

Gulliver International Co., Ltd.

Financial Results

Third Quarter of the Fiscal Year Ending February 29, 2008

(Nine-month period ended November 30, 2007)

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 (Consolidated)

Third quarter results for the fiscal year ending February 29, 2008

Gulliver International Co., Ltd.

January 8, 2008

Stock Code: 7599

Listed exchanges: Tokyo (1st Section)

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

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1. Consolidated financial results for the nine month period ended November 30, 2007

1) Consolidated operating results

Millions of yen, rounded down

	Nine months ended November 30, 2007		Nine months ended November 30, 2006		Fiscal Year ended February 28, 2007	
		(% change)		(% change)		(% change)
Sales	138,549	2.4	135,224	1.5	182,166	(0.2)
Operating income	7,479	(3.0)	7,718	30.3	11,123	18.0
Ordinary income	7,462	(2.5)	7,657	30.1	10,998	17.2
Net income	4,156	(15.3)	4,912	75.7	6,566	48.5
Net income per share (¥)	¥430.35	--	¥502.89	--	¥672.19	--
Net income per share (¥)(fully diluted)	¥430.20	--	¥500.20	--	¥669.68	--

Notes to the preparation of these financial statements:

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 November 30, 2007	As of November 30, 2006	As of February 28, 2007
Total assets	46,700	38,870	45,947
Net assets	20,399	17,583	19,303
Equity ratio (%)	42.8	44.3	42.0
Shareholders' equity per share (¥)	2,083.46	1,764.40	1,936.38

3) Consolidated cash flows

	Nine months ended November 30, 2007	Nine months ended November 30, 2006	Fiscal Year ended February 28, 2007
Cash flow from operating activities	3,042	5,074	6,103
Cash flow from investing activities	(3,511)	(4,567)	(5,604)
Cash flow from financing activities	(937)	(772)	978
Cash and cash equivalents at end of period ...	3,636	3,110	4,855

2. Dividends

	Fiscal year ended February 28, 2007	Fiscal year ending February 29, 2008	Fiscal year ending February 29, 2008 (est.)
Interim dividend per share (¥)	81.00	87.00	--
Year-end dividend per share (¥)	93.00	--	87.00
Annual dividend per share (¥)	174.00	--	174.00

3. Forecasts for the fiscal year ending February 29, 2008 (March 1, 2007 to February 29, 2008)

Millions of yen

	FY ending February 29, 2008	% change
Sales	194,400	6.7
Operating income	12,100	8.8
Ordinary income	12,100	10.0
Net Income	6,500	(1.0)
Net income per share (¥)	¥673.04	--

Percentage figures represent changes compared to the previous fiscal year

4. Other

- 1) **Transfer of important subsidiaries during the period** (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): No
- 2) **Utilization of simplified method of accounting:** Yes
- 3) **Changes to accounting methods during the fiscal year:** Yes
See *Operating Results*, Section 4. *Other* on page 4 for more detail.

Reference: Outline of Non-Consolidated Financial Results

1. Non-consolidated financial results for the nine month period ended November 30, 2007

Percentage figures represent changes compared to the previous fiscal year

1) Non-consolidated operating results

Millions of yen, rounded down

	Nine months ended November 30, 2007		Nine months ended November 30, 2006		Fiscal Year ended February 28, 2007	
		(% change)		(% change)		(% change)
Net Sales.....	122,086	(1.1)	123,456	(0.1)	166,466	(1.9)
Operating income.....	7,045	(4.9)	7,408	17.3	10,715	5.6
Ordinary income.....	7,099	(4.3)	7,423	17.2	10,509	3.6
Net income.....	3,926	2.7	3,823	13.3	5,645	6.1
Net income per share (¥)	406.61	--	391.35	--	577.92	--
Net income per share diluted (¥)	406.47	--	389.26	--	575.76	--

2) Financial position (non-consolidated)

