

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 11, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	192,992	9.1	6,920	6.4	7,318	7.4	5,175	35.3
Year ended March 31, 2023	176,922	5.0	6,504	(12.7)	6,813	(13.5)	3,824	(27.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	117.46	–	18.3	12.3	3.6
Year ended March 31, 2023	86.78	–	14.9	12.2	3.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	61,872	29,973	48.4	680.23
As of March 31, 2023	57,202	26,757	46.8	607.25

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	7,392	(4,002)	(1,944)	17,133
Year ended March 31, 2023	3,959	(3,308)	(1,996)	15,683

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	19.00	–	19.00	38.00	1,674	43.8	6.5
Year ended March 31, 2024	–	20.00	–	20.00	40.00	1,762	34.1	6.2
Year ending March 31, 2025 (Forecast)	–	20.00	–	20.00	40.00		31.5	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	220,000	14.0	8,200	18.5	8,500	16.1	5,600	8.2	127.09

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	446 shares	As of March 31, 2023	446 shares
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Average number of shares during the period

Year ended March 31, 2024	44,063,308 shares	Year ended March 31, 2023	44,063,319 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	15,688	17,138
Accounts receivable - trade	4,395	5,765
Merchandise and finished goods	7,982	8,067
Other	2,205	2,402
Allowance for doubtful accounts	(13)	(13)
Total current assets	30,259	33,360
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,867	27,222
Accumulated depreciation	(15,420)	(16,514)
Buildings and structures, net	10,446	10,708
Machinery, equipment and vehicles	2,015	2,229
Accumulated depreciation	(1,579)	(1,656)
Machinery, equipment and vehicles, net	436	573
Land	5,166	5,626
Construction in progress	19	414
Other	7,648	8,275
Accumulated depreciation	(5,792)	(6,334)
Other, net	1,856	1,940
Total property, plant and equipment	17,924	19,263
Intangible assets		
Goodwill	16	62
Other	276	328
Total intangible assets	292	390
Investments and other assets		
Investment securities	465	151
Leasehold and guarantee deposits	5,932	5,783
Deferred tax assets	2,255	2,875
Other	254	231
Allowance for doubtful accounts	(181)	(184)
Total investments and other assets	8,725	8,857
Total non-current assets	26,943	28,511
Total assets	57,202	61,872

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	8,896	8,954
Short-term borrowings	6,300	5,260
Income taxes payable	984	1,568
Provision for bonuses	1,029	1,087
Other	4,619	5,425
Total current liabilities	21,829	22,296
Non-current liabilities		
Long-term borrowings	3,000	3,910
Deferred tax liabilities for land revaluation	42	42
Provision for retirement benefits for directors (and other officers)	78	78
Asset retirement obligations	3,792	3,895
Retirement benefit liability	767	806
Other	934	869
Total non-current liabilities	8,615	9,602
Total liabilities	30,444	31,898
Net assets		
Shareholders' equity		
Share capital	1,785	1,785
Capital surplus	2,783	2,783
Retained earnings	22,566	26,006
Treasury shares	(0)	(0)
Total shareholders' equity	27,135	30,576
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	60
Revaluation reserve for land	(514)	(514)
Foreign currency translation adjustment	(169)	(150)
Remeasurements of defined benefit plans	54	2
Total accumulated other comprehensive income	(378)	(602)
Total net assets	26,757	29,973
Total liabilities and net assets	57,202	61,872

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	176,922	192,992
Cost of sales	133,568	147,303
Gross profit	43,353	45,689
Selling, general and administrative expenses	36,848	38,769
Operating profit	6,504	6,920
Non-operating income		
Interest income	1	1
Dividend income	6	7
Commission income	164	165
Sponsorship money income	247	290
Other	103	94
Total non-operating income	523	560
Non-operating expenses		
Interest expenses	29	34
Loss on disposal of non-current assets	133	108
Provision of allowance for doubtful accounts	15	–
Other	36	18
Total non-operating expenses	213	161
Ordinary profit	6,813	7,318
Extraordinary income		
Gain on sale of investment securities	–	127
Total extraordinary income	–	127
Extraordinary losses		
Impairment losses	765	310
Retirement benefits for directors (and other officers)	500	–
Loss on liquidation of subsidiaries and associates	–	12
Total extraordinary losses	1,265	323
Profit before income taxes	5,548	7,123
Income taxes - current	1,893	2,460
Income taxes - deferred	(169)	(512)
Total income taxes	1,724	1,947
Profit	3,824	5,175
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	3,824	5,175

