



Gulliver International Co., Ltd.

Consolidated Results

First Quarter of the Fiscal Year Ending February 28, 2010

(Three-month period ended May 31, 2009)

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)

First quarter results for the fiscal year ending February 28, 2010

July 9, 2009

Gulliver International Co., Ltd.

Stock Code: 7599

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

Chairman: Kenichi Hatori

Scheduled date for the submission of the financial report: July 15, 2009

Scheduled date for distribution of dividends: --

Listed exchanges: Tokyo (1st Section)

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1. Consolidated financial results for the three-month period ended May 31, 2009

1) Consolidated operating results

	Three months ended May 31, 2009		Three months ended May 31, 2008	
		(% change)		(% change)
Sales.....	37,492	--	46,198	8.1
Operating income	2,731	--	1,243	(46.7)
Ordinary income	2,485	--	1,065	(55.1)
Net income.....	935	--	266	(81.3)
Earnings per share (¥)	¥102.81	--	¥27.80	--
Fully diluted earnings per share (¥)	--	--	¥27.80	--

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

2) Financial position (Consolidated)

	As of May 31, 2009	As of February 28, 2009
Total assets	59,004	58,773
Net assets.....	16,958	15,836
Shareholders' equity ratio (%).....	28.7%	26.9%
Shareholders' equity per share (¥).....	¥1,863.04	¥1,704.02

Shareholders' equity: As of May 31, 2009: ¥16,948 million
As of February 28, 2009: ¥15,829 million

2. Dividends

	Fiscal year ended February 28, 2009	Fiscal year ending February 28, 2010 (Forecast)
Interim dividend per share (¥)	41.00	38.00
Year-end dividend per share (¥)	0.00	38.00
Annual dividend per share (¥).....	41.00	76.00

Changes to the dividend forecast during the period: None

3. Consolidated financial forecasts for the fiscal year ending February 28, 2010 (March 1, 2009 to February 28, 2010)

	Interim period ending August 31, 2009		FY ending February 28, 2010	
		(% change)		(% change)
Sales.....	74,000	--	154,000	(5.9)
Operating income	2,300	--	5,000	28.0
Ordinary income	2,300	--	5,000	89.8
Net Income	900	--	2,300	--
Earnings per share (¥)	¥98.93	--	¥252.82	--

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

Changes to the consolidated financial forecast during the period: None

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: Yes

See *Operating Results*, Section 4. *Other* on page 4 for more detail.

3) Changes in accounting methods, procedures and presentation in the making of these financial statements (key items mentioned in Significant Items for the Preparation of Consolidated Financial Statements):

1. Changes following revisions to accounting standards: Yes

2. Other changes: No

Note: See *Operating Results*, Section 5. *Other* on page 4-5 for more detail.

4) Number of shares outstanding (ordinary shares)

1. Number of shares outstanding (including treasury shares):

As of May 31, 2009: 10,688,800

As of February 28, 2009: 10,688,800

2. Number of treasury shares:

As of May 31, 2009: 1,591,733

As of February 28, 2009: 1,591,730

3. Average number of shares during the period:

Three months ended May 31, 2009: 9,097,069

Three months ended May 31, 2008: 9,597,077

Notice regarding the appropriate use of the financial forecasts and other items

1. 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.
2. As of the current consolidated fiscal year, Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and (Guidance to Accounting Standard for Quarterly Financial Reporting) ASBJ Guidance No. 14 have been applied. The quarterly consolidated financial statements have been prepared in accordance with the rules for the preparation of quarterly consolidated financial statements.

