

Gulliver International Co., Ltd.

Non-consolidated Results

Third Quarter of the Fiscal Year Ending February 28, 2007

(Nine-month period ended November 30, 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)

Third quarter results for the fiscal year ending February 28, 2007

Gulliver International Co., Ltd.

January 9, 2007

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

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

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 nine month period ended November 30, 2006

1) Non-consolidated Operating Results

Millions of yen, rounded down

	Nine months ended November 30, 2006		Nine months ended November 30, 2005		Fiscal year ended February 28, 2006	
		(% change)		(% change)		(% change)
Sales	123,456	(0.1)	123,665	17.9	169,735	15.0
Operating income	7,408	17.3	6,311	(9.9)	10,143	5.6
Ordinary income	7,423	17.2	6,330	(9.6)	10,135	5.7
Net income	3,823	13.3	3,372	(10.7)	5,320	1.1
Earnings per share (¥).....	¥391.35	--	¥337.45	--	¥525.75	--
Fully diluted earnings per share (¥).....	¥389.26	--	¥333.68	--	¥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)

Millions of yen, rounded down

	As of November 30, 2006	As of November 30, 2005	As of February 28, 2006
Total assets	33,344	31,519	35,697
Net assets	16,210	15,534	16,094
Equity ratio (%).....	48.6	49.3	45.0
Shareholders' equity per share (¥)	1,661.39	1,559.09	1,631.46

3. Forecasts for the Fiscal Year Ending February 28, 2007 (March 1, 2006 to February 28, 2007)

Millions of yen

	FY ending February 28, 2007
Sales	190,000
Ordinary income	11,700
Net Income	6,700
Net income per share (¥).....	686.69

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 November 30, 2006		As of November 30, 2005		As of February 28, 2006	
		% of total		% of total		% of total
ASSETS						
Current assets						
Cash and deposits	1,542		3,009		2,107	
Accounts receivable.....	3,206		2,663		7,235	
Inventory	2,765		4,319		3,309	
Short-term loans to related companies ...	3,768		--		2,769	
Deferred tax assets.....	281		514		448	
Others.....	1,475		3,694		1,478	
Allowance for doubtful accounts	(89)		(77)		(98)	
Total current assets.....	12,949	38.8	14,123	44.8	17,249	48.3
Fixed assets						
Tangible fixed assets						
Buildings and structures	7,542		5,904		6,805	
Tools, fixtures and equipment.....	1,386		1,250		1,679	
Land.....	327		327		327	
Other.....	60		312		409	
Total tangible fixed assets	9,315	27.9	7,794	24.7	9,221	25.8
Intangible fixed assets						
Software	2,357		2,962		2,694	
Other.....	89		96		95	
Total intangible fixed assets	2,447	7.4	3,059	9.7	2,789	7.8
Investments and other assets						
Investment securities	99		319		199	
Shares held in related companies.....	2,321		494		494	
Long term loans to related companies...	--		500		500	
Deposits and guarantee money	3,366		3,250		3,011	
Construction cooperation fund	2,470		1,636		1,890	
Deferred tax assets.....	148		94		105	
Other.....	574		592		588	
Allowance for doubtful accounts	(349)		(345)		(352)	
Total investment and other assets.....	8,631	25.9	6,542	20.8	6,436	18.1
Total fixed assets	20,394	61.2	17,395	55.2	18,447	51.7
Total Assets.....	33,344	100.0	31,519	100.0	35,697	100.0

Non-consolidated Balance Sheets

	<i>Millions of yen, rounded down</i>					
	As of November 30, 2006		As of November 30, 2005		As of February 28, 2006	
		% of total		% of total		% of total
LIABILITIES						
Current liabilities						
Accounts payable	1,944		2,600		3,386	
Short-term borrowing	9,700		7,000		8,000	
Accrued expenses	1,551		1,657		3,241	
Accrued corporate taxes	963		616		1,815	
Advances received	306		667		335	
Deposits received	593		675		451	
Reserve for bonuses	310		940		513	
Other	893		1,198		1,263	
Total current liabilities	16,263	48.8	15,356	48.7	19,007	53.3
Long-term liabilities						
Guarantee deposits received	870		628		594	
Total long-term liabilities	870	2.6	628	2.0	594	1.7
Total liabilities	17,134	51.4	15,985	50.7	19,602	55.0
CAPITAL						
Paid-in capital	--	--	4,157	13.2	4,157	11.6
Capital surplus	--	--	4,032	12.8	4,032	11.3
Retained earnings	--	--	14,065	44.6	15,905	44.5
Unrealized gains and losses in other securities	--	--	79	0.3	67	0.2
Treasury stock	--	--	(6,799)	(21.6)	(8,067)	(22.6)
Total shareholders' equity	--	--	15,534	49.3	16,094	45.0
Total Liabilities and Shareholders' Equity	--	--	31,519	100.0	35,697	100.0
NET ASSETS						
Shareholders' equity						
Paid-in capital	4,157	12.5	--		--	
Capital surplus	4,032	12.1	--		--	
Retained earnings	17,787	53.3	--		--	
Treasury shares	(9,775)	(29.3)	--		--	
Total shareholders' equity	16,201	48.6	--		--	
Appraisal and translation differences						
Unrealized gains and losses in other securities	8	0.0	--		--	
Total appraisal and translation differences	8	0.0	--	--	--	--
Total net assets	16,210	48.6	--	--	--	--
Total liabilities and net assets	33,344	100.0	--	--	--	--

