



# Gulliver International Co., Ltd.

## Consolidated Results

Second Quarter of the Fiscal Year Ending February 28, 2010

(Six-month period ended August 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.

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## SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

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

October 9, 2009

### Gulliver International Co., Ltd.

Stock Code: 7599

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

Chairman: Kenichi Hatori

Listed exchanges: Tokyo (1<sup>st</sup> Section)

Inquiries: Executive director: Yukihiro Yoshida

Telephone: +81 3 5208-5503

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

Scheduled date for distribution of dividends: November 13, 2009

### 1. Consolidated financial results for the Six-month period ended August 31, 2009

#### 1) Consolidated operating results

	Six months ended August 31, 2009		Six months ended August 31, 2008	
		(% change)		(% change)
Sales.....	75,804	--	91,011	4.3
Operating income .....	5,259	--	2,807	(40.9)
Ordinary income .....	5,023	--	2,901	(39.2)
Net income.....	2,270	--	1,042	(61.5)
Earnings per share (¥) .....	¥249.62	--	¥108.62	--
Fully diluted earnings per share (¥) .....	--	--	--	--

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 August 31, 2009	As of February 28, 2009
Total assets .....	62,870	58,773
Net assets.....	18,425	15,836
Shareholders' equity ratio (%).....	29.3%	26.9%
Shareholders' equity per share (¥).....	¥2,024.46	¥1,704.02

Shareholders' equity: As of August 31, 2009: ¥18,416 million  
As of February 28, 2009: ¥15,829 million

### 2. Dividends

	Fiscal year ended February 28, 2009	Fiscal year ending February 28, 2010	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)

	FY ending February 28, 2010	
Sales.....	150,000	(8.4)
Operating income .....	8,000	104.8
Ordinary income .....	7,700	192.2
Net Income .....	3,400	--
Earnings per share (¥) .....	¥373.75	--

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 4-5 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 4. *Other* on page 5 for more detail.

#### **4) Number of shares outstanding (ordinary shares)**

1. Number of shares outstanding (including treasury shares):
  - As of August 31, 2009: 10,688,800
  - As of February 28, 2009: 10,688,800
2. Number of treasury shares:
  - As of August 31, 2009: 1,591,736
  - As of February 28, 2009: 1,591,730
3. Average number of shares during the period:
  - Six months ended August 31, 2009: 9,097,068
  - Six months ended August 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 interim period of the consolidated fiscal year ending February 28, 2010 decreased 16.7% compared to the interim period 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).

Although the number of cars purchased decreased, the number of used cars sold to retail customers through Gulliver's directly managed stores increased by 55% to about 20,500 cars, benefiting from the successful implementation of a series of measures to strengthen the development of new services, promotional activities, and others. As retail auto sales to regular consumers, is more profitable than the sale of used cars wholesale to used car operators through used car auctions, profitability increased. Sales, general and administrative expenses decreased compared to the interim period of the previous fiscal year due to cost reduction efforts.

Additionally, a foreign exchange loss of ¥254 million from consolidated subsidiary G-Trading Co., Ltd. was recorded under non-operating expenses. Further, an extraordinary loss of ¥922 million was recorded consisting of a loss from retirement of fixed assets of ¥471 million and other factors.

As a result of the factors noted above, consolidated net sales for the interim period under review were ¥75,804, 16.7% lower than in the previous interim period, however operating income increased 87.4% to ¥5,295 million, ordinary income increased 73.2% to ¥5,023 million, and net income increased 117.8% to ¥2,270 million.

Operating income and ordinary income results for the interim period under review set a new record.

### (2) Performance by segment

#### i. Sales of used automobiles

As previously mentioned, net sales decreased due to a decrease in the number of cars purchased by directly managed Gulliver stores and lower sales from consolidated subsidiary G-Trading Co., Ltd. Although sales decreased, profitability improved and operating profit increased due to the increase in the number of retail sales to regular consumers, a method of sales more profitable than the sale of used cars wholesale to used car operators through used car auctions, as well as a reduction in sales, general and administrative expenses from a decrease in costs such as a reduction of personnel expenses from curbing the number of new employees.

