
Total extraordinary income	62	—	—
Extraordinary losses			
Loss on valuation of investment securities	12	—	—
Impairment losses	450	765	5,729
Retirement benefits for directors (and other officers)	—	500	3,744
Loss on business of subsidiaries and associates	6	—	—
Total extraordinary losses	469	1,265	9,473
Profit before income taxes	7,470	5,548	41,548
Income taxes - current	2,342	1,893	14,176
Income taxes - deferred	(95)	(169)	(1,265)
Total income taxes	2,247	1,724	12,910
Profit	5,223	3,824	28,637
Profit attributable to non-controlling interests	(32)	—	—
Profit attributable to owners of parent	5,255	3,824	28,637

* 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, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
Profit	5,223	3,824	28,637
Other comprehensive income			
Valuation difference on available-for-sale securities	(75)	47	351
Foreign currency translation adjustment	(28)	27	202
Remeasurements of defined benefit plans, net of tax	15	58	434
Total other comprehensive income	(88)	133	996
Comprehensive income	5,134	3,957	29,633
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	5,166	3,957	29,633
Comprehensive income attributable to non-controlling interests	(32)	—	—

* Please refer to the note 1 on page 1.

(3) Consolidated Statements of Changes in Equity

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, 2023

(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	20,415	(0)	25,106
Changes during period					
Dividends of surplus			(1,674)		(1,674)
Profit attributable to owners of parent			3,824		3,824
Change in ownership interest of parent due to transactions with non-controlling interests		(121)			(121)
Change in scope of consolidation			1		1
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(121)	2,151	(0)	2,029
Balance at end of period	1,785	2,783	22,566	(0)	27,135

	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	203	(514)	(196)	(4)	(511)	152	24,747
Changes during period							
Dividends of surplus							(1,674)
Profit attributable to owners of parent							3,824
Change in ownership interest of parent due to transactions with non-controlling interests							(121)
Change in scope of consolidation							1
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	47	–	27	58	133	(152)	(18)
Total changes during period	47	–	27	58	133	(152)	2,010
Balance at end of period	251	(514)	(169)	54	(378)	–	26,757

Fiscal year ended March 31, 2023

(Thousands of U.S. dollars)*

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,367	21,755	152,886	(0)	188,017
Changes during period					
Dividends of surplus			(12,536)		(12,536)
Profit attributable to owners of parent			28,637		28,637
Change in ownership interest of parent due to transactions with non-controlling interests		(906)			(906)
Change in scope of consolidation			7		7
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(906)	16,108	(0)	15,195
Balance at end of period	13,367	20,841	168,995	(0)	203,212

	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	1,520	(3,849)	(1,467)	(29)	(3,826)	1,138	185,329
Changes during period							
Dividends of surplus							(12,536)
Profit attributable to owners of parent							28,637
Change in ownership interest of parent due to transactions with non-controlling interests							(906)
Change in scope of consolidation							7
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	351	–	202	434	996	(1,138)	(134)
Total changes during period	351	–	202	434	996	(1,138)	15,052
Balance at end of period	1,879	(3,849)	(1,265)	404	(2,830)	–	200,381

