

Gulliver International Co., Ltd.

Financial Results for the Interim Period
of the Fiscal Year Ending February 28, 2009
(March 1, 2008 to August 31, 2008)

This document is a translation of sections of 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)

Results for the interim period of the fiscal year ending February 28, 2009

Gulliver International Co., Ltd.

October 17, 2008

Stock Code: 7599

Listed exchanges: Tokyo (1st Section)

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

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Notes to preparation of these interim financial statements

1. Scheduled date for submission of the interim financial report: November 25, 2008
2. Scheduled date for distribution of dividends: November 13, 2008

1. Consolidated financial results for the interim period of the fiscal year ending February 28, 2009

Percentage figures represent changes compared to the previous fiscal period

1) Consolidated Operating Results

Millions of yen, rounded down

	Interim period ended August 31, 2008		Interim period ended August 31, 2007		Fiscal year ended February 29, 2008	
		(% change)		(% change)		(% change)
Sales	91,011	4.3	87,226	(0.8)	190,592	--
Operating income	2,807	(40.9)	4,752	6.4	8,698	--
Ordinary income	2,901	(39.2)	4,778	8.2	8,699	--
Net income	1,042	(61.5)	2,707	(18.4)	4,650	--
Earnings per share (¥)	108.62		279.43		482.27	
Fully diluted earnings per share (¥)	--		279.28		482.15	

Notes:
Investment gains and losses under the equity method: Interim period of FY ending February 28, 2009: ¥ -- million; Interim period of FY ended February 29, 2008: ¥ -- million; FY ended February 29, 2008: ¥ -- million

2) Financial Position (consolidated)

Millions of yen, rounded down

	As of August 31, 2008	As of August 31, 2007	As of February 29, 2008
Total assets	58,345	44,164	50,426
Net assets	20,951	19,764	20,769
Shareholders' Equity ratio (%)	35.2	43.8	40.4
Shareholders' net assets per share (¥)	2,143.32	2,018.80	2,122.06

Note: Shareholders' equity: Interim period of FY ending February 28, 2009: 20,569 million yen; Interim period of FY ended February 29, 2008: 19,374 million yen; Full year ended February 29, 2008: 20,365 million yen

3) Consolidated cash flows

Millions of yen, rounded down

	Interim period ended August 31, 2008	Interim period ended August 31, 2007	Fiscal year ended February 29, 2008
Cash flow from operating activities	(4,121)	2,303	1,354
Cash flow from investing activities	(1,344)	(1,741)	(2,960)
Cash flow from financing activities	4,895	(2,676)	177
Cash and cash equivalents at end of period	3,088	2,927	3,639

2. Dividends

	Fiscal year ended February 29, 2008	Fiscal year ending February 28, 2009	Fiscal year ending February 28, 2009 (Forecast)
Interim dividend per share (¥)	87.00	41.00	--
Year-end dividend per share (¥)	87.00	--	41.00
Annual dividend per share (¥)	174.00		82.00

3. Forecasts for the fiscal year ending February 28, 2009 (March 1, 2008 to February 28, 2009)

Percentage figures represent changes compared to the previous fiscal year

Millions of yen, rounded down

	FY ending February 28, 2009	
Sales	196,300	3.0%
Operating income	5,600	(35.6%)
Ordinary income	5,600	(35.6%)
Net income	2,500	(46.2%)
Earnings per share (¥)	260.50	

4. Other

- 1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation):
None
- 2) Changes in accounting methods, procedures and presentation in the preparation of these financial statements (Key items mentioned in Material Items Forming the Basis for the Preparation of the Consolidated Financial Statements for the Fiscal Year)
 1. Changes following revisions to accounting standards: Yes
 2. Other changes: Yes
 Note: Please see Changes in Accounting Treatment on page 21 for details.
- 3) Number of shares outstanding (ordinary shares)
 1. Number of shares outstanding at end of period (including treasury shares): Interim period of FY ending February 28, 2009:10,688,800 shares; Interim period of FY ended February 29, 2008:10,688,800 shares; Fiscal year ended February 29, 2008: 10,688,800 shares
 2. Number of treasury shares at end of period: Interim period of FY ending February 28, 2009:1,091,725 shares; Interim period of FY ended February 29, 2008: 1,091,721 shares; Fiscal year ended February 29, 2008: 1,091,723 shares

Reference: Outline of Non-Consolidated Interim Financial Results

1. Non-Consolidated financial results for the interim period of the fiscal year ending February 28, 2009

Percentage figures represent changes compared to the previous fiscal period

1) Non-Consolidated Operating Results

Millions of yen, rounded down

	Interim period ended August 31, 2008		Interim period ended August 31, 2007		Fiscal year ended February 29, 2008	
		(% change)		(% change)		
Sales.....	77,088	0.8	76,442	(4.5)	167,219	--
Operating income.....	2,819	(36.3)	4,425	3.5	8,459	--
Ordinary income.....	2,878	(35.6)	4,469	4.5	8,614	--
Net income.....	1,099	(55.6)	2,475	8.9	4,293	--
Earnings per share (¥).....	114.58		255.50	--	445.27	--

2) Financial Position (Non-Consolidated)

Millions of yen, rounded down

	As of August 31, 2008	As of August 31, 2007	As of February 29, 2008
Total assets.....	40,757	37,717	35,378
Net assets.....	19,631	18,404	19,389
Shareholders' equity ratio (%).....	48.2	48.8	54.8
Shareholders' net assets per share (¥).....	2,045.56	1,917.72	2,020.31

Note: Shareholders' equity: Interim period of FY ending February 28, 2009: 19,631 million yen; Interim period of FY ended February 29, 2008: 18,404 million yen; Fiscal year ended February 29, 2008: 19,389 million yen

2. Non-Consolidated forecasts for the fiscal year ending February 28, 2009 (March 1, 2008 to February 28, 2009)

Percentage figures represent changes compared to the previous fiscal year

Millions of yen, rounded down

	FY ending February 28, 2009	
Sales.....	170,000	1.7%
Operating income.....	5,500	(35.0%)
Ordinary income.....	5,500	(36.2%)
Net Income.....	2,500	(41.8%)
Earnings per share (¥).....	260.50	

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. Operating results

(1) Outline of consolidated operating results

Among Gulliver's stores involved in the purchase and sale of cars, 301 are directly operated stores (6 more than at the end of the interim period of the previous fiscal year and 2 more than at the end of the previous fiscal year). The number of cars sold at directly managed stores increased as a result of an increase in the number of stores and investments in advertising. However, prices at used car auctions decreased in comparison to the previous year leading to a decrease in the average sale price per car.

In sales, general and administrative expenses, in addition to an increase in advertising expenses, personnel expenses increased following an increase in the number of staff in the previous fiscal year. Further, sales, general and administrative expenses at consolidated subsidiaries also increased.

As a result of changes to the accounting treatment for the reserve for retirement benefits for directors, provisions for the reserve for retirement benefits for directors arising with respect to previous fiscal years have been recorded as extraordinary losses in the financial report for the first quarter of the current fiscal year.

As a result of the factors noted above, consolidated net sales for the interim period under review increased 4.3% over the interim period of the previous fiscal year to ¥91,011 million. Operating income decreased 40.9% to ¥2,807 million, ordinary income decreased 39.3% to ¥2,901 million and net income decreased 61.5% to ¥1,042 million.

Performance by segment

i. Sales of used automobiles

As previously mentioned, the number of cars sold through directly operated stores increased. However, the average price-per-car decreased due to a reduction in prices of used cars sold through auctions.

As a result, net sales increased 4.2% or ¥3,477 million over the interim period of the previous fiscal year to ¥85,447 million and operating income decreased 30.5% or ¥1,823 million to ¥4,152 million.

ii. Financing business

G-One Financial Services Co., Ltd. a financial services company that primarily handles auto loans, steadily expanded its operating base and grew revenues, however sales, general and administration expenses increased as a result of business expansion.

As a result, net sales for the period under review increased 29.7% or ¥670 million over the interim period of the previous fiscal year to ¥2,928 million, and operating income decreased 55.3% or ¥119 million to ¥96 million.

iii. Other businesses

The number of Gulliver franchised stores decreased by 11 stores compared to the end of the interim period of the previous fiscal year and decreased by 4 stores compared to the end of the previous fiscal year to 147 stores, as a result, revenues from Gulliver franchised stores also decreased. However, revenues in the transport business increased.

As a result, net sales increased 14.7% or ¥721 million over the interim period of the previous fiscal year to ¥5,617 million and operating income increased 7.6% or ¥99 million to ¥1,401 million.

(2) Consolidated financial position and related analysis

Assets, liabilities and net assets

1. Current assets

The balance of current assets at the end of the interim period under review increased ¥14,182 million compared to the end of the interim period of the previous fiscal year to ¥38,929 million due primarily to a ¥7,911 million increase in accounts receivable and a ¥5,264 million increase in inventory.

2. Fixed assets

The balance of fixed assets at the end of the interim period under review decreased ¥2 million compared to the end of the interim period of the previous fiscal year to ¥19,415 million largely due to a ¥329 million decrease in software.

3. Current liabilities

The balance of current liabilities at the end of the interim period under review increased ¥12,027 million compared to the end of the interim period of the previous fiscal year to ¥31,703 million due primarily to a ¥8,703 million increase in short-term borrowings for the expansion of operations.

4. Fixed liabilities

The balance of fixed liabilities at the end of the interim period under review increased ¥966 million compared to the end of the interim period of the previous fiscal year to ¥5,690 million due primarily to a ¥566 million increase in long-term borrowings for the expansion of operations.

