

Gulliver International Co., Ltd.

Non-consolidated Results

Fiscal 2005
(March 1, 2005 to 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)

Results for the fiscal year ending February 28, 2006

Gulliver International Co., Ltd.

April 18, 2006

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
 Existence of interim dividend system: Yes
 Date of regular shareholders' meeting: May 24, 2006

Date of the meeting of the board of directors: April 19, 2006
 Scheduled date of payment of interim dividend: May 25, 2006
 Existence of sharetrading unit system: Yes (one unit = ten shares)

1. Non-consolidated financial results for the fiscal year ended February 28, 2006

1) Non-consolidated Operating Results

	Fiscal Year ended February 28, 2006		<i>Millions of yen, rounded down</i> Fiscal Year ended February 28, 2005	
		(% change)		(% change)
Sales	169,735	15.0	147,486	28.2
Operating income	10,143	5.6	9,601	33.9
Ordinary income	10,135	5.7	9,584	32.5
Net income	5,320	1.1	5,259	36.1
Earnings per share (¥)	¥525.75	--	¥510.03	--
Fully diluted earnings per share (¥)	¥520.30	--	¥499.92	--
Return on equity (%)	33.8	--	34.5	--
Ratio of ordinary income to total capital (%)	31.1	--	35.6	--
Ratio of ordinary income to net sales (%)	5.9	--	6.5	--

Notes to the preparation of these financial statements:

- Average number of shares outstanding during the period: FY ended February 28, 2006 – 9,979,943
 FY ended February 28, 2005 – 10,127,471
- Differences in accounting treatments applied compared to previous consolidated fiscal year: Yes
- Percentage figures for sales, operating income, ordinary income and net income. represent changes compared to the comparable period of the previous fiscal year.

2) Dividends

	Fiscal year ended February 28, 2006		<i>Millions of yen</i> Fiscal year ended February 28, 2005	
	Interim dividend per share	¥79.00		¥57.50
Final dividend per share	¥83.00		¥100.00	
Annual dividend per share	¥162.00		¥157.50	
Total dividend payment	1,604		1,583	
Dividend payout ratio (%)	30.1		30.0	
Dividend to shareholders' equity ratio (%)	9.9		10.3	

3) Financial Position (non-consolidated)

	As of February 28, 2006		<i>Millions of yen, rounded down</i> As of February 28, 2005	
	Total assets	35,697		29,285
Shareholders' equity	16,094		15,327	
Equity ratio (%)	45.1		52.3	
Shareholders' equity per share (¥)	1,631.46		1,522.30	

Notes:

- Number of shares outstanding at end of period:
 FY ended February 2006: 9,865,317; FY ended February 2005: 10,007,067
- Number of treasury shares at end of period:
 FY ended February 2006: 823,483; FY ended February 2005: 670,133

2. Forecasts for the fiscal year ending February 28, 2007 (March 1, 2006 to February 28, 2007)
Millions of yen

	Interim period ending August 31, 2006	FY ending February 28, 2007
Sales	87,100	190,000
Ordinary income	4,200	11,700
Net Income	2,400	2,400
Final dividend per share (¥)	81.00	81.00
Annual dividend per share (¥)	--	162.00
Forecast earnings per share (full year): 539.26		

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.

