

Gulliver International Co., Ltd.

Non-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 (Non-Consolidated)

First quarter results for the fiscal year ending February 29, 2008

Gulliver International Co., Ltd.

July 6, 2007

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 http://www.glv.co.jp/
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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 three-month period ended May 31, 2007

1) Non-Consolidated operating results

Millions of yen, rounded down

	Three months ended May 31, 2007		Three months ended May 31, 2006		Fiscal year ended February 28, 2007	
		(% change)		(% change)		(% change)
Sales	37,663	(7.3)	40,665	0.8	166,466	(1.9)
Operating income	2,206	10.7	1,992	0.8	10,715	5.6
Ordinary income	2,257	12.4	2,008	1.7	10,509	3.6
Net income	1,370	35.7	1,009	0.1	5,645	6.1
Earnings per share (¥)	¥140.11	--	¥102.81	--	¥577.92	--
Fully diluted earnings per share (¥)	¥139.97	--	¥102.06	--	¥575.76	--

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

2) Non-Consolidated financial position

Millions of yen, rounded down

	As of May 31, 2007	As of May 31, 2006	As of February 28, 2007
Total assets	36,241	33,983	40,414
Shareholders' equity	17,283	14,173	18,101
Equity ratio (%)	47.7	41.7	44.8
Shareholders' equity per share (¥)	1,801.80	1,455.82	1,850.96

3. 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: Forecast net income per share for the fiscal year ending February 29, 2008: ¥635.92

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 May 31, 2007		As of May 31, 2006		As of February 28, 2007	
ASSETS		% of total		% of total		% of total
Current assets						
Cash and deposits	1,440		1,703		3,337	
Accounts receivable.....	3,424		4,221		5,854	
Inventory	2,606		3,772		3,065	
Short-term loans to related companies	6,497		2,314		5,373	
Deferred tax assets.....	477		276		447	
Others.....	1,556		1,931		2,084	
Allowance for doubtful accounts	(188)		(79)		(229)	
Total current assets	15,814	43.6	14,140	41.6	19,933	49.3
Fixed assets						
Tangible fixed assets						
Buildings and structures	7,883		7,141		7,807	
Tools, fixtures and equipment.....	1,271		1,583		1,316	
Land.....	327		327		327	
Other.....	90		264		109	
Total tangible fixed assets	9,573	26.4	9,316	27.4	9,561	23.7
Intangible fixed assets						
Software	1,988		2,562		1,910	
Other.....	145		93		88	
Total intangible fixed assets	2,133	5.9	2,655	7.8	1,998	4.9
Investments and other assets						
Investment securities	97		191		96	
Shares held in related companies.....	2,191		2,299		2,191	
Deposits and guarantee money	3,654		3,132		3,651	
Construction cooperation fund	2,540		1,962		2,508	
Deferred tax assets.....	37		101		270	
Other.....	231		515		236	
Allowance for doubtful accounts	(33)		(333)		(33)	
Total investment and other assets	8,719	24.1	7,870	23.2	8,921	22.1
Total fixed assets	20,426	56.4	19,842	58.4	20,480	50.7
Total Assets.....	36,241	100.0	33,983	100.0	40,414	100.0

