

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

Company name: G-7 HOLDINGS Inc.
 Stock exchange listing: Tokyo
 Stock code: 7508 URL <https://www.g-7holdings.co.jp>
 Representative: Representative Director, Chairman and CEO Tatsumi Kaneda
 Inquiries: Representative Director, President Yasumasa Kishimoto TEL 078-797-7705
 Scheduled date to file Quarterly Securities Report: February 7, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	145,612	8.9	5,671	(0.6)	5,963	0.1	4,173	7.8
Nine months ended December 31, 2022	133,759	4.9	5,705	(7.8)	5,958	(8.6)	3,871	(17.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	94.71		–	
Nine months ended December 31, 2022	87.87		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	60,476	28,991	47.9
As of March 31, 2023	57,202	26,757	46.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	19.00	–	19.00	38.00
Year ending March 31, 2024	–	20.00	–		
Year ending March 31, 2024 (Forecast)				20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	185,000	4.6	7,700	18.4	8,000	17.4	5,500	43.8	124.82

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	44,063,754 shares	As of March 31, 2023	44,063,754 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	446 shares	As of March 31, 2023	446 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	44,063,308 shares	Nine months ended December 31, 2022	44,063,322 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	15,688	14,211
Accounts receivable - trade	4,395	6,364
Merchandise and finished goods	7,982	9,917
Other	2,205	1,744
Allowance for doubtful accounts	(13)	(13)
Total current assets	30,259	32,225
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,867	27,052
Accumulated depreciation	(15,420)	(16,237)
Buildings and structures, net	10,446	10,814
Machinery, equipment and vehicles	2,015	2,197
Accumulated depreciation	(1,579)	(1,642)
Machinery, equipment and vehicles, net	436	554
Land	5,166	5,626
Construction in progress	19	527
Other	7,648	8,167
Accumulated depreciation	(5,792)	(6,190)
Other, net	1,856	1,977
Total property, plant and equipment	17,924	19,500
Intangible assets		
Goodwill	16	66
Other	276	343
Total intangible assets	292	409
Investments and other assets		
Investment securities	465	154
Leasehold and guarantee deposits	5,932	5,778
Deferred tax assets	2,255	2,356
Other	254	236
Allowance for doubtful accounts	(181)	(184)
Total investments and other assets	8,725	8,341
Total non-current assets	26,943	28,251
Total assets	57,202	60,476

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	8,896	10,178
Short-term borrowings	6,300	5,260
Income taxes payable	984	719
Provision for bonuses	1,029	414
Other	4,619	5,271
Total current liabilities	21,829	21,844
Non-current liabilities		
Long-term borrowings	3,000	3,975
Deferred tax liabilities for land revaluation	42	42
Provision for retirement benefits for directors (and other officers)	78	78
Asset retirement obligations	3,792	3,873
Retirement benefit liability	767	804
Other	934	865
Total non-current liabilities	8,615	9,639
Total liabilities	30,444	31,484
Net assets		
Shareholders' equity		
Share capital	1,785	1,785
Capital surplus	2,783	2,783
Retained earnings	22,566	25,004
Treasury shares	(0)	(0)
Total shareholders' equity	27,135	29,573
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	61
Revaluation reserve for land	(514)	(514)
Foreign currency translation adjustment	(169)	(142)
Remeasurements of defined benefit plans	54	13
Total accumulated other comprehensive income	(378)	(581)
Total net assets	26,757	28,991
Total liabilities and net assets	57,202	60,476

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	133,759	145,612
Cost of sales	101,075	111,076
Gross profit	32,684	34,535
Selling, general and administrative expenses	26,978	28,864
Operating profit	5,705	5,671
Non-operating income		
Interest income	1	1
Dividend income	3	4
Commission income	120	127
Sponsorship money income	181	211
Foreign exchange gains	–	13
Other	80	47
Total non-operating income	386	405
Non-operating expenses		
Interest expenses	21	25
Foreign exchange losses	15	–
Provision of allowance for doubtful accounts	15	–
Loss on disposal of non-current assets	67	85
Other	13	2
Total non-operating expenses	133	113
Ordinary profit	5,958	5,963
Extraordinary income		
Gain on sale of investment securities	–	127
Total extraordinary income	–	127
Extraordinary losses		
Impairment losses	131	–
Retirement benefits for directors (and other officers)	500	–
Loss on liquidation of subsidiaries and associates	–	12
Total extraordinary losses	631	12
Profit before income taxes	5,327	6,078
Income taxes	1,455	1,904
Profit	3,871	4,173
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	3,871	4,173

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	3,871	4,173
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(189)
Foreign currency translation adjustment	27	26
Remeasurements of defined benefit plans, net of tax	3	(40)
Total other comprehensive income	28	(203)
Comprehensive income	3,899	3,969
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,899	3,969
Comprehensive income attributable to non-controlling interests	—	—