* 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, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
Cash flows from operating activities			
Profit before income taxes	7,470	5,548	41,548
Depreciation	1,868	1,930	14,453
Amortization of goodwill	79	62	464
Impairment losses	450	765	5,729
Increase (decrease) in allowance for doubtful accounts	(523)	10	74
Insurance claim income	(96)	—	—
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	(653)	(4,890)
Increase (decrease) in provision for bonuses	(40)	(52)	(389)
Increase (decrease) in retirement benefit liability	35	(40)	(299)
Retirement benefits for directors (and other officers)	—	500	3,744
Interest and dividend income	(6)	(8)	(59)
Subsidy income	(23)	(2)	(14)
Compensation income	(62)	—	—
Interest expenses	28	29	217
Corporate funeral expenses	34	—	—
Loss (gain) on sale of investment securities	(79)	(10)	(74)
Loss on retirement of property, plant and equipment	134	133	996
Loss (gain) on sale of property, plant and equipment	(7)	(10)	(74)
Loss (gain) on valuation of investment securities	12	—	—
Loss on business of subsidiaries and associates	6	—	—
Decrease (increase) in guarantee deposits	(61)	(62)	(464)
Foreign exchange losses (gains)	(47)	15	112
Decrease (increase) in trade receivables	(638)	(405)	(3,033)
Decrease (increase) in inventories	(322)	(1,122)	(8,402)
Decrease (increase) in other assets	272	(90)	(674)
Increase (decrease) in trade payables	180	415	3,107
Increase (decrease) in accrued consumption taxes	(295)	(100)	(748)
Increase (decrease) in other liabilities	(38)	188	1,407
Other, net	79	(16)	(119)
Subtotal	8,411	7,024	52,602
Interest and dividends received	6	8	59
Subsidies received	23	2	14
Interest paid	(24)	(25)	(187)
Proceeds from insurance income	96	—	—
Payments of retirement benefits for directors (and other officers)	—	(500)	(3,744)
Proceeds from compensation	62	—	—
Income taxes refund	150	84	629
Income taxes paid	(3,091)	(2,634)	(19,725)
Net cash provided by (used in) operating activities	5,633	3,959	29,648

* Please refer to the note 1 on page 1.

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
Cash flows from investing activities			
Payments for acquisition of businesses	—	(130)	(973)
Purchase of property, plant and equipment	(2,877)	(2,664)	(19,950)
Proceeds from sale of property, plant and equipment	20	17	127
Purchase of investment securities	(0)	(0)	(0)
Purchase of shares of subsidiaries and associates	(3)	—	—
Proceeds from sale of investment securities	119	26	194
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(23)	(172)
Loan advances	(9)	—	—
Proceeds from collection of loans receivable	4	4	29
Payments of leasehold and guarantee deposits	(475)	(510)	(3,819)
Proceeds from refund of leasehold and guarantee deposits	109	108	808
Guarantee deposits received	32	15	112
Proceeds from cancellation of insurance funds	13	—	—
Other, net	(181)	(152)	(1,138)
Net cash provided by (used in) investing activities	(3,245)	(3,308)	(24,773)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	—	(3,000)	(22,466)
Proceeds from long-term borrowings	—	3,000	22,466
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(250)	(1,872)
Proceeds from share issuance to non-controlling shareholders	24	—	—
Purchase of treasury shares	(0)	(0)	(0)
Dividends paid	(1,620)	(1,722)	(12,895)
Other payments	(23)	(24)	(179)
Net cash provided by (used in) financing activities	(1,618)	(1,996)	(14,947)
Effect of exchange rate change on cash and cash equivalents	4	1	7
Net increase (decrease) in cash and cash equivalents	773	(1,344)	(10,065)
Cash and cash equivalents at beginning of period	16,254	17,028	127,521
Cash and cash equivalents at end of period	17,028	15,683	117,449

* Please refer to the note 1 on page 1.

III. Corporate Data

Basic Information (as of March 31, 2023)

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:	2,023 (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 March 31, 2023)

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, 2023)

Representative Director, Chairman and CEO	Tatsumi Kaneda
Representative Director and President	Yasumasa Kishimoto
Director	Yukitoshi Matsuda
Director	Daisaku Seki
Director	Isao Tamaki
Director	Shinichi Noguchi
Director*	Mitsuru Sakamoto
Director*	Yukihiro Shida
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. 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, 2023)

Total number of shares authorized:	208,000,000 shares
Total number of shares issued:	44,063,754 shares
Number of shareholders:	5,110
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
K Trust Association Trust Account	11,835	26.86
G-7 Scholarship Foundation	7,322	16.61
Yoko Kinoshita	3,305	7.50
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,234	7.34
Autobacs Seven Co., Ltd.	2,203	5.00
Northern Trust Co. (AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	1,756	3.98
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	1,244	2.82
SSBTC CLIENT OMNIBUS ACCOUNT	994	2.25
Custody Bank of Japan, Ltd. (Trust Account)	834	1.89
Sompo Japan Insurance Inc.	336	0.76

Notes:

1. The share-holding ratios are calculated excluding treasury shares (46 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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