	As of November 30, 2007	As of November 30, 2006	As of February 28, 2007
Total assets (millions of yen)	38,203	33,344	40,414
Net assets (millions of yen).....	19,030	16,210	18,101
Shareholders' equity ratio (%)	49.8	48.6	44.8
Net assets per share (¥)	1,982.95	1,661.39	1,850.96

2. Non-consolidated forecasts for the fiscal year ending February 29, 2008 (March 1, 2007 to February 29, 2008)

Millions of yen, rounded down

	Fiscal year ending February 29, 2008	% Change
Net Sales.....	176,200	5.8
Operating income.....	11,400	6.4
Ordinary income.....	11,400	8.5
Net income	6,100	8.1
Net income per share (¥).....	635.61	--

Percentage figures represent changes compared to the previous fiscal year

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.

Operating results and financial position

1. Operating Results

Gulliver operates 298 directly operated stores involved in the sale and purchase of cars (15 more than at the end of the third quarter of the previous fiscal year and 7 more than at the end of the previous fiscal year) and has 153 franchise stores (34 fewer than at the end of the third quarter of the previous fiscal year and 31 fewer than at the end of the previous fiscal year). In total, Gulliver operates 451 stores (19 fewer than at the end of the third quarter of the previous fiscal year and 24 fewer than at the end of the previous fiscal year). Regarding directly operated store operations, the net increase in the number of stores has not grown in line with our original plans due to the closure of a number of branches, however we will maintain our policy of continuing to open new stores.

In the first half of the fiscal year we acted as primary sponsor of the Pro baseball All-star game in July, and continued to restrain advertisement costs and carry out effective marketing activities. In the third quarter, (September 1, 2007 to November 30, 2007), we were more active in advertising and promotion than in the first half of the fiscal year as we carried out a campaign that included investing in television commercials and regional test market trials. Also, regarding human resources, we are continuing to focus on training and strengthening management's capabilities.

We steadily increased the operating base and profitability of our consolidated subsidiary G-One Financial Services Co., Ltd., which conducts financial business, primarily auto-loans. Also, in November 2007, G-One Financial Services established a 100%-owned subsidiary, G-One Credit Service Co., Ltd., to which certain operations of Gakken Credit Corporation were transferred. Currently, bases are being established in Tokyo and Osaka and while utilizing transferred systems and other factors, new business development is underway.

As a result of the above, consolidated net sales for the nine-month period ended November 30, 2007 increased 2.4% (¥3,325 million) to ¥138,549 million, while operating income declined 3.0% (¥239 million) to ¥7,479 million. Ordinary income decreased 2.5% (¥194 million) to ¥7,462 million and net income decreased 15.3% (¥756 million) to ¥4,156 million.

2. Financial Position

At the end of the third quarter, compared to the end of the previous fiscal year, total assets increased ¥753 million to ¥46,700 million and net assets increased ¥1,095 million to ¥20,399 million. The main components of the change in total assets were an increase in inventory of ¥2,187 million and an increase in tangible fixed assets of ¥487 million. The main components of the change in net assets were an increase in retained earnings of ¥2,188 million, partially offset by a decline of ¥1,138 million resulting from the acquisition of treasury stock.

Cash flow

In the nine month period cash flow from operating activities was positive and cash flow from investing activities and financing activities were negative, representing an overall cash outflow of ¥1,406 million and cash and cash equivalents as of the end of the period were ¥3,636 million.

Cash flow from operating activities

Cash generated from operating activities was ¥3,042 million. This was primarily due to an increase in operating revenue from the purchase and sale of cars.

Cash flow from investing activities

Net cash used in investing activities was ¥3,511 million. This was primarily due to investment in the opening of new directly operated stores.

Cash flow from financing activities

Net cash used in financing activities was ¥937 million. This was primarily due to the acquisition of treasury stock.

3. Qualitative information regarding forecasts

With regard to the consolidated forecasts, there are no changes to the forecasts previously announced on April 18, 2007.