5. Net assets

The balance of net assets at the end of the interim period under review increased ¥1,186 million compared to the end of the interim period of the previous fiscal year to ¥20,951 million primarily due to a ¥1,182 million increase in retained profit.

Cash flow

For the interim period of the fiscal year ending February 28, 2009, cash flow from financing activities was positive and cash flow from operating and investing activities was negative, while overall cash flow was a negative figure of ¥551 million. The balance of cash and cash equivalents at the end of the period was ¥3,088 million.

Cash flow from operating activities

Net cash and cash equivalents ("cash") used in operating activities was ¥4,121 million.

Principal components of this included interim net income before adjustment for taxes of ¥2,237 million, a net decline in trade receivables of ¥3,971 million, and a ¥1,246 million payment of income taxes.

Cash flow from investing activities

Net cash used in investing activities was ¥1,344 million. The principal factor contributing to this result was payments following the acquisition of tangible fixed assets.

Cash flow from financing activities

Net cash generated from financing activities was ¥4,895 million primarily due to proceeds from an increase in short-term borrowings.

Trends in Gulliver's shareholders' equity and cash flow indicators are as follows:

	Interim FY 2006	FY 2006	Interim FY 2007	FY 2007	Interim FY 2008
Shareholders' equity ratio (%)	40.6	41.2	43.8	40.4	35.2
Equity ratio based on market capitalization (%)	230.5	181.9	127.5	80.6	35.4
Debt redemption years (years)	3.8	2.3	5.9	12.7	--
Interest coverage ratio	134.9	93.6	43.0	9.6	--

Notes:

- Breakdown of each indicator
 Shareholders' equity ratio = Shareholders' equity/total assets
 Equity ratio based on market capitalization = Market capitalization/ Total assets
 Debt redemption years = Interest bearing debt/Operating cash flow
 Interest coverage ratio = Operating cash flow/Interest payments
- The number of debt redemption years and interest coverage ratio for the interim period of the consolidated fiscal year ending February 28, 2009 were operating cash flow negative and therefore have been omitted
- Each index is calculated from values on a consolidated base
- Market capitalization is calculated using the formula: closing share price at period end x number of shares in issuance (excluding treasury stock).

(3) Basic policy concerning distribution of profits and dividends for the period under review

We have identified the return of profits to investors as an important management issue and also place emphasis on our dividend payout ratio. The Company had previously announced a target dividend payout ratio of approximately 30% of non-consolidated net income for the fiscal year ended February 29, 2008. However, from the fiscal year ending February 28, 2009, the target dividend payout ratio has been revised and will be based on consolidated net income. Actual dividends may differ from previously announced forecasted dividends due to consolidated net income results.

Based on these policies, and in consideration of the forecasted consolidated net income, the planned dividend per share for the fiscal year ending February 28, 2009 is for an annual dividend of ¥82.00 per share, comprising an interim dividend of ¥41.00 and a year-end dividend of ¥41.00.

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 opening new directly operated stores, strengthening internal infrastructure (IT), developing new businesses, including those overseas, and training personnel.

Consolidated Balance Sheets

Millions of yen

	As of August 31, 2008		As of August 31, 2007		As of February 29, 2008	
		%		%		%
ASSETS						
Current assets						
Cash and deposits	3,088		2,927		3,639	
Accounts receivable	20,204		12,293		16,166	
Inventory	10,634		5,369		7,294	
Deferred tax assets	586		731		407	
Others	4,529		3,479		3,667	
Allowance for doubtful accounts.....	(113)		(55)		(25)	
Total current assets	38,929	66.7	24,746	56.0	31,148	61.8
Fixed assets						
Tangible fixed assets^{*1}						
Building and structures	8,055		7,933		7,848	
Tools, fixtures and equipment	1,458		1,315		1,420	
Land	327		327		327	
Other	333		129		162	
Total tangible fixed assets	10,175	17.4	9,705	22.0	9,758	19.3
Intangible fixed assets						
Software	1,763		2,092		1,994	
Other	207		159		226	
Total intangible fixed assets.....	1,970	3.4	2,251	5.1	2,220	4.4
Investments and other assets						
Investment securities	50		112		98	
Deposits and guarantee money	3,516		3,635		3,404	
Construction cooperation fund	2,973		2,852		3,180	
Deferred tax assets	506		252		465	
Other	487		823		441	
Allowance for doubtful accounts.....	(264)		(216)		(292)	
Total investments and other assets.....	7,269	12.5	7,460	16.9	7,298	14.5
Total fixed assets.....	19,415	33.3	19,418	44.0	19,278	38.2
Total Assets	58,345	100.0	44,164	100.0	50,426	100.0

Consolidated Balance Sheets

Millions of yen

	As of August 31, 2008		As of August 31, 2007		As of February 29, 2008	
		%				%
LIABILITIES						
Current liabilities						
Accounts payable	4,884		2,414		3,505	
Short-term borrowing	18,853		10,150		13,131	
Accrued expenses	2,063		2,554		3,039	
Accrued corporate taxes	1,476		1,970		1,306	
Deposits received	326		461		351	
Reserve for bonuses	586		743		562	
Merchandise warranty reserve	243		--		--	
Others	3,269		1,380		2,182	
Total current liabilities	31,703	54.3	19,675	44.6	24,078	47.7
Long-term liabilities						
Long-term borrowing	4,066		3,500		4,085	
Guarantee deposits received	973		845		1,021	
Reserve for director's retirement benefit	399		--		--	
Other	251		378		471	
Total fixed liabilities	5,690	9.8	4,724	10.7	5,578	11.1
Total liabilities	37,393	64.1	24,399	55.3	29,657	58.8
NET ASSETS						
Paid in capital	4,157	7.1	4,157	9.4	4,157	8.3
Capital surplus	4,032	6.9	4,032	9.1	4,032	8.0
Retained profit	23,040	39.5	21,858	49.5	22,833	45.3
Treasury stock	(10,678)	(18.3)	(10,678)	(24.2)	(10,678)	(21.2)
Total net assets	20,552	35.2	19,369	43.8	20,344	40.4
Valuation difference on other marketable securities	(14)	0.0	8	0.0	7	0.0
Translation adjustments	32	0.0	(3)	(0.0)	13	0.0
Valuation and translation adjustments ...	17	0.0	4	0.0	20	0.0
Warrants for new shares	4	0.0	2	0.0	4	0.0
Minority interests	376	0.7	387	0.9	400	0.8
Total net assets	20,951	35.9	19,764	44.7	20,769	41.2
Total liabilities and net assets	58,345	100.0	44,164	100.0	50,426	100.0

Consolidated Statements of Income

	<i>Millions of yen</i>					
	March 1, 2008 to August 31, 2008		March 1, 2007 to August 31, 2007		March 1, 2007 to February 29, 2008	
		%		%		%
Sales	91,011	100.0	87,226	100.0	190,592	100.0
Cost of sales.....	70,157	77.1	66,453	76.2	147,032	77.1
Gross profit.....	20,853	22.9	20,772	23.8	43,559	22.9
Sales general and administrative expenses ^{*1}	18,045	19.8	16,020	18.4	34,860	18.3
Operating income.....	2,807	3.1	4,752	5.4	8,698	4.6
Non-operating income						
Interest received	9		3		5	
Dividends received	0		4		17	
Commissions received.....	2		2		4	
Compensation received	--		15		15	
Gain from foreign exchange.....	74		--			
Other	113		75		265	
Total non-operating income	200	0.2	101	0.1	307	0.2
Non-operating expenses						
Interest paid	82		53		140	
Transfer to allowance for doubtful accounts ...	--		--		27	
Other.....	25		21		138	
Total non-operating expenses	107	0.1	75	0.1	306	0.2
Ordinary income	2,901	3.2	4,778	5.4	8,699	4.6
Extraordinary profit						
Gain on cancellation of insurance contracts....	--		20		20	
Reversal of allowance for doubtful receivables	--		1		--	
Gain from sale of fixed assets.....	--		--		15	
Gains from cancellation in the previous term...	--		--		92	
Gain on insurance claims	13		6		--	
Gain on sale of investment securities	--		12		--	
Other	--		6		17	
Total extraordinary profit.....	13	0.0	47	0.1	146	0.1
Extraordinary losses						
Loss on disposal of fixed assets ²	92		168		330	
Provision for directors' retirement allowance reserve for previous years	376		--		--	
Provision for merchandize warranties reserve for previous years	185		--		--	
Other.....	23		--		19	
Total extraordinary losses	677	0.7	168	0.2	350	0.2
Income before taxes, etc.....	2,237	2.5	4,657	5.3	8,495	4.5
Income tax, inhabitants tax and enterprise tax.....	1,416		1,903		3,669	
Corporate tax adjustment.....	(203)		13		126	
Total tax and adjustments.....	1,212	1.3	1,916	2.2	3,795	2.0
Minority interests.....	(17)	0.0	34	0.0	49	0.0
Net income	1,042	1.2	2,707	3.1	4,650	2.5

Changes in Consolidated Interim Shareholders' Equity March 1, 2008 to August 31, 2008

Millions of yen

	Shareholders' equity				
	Capital	Capital surplus	Retained profit	Treasury stock	Total shareholders' equity
Balance as of February 29, 2008	4,157	4,032	22,833	(10,678)	20,344
Change during interim accounting period					
Surplus dividend			(834)		(834)
Interim net income			1,042		1,042
Acquisition of treasury stock				0	0
Changes to items other than shareholders' equity during the interim accounting period	--	--	--	--	--
Total change during interim accounting period	--	--	207	0	207
Balance as of August 31, 2008	4,157	4,032	23,040	(10,678)	20,552

