

Gulliver International Co., Ltd.

Non-consolidated Results

First Quarter of the Fiscal Year Ending February 28, 2007

(Three-month period ended May 31, 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 made and beliefs held 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, 2007

Gulliver International Co., Ltd.

July 11, 2006

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<http://www.glv.co.jp/>
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1. Notes to preparation of these financial statements

Adoption of simplified accounting treatments: Yes (partial use of the simple method)
 Differences in accounting treatments applied compared to previous fiscal year: None

2. Non-consolidated financial results for the three month period ended May 31, 2006

1) Non-consolidated Operating Results

Millions of yen, rounded down

	Three months ended May 31, 2006		Three months ended May 31, 2005		Fiscal year ended February 28, 2006	
		(% change)		(% change)		(% change)
Sales	40,665	0.8	40,316	--	169,735	15.0
Operating income	1,992	0.8	1,976	--	10,143	5.6
Ordinary income	2,008	1.7	1,973	--	10,135	5.7
Net income	1,009	0.1	1,007	--	5,320	1.1
Earnings per share (¥)	¥102.81	--	¥100.58	--	¥525.75	--
Fully diluted earnings per share (¥)	¥102.06	--	¥99.25	--	¥520.30	--

Notes to the preparation of these financial statements:

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

2) Financial Position (non-consolidated)

	<i>Millions of yen, rounded down</i>		
	As of May 31, 2006	As of May 31, 2005	As of February 28, 2006
Total assets	33,983	29,394	35,697
Shareholders' equity	14,173	15,307	16,094
Equity ratio (%)	41.7	52.1	45.0
Shareholders' equity per share (¥)	1,455.82	1,525.96	1,631.46

3. 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	6,700
Forecast earnings per share (¥)	--	688.18

Forecasts and forward-looking statements in this document are based on a number of assumptions made and beliefs held 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

	<i>Millions of yen</i>					
	As of May 31, 2006		As of February 28, 2006		As of May 31, 2005	
ASSETS		% of total		% of total		% of total
Current assets						
Cash and deposits	1,703		2,107		2,796	
Accounts receivable.....	4,221		7,235		4,768	
Inventory	3,772		3,308		4,545	
Short-term loans to related companies	2,314		2,769		--	
Deferred tax assets.....	276		448		471	
Others.....	1,931		1,478		1,268	
Allowance for doubtful accounts	(79)		(98)		(36)	
Total current assets.....	14,140	41.6	17,249	48.3	13,812	47.0
Fixed assets						
Tangible fixed assets						
Buildings and structures.....	7,141		6,805		5,434	
Tools, fixtures and equipment.....	1,583		1,679		1,186	
Land.....	327		327		327	
Other.....	264		409		518	
Total tangible fixed assets	9,316	27.4	9,221	25.8	7,466	25.4
Intangible fixed assets						
Software.....	2,562		2,694		2,384	
Other.....	93		95		100	
Total intangible fixed assets	2,655	7.8	2,789	7.8	2,485	8.5
Investments and other assets						
Investment securities	191		199		257	
Shares held in related companies.....	2,299		494		485	
Long term loans to related companies	--		500		1,110	
Deposits and guarantee money	3,132		3,011		2,232	
Construction cooperation fund	1,962		1,890		1,226	
Deferred tax assets.....	101		105		143	
Other.....	515		588		497	
Allowance for doubtful accounts	(333)		(352)		(323)	
Total investment and other assets.....	7,870	23.2	6,436	18.1	5,629	19.1
Total fixed assets	19,842	58.4	18,447	51.7	15,581	53.0
Total Assets.....	33,983	100.0	35,697	100.0	29,394	100.0