As of August 31, 2009, the number of directly managed Gulliver stores was 287 (14 fewer than at the end of the interim period of the previous fiscal year and 21 fewer than at the end of the previous fiscal year).

Due to the above factors, consolidated net sales for the segment decreased 18.0%, or ¥15,376 million to ¥70,071 million in comparison to the previous interim period, and operating income increased 48.4%, or ¥2,007 million, to ¥6,160 million.

#### ii. Financing business

Revenues from G-One Financial Services Co., Ltd., a financial services company, grew due to an increase in the number of automobile loans accompanying the growth in retail auto sales. However, sales, general and administrative expenses increased from the effects of increases in expenses such as commissions paid and personnel expenses following the expansion of operations. Further, as a result of the increase in number of auto loans, accounts receivable for the financing business increased 32.1%, or ¥5,903 million, to ¥24,266 million.

Due to the above factors, consolidated net sales for the segment increased 36.5%, or ¥1,067 million to ¥3,996 million in comparison to the previous interim period, and operating income increased 286.2%, or ¥275 million, to ¥371 million.

#### iii. Other businesses

As of August 31, 2009, the number of Gulliver franchised stores was 130 (17 fewer than at the end of the interim

period of the previous fiscal year and 15 fewer than at the end of the previous fiscal year). Consequently, 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 16.2%, or ¥908 million, to ¥4,708 million in comparison to the previous interim period and operating income decreased 25.0%, or ¥350 million, to ¥1,051 million.

Due to changes to accounting standards, comparisons to the previous interim 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 interim period under review increased 7.0% compared to the end of the previous fiscal year to ¥62,870 million.

Current assets increased by 12.0% to ¥45,006 million due to factors such as increase in accounts receivable and inventories held for sale, and despite a decrease in cash and deposits.

Fixed assets decreased 3.8% to ¥17,864 million, partly due to lower capital investment accompanying the reduced number of directly managed stores, and other factors.

#### **Liabilities**

Total liabilities at the end of the period under review increased 3.5% compared to the end of the previous fiscal year to ¥44,445 million.

Current liabilities decreased 7.9% to ¥37,652 million due to repayment of short-term borrowings and other factors.

Long-term liabilities increased 227.4% to ¥6,793 million due to an increase in long-term borrowings and other factors.

#### **Net assets**

Total net assets at the end of the interim period under review increased 16.4% compared to the end of the previous fiscal year to ¥18,425 million due to an increase in retained earnings resulting from positive net income for the period. The shareholders' equity ratio increased 2.4 percentage points to 29.3%.

## **3. Outlook for the fiscal year ending February 28, 2010**

There have been no changes made to the interim and full year consolidated results forecasts included in the financial statements issued September 29, 2009.

## **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 second 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 August 31, 2009	As of February 28, 2009
<b>Assets</b>		
Current assets		
Cash and deposits.....	3,640	4,215
Trade notes and accounts receivable .....	27,929	23,296
Products .....	9,032	8,111
Short-term loans receivable .....	2,248	2,287
Deferred tax assets.....	680	456
Other.....	2,468	2,784
Allowance for doubtful accounts .....	(993)	(951)
Total current assets.....	45,006	40,202
Fixed assets		
Tangible fixed assets		
Buildings and structures .....	10,695	11,011
Depreciation .....	(3,304)	(3,241)
Buildings and structures (net) .....	7,391	7,770
Vehicles and transportation .....	80	53
Depreciation.....	(56)	(39)
Vehicles and transportation (net).....	23	13
Tools, fixtures and equipment.....	3,396	3,204
Depreciation .....	(2,199)	(2,039)
Tools, fixtures and equipment (net) .....	1,197	1,164
Land.....	409	409
Construction in progress .....	1	164
Total tangible fixed assets .....	9,023	9,522
Intangible fixed assets		
Goodwill .....	62	77
Software .....	1,755	1,545
Other.....	67	72
Total intangible fixed assets .....	1,885	1,695
Investments and other assets		
Investment securities .....	199	118
Shares in affiliate companies .....	123	150
Long-term loans receivable .....	157	158
Deposits and guarantee money .....	3,184	3,953
Construction cooperation fund .....	2,973	2,530
Deferred tax assets.....	363	434
Others.....	364	406
Allowance for doubtful accounts .....	(411)	(400)
Total investments and other assets.....	6,954	7,352
Total fixed assets .....	17,864	18,571
<b>Total Assets .....</b>	<b>62,870</b>	<b>58,773</b>

## Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of August 31, 2009	As of February 28, 2009
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable .....	3,688	2,993
Short-term borrowing .....	23,283	28,643
Accrued expenses .....	2,451	3,259
Accrued corporate taxes .....	2,181	567
Deposits received .....	499	166
Reserve for bonuses .....	604	559
Reserve for product warranty .....	455	354
Reserve for loss on restructuring of operations .....	38	--
Others .....	4,451	4,317
<b>Total current liabilities .....</b>	<b>37,652</b>	<b>40,862</b>
<b>Long-term liabilities</b>		
Long-term borrowing .....	5,083	624
Long-term guarantee deposits received .....	884	874
Reserve for directors' retirement benefit .....	443	425
Negative goodwill .....	120	138
Other .....	262	11
<b>Total long-term liabilities .....</b>	<b>6,793</b>	<b>2,074</b>
<b>Total liabilities .....</b>	<b>44,445</b>	<b>42,937</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Paid-in capital .....	4,157	4,157
Capital surplus .....	4,032	4,032
Retained profit .....	21,039	18,768
Treasury stock .....	(11,465)	(11,465)
<b>Total shareholders' equity .....</b>	<b>17,763</b>	<b>15,492</b>
<b>Valuation difference on other marketable securities</b>		
Unrealized gains and losses in other securities .....	52	(8)
Translation adjustments .....	600	345
<b>Total appraisal and translation differences .....</b>	<b>653</b>	<b>336</b>
Warrants for new shares .....	3	4
Minority interests .....	5	2
<b>Total net assets .....</b>	<b>18,425</b>	<b>15,836</b>
<b>Total liabilities and net assets .....</b>	<b>62,870</b>	<b>58,773</b>

## Consolidated Statements of Income

	<i>Millions of yen</i>
	March 1, 2009 to August 31, 2009
Sales .....	75,804
Cost of sales .....	53,431
Gross profit .....	22,373
Sales general and administrative .....	17,113
Operating income .....	5,259
Non-operating income	
Interest received .....	4
Commissions received .....	6
Amortization of negative goodwill .....	18
Other .....	65
Total non-operating income .....	95
Non-operating expenses	
Interest paid .....	74
Exchange related loss .....	236
Other .....	20
Total non-operating expenses .....	331
Ordinary income .....	5,023
Extraordinary profit	
Gains from cancellation in the previous term .....	33
Gain on sales of investment securities .....	22
Reversal of allowance for doubtful accounts .....	14
Others .....	26
Total extraordinary profit .....	97
Extraordinary losses	
Loss from cancellation in the previous term .....	334
Loss on disposal of fixed assets .....	471
Loss from restructuring of operations .....	66
Others .....	50
Total extraordinary loss .....	922
Net income before taxes, etc .....	4,198
Income tax, inhabitants tax and enterprise tax .....	2,119
Corporate tax adjustment .....	(194)
Total corporate taxes .....	1,924
Gain from minority interests .....	2
<b>Net income</b> .....	<b>2,270</b>

## Consolidated Statements of Income

	<i>Millions of yen</i>
	June 1, 2009 to August 31, 2009
Sales .....	38,312
Cost of sales .....	26,910
Gross profit .....	11,401
Sales general and administrative	8,873
Operating income .....	2,528
Non-operating income	
Interest received .....	3
Commissions received .....	1
Amortization of negative goodwill .....	9
Other .....	35
Total non-operating income .....	50
Non-operating expenses	
Interest paid .....	33
Exchange related loss .....	1
Other .....	6
Total non-operating expenses .....	40
Ordinary income .....	2,538
Extraordinary profit	
Gains from cancellation in the previous term .....	1
Gain on sales of investment securities .....	22
Reversal of allowance for doubtful accounts .....	(23)
Others .....	8
Total extraordinary profit .....	8
Extraordinary losses	
Loss from cancellation in the previous	211
Loss on disposal of fixed assets .....	42
Others .....	25
Total extraordinary loss .....	280
Net income before taxes, etc .....	2,266
Income tax, inhabitants tax and enterprise tax .....	812
Corporate tax adjustment .....	119
Total corporate taxes .....	931
Gain from minority interests .....	(1)
<b>Net income</b> .....	<b>1,335</b>

