

Gulliver International Co., Ltd.

Non-consolidated Results

Fiscal 2006

(March 1, 2006 to February 28, 2007)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions 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 (Non-consolidated)

Results for the fiscal year ending February 28, 2007

Gulliver International Co., Ltd.

April 18, 2007

Stock Code: 7599
http://www.glv.co.jp/

President: Kenichi Hattori

Date of the meeting of the board of directors: April 18, 2007

Date of regular shareholders' meeting: May 23, 2007

Listed exchanges: Tokyo (1st Section)

Inquiries: Senior Executive Vice President: Ikuo Murata

Telephone: +81 3 5208-5503

Scheduled date of dividend payment: May 23, 2007

Existence of share trading unit system: Yes (one unit= ten shares)

1. Non-consolidated financial results for the fiscal year ended February 28, 2007

1) Non-consolidated Operating Results

	Fiscal year ended February 28, 2007		Fiscal year ended February 28, 2006	
		(% change)		(% change)
Sales	166,466	(1.9)	169,735	15.0
Operating income	10,715	5.6	10,143	5.6
Ordinary income	10,509	3.6	10,135	5.7
Net income	5,645	6.1	5,320	1.1
Earnings per share (¥)	¥577.92	--	¥525.75	--
Fully diluted earnings per share (¥)	¥575.76	--	¥520.30	--
Return on equity (%)	33.0	--	33.8	--
Ratio of ordinary income to total assets (%) ..	27.6	--	31.1	--
Ratio of ordinary income to net sales (%)	6.3	--	5.9	--

Notes to the preparation of these financial statements:

1. Average number of shares outstanding during the period: FY ended February 28, 2007 – 9,768,287
FY ended February 28, 2006 – 9,979,943

2. Differences in accounting treatments applied compared to previous fiscal year: No

3. Percentage figures for sales, operating income, ordinary income and net income represent changes compared to the comparable period of the previous fiscal year.

2) Financial Position

	As of February 28, 2007	As of February 28, 2006
Total assets	40,414	35,697
Net assets	18,101	16,094
Equity ratio (%)	44.8	45.0
Net assets per share (¥)	1,850.96	1,631.46

Notes: 1. Number of shares outstanding at end of period: FY ended February 2007: 9,779,343; FY ended February 2006: 9,865,317

2. Number of treasury shares at end of period: FY ended February 2007: 909,457; FY ended February 2006: 823,483

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

	Millions of yen	
	Interim period ending August 31, 2007	FY ending February 29, 2008
Sales	81,200	176,200
Ordinary income	4,500	11,400
Net income	2,400	6,100

Note: Net income per share for the fiscal year ended February 28, 2007: ¥623.76

3. Dividends

	Fiscal year ended February 28, 2006	Fiscal year ended February 28, 2007	Fiscal year ending February 29, 2008 (forecast)
Interim dividend per share (¥)	79.00	81.00	87.00
Year-end dividend per share (¥)	83.00	93.00	87.00
Annual dividend per share (¥)	162.00	174.00	174.00
Total dividend payment (millions of yen)	1,604	1,699	
Dividend payout ratio (%)	30.8	30.1	
Dividend to net assets ratio (%)	10.3	9.9	

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.