Non-Consolidated Balance Sheets

Millions of yen, rounded down

	As of May 31, 2007		As of May 31, 2006		As of February 28, 2007	
		% of total				% of total
LIABILITIES						
Current liabilities						
Accounts payable	1,915		2,695		2,953	
Short-term borrowing	11,000		11,100		11,600	
Accrued expenses	2,164		1,841		1,696	
Accrued corporate taxes	714		702		2,590	
Advances received	302		464		178	
Deposits received	670		870		721	
Reserve for bonuses	272		349		415	
Other	1,041		1,195		1,288	
Total current liabilities	18,081	49.9	19,219	56.6	21,443	53.1
Long-term liabilities						
Guarantee deposits received	876		589		869	
Total long-term liabilities	876	2.4	589	1.7	869	2.1
Total liabilities	18,957	52.3	19,809	58.3	22,313	55.2
NET ASSETS						
Shareholders' equity						
Paid-in capital	4,157		4,157		4,157	
Capital surplus	4,032		4,032		4,032	
Retained earnings	19,811		15,919		19,445	
Treasury shares	(10,724)		(9,998)		(9,540)	
Total shareholders' equity	17,276	47.7	14,110	41.5	18,094	44.8
Appraisal and translation differences						
Unrealized gains and losses in other securities	6		62		6	
Total appraisal and translation differences	6	0.0	62	0.2	6	0.0
Total capital	17,283	47.7	14,173	41.7	18,101	44.8
Total liabilities and capital	36,241	100.0	33,983	100.0	40,414	100.0

Non-Consolidated Statements of Income

	<i>Millions of yen</i>					
	March 1, 2007 to May 31, 2007		March 1, 2006 to May 31, 2006		March 1, 2006 to February 28, 2007	
		%		%		%
Sales	37,663	100.0	40,665	100.0	166,466	100.0
Cost of goods sold	28,452	75.5	31,090	76.5	126,526	76.0
Gross profit	9,211	24.5	9,575	23.5	39,940	24.0
Sales, general & administrative expenses	7,005	18.6	7,582	18.6	29,224	17.6
Operating income	2,206	5.9	1,992	4.9	10,715	6.4
Non-operating income	72	0.2	32	0.0	61	0.1
Non-operating expenses	21	0.1	16	0.0	268	0.2
Ordinary income	2,257	6.0	2,008	4.9	10,509	6.3
Extraordinary profit	52	0.1	47	0.1	520	0.3
Extraordinary losses	38	0.1	169	0.4	1,018	0.6
Net income before taxes, etc.	2,271	6.0	1,885	4.6	10,010	6.0
Corporate income tax, inhabitants tax and enterprise tax	698	1.9	697	1.7	4,486	2.7
Corporate tax adjustments	203	0.5	179	0.4	(121)	(0.1)
Net income	1,370	3.6	1,009	2.5	5,645	3.4

(3) Changes to Non-Consolidated first quarter shareholders' equity

First quarter (March 1, 2007 to May 31, 2007)

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, 2007	4,157	4,032	--	4,032	39	19,406	19,445	(9,540)	18,094
Change during the period									
Surplus dividend						(909)	(909)		(909)
Net income						1,370	1,370		1,370
Acquisition of treasury stock								(1,320)	(1,320)
Disposal of treasury stock						(95)	(95)	136	41
Changes to items other than shareholders' equity during the period	--	--	--	--	--	--	--	--	--
Total change during the period	--	--	--	--	--	365	365	(1,184)	(818)
Balance as of May 31, 2007	4,157	4,032	--	4,032	39	19,771	19,811	(10,724)	17,276

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, 2007	6	6	18,101
Change during the period			
Surplus dividend			(909)
Net income			1,370
Acquisition of treasury stock			(1,320)
Disposal of treasury stock			41
Changes to items other than shareholders' equity during the period	0	0	0
Total change during the period	0	0	(817)
Balance as of May 31, 2007	6	6	17,283

Changes to Accounting Treatment

March 1, 2007 – May 31, 2007	March 1, 2006 – May 31, 2006	March 1, 2006 – February 28, 2007
<p>-----</p>	<p>Accounting standards relating to impairment of fixed assets 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.</p>	<p>Accounting standards relating to impairment losses on fixed assets From 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. The effect of this change, compared to the previous accounting method, was to reduce net income before taxes, etc. by ¥278 million.</p>
<p>-----</p>	<p>Accounting standards relating to presentation of net assets on balance sheets 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 Polices, Article 8; Business Accounting Council, December 9, 2005) have been applied. The equivalent amount previously recorded as 'Capital' is ¥14,173 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 presentation of net assets on balance sheets 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 Polices, 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>-----</p>	<p>-----</p>	<p>Accounting standards relating to directors' bonuses 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>