4. Other

- (1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): None.
- (2) Utilization of simplified method of accounting: The simplified method was used for certain items where the effect was regarded as insignificant.
- (3) Changes to the depreciation method of tangible fixed assets

In accordance with the revision of Corporation Tax Law (Law Concerning the Partial Revision of Income Tax No. 6, issued on March 30, 2007 and Government Ordinance Concerning the Partial Revision of Corporation Tax Law Order No. 83, issued on March 30, 2007), the method of depreciation of tangible fixed assets acquired after April 1, 2007 has been revised. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial.

Consolidated Balance Sheets

Millions of yen					
	As of November 30, 2007	As of November 30, 2006	Change		As of February 28, 2007
ASSETS			Amount	Percentage	
Current assets					
Cash and deposits	3,636	3,110	525		4,855
Accounts receivable.....	12,042	9,353	2,689		13,664
Inventory	6,855	4,697	2,157		4,668
Deferred tax assets.....	260	351	(90)		445
Others	3,564	2,871	692		3,315
Allowance for doubtful accounts	(8)	(85)	77		(69)
Total current assets.....	26,351	20,299	6,052	29.8	26,880
Fixed assets					
Tangible fixed assets					
Buildings and structures.....	7,903	7,564	339		7,832
Tools, fixtures and equipment.....	1,679	1,398	280		1,384
Land.....	327	327	--		327
Other.....	264	67	197		143
Total tangible fixed assets	10,174	9,357	817	8.7	9,687
Intangible fixed assets					
Software.....	2,077	2,528	(451)		2,082
Other.....	154	113	41		110
Total intangible fixed assets	2,231	2,642	(410)	(15.5)	2,192
Investments and other assets					
Investment securities	126	99	26		96
Deposits and guarantee money	3,774	3,464	310		3,749
Construction cooperation fund	2,852	2,470	381		2,508
Deferred tax assets.....	430	157	273		489
Others	1,129	767	362		417
Allowance for doubtful accounts	(370)	(388)	17		(74)
Total investments and other assets	7,943	6,571	1,371	20.8	7,187
Total fixed assets	20,349	18,570	1,778	9.5	19,066
Total Assets.....	46,700	38,870	7,830	20.1	45,947

Consolidated Balance Sheets

	<i>Millions of yen</i>				
	As of November 30, 2007	As of November 30, 2006	Change		As of February 28, 2007
			Amount	Percentage	
LIABILITIES					
Current liabilities					
Accounts payable	2,746	2,158	587		3,303
Short-term borrowing	12,149	11,880	269		13,590
Accrued expenses	2,756	2,235	521		2,900
Accrued corporate taxes	586	1,267	(680)		2,957
Deposits received	343	616	(273)		809
Reserve for bonuses	341	348	(7)		453
Others	2,021	1,330	691		1,210
Total current liabilities	20,945	19,837	1,107	5.5	25,224
Long-term liabilities					
Long-term debt	4,075	578	3,496		550
Guarantee deposits received	849	870	(21)		869
Other	431	--	431		--
Total long-term liabilities	5,355	1,449	3,906	269.5	1,419
Total liabilities	26,301	21,286	5,014	23.5	26,643
NET ASSETS					
Shareholders' equity					
Paid-in capital	4,157	4,157	--	--	4,157
Capital surplus	4,032	4,032	--	--	4,032
Retained earnings	22,472	18,794	3,678	19.5	20,283
Treasury shares	(10,678)	(9,775)	(903)	9.2	(9,540)
Total shareholders' equity	19,983	17,208	2,774	16.1	18,932
Appraisal and translation differences					
Unrealized gains and losses in other securities	17	8	9	109.7	6
Translation adjustments	(5)	(1)	(3)	282.5	(2)
Total Appraisal and translation differences	11	6	5	74.8	3
Warrants	3	--	3	--	1
Minority interests	400	368	32	8.8	366
Total net assets	20,399	17,583	2,815	16.0	19,303
Total liabilities and net assets	46,700	38,870	7,830	20.1	45,947