Non-consolidated Balance Sheets

Millions of yen rounded down

	As of February 28, 2007		As of February 28, 2006	
ASSETS		% of total		% of total
Current assets				
Cash and deposits.....	3,337		2,107	
Accounts receivable.....	5,854		7,235	
Marketable securities.....	--		100	
Merchandise	2,953		3,229	
Stored goods.....	112		79	
Advanced payments	4		4	
Pre-paid expenses.....	627		567	
Accounts due	1,098		570	
Advances	351		223	
Short-term loans to related companies.....	5,373		2,769	
Deferred tax assets	447		448	
Others.....	2		11	
Allowance for doubtful accounts.....	(229)		(98)	
Total current assets.....	19,933	49.3	17,249	48.3
Fixed assets				
Tangible fixed assets				
Buildings.....	8,074		6,712	
Depreciation.....	(1,467)		(1,154)	
Structures	1,809		1,712	
Depreciation.....	(608)		(464)	
Tools, fixtures and equipment	2,817		3,090	
Depreciation.....	(1,500)		(1,411)	
Land.....	327		327	
Construction in progress.....	109		409	
Total tangible fixed assets	9,561	23.7	9,221	25.8
Intangible fixed assets				
Business rights.....	5		10	
Trademarks.....	9		11	
Software	1,910		2,694	
Telephone subscription rights	63		63	
Facility use rights	9		9	
Total intangible fixed assets	1,998	4.9	2,789	7.8
Investments and other assets				
Investment securities	96		199	
Shares of affiliates.....	2,191		494	
Investments	0		0	
Long-term loans.....	7		--	
Long-term staff loans	0		2	
Long-term loans to affiliates	--		500	
Defaulted claims, etc.	33		367	
Long-term prepaid expenses.....	120		153	
Deposits and guarantee money	3,651		3,011	
Construction cooperation money	2,508		1,890	
Insurance reserves.....	72		65	
Deferred tax assets	270		105	
Allowance for doubtful accounts	(33)		(352)	
Total investment and other assets	8,921	22.1	6,436	18.1
Total fixed assets	20,480	50.7	18,447	51.7
Total Assets.....	40,414	100.0	35,697	100.0

Non-consolidated Balance Sheets

Millions of yen, rounded down

	As of February 28, 2007		As of February 28, 2006	
		% of total		% of total
LIABILITIES				
Current liabilities				
Accounts payable	2,953		3,386	
Short-term borrowing	11,600		8,000	
Accrued expenses	1,696		1,642	
Accrued corporate taxes	2,590		1,815	
Accrued consumption tax	244		414	
Accrued expenses	709		848	
Advances received	178		335	
Deposits received	721		451	
Reserve for bonuses	415		513	
Reserve for directors' bonuses	73		--	
Accrued liability for equipment	261		1,598	
Total current liabilities	21,443	53.1	19,007	53.3
Long-term liabilities				
Guarantee deposits received	869		594	
Total long-term liabilities	869	2.1	594	1.7
Total liabilities	22,313	55.2	19,602	55.0
CAPITAL				
Paid-in capital	--	--	4,157	11.6
Capital surplus				
Capital reserve	--	--	4,032	
Total capital surplus	--	--	4,032	11.3
Retained earnings				
Profit reserve	--	--	39	
Unappropriated profit	--	--	15,866	
Total retained earnings	--	--	15,905	44.5
Unrealized gains and losses in other securities	--	--	67	0.2
Treasury stock	--	--	(8,067)	(22.6)
Total shareholders' equity	--	--	16,094	45.0
Total Liabilities and Shareholders' Equity	--	--	35,697	100.0
NET ASSETS				
Paid in capital	4,157	10.3	--	--
Capital surplus				
Capital reserve	4,032		--	--
Total capital surplus	4,032	10.0	--	--
Retained profit				
Earned reserve	39		--	--
Other earned reserve				
Earned surplus carried forward	19,406		--	--
Total retained profit	19,445	48.1	--	--
Treasury stock	(9,540)	(23.6)	--	--
Total shareholders' equity	18,094	44.8	--	--
Valuation difference on other marketable securities	6	0.0	--	--
Total valuation and differences due to foreign exchange ..	6	0.0	--	--
Total net assets	18,101	44.8	--	--
Total liabilities and net assets	40,414	100.0	--	--

Non-consolidated Statements of Income
Millions of yen

	March 1, 2006 to February 28, 2007		March 1, 2005 to February 28, 2006	
		%		%
Sales				
Sales of merchandise.....	159,401		161,198	
Other operating revenues	7,065		8,537	
Total	166,466	100.0	169,735	100.0
Cost of goods sold				
Inventory at start of period.....	3,034		3,743	
Purchases during the year	125,799		125,545	
Total.....	128,833		129,288	
Inventory at end of period.....	2,953		3,229	
Other transfers	18		126	
Net: cost of goods sold	125,862		125,932	
Other operating revenues cost of goods sold.....	663		918	
Total.....	126,526	76.0	126,850	74.7
Gross profit on sales	39,940	24.0	42,884	25.3
Sales, general and administrative expenses				
Advertising	4,532		6,210	
Directors' remuneration.....	281		280	
Salaries.....	7,450		8,436	
Bonuses.....	1,242		1,603	
Addition to reserve for directors' bonuses	73		--	
Addition to reserve for bonuses.....	415		513	
Statutory welfare expense	1,136		1,210	
Contracting fees	2,031		1,910	
Travel and transportation	960		1,127	
Communication expense	726		1,028	
Consumables.....	375		507	
Depreciation.....	2,318		2,045	
Rent	322		469	
Land rent.....	4,150		3,381	
Addition to allowance for doubtful accounts..	0		40	
Other.....	3,204		3,973	
Total.....	29,224	17.6	32,740	19.3
Operating income.....	10,715	6.4	10,143	6.0

