

# Gulliver International Co., Ltd.

## Consolidated Results

First Quarter of the Fiscal Year Ending February 29, 2008

(Three-month period ended May 31, 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 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 29, 2008

**Gulliver International Co., Ltd.**

**July 6, 2007**

Stock Code: 7599

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

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

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### 1. Notes to preparation of these financial statements

1. Adoption of simplified accounting treatments: Yes (partial use of the simplified method)
  2. Differences in accounting treatments applied compared to previous consolidated fiscal year: None
  3. Changes to scope of consolidation or equity method accounting: Yes
- Newly consolidated companies: 1 (G-Care Kyousaikai) Newly eliminated companies: 1 (Carbross Co., Ltd.)

### 2. Consolidated financial results for the three-month period ended May 31, 2007

#### 1) Consolidated operating results

	Three months ended May 31, 2007		Three months ended May 31, 2006		Fiscal Year ended February 28, 2007	
		(% change)		(% change)		(% change)
Sales .....	42,714	(3.5)	44,292	1.2	182,166	(0.2)
Operating income .....	2,337	11.0	2,104	(4.5)	11,123	18.0
Ordinary income .....	2,377	13.7	2,089	(5.3)	10,998	17.2
Net income .....	1,430	(29.9)	2,040	79.9	6,566	48.5
Earnings per share (¥) .....	146.25	--	¥207.87	--	¥672.19	--
Fully diluted earnings per share (¥) .....	146.10	--	¥206.34	--	¥669.68	--

**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, 2007	As of May 31, 2006	As of February 28, 2007
Total assets .....	42,196	38,862	45,947
Shareholders' equity .....	18,446	15,475	19,303
Equity ratio (%) .....	42.8	39.0	41.2
Shareholders' equity per share (¥) .....	1,885.20	1,589.55	1,936.38

#### 3) Consolidated cash flows

	Three months ended May 31, 2007	Three months ended May 31, 2006	Fiscal Year ended February 28, 2007
Cash flow from operating activities .....	2,096	1,464	6,103
Cash flow from investing activities .....	(1,694)	(2,610)	(5,604)
Cash flow from financing activities .....	(2,317)	747	978
Cash and cash equivalents at end of period ...	3,126	2,977	4,855

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

	Interim period ending August 31, 2007	FY ending February 29, 2008
Sales .....	90,000	194,400
Ordinary income .....	4,800	12,100
Net Income .....	2,550	6,500
Earnings per share (¥) .....	--	677.62

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.

## **Operating results and financial position**

Gulliver operates 292 directly operated stores involved in the purchase and sale of cars (24 more than the same period of the previous fiscal year and 1 more than at the end of the previous fiscal year) and has 166 affiliated stores (37 less than the same period of the previous fiscal year and 18 less than at the end of the previous fiscal year). In total, Gulliver operates 458 stores (13 less than the same period of the previous fiscal year and 17 less than at the end of the previous fiscal year). The opening of new branches and replacement of stores (relocating or launching new stores) continues and the number of directly operated stores is increasing in accordance with our previous policy.

In the three months to May 31, 2007 we have cut back investments in areas such as advertising and exercised measures that emphasize efficiency. Vehicles handled by Gulliver are sold quickly, with an average timeframe of only one week to ten days required to achieve a sale via channels that include: 1) auction sites throughout Japan; 2) the on-screen selling system 'Dolphinet'; 3) GAO! Auction, the internet based real-time auction aimed at used car dealers. Sales from all three channels are currently performing well. Consolidated subsidiary, G-One Financial Service Co., Ltd. which operates in the financial services business and primarily handles auto loans, is steadily expanding its operating base and increasing revenues.

As a result of the factors noted above, consolidated net sales for the period under review decreased 3.5% (¥1,577 million) to ¥42,714 million and operating income increased 11.0% (¥233 million) to ¥2,337 million. Ordinary income increased 13.7% (¥287 million) to ¥2,377 million and net income decreased 29.9% (¥610 million) to ¥1,430 million.

### **Financial Position**

In the first quarter of the fiscal year ending February 29, 2008, total assets decreased ¥3,751 million and net assets decreased ¥857 million.