Non-consolidated Balance Sheets
Millions of yen

	As of February 28, 2006		As of February 28, 2005	
ASSETS		% of total		% of total
Current assets				
Cash and deposits.....	2,107		2,378	
Accounts receivable.....	7,235		7,358	
Marketable securities.....	100		--	
Merchandise.....	3,229		3,763	
Stored goods.....	79		78	
Advanced payments.....	4		14	
Pre-paid expenses.....	567		875	
Accounts due.....	570		--	
Advances.....	223		112	
Temporary loans to related companies.....	2,769		--	
Deferred tax assets.....	448		505	
Others.....	11		275	
Allowance for doubtful accounts.....	(98)		(68)	
Total current assets.....	17,249	48.3	15,293	52.2
Fixed assets				
Tangible fixed assets				
Buildings.....	5,558		4,049	
Structures.....	1,247		1,283	
Vehicle transport equipment.....	--		24	
Tools, fixtures & equipment.....	1,679		1,090	
Land.....	327		327	
Construction in progress.....	409		231	
Total tangible fixed assets.....	9,221	25.8	7,007	23.9
Intangible fixed assets				
Business rights.....	10		16	
Trademarks.....	11		13	
Software.....	2,694		2,177	
Telephone subscription rights.....	63		62	
Facility use rights.....	9		9	
Total intangible fixed assets.....	2,789	7.8	2,279	7.8
Investments and other assets				
Investment securities.....	199		373	
Shares of affiliates.....	494		475	
Investments.....	0		0	
Long-term loans.....	--		0	
Long-term staff loans.....	2		0	
Long-term loans to affiliates.....	500		710	
Defaulted claims, etc.....	367		362	
Long-term prepaid expenses.....	153		95	
Deposits and guarantee money.....	3,011		1,848	
Construction cooperation money.....	1,890		960	
Insurance reserves.....	65		58	
Deferred tax assets.....	105		135	
Allowance for doubtful accounts.....	(352)		(315)	
Total investment and other assets.....	6,436	18.0	4,705	16.1
Total fixed assets.....	18,447	51.7	13,991	47.8
Total Assets.....	35,697	100.0	29,285	100.0

Non-consolidated Balance Sheets		<i>Millions of yen, rounded down</i>		
	As of February 28, 2006		As of February 28, 2005	
LIABILITIES		% of total		
			% of total	
Current liabilities				
Accounts payable	3,386		4,203	
Short-term borrowing	8,000		2,000	
Accrued expenses	1,642		1,540	
Accrued corporate taxes	1,815		2,507	
Accrued consumption tax	414		188	
Accrued expenses	848		808	
Advances received	335		338	
Deposits received	451		765	
Reserve for bonuses	513		508	
Accrued liability for equipment	1,598		473	
Total current liabilities	19,007	53.3	13,336	45.6
Long-term liabilities				
Guarantee deposits received	594		621	
Total long-term liabilities	594	1.7	621	2.1
Total liabilities	19,602	54.9	13,958	47.7
CAPITAL				
Paid-in capital	4,157	11.6	4,139	14.1
Capital surplus	4,032		4,014	
Other capital surplus	--		--	
Gains from disposal of treasury shares ..	--		--	
Capital surplus	4,032	11.3	4,014	13.7
Retained earnings				
Profit reserve	39		39	
Unappropriated profit	15,866		12,813	
Total retained earnings	15,905	44.5	12,852	43.9
Unrealized gains and losses in other securities	67	0.2	10	0.0
Treasury stock	(8,067)	(22.6)	(5,689)	(19.4)
Total shareholders' equity	16,094	45.0	15,327	52.3
Total Liabilities and Shareholders' Equity	35,697	100.0	29,285	100.0

	Non-consolidated Statements of Income		<i>Millions of yen</i>	
	March 1, 2005 to February 28, 2006		March 1, 2004 to February 28, 2005	
		%		%
Sales	169,735	100.0	147,486	100.0
Sales of merchandise	169,735		139,300	
Other operating revenues	8,537		8,186	
Cost of goods sold				
Inventory at start of period	3,743		1,528	
Purchases during the year	125,545		111,180	
Total	129,288		112,708	
Inventory at end of period	3,229		3,763	
Other transfers	126		125	
Net: cost of goods sold	125,932		108,818	
Other operating revenues cost of goods sold	126,850	74.7	110,361	74.8
Gross profit on sales	42,884	25.3	37,125	25.2
Sales, general and administrative expenses				
Advertising	6,210		4,675	
Directors' remuneration	280		277	
Salaries	8,436		7,291	
Bonuses	1,603		1,255	
Provision for bonus reserve	513		508	
Statutory welfare expense	1,210		988	
Contracting fees	1,910		1,582	
Travel and transportation	1,127		1,062	
Communication expense	1,028		869	
Consumables	507		376	
Depreciation	2,045		1,371	
Rent	469		565	
Land rent	3,381		2,830	
Provision for allowance for bad debt	40		24	
Other	3,973		3,843	
Total	32,740	19.3	27,523	18.7
Operating income	10,143	6.0	9,601	6.5