Non-consolidated Statements of Income
Millions of yen
Millions of yen

	March 1, 2006 to February 28, 2007		March 1, 2005 to February 28, 2006	
Non-operating income				
Interest income	15		13	
Dividend income	8		0	
Commission income	7		16	
Interest on securities	0		0	
Other	29		38	
Total	61	0.1	68	0.0
Non-operating expenses				
Interest expense	46		14	
New share issue expense	--		0	
Addition to allowance for doubtful accounts	181		28	
Cancellation penalties	3		9	
Unrealized losses on investment partnerships	--		2	
Other	37		22	77
Total	268	0.2		
Ordinary income	10,509	6.3	10,135	6.0
Extraordinary income				
Gains on sale of fixed assets <i>Note 3</i>	--		3	
Gains from insurance	--		6	
Gains on sales of investment securities	--		45	
Gains on sales of affiliates' shares	520		--	
Total	520	0.3	54	0.0
Extraordinary loss				
Losses on disposal of fixed assets <i>Note 4</i>	689		879	
Losses on cancellation of insurance contracts	--		--	
Impairment losses <i>Note 5</i>	278		--	
Evaluation loss on affiliates' shares	9		121	
Legal settlements	40		--	
Total	1,018	0.6	1,000	0.6
Net income before taxes	10,010	6.0	9,189	5.4
Corporate income tax, inhabitants tax and enterprise tax	4,486		3,820	
Corporate tax adjustments	(121)		47	
Total	4,365	2.6	3,868	2.3
Net income	5,645	3.4	5,320	3.1
Profits carried forward from the previous year	--		11,718	
Interim dividends	--		785	
Losses on disposal of treasury shares	--		387	
Unappropriated profits at end of period	--		15,866	

Planned Profit Appropriation

(Millions of yen)

As of May 24, 2006

Unappropriated profits at end of period	15,866
Profits appropriated	
Dividends	818
Directors' bonuses	73
(of which, auditors' bonuses)	(0)
Total	892
Profits carried forward	14,973

Note: These figures are dated as of the general meeting of shareholders.

Changes in non-consolidated shareholders' equity

For the fiscal year ended February 28, 2007

Millions of yen

	Shareholders' equity							Treasury stock	Total shareholders' equity
	Capital	Capital surplus			Retained profit				
		Capital reserve	Other capital surplus	Total capital surplus	Revenue reserve	Other retained profit carried forward	Total retained profit		
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						5,645	5,645		5,645
Acquisition of treasury stock								(2,079)	(2,079)
Disposal of treasury stock						(423)	(423)	606	183
Changes to items other than shareholders' equity	--	--	--	--	--	--	--	--	--
Total change during the period	--	--	--	--	--	3,539	3,539	(1,472)	2,067
Balance as of February 28, 2007	4,157	4,032	--	4,032	39	19,406	19,445	(9,540)	18,094

	Valuation and differences due to foreign exchange		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			5,645
Acquisition of treasury stock			(2,079)
Disposal of treasury stock			183
Changes to items other than shareholders' equity during the period	(60)	(60)	(60)
Total change during the period	(60)	(60)	2,006
Balance as of February 28, 2007	6	6	18,101

