

For the Fiscal Year Ended March 31, 2016

---

Annual Select<sup>®</sup> 2016

# 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 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.

We have formulated a new mid-term management plan with the term ending March 2021, the 45th anniversary of our establishment, as its final year, in which consolidated net sales of 170 billion yen and ordinary income of 7 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 Klan Sentral, Malaysia

Business Supermarket Shin-tatsuno

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

	37 <sup>th</sup> term	38 <sup>th</sup> term	39 <sup>th</sup> term	40 <sup>th</sup> term	41 <sup>st</sup> term	
	Fiscal year ended					
	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	
Net sales						
(Millions of yen)	¥76,130	¥82,623	¥88,178	¥88,261	¥103,895	\$864,746
(Thousands of U.S. dollars)						
Ordinary income						
(Millions of yen)	2,250	2,933	3,139	2,512	3,220	26,800
(Thousands of U.S. dollars)						
Profit attributable to owners of parent						
(Millions of yen)	722	1,345	1,541	1,272	1,867	15,539
(Thousands of U.S. dollars)						
Comprehensive income						
(Millions of yen)	736	1,312	1,499	1,240	1,942	16,163
(Thousands of U.S. dollars)						
Net assets						
(Millions of yen)	9,502	10,558	11,599	12,404	14,183	118,049
(Thousands of U.S. dollars)						
Total assets						
(Millions of yen)	28,455	30,401	32,057	32,339	36,154	300,919
(Thousands of U.S. dollars)						
Net assets per share						
(Yen)	780.73	867.54	953.05	1,019.17	1,137.86	9.47
(U.S. dollars)						
Basic earnings per share						
(Yen)	59.38	110.51	126.66	104.59	153.95	1.28
(U.S. dollars)						
Diluted earnings per share						
(Yen)	–	–	–	–	–	–
(U.S. dollars)						
Equity ratio						
(%)	33.4	34.7	36.2	38.4	38.1	
Return on equity (ROE)						
(%)	7.84	13.41	13.92	10.61	14.26	
Price earnings ratio (PER)						
(Times)	7.12	5.27	5.96	9.57	8.33	
Net cash provided by (used in) operating activities						
(Millions of yen)	1,914	3,626	3,546	1,830	3,885	32,335
(Thousands of U.S. dollars)						
Net cash provided by (used in) investing activities						
(Millions of yen)	(3,103)	(1,722)	(2,096)	(1,288)	(1,296)	(10,786)
(Thousands of U.S. dollars)						
Net cash provided by (used in) financing activities						
(Millions of yen)	235	(692)	(619)	(799)	(1,293)	(10,761)
(Thousands of U.S. dollars)						
Cash and cash equivalents at end of period						
(Millions of yen)	5,072	6,299	7,183	6,952	8,242	68,600
(Thousands of U.S. dollars)						
Number of employees						
[Separately, average number of temporary employees]	1,238	1,371	1,406	1,414	1,653	
(Persons)	[2,220]	[2,422]	[2,455]	[2,613]	[2,873]	

- Notes: 1. U.S. dollar amounts are the yen equivalent, calculated for convenience only, at a rate of ¥120.145 = U.S. \$1.  
2. Net sales do not include consumption taxes.  
3. Diluted earnings per share is not provided since there are no potential shares.  
4. Effective from the fiscal year under review, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ (Accounting Standards Board of Japan) Statement No. 21, September 13, 2013), etc. and former “net income” is now presented as “profit attributable to owners of parent.”