### **Cash flow**

In the first quarter of the fiscal year ending February 29, 2008, cash flow from operating activities was positive and cash flow from investing and financing activities was negative, while overall cash flow decreased ¥1,915 million. The balance of cash and cash equivalents as of the end of the period was ¥3,126 million.

#### **Cash flow from operating activities**

Cash generated from operating activities was ¥2,096 million. This was primarily due to an increase in operating revenue from the purchase and sale of cars.

#### **Cash flow from investing activities**

Net cash used in investing activities was ¥1,694 million. This was primarily due to investment in the opening of new directly operated stores.

#### **Cash flow from financing activities**

Net cash used in financing activities was ¥2,317 million. This was primarily due to payments for the acquisition of treasury stock.

### **Qualitative information regarding forecasts**

Results for the first quarter of the consolidated fiscal year ending February 29, 2008, represent good progress towards the previously announced forecasts for the full year.

## Consolidated Balance Sheets

	<i>Millions of yen</i>					
	As of May 31, 2007		As of May 31, 2006		As of February 28, 2007	
<b>ASSETS</b>		% of total		% of total		% of total
<b>Current assets</b>						
Cash and deposits .....	3,126		2,977		4,855	
Accounts receivable .....	11,468		8,843		13,664	
Marketable securities .....	--		100		--	
Inventory .....	4,804		5,626		4,668	
Deferred tax assets .....	508		346		445	
Others .....	3,357		3,247		3,315	
Allowance for doubtful accounts .....	(167)		(86)		(69)	
Total current assets .....	23,099	54.7	21,054	54.2	26,880	58.5
<b>Fixed assets</b>						
<b>Tangible fixed assets</b>						
Buildings and structures .....	7,913		7,148		7,832	
Tools, fixtures and equipment .....	1,264		1,594		1,384	
Land .....	327		327		327	
Other .....	169		272		143	
Total tangible fixed assets	9,674	23.0	9,341	24.0	9,687	21.1
<b>Intangible fixed assets</b>						
Software .....	2,158		2,591		2,082	
Other .....	165		118		110	
Total intangible fixed assets .....	2,324	5.5	2,710	7.0	2,192	4.8
<b>Investments and other assets</b>						
Investment securities .....	97		191		96	
Shares of related companies .....	108		108		108	
Deposits and guarantee money .....	3,750		3,174		3,749	
Construction cooperation fund .....	2,540		1,962		2,508	
Deferred tax assets .....	264		112		489	
Others .....	410		567		309	
Allowance for doubtful accounts .....	(74)		(360)		(74)	
Total investments and other assets .....	7,097	16.8	5,756	14.8	7,187	15.6
Total fixed assets .....	19,096	45.3	17,808	45.8	19,066	41.5
<b>Total Assets</b> .....	42,196	100.0	38,862	100.0	45,947	100.0

## Consolidated Balance Sheets

*Millions of yen*

	As of May 31, 2007		As of May 31, 2006		As of February 28, 2007	
		% of total		% of total		% of total
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable .....	2,383		2,860		3,303	
Short-term borrowing .....	13,500		13,060		13,590	
Accrued expenses .....	2,919		2,290		2,900	
Accrued corporate taxes .....	760		948		2,957	
Deposits received .....	699		891		809	
Reserve for bonuses .....	308		371		453	
Others .....	1,777		2,174		1,210	
<b>Total current liabilities .....</b>	<b>22,348</b>	<b>53.0</b>	<b>22,597</b>	<b>58.1</b>	<b>25,224</b>	<b>54.9</b>
Long-term liabilities						
Long-term debt .....	525		200		550	
Guarantee deposits received .....	876		589		869	
<b>Total long-term liabilities .....</b>	<b>1,401</b>	<b>3.3</b>	<b>789</b>	<b>2.0</b>	<b>1,419</b>	<b>3.1</b>
<b>Total liabilities .....</b>	<b>23,749</b>	<b>56.3</b>	<b>23,387</b>	<b>60.1</b>	<b>26,643</b>	<b>58.0</b>
<b>NET ASSETS</b>						
Shareholders' equity						
Paid-in capital .....	4,157		4,157		4,157	
Capital surplus .....	4,032		4,032		4,032	
Retained earnings .....	20,612		16,867		20,283	
Treasury shares .....	(10,724)		(9,998)		(9,540)	
<b>Total shareholders' equity .....</b>	<b>18,077</b>	<b>42.8</b>	<b>15,058</b>	<b>38.8</b>	<b>18,932</b>	<b>41.2</b>
Appraisal and translation differences						
Unrealized gains and losses in other securities .....	6		62		6	
Translation adjustments .....	(1)		2		(2)	
<b>Total Appraisal and translation differences .....</b>	<b>5</b>	<b>0.0</b>	<b>65</b>	<b>0.2</b>	<b>3</b>	<b>0.0</b>
Share warrants .....	1	0.0	--	--	1	0.0
Minority interests .....	361	0.9	351	0.9	366	0.8
<b>Total capital .....</b>	<b>18,446</b>	<b>43.7</b>	<b>15,475</b>	<b>39.9</b>	<b>19,303</b>	<b>42.0</b>
<b>Total liabilities and capital .....</b>	<b>42,196</b>	<b>100.0</b>	<b>38,862</b>	<b>100.0</b>	<b>45,947</b>	<b>100.0</b>