## Consolidated Statements of Cash flows

	<i>Millions of yen</i>
	March 1, 2009 to August 31, 2009
<b>I. Cash flow from operating activities</b>	
Income before taxes, etc. ....	4,198
Depreciation .....	837
Amortization of goodwill.....	13
Amortization of negative goodwill .....	(18)
Increase (decrease) in allowance for doubtful accounts .....	52
Increase (decrease) in reserve for bonuses .....	44
Increase (decrease) in reserve for directors' retirement benefit .....	17
Increase (decrease) in reserve for product warranty.....	100
Interest and dividends received.....	(4)
Interest paid.....	74
Gain (loss) on foreign exchange.....	236
Loss on disposal of fixed assets.....	471
(Increase) decrease in accounts receivable .....	(4,969)
(Increase) decrease in inventory assets.....	(962)
(Increase) decrease in operating loans .....	39
Increase (decrease) in accrued consumption tax.....	76
Increase (decrease) in accounts payable .....	744
Other.....	620
<b>Subtotal .....</b>	<b>1,574</b>
Interest and dividends received.....	4
Interest paid.....	(74)
Corporate taxes paid .....	(523)
<b>Cash flow from operating activities .....</b>	<b>981</b>
<b>II. Cash flow from investing activities</b>	
Payments for acquisition of tangible fixed assets.....	(255)
Payments for acquisition of intangible fixed assets .....	(590)
Proceeds from sales of investment securities .....	43
Payments for deposits and guarantee.....	(30)
Proceeds from repayment of deposits and guarantee .....	99
Payments for construction cooperation fund .....	(41)
Proceeds from repayment of construction cooperation fund.....	106
Other.....	20
<b>Cash flow from investing activities .....</b>	<b>(648)</b>
<b>III. Cash flow from financing activities</b>	
Net increase (decrease) in short term borrowings.....	(2,109)
Proceeds from long-term loans .....	5,000
Repayment of long-term loans .....	(3,791)
Payments for acquisition of treasury stock .....	(0)
<b>Cash flow from financing activities.....</b>	<b>(901)</b>
<b>IV. Cash and cash equivalents currency translation differences .....</b>	<b>(7)</b>
<b>V. (Decrease) increase in cash and cash equivalents .....</b>	<b>(575)</b>
<b>VI. Cash and cash equivalents at beginning of period.....</b>	<b>4,215</b>
<b>VII. Cash and cash equivalents at end of period .....</b>	<b>3,640</b>

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

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

Millions of yen

	Trading of used cars	Financial business	Other businesses	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	69,153	3,268	3,382	75,804	--	75,804
(2) Inter-segmental sales or transfers	917	728	1,325	2,970	(2,970)	--
Total	70,071	3,996	4,708	78,775	(2,970)	75,804
Operating income	6,160	371	1,051	7,583	(2,323)	5,259

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 second 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 second 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 Second quarter of the consolidated fiscal year ended February 28, 2009

