

Gulliver International Co., Ltd.

Consolidated Results

Interim period 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 (Consolidated)

Interim results for the fiscal year ending February 28, 2006

Gulliver International Co., Ltd.

October 19, 2005

Stock Code: 7599

Listed exchanges: Tokyo (1st Section)

http://www.glv.co.jp/

Inquiries: Senior Executive Vice President: Ikuo Murata

President: Kenichi Hatori

Telephone: +81 3 5208-5503

Date of the meeting of the board of directors: October 19, 2005

U.S. GAAP: Not adopted

1. Consolidated financial results for the interim period ended August 31, 2005

1) Consolidated Operating Results

Millions of yen, rounded down

	Interim period ended August 31, 2005		Interim period ended August 31, 2004		Fiscal Year ended February 28, 2005	
		(% change)		(% change)		(% change)
Sales	86,783	31.1	66,154	19.3	156,696	
Operating income	3,490	(10.6)	3,907	30.5	10,229	
Ordinary income	3,463	(11.3)	3,907	29.5	10,219	
Net income	1,633	(25.4)	2,192	43.6	5,652	
Earnings per share (¥)	163.07	--	216.18	--	548.86	--
Fully diluted earnings per share (¥)	161.08	--	210.04	--	537.88	--

Notes to the preparation of these financial statements:

- Investment gains and losses under equity method: Interim period of FY ending February 2006: ¥ --; Interim period of FY ending February 2005: ¥ --; Full year ended February 2005: ¥ --.
- Average number of shares outstanding during the period: Interim period of FY ending February 2006 – 10,017,053; Interim period of FY ended February 2005 – 10,142,562; FY ended February 2005 – 10,127,471
- Differences in accounting treatments applied compared to previous consolidated fiscal year: None
- Percentage figures for sales, operating income, etc. represent changes compared to the comparable period of the previous fiscal year.

2) Financial Position (consolidated)

Millions of yen, rounded down

	As of August 31, 2005	As of August 31, 2004	As of February 28, 2005
Total assets	34,336	27,232	34,529
Shareholders' equity	15,311	16,605	16,143
Equity ratio (%)	44.5	61.0	46.7
Shareholders' equity per share (¥)	1,539.49	1,636.74	1,603.84

Note:

Number of shares outstanding (consolidated) at end of period: Interim period of FY ending February 2006: 9,945,687; Interim period of FY ended February 2005: 10,145,427; FY ended February 2005: 10,007,067.

3. Consolidated cash flows

	Interim period ended August 31, 2005	Interim period ended August, 2004	Fiscal Year ended February 28, 2005
Cash flow from operating activities	1,261	834	2,724
Cash flow from investing activities	(2,844)	(2,283)	(5,791)
Cash flow from financing activities	1,886	(875)	(1,427)
Cash and cash equivalents at end of period	4,599	6,300	4,130

4) Items for scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 6; Number of non-consolidated subsidiaries under the equity method: 0; Number of affiliated companies under the equity method: 0; Changes in the scope of consolidation and companies accounted for by the equity method: 3 companies newly consolidated.

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

Millions of yen, rounded down

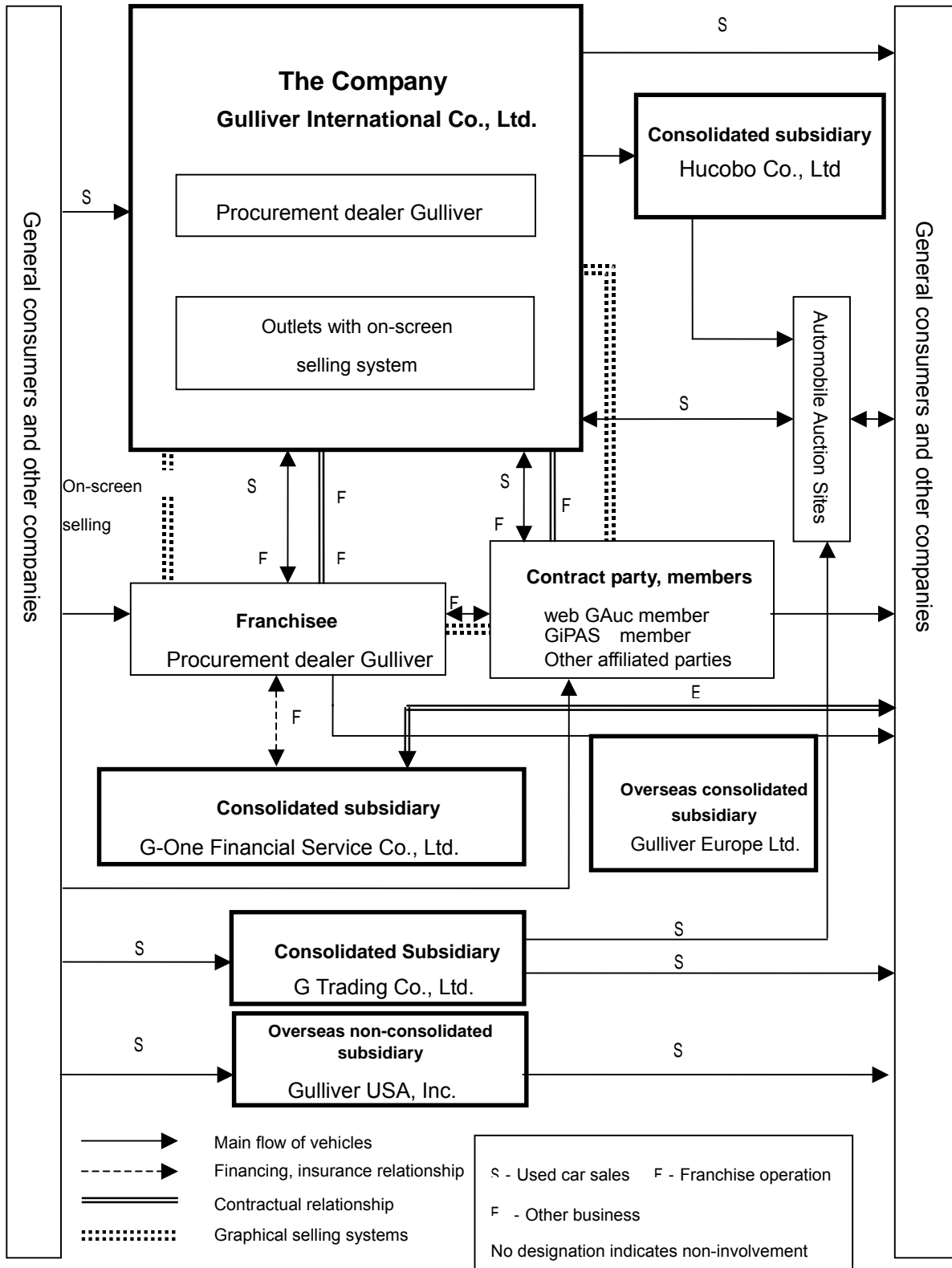
	FY ending February 28, 2006
Sales	181,900
Ordinary income	10,300
Net Income	5,000
Earnings per share (¥)	502.73

Forecasts and forward-looking statements in this document are 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 economic conditions, legislative and regulatory developments, delay in new product or service launches, and pricing and product initiatives of competitors.