Consolidated Statements of Income

	<i>Millions of yen</i>				
	March 1, 2007 to November 30, 2007	March 1, 2006 to November 30, 2006	Change		March 1, 2006 to February 28, 2007
			Amount	Percentage	
Sales	138,549	135,224	3,325	2.4	182,166
Cost of sales	106,264	104,391	1,872	1.7	140,228
Gross profit.....	32,285	30,832	1,453	4.7	41,937
Sales general and administrative expenses.....	24,806	23,113	1,692	7.3	30,813
Operating income	7,479	7,718	(239)	(3.0)	11,123
Non-operating income	155	69	86	124.7	79
Non-operating expenses	172	130	41	31.9	204
Ordinary income.....	7,462	7,657	(194)	(2.5)	10,998
Extraordinary profit.....	46	1,164	(1,117)	(95.9)	1,164
Extraordinary losses.....	170	578	(408)	(70.5)	1,013
Net income before taxes, etc.	7,339	8,243	(903)	(10.9)	11,149
Income tax, inhabitants tax and enterprise tax	2,835	3,199	(364)	(11.3)	4,880
Corporate tax adjustment	300	112	188	168.1	(313)
Minority interests	46	18	28	152.3	16
Net income	4,156	4,912	(756)	(15.3)	6,566

Consolidated Statements of Cash flows

	<i>Millions of yen</i>		
	March 1, 2007 to November 30, 2007	March 1, 2006 to November 30, 2006	March 1, 2006 to February 28, 2007
I. Cash flow from operating activities			
Income before taxes, etc.....	7,339	8,243	11,149
Depreciation.....	1,629	1,691	2,352
Increase (decrease) in reserve for bonuses.....	(112)	(173)	(68)
Increase (decrease) in allowance for doubtful accounts.....	235	17	(66)
Interest and dividends received.....	(9)	(2)	(2)
Interest paid.....	93	45	65
New share issuance expenses.....	--	7	--
Share exchange expenses.....	--	--	7
Loss on disposal of fixed assets.....	170	578	689
Impairment losses.....	--	--	278
Payment of directors' bonuses.....	(73)	(73)	(73)
Increase (decrease) in accounts receivable.....	1,861	1,721	(2,825)
Increase (decrease) in inventory.....	(2,187)	49	108
Increase (decrease) in accounts payable.....	(607)	(1,308)	444
Increase (decrease) in operational loans receivable.....	(411)	(1,006)	(1,292)
Increase (decrease) in accrued consumption tax.....	(178)	(260)	(177)
Other.....	518	(729)	(749)
Subtotal.....	8,268	8,799	9,838
Interest and dividends received.....	9	2	2
Interest paid.....	(93)	(45)	(65)
Corporate taxes paid.....	(5,141)	(3,681)	(3,671)
Cash flow from operating activities.....	3,042	5,074	6,103
II. Cash flow from investing activities			
Proceeds from sale of investment securities.....	--	100	100
Payments for acquisition of tangible fixed assets.....	(1,738)	(3,136)	(3,731)
Proceeds from sale of tangible fixed assets.....	--	0	1
Payments for acquisition of intangible fixed assets.....	(819)	(475)	(581)
Payments for acquisition of shares of affiliates.....	--	(5)	(5)
Amounts lent.....	(962)	(56)	(61)
Proceeds from repayment of loans.....	359	4	6
Deposit and guarantee payments.....	(350)	(1,004)	(1,327)
Other.....	--	4	(5)
Cash flow from investing activities.....	(3,511)	(4,567)	(5,604)
III. Cash flow from financing activities			
Net increase (decrease) in short term borrowings.....	(1,440)	2,480	4,190
Repayment of long-term loans.....	(50)	(57)	(207)
Proceeds from long-term loans.....	3,575	378	500
Payments for acquisition of treasury stock.....	(1,327)	(2,079)	(2,079)
Proceeds from disposal of treasury stock.....	56	112	183
Payments for issuance of new shares.....	--	(7)	(7)
Payment of dividends.....	(1,744)	(1,608)	(1,608)
Payment of dividends to minority shareholders.....	(5)	(5)	(5)
Other.....	--	14	13
Cash flow from financing activities.....	(937)	(772)	978
IV. Cash and cash equivalents currency translation differences..	--	1	3
V. (Decrease) increase in cash and cash equivalents.....	(1,406)	(263)	1,481
VI. Cash and cash equivalents at beginning of period.....	4,855	3,374	3,374
VII. Increase in cash and cash equivalents from change in scope of consolidation.....	186	--	--
VIII. Cash and cash equivalents at end of period.....	3,636	3,110	4,855