## Consolidated Statements of Income

*Millions of yen*

	March 1, 2007 to May 31, 2007		March 1, 2006 to May 31, 2006		March 1, 2006 to February 28, 2007	
		% of total		% of total		% of total
Sales .....	42,714	100.0	44,292	100.0	182,166	100.0
Cost of sales.....	32,588	76.3	34,314	77.5	140,228	77.0
Gross profit.....	10,126	23.7	9,978	22.5	41,937	23.0
Sales general and administrative expenses.....	7,788	18.2	7,873	17.7	30,813	16.9
Operating income .....	2,337	5.5	2,104	4.8	11,123	6.1
Non-operating income.....	72	0.2	21	0.0	79	0.0
Non-operating expenses .....	32	0.1	36	0.1	204	0.1
<b>Ordinary income.....</b>	<b>2,377</b>	<b>5.6</b>	<b>2,089</b>	<b>4.7</b>	<b>10,998</b>	<b>6.0</b>
Extraordinary profit .....	59	0.1	1,181	2.7	1,164	0.6
Extraordinary losses .....	38	0.1	169	0.4	1,013	0.5
<b>Net income before taxes, etc. ....</b>	<b>2,398</b>	<b>5.6</b>	<b>3,102</b>	<b>7.0</b>	<b>11,149</b>	<b>6.1</b>
Income tax, inhabitants tax and enterprise tax.....	741	1.7	932	2.1	4,880	2.7
Corporate tax adjustment .....	224	0.5	124	0.3	(313)	(0.2)
Minority interests .....	2	0.0	4	0.0	16	0.0
<b>Net income .....</b>	<b>1,430</b>	<b>3.4</b>	<b>2,040</b>	<b>4.6</b>	<b>6,566</b>	<b>3.6</b>

### (3) Changes to Consolidated shareholders' equity

First quarter of the fiscal year ending February 29, 2008 (March 1, 2007 to May 31, 2007)

Millions of yen

	Shareholder's equity				
	Capital	Capital Surplus	Accumulated earnings	Treasury Stock	Total shareholder's equity
Balance as of February 28, 2007	4,157	4,032	20,283	(9,540)	18,932
Change during the period					
Surplus dividend			(909)		(909)
Net income			1,430		1,430
Acquisition of treasury stock				(1,320)	(1,320)
Disposal of treasury stock			(95)	136	41
Changes to the scope of consolidated following decrease in accumulated earnings			(174)		(174)
Changes to the scope of consolidated following increase in accumulated earnings			78		78
Changes to items other than shareholders' equity during the period	--	--	--	--	--
Total change during the period	--	--	329	(1,184)	(854)
Balance as of May 31, 2007	4,157	4,032	20,612	(10,724)	18,077