1. Operating results

(1) Outline of consolidated operating results

Net sales for the first quarter of the consolidated fiscal year ending February 28, 2010 decreased 18.8% compared to the first quarter of the previous fiscal year. The primary causes were a decrease in the number of cars purchased by directly managed Gulliver stores and a decrease in sales from consolidated subsidiary G-Trading Co., Ltd. (JQ: 3348). However, sales of G-One Financial Services Co., Ltd., our consolidated subsidiary that is developing the financing business, increased due to a relative increase in the number of auto loans compared to growth in the number of cars sold through directly managed Gulliver stores. Although net sales decreased during the first quarter, operating income increased 119.6% over the first quarter of the previous fiscal year. This was largely due to a significant increase in the number of retail auto sales to regular consumers, a method of sales more profitable than used cars sold wholesale to used car operators through used car auctions. A decrease in sales, general and administrative expenses due to a decrease in marketing expenses and others also contributed to the results. Further, an extraordinary loss of ¥642 million was recorded due to losses such as a ¥428 million loss on disposal of fixed assets following the closure of certain stores.

As a result of the factors noted above, consolidated net sales for the period under review decreased by 18.8% to ¥37,492 million, operating income increased 119.6% to ¥2,731 million and ordinary income increased 133.2% to ¥2,485 million, and net income for the period was ¥935 million, up 250.5%.

First quarter results for operating income and ordinary income in the period under review set a new record for the first quarter profits.

Performance by segment

i. Sales of used automobiles

As previously mentioned, net sales decreased due to a decrease in sales from the used automobile business due to a reduction in the number of cars purchased by directly managed Gulliver stores and lower sales from consolidated subsidiary G-Trading Co., Ltd. However, growth in the number of retail sales to regular consumers, a method of sales more profitable than used cars sold wholesale to used car operators through used car auctions, lower sales, general and administrative expenses due to a decrease in marketing expenses and a decrease in personnel expenses resulting from a decrease in staff numbers led to an increase in operating income

As of May 31, 2009, the number of directly managed Gulliver stores was 290 (10 less than at the end of the same period of the previous fiscal year and 18 less than at the end of the previous fiscal year).

Due to the above factors, consolidated net sales for the segment decreased 19.6%, or ¥8,425 million compared to the previous fiscal year, to ¥34,661 million, and operating income increased 80.0%, or ¥1,445 million, to ¥3,251 million.

ii. Financing business

Revenues from G-One Financial Services Co., Ltd., a financial services company, grew due to a relative increase in the number of automobile loans relative to the growth in retail auto sales. However, sales, general and administrative expenses increased following the expansion of operations. As a result of the increase in number of auto loans, compared to the end of the previous fiscal year accounts receivable for the financing business increased 16.2%, or ¥2,969 million, to ¥21,358 million.

Due to the above factors, consolidated net sales for the segment increased 38.5%, or ¥553 million over the previous fiscal year to ¥1,991 million, and operating income decreased 42.0%, or ¥39 million, to ¥54 million.

iii. Other businesses

As of May 31, 2009, the number of Gulliver franchised stores was 132 (17 less than at the end of the same period of

the previous fiscal year and 13 less than at the end of the previous fiscal year). As a result, revenues from Gulliver franchised stores also decreased. Further, revenues from consolidated subsidiary Hucobo Co., Ltd., a transport company, also decreased.

As a result, consolidated net sales for the segment decreased 17.1%, or ¥525 million, to ¥2,556 million and operating income decreased 25.6%, or ¥185 million, to ¥541 million.

Due to changes to accounting standards, comparisons to the previous period have been provided for reference only.

(2) Financial position

Consolidated financial position and related analysis

Assets, liabilities and shareholders' equity

Note: Comparisons represent changes compared to the previous fiscal year.

Assets

Total assets at the end of the period under review increased 0.4% to ¥59,004 million.

Current assets increased by 0.9% to ¥40,577 million due to an increase in accounts receivable and despite decreases in cash and cash deposits, inventories held for sale, and others.

Fixed assets decreased 0.8% to ¥18,427 million as a result of not having invested in facilities at newly opened stores and other factors.

Liabilities

Total liabilities at the end of the period under review decreased 2.1% to ¥42,046 million.