	March 1, 2005 to February 28, 2006		March 1, 2004 to February 28, 2005	
<i>Millions of yen</i>				
Non-operating income				
Interest income.....	14		4	
Dividend income.....	0		3	
Commission income.....	16		3	
Interest on securities	0		1	
Other	38		13	
Total	68	0.0	25	0.0
Non-operating expenses				
Interest expense	14		--	
New share issue expense	0		1	
Provision for allowance for bad debt	28		11	
Cancellation penalties	9		11	
Unrealized losses on investment partnerships	2		5	
Other	22		12	
Total	77	0.0	42	0.0
Ordinary income.....	10,135	6.0	9,584	6.5
Extraordinary income				
Gains on sale of fixed assets <i>Note 3</i>	3		--	
Gains from insurance	6		--	
Gains on sales of investment securities.....	45		--	
Other	--		7	
Total	54	0.0	7	0.0
Extraordinary loss				
Losses on disposal of fixed assets <i>Note 4</i>	879		245	
Losses on cancellation of insurance contracts	121		--	
Other	--		4	
Total	1,000	0.6	249	0.2
Net income before taxes.....	9,189	5.4	9,342	6.3
Corporate income tax, inhabitants tax and enterprise tax	3,820		4,150	
Corporate tax adjustments.....	47		(67)	
Net income.....	5,320	3.1	5,259	3.5
Profits carried forward from the previous year.....	11,718		8,424	
Interim dividends.....	785		583	
Losses on disposal of treasury shares.....	387		287	
Unappropriated profits at end of period....	15,866		12,813	

Planned Profit Appropriation

	<i>Millions of yen</i>	
	As of May 24, 2006	As of May 25, 2005
Unappropriated profits at end of period	15,866	12,813
Profits appropriated		
Dividends		1,000
Directors' bonuses	73	94
(of which, auditors' bonuses)	(--)	(--)
Total		1,094
Profits carried forward		11,718

Note: These figures are dated as of the general meeting of shareholders.

Material Items Forming the Basis for the Preparation of the Consolidated Financial Statements

Item	March 1, 2005 – February 28, 2006	March 1, 2004 – February 28, 2005
1. Valuation criteria and valuation methods for material assets	<p>(1) Bonds intended to be held to maturity. As at right</p> <p>(2) Shares of subsidiaries As at right</p> <p>(3) Other securities As at right</p>	<p>(1) Bonds intended to be held to maturity. Amortizing cost method (straight-line method)</p> <p>(2) Shares of subsidiaries The cost method using the moving average method</p> <p>(3) Other securities Those with market value: Market value method based on market value as of the financial closing date (valuation gains or losses are taken directly into capital and the cost of sales calculated using the moving average method) Those without market value: Cost method using the moving average method</p>
2. Basis for valuation of inventory and valuation method	<p>(1) Merchandise As at right</p> <p>(2) Stored goods As at right</p>	<p>(1) Merchandise Vehicles: Cost method using actual cost method Other: Cost method under first-in, first-out method</p> <p>(2) Stored goods Final purchase cost method</p>
3. Fixed asset depreciation method	<p>1). Tangible fixed assets As at right</p> <p>2). Intangible Fixed Assets As at right</p> <p>3). Long-term prepaid expenses As at right</p>	<p>1) 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 yrs. Vehicle and transportation equipment: 2-6 yrs</p> <p>2) 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 (five years) has been applied.</p> <p>3) Long-term prepaid expenses Straight line method is applied</p>
4. Treatment of Deferred assets	New share issue expenses: As at right	New share issue expenses: Expensed in their entirety at time of expenditure

5. Criteria for Recording Material Reserves	<p>1) Reserve for Doubtful Accounts As at right</p> <p>2) Reserve for Bonuses As at right</p>	<p>1) Reserve for Doubtful Accounts To prepare for losses occurring from bad loans, the actual bad loan rate is applied. Specific claims, such as those where there are concerns on the probability for recovery, are assessed on an individual basis and estimated unrecoverable amounts are recorded.</p> <p>2) Reserve for Bonuses To prepare for the payment of bonuses to employees, amounts are recorded based on the estimated payment amount.</p>
6. Treatment of material Lease Transactions	As at right	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
7. Other Material Items in the Preparation of the Consolidated Financial Accounts	<p>Accounting Treatment of Consumption Tax:</p> <p>1) As at right _____</p> <p>(2) _____</p>	<p>Accounting Treatment of Consumption Tax:</p> <p>(1) Tax Exclusion Method is applied in the accounting treatment of consumption tax.</p> <p>(2) _____</p>