Millions of yen

	Valuation and translation differences			Share warrants	Minority interest	Total net assets
	Valuation differences on other marketable securities	Translation adjustment account	Total valuation and translation differences			
Balance as of February 28, 2007	6	(2)	3	1	366	19,303
Change during the period						
Surplus dividend						(909)
Net income						1,430
Acquisition of treasury stock						(1,320)
Disposal of treasury stock						41
Changes to the scope of consolidated following decrease in accumulated earnings						(174)
Changes to the scope of consolidated following increase in accumulated earnings						78
Changes to items other than shareholders' equity during the period	0	1	1	0	(4)	(2)
Total change during the period	0	1	1	0	(4)	(857)
Balance as of May 31, 2007	6	(1)	5	1	361	18,446

## Consolidated Statements of Cash flows

*Millions of yen*

	March 1, 2007 to May 31, 2007	March 1, 2006 to May 31, 2006	March 1, 2006 to February 28, 2007
<b>I. Cash flow from operating activities</b>			
Income before taxes, etc.....	2,398	3,102	11,149
Depreciation.....	511	535	2,352
Increase (decrease) in reserve for bonuses.....	(138)	(140)	(68)
Increase (decrease) in allowance for doubtful accounts.....	2	(8)	(66)
Interest and dividends received.....	(1)	(0)	(2)
Interest paid.....	20	9	65
New share issuance expenses.....	7	--	7
Loss on disposal of fixed assets.....	33	169	689
Impairment losses.....	--	--	278
Payment of directors' bonuses.....	(73)	(73)	(73)
Increase (decrease) in accounts receivable.....	2,383	1,948	(2,825)
Increase (decrease) in inventory.....	(113)	(960)	108
Increase (decrease) in accounts payable.....	(907)	(520)	444
Increase (decrease) in operating loans.....	(252)	--	(1,292)
Increase (decrease) in accrued consumption tax.....	(28)	(251)	(177)
Other.....	1,203	(297)	(749)
<b>Subtotal.....</b>	<b>5,045</b>	<b>3,509</b>	<b>9,838</b>
Interest and dividends received.....	1	0	2
Interest paid.....	(21)	(9)	(65)
Corporate taxes paid.....	(2,928)	(2,036)	(3,671)
<b>Cash flow from operating activities.....</b>	<b>2,096</b>	<b>1,464</b>	<b>6,103</b>
<b>II. Cash flow from investing activities</b>			
Proceeds from sale of investment securities.....	--	--	100
Payments for purchase of marketable securities.....	(942)	(1,866)	(3,731)
Proceeds from sale of marketable securities.....	0	0	1
Payments for acquisition of intangible fixed assets.....	(341)	(123)	(581)
Payments for acquisition of shares of affiliates.....	--	(5)	(5)
Amounts lent.....	(276)	(35)	(61)
Proceeds from repayment of loans.....	1	13	6
Increase (decrease) in short-term borrowing.....	--	(393)	--
Deposit and guarantee payments.....	(142)	(199)	(1,327)
Other.....	6	(0)	(5)
<b>Cash flow from investing activities.....</b>	<b>(1,694)</b>	<b>(2,610)</b>	<b>(5,604)</b>
<b>III. Cash flow from financing activities</b>			
Net increase (decrease) in short term borrowings.....	(90)	3,660	4,190
Repayment of long-term loans.....	(25)	(54)	(207)
Proceeds from long-term loans.....	--	--	500
Payments for acquisition of treasury stock.....	(1,320)	(2,079)	(2,079)
Proceeds from disposal of treasury stock.....	41	45	183
Proceeds from issuance of new shares.....	(7)	--	(7)
Payment of dividends.....	(909)	(824)	(1,608)
Dividends paid to minority shareholders.....	(5)	--	(5)
Other.....	(1)	--	13
<b>Cash flow from financing activities.....</b>	<b>(2,317)</b>	<b>747</b>	<b>978</b>
<b>IV. Cash and cash equivalents currency translation differences.....</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>V. (Decrease) increase in cash and cash equivalents.....</b>	<b>(1,915)</b>	<b>(396)</b>	<b>1,481</b>
<b>VI. Cash and cash equivalents at beginning of period.....</b>	<b>4,855</b>	<b>3,374</b>	<b>3,374</b>
<b>VII. Increase in cash and cash equivalents from change in scope of consolidation.....</b>	<b>186</b>	<b>--</b>	<b>--</b>
<b>VIII. Cash and cash equivalents at end of period.....</b>	<b>3,126</b>	<b>2,977</b>	<b>4,855</b>