	Valuation and differences due to foreign exchange			Warrants for new shares	Minority interests	Total net assets
	Valuation differences on other marketable securities	Adjustment due to exchange rate	Total valuation and translation adjustments			
Balance as of February 29, 2008	7	13	20	4	400	20,769
Change during interim accounting period						
Surplus dividend						(834)
Interim net income						1,042
Acquisition of treasury stock						0
Changes to items other than shareholders' equity during the interim accounting period	(22)	18	(3)	0	(23)	(26)
Total change during interim accounting period	(22)	18	(3)	0	(23)	181
Balance as of August 31, 2008	(14)	32	17	4	376	20,951

Changes in Consolidated Interim Shareholders' Equity March 1, 2007 to August 31, 2007

Millions of yen

	Shareholders' equity				
	Capital	Capital surplus	Retained profit	Treasury stock	Total shareholders' equity
Balance as of February 28, 2007	4,157	4,032	20,283	(9,540)	18,932
Change during interim accounting period					
Surplus dividend			(909)		(909)
Interim net income			2,707		2,707
Acquisition of treasury stock				(1,320)	(1,320)
Disposal of treasury stock			(126)	182	56
Decrease in retained profit following changes to the scope of consolidation			(174)		(174)
Increase in retained profit following changes to the scope of consolidation			78		78
Changes to items other than shareholders' equity during the interim accounting period	—	—	—	—	—
Total change during interim accounting period	—	—	1,574	(1,137)	437
Balance as of August 31, 2007	4,157	4,032	21,858	(10,678)	19,369

	Valuation and differences due to foreign exchange			Warrants for new shares	Minority interests	Total net assets
	Valuation differences on other marketable securities	Adjustment due to exchange rate	Total valuation and translation adjustments			
Balance as of February 28, 2007	6	(2)	3	1	366	19,303
Change during interim accounting period						
Surplus dividend						(909)
Interim net income						2,707
Acquisition of treasury stock						(1,320)
Disposal of treasury stock						56
Decrease in retained profit following changes to the scope of consolidation						(174)
Increase in retained profit following changes to the scope of consolidation						78
Changes to items other than shareholders' equity during the interim accounting period	1	(0)	0	1	21	23
Total change during interim accounting period	1	(0)	0	1	21	461
Balance as of August 31, 2007	8	(3)	4	2	387	19,764

Changes in Consolidated Shareholders' Equity March 1, 2007 to February 29, 2008

Millions of yen

	Capital	Capital surplus	Retained profit	Treasury stock	Total shareholders' equity
Balance as of February 28, 2007	4,157	4,032	20,283	(9,540)	18,932
Change during the period					
Surplus dividend			(1,744)		(1,744)
Net income			4,650		4,650
Acquisition of treasury stock				(1,320)	(1,320)
Disposal of treasury stock			(126)	182	56
Decrease in retained profit following changes to the scope of consolidation			(309)		(309)
Increase in retained profit following changes to the scope of consolidation			78		78
Changes to items other than shareholders' equity during the period (net)	—	—	—	—	—
Total change during period	—	—	2,549	(1,137)	1,411
Balance as of February 29, 2008	4,157	4,032	22,833	(10,678)	20,344

	Valuation and differences due to foreign exchange			Warrants for new shares	Minority interests	Total net assets
	Valuation differences on other marketable securities	Adjustment due to exchange rate	Total valuation and translation adjustments			
Balance as of February 28, 2007	6	(2)	3	1	366	19,303
Change during the period						
Surplus dividend						(1,744)
Net income						4,650
Acquisition of treasury stock						(1,320)
Disposal of treasury stock						56
Decrease in retained profit following changes to the scope of consolidation						(309)
Increase in retained profit following changes to the scope of consolidation						78
Changes to items other than shareholders' equity during the period (net)	1	15	17	3	33	53
Total change during period	1	15	17	3	33	1,465
Balance as of February 29, 2008	7	13	20	4	400	20,769

Consolidated Statements of Cash flows

Millions of yen

	March 1, 2008 to August 31, 2008	March 1, 2007 to August 31, 2007	March 1, 2007 to February 29, 2008
I. Cash flow from operating activities			
Income before taxes, etc.	2,237	4,657	8,495
Depreciation.....	1,113	1,069	2,342
Increase in reserve for bonuses	23	290	109
Increase in allowance for doubtful accounts.....	59	127	174
Increase (decrease) in insurance reserves.....	--	(20)	--
Increase in reserve for product warranties	243	--	--
Increase in reserve for directors' retirement benefit	399	--	--
Interest and dividends received.....	(10)	(8)	(5)
Interest paid	82	53	140
Gain on sale of fixed assets.....	--	--	(15)
Loss on disposal of fixed assets.....	71	168	330
Amortization of goodwill.....	--	1	--
Payment of directors' bonuses	--	(73)	--
Decrease (increase) in accounts receivable.....	(3,971)	1,459	(2,267)
Decrease (increase) in inventory	(3,340)	(701)	(2,588)
Increase (decrease) in accounts payable.....	1,334	(982)	169
Decrease (increase) in operating loans.....	(177)	(411)	(601)
Increase (decrease) in accrued consumption tax.....	4	(133)	(89)
Other.....	(872)	(323)	509
Subtotal.....	(2,803)	5,173	6,705
Interest and dividends received.....	10	8	5
Interest paid	(82)	(53)	(140)
Corporate taxes paid	(1,246)	(2,825)	(5,214)
Cash flow from operating activities.....	(4,121)	2,303	1,354
II. Cash flow from investing activities			
Payments for purchase of tangible fixed assets	(1,416)	(838)	(1,946)
Proceeds from sale of tangible fixed assets	192	--	116
Payments for acquisition of intangible fixed assets	(165)	(476)	(824)
Payments for acquisition of shares of affiliates.....	(50)	--	(0)
Amounts lent.....	(1)	(225)	(3)
Proceeds from repayment of loans.....	1	10	3
Increase (decrease) in deposits and guarantee payments.....	95	(210)	(305)
Cash flow from investing activities.....	(1,344)	(1,741)	(2,960)
III. Cash flow from financing activities			
Net increase (decrease) in short term borrowings.....	5,761	(3,440)	(471)
Repayment of long-term loans.....	(125)	(50)	(986)
Proceeds from long-term loans.....	100	3,000	4,661
Payments for acquisition of treasury stock	(0)	(1,320)	(1,320)
Proceeds from disposal of treasury stock.....	--	56	56
Payment of dividends	(834)	(909)	(1,744)
Dividends paid to minority shareholders.....	(5)	(5)	(5)
Repayments to minority shareholders	--	(6)	(10)
Cash flow from financing activities	4,895	(2,676)	177
IV. Cash and cash equivalents currency translation differences.....	18	--	6
V. (Decrease) increase in cash and cash equivalents	(551)	(2,114)	(1,421)
VI. Cash and cash equivalents at beginning of period.....	3,639	4,855	4,855
VII. Increase in cash and cash equivalents from change in scope of consolidation	--	186	205
VIII. Cash and cash equivalents at end of period.....	3,088	2,927	3,639

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

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
1. Items relating to the scope of consolidation	<p>(1) Number of consolidated subsidiaries: 13 G-One Financial Services Co., Ltd. G-Care Kyousaikai Gulliver Europe Ltd. G-One Credit Services Co., Ltd. G-Trading Co., Ltd. G-Bus Co., Ltd. Samurai Motors Co. G-Trading Rus LLC G-Rental Co., Ltd. Hucobo Co., Ltd. Takeoff Co., Ltd. Gulliver USA, Inc. Gulliver East, Inc.</p> <p>(2) Main non-consolidated subsidiaries: Carbross Co., Ltd. G One Insurance Service Co., Ltd.</p> <p>Reasons for exclusion from consolidation: Carbross Co., Ltd. and G One Insurance Service Co., Ltd. are small and their total assets, sales, net income and retained profit, etc., do not significantly affect the consolidated financial statements.</p>	<p>(1) Number of consolidated subsidiaries: 9 G Trading Co., Ltd. G One Financial Services Co., Ltd. Gulliver Europe Ltd. Hucobo Co., Ltd. Samurai Motors Co. G-Bus Co., Ltd. Carbross Co., Ltd. TAKEOFF Co., Ltd. G-Trading Rus LLC G-Care Kyousaikai</p> <p>(Change in scope of consolidation) Of the above G-Care Kyousaikai has been included in the scope of consolidation since its significance has increased during the fiscal year. Carbross Co., Ltd. has been excluded from consolidation since its significance has decreased during the fiscal period.</p> <p>(2) Main non-consolidated subsidiaries: Gulliver USA, Inc. Carbross Co., Ltd.</p> <p>Reasons for exclusion from consolidation: Gulliver USA, Inc. and Carbross Co., Ltd. are small and their total assets, sales, net income and retained profit, etc., do not significantly affect the consolidated financial statements.</p>	<p>(1) Number of consolidated subsidiaries: 13 G-One Financial Services Co., Ltd. G-Care Kyousaikai Gulliver Europe Ltd. G-One Credit Services Co., Ltd. G-Trading Co., Ltd. G-Bus Co., Ltd. Samurai Motors Co. G-Trading Rus LLC G-Rental Co., Ltd. Hucobo Co., Ltd. Takeoff Co., Ltd. Gulliver USA, Inc. Gulliver East, Inc.</p> <p>(Change in scope of consolidation) Of the above G-Care Kyousaikai, Gulliver USA, Inc. and Gulliver East, Inc. have been included in the scope of consolidation since their significance has increased during the fiscal year. As a result of an acquisition of shares in G-Rental Co., Ltd. during the consolidated fiscal year and having newly established G-One Credit Services Co., Ltd., both companies have been included in the scope of consolidation. However, Carbross Co., Ltd. has been excluded from consolidation since its significance has decreased during the fiscal period.</p> <p>(2) Main non-consolidated subsidiaries: Carbross Co., Ltd. G One Insurance Service Co., Ltd.</p> <p>Reasons for exclusion from consolidation: Carbross Co., Ltd. and G One Insurance Service Co., Ltd. are small and their total assets, sales, net income and retained profit, etc., do not significantly affect the consolidated financial statements.</p>

