

Gulliver International Co., Ltd.

Non-consolidated Results

First Quarter of the Fiscal Year Ending February 28, 2006

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions and the pricing and product initiatives of new and existing competitors.

SUMMARY OF FINANCIAL STATEMENTS (Non-consolidated)

First quarter results for the fiscal year ending February 28, 2006

Gulliver International Co., Ltd.

July 11, 2005

Stock Code: 7599
<http://www.glv.co.jp/>
 President: Kenichi Hatori

Listed exchanges: Tokyo (1st Section)
 Inquiries: Senior Executive Vice President: Ikuo Murata
 Telephone: +81 3 5208-5503

1. Notes to preparation of these financial statements

- i. Adoption of simplified accounting treatments: Partial use of the simple method
- ii. Differences in accounting treatments applied compared to previous consolidated fiscal year: None

2. First quarter non-consolidated financial results (March 1, 2005 to May 31, 2005) for the fiscal year ending February 28, 2006

1) Non-consolidated Operating Results

Millions of yen, rounded down

	Three months ended May 31, 2005		FY ended February 28, 2005	
				%
Sales.....	40,316	--	147,486	28.2
Operating income	1,976	--	9,601	33.9
Ordinary income	1,973	--	9,584	32.5
Net income	1,007	--	5,259	36.1
Earnings per share (¥)	100.58	--	510.03	--
Fully diluted earnings per share (¥)	99.25	--	499.82	--

Note: 1. Percentage figures for sales, operating income, etc. represent changes compared to the comparable period of the previous fiscal year.

- 2. As first quarter results are being disclosed for the first time for the fiscal year ending February 2006, first quarter results for the previous fiscal period are omitted.

2) Financial Position (non-consolidated)

Millions of yen, rounded down

	As of May 31, 2005	As of February 28, 2005
Total assets	29,394	29,285
Shareholders' equity	15,307	15,327
Equity ratio (%)	52.0%	52.3%
Shareholders' equity per share (¥)	¥1,525.96	¥1,522.30

Note: As first quarter results are being disclosed for the first time for the fiscal year ending February first quarter results for the previous fiscal period are omitted.

3. Forecasts for the fiscal year ending February 28, 2006 (March 1, 2005 to February 28, 2006)

Millions of yen

	Interim	FY ending February 28, 2006
Sales.....	73,500	167,200
Ordinary income	4,100	11,100
Net Income	2,300	6,100
Earnings per share	--	¥609.56

Non-consolidated Balance Sheets

<i>Millions of yen, rounded down</i>				
	As of May 31, 2005		As of February 28, 2005	
ASSETS		% of total		% of total
Current assets				
Cash and deposits.....	2,796		2,378	
Accounts receivable	4,768		7,358	
Inventory.....	4,545		3,842	
Deferred tax assets	471		505	
Others.....	1,268		1,277	
Allowance for doubtful accounts....	(36)		(68)	
Total current assets	13,812	47.0	15,293	52.2
Fixed assets				
Tangible fixed assets				
Buildings and structures	5,434		5,333	
Tools, fixtures and equipment	1,186		1,090	
Land	327		327	
Other	518		256	
Total tangible fixed assets.....	7,466	25.4	7,007	23.9
Intangible fixed assets				
Software	2,384		2,177	
Other	100		101	
Total intangible fixed assets.....	2,485	8.5	2,279	7.8
Investment and other assets				
Investment securities.....	257		373	
Shares in affiliates	485		475	
Long term loans to affiliates.....	1,110		710	
Leasehold and guarantee.....	2,232		1,848	
Construction cooperation fund.....	1,226		960	
Deferred tax assets	143		135	
Others.....	497		517	
Allowance for doubtful accounts....	(323)		(315)	
Total investment and other	5,629	19.1	4,705	16.1
Total fixed assets	15,581	53.0	13,991	47.8
Total Assets	29,394	100.0	29,285	100.0

Non-consolidated Balance Sheets

Millions of yen, rounded down

	As of May 31, 2005		As of February 28, 2005	
LIABILITIES	%	%	%	%
Current liabilities	% of total		% of total	
Accounts payable	3,101		4,203	
Short-term borrowing	4,000		2,000	
Accrued Expenses	2,296		2,014	
Accrued Corporate taxes	891		2,507	
Advances by customers	456		338	
Deposits received	767		765	
Reserve for Bonuses	788		508	
Others	1,140		997	
Total current liabilities	13,443	45.7	13,336	45.6
Fixed liabilities				
Guarantee deposits received	643		621	
Total fixed liabilities	643	2.2	621	2.1
Total liabilities	14,086	47.9	13,958	47.7
CAPITAL				
Paid-in-capital	4,157	14.1	4,139	14.1
Capital surplus	4,032	13.7	4,014	13.7
Retained earnings	12,697	43.2	12,852	43.9
Unrealized gains and losses in other securities	1	0.0	10	0.0
Treasury stock	(5,580)	(18.9)	(5,689)	(19.4)
Total capital	15,307	52.1	15,327	52.3
Total Liabilities, Minority Interests and Shareholders' Equity	29,394	100.0	29,285	100.0

Non-consolidated Statements of Income

Millions of yen, rounded down

	March 1, 2005 to May 31, 2005		March 1, 2004 to February 28, 2005	
		Change %		Change %
Sales.....	40,316	100.0	147,486	100.0
Cost of goods sold	30,404	75.4	110,361	74.8
Gross profit on sales	9,912	24.6	37,125	25.2
Sales & general administrative expenses	7,936	19.7	27,523	18.7
Operating income	1,976	4.9	9,601	6.5
Non-operating income.....	11	0.0	25	0.0
Non-operating expenses.....	14	0.0	42	0.0
Ordinary income	1,973	4.9	9,584	6.5
Extraordinary income	39	0.1	7	0.0
Extraordinary losses	78	0.2	249	0.2
Net income before tax	1,935	4.8	9,342	6.3
Income tax, inhabitants tax and enterprise tax.....	895	2.2	4,150	2.8
Corporate tax adjustment	32	0.1	(67)	(0.0)
Net income for the period	1,007	2.5	5,259	3.5

Additional Information

From the first quarter of the current fiscal year the proportionate amounts of corporation tax on value added and capital have been included in Selling, General and Administration expenses. This follows the promulgation from March 31, 2004 of the Partial Revisions to the Law Concerning Regional Tax.¹ As a result Selling, General and Administration increased by ¥27 million and operating income, ordinary income and income before taxes decreased by ¥27 million.

¹ (2003 Article 9) for fiscal years commencing on or after April 1, 2004 along with the introduction of the tax system based on business size 'Treatment of the tax based on business size portion of corporate taxes in the Statements of Income' (February 13, 2004, Corporate Accounting Standards Committee Practice Report 12)