Changes to Accounting Treatment

March 1, 2005 – February 28 2006	March 1, 2004 – February 28, 2005
_____	<p>(Method of presentation of Gains from Sale of Courtesy Cars and Procurement Expenses for Courtesy Cars)</p> <p>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 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. In addition the equivalent amounts in respect of courtesy cars that were previously included under 'Vehicles and Transportation Equipment' have been included under inventory from this period. The impact of the change is not material.</p>

Changes to Presentation Method

March 1, 2005 – February 28, 2006	March 1, 2004 – February 28, 2005
<p>Method of presentation of liquid assets</p> <p>In the previous fiscal year, 'Accounts Receivable' were presented as 'Others' in Liquid Assets. As they have now increased to more than 1% of assets, they are recorded separately. Accounts receivable at the end of the previous fiscal year totaled ¥260 million.</p>	_____
<p>Method of presentation of non-operating expenses</p> <p>In the previous fiscal year, 'Interest Expense' was included as 'Others' in Non-operating Expenses. As it has now increased to over 10% of Non-operating expense, it is recorded separately. Interest expense in the previous fiscal year totaled ¥1 million.</p>	_____

Additional Information

March 1, 2005 – February 28, 2006	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 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 ¥122 million and operating income, ordinary income and income before taxes, etc. each decreased by ¥122 million.</p>	_____

Notes to Balance Sheet

February 28, 2006			February 28, 2005		
*1 Total number of shares approved to be issued by the Company	Ordinary shares	40,000,000	*1 Total number of shares approved to be issued by the Company	Ordinary shares	40,000,000
Total number of shares outstanding	Ordinary shares	10,688,280	Total number of shares outstanding	Ordinary shares	10,677,200
*2 Number of treasury shares	Ordinary shares	823,483	*2 Number of treasury shares	Ordinary shares	670,133

Notes to Statement of Income

Millions of yen (rounded down)

March 1, 2005 – February 28, 2006	March 1, 2004 – February 28, 2005
1. Breakdown of other operating revenues is as follows: Membership fee revenue: 112 Royalty revenue 2,552 Other 5,872 <hr/> Total 8,537	1. Breakdown of other operating revenues is as follows: Membership fee revenue: 96 Royalty revenue 3,763 Other 4,326 <hr/> Total 8,186
2. Other transfers break down as follows: Merchandise 126 Tools, fixtures and equipment -- Sales and general administration expense -- <hr/> Total 126	2. Other transfers break down as follows: Merchandise 125 Tools, fixtures and equipment -- Sales and general administration expense -- <hr/> Total 125
3. Breakdown of the gains from the sales of fixed assets is as follows: Buildings and Structures -- Tools, fixtures and equipment 3 <hr/> Total 3	3. Breakdown of the gains from the sales of fixed assets is as follows: Buildings and Structures -- Tools, fixtures and equipment -- <hr/> Total --
4. Breakdown of losses from disposal of fixed assets is as follows: Building 465 Structures 233 Vehicle transport 0 Tools, fixtures and equipment 50 Construction in progress 51 Software 80 Long-term prepaid expenses 0 <hr/> Total 879	4. Breakdown of losses from disposal of fixed assets is as follows: Building 177 Structures 38 Vehicle transport 0 Tools, fixtures and equipment 8 Software 14 Long-term prepaid expenses 5 <hr/> Total 245

1. Lease Transactions and Equivalent Values

(Millions of yen, rounded down)