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
2. Application of the equity method	<p>Non-consolidated subsidiaries and affiliates to which the equity method is not applied: UG Powers Co., Ltd. Carboss Co., Ltd. G One Insurance Service Co., Ltd.</p> <p style="text-align: center;">As at right</p>	<p>Non-consolidated subsidiaries and affiliates to which the equity method is not applied: Gulliver USA, Inc. Carboss Co., Ltd. UG Powers Co., Ltd.</p> <p>Reasons for not applying the equity method: The effect of the company on net income and retained profit is immaterial and its overall importance is low.</p>	<p>Non-consolidated subsidiaries and affiliates to which the equity method is not applied: UG Powers Co., Ltd. Carboss Co., Ltd. G One Insurance Service Co., Ltd.</p> <p style="text-align: center;">As at left</p>
3. Items relating to the (interim) settlement dates of consolidated subsidiaries	<p>Consolidated subsidiaries with a interim settlement date that differs from the Consolidated Settlement Date as follows:</p> <p style="text-align: center;">As at right</p>	<p>Consolidated subsidiaries with a interim settlement date that differs from the Consolidated Settlement Date as follows:</p> <p>(Settlement date of June 30) Gulliver Europe Ltd. Samurai Motors Co. G-Trading Rus LLC</p> <p>In the case of the above 3 companies, as the gap does not exceed 3 months, consolidation is performed based on provisional statements. For material transactions occurring between the settlement dates necessary, consolidation adjustments are made.</p>	<p>Consolidated subsidiaries with a settlement date that differs from the Consolidated Settlement Date as follows:</p> <p>(Settlement date of December 31) Gulliver Europe Ltd. Samurai Motors Co. G-Trading Rus LLC</p> <p>In the case of the above 3 companies, as the gap does not exceed 3 months, consolidation is performed based on provisional statements. For material transactions occurring between the settlement dates necessary, consolidation adjustments are made..</p>
4. Items relating to accounting treatment 1) Valuation criteria and valuation methods for material assets	<p>(i) Marketable securities Bonds intended to be held to maturity: As at right</p> <p>Other marketable securities Those with a market price: As at right</p> <p>Those without a market value: As at right</p> <p>Shareholdings in subsidiaries: As at right</p>	<p>(i) Marketable securities Bonds intended to be held to maturity: Amortizing cost method (straight line)</p> <p>Other marketable securities Those with a market price: Valued by the market method based on the market price as at the accounting date. Valuation gains or losses are taken direct to net assets 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</p> <p>Shareholdings in subsidiaries: The cost method using the moving average method</p>	<p>(i) Marketable securities Bonds intended to be held to maturity: As at left</p> <p>Other marketable securities Those with a market price: As at left</p> <p>Those without a market value: As at left</p> <p>Shareholdings in subsidiaries: As at left</p>

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
	(ii) Derivatives As at right (iii) Inventories A. Merchandise: Vehicles: As at right Other: As at right B. Supplies: As at right	(ii) Derivatives Market price method (iii) Inventories A. Merchandise: Vehicles: Actual cost method Other: First in first out method applied B. Supplies: Final cost method applied	(ii) Derivatives As at left (iii) Inventories A. Merchandise: Vehicles: As at right Other: As at right B. Supplies: As at right
2) Depreciation methods applied to material depreciable assets	(i) Tangible Fixed Assets As at right (Additional information) Following the revision to the Corporate Tax Law, for tangible fixed assets acquired on or before March 31, 2007, the balance of an amount equivalent to 5% of the acquisition value and the memorandum price is depreciated using the straight line method and are recorded as depreciation expenses for a period of five years, starting in the consolidated fiscal year after the fiscal year in which depreciation based on a method stipulated in pre-revision Corporate Tax Law reaches 5% of the acquisition value. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial. (ii) Intangible Fixed Assets As at right (iii) Long Term Prepaid Expenses As at right	(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 (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. (iii) Long Term Prepaid Expenses The Straight Line Method is applied	(i) Tangible Fixed Assets As at left (ii) Intangible Fixed Assets As at right (iii) Long Term Prepaid Expenses As at left
3) Treatment of deferred assets	Share issue expenses As at right	Share issue expenses Expensed in their entirety at the time of expenditure	Share issue expenses As at left

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
4) Criteria for recording material reserves	<p>(i) Reserve for Doubtful Accounts As at right</p> <p>(ii) Reserve for Bonuses As at right</p> <p>(iii) Reserve for Directors' Bonuses</p> <p>(iv) Reserve for Directors' Retirement Benefit In order to prepare for payments for the retirement benefits for directors, the necessary allowance amount as of the interim balance sheet date is accounted for in accordance with the rules for reserves for director's retirement benefit.</p> <p>(Change to accounting policies) Previously, payments for retirement benefits for directors were treated as expenses at time of payment. However, as of the fiscal year ending February 28, 2009, the required amount of retirement benefits for directors at the end of the consolidated interim period will be based on the retirement benefits for directors' rules and will be recorded as reserve for directors' retirement benefit. This change follows the adoption of revisions to the treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws (JICPA Audit and Assurance Practice Committee Report No. 42) announced April 13, 2007 by the JICPA.</p>	<p>(i) Reserve for Doubtful Accounts To prepare for the losses occurring from bad debts, with respect to general claims the actual bad debt to 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>(iii) Reserve for Directors' Bonuses</p> <p style="text-align: center;">-----</p>	<p>(i) Reserve for Doubtful Accounts As at left</p> <p>(ii) Reserve for Bonuses As at left</p> <p>(iii) Reserve for Directors' Bonuses Amount based on forecasted provisional amount in preparation for payment of bonuses to directors.</p> <p style="text-align: center;">-----</p>

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
	<p>In comparison with the former method, operating income and ordinary income are ¥23 million lower and net income is ¥399 million lower as a result of this change.</p> <p>(v) Merchandize Warranty Reserve</p> <p>In preparation for losses on repairs of cars with warranties, estimated warranty amounts for the warranty period are accounted for based on actual prior results.</p> <p>(Change to accounting policies)</p> <p>Previously, warranty reserves were expensed at the time of payment. However, as of the fiscal year ending February 28, 2009, estimated future warranty payments will be accounted for as the merchandize warranty reserve.</p> <p>This change follows the application of revisions to the treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws (JICPA Audit and Assurance Practice Committee Report No. 42) announced April 13, 2007 by the JICPA.</p> <p>In comparison to the former method, operating income and ordinary income are ¥58 million lower and income before taxes, etc. is ¥243 million lower as a result of this change.</p>		

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
5) Translation of major currency assets and liabilities valuations held by consolidated companies and others during the period under review and for the preparation of the financial report for the period under review	As at right	Valuations of foreign bonds and monetary liabilities are translated to Japanese yen using the spot exchange rate on the date of settlement. Differences are recorded as either a gain or loss. Valuations of assets and liabilities of existing subsidiaries and others are translated to Japanese yen using the spot exchange rate on the date of settlement, and revenues and expenses are translated into Japanese yen using an average spot rate for the period. Translation differences are recorded under net assets in the minority interests, and valuation and translation adjustments sections.	Valuations of foreign bonds and monetary liabilities are translated to Japanese yen using the spot exchange rate on the date of settlement. Differences are recorded as either a gain or loss. Valuations of assets and liabilities of existing subsidiaries and others are translated to Japanese yen using the spot exchange rate on the date of settlement and revenues and expenses are translated into Japanese yen using an average spot rate for the period. Translation differences are recorded under net assets in the minority interests, and valuation and translation adjustments sections.
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.	As at left
7) Material hedge accounting	<p>(i) Method of Hedge Accounting As at right</p> <p>(ii) Hedging Tools and Hedge Target As at right</p> <p>(iii) Hedging Policy As at right</p> <p>(iv) Method of evaluating hedge effectiveness As at right</p>	<p>(i) Method of Hedge Accounting According to Deferred Hedge Method. However, special methods are employed for interest rate swap transactions that meet specifications for special methods.</p> <p>(ii) Hedging Tools and Hedge Targets Hedging Tools – Interest Rate Swaps Hedge Targets – Interest on borrowings</p> <p>(iii) Hedging Policy Interest Rate Swap transactions are entered into for the purpose of hedging the risk of interest rate fluctuation on borrowings and entered into only for the target obligations.</p> <p>(iv) Method of evaluating hedge effectiveness Evaluations of hedge effectiveness are based on a comparison of the total amount of market volatility and cash flow volatility of hedging tools and compared to total market price volatility and cash flow volatility of hedge targets. However, evaluation of the effectiveness of special interest rate swaps that depend on special handling methods has been omitted.</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>