1. Group Overview

The Group is composed of the Company and 8 subsidiaries of the Company and is engaged in the business of sales of used cars and franchising operations.

A systematic diagram of the Group's businesses is presented below:



2. Management Policy

1. Basic management policy

Gulliver has adopted 'Growing together' as its corporate philosophy and, under the principle of coexistence and mutual prosperity, the company is striving to become a corporation that is well regarded by community and society as well as all those involved with the Group, including customers, employees, partners and shareholders. Under this philosophy, Group management is making every effort to create an attractive company that is worthy of support from customers. We also aim to bring about a revolution in the distribution of cars, and to support the 'car life' of our customers.

2. Basic policy concerning distribution of profits

We have identified the return of profits to investors as an important management issue and also place emphasis on our dividend payout ratio. We consider the return of profits appropriate to results to be a fundamental management principle.

With the intention of further increasing profits and increasing corporate value, as well as strengthening competitiveness and improving services, retained capital will be used to carry out effective and efficient investments in such areas as the launch or relocation of directly-owned stores and replacement stores (re-locating or launching at new locations), the strengthening of internal infrastructure, and the development and training of personnel.

3. Management targets

We consider return on equity (ROE) to be an important management financial indicator and aim to maintain ROE above 10% over the medium to long term. Further, we are aiming to achieve a Gulliver Group annual purchase volume of one million cars.

4. Mid- to long-term management strategy

We have set an annual purchase volume of one million cars as a specific objective, with the aim of securing a dominant market share in the used car industry. We feel that, in order to realize our goal of bringing about a revolution in the distribution of cars, this is the volume necessary to ensure a dominant number one position in the industry. In order to achieve this goal, the following measures are being taken:

- Creating a low cost operation
- Improving productivity at each store
- Increasing launches of directly operated stores
- Enhancing brand power and recognition
- Improving service quality and customer satisfaction
- Maintaining personnel and strengthening the development and training structure
- Expanding sales channels, utilizing 'Dolphinet System' and 'GAO! Auction'

5. Tasks ahead

In Japan's very large market for used vehicles, where eight million vehicles (including buses,

trucks, etc.) are registered each year, there are a range of issues that must be addressed by the Group in order to achieve a dominant market share and improve profitability. As part of our strategic marketing activities, these include further enhancing our brand power, broadening our customer base through improving brand recognition in a wide range of age groups, making qualitative improvements in service and customer satisfaction, and strengthening operations through personnel development and training.

6. Corporate governance and related initiatives

Basic policies regarding corporate governance

In order to maximize corporate value, we are working to enhance corporate governance focused on the board of directors and auditing system.

In a rapidly changing management environment, we have rationalized the board of directors and introduced an executive officer system. In addition, we have adopted a functional organizational system that places emphasis on flexibility, and at the same time we are introducing measures such as the promotion of organizations and projects that cross divisional boundaries to provide dynamism to the organization.

We intend to continue taking active measures to further enhance corporate governance.

Overview of corporate governance initiatives

(1) Management administration bodies and other corporate governance systems related to Group management decision making, execution and auditing

We will continue to employ an auditor system, and currently have three auditors, two of which are external auditors.

In order to maintain strategic flexibility in a rapidly changing business environment, in 2001 we reduced the number of directors with the aim of speeding up management decision making and, at the same time, introduced an executive officer system to clarify business execution responsibilities. We have strengthened our management monitoring systems through the improvement of our internal legal division and the establishment of internal audit systems as well as receiving advice and guidance from external lawyers and accounting auditors.

In September 2005, under our new framework, we established a Compliance Committee and created a compliance framework to strictly and effectively adhere to all legal obligations. Further, we are currently involved in the establishment of a crisis management framework to handle latent internal and external risks, and are strengthening our IR and PR structure in order to cope with unforeseen occurrences.

(2) Overview of personal, capital or business relationships between Gulliver and its external directors and auditors and any other interests

Neither of the two external auditors currently employed by the company have any personal relationship with other auditors or directors, nor does either have any special interests within the

Group.

(3) Overview of measure taken to enhance corporate governance in the 12 months ended August 31, 2005.

Recognizing that each director plays an important role as a member of the management decision-making body, we have strengthened the functions not only of the board but also of a range of administrative meetings, while also clearly delegating responsibilities and defining authorities at executive officer level and below, with the aim of continually improving the flexibility and capability of our management.

In addition, as stated above, in September 2005, we established a Compliance Committee and are strengthening our investor relations and corporate communications structure.

3. Operating Results and Financial Position

(1) Outline of consolidated interim operating results

Gulliver operates 264 directly operated stores involved in the purchase and sale of cars (16 more than at the end of the previous fiscal year) and has 230 affiliated stores (19 fewer than at the end of the previous fiscal year). In total, Gulliver operates 494 stores (three fewer than at the end of the previous fiscal year). In our directly owned store operations, we opened new branches and replacement stores (relocating or launching new stores), and through improving brand recognition and marketing activities were able to increase the number of customers per store and also the number of vehicles handled. The Company has contracted Hideki Matsui of the New York Yankees as its campaign personality and is undertaking a comprehensive marketing and public relations activities. Although employee numbers were increased to a level higher than initially expected at the beginning of the period, staff training was insufficient in some respects and the efficiency of investments in marketing and personnel costs was somewhat impaired. In affiliated stores, even though the number of stores decreased slightly, they continued to perform well in numbers of cars handled.