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

Item	March 1, 2006 – February 28, 2007	March 1, 2005 – February 28, 2006
1. Valuation criteria and valuation methods for material assets	<p>(1) Bonds intended to be held to maturity. As at right</p> <p>(2) Shares of subsidiaries As at right</p> <p>(3) 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 net assets and the cost of sales calculated using the moving average method) Those without market value: As at right</p>	<p>(1) Bonds intended to be held to maturity. Amortizing cost method (straight-line method)</p> <p>(2) Shares of subsidiaries The cost method using the moving average method</p> <p>(3) 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) Those without market value: Cost method using the moving average method</p>
2. Basis for valuation of inventory and valuation method	<p>(1) Merchandise As at right</p> <p>(2) Stored goods As at right</p>	<p>(1) Merchandise Vehicles: Cost method using actual cost method Other: Cost method under first-in, first-out method</p> <p>(2) Stored goods Final purchase cost method</p>
3. Fixed asset depreciation method	<p>1) Tangible fixed assets As at right</p> <p>2) Intangible Fixed Assets As at right</p> <p>3) Long-term prepaid expenses As at right</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>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.</p> <p>3) Long-term prepaid expenses Straight line method is applied</p>
4. Treatment of Deferred assets	Expenses related to share purchase: Expensed in their entirety at time of expenditure	New share issue expenses: Expensed in their entirety at time of expenditure

<p>5. 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 To prepare for the payment of bonuses to directors, amounts are recorded based on the estimated payment amount.</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) -----</p>
<p>6. Treatment of Material Lease Transactions</p>	<p>As at right</p>	<p>Finance 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</p>
<p>7. Other Material Items in the Preparation of the Non-consolidated Financial Accounts</p>	<p>Accounting Treatment of Consumption Tax: 1) As at right</p>	<p>Accounting Treatment of Consumption Tax: (1) Tax Exclusion Method is applied in the accounting treatment of consumption tax.</p>

Changes to Accounting Treatment

March 1, 2006 – February 28, 2007	March 1, 2005 – February 28, 2006
<p>Accounting standards relating to impairment losses on fixed assets</p> <p>As of the fiscal year ending February 28, 2007 the 'Statement Regarding the Establishment of Accounting Policies for Impairment Losses on Fixed Assets' (Business Accounting Council, August 9, 2002) and 'Guidelines for the Application of Accounting Policies for Impairment Losses on Fixed Assets (Guideline for Application of Business Accounting Policies, Article 6; Business Accounting Council, October 31, 2003) have been applied as accounting standards relating to impairment losses. As a result of this change, and in comparison to previous accounting methods, there is a ¥278 million decrease in net income before taxes.</p>	-----
<p>Accounting standards relating to presentation of net assets on balance sheets</p> <p>From the fiscal year ending February 28, 2007, 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 Policies, Article 8; Business Accounting Council, December 9, 2005) have been applied. The equivalent amount previously recorded as 'Capital' is ¥18,101 million. Following changes to the regulations on financial statements, net assets on the balance sheet have been recorded in accordance with the revised regulations.</p>	-----
<p>Accounting standards relating to directors' bonuses</p> <p>From the fiscal year ending February 28, 2007, the 'Accounting Standard Regarding Directors' Bonuses' (Business Accounting Council, November 11, 2005, Article No. 4) has been applied. As a result, ordinary income and net income before adjustment for income taxes have each decreased ¥73 million.</p>	-----

Changes to Presentation Method

March 1, 2006 – February 28, 2007	March 1, 2005 – February 28, 2006
-----	<p>Method of presentation of liquid assets</p> <p>In the previous fiscal year, 'Accounts Due' were presented as 'Others' in Current Assets. As they have now increased to more than 1% of assets, they are recorded separately. Accounts Due at the end of the previous fiscal year totaled ¥260 million.</p>
-----	<p>Method of presentation of non-operating expenses</p> <p>In the previous fiscal year, 'Interest Expense' was included as 'Others' in Non-operating Expenses. As it has now increased to over 10% of Non-operating Expenses, it is recorded separately. Interest expense in the previous fiscal year totaled ¥1 million.</p>

Additional Information

March 1, 2006 – February 28, 2007	March 1, 2005 – February 28, 2006
-----	<p>Treatment of the tax based on business size portion of corporate taxes in the statements of income</p> <p>Following the promulgation of 'Treatment of the tax based on business size portion of corporate taxes in the Statements of Income' (February 13, 2004, Corporate Accounting Standards Committee Practice Report 12), from this accounting period the proportionate amounts of corporation tax on value added and capital have been included in Selling, General and Administrative expenses. As a result Selling, General and Administration expenses increased by ¥122 million and operating income, ordinary income and income before taxes, etc. each decreased by ¥122 million.</p>

