

Gulliver International Co., Ltd.

Non-consolidated Results

Third Quarter of the Fiscal Year Ending February 28, 2007

(Nine-month period ended November 30, 2006)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions made and beliefs held by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions and the pricing and product initiatives of new and existing competitors.

SUMMARY OF FINANCIAL STATEMENTS (Non-consolidated)

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

Gulliver International Co., Ltd.

January 9, 2007

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

Listed exchanges: Tokyo (1st Section)
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1. Notes to preparation of these financial statements

Adoption of simplified accounting treatments: Yes (partial use of the simple method)
 Differences in accounting treatments applied compared to previous fiscal year: None

2. Non-consolidated financial results for the nine month period ended November 30, 2006

1) Non-consolidated Operating Results

Millions of yen, rounded down

| | Nine months ended November 30, 2006 | | Nine months ended November 30, 2005 | | Fiscal year ended February 28, 2006 | |
|---|--|------------|--|------------|--|------------|
| | | (% change) | | (% change) | | (% change) |
| Sales | 123,456 | (0.1) | 123,665 | 17.9 | 169,735 | 15.0 |
| Operating income | 7,408 | 17.3 | 6,311 | (9.9) | 10,143 | 5.6 |
| Ordinary income | 7,423 | 17.2 | 6,330 | (9.6) | 10,135 | 5.7 |
| Net income | 3,823 | 13.3 | 3,372 | (10.7) | 5,320 | 1.1 |
| Earnings per share (¥)..... | ¥391.35 | -- | ¥337.45 | -- | ¥525.75 | -- |
| Fully diluted earnings per share (¥)..... | ¥389.26 | -- | ¥333.68 | -- | ¥520.30 | -- |

Notes to the preparation of these financial statements:

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

2) Financial Position (non-consolidated)

Millions of yen, rounded down

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

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

Millions of yen

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

Forecasts and forward-looking statements in this document are based on a number of assumptions made and beliefs held by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including economic conditions, legislative and regulatory developments, delay in new product or service launches, and pricing and product initiatives of competitors.

Non-consolidated Balance Sheets

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

Non-consolidated Balance Sheets

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

Non-consolidated Statements of Income

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

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

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

Millions of yen

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

Millions of yen

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

Changes to Accounting Treatment

| March 1, 2006 – November 30, 2006 | March 1, 2005 – November 30, 2005 | March 1, 2005 – February 28, 2006 |
|---|-----------------------------------|-----------------------------------|
| <p>Accounting standards relating to impairment of fixed assets</p> <p>From this period we have applied the 'Accounting Standards for Impairment of Fixed Assets' (issued by the Accounting Standards Board of Japan on August 9, 2002) and the Financial Accounting Standards Implementation Guidance No. 6, 'Implementation Guidance for Accounting Standards for Impairment of Fixed Assets' (issued by the Accounting Standards Board of Japan on October 31, 2003). This change has had no material effect on profit and loss.</p> | <p>_____</p> | <p>_____</p> |
| <p>Accounting standards relating to presentation of net assets on balance sheets</p> <p>From this period the 'Statement Regarding the Presentation of Net Assets on the Balance Sheet' (Business Accounting Council, December 9, 2005, Article No. 5) and "Guidelines for the Application of Accounting Policies for the Presentation of Net Assets on the Balance Sheet' (Guidelines for the Application of Business Accounting Polices, Article 8; Business Accounting Council, December 9, 2005) have been applied.</p> <p>The equivalent amount previously recorded as 'Capital' is ¥16,210 million.</p> <p>Following changes to the regulations on the interim financial statements, net assets on the third quarter balance sheet have been recorded in accordance with the revised regulations.</p> | | |

Changes to Presentation Method

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