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
8) Other material items in the preparation of the interim consolidated financial statements	Accounting treatment for Consumption Tax As at right	Accounting treatment for Consumption Tax Tax Exclusion Method is applied in the accounting treatment of consumption tax. Further, provisional receipts of consumption tax are offset against provisional payments and shown under 'Others' in Current Liabilities.	Accounting treatment for Consumption Tax Tax Exclusion Method is applied in the accounting treatment of consumption tax
5. Definition of cash in the consolidated statements of cash flow	As at right	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

Changes in Accounting Treatment

March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
-----	<p>Changes to the depreciation method of tangible fixed assets</p> <p>From the interim period of the fiscal year ended February 29, 2008, 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.</p>	<p>Changes to the depreciation method of tangible fixed assets</p> <p>From the period of the fiscal year ended February 29, 2008, 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.</p>

Changes to method of presentation

March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007
<p>Consolidated statements of income</p> <p>In the consolidated financial report for the interim period of the fiscal year ended February 29, 2008, gain on foreign exchange was included in 'other' under non-operating income. However, since the amount has become more than 10% of non-operating income it has been separately disclosed in the current interim consolidated financial report. Gain from foreign exchange in the previous interim period was ¥4 million.</p>	-----

Notes

(Related to the consolidated balance sheets)

March 1, 2008– August 31, 2008	March 1, 2007– August 31, 2007	March 1, 2007– February 29 2008
<p>*1 Total accumulated depreciation of tangible fixed assets:</p> <p style="text-align: right;">¥5,175 million</p>	<p>*1 Total accumulated depreciation of tangible fixed assets:</p> <p style="text-align: right;">¥4,116 million</p>	<p>*1 Total accumulated depreciation of tangible fixed assets:</p> <p style="text-align: right;">¥4,574 million</p>

(Related to the consolidated statements of income)

Millions of yen

March 1, 2008– August 31, 2008	March 1, 2007– August 31, 2007	March 1, 2008– February 29 2007																																																
1. Principal components of SGA expenses	1. Principal components of SGA expenses	1. Principal components of SGA expenses																																																
<table> <tr> <td>Advertising</td> <td>2,496</td> </tr> <tr> <td>Contracting fees</td> <td>954</td> </tr> <tr> <td>Salaries</td> <td>4,889</td> </tr> <tr> <td>Bonuses</td> <td>70</td> </tr> <tr> <td>Transfer to allowance for bonuses</td> <td>894</td> </tr> <tr> <td>Transfer to reserve for director's retirement benefit</td> <td>23</td> </tr> <tr> <td>Transfer to allowance for doubtful accounts</td> <td>69</td> </tr> <tr> <td>Depreciation</td> <td>1,113</td> </tr> <tr> <td>Rent</td> <td>2,554</td> </tr> </table>	Advertising	2,496	Contracting fees	954	Salaries	4,889	Bonuses	70	Transfer to allowance for bonuses	894	Transfer to reserve for director's retirement benefit	23	Transfer to allowance for doubtful accounts	69	Depreciation	1,113	Rent	2,554	<table> <tr> <td>Advertising</td> <td>2,292</td> </tr> <tr> <td>Contracting fees</td> <td>902</td> </tr> <tr> <td>Salaries</td> <td>4,042</td> </tr> <tr> <td>Bonuses</td> <td>215</td> </tr> <tr> <td>Transfer to allowance for bonuses</td> <td>721</td> </tr> <tr> <td>Depreciation</td> <td>1,069</td> </tr> <tr> <td>Rent</td> <td>2,337</td> </tr> </table>	Advertising	2,292	Contracting fees	902	Salaries	4,042	Bonuses	215	Transfer to allowance for bonuses	721	Depreciation	1,069	Rent	2,337	<table> <tr> <td>Advertising</td> <td>5,557</td> </tr> <tr> <td>Contracting fees</td> <td>1,934</td> </tr> <tr> <td>Salaries</td> <td>8,634</td> </tr> <tr> <td>Bonuses</td> <td>1,294</td> </tr> <tr> <td>Transfer to allowance for bonuses</td> <td>573</td> </tr> <tr> <td>Transfer to reserve for director's bonuses</td> <td>63</td> </tr> <tr> <td>Depreciation</td> <td>2,342</td> </tr> <tr> <td>Rent</td> <td>4,481</td> </tr> </table>	Advertising	5,557	Contracting fees	1,934	Salaries	8,634	Bonuses	1,294	Transfer to allowance for bonuses	573	Transfer to reserve for director's bonuses	63	Depreciation	2,342	Rent	4,481
Advertising	2,496																																																	
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2. Components of losses on disposal of fixed assets	2. Components of losses on disposal of fixed assets	2. Components of losses on disposal of fixed assets																																																
<table> <tr> <td>Buildings and structures</td> <td>5</td> </tr> <tr> <td>Tools & equipment</td> <td>8</td> </tr> <tr> <td>Software</td> <td>8</td> </tr> <tr> <td>Long-term prepaid expenses</td> <td>32</td> </tr> <tr> <td>Restoration expenses</td> <td>37</td> </tr> <tr> <td>Others</td> <td>2</td> </tr> <tr> <td>Total</td> <td>92</td> </tr> </table>	Buildings and structures	5	Tools & equipment	8	Software	8	Long-term prepaid expenses	32	Restoration expenses	37	Others	2	Total	92	<table> <tr> <td>Buildings and structures</td> <td>61</td> </tr> <tr> <td>Tools & equipment</td> <td>9</td> </tr> <tr> <td>Software</td> <td>65</td> </tr> <tr> <td>Long-term prepaid expenses</td> <td>0</td> </tr> <tr> <td>Restoration expenses</td> <td>24</td> </tr> <tr> <td>Others</td> <td>7</td> </tr> <tr> <td>Total</td> <td>168</td> </tr> </table>	Buildings and structures	61	Tools & equipment	9	Software	65	Long-term prepaid expenses	0	Restoration expenses	24	Others	7	Total	168	<table> <tr> <td>Buildings and structures</td> <td>224</td> </tr> <tr> <td>Tools & equipment</td> <td>22</td> </tr> <tr> <td>Software</td> <td>24</td> </tr> <tr> <td>Long-term prepaid expenses</td> <td>0</td> </tr> <tr> <td>Restoration expenses</td> <td>57</td> </tr> <tr> <td>Others</td> <td>1</td> </tr> <tr> <td>Total</td> <td>330</td> </tr> </table>	Buildings and structures	224	Tools & equipment	22	Software	24	Long-term prepaid expenses	0	Restoration expenses	57	Others	1	Total	330						
Buildings and structures	5																																																	
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Changes to Consolidated Interim Shareholders' Equity

March 1, 2008 to August 31, 2008

Category and number of ordinary and treasury shares in issuance

Thousands of shares

	No. of shares at the end of the previous fiscal year	Increase in number of shares during the interim period	Decrease in number of shares during the interim period	Number of shares at the end of the interim period
Shares outstanding				
Ordinary shares	10,688	--	--	10,688
Total	10,688	--	--	10,688
Treasury stock				
Ordinary shares	1,091	0	--	1,091
Total	1,091	0	--	1,091

Note: The increase in treasury shares is due to an acquisition of shares totaling less than one trading unit

Warrants for new shares and warrants for treasury stock

Millions of yen

Classification	Breakdown of warrants	Balance at the end of the interim period
Consolidated subsidiaries	Stock option of share warrants	4
Total		4

Dividends

Amount of dividends paid

Resolution	Share category	Total dividend (millions of yen)	Dividend per share (¥)	Base date	Effective date
Regular meeting of shareholders (May 28, 2008)	Ordinary shares	834	87.0	February 29, 2008	May 29, 2008

Dividend payments for which the base date falls within the interim period under review but for which the effective date follows the end of the period

Resolution	Share category	Total dividend (millions of yen)	Dividend source	Dividend per share (¥)	Base date	Effective date
Board meeting (October 17, 2007)	Ordinary shares	393	Retained earnings	41	August 31, 2008	November 13, 2008

Changes to Consolidated Interim Shareholders' Equity

March 1, 2007 to August 31, 2007

Category and number of ordinary and treasury shares in issuance

Thousands of shares

	No. of shares at the end of the previous fiscal year	Increase in number of shares during the interim period	Decrease in number of shares during the interim period	Number of shares at the end of the interim period
Shares outstanding				
Ordinary shares	10,688	--	--	10,688
Total	10,688	--	--	10,688
Treasury stock				
Ordinary shares	909	200	17	1,091
Total	909	200	17	1,091

Note: The increase in treasury shares is due to the decision by the Board of directors to acquire 200,000 shares.

The decrease in treasury shares is due to the exercising of 17,000 warrants.