March 1, 2005 – February 28, 2006	March 1, 2004 - February 28, 2005																												
<p>I. Financing leases other than those lease assets whose title is deemed to pass to the lessee</p> <p>1) Equivalent of purchase value, accumulated depreciation and period end balance</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">Purchase value of leased asset</th> <th style="width: 20%;">Accumulated depreciation</th> <th style="width: 30%;">Balance at end of period</th> </tr> </thead> <tbody> <tr> <td>Tools, Fixtures and Equipment</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Software</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>2) Period end balance of unexpired lease commitment equivalents</p> <p style="margin-left: 20px;">Within 1 year: ¥</p> <p style="margin-left: 20px;"><u>More than 1 year: ¥</u></p> <p style="margin-left: 40px;">Total</p> <p>3) Lease payments, depreciation expense equivalents & interest payment equivalents</p> <p style="margin-left: 20px;">Lease Payment:</p> <p style="margin-left: 20px;">Depreciation expense:</p> <p style="margin-left: 20px;">Interest payment:</p> <p>4) Method of calculating depreciation expense equivalents</p> <p style="margin-left: 100px;">As at right</p> <p>5) Method of calculating interest payment equivalents</p> <p style="margin-left: 100px;">As at right</p> <p>II. Operating Leases</p> <p style="margin-left: 20px;">Within 1 year:</p> <p style="margin-left: 20px;"><u>More than 1 year: </u></p> <p style="margin-left: 40px;">Total</p>		Purchase value of leased asset	Accumulated depreciation	Balance at end of period	Tools, Fixtures and Equipment				Software				<p>I. Financing leases other than those lease assets whose title is deemed to pass to the lessee</p> <p>1) Equivalent of purchase value, accumulated depreciation and period end balance</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">Purchase value of leased asset</th> <th style="width: 20%;">Accumulated depreciation</th> <th style="width: 30%;">Balance at end of period</th> </tr> </thead> <tbody> <tr> <td>Tools, Fixtures and Equipment</td> <td style="text-align: center;">1,120</td> <td style="text-align: center;">754</td> <td style="text-align: center;">366</td> </tr> <tr> <td>Software</td> <td style="text-align: center;">97</td> <td style="text-align: center;">69</td> <td style="text-align: center;">27</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">1,218</td> <td style="text-align: center;">824</td> <td style="text-align: center;">393</td> </tr> </tbody> </table> <p>2) Period end balance of unexpired lease commitment equivalents</p> <p style="margin-left: 20px;">Within 1 year: ¥248</p> <p style="margin-left: 20px;"><u>More than 1 year: ¥166</u></p> <p style="margin-left: 40px;">Total ¥414</p> <p>3) Lease payments, depreciation expense equivalents & interest payment equivalents</p> <p style="margin-left: 20px;">Lease Payment: ¥337</p> <p style="margin-left: 20px;">Depreciation expense: ¥318</p> <p style="margin-left: 20px;">Interest payment: ¥14</p> <p>4) Method of calculating depreciation expense equivalents</p> <p style="margin-left: 20px;">Straight line method, useful life assumed to be the lease period; residual value zero.</p> <p>5) Method of calculating interest payment equivalents</p> <p style="margin-left: 20px;">Interest payment assumed to be the balance between the total lease payment and purchase price equivalent; Allocated to each period by the interest method.</p> <p>II. Operating Leases</p> <p style="margin-left: 20px;">Within 1 year: ¥0</p> <p style="margin-left: 20px;"><u>More than 1 year: --</u></p> <p style="margin-left: 40px;">Total ¥0</p>		Purchase value of leased asset	Accumulated depreciation	Balance at end of period	Tools, Fixtures and Equipment	1,120	754	366	Software	97	69	27	Total	1,218	824	393
	Purchase value of leased asset	Accumulated depreciation	Balance at end of period																										
Tools, Fixtures and Equipment																													
Software																													
	Purchase value of leased asset	Accumulated depreciation	Balance at end of period																										
Tools, Fixtures and Equipment	1,120	754	366																										
Software	97	69	27																										
Total	1,218	824	393																										

2. Marketable Securities

As of February 28, 2006

(Millions of yen, rounded down)

Item	Book value	Market value	Difference
Shares held in subsidiary companies	53	2,028	1,975
Shares held in affiliate companies	--	--	--
Total	53	2,028	1,975

As of February 28, 2005

(Millions of yen, rounded down)

Item	Book value	Market value	Difference
Shares held in subsidiary companies	53	4,063	4,010
Shares held in affiliate companies	--	--	--
Total	53	4,063	4,010

3. Tax Effect Accounting

Millions of yen (rounded down)