Notes to Balance Sheet

February 28, 2007	February 28, 2006						
*1 -----	<table> <tr> <td>*1 Total number of shares approved to be issued by the Company</td> <td>Ordinary shares</td> <td style="text-align: right;">40,000,000</td> </tr> <tr> <td>Total number of shares outstanding</td> <td>Ordinary shares</td> <td style="text-align: right;">10,688,880</td> </tr> </table>	*1 Total number of shares approved to be issued by the Company	Ordinary shares	40,000,000	Total number of shares outstanding	Ordinary shares	10,688,880
*1 Total number of shares approved to be issued by the Company	Ordinary shares	40,000,000					
Total number of shares outstanding	Ordinary shares	10,688,880					
*2 -----	<table> <tr> <td>*2 Number of treasury shares</td> <td>Ordinary shares</td> <td style="text-align: right;">823,483</td> </tr> </table>	*2 Number of treasury shares	Ordinary shares	823,483			
*2 Number of treasury shares	Ordinary shares	823,483					

Notes to Statements of Income
Millions of yen (rounded down)

March 1, 2006– February 28, 2007	March 1, 2005 – February 28, 2006
1. Breakdown of other operating revenues is as follows: Membership fee revenue: 161 Royalty revenue 2,038 Other 4,865 <hr/> Total 7,065	1. Breakdown of other operating revenues is as follows: Membership fee revenue: 112 Royalty revenue 2,552 Other 5,872 <hr/> Total 8,537
2. Other transfers break down as follows: Merchandise 15 <hr/> Total 15	2. Other transfers break down as follows: Merchandise 126 <hr/> Total 126
3. -----	3. Breakdown of the gains from the sales of fixed assets is as follows: Tools, fixtures and 3 equipment <hr/> Total 3
4. Breakdown of losses from disposal of fixed assets is as follows: Building 266 Structures 59 Tools, fixtures and 54 equipment Software 108 Long-term prepaid 0 expenses Restoration expenses 191 Other 8 <hr/> Total 689	4. Breakdown of losses from disposal of fixed assets is as follows: Building 465 Structures 233 Vehicle transport 0 Tools, fixtures and 50 equipment Construction in progress 51 Software 80 Long-term prepaid 0 expenses <hr/> Total 879

March 1, 2006 – February 28, 2007	March 1, 2005 - February 28, 2006												
<p>5. Impairment losses</p> <p>During the fiscal year ended February 28, 2007, the Group recognized impairment losses on the following group assets</p> <p>(1) Assets for which impairment losses recorded</p> <table border="1"> <thead> <tr> <th>Place</th> <th>Usage</th> <th>Type</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Chiyoda-ku, Tokyo</td> <td>Other businesses</td> <td>Software</td> <td style="text-align: right;">273</td> </tr> <tr> <td>Chiyoda-ku, Tokyo</td> <td>Other businesses</td> <td>Tools & equipment</td> <td style="text-align: right;">4</td> </tr> </tbody> </table> <p>(2) Details of recognition of impairment losses</p> <p>For certain businesses in 'other businesses' where the initially expected business has been cancelled or suspended and there is no future use for the asset, impairment losses have been recognized.</p> <p>(3) Method of grouping assets</p> <p>According to our application of accounting for impaired assets, the minimum cash flow generating unit is mainly a store. For unutilized assets, the individual assets are grouped.</p> <p>(4) Method for calculating recoverable value</p> <p>The recoverable amount is calculated based on the useful value using estimates of future cash flows.</p>	Place	Usage	Type	Amount	Chiyoda-ku, Tokyo	Other businesses	Software	273	Chiyoda-ku, Tokyo	Other businesses	Tools & equipment	4	<p>5. -----</p>
Place	Usage	Type	Amount										
Chiyoda-ku, Tokyo	Other businesses	Software	273										
Chiyoda-ku, Tokyo	Other businesses	Tools & equipment	4										

(Changes to shareholders' equity and other items)

Non-consolidated fiscal year March 1, 2006 to February 28, 2007

1. Items related to number and types of treasury shares

(Thousands of shares)

	Number of shares at end of previous fiscal year	Increase	Decrease	Number of shares at end of current fiscal year
Ordinary shares	823	143	58	909
Total	823	143	58	909

(Note) 1. The increase of 143,000 in ordinary shares of treasury stock results from a market purchase authorized by a decision by the board of directors.