## Changes to Material Items Forming the Basis for the Preparation of the First Quarter Consolidated Financial Statements

March 1, 2007 – May 31, 2007	March 1, 2006 – May 31, 2006	March 1, 2006 – February 28, 2007
-----	<p><b>Accounting standards relating to the impairment of fixed assets</b></p> <p>From the first quarter of the fiscal year ending February 28, 2007, 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 statements.</p>	<p><b>Accounting standards relating to the impairment of fixed assets</b></p> <p>From the first quarter of the fiscal year ending February 28, 2007, 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). The effect of this change, compared to the previous accounting method, was to reduce net income before taxes, etc. by ¥278 million.</p>
-----	<p><b>Accounting treatments relating to income generated through auto-loans</b></p> <p>Previously, a deferred accounting method for the unpaid portion of the loan was employed for income generated through auto-loans at the consolidated subsidiary G-One Financial Service Co., Ltd. However, as of this quarter, we have begun to employ a method which makes a one-time calculation of the unpaid portion at the time of signing of the loan contract, excluding income related to procurement rates and foreseeable loss arising from early repayment or subrogated performance. In order to make loan contracts signed in the previous year conform to this method, the balance of unpaid loans from the end of the fiscal year ended February 28, 2007, excluding income related to procurement rates and foreseeable loss arising from early repayment or subrogated performance, has been recorded as extraordinary profit. We made this change based on the expertise and internal data we have accumulated based on the auto-loans business, and we believe that the relating of income generated through auto-loans to expenses (rebates) arising at the time of the signing of the contract better reflects actual operating conditions. As a result of this change, net sales, gross profit on sales, operating income and ordinary income have increased ¥208 million compared to the previous method, and net income before adjustment for income taxes has increased ¥1,372 million.</p>	<p><b>Accounting treatments relating to income generated through auto-loans</b></p> <p>Previously, a deferred accounting method for the unpaid portion of the loan was employed for income generated through auto-loans at the consolidated subsidiary G-One Financial Service Co., Ltd. However, as of this quarter, we have begun to employ a method which makes a one-time calculation of the unpaid portion at the time of signing of the loan contract, excluding income related to procurement rates and foreseeable loss arising from early repayment or subrogated performance. In order to make loan contracts signed in the previous year conform to this method, the balance of unpaid loans from the end of the fiscal year ended February 28, 2007, excluding income related to procurement rates and foreseeable loss arising from early repayment or subrogated performance, has been recorded as extraordinary profit. We made this change based on the expertise and internal data we have accumulated based on the auto-loans business, and we believe that the relating of income generated through auto-loans to expenses (rebates) arising at the time of the signing of the contract better reflects actual operating conditions. As a result of this change, net sales, gross profit on sales, operating income and ordinary income have increased ¥547 million compared to the previous method, and net income before adjustment for income taxes has increased ¥1,711 million.</p>

March 1, 2007 – May 31, 2007	March 1, 2006 – May 31, 2006	March 1, 2006 – February 28, 2007
<p>-----</p>	<p><b>Accounting standards relating to presentation of net assets on balance sheets</b></p> <p>From the first quarter of 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 ¥16,250 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><b>Accounting standards relating to presentation of net assets on balance sheets</b></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 ¥18,936 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>-----</p>	<p>-----</p>	<p><b>Accounting standards relating to directors' bonuses</b></p> <p>From the fiscal year ending February 28, 2007, the 'Accounting Standard Regarding Directors' Bonuses' (Business Accounting Council, November 29, 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>

## 4. Segment Information

### Segment information by business type

First quarter of the fiscal year ending February 29, 2008 (March 1, 2007 to May 31, 2007)

Millions of yen

	Trading of used cars	Financial business	Other businesses	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	39,875	1,011	1,828	42,714	--	42,714
(2) Inter-segmental sales or transfers	205	137	613	957	(957)	--
Total	40,080	1,148	2,442	43,671	(957)	42,714
Operating expenses	37,139	999	1,771	39,909	467	40,376
Operating income	2,941	149	671	3,762	(1,424)	2,337

Notes: 1. Businesses have been classified according to the classification used in calculating sales.