We are continually engaged in improving the capabilities of our personnel, and in line with the increase of our store network have been recruiting and focusing training efforts on employees at new directly operated stores employees. Our efforts to improve our strategic position include a range of training methods, including OJT (on-the-job training), and we are continuing to adopt measures aimed at improving our sales and management approach.

Vehicles handled by Gulliver are sold quickly, with an average timeframe of only one week to ten days required to achieve a sale via channels that include auction sites throughout Japan, the Company's unique on-screen selling system 'Dolphinet', and GAO! Auction, the internet based real-time auction aimed at used-car dealers. GAO! Auction was launched in January 2005 and as of August 2005 had around 18,000 members. It is also performing well, with a closure rate of around 40%.

There are currently four subsidiaries of Gulliver International: G-Trading Co., Ltd., the second hand truck, bus and construction vehicles purchase, sales and export company (listed on JASDAQ in November 2006); G-One Financial Service Co., Ltd., the consolidated auto-loan and financial business subsidiary; Gulliver Europe Ltd., which aims to limit risks in future business activities; and Hakobo Co., Ltd. which was registered in June 2004 and is mainly involved in the car transportation business. The Group also contains Gulliver USA, INC., a non-consolidated affiliate that is involved in the purchase and sale of second-hand cars in the U.S.

At G-Trading, the dealer network was improved and relationships with customers were strengthened through initiatives such as expanding the workforce and creating new branches in Tokyo and Osaka in March. G-Trading is also striving to broaden marketing outlets overseas. However, ordinary income decreased in the interim period under review. Although sales revenues increased due to an increase in the number of relatively new cars with a high unit price

that were handled, purchase prices also increased and the continuing high price of fuel reduced the number of vehicles handled. Profit margins fell due to the higher proportion of older vehicles sold.

During the interim period under review, G-Trading began consolidated accounting, with subsidiary company Samurai Motors Co., Ltd. and joint-stock company G-Bus., Ltd. included in the scope of consolidation.

Consolidated subsidiary G-One Financial Services Co., Ltd. ("G-One") recorded an ordinary loss for the interim period under review. During the period, G-One began full-fledged sales of automobile loan products. As a result, from the current interim period Gulliver has been receiving loan rebates from G-One for automobile loan contracts. Previously, Gulliver received rebates from outside companies, through the provision of loan services from other companies.

Income from automobile loans sold by G-One (a certain proportion of the total credit provided) is recorded on a deferred basis, whereas rebates are recorded as a one-time expense, and in the interim period under review this led to a loss at the ordinary income level. We had expected that in the case of securitization of loan receivables, income could be recorded as a lump sum, but the Company now understands that recording income on a deferred basis is the appropriate accounting treatment.

The business development of G-One is proceeding steadily, and as of August 31, 2005 the total amount of deferred financial income had reached approximately ¥900 million.

Hakobo Co., Ltd. began operations in earnest from this period, with expenses relating to business establishment resulting in an ordinary loss.

As a result of the factors noted above, consolidated net sales for the interim period under review increased 31.1% (¥20,629 million) to ¥86,783 million and operating income decreased 10.6% (¥416 million) to ¥3,490 million. Ordinary income decreased 11.3% (¥443 million) to ¥3,463 million and net income decreased 25.4% (¥559 million) to ¥1,633 million.

Performance by Segment

Sales of used automobiles

Net sales in this business area increased 32.4% (¥20,229 million) from the previous interim period to reach ¥82,567 million, and operating income increased 26.0% (¥1,008 million) to ¥4,878 million.

Although there was a slight decline in the average unit price and gross profit margin per vehicle sold during the interim period under review, there was a steady increase in the number of vehicles handled. With continued business development, SG&A expenses are increasing, but operating income is increasing in line with the rise in net sales.

Franchising business

Net sales in the franchising business increased 10.4% (¥399 billion) to ¥4,215 million compared to the previous interim period, while operating income decreased 53.8% (¥902 million) to ¥774 million.

Due to the decrease in the number of Gulliver affiliated stores, revenue from this area of the business decreased. However, the development of GAO ! Auction and GiPAS resulted in higher revenue from commissions and subscriptions, even though the operating expense ratio increased.

(2) Financial position

For the interim period of the fiscal year ending February 28, 2006, cash flow from operating activities and financing activities was positive. Cash flow from investment activities was negative, while overall cash flow was a positive figure of ¥304 million. The balance of cash and cash equivalents as of August 31, 2005 was ¥4,599 million.

Cash flow from operating activities

Cash and cash equivalents ("cash") generated from operating activities was ¥1,261 million. Principal components of this included interim net income before adjustment for taxes of ¥3,255 million, a decrease in receivables of ¥3,871 million and an increase in inventories of ¥958 million.

Cash flow from investment activities

Net cash used in investment activities was ¥2,844 million. The principal factors contributing to this result were investment in the opening of new directly operated stores and in internal systems.

Cash flow from financing activities

Net cash produced from financing activities was ¥1,886 million. This was primarily due to an increase in loans.

Trends in cash flow-related indices

	Interim period of FY ended Feb. 2004	Fiscal year ended Feb. 2004	Interim period of FY ended Feb. 2005	Fiscal year ended Feb. 2005	Interim period of FY ending Feb. 2006
Equity ratio (%)	64.2	59.3	61.0	46.7	44.5
Equity ratio based on market price (%)	231.9	338.6	438.5	443.4	357.7
Debt service coverage (years)	0.4	0.1	0.8	1.4	6.5
Interest coverage ratio (times)	346.5	604.2	181.4	192.8	92.4

Notes: 1. Calculation method for indices:

- * Equity ratio = total shareholders' equity / total assets
- * Equity ratio based on market price = market capitalization / total assets
- * Debt service coverage ratio = interest-bearing debt / operating cash flow
- * Interest coverage ratio = operating cash flow / interest payments

2. All indices are calculated from consolidated financial results figures.

3. Market capitalization = market price on last trading day of period x total shares outstanding at end of period (excluding treasury stock)

(3) Outlook for the full year

Gulliver intends to pursue higher profits, seeking to increase the number of vehicles handled by opening new stores and growing customer counts, and pursuing low cost operations.

With respect to the outlook for the full year ending February 2006, there have been no changes to the non-consolidated forecasts announced on April 19, 2005, which were for net sales of ¥167,200 million, ordinary income of ¥11,100 million and net income of ¥6,100 million.

Consolidated forecasts for the year ending February 2006, taking into account the performance outlook for consolidated subsidiaries, are for net sales of ¥181,900 million, ordinary income of ¥10,300 million, and net income of ¥5,000 million.