## II. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
<b>Assets</b>			
Current assets			
Cash and deposits	6,952	8,242	68,600
Notes and accounts receivable - trade	1,680	1,937	16,122
Merchandise and finished goods	5,198	5,341	44,454
Deferred tax assets	263	363	3,021
Other	924	1,245	10,362
Allowance for doubtful accounts	(1)	(19)	(158)
<b>Total current assets</b>	<b>15,018</b>	<b>17,111</b>	<b>142,419</b>
Non-current assets			
Property, plant and equipment			
Buildings and structures	16,907	18,134	150,934
Accumulated depreciation	(9,742)	(10,841)	(90,232)
Buildings and structures, net	7,164	7,293	60,701
Machinery, equipment and vehicles	1,249	1,382	11,502
Accumulated depreciation	(790)	(873)	(7,266)
Machinery, equipment and vehicles, net	459	509	4,236
Land	4,106	4,973	41,391
Construction in progress	16	52	432
Other	3,160	3,881	32,302
Accumulated depreciation	(2,382)	(2,839)	(23,629)
Other, net	778	1,041	8,664
<b>Total property, plant and equipment</b>	<b>12,525</b>	<b>13,870</b>	<b>115,443</b>
Intangible assets			
Goodwill	114	39	324
Other	228	213	1,772
<b>Total intangible assets</b>	<b>342</b>	<b>253</b>	<b>2,105</b>
Investments and other assets			
Investment securities	143	214	1,781
Lease and guarantee deposits	3,355	3,651	30,388
Deferred tax assets	736	804	6,691
Other	239	278	2,313
Allowance for doubtful accounts	(21)	(29)	(241)
<b>Total investments and other assets</b>	<b>4,453</b>	<b>4,919</b>	<b>40,942</b>
<b>Total non-current assets</b>	<b>17,321</b>	<b>19,042</b>	<b>158,491</b>
<b>Total assets</b>	<b>32,339</b>	<b>36,154</b>	<b>300,919</b>

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

	(Millions of yen)		(Thousands of U.S. dollars)*
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
<b>Liabilities</b>			
Current liabilities			
Accounts payable - trade	4,164	5,298	44,096
Short-term loans payable	3,458	3,542	29,481
Income taxes payable	149	899	7,482
Provision for bonuses	343	587	4,885
Provision for point card certificates	245	265	2,205
Other	3,258	3,066	25,519
<b>Total current liabilities</b>	<b>11,620</b>	<b>13,659</b>	<b>113,687</b>
Non-current liabilities			
Long-term loans payable	5,000	4,800	39,951
Deferred tax liabilities for land revaluation	44	42	349
Provision for directors' retirement benefits	705	731	6,084
Asset retirement obligations	750	862	7,174
Net defined benefit liability	429	520	4,328
Other	1,383	1,355	11,278
<b>Total non-current liabilities</b>	<b>8,314</b>	<b>8,311</b>	<b>69,174</b>
<b>Total liabilities</b>	<b>19,934</b>	<b>21,971</b>	<b>182,870</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	1,785	1,785	14,857
Capital surplus	2,717	2,717	22,614
Retained earnings	9,125	10,604	88,260
Treasury shares	(612)	(725)	(6,034)
<b>Total shareholders' equity</b>	<b>13,015</b>	<b>14,381</b>	<b>119,697</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	5	5	41
Revaluation reserve for land	(524)	(522)	(4,344)
Foreign currency translation adjustment	(121)	(56)	(466)
Remeasurements of defined benefit plans	28	(28)	(233)
<b>Total accumulated other comprehensive income</b>	<b>(611)</b>	<b>(601)</b>	<b>(5,002)</b>
Non-controlling interests	-	402	3,345
<b>Total net assets</b>	<b>12,404</b>	<b>14,183</b>	<b>118,049</b>
<b>Total liabilities and net assets</b>	<b>32,339</b>	<b>36,154</b>	<b>300,919</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, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net sales	88,261	103,895	864,746
Cost of sales	65,372	77,236	642,856
Gross profit	22,889	26,658	221,881
Selling, general and administrative expenses	20,583	23,629	196,670
Operating income	2,306	3,028	25,202
Non-operating income			
Interest income	2	2	16
Dividend income	0	0	0
Commission fee	179	175	1,456
Co-sponsor fee	59	75	624
Foreign exchange gains	47	–	–
Other	51	68	565
Total non-operating income	340	322	2,680
Non-operating expenses			
Interest expenses	43	46	382
Loss on disposal of non-current assets	54	57	474
Foreign exchange losses	–	0	0
Other	37	26	216
Total non-operating expenses	134	130	1,082
Ordinary income	2,512	3,220	26,800
Extraordinary income			
Gain on bargain purchase	–	209	1,739
Total extraordinary income	–	209	1,739
Extraordinary losses			
Loss on closing of stores	41	–	–
Loss on business withdrawal	–	39	324
Loss on valuation of investment securities	–	7	58
Provision of allowance for doubtful accounts	3	8	66
Impairment loss	85	59	491
Total extraordinary losses	129	114	948
Profit before income taxes	2,382	3,315	27,591
Income taxes - current	964	1,347	11,211
Income taxes - deferred	145	35	291
Total income taxes	1,109	1,383	11,511
Profit	1,272	1,932	16,080
Profit attributable to non-controlling interests	–	65	541
Profit attributable to owners of parent	1,272	1,867	15,539