Segment Information

Segment information by business type

Third quarter of the fiscal year ending February 29, 2008 (March 1, 2007 to November 30, 2007)

Millions of yen

	Trading of used cars	Financial business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	129,864	3,093	5,591	138,549	--	138,549
(2) Inter-segmental sales or transfers	683	452	2,092	3,227	(3,227)	--
Total	130,547	3,545	7,684	141,777	(3,227)	138,549
Operating expenses	121,255	3,370	5,687	130,313	756	131,070
Operating income	9,291	174	1,997	11,463	(3,984)	7,479

Third quarter of the fiscal year ending February 28, 2007 (March 1, 2006 to November 30, 2006)

Millions of yen

	Trading of used cars	Other businesses	Total	Elimination/ All company	Consolidated
Sales					
(2) Sales to external customers	128,631	6,592	135,224	--	135,224
(2) Inter-segmental sales or transfers	--	--	--	--	--
Total	128,631	6,592	135,224	--	135,224
Operating expenses	118,242	5,461	123,703	3,801	127,505
Operating income	10,388	1,131	11,520	(3,801)	7,718

Changes to the method of business classification

Previously, "Financing business" was included "Other business"; however, since its significance has increased it has been classified separately as "Financing business" since the fiscal year ended February 28, 2007. The segment information for the third quarter of the fiscal year ended February 28, 2007 is presented below according to the method of business classification used in the third quarter of the fiscal year ending February 29, 2008.

Third quarter of the fiscal year ended February 28, 2007 (March 1, 2006 to November 30, 2006)

Millions of yen

	Trading of used cars	Financial business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	128,631	1,686	4,905	135,224	--	135,224
(2) Inter-segmental sales or transfers	2,020	307	1,861	4,189	(4,189)	--
Total	130,652	1,993	6,767	139,413	(4,189)	135,224
Operating expenses	121,551	1,803	4,672	128,027	521	127,505
Operating income	9,101	190	2,095	11,386	(3,668)	7,718

Fiscal year ended February 28, 2007 (March 1, 2006 to February 28, 2007)

Millions of yen

	Trading of used cars	Financial business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	173,289	2,369	6,507	182,166	--	182,166
(2) Inter-segmental sales or transfers	1,140	423	2,596	4,160	(4,160)	--
Total	174,429	2,792	9,104	186,326	(4,160)	182,166
Operating expenses	161,295	2,486	6,323	170,105	937	171,042
Operating income	13,134	305	2,780	16,221	(5,097)	11,123