Note: The above figures do not include consumption tax.

Consolidated Balance Sheets

	<i>Millions of yen</i>					
	As of August 31, 2005		As of February 28, 2005		As of August 31, 2004	
ASSETS		% of total		% of total		% of total
Current assets						
Cash and deposits.....	4,599		4,130		6,300	
Accounts receivable	6,848		10,015		3,332	
Marketable securities.....	--		--		237	
Inventory.....	5,621		4,555		4,330	
Deferred tax assets	457		549		396	
Others.....	2,038		1,813		1,511	
Allowance for doubtful accounts.....	(53)		(84)		(32)	
Total current assets	19,512	56.8	20,980	60.8	16,077	59.0
Fixed assets						
Tangible fixed assets						
Buildings and structures	5,756		5,340		4,646	
Tools, fixtures and equipment	1,227		1,099		908	
Land	327		327		327	
Other	210		260		49	
Total tangible fixed assets	7,521	21.9	7,026	20.4	5,932	21.8
Intangible fixed assets						
Software	2,681		2,187		1,669	
Other	99		103		101	
Total intangible fixed assets.....	2,781	8.1	2,290	6.6	1,770	6.5
Investments and other assets						
Investment securities.....	270		373		254	
Deposits and guarantee money.....	2,365		2,185		2,022	
Construction cooperation fund.....	1,432		960		707	
Deferred tax assets	104		135		168	
Others.....	668		892		590	
Allowance for doubtful accounts.....	(320)		(314)		(290)	
Total investments and other assets.....	4,521	13.2	4,231	12.2	3,452	12.7
Total fixed assets	14,824	43.2	13,548	39.2	11,155	41.0
Total Assets	34,336	100.0	34,529	100.0	27,232	100.0

Consolidated Balance Sheets

	<i>Millions of yen</i>					
	As of August 31, 2005		As of February 28, 2005		As of August 31, 2004	
		%		%		%
LIABILITIES						
Current liabilities						
Accounts payable	2,993		5,734		2,409	
Short-term borrowing	8,250		3,950		750	
Accrued expenses	2,258		2,272		2,280	
Accrued corporate taxes	1,556		2,677		1,703	
Deposits received	703		767		707	
Reserve for bonuses	576		519		442	
Others	1,698		1,513		1,511	
Total current liabilities	18,036	52.5	17,435	50.5	9,803	36.0
Long-term liabilities						
Guarantee deposits received	643		621		625	
Total long-term liabilities	643	1.9	621	1.8	625	2.3
Total liabilities	18,680	54.4	18,056	52.3	10,429	
MINORITY INTERESTS						
Minority interests	345	1.0	328	1.0	197	0.7
CAPITAL						
Paid-in capital	4,157	12.1	4,139	12.0	3,962	
Capital surplus	4,032	11.8	4,014	11.6	3,838	
Retained earnings	14,040	40.9	13,668	39.6	11,046	
Unrealized gains and losses in other securities	50	0.1	10	0.0	13	0.0
Translation adjustments	(0)	(0.0)	--	--	--	--
Treasury stock	(6,969)	(20.3)	(5,689)	(16.5)	(2,256)	(8.3)
Total capital	15,311	44.6	16,143	46.7	16,605	61.0
Total Liabilities, Minority Interests and Shareholders' Equity	34,336	100.0	34,529	100.0	27,232	100.0

Consolidated Statements of Income

Millions of yen

	March 1, 2005 to August 31, 2005		March 1, 2004 to August 31, 2004		March 1, 2004 to February 28, 2005	
		%		%		%
Sales	86,783	100.0	66,154	100.0	156,696	100.0
Cost of sales	66,359	76.5	49,804	75.3	118,089	75.4
Gross profit.....	20,424	23.5	16,350	24.7	38,607	24.6
Sales general and administrative expenses.....	16,934	19.5	12,442	18.8	28,377	18.1
Operating income	3,490	4.0	3,907	5.9	10,229	6.5
Non-operating income						
Interest received	1		0		2	
Dividends received	0		3		3	
Commissions received.....	3		1		3	
Investment fund income.....	--		--		11	
Other.....	34		17		33	
Total non-operating income	38	0.1	23	0.0	53	0.0
Non-operating expenses						
Interest paid	14		4		12	
New shares issuance expense	5		0		7	
Addition to reserve for doubtful accounts	--		2		--	
Cancellation penalties.....	7		4		11	
Investment fund valuation loss.....	3		--		17	
Other.....	34		12		15	
Total non-operating expenses	65	0.1	23	0.0	64	0.0
Ordinary income	3,463	4.0	3,907	5.9	10,219	6.5
Extraordinary profit						
Gains on sales of fixed assets	--		0		--	
Gains on sales of investment securities	45		--		--	
Insurance gains	2		0		--	
Reversals of reserve for doubtful accounts.....	24		41		--	
Gain on reorganization of related companies	--		--		82	
Other	1		--		7	
Total extraordinary profit	73	0.1	41	0.0	90	0.1
Extraordinary losses						
Loss on disposal of fixed assets	162		1		247	0
Insurance losses.....	119		--		--	
Other.....	--	0.3	--		4	
Total extraordinary losses	281	0.1	1	0.0	251	0.2
Net income before taxes, etc.	3,255	3.8	3,947	5.9	10,058	6.4
Income tax, inhabitants tax and enterprise tax.....	1,522	1.9	1,673	2.5	4,402	2.8
Corporate tax adjustment	95		36		(81)	
Minority interests	3	0.0	44	0.1	84	0.0
Net income	1,633	1.9	2,192	3.3	5,652	3.6

Consolidated Statement of Surplus

	<i>Millions of yen</i>		
	March 1, 2005 to August 31, 2005	March 1, 2004 to February 28, 2005	March 1, 2004 to August 31, 2004
Capital Surplus			
Capital surplus at beginning of period	4,014	3,943	3,943
Increase in capital surplus			
Issuance of new shares through capital increase.....	17	184	7
Gains on disposal of treasury stock.....	---	(113)	---
Reduction in capital surplus			
Losses on disposal of treasury stock.....	---	---	113
Capital surplus at end of period	4,032	4,014	3,838
Retained earnings			
Retained earnings at beginning of period	13,669	9,927	9,727
Increase in retained earnings			
Net income for the period.....	1,633	5,652	2,192
Reduction in retained earnings			
Dividends.....	1,000	1,341	757
Directors' bonuses.....	94	83	83
Losses on disposal of treasury stock.....	167	287	32
Reduction resulting from new consolidation.....	0	---	---
Retained earnings at end of period	14,040	13,668	11,046