### 2. Principal product name or service name

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated stores and other outlets
Financial business	Consolidated subsidiary, G-One Financial Service Co., Ltd. operates in the financial services business handling auto loans
Other businesses	Franchise operations related to the management of stores with 'Gulliver' which purchases and sells automobiles, and 'Dolphinet', the on-screen selling system services

### 3. Breakdown of amount and principal content included in the "Elimination or Total Company" item

Millions of yen

	March 1, 2007 to May 31, 2007	Principal content
Amount of unallocated operating expenses included in elimination or total company item	1,424	Expenses relating to head office administration at the parent company

### 4. Changes to method of classification

Previously, 'Financial business' was included in 'Other businesses'. However, as its overall importance has increased, 'Financial business' has been made a separate category as of the fourth quarter of the previous fiscal year. Applying this change to the 'Segment Information' section of the first quarter of the previous fiscal year, would result as follows:

First quarter of the fiscal year ending February 28, 2007 (March 1, 2006 to May 31, 2006)

Millions of

yen

	Trading of used cars	Financial business	Other businesses	Total	Elimination/ All company	Consolidated
Sales						
(2) Sales to external customers	42,029	571	1,690	44,292	--	44,292
(2) Inter-segmental sales or transfer	290	77	659	1,027	(1,027)	--
Total	42,320	649	2,350	45,319	(1,027)	44,292
Operating expenses	39,650	549	1,668	41,868	318	42,187
Operating income	2,669	100	681	3,451	(1,346)	2,104

**First quarter of the fiscal year ended February 28, 2007 (March 1, 2006 to May 31, 2006)**
*Millions of yen*

	Trading of used cars	Other businesses	Total	Elimination/ All company	Consolidated
Sales					
(1) Sales to external customers	42,017	2,274	44,292	--	44,292
(2) Inter-segmental sales or transfers	--	--	--	--	--
Total	42,017	2,274	44,292	--	44,292
Operating expenses	38,923	1,972	40,896	1,291	42,187
Operating income	3,093	302	3,396	(1,291)	2,104

**Notes: 1. Businesses have been classified according to the classification used in calculating sales.**
**2. Principal product name or service name**

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated stores and other outlets
Other businesses	Royalties arising out of franchise agreements and fees for the provision of training etc., and intermediation in buying and selling of used automobiles, also includes other operations such as a financial business and other businesses

**3. Breakdown of amount and principal content included in the "Elimination or Total Company" item**
*Millions of yen*

	March 1, 2006 to May 31, 2006	Principal content
Amount of unallocated operating expenses included in elimination or total company item	1,291	Expenses relating to head office administration at the parent company

**Fiscal year ended February 28, 2007 (March 1, 2006 to February 28, 2007)**
*Millions of yen*

	Trading of used cars	Financial business	Other businesses	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	173,289	2,369	6,507	182,166	--	182,166
(2) Inter-segmental sales or transfers	1,140	423	2,596	4,160	(4,160)	--
Total	174,429	2,792	9,104	186,326	(4,160)	182,166
Operating expenses	161,295	2,486	6,323	170,105	937	171,042
Operating income	13,134	305	2,780	16,221	(5,097)	11,123

**Notes: 1. Businesses have been classified according to the classification used in calculating sales.**

**2. Principal product name or service name**

Business Classification	Principal Product Name or Service Name
Used Car Sales	Purchase and sales of used automobiles through directly operated stores and other outlets
Financial business	Consolidated subsidiary, G-One Financial Service Co., Ltd. operates in the financial services business handling auto loans
Other businesses	Franchise operations related to the management of stores with 'Gulliver' which purchases and sells automobiles, and 'Dolphinet', the on-screen selling system services

**3. Breakdown of amount and principal content included in the "Elimination or Total Company" item**
*Millions of yen*

	March 1, 2006 to February 28, 2007	Principal content
Amount of unallocated operating expenses included in elimination or total company item	5,097	Expenses relating to head office administration at the parent company

**Segment information by geographical location**

For the first quarter of the current consolidated fiscal year and for the previous fiscal year some consolidated subsidiaries were located overseas, but as over 90% of sales for each segment were in Japan, segment information by geographical location has been omitted.

**Overseas sales**

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