### Consolidated Statements of Income

	<i>Millions of yen</i>	
	March 1, 2008 to August 31, 2008	
		%
Sales .....	91,011	100.0
Cost of sales .....	70,157	77.1
Gross profit.....	20,853	22.9
Sales general and administrative expenses.....	18,045	19.8
Operating income .....	2,807	3.1
Non-operating income		
Interest received .....	9	
Dividends received .....	0	
Commissions received.....	2	
Compensation received .....	--	
Gain from foreign exchange.....	74	
Other.....	113	
Total non-operating income	200	0.2
Non-operating expenses		
Interest paid .....	82	
Transfer to allowance for doubtful accounts ...	--	
Other .....	25	
Total non-operating expenses.....	107	0.1
Ordinary income.....	2,901	3.2
Extraordinary profit		
Gain on cancellation of insurance contracts ...	--	
Reversal of allowance for doubtful receivables.....	--	
Gain from sale of fixed assets .....	--	
Gains from cancellation in the previous term...	--	
Gain on insurance claims .....	13	
Gain on sale of investment securities .....	--	
Other.....	--	
Total extraordinary profit.....	13	0.0
Extraordinary losses		
Loss on disposal of fixed assets <sup>2</sup> .....	92	
Provision for directors' retirement allowance reserve for previous years.....	376	
Provision for merchandize warranties reserve for previous years.....	185	
Other.....	23	
Total extraordinary losses.....	677	0.7
Income before taxes, etc. ....	2,237	2.5
Income tax, inhabitants tax and enterprise tax .....	1,416	
Corporate tax adjustment.....	(203)	
Total tax and adjustments.....	1,212	1.3
Minority interests.....	(17)	(0.0)
<b>Net income.....</b>	<b>1,042</b>	<b>1.2</b>

## Consolidated Statements of Cash flows

Millions of yen

	March 1, 2008 to August 31, 2008
<b>I. Cash flow from operating activities</b>	
Income before taxes, etc. ....	2,237
Depreciation .....	1,113
Increase in reserve for bonuses .....	23
Increase in allowance for doubtful accounts.....	59
Increase (decrease) in insurance reserves .....	--
Increase in reserve for product warranties .....	243
Increase in reserve for directors' retirement benefit .....	399
Interest and dividends received.....	(10)
Interest paid.....	82
Gain on sale of fixed assets .....	--
Loss on disposal of fixed assets.....	71
Amortization of goodwill.....	--
Payment of directors' bonuses .....	--
Decrease (increase) in accounts receivable.....	(3,971)
Decrease (increase) in inventory.....	(3,340)
Increase (decrease) in accounts payable.....	1,334
Decrease (increase) in operating loans.....	(177)
Increase (decrease) in accrued consumption tax.....	4
Other.....	(872)
<b>Subtotal .....</b>	<b>(2,803)</b>
Interest and dividends received.....	10
Interest paid.....	(82)
Corporate taxes paid .....	(1,246)
<b>Cash flow from operating activities .....</b>	<b>(4,121)</b>
<b>II. Cash flow from investing activities</b>	
Increase in time deposits.....	(300)
Payments for purchase of tangible fixed assets .....	(1,416)
Proceeds from sale of tangible fixed assets .....	192
Payments for acquisition of intangible fixed assets .....	(165)
Payments for acquisition of shares of affiliates .....	(50)
Amounts lent.....	(1)
Proceeds from repayment of loans.....	1
Increase (decrease) in deposits and guarantee payments .....	95
<b>Cash flow from investing activities .....</b>	<b>(1,644)</b>
<b>III. Cash flow from financing activities</b>	
Net increase (decrease) in short term borrowings.....	5,761
Repayment of long-term loans .....	(125)
Proceeds from long-term loans .....	100
Payments for acquisition of treasury stock .....	(0)
Proceeds from disposal of treasury stock.....	--
Payment of dividends .....	(834)
Dividends paid to minority shareholders.....	(5)
Repayments to minority shareholders.....	--
<b>Cash flow from financing activities .....</b>	<b>4,895</b>
<b>IV. Cash and cash equivalents currency translation differences .....</b>	<b>18</b>
<b>V. (Decrease) increase in cash and cash equivalents .....</b>	<b>(551)</b>
<b>VI. Cash and cash equivalents at beginning of period.....</b>	<b>3,639</b>
<b>VII. Increase in cash and cash equivalents from change in scope of consolidation.....</b>	<b>--</b>
<b>VIII. Cash and cash equivalents at end of period.....</b>	<b>2,788</b>

**Interim period of the fiscal year ended 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						
(2) 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:**

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 second quarter consolidated total period of previous year over 90% of sales were from Japan and therefore segment information by geographical location has been omitted.

**Overseas sales**

For the second quarter consolidated total period of previous year overseas sales were less than 10% of consolidated sales and have therefore been omitted.