Consolidated Statements of Cash flows

	<i>Millions of yen</i>		
	March 1, 2005 to August 31, 2005	March 1, 2004 to August 31, 2004	March 1, 2004 to February 28, 2005
I. Cash flow from operating activities			
Income before taxes, etc.	3,255	3,947	10,058
Depreciation	890	546	1,383
Increase (decrease) in reserve for bonuses.....	56	61	139
Increase (decrease) in allowance for doubtful accounts	(26)	(39)	37
Interest and dividends received	(1)	(3)	(5)
Interest paid	14	4	12
New share issuance expenses	5	0	7
Gain on sale of fixed assets		(0)	
Loss on disposal of fixed assets	162	1	247
Gain on sale of investment securities	(45)		
Payment of directors' bonuses	(94)	(83)	(83)
Increase (decrease) in accounts receivable.....	3,871	2,027	(4,757)
Increase (decrease) in inventory.....	(958)	(2,343)	(2,559)
Increase (decrease) in accounts payable	(2,334)	(278)	2,657
Increase (decrease) in accrued consumption tax	54	(246)	(200)
Other	(875)	(257)	54
Subtotal	3,976	3,336	6,990
Interest and dividends received	0	4	6
Interest paid	(13)	(4)	(14)
Corporate taxes paid.....	(2,701)	(2,501)	(4,257)
Cash flow from operating activities	1,261	834	2,724
II. Cash flow from investing activities			
Proceeds from sale/redemption of marketable securities			228
Payments for purchase of investment of securities.....			(100)
Proceeds from sale of investment securities.....	212		
Payments for acquisition of tangible fixed assets	(1,092)	(1,239)	(3,565)
Proceeds from sale of tangible fixed assets.....	0	0	0
Payments for acquisition of intangible fixed assets.....	(1,013)	(629)	(1,322)
Acquisition of shares of affiliates	(10)	(21)	(224)
Amounts lent	(3)	(4)	(105)
Proceeds from repayment of loans	12	85	118
Increase (decrease) in short-term borrowing	8	(22)	(14)
Deposit and guarantee payments	(949)	(454)	(832)
Proceeds from repayment of investments.....			26
Other	(8)	(0)	(0)
Cash flow from investing activities	(2,844)	(2,283)	(5,791)
III. Cash flow from financing activities			
Net increase (decrease) in short term borrowings	4,300	200	3,400
Payment of installment obligations.....		(0)	
Payments for acquisition of treasury stock.....	(1,545)	(628)	(4,512)
Proceeds from disposal of treasury stock	98	295	491
Proceeds from issuance of new shares	30	15	367
Payment of dividends.....	(1,000)	(757)	(1,341)
Payments from minority shareholders.....	3		167
Cash flow from financing activities	1,886	(875)	(1,427)
IV. (Decrease) increase in cash and cash equivalents	304	(2,324)	(4,494)
V. Cash and cash equivalents at beginning of period	4,295	8,624	8,624
VI. Cash and cash equivalents at end of period	4,599	6,300	4,130

	March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
3. Items relating to the (interim) settlement days of consolidated subsidiaries	Of the consolidated subsidiaries, Gulliver Europe Ltd. and Samurai Motors Co. have interim settlement dates (June 30) that differ from the Consolidated Interim Settlement Date (August 31). In preparing the Consolidated Interim Financial Statements, as the gap between the settlement dates does not exceed 3 months, consolidation is performed based on the said subsidiaries' interim financial statements. For material transactions occurring between the interim settlement dates necessary consolidation adjustments are made.	Of the consolidated subsidiaries, Gulliver Europe Ltd. has an interim settlement date (June 30) that differs from the Consolidated Interim Settlement Date (August 31). In preparing the Consolidated Interim Financial Statements, as the gap between the settlement dates does not exceed 3 months, consolidation is performed based on the said subsidiary's interim financial statements. For material transactions occurring between the interim settlement dates necessary consolidation adjustments are made.	Of the consolidated subsidiaries, Gulliver Europe Ltd. has a settlement date (December 31) that differs from the Consolidated Settlement Date (end February). In preparing the Consolidated Financial Statements, as the gap between the settlement dates does not exceed 3 months, consolidation is performed based on the said subsidiary's financial statements. For material transactions occurring between the settlement dates necessary consolidation adjustments are made.
4. Items relating to accounting treatment (1) Valuation criteria and valuation methods for material assets	<p>1. Marketable securities Bonds intended to be held to maturity: Amortizing cost method (straight line) Other marketable securities Those with a market price: Valued by the market method based on the market price as at the interim settlement date. Valuation gains or losses are taken direct to capital and the book value is determined by moving average method.</p> <p>Those without a market value: The cost method using the moving average method Shareholdings in subsidiaries:</p> <p>2. Derivatives Market method</p> <p>3. Inventories A. Merchandise Vehicles: Actual cost method Other: Cost method under first in, first out method B. Supplies: Cost method under last purchase method</p>	<p>1. Marketable securities Bonds intended to be held to maturity: As at left Other marketable securities Those with a market price: Those without a market value: As at left Shareholdings in subsidiaries: The cost method using the moving average method</p> <p>2. Derivatives As at left</p> <p>3. Inventories A. Merchandise Vehicles: As at left Other: As at left B. Supplies: As at left</p>	<p>1. Marketable securities Bonds intended to be held to maturity: As at left Other marketable securities Those with a market price: Valued by the market method based on the market price as at the settlement date. Valuation gains or losses are taken direct to capital and the book value is determined by moving average method.</p> <p>Those without a market value: As at left Shareholdings in subsidiaries: As at left</p> <p>2. Derivatives As at left</p> <p>3. Inventories A. Merchandise: Vehicles: As at left Other: As at left B. Supplies: As at left</p>