\* 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, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Profit	1,272	1,932	16,080
Other comprehensive income			
Valuation difference on available-for-sale securities	(0)	(0)	(0)
Revaluation reserve for land	4	2	16
Foreign currency translation adjustment	(61)	64	532
Remeasurements of defined benefit plans, net of tax	24	(56)	(466)
Total other comprehensive income	(32)	10	83
Comprehensive income	1,240	1,942	16,163
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	1,240	1,877	15,622
Comprehensive income attributable to non-controlling interests	-	65	541

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

### (3) Consolidated Statements of Changes in Equity

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)
Profit attributable to owners of parent			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)
Profit attributable to owners of parent					-	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, 2016

(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	9,125	(612)	13,015
Changes of items during period					
Dividends of surplus			(388)		(388)
Purchase of treasury shares				(113)	(113)
Profit attributable to owners of parent			1,867		1,867
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,479	(113)	1,365
Balance at end of current period	1,785	2,717	10,604	(725)	14,381

	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 current period	5	(524)	(121)	28	(611)	–	12,404
Changes of items during period							
Dividends of surplus					–		(388)
Purchase of treasury shares					–		(113)
Profit attributable to owners of parent					–		1,867
Net changes of items other than shareholders' equity	(0)	2	64	(56)	10	402	413
Total changes of items during period	(0)	2	64	(56)	10	402	1,778
Balance at end of current period	5	(522)	(56)	(28)	(601)	402	14,183

Fiscal year ended March 31, 2016

(Thousands of U.S. dollars)\*

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,857	22,614	75,949	(5,093)	108,327
Changes of items during period					
Dividends of surplus			(3,229)		(3,229)
Purchase of treasury shares				(940)	(940)
Profit attributable to owners of parent			15,539		15,539
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	12,310	(940)	11,361
Balance at end of current period	14,857	22,614	88,260	(6,034)	119,697

	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 current period	41	(4,361)	(1,007)	233	(5,085)	-	103,241
Changes of items during period							
Dividends of surplus					-		(3,229)
Purchase of treasury shares					-		(940)
Profit attributable to owners of parent					-		15,539
Net changes of items other than shareholders' equity	(0)	16	532	(466)	83	3,345	3,437
Total changes of items during period	(0)	16	532	(466)	83	3,345	14,798
Balance at end of current period	41	(4,344)	(466)	(233)	(5,002)	3,345	118,049

\* 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, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
<b>Cash flows from operating activities</b>			
Profit before income taxes	2,382	3,315	27,591
Depreciation	1,386	1,487	12,376
Amortization of goodwill	83	74	615
Impairment loss	85	59	491
Increase (decrease) in allowance for doubtful accounts	(2)	19	158
Increase (decrease) in provision for directors' retirement benefits	51	25	208
Loss on withdrawal from business	–	39	324
Loss on store closings	41	–	–
Increase (decrease) in provision for bonuses	(252)	168	1,398
Increase (decrease) in provision for point card certificates	44	20	166
Gain on bargain purchase	–	(209)	(1,739)
Increase (decrease) in net defined benefit liability	14	81	674
Interest and dividend income	(3)	(3)	(24)
Interest expenses	43	46	382
Loss on retirement of property, plant and equipment	41	57	474
Loss (gain) on valuation of investment securities	–	9	74
Decrease (increase) in guarantee deposits	(21)	(86)	(715)
Foreign exchange losses (gains)	(47)	0	0
Decrease (increase) in notes and accounts receivable - trade	403	131	1,090
Decrease (increase) in inventories	(703)	(111)	(923)
Decrease (increase) in other assets	(9)	(21)	(174)
Increase (decrease) in notes and accounts payable - trade	(319)	586	4,877
Increase (decrease) in accrued consumption taxes	181	(82)	(682)
Increase (decrease) in other liabilities	138	(709)	(5,901)
Other, net	(11)	(137)	(1,140)
Subtotal	3,525	4,760	39,618
Interest and dividend income received	3	3	24
Interest expenses paid	(43)	(39)	(324)
Income taxes paid	(1,655)	(839)	(6,983)
Net cash provided by (used in) operating activities	1,830	3,885	32,335