March 1, 2005 – February 28, 2006	March 1, 2004 – February 28, 2005																																																				
<p>1. Breakdown of the principal causes for deferred tax assets</p> <p>(i) Current assets</p> <table> <tr> <td>Accrued disallowed enterprise tax</td> <td style="text-align: right;">129</td> </tr> <tr> <td>Accrued disallowed business office tax</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Provisions in excess of expensable limit for reserve for bonus</td> <td style="text-align: right;">209</td> </tr> <tr> <td>Provisions in excess of expensable limit for allowance of bad debt</td> <td style="text-align: right;">74</td> </tr> <tr> <td>Disallowed valuation loss on inventories</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">41</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">483</td> </tr> </table> <p>(ii) Fixed assets</p> <table> <tr> <td>Provisions in excess of expensable limit for allowance for bad debts</td> <td style="text-align: right;">108</td> </tr> <tr> <td>Disallowed valuation losses on investment securities</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Amortization in excess of allowable limit for software</td> <td style="text-align: right;">--</td> </tr> <tr> <td>Unrealized gains and losses on other securities</td> <td style="text-align: right;">--</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">117</td> </tr> </table>	Accrued disallowed enterprise tax	129	Accrued disallowed business office tax	4	Provisions in excess of expensable limit for reserve for bonus	209	Provisions in excess of expensable limit for allowance of bad debt	74	Disallowed valuation loss on inventories	25	Other	41	Total	483	Provisions in excess of expensable limit for allowance for bad debts	108	Disallowed valuation losses on investment securities	1	Amortization in excess of allowable limit for software	--	Unrealized gains and losses on other securities	--	Other	7	Total	117	<p>1. Breakdown of the principal causes for deferred tax assets:</p> <p>(i) Current assets:</p> <table> <tr> <td>Accrued disallowed enterprise tax</td> <td style="text-align: right;">216</td> </tr> <tr> <td>Accrued disallowed business office tax</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Provisions in excess of expensable limit for reserve for bonus</td> <td style="text-align: right;">206</td> </tr> <tr> <td>Provisions in excess of expensable limit for allowance of bad debt</td> <td style="text-align: right;">27</td> </tr> <tr> <td>Disallowed valuation loss on inventories</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">37</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">505</td> </tr> </table> <p>(ii) Fixed assets</p> <table> <tr> <td>Provisions in excess of expensable limit for allowance for bad debts</td> <td style="text-align: right;">127</td> </tr> <tr> <td>Disallowed valuation losses on investment securities</td> <td style="text-align: right;">--</td> </tr> <tr> <td>Amortization in excess of allowable limit for software</td> <td style="text-align: right;">9</td> </tr> <tr> <td>Unrealized gains and losses on other securities</td> <td style="text-align: right;">(6)</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">135</td> </tr> </table>	Accrued disallowed enterprise tax	216	Accrued disallowed business office tax	4	Provisions in excess of expensable limit for reserve for bonus	206	Provisions in excess of expensable limit for allowance of bad debt	27	Disallowed valuation loss on inventories	12	Other	37	Total	505	Provisions in excess of expensable limit for allowance for bad debts	127	Disallowed valuation losses on investment securities	--	Amortization in excess of allowable limit for software	9	Unrealized gains and losses on other securities	(6)	Other	5	Total	135
Accrued disallowed enterprise tax	129																																																				
Accrued disallowed business office tax	4																																																				
Provisions in excess of expensable limit for reserve for bonus	209																																																				
Provisions in excess of expensable limit for allowance of bad debt	74																																																				
Disallowed valuation loss on inventories	25																																																				
Other	41																																																				
Total	483																																																				
Provisions in excess of expensable limit for allowance for bad debts	108																																																				
Disallowed valuation losses on investment securities	1																																																				
Amortization in excess of allowable limit for software	--																																																				
Unrealized gains and losses on other securities	--																																																				
Other	7																																																				
Total	117																																																				
Accrued disallowed enterprise tax	216																																																				
Accrued disallowed business office tax	4																																																				
Provisions in excess of expensable limit for reserve for bonus	206																																																				
Provisions in excess of expensable limit for allowance of bad debt	27																																																				
Disallowed valuation loss on inventories	12																																																				
Other	37																																																				
Total	505																																																				
Provisions in excess of expensable limit for allowance for bad debts	127																																																				
Disallowed valuation losses on investment securities	--																																																				
Amortization in excess of allowable limit for software	9																																																				
Unrealized gains and losses on other securities	(6)																																																				
Other	5																																																				
Total	135																																																				
<p>2. Breakdown of principal causes for the difference between the statutory effective tax rate and corporate tax rate after application:</p> <table> <tr> <td>Statutory effective tax rate</td> <td style="text-align: right;">40.6%</td> </tr> <tr> <td>Adjustments</td> <td></td> </tr> <tr> <td>Items permanently excluded for expenses such as entertainment expense</td> <td style="text-align: right;">0.5</td> </tr> <tr> <td>Tax on retained income</td> <td style="text-align: right;">2.3</td> </tr> <tr> <td>Equal allocation of inhabitants tax</td> <td style="text-align: right;">1.2</td> </tr> <tr> <td>IT promotion tax system</td> <td style="text-align: right;">(2.6)</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">(0.1)</td> </tr> <tr> <td>Corporate tax burden rate after application of tax effect accounting</td> <td style="text-align: right;">42.1</td> </tr> </table>	Statutory effective tax rate	40.6%	Adjustments		Items permanently excluded for expenses such as entertainment expense	0.5	Tax on retained income	2.3	Equal allocation of inhabitants tax	1.2	IT promotion tax system	(2.6)	Other	(0.1)	Corporate tax burden rate after application of tax effect accounting	42.1	<p>2. Breakdown of principal causes for the difference between the statutory effective tax rate and corporate tax rate after application:</p> <table> <tr> <td>Statutory effective tax rate</td> <td style="text-align: right;">42.0%</td> </tr> <tr> <td>Adjustments</td> <td></td> </tr> <tr> <td>Items permanently excluded for expenses such as entertainment expense</td> <td style="text-align: right;">0.7</td> </tr> <tr> <td>Tax on retained income</td> <td style="text-align: right;">2.2</td> </tr> <tr> <td>Equal allocation of inhabitants tax</td> <td style="text-align: right;">1.0</td> </tr> <tr> <td>IT promotion tax system</td> <td style="text-align: right;">(2.1)</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">(0.1)</td> </tr> <tr> <td>Corporate tax burden rate after application of tax effect accounting</td> <td style="text-align: right;">43.7</td> </tr> </table>	Statutory effective tax rate	42.0%	Adjustments		Items permanently excluded for expenses such as entertainment expense	0.7	Tax on retained income	2.2	Equal allocation of inhabitants tax	1.0	IT promotion tax system	(2.1)	Other	(0.1)	Corporate tax burden rate after application of tax effect accounting	43.7																				
Statutory effective tax rate	40.6%																																																				
Adjustments																																																					
Items permanently excluded for expenses such as entertainment expense	0.5																																																				
Tax on retained income	2.3																																																				
Equal allocation of inhabitants tax	1.2																																																				
IT promotion tax system	(2.6)																																																				
Other	(0.1)																																																				
Corporate tax burden rate after application of tax effect accounting	42.1																																																				
Statutory effective tax rate	42.0%																																																				
Adjustments																																																					
Items permanently excluded for expenses such as entertainment expense	0.7																																																				
Tax on retained income	2.2																																																				
Equal allocation of inhabitants tax	1.0																																																				
IT promotion tax system	(2.1)																																																				
Other	(0.1)																																																				
Corporate tax burden rate after application of tax effect accounting	43.7																																																				

