

# Gulliver International Co., Ltd.

## Consolidated Results

First Quarter of the Fiscal Year Ending February 28, 2009

(Three-month period ended May 31, 2008)

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)

First quarter results for the fiscal year ending February 28, 2009

July 7, 2008

### Gulliver International Co., Ltd.

Stock Code: 7599  
<http://www.glv.co.jp/>  
 Chairman: Kenichi Hatori

Listed exchanges: Tokyo (1<sup>st</sup> Section)  
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### 1. Consolidated financial results for the three-month period ended May 31, 2008

#### 1) Consolidated operating results

*Millions of yen, rounded down*

	Three months ended May 31, 2008		Three months ended May 31, 2007		Fiscal Year ended February 29, 2008	
		(% change)		(% change)		(% change)
Sales.....	46,198	8.1	42,714	(3.5)	190,592	4.6
Operating income .....	1,243	(46.7)	2,337	11.0	8,698	(21.8)
Ordinary income .....	1,065	(55.1)	2,377	13.7	8,699	(20.8)
Net income.....	266	(81.3)	1,430	(29.9)	4,650	(29.1)
Earnings per share (¥) .....	27.80	--	146.25	--	482.27	--
Fully diluted earnings per share (¥) .....	27.80	--	146.10	--	482.15	--

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

#### 2) Financial position (Consolidated)

*Millions of yen, rounded down*

	As of May 31, 2008	As of May 31, 2007	As of February 29, 2008
Total assets .....	54,257	42,196	50,426
Net assets.....	20,150	18,446	20,769
Shareholders' equity ratio (%).....	36.4	42.8	40.4
Shareholders' equity per share (¥).....	2,063.04	1,885.20	2,122.06

#### 3) Consolidated cash flows

*Millions of yen, rounded down*

	Three months ended May 31, 2008	Three months ended May 31, 2007	Fiscal Year ended February 29, 2008
Cash flow from operating activities .....	(1,778)	2,096	1,354
Cash flow from investing activities .....	(717)	(1,694)	(2,960)
Cash flow from financing activities.....	2,670	(2,317)	177
Cash and cash equivalents at end of period....	3,831	3,126	3,639

### 2. Dividends

*Millions of yen, rounded down*

	Fiscal year ended February 29, 2008	Fiscal year ending February 28, 2009 (Forecast)
Interim dividend per share(¥) .....	87.00	62.00
Year-end dividend per share(¥) .....	87.00	62.00
Annual dividend per share(¥).....	174.00	124.00

### 3. Reference: Forecasts for the fiscal year ending February 28, 2009 (March 1, 2008 to February 28, 2009)

*Millions of yen, rounded down*

	Interim period ending August 31, 2008		FY ending February 28, 2009	
Sales.....	89,600	2.7%	196,300	3.0%
Operating income .....	3,200	(32.7%)	7,400	(14.9%)
Ordinary income .....	3,200	(33.0%)	7,400	(14.9%)
Net Income .....	1,700	(37.2%)	4,000	(14.0%)
Earnings per share (¥) .....	177.14	--	416.79	--

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

#### 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

3) **Changes to accounting methods during the fiscal year**: Yes

See *Operating Results*, Section 4. *Other* on page 4 for more detail.

#### Reference: Outline of Non-Consolidated Financial Results

##### 1. Non-consolidated financial results for the three-month period ended May 31, 2008

###### 1) Non-consolidated operating results

Millions of yen, rounded down

	Three months ended May 31, 2008		Three months ended May 31, 2007		Fiscal Year ended February 29, 2008	
Net Sales .....	39,866	5.8%	37,663	(7.3%)	167,219	0.4%
Operating income .....	1,247	(43.4%)	2,206	10.7%	8,459	(21.0%)
Ordinary income .....	1,247	(44.7%)	2,257	12.4%	8,614	(18.0%)
Net income .....	451	(37.0%)	1,370	35.7%	4,293	(23.9%)
Earnings per share (¥) .....	47.08	--	140.11	--	445.27	--
Fully diluted earnings per share (¥) .....	47.08	--	139.97	--	445.16	--

**Note:** 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 May 31, 2008	As of May 31, 2007	As of February 29, 2008
	Total assets .....	35,980	36,241
Net assets .....	18,996	17,283	19,389
Shareholders' equity ratio (%) .....	52.7	47.7	54.8
Shareholders' equity per share (¥) .....	1,979.37	1,801.80	2,020.31

##### 2. Reference: Non-consolidated forecasts for the fiscal year ending February 28, 2009 (March 1, 2008 to February 28, 2009)

Millions of yen, rounded down

	Interim period ending August 31, 2008		FY ending February 28, 2009	
Net Sales .....	79,000	3.3%	170,000	1.7%
Operating income .....	3,100	(29.9%)	7,200	(14.%)
Ordinary income .....	3,100	(30.6%)	7,200	(16.%)
Net income .....	1,650	(33.3%)	3,800	(11.%)
Earnings per share (¥) .....	171.93	--	395.95	--

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

### 1. Consolidated operating results

Among Gulliver's stores involved in the purchase and sale of cars, 300 are directly operated stores (8 more than at the end of the same period of the previous fiscal year and 1 more than at the end of the previous fiscal year). The number of cars sold at directly managed stores increased as a result of an increase in the number of stores and investments in advertising.