Segment information by geographical location

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

Non-Consolidated Balance Sheets

<i>Millions of yen</i>					
	As of November 30, 2007	As of November 30, 2006	Change		As of February 28, 2007
			Amount	Percentage	
ASSETS					
Current assets					
Cash and deposits	1,204	1,542	(337)		3,337
Accounts receivable.....	3,306	3,206	100		5,854
Inventory	4,618	2,765	1,852		3,065
Short-term loans to related companies ..	--	3,768	(3,768)		5,373
Deferred tax assets.....	220	281	(61)		447
Others	1,468	1,475	(6)		2,084
Allowance for doubtful accounts	(8)	(89)	81		(229)
Total current assets.....	10,810	12,949	(2,138)	(16.5)	19,933
Fixed assets					
Tangible fixed assets					
Buildings and structures.....	7,758	7,542	216		7,807
Tools, fixtures and equipment.....	1,110	1,386	(275)		1,316
Land.....	327	327	--		327
Other.....	150	60	89		109
Total tangible fixed assets	9,345	9,315	29	0.3	9,561
Intangible fixed assets					
Software.....	1,734	2,357	(623)		1,910
Other.....	135	89	45		88
Total intangible fixed assets	1,869	2,447	(577)	(23.6)	1,998
Investments and other assets					
Investment securities	114	99	14		96
Shares held in related companies.....	2,061	2,321	(259)		2,191
Short-term loans to related companies ..	7,600	--	7,600		--
Deposits and guarantee money	3,389	3,366	23		3,651
Construction cooperation fund	2,852	2,470	381		2,508
Deferred tax assets.....	275	148	127		270
Others	243	574	(331)		236
Allowance for doubtful accounts	(359)	(349)	(9)		(33)
Total investments and other assets	16,177	8,631	7,545	87.4	8,921
Total fixed assets	27,392	20,394	6,997	34.3	20,480
Total Assets.....	38,203	33,344	4,859	14.5	40,414

Non-Consolidated Balance Sheets

	<i>Millions of yen</i>				
	As of November 30, 2007	As of November 30, 2006	Change		As of February 28, 2007
			Amount	Percentage	
LIABILITIES					
Current liabilities					
Accounts payable	1,901	1,944	(42)		2,953
Short-term borrowing	9,399	9,700	(300)		11,600
Accrued expenses	1,720	1,551	169		1,696
Accrued corporate taxes	468	963	(494)		2,590
Advances received	352	306	45		178
Deposits received	315	593	(277)		721
Reserve for bonuses	286	310	(24)		415
Others	779	893	(114)		1,288
Total current liabilities	15,223	16,263	(1,039)	(6.3)	21,443
Long-term liabilities					
Long-term debt	3,100	--	3,100		--
Guarantee deposits received	849	870	(21)		869
Total long-term liabilities	3,949	870	3,078	353.5	869
Total liabilities	19,172	17,134	2,038	11.9	22,313
NET ASSETS					
Shareholders' equity					
Paid-in capital	4,157	4,157	--	--	4,157
Capital surplus	4,032	4,032	--	--	4,032
Retained earnings	21,501	17,787	3,713	20.9	19,445
Treasury shares	(10,678)	(9,775)	(902)	9.2	(9,540)
Total shareholders' equity	19,013	16,201	2,811	17.3	18,094
Appraisal and translation differences					
Unrealized gains and losses in other securities	17	8	9	109.7	6
Total Appraisal and translation differences	17	8	9	109.7	6
Total net assets	19,030	16,210	2,820	17.3	18,101
Total liabilities and net assets	38,203	33,344	4,859	14.5	40,414

Non-Consolidated Statements of Income

	<i>Millions of yen</i>				
	March 1, 2007 to November 30, 2007	March 1, 2006 to November 30, 2006	Change		March 1, 2006 to February 28, 2007
			Amount	Percentage	
Sales	122,086	123,456	(1,369)	(1.1)	166,466
Cost of sales	92,937	93,990	(1,053)	(1.1)	126,526
Gross profit.....	29,149	29,465	(316)	(1.0)	39,940
Sales general and administrative expenses.....	22,104	22,056	47	0.2	29,224
Operating income	7,045	7,408	(363)	(4.9)	10,715
Non-operating income	214	88	126	142.8	61
Non-operating expenses	160	73	86	117.9	268
Ordinary income.....	7,099	7,423	(324)	(4.3)	10,509
Extraordinary profit.....	20	12	7	64.4	520
Extraordinary losses.....	316	578	(262)	(45.3)	1,018
Net income before taxes, etc.	6,803	6,857	(53)	(0.7)	10,010
Income tax, inhabitants tax and enterprise tax	2,661	2,868	(207)	(7.2)	4,486
Corporate tax adjustment	214	165	49	30.0	(121)
Net income	3,926	3,823	103	2.7	5,645