Per-share Information

March 1, 2005 – February 28, 2006		March 1, 2004 - February 28, 2005	
Net assets per share:	¥1,631.46	Net assets per share:	¥1,522.30
Interim net income per share:	¥525.75	Net income per share:	¥510.03
Fully diluted interim net income per share:	¥520.30	Fully diluted net income per share:	¥499.82

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

Item	March 1, 2005 – February 28, 2006	March 1, 2004 - February 28, 2005
Net income per share:		
Net income (¥ million)	5,320	5,259
Amount attributable to ordinary shareholders (¥ million)	5,246	5,165
Amount not attributable to ordinary shareholders (¥ million):	73	94
Bonuses paid to directors as part of the appropriation of surplus	73	94
Average number of ordinary shares outstanding during the period (1,000 shares)	9,979	10,127
Main components of the increase in ordinary shares when calculating the fully diluted net income per share		
Subscription rights	1	61
Warrants	103	144
Increase in the number of ordinary shares (1,000 shares)	104	206
Residual securities not included in the calculation of the fully diluted net income per share due to the fact that these securities had no dilutive effect.	Warrants Class Dilution from these warrants would be 22,000 shares	Warrants Class 1 Dilution from these warrants would be 43, 000 shares

Material subsequent events

No applicable items

Changes to executives

None