Current liabilities decreased 2.9% to ¥39,697 million due to repayment of short-term borrowings and other factors.

Long-term liabilities increased 13.2% to ¥2,349 million due in part to an increase in customers' deposits.

Net assets

Total net assets at the end of the period under review increased 7.1% to ¥16,958 million due to an increase in retained earnings resulting from positive net income for the period. The shareholders' equity ratio increased 1.8 percentage points to 28.7%.

Outlook for the fiscal year ending February 28, 2010

Note: Comparisons represent changes compared to the previous fiscal year.

There have been no changes made to the interim and full year consolidated results forecasts included in the financial statements issued April 20, 2009.

Despite a decrease in advertising expenses during the first quarter of the current fiscal year, we are forecasting an increase in advertising expenses for the full year due to plans to strengthen the retail operations through active retail sales promotions, including television commercials, in the second half of the current fiscal year.

4. Other

1) Transfer of important subsidiaries during the period (Transfers of subsidiaries resulting in changes in the scope of consolidation): None.

2) Changes in accounting principles and procedures:

(1) Simple accounting methods

• Calculation methods for estimating loss on ordinary loans

Since there have been no significant change to the loan loss ratio and others calculated at the end of the previous consolidated fiscal year, these figures were used for the basis of calculations for the estimated loan loss and others at the end of the period under review.

- Calculation methods for depreciation allowance of fixed assets

For assets to which the declining balance method is applied, depreciation allowance is calculated by the amount distributed proportionally for that consolidated fiscal year.

- Evaluation of inventory assets

Calculations for inventory assets at the end of the first quarter are based on a combination of a reduction of actual inventories and the actual inventory at the end of the previous consolidated fiscal year. Regarding the reduction in the book value of inventory assets, in respect of only those items where the decline in profitability is clear, we have estimated the net sale price and reduced the book value accordingly.

- Calculation methods for corporate and other taxes and deferred tax assets and liabilities

The calculation for corporate and other tax payments is limited to important increases or decreases and tax credit items. The calculation method for evaluating the possibility of recovering deferred tax assets uses the results forecasts and tax planning used at the end of the previous consolidated fiscal year because there have been no significant change in the management environment, etc., since the end of the previous consolidated fiscal year nor any other a temporary changes.

- Mutual debt and loans and elimination transactions among consolidated subsidiaries

In cases where the differences in amounts of the aforementioned credit and liabilities are clear, when the differences are within a reasonable scope, the amounts are not adjusted and the credit and liabilities are eliminated. When there are immaterial differences in transaction amounts, eliminations are made using methods such as matching the amount of the new company.

(2) Utilization of unordinary accounting methods

No applicable items

3) Changes in accounting methods, procedures and presentation in the making of these financial statements.

(1) Application of accounting standards for the quarterly financial report

As of the current consolidated fiscal year, Accounting Standard for Quarterly Financial Reporting. (ASBJ Statement No. 12) and (Guidance to Accounting Standard for Quarterly Financial Reporting) ASBJ Guidance No. 14, have been applied. The quarterly consolidated financial statements have been prepared in accordance with the rules for the preparation of quarterly consolidated financial statements.

(2) Application of accounting standards for the evaluation of inventory assets

Previously, inventory assets were primarily accounted for by the actual cost method, however, as of the current consolidated financial period, and following application of Accounting Standard for Evaluation Inventory Asset (ASBJ Statement No. 9, July 5, 2006) calculations will be based primarily on actual cost method (Regarding balance sheet values, book values have been reduced based on a decline in profitability) The effect of this accounting change is immaterial.

Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of May 31, 2009	As of February 28, 2009
Assets		
Current assets		
Cash and deposits.....	3,273	4,215
Trade notes and accounts receivable	25,228	23,296
Products.....	7,668	8,111
Short-term loans receivable	2,277	2,287
Deferred tax assets.....	777	456
Other.....	2,334	2,784
Allowance for doubtful accounts	(983)	(951)
Total current assets.....	40,577	40,202
Fixed assets		
Tangible fixed assets		
Buildings and structures.....	10,682	11,011
Depreciation.....	(3,159)	(3,241)
Buildings and structures (net)	7,522	7,770
Vehicles and transportation	75	53
Depreciation.....	(52)	(39)
Vehicles and transportation (net).....	23	13
Tools, fixtures and equipment.....	3,419	3,204
Depreciation	(2,108)	(2,039)
Tools, fixtures and equipment (net)	1,310	1,164
Land.....	409	409
Construction in progress	1	164
Total tangible fixed assets.....	9,267	9,522
Intangible fixed assets		
Goodwill	68	77
Software.....	1,713	1,545
Other.....	71	72
Total intangible fixed assets	1,854	1,695
Investments and other assets		
Investment securities	202	118
Shares in affiliate companies	152	150
Long-term loans receivable.....	157	158
Deposits and guarantee money	3,466	3,953
Construction cooperation fund	2,974	2,530
Deferred tax assets	394	434
Others.....	411	406
Allowance for doubtful accounts	(454)	(400)
Total investments and other assets.....	7,305	7,352
Total fixed assets	18,427	18,571
Total Assets.....	59,004	58,773

Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of May 31, 2009	As of February 28, 2009
Liabilities		
Current liabilities		
Accounts payable	3,178	2,993
Short-term borrowing	26,008	28,643
Accrued expenses	3,146	3,259
Accrued corporate taxes	1,349	567
Deposits received	341	166
Reserve for bonuses	999	559
Reserve for product warranty	387	354
Reserve for loss on restructuring of operations	64	--
Others	4,220	4,317
Total current liabilities	39,697	40,862
Long-term liabilities		
Long-term borrowing	587	624
Long-term guarantee deposits received .	882	874
Reserve for directors' retirement benefit	431	425
Negative goodwill	129	138
Other	318	11
Total long-term liabilities	2,349	2,074
Total liabilities	42,046	42,937
Net assets		
Shareholders' equity		
Paid-in capital	4,157	4,157
Capital surplus	4,032	4,032
Retained profit	19,703	18,768
Treasury stock	(11,465)	(11,465)
Total shareholders' equity	16,427	15,492
Valuation difference on other marketable securities		
Unrealized gains and losses in other securities	41	(8)
Translation adjustments	479	345
Total appraisal and translation differences	520	336
Warrants for new shares	4	4
Minority interests	5	2
Total net assets	16,958	15,836
Total liabilities and net assets	59,004	58,773

Consolidated Statements of Income

	<i>Millions of yen</i>
	March 1, 2009 to May 31, 2009
Sales	37,492
Cost of sales	26,520
Gross profit	10,971
Sales general and administrative	8,240
Operating income.....	2,731
Non-operating income	
Interest received	0
Commissions received	5
Amortization of negative goodwill.....	9
Other	29
Total non-operating income	44
Non-operating expenses	
Interest paid	40
Exchange related loss.....	235
Other	13
Total non-operating expenses.....	290
Ordinary income	2,485
Extraordinary profit	
Gains from cancellation in the previous term	32
Reversal of allowance for doubtful Others	38
Total extraordinary profit	17
Extraordinary losses	
Loss from cancellation in the previous Loss on disposal of fixed assets.....	122
Loss from restructuring of operations	428
Others	66
Total extraordinary loss	24
Net income before taxes, etc.....	642
Income tax, inhabitants tax and enterprise tax	1,932
Corporate tax adjustment.....	1,307
Total corporate taxes	(314)
Gain from minority interests	992
Net income.....	4
	935

