

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 30, 2023

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: November 7, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	93,060	8.7	2,909	(8.5)	3,123	(7.4)	2,253	2.5
Six months ended September 30, 2022	85,595	4.5	3,181	(2.8)	3,373	(2.9)	2,198	(10.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	51.14		-	
Six months ended September 30, 2022	49.90		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	58,457	27,985	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 six months ended September 30, 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 September 30, 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 September 30, 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)

Six months ended September 30, 2023	44,063,308 shares	Six months ended September 30, 2022	44,063,330 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	15,688	15,448
Accounts receivable - trade	4,395	4,739
Merchandise and finished goods	7,982	8,912
Other	2,205	1,668
Allowance for doubtful accounts	(13)	(13)
Total current assets	30,259	30,754
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,867	26,836
Accumulated depreciation	(15,420)	(15,893)
Buildings and structures, net	10,446	10,942
Machinery, equipment and vehicles	2,015	2,080
Accumulated depreciation	(1,579)	(1,615)
Machinery, equipment and vehicles, net	436	465
Land	5,166	5,166
Construction in progress	19	221
Other	7,648	8,088
Accumulated depreciation	(5,792)	(5,993)
Other, net	1,856	2,094
Total property, plant and equipment	17,924	18,890
Intangible assets		
Goodwill	16	70
Other	276	356
Total intangible assets	292	426
Investments and other assets		
Investment securities	465	189
Leasehold and guarantee deposits	5,932	5,802
Deferred tax assets	2,255	2,339
Other	254	243
Allowance for doubtful accounts	(181)	(188)
Total investments and other assets	8,725	8,386
Total non-current assets	26,943	27,703
Total assets	57,202	58,457

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	8,896	8,976
Short-term borrowings	6,300	5,260
Income taxes payable	984	791
Provision for bonuses	1,029	731
Other	4,619	5,008
Total current liabilities	21,829	20,767
Non-current liabilities		
Long-term borrowings	3,000	4,040
Deferred tax liabilities for land revaluation	42	42
Provision for retirement benefits for directors (and other officers)	78	78
Asset retirement obligations	3,792	3,862
Retirement benefit liability	767	792
Other	934	888
Total non-current liabilities	8,615	9,704
Total liabilities	30,444	30,471
Net assets		
Shareholders' equity		
Share capital	1,785	1,785
Capital surplus	2,783	2,783
Retained earnings	22,566	23,965
Treasury shares	(0)	(0)
Total shareholders' equity	27,135	28,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	86
Revaluation reserve for land	(514)	(514)
Foreign currency translation adjustment	(169)	(148)
Remeasurements of defined benefit plans	54	27
Total accumulated other comprehensive income	(378)	(549)
Non-controlling interests	–	–
Total net assets	26,757	27,985
Total liabilities and net assets	57,202	58,457

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, 2022	Six months ended September 30, 2023
Net sales	85,595	93,060
Cost of sales	64,858	71,191
Gross profit	20,736	21,868
Selling, general and administrative expenses	17,555	18,958
Operating profit	3,181	2,909
Non-operating income		
Interest income	0	0
Dividend income	2	3
Commission income	71	78
Sponsorship money income	129	155
Other	66	64
Total non-operating income	271	302
Non-operating expenses		
Interest expenses	14	16
Loss on disposal of non-current assets	36	69
Other	28	2
Total non-operating expenses	79	88
Ordinary profit	3,373	3,123
Extraordinary income		
Gain on sale of investment securities	–	127
Total extraordinary income	–	127
Extraordinary losses		
Impairment losses	26	–
Retirement benefits for directors (and other officers)	500	–
Loss on liquidation of subsidiaries and associates	–	12
Total extraordinary losses	526	12
Profit before income taxes	2,846	3,238
Income taxes	647	985
Profit	2,198	2,253
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	2,198	2,253

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,198	2,253
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(164)
Foreign currency translation adjustment	21	20
Remeasurements of defined benefit plans, net of tax	2	(27)
Total other comprehensive income	2	(170)
Comprehensive income	2,201	2,082
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,201	2,082
Comprehensive income attributable to non-controlling interests	–	–