Warrants for new shares and warrants for treasury stock

Millions of yen

Classification	Breakdown of warrants	Balance at the end of the interim period
Consolidated subsidiaries	Stock option of share warrants	2
Total		2

Dividends

Amount of dividends paid

Resolution	Share category	Total dividend (millions of yen)	Dividend per share (¥)	Base date	Effective date
Regular meeting of shareholders (May 23, 2007)	Ordinary shares	909	93	February 28, 2007	May 24, 2007

Dividend payments for which the base date falls within the interim period under review but for which the effective date follows the end of the period

Resolution	Share category	Total dividend (millions of yen)	Dividend source	Dividend per share (¥)	Base date	Effective date
Board meeting (October 17, 2007)	Ordinary shares	834	Retained earnings	87	August 31, 2007	November 13, 2007

Changes to shareholders' equity and other items

Consolidated fiscal year March 1, 2007 to February 29, 2008

1. Number and types of shares issued as of fiscal year ended February 29, 2008

(Thousands of shares)

	Number of shares at end of previous fiscal year	Increase	Decrease	Number of shares at end of current fiscal year
Shares outstanding				
Ordinary shares	10,688	—	—	10,688
Total	10,688	—	—	10,688
Treasury stock				
Ordinary shares ^{1,2}	909	200	17	1,091
Total	909	200	17	1,091

(Note) 1. The increase of 200,000 in ordinary shares of treasury stock results from a market purchase authorized by a decision by the board of directors.

2. The 17,000 decrease in ordinary shares of treasury stock is a result of stock options exercised.

2. Information on new share warrants at end of fiscal year ended February 29, 2008

(Millions of yen)

Classification	Breakdown of warrants	Balance at end of fiscal year
Consolidated subsidiaries	Stock options of share warrants	4
Total		4

3. Items related to dividends

(1) Dividend payments

Resolution	Share category	Total dividends (Millions of yen)	Dividend per share (¥)	Date of record	Effective date
May 23, 2007 Regular shareholders' meeting	Ordinary shares	909	93.00	February 28, 2007	May 24, 2007
October 17, 2007 Meeting of the board of directors	Ordinary shares	834	87.00	August 31, 2007	November 13, 2007

(2) Of dividends for which the record date is in the current fiscal year, those for which the effective date is in the following fiscal year.

Resolution	Share category	Total dividends (Millions of yen)	Dividend source	Dividend per share (¥)	Base date	Effective date
May 28, 2008 Regular shareholders' meeting	Ordinary shares	834	Retained earnings	87.00	February 29, 2008	May 29, 2008

(Related to the consolidated statements of cash flow)

Millions of yen

March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 - February 29, 2008
(1) Balance of cash and cash equivalents and other items at end of term	(1) Balance of cash and cash equivalents and other items at end of term	(1) Balance of cash and cash equivalents and other items at end of term
Cash and deposit accounts 3,088	Cash and cash deposit accounts 2,927	Cash and cash deposit accounts 3,639
Cash and cash equivalents 3,088	Cash and cash equivalents 2,927	Cash and cash equivalents 3,639

Lease, marketable securities, derivative transactions, stock options, etc., tax accounting, transactions with related parties and items related to business integration

These items are of limited importance and have therefore been omitted.

4. Segment Information by business type

Interim period of the fiscal year ending February 28, 2009 (March 1, 2008 to August 31, 2008)

Millions of yen

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	84,695	2,223	4,092	91,011	--	91,011
(2) Inter-segmental sales or transfers	751	705	1,525	2,981	(2,981)	--
Total	85,447	2,928	5,617	93,992	(2,981)	91,011
Operating expenses	81,294	2,832	4,215	88,342	(139)	88,203
Operating income	4,152	96	1,401	5,650	(2,842)	2,807

Notes:

- Method of business classification: Businesses have been classified according to the classification used in calculating sales.
- Names of principal products or services attributable to each business classification:

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated outlets and the like.
Financing business	Consolidated subsidiary G-One Financial Services Co., Ltd. provides financing services such as auto-loans
Other business	Royalties arising out of franchise agreements and fees for the provision of training etc., and intermediation in buying and selling of used automobiles, fees arising from financial business and other business.

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

Millions of yen

	March 1, 2008 – August 31, 2008	Principal content
Amount of operating expense which cannot be allocated to a segment	2,842	Expenses relating to head office administration at the parent company

Interim period of the fiscal year ended February 29, 2008 (March 1, 2007 to August 31, 2007)

Millions of yen

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(2) Sales to external customers	81,532	1,975	3,719	87,226	--	87,226
(2) Inter-segmental sales or transfers	438	283	1,177	1,899	(1,899)	--
Total	81,970	2,258	4,896	89,125	(1,899)	87,226
Operating expenses	75,994	2,043	3,593	81,631	842	82,474
Operating income	5,975	215	1,302	7,494	(2,741)	4,752

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:

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated outlets and the like.
Financing business	Consolidated subsidiary G-One Financial Services Co., Ltd. provides financing services such as auto-loans
Other business	Royalties arising out of franchise agreements and fees for the provision of training etc., and intermediation in buying and selling of used automobiles, fees arising from financial business and other business.

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

Millions of yen

	March 1, 2007 – August 31, 2007	Principal content
Amount of operating expense which cannot be allocated to a segment	2,741	Expenses relating to head office administration at the parent company

Fiscal year ended February 29, 2008 (March 1, 2007 to February 29, 2008)
Millions of yen

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	178,445	4,503	7,632	190,592	--	190,592
(2) Inter-segmental sales or transfers	987	623	2,908	4,518	(4,518)	--
Total	179,443	5,126	10,540	195,111	(4,518)	190,592
Operating expenses	168,048	4,980	7,840	180,869	1,024	181,893
Operating income	11,394	146	2,700	14,241	(5,543)	8,698

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:

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated outlets and the like.
Financing business	Consolidated subsidiary G-One Financial Services Co., Ltd. provides financing services such as auto-loans
Other business	Royalties arising out of franchise agreements and fees for the provision of training etc., and intermediation in buying and selling of used automobiles, fees arising from financial business and other business.

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

Millions of yen

	March 1, 2007 – February 29, 2008	Principal content
Amount of operating expense which cannot be allocated to a segment	5,543	Expenses relating to head office administration at the parent company

Material subsequent events

March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
<p>Transactions in treasury stock</p> <p>At a meeting of the Board of Directors held October 17, 2008, it was decided that treasury shares will be acquired based on a reinterpretation of Company Law 156 in accordance with stipulations in Company Law 165, Chapter 3. An outline follows:</p> <p>(1) Reasons for acquisition of treasury stock: To maintain our flexible capital policy in response to changes in the operating environment.</p> <p>(2) Details of acquisition:</p> <ul style="list-style-type: none"> -Type of shares: common shares -Number of shares: up to 500,000 shares -Total acquisition cost: Up to ¥1,000 million -Acquisition period: October 20, 2008 to November 20, 2008 -Acquisition method: Market purchase on the Tokyo Stock Exchange 	<p>-----</p>	<p>-----</p>

Non-consolidated Balance Sheet
Millions of yen

	As of August 31, 2008		As of August 31, 2007		As of February 29, 2008	
		%		%		%
ASSETS						
Current assets						
Cash and deposits	1,396		1,583		2,004	
Accounts receivable	4,714		3,918		5,125	
Inventory.....	5,869		3,471		4,001	
Deferred tax assets.....	458		692		344	
Others.....	1,411		1,651		1,122	
Allowance for doubtful accounts	(6)		(87)		(7)	
Total current assets.....	13,845	34.0	11,229	29.8	12,592	35.6
Fixed assets						
Tangible fixed assets ^{*1}						
Buildings & structures.....	7,810		7,799		7,595	
Tools, fixtures & equipment	986		1,183		1,055	
Land.....	327		327		327	
Others.....	272		109		124	
Total tangible fixed assets.....	9,397	23.1	9,418	25.0	9,103	25.7
Intangible fixed assets						
Software	1,450		1,914		1,673	
Others.....	159		140		170	
Total intangible fixed assets	1,610	3.9	2,055	5.4	1,845	5.2
Investments and other assets						
Investment securities	50		100		98	
Shares of affiliates	2,163		2,061		2,267	
Long-term loans to affiliates* ²	7,406		6,500		3,116	
Deposits and guarantee money	3,101		3,404		3,035	
Construction cooperation money	2,973		2,852		3,180	
Deferred tax assets.....	282		91		238	
Others.....	118		203		157	
Allowance for doubtful accounts	(191)		(199)		(257)	
Total investment and other assets..	15,905	39.0	15,013	39.8	11,837	33.5
Total fixed assets	26,912	66.0	26,487	70.2	22,785	64.4
Total Assets.....	40,757	100.0	37,717	100.0	35,378	100.0

Non-consolidated Balance Sheet
Millions of yen

	As of August 31, 2008		As of August 31, 2007		As of February 29, 2008	
		%		%		%
LIABILITIES						
Current liabilities						
Accounts payable	2,495		2,036		2,217	
Short-term borrowing	9,033		7,500		5,300	
Accrued expenses	1,045		1,834		1,185	
Accrued corporate taxes	1,224		1,843		1,122	
Advances received	349		299		266	
Deposits received	287		428		322	
Reserve for bonuses.....	506		691		473	
Merchandise warranties reserve	232		--		--	
Others	1,570		832		1,155	
Total current liabilities	16,744	41.1	15,466	41.0	12,043	34.0
Long-term liabilities						
Long-term debt	3,166		3,000		3,100	
Guarantee deposits received.....	815		845		844	
Increase in reserve for directors' retirement benefit....	399		--		--	
Total long-term liabilities	4,381	10.7	3,845	10.2	3,944	11.2
Total liabilities	21,126	51.8	19,312	51.2	15,988	45.2
NET ASSETS						
Shareholders' equity						
Common stock	4,157	10.2	4,157	11.0	4,157	11.8
Capital surplus						
Capital reserves	4,032		4,032		4,032	
Total capital surplus	4,032	9.9	4,032	10.7	4,032	11.4
Accumulated earnings						
Profit reserve	39		39		39	
Other accumulated earnings						
Deferred accumulated earnings	22,094		20,845		21,830	
Total accumulated earnings..	22,134	54.3	20,884	55.4	21,869	61.8
Treasury stock	(10,678)	(26.2)	(10,678)	(28.3)	(10,678)	(30.2)
Total shareholders' equity	19,646	48.2	18,396	48.8	19,381	54.8
Valuation and translation differences						
Valuation difference on other marketable securities	(14)	0.0	8	0.0	7	0.0
Total Valuation and translation differences	(14)	0.0	8	0.0	7	0.0
Total net assets	19,631	48.2	18,404	48.8	19,389	54.8
Total liabilities and net assets ..	40,757	100.0	37,717	100.0	35,378	100.0