	March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
(2) Depreciation methods applied to material depreciable assets	<p>(i) Tangible Fixed Assets The Declining Balance Method is applied. However, for buildings (excluding attached equipment) acquired since April 1, 1998, the Straight Line Method has been applied. The useful lives are as follows: Buildings and Structures: 15 – 20 years</p> <p>(ii) Intangible Fixed Assets The Straight Line Method is applied. However, with respect to software for internal use, the Straight Line Method based on useful lives for internal use (5 years) has been applied.</p> <p>(iii) Long Term Prepaid Expenses Straight Line Method is applied</p>	<p>Fixed Assets As at left</p> <p>(ii) Intangible Fixed Assets As at left</p> <p>(iii) Long Term Prepaid Expenses As at left</p>	<p>(i) Tangible Fixed Assets Declining Balance Method is applied. However, for buildings (excluding attached equipment) acquired since April 1, 1998, the Straight Line Method has been applied. The useful lives are as follows: Buildings and Structures: 15 – 20 years Vehicles and transportation equipment: 2-6 years</p> <p>(ii) Intangible Fixed Assets As at left</p> <p>(iii) Long Term Prepaid Expenses As at left</p>
(3) Treatment of deferred assets	<p>New share issue expenses Expensed in their entirety at the time of expenditure</p>	<p>New share issue expenses As at left</p>	<p>New share issue expenses As at left</p>
(4) Criteria for recording material reserves	<p>(i) Reserve for Doubtful Accounts To prepare for the losses occurring from bad loans, with respect to general claims the Actual Bad Loan Rate is applied. Specific claims, such as those where there are concerns on the probability of recovery, are assessed on an individual basis and estimated unrecoverable amounts are recorded.</p> <p>(ii) Reserve for Bonuses To prepare for the payment of bonuses to employees, amounts are recorded based on the estimated payment amount.</p>	<p>(i) Reserve for Doubtful Accounts As at left</p> <p>(ii) Reserve for Bonuses As at left</p>	<p>(i) Reserve for Doubtful Accounts As at left</p> <p>(ii) Reserve for Bonuses As at left</p>
(5) Treatment of material lease transactions	<p>Financing leases other than those lease assets whose title is deemed to pass to the lessee have been accounted for in accordance with methods applied to normal lease transactions.</p>	<p>As at left</p>	<p>As at left</p>

	March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
(6) Material hedge accounting	<p>(i) Method of Hedge Accounting According to Deferred Hedge Treatment (ii) Hedging Tools and Hedge Target Hedging Tools – Interest Rate Swap Hedge Target - Borrowings (iii) Hedging Policy Interest Rate Swap transactions are entered into for the purpose of hedging the risk of interest rate fluctuation on the borrowings and entered into for only the target obligations. (iv) Method of evaluating hedge effectiveness</p> <p>Target Cumulative market fluctuation of the hedge target and the hedge tool are compared during the period from the initiation of the hedge to the time of assessing the effectiveness and the evaluation is made based on the variance of the two values.</p>	<p>(i) Method of Hedge Accounting As at left</p> <p>(ii) Hedging Tools and Hedge Target As at left</p> <p>(iii) Hedging Policy As at left</p> <p>(iv) Method of evaluating hedge effectiveness As at left</p>	<p>(i) Method of Hedge Accounting As at left</p> <p>(ii) Hedging Tools and Hedge Target As at left</p> <p>(iii) Hedging Policy As at left</p> <p>(iv) Method of evaluating hedge effectiveness As at left</p>
(7) Other material items in the preparation of the consolidated financial statements	Accounting treatment for Consumption Tax Tax Exclusion Method is applied in the accounting treatment of Consumption Tax	Accounting treatment for Consumption Tax As at left	Accounting treatment for Consumption Tax As at left
5. Definition of cash in the consolidated statements of cash flow	Cash on hand, deposits that can be withdrawn as needed, and short term investments that are easily convertible into cash and that have low risk of fluctuation in value and whose maturities are 3 months or less at the date of acquisition	As at left	As at left

Changes in Accounting Treatment

March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
-----	<p>(Method of presentation of Gains from Sale of Courtesy Cars and Procurement Expenses for Courtesy Cars) In the previous consolidated fiscal year the acquisition expense and gains on sale of vehicles to be used as courtesy cars were presented as "Gains on Sale of Courtesy Cars" in Non-Operating Income but due to the fact that in many cases such cars were sold after use and in addition to a change in policy to actively market the vehicles in the same way as other used vehicles the number of cars sold has been increasing resulting in the increased materiality. Thus, the amount of the proceeds of such sales has been recorded in Sales while the cost of acquisition has been included in Cost of Goods Sold. The impact of the change is not material.</p>	As at left

Changes to presentation method

Interim period ended August 31, 2005	Interim period ended August 31, 2004
-----	<p>Display of Construction cooperation money Due to the large increase in Construction cooperation money, recorded in Investments and other assets this interim period, this amount has been recorded separately. Construction cooperation money this interim is ¥285 million</p>

Additional information

March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
<p>(Treatment of the tax based on business size portion of corporate taxes in the statements of income)</p> <p>Following the promulgation of '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), from this interim accounting period the proportionate amounts of corporation tax on value added and capital have been included in Selling, General and Administrative expenses. As a result Selling, General and Administration expenses increased by ¥58 million and operating income, ordinary income and income before taxes, etc. each decreased by ¥58 million.</p>	<p style="text-align: center;">-----</p>	<p style="text-align: center;">-----</p>

Notes

(Related to the consolidated balance sheets)

August 31, 2005	August 31, 2004	February 28, 2005
Accumulated Depreciation of Tangible Fixed Assets ¥2,974 million	Accumulated Depreciation of Tangible Fixed Assets ¥2,456 million	Accumulated Depreciation of Tangible Fixed Assets ¥2,695 million

(Related to the consolidated statements of income)

(Millions of yen, rounded down)

March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
1. Principal components of SGA expenses	1. Principal components of SGA expenses	1. Principal components of SGA expenses
Advertising 2,975	Advertising 1,822	Advertising 4,737
Contracting fees 857	Contracting fees 622	Contracting fees 1,618
Salaries 4,151	Salaries 3,153	Salaries 6,912
Bonuses 337	Bonuses 376	Bonuses 1,290
Transfer to reserve for doubtful accounts	Transfer to reserve for doubtful accounts	Transfer to reserve for doubtful accounts 39
Transfer to reserve for bonuses 852	Transfer to reserve for bonuses 442	Transfer to reserve for bonuses 519
Depreciation 890	Depreciation 546	Depreciation 1,383
Rent 1,688	Rent 1,335	Rent 2,899
	2. Components of gains on sales of fixed assets.	
	Vehicles and transportation equipment 0	
2. Components of losses on disposal of fixed assets	3. Components of losses on disposal of fixed assets	2. Components of losses on disposal of fixed assets
Buildings and structures 143	Buildings and structures 1	Buildings and structures 217
Vehicles and transportation equipment 0		Vehicles and transportation equipment 0
Tools & equipment 18		Tools & equipment 8
Total 162		Software 14
		Long term prepaid expenses 5
		Total 247