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,824	5,175
Other comprehensive income		
Valuation difference on available-for-sale securities	47	(190)
Foreign currency translation adjustment	27	18
Remeasurements of defined benefit plans, net of tax	58	(52)
Total other comprehensive income	133	(224)
Comprehensive income	3,957	4,951
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,957	4,951
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

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, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,785	2,783	22,566	(0)	27,135
Changes during period					
Dividends of surplus			(1,718)		(1,718)
Profit attributable to owners of parent			5,175		5,175
Change in scope of consolidation			(16)		(16)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,440	–	3,440
Balance at end of period	1,785	2,783	26,006	(0)	30,576

	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 period	251	(514)	(169)	54	(378)	26,757
Changes during period						
Dividends of surplus						(1,718)
Profit attributable to owners of parent						5,175
Change in scope of consolidation						(16)
Net changes in items other than shareholders' equity	(190)	–	18	(52)	(224)	(224)
Total changes during period	(190)	–	18	(52)	(224)	3,215
Balance at end of period	60	(514)	(150)	2	(602)	29,973

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,548	7,123
Depreciation	1,930	2,505
Amortization of goodwill	62	12
Impairment losses	765	310
Increase (decrease) in allowance for doubtful accounts	10	3
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(653)	–
Increase (decrease) in provision for bonuses	(52)	58
Increase (decrease) in retirement benefit liability	(40)	39
Retirement benefits for directors (and other officers)	500	–
Interest and dividend income	(8)	(9)
Subsidy income	(2)	(1)
Interest expenses	29	34
Loss (gain) on sale of investment securities	(10)	(127)
Loss on retirement of property, plant and equipment	133	108
Loss (gain) on sale of property, plant and equipment	(10)	(9)
Loss (gain) on liquidation of subsidiaries and associates	–	12
Decrease (increase) in guarantee deposits	(62)	(58)
Foreign exchange losses (gains)	15	(35)
Decrease (increase) in trade receivables	(405)	(1,360)
Decrease (increase) in inventories	(1,122)	(59)
Decrease (increase) in other assets	(90)	(421)
Increase (decrease) in trade payables	415	44
Increase (decrease) in accrued consumption taxes	(100)	207
Increase (decrease) in other liabilities	188	826
Other, net	(16)	(122)
Subtotal	7,024	9,080
Interest and dividends received	8	9
Subsidies received	2	1
Interest paid	(25)	(31)
Payments of retirement benefits for directors (and other officers)	(500)	–
Income taxes refund	84	571
Income taxes paid	(2,634)	(2,239)
Net cash provided by (used in) operating activities	3,959	7,392

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments for acquisition of businesses	(130)	–
Purchase of property, plant and equipment	(2,664)	(3,877)
Proceeds from sale of property, plant and equipment	17	9
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	26	166
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(23)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	1
Proceeds from collection of loans receivable	4	4
Payments of leasehold and guarantee deposits	(510)	(143)
Proceeds from refund of leasehold and guarantee deposits	108	81
Guarantee deposits received	15	6
Other, net	(152)	(252)
Net cash provided by (used in) investing activities	(3,308)	(4,002)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,000)	(5)
Proceeds from long-term borrowings	3,000	1,300
Repayments of long-term borrowings	–	(1,493)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(250)	–
Purchase of treasury shares	(0)	–
Dividends paid	(1,722)	(1,719)
Other payments	(24)	(25)
Net cash provided by (used in) financing activities	(1,996)	(1,944)
Effect of exchange rate change on cash and cash equivalents	1	4
Net increase (decrease) in cash and cash equivalents	(1,344)	1,450
Cash and cash equivalents at beginning of period	17,028	15,683
Cash and cash equivalents at end of period	15,683	17,133