Non-consolidated Statements of Income

Millions of yen

	March 1, 2008 to August 31, 2008		March 1, 2007 to August 31, 2007		March 1, 2007 to February 29, 2008	
		%		%		%
Sales	77,088	100.0	76,442	100.0	167,219	100.0
Cost of goods sold	58,687	76.1	57,632	75.4	128,303	76.7
Gross profit on sales	18,400	23.9	18,809	24.6	38,915	23.3
Sales, general and administrative expenses ^{*3}	15,581	20.2	14,384	18.8	30,456	18.2
Operating income	2,819	3.7	4,425	5.8	8,459	5.1
Non-operating income ^{*1}	114	0.1	128	0.2	356	0.2
Non-operating expenses ^{*2}	55	0.1	84	0.1	201	0.1
Ordinary income	2,878	3.7	4,469	5.9	8,614	5.2
Extraordinary income	80	0.1	20	0.0	20	0.0
Extraordinary expenses ^{*4}	830	1.1	298	0.4	898	0.5
Net income before taxes	2,128	2.7	4,191	5.5	7,735	4.7
Corporate income tax, inhabitants tax and enterprise tax	1,172		1,782		3,307	
Corporate tax adjustments	(143)		(66)		135	
Net income	1,099	1.4	2,475	3.3	4,293	2.7

(3) Changes to non-consolidated interim shareholders' equity

Interim period March 1, 2008 to August 31, 2008

Millions of yen

	Shareholders' equity							
	Capital	Capital surplus		Profit reserve	Accumulated earnings		Treasury stock	Total shareholders' equity
		Capital reserves	Total capital surplus		Other accumulated earnings	Total accumulated earnings		
					Deferred profit reserve			
Balance as of February 29, 2008	4,157	4,032	4,032	39	21,830	21,869	(10,678)	19,381
Change during interim accounting period								
Surplus dividend					(834)	(834)		(834)
Interim net income					1,099	1,099		1,099
Acquisition of treasury stock							0	0
Disposal of treasury stock								
Changes to items other than Shareholders' equity during the interim accounting period	--	--	--	--	--	--	--	--
Total change during interim accounting period	--	--	--	--	264	264	0	264
Balance as of August 31, 2008	4,157	4,032	4,032	39	22,094	22,134	(10,678)	19,646

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 29, 2008	7	7	19,389
Change during interim accounting period			
Surplus dividend			(834)
Interim net income			1,099
Acquisition of treasury stock			0
Disposal of treasury stock			
Changes to items other than shareholders' equity during the interim accounting period	(22)	(22)	(22)
Total change during interim accounting period	(22)	(22)	242
Balance as of August 31, 2008	(14)	(14)	19,631

Interim period March 1, 2007 to August 31, 2007
Millions of yen

	Shareholders' equity							
	Capital	Capital surplus		Profit reserve	Accumulated earnings		Treasury stock	Total shareholders' equity
		Capital reserves	Total capital surplus		Other accumulated earnings	Total accumulated earnings		
Balance as of February 28, 2007	4,157	4,032	4,032	39	19,406	19,445	(9,540)	18,094
Change during interim accounting period								
Surplus dividend					(909)	(909)		(909)
Interim net income					2,475	2,475		2,475
Acquisition of treasury stock							(1,320)	(1,320)
Disposal of treasury stock					(126)	(126)	182	56
Changes to items other than shareholders' equity during the interim accounting period	--	--	--	--	--	--	--	--
Total change during interim accounting period	--	--	--	--	1,439	1,439	(1,137)	301
Balance as of August 31, 2007	4,157	4,032	4,032	39	20,845	20,884	(10,678)	18,396

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, 2007	6	6	18,101
Change during interim accounting period			
Surplus dividend			(909)
Interim net income			2,475
Acquisition of treasury stock			(1,320)
Disposal of treasury stock			56
Changes to items other than shareholders' equity during the interim accounting period	1	1	1
Total change during interim accounting period	1	1	303
Balance as of August 31, 2007	8	8	18,404

Non-consolidated fiscal year ended February 29, 2008 (March 1, 2007 to February 29, 2008)
Millions of yen

	Shareholders' equity							
	Capital	Capital surplus		Profit reserve	Accumulated earnings		Treasury stock	Total shareholders' equity
		Capital reserves	Total capital surplus		Other accumulated earnings	Total accumulated earnings		
Balance as of February 28, 2007	4,157	4,032	4,032	39	19,406	19,445	(9,540)	18,094
Change during accounting period								
Surplus dividend					(1,744)	(1,744)		(1,744)
Interim net income					4,293	4,293		4,293
Acquisition of treasury stock							(1,320)	(1,320)
Disposal of treasury stock					(126)	(126)	182	56
Changes to items other than shareholders' equity during the accounting period	--	--	--	--	--	--	--	--
Total change during accounting period	--	--	--	--	2,423	2,423	(1,137)	1,286
Balance as of February 29, 2008	4,157	4,032	4,032	39	21,830	21,869	(10,678)	19,381

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, 2007	6	6	18,101
Change during accounting period			
Surplus dividend			(1,744)
Interim net income			4,293
Acquisition of treasury stock			(1,320)
Disposal of treasury stock			56
Changes to items other than shareholders' equity during the accounting period	1	1	1
Total change during accounting period	1	1	1,287
Balance as of February 29, 2008	7	7	19,389

**Material Items Forming the Basis for the Preparation
of the Interim Non-consolidated Financial Statements**

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
1. Valuation criteria and valuation methods for material assets	<p>(1) Marketable securities Bonds intended to be held to maturity. As at right</p> <p>Shares of subsidiaries As at right</p> <p>Other securities Those with market value: As at right</p> <p>Those without market value: As at right</p> <p>(2) Inventory Merchandise Vehicles: As at right</p> <p>Other: As at right</p> <p>Stored goods: As at right</p>	<p>(1) Marketable securities Bonds intended to be held to maturity. Amortizing cost method (straight-line method) Shares of subsidiaries The cost method using the moving average method</p> <p>Other securities Those with market value: Market value method based on market value as of the interim financial closing date (valuation gains or losses are taken directly into capital and the cost of sales calculated using the moving average method)</p> <p>Those without market value: Cost method using the moving average method</p> <p>(2) Inventory Merchandise Vehicles: Cost method using actual cost method</p> <p>Other: Cost method under first-in, first-out method</p> <p>Stored goods: Final purchase cost method</p>	<p>(1) Marketable securities Bonds intended to be held to maturity. As at left</p> <p>Shares of subsidiaries As at left</p> <p>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)</p> <p>Those without market value: As at left</p> <p>(2) Inventory Merchandise Vehicles: As at left</p> <p>Other: As at left</p> <p>Stored goods: As at left</p>
2. Fixed asset depreciation method	<p>(1) Tangible fixed assets As at right</p> <p>(Additional information) Following the revision to the Corporate Tax Law, for tangible fixed assets acquired on or before March 31, 2007, the balance of an amount equivalent to 5% of the acquisition value and the memorandum price is depreciated using the straight line method and are recorded as depreciation expenses for a period of five years, starting in the consolidated fiscal year after the fiscal year in which depreciation based on a method stipulated in pre-revision Corporate Tax Law reaches 5% of the acquisition value. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial.</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.</p> <p align="center">-----</p>	<p>(1) Tangible Fixed Assets As at left</p> <p align="center">-----</p>

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
	(2) Intangible Fixed Assets As at right (3) Long-term prepaid expenses As at right	(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. (3) Long-term prepaid expenses Straight line method is applied	(2) Intangible Fixed Assets As at left (3) Long-term prepaid expenses As at left
3. Treatment of Deferred assets	Share reissuing expense: As at right	Share reissuing expense: Expensed in their entirety at time of expenditure	Share reissuing expense: As at left

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
<p>4. Criteria for Recording Material Reserves</p>	<p>(1) Reserve for Doubtful Accounts As at right</p> <p>(2) Reserve for Bonuses As at right</p> <p>(3) Reserve for Directors' Bonuses -----</p> <p>(4) Reserve for Directors' Retirement Benefit In order to prepare for payments for the retirement benefits for directors, the necessary allowance amount as of the interim balance sheet date is accounted for in accordance with the rules for reserves for director's retirement benefit.</p> <p>(Change to accounting policies) Previously, payments for retirement benefits for directors were treated as expenses at time of payment. However, as of the fiscal year ending February 28, 2009, the required amount of retirement benefits for directors at the end of the consolidated interim period will be based on the retirement benefits for directors' rules and will be recorded as reserve for directors' retirement benefit.</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> <p>(3) Reserve for Directors' Bonuses -----</p> <p>(4) -----</p>	<p>(1) Reserve for Doubtful Accounts As at left</p> <p>(2) Reserve for Bonuses As at left</p> <p>(3) Reserve for Directors' Bonuses Calculations are based on the estimated amount required to provide for directors' bonuses.</p> <p>(4) -----</p>