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

	(Millions of yen)		(Thousands of U.S. dollars)*
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
<b>Cash flows from investing activities</b>			
Purchase of shares of subsidiaries	(53)	(31)	(258)
Purchase of property, plant and equipment	(1,950)	(2,171)	(18,069)
Payments into time deposits	–	(29)	(241)
Proceeds from withdrawal of time deposits	–	596	4,960
Purchase of investment securities	(0)	(39)	(324)
Proceeds from sales of investment securities	1	75	624
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	580	4,827
Payments of loans receivable	(13)	(108)	(898)
Collection of loans receivable	109	4	33
Payments for lease and guarantee deposits	(29)	(189)	(1,573)
Proceeds from collection of lease and guarantee deposits	37	62	516
Proceeds from guarantee deposits received	758	38	316
Other payments	(149)	(101)	(840)
Other proceeds	–	16	133
Net cash provided by (used in) investing activities	(1,288)	(1,296)	(10,786)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(541)	(124)	(1,032)
Proceeds from long-term loans payable	3,000	–	–
Repayments of long-term loans payable	(2,700)	(620)	(5,160)
Purchase of treasury shares	–	(113)	(940)
Cash dividends paid	(510)	(388)	(3,229)
Other payments	(47)	(46)	(382)
Net cash provided by (used in) financing activities	(799)	(1,293)	(10,761)
Effect of exchange rate change on cash and cash equivalents	25	(6)	(49)
Net increase (decrease) in cash and cash equivalents	(231)	1,289	10,728
Cash and cash equivalents at beginning of period	7,183	6,952	57,863
Cash and cash equivalents at end of period	6,952	8,242	68,600

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

### III. Corporate Data

#### Basic Information (as of March 31, 2016)

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:	1,653 (Consolidated)
Head office:	1-6, Yasakadai 3-chome, Suma-ku, Kobe-shi, Hyogo
Telephone:	+81-78-797-7700

#### Group Companies (as of March 31, 2016)

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

Note: The following three companies changed their trade names on April 1, 2016.  
G-7 DEVELOPMENT CO., LTD. → G-7 RETAIL JAPAN CO., LTD.  
G-7 MOTORS CO., LTD. → G-7 BIKE WORLD CO., LTD.  
TERABAYASHI CO., LTD. → G-7 MEAT TERABAYASHI CO., LTD.

### Directors and Corporate Auditors (as of March 31, 2016)

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

### Stock Status (as of March 31, 2016)

Total number of shares authorized:	52,000,000 shares
Total number of shares issued:	13,336,400 shares
Number of shareholders:	4,743
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
Mamoru Kinoshita	1,830	15.11
Norio Kinoshita	1,829	15.10
Chinami Seki	1,129	9.32
Kinoshita Family Service	1,094	9.03
Yoko Kinoshita	826	6.82
MSIP CLIENT SECURITIES	390	3.22
Autobacs Seven Co., Ltd.	337	2.78
The Master Trust Bank of Japan, Ltd. (Trust Account)	174	1.43
BANK JULIUS BAER AND CO. LTD.	149	1.23
Japan Trustee Services Bank, Ltd. (Trust Account)	124	1.02

#### Notes:

1. G-7 HOLDINGS Inc. holds 1,225,569 treasury shares, which are not included in the above table.
2. The number of shares held is rounded down to units of one thousand.
3. Share-holding ratio was calculated excluding treasury shares.
4. The share-holding ratios are rounded down to the second decimal place.

\* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.