Non-consolidated Statements of Income

	<i>Millions of yen</i>					
	March 1, 2006 to November 30, 2006		March 1, 2005 to November 30, 2005		March 1, 2005 to February 28, 2006	
		%		%		%
Sales	123,456	100.0	123,665	100.0	169,735	100.0
Cost of goods sold	93,990	76.1	92,808	75.0	126,850	74.7
Gross profit	29,465	23.9	30,857	25.0	42,884	25.3
Sales, general & administrative expenses	22,056	17.9	24,545	19.9	32,740	19.3
Operating income	7,408	6.0	6,311	5.1	10,143	6.0
Non-operating income	88	0.1	56	0.0	68	0.0
Non-operating expenses	73	0.1	37	0.0	77	0.0
Ordinary income	7,423	6.0	6,330	5.1	10,135	6.0
Extraordinary profit	12	0.0	47	0.1	54	0.0
Extraordinary losses	578	0.5	365	0.3	1,000	0.6
Net income before taxes, etc.	6,857	5.5	6,013	4.9	9,189	5.4
Corporate income tax, inhabitants tax and enterprise tax	2,868	2.3	2,656	2.2	3,820	2.3
Corporate tax adjustments	165	0.1	(15)	(0)	47	0.0
Net income	3,823	3.1	3,372	2.7	5,320	3.1

(3) Changes to Non-consolidated third quarter shareholders' equity

Third quarter (March 1, 2006 to November 30, 2006)

Millions of yen

	Shareholders' equity								
	Capital	Capital surplus			Profit reserve	Accumulated earnings		Treasury stock	Total shareholders' equity
		Capital reserves	Other capital surplus	Total capital surplus		Other accumulated earnings	Total accumulated earnings		
Balance as of February 28, 2006	4,157	4,032	--	4,032	39	15,866	15,905	(8,067)	16,027
Change during the period									
Surplus dividend						(1,608)	(1,608)		(1,608)
Bonuses to directors through profit appropriation						(73)	(73)		(73)
Net income						3,823	3,823		3,823
Acquisition of treasury stock								(2,079)	(2,079)
Disposal of treasury stock						(258)	(258)	371	112
Changes to items other than shareholders' equity during the period	--	--	--	--	--	--	--	--	--
Total change during the period	--	--	--	--	--	1,882	1,882	(1,707)	174
Balance as of November 30, 2006	4,157	4,032	--	4,032	39	17,748	17,787	(9,775)	16,201

Millions of yen

	Valuation and translation differences		Total net assets
	Valuation differences on other marketable securities	Total valuation and translation differences	
Balance as of February 28, 2006	67	67	16,094
Change during the period			
Surplus dividend			(1,608)
Bonuses to directors through profit appropriation			(73)
Net income			3,823
Acquisition of treasury stock			(2,079)
Disposal of treasury stock			112
Changes to items other than shareholders' equity during the period	(59)	(59)	(59)
Total change during the period	(59)	(59)	115
Balance as of November 30, 2006	8	8	16,210

Changes to Accounting Treatment

March 1, 2006 – November 30, 2006	March 1, 2005 – November 30, 2005	March 1, 2005 – February 28, 2006
<p>Accounting standards relating to impairment of fixed assets</p> <p>From this period 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>
<p>Accounting standards relating to presentation of net assets on balance sheets</p> <p>From this period the 'Statement Regarding the Presentation of Net Assets on the Balance Sheet' (Business Accounting Council, December 9, 2005, Article No. 5) and "Guidelines for the Application of Accounting Policies for the Presentation of Net Assets on the Balance Sheet' (Guidelines for the Application of Business Accounting Policies, Article 8; Business Accounting Council, December 9, 2005) have been applied.</p> <p>The equivalent amount previously recorded as 'Capital' is ¥16,210 million.</p> <p>Following changes to the regulations on the interim financial statements, net assets on the third quarter balance sheet have been recorded in accordance with the revised regulations.</p>		

Changes to Presentation Method

March 1, 2006 – November 30, 2006	March 1, 2005 – November 30, 2005
<p>Presentation of third quarter balance sheet</p> <p>'Short term loans to related companies', which was included in 'Others' within current assets in the previous quarter exceeded 5% of total assets in the current period and so has been separately recorded.</p> <p>At the end of the previous quarter, 'Short-term loans to related companies' was ¥1,408 million.</p>	<p style="text-align: center;">_____</p>