(Related to the consolidated statements of cash flow) (Millions of yen, rounded down)

March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
(1) Relationship between period end cash and cash equivalents and cash recorded in the balance sheet	(1) Relationship between period end cash and cash equivalents and cash recorded in the balance sheet	(1) Relationship between period end cash and cash equivalents and cash recorded in the balance sheet
Cash and deposit accounts 4,599	Cash and deposit accounts 6,300	Cash and deposit accounts 4,130
Securities account	Securities account 237	Securities account
<u>Total</u> 4,599	<u>Total</u> 6,538	<u>Total</u> 4,130
Fixed deposits with maturities exceeding 3 months	Fixed deposits with maturities exceeding 3 months	Fixed deposits with maturities exceeding 3 months
Stocks and bonds with redemption period exceeding 3 months	Stocks and bonds with redemption period exceeding 3 months (237)	Stocks and bonds with redemption period exceeding 3 months
<u>Cash and cash equivalents</u> 4,599	<u>Cash and cash equivalents</u> 6,300	<u>Cash and cash equivalents</u> 4,130

1. Lease transactions

(Millions of yen, rounded down)

March 1, 2005 - August 31, 2005				March 1, 2004 - August 31, 2004				March 1, 2004 - February 28, 2005			
Finance lease transactions other than those in which the title to the leased asset is deemed to transfer to the lessee (1) Equivalents of purchase value, accumulated depreciation and period end balance				Finance lease transactions other than those in which the title to the leased asset is deemed to transfer to the lessee (1) Equivalents of purchase value, accumulated depreciation and period end balance				Finance lease transactions other than those in which the title to the leased asset is deemed to transfer to the lessee (1) Equivalents of purchase value, accumulated depreciation and period end balance			
	Purchase price	Accumulated depreciation	Period end balance		Purchase price	Accumulated depreciation	Period end balance		Purchase price	Accumulated depreciation	Period end balance
Building & structures	2	0	1	Tools, Fixtures & Equipment	1,192	722	470	Tools, Fixtures & Equipment	1,134	761	372
Tools, Fixtures & Equipment	784	532	252	Software	126	66	60	Software	123	79	43
Software	159	87	71	Total	1,319	788	531	Total	1,257	840	416
Total	946	620	326								
(2) Period-end balance of unexpired lease commitment equivalents				(2) Period-end balance of unexpired lease commitment equivalents				(2) Period-end balance of unexpired lease commitment equivalents			
Within 1 year			188	Within 1 year			305	Within 1 year			256
Over 1 year			167	Over 1 year			249	Over 1 year			183
Total			356	Total			554	Total			440
(3) Lease payments, depreciation expense equivalents & interest payment equivalents				(3) Lease payments, depreciation expense equivalents & interest payment equivalents				(3) Lease payments, depreciation expense equivalents & interest payment equivalents			
Lease payments			160	Lease payments			167	Lease payments			346
Depreciation expense equivalents			149	Depreciation expense equivalents			158	Depreciation expense equivalents			329
Interest payment equivalents			5	Interest payment equivalents			7	Interest payment equivalents			15
(4) Method of calculating depreciation expense equivalents Straight line method: Useful life assumed to be lease period; residual value zero.				(4) Method of calculating depreciation expense equivalents As at left				(4) Method of calculating depreciation expense equivalents As at left			
(5) Method of calculating interest payment equivalents Interest payment assumed to be the difference between the total lease payment and purchase price equivalent; Allocated to each period by the interest method				(5) Method of calculating interest payment equivalents As at left				(5) Method of calculating interest payment equivalents As at left			
Operating leases				Operating leases				Operating leases			
Within 1 year			0	Within 1 year			0	Within 1 year			0
Over 1 year				Over 1 year				Over 1 year			
Total			0	Total			0	Total			0

2. Securities

As of end of interim period (August 31, 2005)

1. Securities with a market quotation

(Millions of yen, rounded down)

	Book value	Market value	Difference
(1) Bonds held to maturity			
1. JGBs; Municipal bonds			
2. Other bonds	100	99	0
3. Other			
Total	100	99	0
	Acquisition price	Book value	Difference
(2) Other marketable securities			
1. Stocks			
2. Bonds			
3. Other	76	159	82
Total	76	159	82

2. Securities not valued at market

(Millions of yen, rounded down)

	Book value
(1) Other marketable securities	
1. Unlisted shares (excluding OTC market-traded)	0
2. Public utility bond investment trusts	
3. Other	
(2) Shares of subsidiaries	113
Total	113

As of end of previous interim period (August 31, 2004)
1. Securities with a market quotation
(Millions of yen, rounded down)

	Book value	Market value	Difference
(1) Bonds held to maturity			
1. JGBs; Municipal bonds			
2. Other bonds	228	228	0
3. Other			
Total	228	228	0
	Acquisition price	Book value	Difference
(2) Other marketable securities			
1. Stocks			
2. Bonds			
3. Other	107	130	23
Total	107	130	23

2. Securities not valued at market
(Millions of yen, rounded down)

	Book value
(1) Other marketable securities	
1. Unlisted shares (excluding OTC market-traded)	132
2. Public utility bond investment trusts	
3. Other	
(2) Shares of subsidiaries	21
Total	153

As of end of previous fiscal year (February 28, 2004)
1. Securities with a market quotation
(Millions of yen, rounded down)

	Book value	Market value	Difference
(1) Bonds held to maturity			
1. JGBs; Municipal bonds			
2. Other bonds	100	99	0
3. Other			
Total	100	99	0
	Acquisition price	Book value	Difference
(2) Other marketable securities			
1. Stocks			
2. Bonds			
3. Other	107	125	18
Total	107	125	18

2. Securities not valued at market
(Millions of yen, rounded down)

	Book value
(1) Other marketable securities	
1. Unlisted shares (excluding OTC market-traded)	132
2. Public utility bond investment trusts	
3. Other	14
(2) Shares of subsidiaries	224
Total	370

3. Derivatives

As of end of interim period (August 31, 2005)