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
	<p>This change follows the adoption of revisions to the treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws (JICPA Audit and Assurance Practice Committee Report No. 42) announced April 13, 2007 by the JICPA.</p> <p>In comparison with the former method, operating income and ordinary income would decrease by ¥23 million and net income before income taxes, etc. would decrease by ¥399 million as a result of this change.</p> <p>(5) Merchandize Warranty Reserve</p> <p>In preparation for losses on repairs of cars with warranties, estimated warranty amounts for the warranty period are accounted for based on actual prior results. (Change to accounting policies)</p> <p>Previously, warranty reserves were expensed at the time of payment. However, as of the fiscal year ending February 28, 2009, estimated future warranty payments will be accounted for as the merchandize warranty reserve.</p> <p>This change follows the application of revisions to the treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws (JICPA Audit and Assurance Practice Committee Report No. 42) announced April 13, 2007 by the JICPA.</p> <p>In comparison to use of the former method, operating income and ordinary income are ¥47 million lower and income before taxes, etc. is ¥232 million lower as a result of this change.</p>	(5) -----	(5) -----
5. Treatment of material Lease Transactions	-----	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	-----

Item	March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
6. Other Material Items Forming the Basis for the Preparation of the interim Non-consolidated Financial Accounts	Accounting Treatment of Consumption Tax: As at right	Accounting Treatment of Consumption Tax: Tax Exclusion Method is applied in the accounting treatment of consumption tax. Further, provisional receipts of consumption tax are offset against provisional payments and shown under 'Others' in Current Liabilities.	Accounting Treatment of Consumption Tax: Tax Exclusion Method is applied in the accounting treatment of consumption tax.

Changes to Material Items Forming the Basis for the Preparation of the Non-consolidated Financial Statements

March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008
-----	Changes to the depreciation method of tangible fixed assets From the interim period of the fiscal year ended February 29, 2008, 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.	Changes to the depreciation method of tangible fixed assets From the fiscal year ended February 29, 2008, 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.

Notes to Interim Non-Consolidated Balance Sheet

As of August 31, 2008	As of August 31, 2007	As of February 29, 2008																		
<p>*1. Additional assets and liabilities of affiliate companies: ¥4,958 million</p>	<p>*1. Additional assets and liabilities of affiliate companies: ¥4,072 million</p>	<p>*1. Additional assets and liabilities of affiliate companies: ¥4,446 million</p>																		
<p>*2. Upper credit limit amount and lending balance To ensure the efficient procurement and management of funds, amounts are lent to subsidiaries and affiliate companies within the Group. The upper credit limit and lending balance are as follows:</p> <p>(Millions of yen)</p> <table> <tr> <td>Upper credit limit</td> <td>16,200</td> </tr> <tr> <td>Lending balance</td> <td>7,406</td> </tr> <tr> <td>Difference</td> <td>8,794</td> </tr> </table> <p>Funds are provided based on the financial position and cash position of each company and in the amounts may not be provided in full.</p>	Upper credit limit	16,200	Lending balance	7,406	Difference	8,794	<p>*2. Upper credit limit amount and lending balance To ensure the efficient procurement and management of funds, amounts are lent to subsidiaries and affiliate companies within the Group. The upper credit limit and lending balance are as follows:</p> <p>(Millions of yen)</p> <table> <tr> <td>Upper credit limit</td> <td>8,500</td> </tr> <tr> <td>Lending balance</td> <td>6,500</td> </tr> <tr> <td>Difference</td> <td>1,999</td> </tr> </table> <p>Funds are provided based on the financial position and cash position of each company and in the amounts may not be provided in full.</p>	Upper credit limit	8,500	Lending balance	6,500	Difference	1,999	<p>*2. Upper credit limit amount and lending balance To ensure the efficient procurement and management of funds, amounts are lent to subsidiaries and affiliate companies within the Group. The upper credit limit and lending balance are as follows:</p> <p>(Millions of yen)</p> <table> <tr> <td>Upper credit limit</td> <td>11,200</td> </tr> <tr> <td>Lending balance</td> <td>3,116</td> </tr> <tr> <td>Difference</td> <td>8,083</td> </tr> </table> <p>Funds are provided based on the financial position and cash position of each company and in the amounts may not be provided in full.</p>	Upper credit limit	11,200	Lending balance	3,116	Difference	8,083
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<p>3. Contingent liabilities</p> <p>Debt guarantees (Millions of yen)</p> <table border="1"> <thead> <tr> <th>Guarantor</th> <th>Amount</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>G-One Financial Services Co., Ltd.</td> <td>5,000</td> <td>Debt</td> </tr> <tr> <td>Total</td> <td>5,000</td> <td>--</td> </tr> </tbody> </table>	Guarantor	Amount	Comments	G-One Financial Services Co., Ltd.	5,000	Debt	Total	5,000	--	<p>3. Contingent liabilities</p> <p>-----</p>	<p>3. Contingent liabilities</p> <p>Debt guarantees (Millions of yen)</p> <table border="1"> <thead> <tr> <th>Guarantor</th> <th>Amount</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>G-One Financial Services Co., Ltd.</td> <td>5,000</td> <td>Debt</td> </tr> <tr> <td>Total</td> <td>5,000</td> <td>--</td> </tr> </tbody> </table>	Guarantor	Amount	Comments	G-One Financial Services Co., Ltd.	5,000	Debt	Total	5,000	--
Guarantor	Amount	Comments																		
G-One Financial Services Co., Ltd.	5,000	Debt																		
Total	5,000	--																		
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Notes to Interim Non-Consolidated Statements of Income

(Millions of yen)

March 1, 2008 – August 31, 2008	March 1, 2007 – August 31, 2007	March 1, 2007 – February 29, 2008												
<p>*1 Main non-operating income</p> <table> <tr> <td>Interest received</td> <td>34</td> </tr> </table>	Interest received	34	<p>*1 Main non-operating income</p> <table> <tr> <td>Interest received</td> <td>37</td> </tr> </table>	Interest received	37	<p>*1 Main non-operating income</p> <table> <tr> <td>Interest received</td> <td>70</td> </tr> </table>	Interest received	70						
Interest received	34													
Interest received	37													
Interest received	70													
<p>*2 Main non-operating expenses</p> <table> <tr> <td>Interest paid</td> <td>48</td> </tr> </table>	Interest paid	48	<p>*2 Main non-operating expenses</p> <table> <tr> <td>Interest paid</td> <td>35</td> </tr> </table>	Interest paid	35	<p>*2 Main non-operating expenses</p> <table> <tr> <td>Interest paid</td> <td>98</td> </tr> </table>	Interest paid	98						
Interest paid	48													
Interest paid	35													
Interest paid	98													
<p>*3 Depreciation</p> <table> <tr> <td>Tangible fixed assets</td> <td>634</td> </tr> <tr> <td>Intangible fixed assets</td> <td>338</td> </tr> </table>	Tangible fixed assets	634	Intangible fixed assets	338	<p>*3 Depreciation</p> <table> <tr> <td>Tangible fixed assets</td> <td>679</td> </tr> <tr> <td>Intangible fixed assets</td> <td>337</td> </tr> </table>	Tangible fixed assets	679	Intangible fixed assets	337	<p>*3 Depreciation</p> <table> <tr> <td>Tangible fixed assets</td> <td>1,491</td> </tr> <tr> <td>Intangible fixed assets</td> <td>695</td> </tr> </table>	Tangible fixed assets	1,491	Intangible fixed assets	695
Tangible fixed assets	634													
Intangible fixed assets	338													
Tangible fixed assets	679													
Intangible fixed assets	337													
Tangible fixed assets	1,491													
Intangible fixed assets	695													
<p>*4 Extraordinary loss Provision for reserve for retirement benefits for directors: ¥376 million</p>	<p>*4 Extraordinary loss -----</p>	<p>*4 Extraordinary loss -----</p>												

Change in shareholders' equity for the interim period

March 1, 2008 – August 31, 2008

Category and number of treasury shares in issuance

Thousands of shares

	No. of shares at the end of the previous fiscal year	Increase in number of shares during the interim period	Decrease in number of shares during the interim period	Number of shares at the end of the interim period
Ordinary shares	1,091	0	--	1,091
Total	1,091	0	--	1,091

Notes:

1. The increase in treasury shares is due to an acquisition of shares totaling less than one trading unit

March 1, 2007 – August 31, 2007

Category and number of treasury shares in issuance

Thousands of shares

	No. of shares at the end of the previous fiscal year	Increase in number of shares during the interim period	Decrease in number of shares during the interim period	Number of shares at the end of the interim period
Ordinary shares	909	200	17	1,091
Total	909	200	17	1,091

Notes:

1. The increase in number of treasury shares was the result of a decision by the board of directors to acquire 200 thousand shares
2. The decrease in the number of shares was the result of the exercise of warrants for 17 thousand shares

March 1, 2007 – February 29, 2008

Category and number of treasury shares in issuance
shares

Thousands of

	No. of shares at the end of the previous fiscal year	Increase in number of shares during the interim period	Decrease in number of shares during the interim period	Number of shares at the end of the interim period
Ordinary shares	909	200	17	1,091
Total	909	200	17	1,091

Notes:

1. The increase in number of treasury shares was the result of a decision by the board of directors to acquire 200 thousand shares
2. The decrease in the number of shares was the result of the exercise of warrants for 17 thousand shares