

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 28, 2022

Company name: G-7 HOLDINGS Inc.
 Stock exchange listing: Tokyo
 Stock code: 7508 URL <https://www.g-7holdings.co.jp>
 Representative: Representative Director, Chairman, President and CEO Tatsumi Kaneda
 Inquiries: Managing Director and General Manager of Business Management Division Yasumasa Kishimoto TEL 078-797-7705
 Scheduled date to file Quarterly Securities Report: November 7, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	85,595	4.5	3,181	(2.8)	3,373	(2.9)	2,198	(10.1)
Six months ended September 30, 2021	81,938	2.6	3,274	(5.2)	3,473	(3.4)	2,445	(2.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	49.90		-	
Six months ended September 30, 2021	55.50		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	52,220	25,838	49.5
As of March 31, 2022	54,145	24,747	45.4

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, 2022	-	35.00	-	19.00	-
Year ending March 31, 2023	-	19.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	19.00	-

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	180,000	6.8	7,700	3.4	8,000	1.6	5,400	2.7	122.55

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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 September 30, 2022	44,063,754 shares	As of March 31, 2022	44,063,754 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	424 shares	As of March 31, 2022	424 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	44,063,330 shares	Six months ended September 30, 2021	44,063,354 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	17,033	14,130
Accounts receivable - trade	3,992	3,776
Merchandise and finished goods	6,854	7,862
Other	1,627	1,459
Allowance for doubtful accounts	(10)	(8)
Total current assets	29,498	27,220
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,207	23,564
Accumulated depreciation	(14,830)	(15,229)
Buildings and structures, net	8,376	8,335
Machinery, equipment and vehicles	2,013	1,997
Accumulated depreciation	(1,554)	(1,543)
Machinery, equipment and vehicles, net	458	453
Land	5,086	5,086
Construction in progress	143	213
Other	6,961	7,201
Accumulated depreciation	(5,289)	(5,539)
Other, net	1,672	1,662
Total property, plant and equipment	15,737	15,751
Intangible assets		
Goodwill	437	405
Other	294	272
Total intangible assets	731	677
Investments and other assets		
Investment securities	417	371
Leasehold and guarantee deposits	5,525	5,743
Deferred tax assets	2,133	2,367
Other	274	273
Allowance for doubtful accounts	(173)	(186)
Total investments and other assets	8,177	8,570
Total non-current assets	24,647	24,999
Total assets	54,145	52,220

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	8,479	7,775
Short-term borrowings	8,000	7,000
Income taxes payable	1,180	627
Provision for bonuses	1,081	625
Other	4,571	3,926
Total current liabilities	23,313	19,954
Non-current liabilities		
Long-term borrowings	1,300	2,300
Provision for retirement benefits for directors (and other officers)	731	78
Deferred tax liabilities for land revaluation	42	42
Asset retirement obligations	2,192	2,195
Retirement benefit liability	807	828
Other	1,010	981
Total non-current liabilities	6,084	6,426
Total liabilities	29,398	26,381
Net assets		
Shareholders' equity		
Share capital	1,785	1,785
Capital surplus	2,905	2,783
Retained earnings	20,415	21,778
Treasury shares	(0)	(0)
Total shareholders' equity	25,106	26,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	203	182
Revaluation reserve for land	(514)	(514)
Foreign currency translation adjustment	(196)	(174)
Remeasurements of defined benefit plans	(4)	(2)
Total accumulated other comprehensive income	(511)	(509)
Non-controlling interests	152	–
Total net assets	24,747	25,838
Total liabilities and net assets	54,145	52,220

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	81,938	85,595
Cost of sales	61,707	64,858
Gross profit	20,230	20,736
Selling, general and administrative expenses	16,955	17,555
Operating profit	3,274	3,181
Non-operating income		
Interest income	1	0
Dividend income	1	2
Commission income	69	71
Sponsorship money income	99	129
Gain on sale of investment securities	79	0
Other	68	66
Total non-operating income	319	271
Non-operating expenses		
Interest expenses	15	14
Loss on disposal of non-current assets	83	36
Loss on store closings	10	–
Other	12	28
Total non-operating expenses	121	79
Ordinary profit	3,473	3,373
Extraordinary losses		
Impairment losses	3	26
Loss on valuation of investment securities	2	–
Loss on valuation of shares of subsidiaries and associates	5	–
Retirement benefits for directors (and other officers)	–	500
Total extraordinary losses	11	526
Profit before income taxes	3,461	2,846
Income taxes	1,011	647
Profit	2,450	2,198
Profit attributable to non-controlling interests	5	–
Profit attributable to owners of parent	2,445	2,198

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	2,450	2,198
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(21)
Foreign currency translation adjustment	(13)	21
Remeasurements of defined benefit plans, net of tax	9	2
Total other comprehensive income	(0)	2
Comprehensive income	2,450	2,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,445	2,201
Comprehensive income attributable to non-controlling interests	5	–