Derivative transactions: Contractual amounts, market values and valuation gains and losses

1. Interest rate related

(Millions of yen, rounded down)

	Type	Contractual amount	Amount exceeding 1 year	Market value	Valuation gain/loss
Non-market transactions	Interest rate swaps Receive fixed/ pay floating	300		(2)	1
Total		300		(2)	1

As of end of previous interim period (August 31, 2004)

There are no relevant items

As of end of previous fiscal year (February 28, 2005)

Derivative transactions: Contractual amounts, market values and valuation gains and losses

1. Interest rate related

(Millions of yen, rounded down)

	Type	Contractual amount	Amount exceeding 1 year	Market value	Valuation gain/loss
Non-market transactions	Interest rate swaps Receive fixed/ pay floating	300		(1)	2
Total		300		(1)	2

4. Segment Information

Segment information by business type

First half of fiscal year ending February 28, 2006 (March 1, 2005 to August 31, 2005)

Millions of yen

	Trading of used cars	Franchise business	Total	Elimination/ All company	Consolidated
Sales					
(1) Sales to external customers	82,567	4,215	86,783		86,783
(2) Inter-segmental sales or transfers					
Total	82,567	4,215	86,783		86,783
Operating expenses	77,689	3,440	81,130	2,162	83,293
Operating income	4,878	774	5,652	(2,162)	3,490

First half of fiscal year ending February 28, 2005 (March 1, 2005 to August 31, 2005)

Millions of yen

	Trading of used cars	Franchise business	Total	Elimination/ All company	Consolidated
Sales					
(1) Sales to external customers	62,338	3,816	66,154		66,154
(2) Inter-segmental sales or transfers					
Total	62,338	3,816	66,154		66,154
Operating expenses	58,468	2,139	60,607	1,639	62,247
Operating income	3,869	1,677	5,546	(1,639)	3,907

Fiscal year ending February 28, 2005 (March 1, 2004 to February 28, 2005)
Millions of yen

	Trading of used cars	Franchise business	Total	Elimination/ All company	Consolidated
Sales					
(1) Sales to external customers	148,131	8,564	156,696	--	156,696
(2) Inter-segmental sales or transfers	--	--	--	--	--
Total	148,131	8,564	156,696	--	156,696
Operating expenses	135,438	7,167	142,605	3,860	146,466
Operating income	12,693	1,396	14,090	(3,860)	10,229

Notes:

- 1.Method of business classification: Businesses have been classified according to the classification used in calculating sales.
- 2.Names of principal products or services attributable to each business classification: (These classifications apply to the fiscal periods March 1, 2005 to August 31, 2005; March 1, 2004 to August 31, 2004; and March 1, 2004 to February 28, 2005.)

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated outlets and the like
Franchising	Royalties arising out of franchise agreements and fees for the provision of training etc., and intermediation in buying and selling of used automobiles

- 3.Amount and principal content included in the "Elimination or Total Company" item

Millions of yen

	March 1, 2005 to August 31, 2005	March 1, 2004 to August 31, 2004	March 1, 2004 to February 28, 2005
Amount of unallocated operating expenses included in elimination or total company item	2,162	1,639	3860
Principal content	Expenses relating to head office administration at the parent company		

Segment information by geographical location

For the first quarter of the current consolidated fiscal year and for the previous fiscal year consolidated subsidiaries were located overseas but as over 90% of sales for each segment were in Japan segment information by geographical location has been omitted.

Overseas sales

For the first quarter of the current consolidated fiscal year, and for the previous fiscal year, overseas sales were less than 10% of consolidated sales and have therefore been omitted.

Information on a per-share basis

March 1, 2005 - August 31, 2005		March 1, 2004 - August 31, 2004		March 1, 2004 - February 28, 2005	
Net assets per share:	¥1,539.49	Net assets per share:	¥1,636.74	Net assets per share:	¥1603.84
Interim net income per share:	¥163.07	Interim net income per share:	¥216.18	Net income per share:	¥548.86
Fully diluted interim net income per share:	¥161.08	Fully diluted interim net income per share:	¥210.04	Fully diluted net income per share:	¥537.88

Note: Net income per share and fully diluted net income per share are calculated based on net income for the period.

Item	March 1, 2005 - August 31, 2005	March 1, 2004 - August 31, 2004	March 1, 2004 - February 28, 2005
Net income per share:			
Net income (¥ million)	1,633	2,192	5,652
Net income attributable to ordinary shareholders (¥ million)	1,633	2,192	5,558
Amount not attributable to ordinary shareholders (¥ million)	--	--	94
(Of which bonuses paid to executive officers as part of the appropriation of surplus)	--	--	94
Average number of ordinary shares outstanding during the period (1,000 shares)	10,017	101,42	10,127
Net income per share (diluted):			
Net income adjustment (¥ million)	--	--	--
Main components of the increase in ordinary shares used when calculating the fully diluted net income per share			
Subscription rights	2	93	61
Warrants	121	202	144
Increase in the number of ordinary shares (1,000 shares)	124	296	206
Residual securities not included in the calculation of the net income after adjustment for residual securities due to the fact that these securities had no dilutive effect.	Warrants Class 1 Dilution from these warrants would be 22,000 shares	--	Warrants Class 1 Dilution from these warrants would be 43,000 shares

5. Purchases and Sales

(1) Purchases

(Millions of yen. Rounded down)

Business Classification	March 1, 2005 – August 31, 2005		March 1, 2004 – August 31, 2004		March 1, 2004 – February 28, 2005	
	Amount	Y on Y change (%)	Amount	Y on Y change (%)	Amount	Y on Y change (%)
Used Car Sales	64,835	27.0	51,038	21.8	118,481	29.6
Franchising	1,523	67.9	907	10.9	1,822	(14.5)
Total	66,359	27.7	51,945	21.6	120,303	28.6

Note: Consumption tax is not included in the above figures.

(2) Sales

(Millions of yen. Rounded down)

Business Classification	March 1, 2005 – August 31, 2005		March 1, 2004 – August 31, 2004		March 1, 2004 – February 28, 2005	
	Amount	Y on Y change (%)	Amount	Y on Y change (%)	Amount	Y on Y change (%)
Used Car Sales	82,567	32.4	62,338	20.1	148,131	28.9
Franchising	4,215	10.4	3,816	7.5	8,564	22.3
Total	86,783	31.1	66,154	19.3	156,696	28.5

Note: Consumption tax is not included in the above figures.