In sales, general and administrative expenses, in addition to an increase in advertising expenses, personnel expenses increased following an increase in the number of staff in the previous fiscal year.

As a result of changes to the accounting treatment for the reserve for retirement benefits for directors, provisions for the reserve for retirement benefits for directors arising with respect to previous fiscal years have been recorded as extraordinary losses.

As a result of the factors noted above, consolidated net sales for the period under review increased 8.1% to ¥46,198 million and operating income decreased 46.7% to ¥1,243 million. Ordinary income decreased 55.1% to ¥1,065 million and net income decreased 81.3% to ¥266 million.

### 2. Financial Position

At the end of the first quarter of the fiscal year ending February 28, 2009, total assets increased ¥3,831 million compared to February 29, 2008, liabilities increased ¥4,449 million and net assets decreased ¥619 million.

The primary contributing factor to changes in total assets was a ¥2,649 million increase in inventory. The primary contributing factors to changes in liabilities were a ¥1,095 million increase in accounts payable and a ¥2,918 million increase in short-term borrowing. The primary factor contributing to changes in net assets was a ¥573 million decrease in retained profit.

As a result, net assets per share were ¥2,063.04 and the shareholders equity ratio was 36.4%.

### Cash flow

As of May 31, 2008, the balance of cash and cash equivalents, on a consolidated basis, increased ¥192 million compared to February 29, 2008 to ¥3,831 million.

### Primary contributing factors to the status cash flow are as follows:

#### Cash flow used in/from operating activities

Cash used in operating activities during the period under review was ¥1,778 million compared to an increase of ¥2,096 million at the end of the first quarter of the previous fiscal year. This was primarily due to the effects of a ¥2,649 million payment from an increase in inventory.

#### Cash flow from investing activities

Net cash used in investing activities was ¥717 million, compared to cash of ¥1,694 million used in the first quarter of the previous fiscal year. This was primarily due to payments for investments in facilities.

#### Cash flow from financing activities

Net cash generated from financing activities was ¥2,670 million, compared to cash of ¥2,317 million used in the first quarter of the previous fiscal year. This was primarily due to an inflow of ¥2,918 million from an increase in short-term borrowing, and an inflow of ¥587 million due to an increase in long-term borrowing and an outflow of ¥834 million for year-end dividend payments.

### 3. Qualitative information regarding forecasts

There have been no changes made to the interim and full year consolidated results forecasts included in the financial statements issued April 18, 2008.

#### 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:  
Certain simple accounting methods were employed. The effects on financial results were immaterial.
- 3) Changes to accounting methods made during the current fiscal year.

##### Reserve for retirement benefits for directors

Previously, payments for retirement benefits for directors were treated as expenses at time of payment. However, as of the fiscal year ending February 28, 2009, we have changed method, and now record the amount of retirement benefits for directors incurred in a given year in the reserve for retirement benefits for directors at the end of that year, based on our regulations for payment of retirement benefits for directors, following our adoption of the revised "Treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws and Allowance for Retirements Benefits to Directors" (JICPA Audit and Assurance Practice Committee Report No. 42).

For the first quarter of the consolidated fiscal year ending February 28, 2009, a provision for the retirement benefits for directors of ¥10 million was recorded under sales, general and administrative expenses and ¥376 million was recorded as an extraordinary loss for the previous fiscal years in which they occurred.