Non-consolidated Balance Sheets

Millions of yen, rounded down

	As of May 31, 2006		As of February 28, 2006		As of May 31, 2005	
LIABILITIES	% of total		% of total		% of total	
Current liabilities						
Accounts payable	2,695		3,386		3,101	
Short-term borrowing	11,100		8,000		4,000	
Accrued expenses	1,841		3,241		2,296	
Accrued corporate taxes	702		1,815		891	
Advances received	464		335		456	
Deposits received	870		451		767	
Reserve for bonuses	349		513		788	
Other	1,195		1,263		1,140	
Total current liabilities	19,219	56.6	19,007	53.3	13,443	45.7
Long-term liabilities						
Guarantee deposits received.....	589		594		643	
Total long-term liabilities	589	1.7	594	1.7	643	2.2
Total liabilities	19,809	58.3	19,602	55.0	14,086	47.9
CAPITAL						
Paid-in capital	--	--	4,157	11.6	4,157	14.1
Capital surplus	--	--	4,032	11.3	4,032	13.7
Retained earnings	--	--	15,905	44.5	12,697	43.2
Unrealized gains and losses in other securities.....	--	--	67	0.2	1	0.0
Treasury stock	--	--	(8,067)	(22.6)	(5,580)	(18.9)
Total shareholders' equity	--	--	16,094	45.0	15,307	52.1
Total Liabilities and Shareholders' Equity....	--	--	35,697	100.0	29,394	100.0
NET ASSETS						
Shareholders' equity						
Paid-in capital	4,157		--		--	
Capital surplus	4,032		--		--	
Retained earnings.....	15,919		--		--	
Treasury shares.....	(9,998)		--		--	
Total shareholders' equity	14,110	41.5	--		--	
Appraisal and translation differences						
Unrealized gains and losses in other securities.....	62		--		--	
Total appraisal and translation differences	62	0.2	--	--	--	--
Total capital	14,173	41.7	--	--	--	--
Total liabilities and capital	33,983	100.0	--	--	--	--

Non-consolidated Statements of Income

	<i>Millions of yen</i>					
	March 1, 2006 to May 31, 2006		March 1, 2005 to May 31, 2005		March 1, 2005 to February 28, 2006	
		%		%		%
Sales	40,665	100.0	40,316	100.0	169,735	100.0
Cost of goods sold	31,090	76.5	30,404	75.4	126,850	74.7
Gross profit	9,575	23.5	9,912	24.6	42,884	25.3
Sales, general & administrative expenses	7,582	18.6	7,936	19.7	32,740	19.3
Operating income	1,992	4.9	1,976	4.9	10,143	6.0
Non-operating income	32	0.0	11	0.0	68	0.0
Non-operating expenses	16	0.0	14	0.0	77	0.0
Ordinary income	2,008	4.9	1,973	4.9	10,135	6.0
Extraordinary profit	47	0.1	39	0.1	54	0.0
Extraordinary losses	169	0.4	78	0.2	1,000	0.6
Net income before taxes, etc.	1,885	4.6	1,935	4.8	9,189	5.4
Corporate income tax, inhabitants tax and enterprise tax	697	1.7	895	2.2	3,820	2.3
Corporate tax adjustments	179	0.4	32	0.1	47	0.0
Net income	1,009	2.5	1,007	2.5	5,320	3.1

Changes to Accounting Treatment

March 1, 2006 – May 31, 2006	March 1, 2005 – May 31, 2005	March 1, 2005 – February 28, 2006
<p>Accounting standards relating to impairment of fixed assets</p> <p>From the first quarter of the fiscal year ending February 28, 2007, we have applied the 'Accounting Standards for Impairment of Fixed Assets' (issued by the Accounting Standards Board of Japan on August 9, 2002) and the Financial Accounting Standards Implementation Guidance No. 6, 'Implementation Guidance for Accounting Standards for Impairment of Fixed Assets' (issued by the Accounting Standards Board of Japan on October 31, 2003). This change has had no material effect on profit and loss.</p>	<p style="text-align: center;">_____</p>	<p style="text-align: center;">_____</p>