Consolidated Statements of Cash flows

	<i>Millions of yen</i>
	March 1, 2009 to May 31, 2009
I. Cash flow from operating activities	
Income before taxes, etc.	1,932
Depreciation.....	422
Amortization of goodwill.....	6
Amortization of negative goodwill	(9)
Increase (decrease) in allowance for doubtful accounts	86
Increase (decrease) in reserve for bonuses	439
Increase (decrease) in reserve for directors' retirement benefit	6
Increase (decrease) in reserve for product warranty	33
Interest and dividends received	(0)
Interest paid	40
Gain (loss) on foreign exchange.....	226
Loss on disposal of fixed assets	428
(Increase) decrease in accounts receivable	(2,379)
(Increase) decrease in inventory assets	291
(Increase) decrease in operating loans	9
Increase (decrease) in accrued consumption tax.....	125
Increase (decrease) in accounts payable	199
Other.....	987
Subtotal.....	2,848
Interest and dividends received	0
Interest paid	(40)
Corporate taxes paid	(501)
Cash flow from operating activities	2,306
II. Cash flow from investing activities	
Payments for acquisition of tangible fixed assets	(209)
Proceeds from sale of tangible fixed assets	0
Payments for acquisition of intangible fixed assets	(371)
Payments for acquisition of shares of affiliates	(1)
Proceeds from repayment of loans.....	0
Payments for deposits and guarantee.....	(23)
Proceeds from repayment of deposits and guarantee.....	48
Payments for construction cooperation fund	(25)
Other.....	(0)
Cash flow from investing activities	(582)
III. Cash flow from financing activities	
Net increase (decrease) in short term borrowings.....	(2,610)
Repayment of long-term loans	(62)
Payments for acquisition of treasury stock	(0)
Cash flow from financing activities	(2,672)
IV. Cash and cash equivalents currency translation differences.....	5
V. (Decrease) increase in cash and cash equivalents	(942)
VI. Cash and cash equivalents at beginning of period	4,215
VII. Cash and cash equivalents at end of period.....	3,273

Note: As of the current consolidated fiscal year, Accounting Standard for Quarterly Financial Reporting. (ASBJ Statement No. 12) and (Guidance to Accounting Standard for Quarterly Financial Reporting) ASBJ Guidance No. 14, have been applied. The quarterly consolidated financial statements have been prepared in accordance with the rules for the preparation of quarterly consolidated financial statements.

4. Assumptions related to going concern

No applicable items

5. Segment Information

Segment information by business type

First quarter of the fiscal year ending February 28, 2010 (March 1, 2009 to May 31, 2009)

Millions of yen

	Trading of used cars	Financial business	Other businesses	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	34,206	1,573	1,712	37,492	--	37,492
(2) Inter-segmental sales or transfers	454	417	844	1,716	(1,716)	--
Total	34,661	1,991	2,556	39,208	(1,716)	37,492
Operating income	3,251	54	541	3,847	(1,116)	2,731

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 such as through directly operated stores
Financing business	Consolidated subsidiary G-One Financial Services Co., Ltd. provides auto loans and other financing services.
Other businesses	Provision of services for franchises involved in the management of Gulliver, for the sale and purchase of cars, and stores established with graphic sales systems.

Segment information by geographical location

For the first quarter of the current consolidated fiscal year over 90% of sales were from Japan and therefore segment information by geographical location has been omitted.

Overseas sales

For the first quarter of the current consolidated fiscal year overseas sales were less than 10% of consolidated sales and have therefore been omitted.

Reference:

Income statement for the first quarter of the consolidated fiscal year ending February 28, 2009

Consolidated Statements of Income

	<i>Millions of yen</i>
	March 1, 2008 to May 31, 2008
Sales	46,198
Cost of sales	35,777
Gross profit	10,420
Sales general and administrative expenses	9,176
Operating income	1,243
Non-operating income.....	73
Non-operating expenses	251
Ordinary income.....	1,065
Extraordinary profit	17
Extraordinary losses	438
Net income before taxes, etc.....	644
Income tax, inhabitants tax and enterprise tax.....	326
Corporate tax adjustment	102
Minority interests	(51)
Net income	266