## Consolidated Balance Sheets

					<i>Millions of yen</i>
	As of May 31, 2008	As of May 31, 2007	Change		As of February 29, 2008
			Amount	Percentage	
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and deposits .....	3,831	3,126	704		3,639
Accounts receivable.....	16,066	11,468	4,598		16,166
Inventory .....	9,943	4,804	5,138		7,294
Deferred tax assets.....	274	508	(233)		407
Other.....	4,970	3,357	1,612		3,667
Allowance for doubtful accounts .....	(125)	(167)	41		(25)
<b>Total current assets.....</b>	<b>34,961</b>	<b>23,099</b>	<b>11,861</b>	<b>51.3</b>	<b>31,148</b>
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Buildings and structures.....	7,854	7,913	(58)		7,848
Tools, fixtures and equipment.....	1,544	1,264	280		1,420
Land.....	327	327	--		327
Other.....	289	169	119		161
<b>Total tangible fixed assets.....</b>	<b>10,015</b>	<b>9,674</b>	<b>341</b>	<b>3.5</b>	<b>9,758</b>
<b>Intangible fixed assets</b>					
Software.....	1,856	2,158	(302)		1,994
Other.....	216	165	51		225
<b>Total intangible fixed assets .....</b>	<b>2,073</b>	<b>2,324</b>	<b>(251)</b>	<b>(10.8)</b>	<b>2,220</b>
<b>Investments and other assets</b>					
Investment securities .....	78	97	(19)		98
Shares in affiliate companies .....	5	108	(103)		5
Deposits and guarantee money .....	3,359	3,750	(391)		3,404
Construction cooperation fund.....	3,180	2,540	639		3,180
Deferred tax assets.....	540	264	276		465
Others .....	427	410	17		436
Allowance for doubtful accounts .....	(383)	(74)	(308)		(292)
<b>Total investments and other assets</b>	<b>7,207</b>	<b>7,097</b>	<b>109</b>	<b>1.5</b>	<b>7,298</b>
<b>Total fixed assets .....</b>	<b>19,296</b>	<b>19,096</b>	<b>199</b>	<b>1.0</b>	<b>19,278</b>
<b>Total Assets.....</b>	<b>54,257</b>	<b>42,196</b>	<b>12,061</b>	<b>28.5</b>	<b>50,426</b>

## Consolidated Balance Sheets

	As of May 31, 2008	As of May 31, 2007	Change		As of February 29, 2008
			Amount	Percentage	
<i>Millions of yen</i>					
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable .....	4,600	2,383	2,217		3,505
Short-term borrowing.....	16,049	13,500	2,549		13,131
Accrued expenses.....	3,108	2,919	188		3,039
Accrued corporate taxes.....	394	760	(366)		1,306
Deposits received.....	229	699	(470)		351
Reserve for bonuses .....	477	308	168		562
Others.....	2,784	1,777	1,006		2,182
<b>Total current liabilities</b> .....	<b>27,642</b>	<b>22,348</b>	<b>5,294</b>	<b>23.6</b>	<b>24,078</b>
Long-term liabilities					
Long-term borrowing.....	4,672	525	4,147		4,085
Guarantee deposits received.....	1,027	876	151		1,021
Other .....	763	--	763		471
<b>Total long-term liabilities</b> .....	<b>6,463</b>	<b>1,401</b>	<b>5,062</b>	<b>361.3</b>	<b>5,578</b>
<b>Total liabilities</b> .....	<b>34,106</b>	<b>23,749</b>	<b>10,357</b>	<b>43.6</b>	<b>29,657</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 profit .....	22,260	20,612	1,647		22,833
Treasury stock .....	(10,678)	(10,724)	46		(10,678)
<b>Total shareholders' equity</b> .....	<b>19,771</b>	<b>18,077</b>	<b>1,694</b>	<b>9.4</b>	<b>20,344</b>
Valuation difference on other marketable securities					
Unrealized gains and losses in other securities.....	(2)	6	(9)		7
Translation adjustments .....	30	(1)	32		13
<b>Total appraisal and translation differences</b> .....	<b>28</b>	<b>5</b>	<b>23</b>	<b>420.6</b>	<b>20</b>
Warrants for new shares .....	4	1	3	171.4	4
Minority interests .....	345	361	(15)	(4.3)	400
<b>Total net assets</b> .....	<b>20,150</b>	<b>18,446</b>	<b>1,704</b>	<b>9.2</b>	<b>20,769</b>
<b>Total liabilities and net assets</b> .....	<b>54,257</b>	<b>42,196</b>	<b>12,061</b>	<b>28.5</b>	<b>50,426</b>

## Consolidated Statements of Income

*Millions of yen*

	March 1, 2008 to May 31, 2008	March 1, 2007 to May 31, 2007	Change		March 1, 2007 to February 29, 2008
			Amount	Percentage	
<b>Sales</b> .....	46,198	42,714	3,483	8.1	190,592
<b>Cost of sales</b> .....	35,777	32,588	3,189	9.7	147,032
Gross profit .....	10,420	10,126	293	2.9	43,559
<b>Sales general and administrative expenses</b> .....	9,176	7,788	1,387	17.8	34,860
Operating income .....	1,243	2,337	(1,094)	(46.7)	8,698
<b>Non-operating income</b> .....	73	72	1	1.6	307
<b>Non-operating expenses</b> .....	251	32	218	662.4	306
Ordinary income .....	1,065	2,377	(1,311)	(55.1)	8,699
<b>Extraordinary profit</b> .....	17	59	(42)	(70.7)	146
<b>Extraordinary losses</b> .....	438	38	400	--	350
Net income before taxes, etc. ....	644	2,398	(1,754)	(73.1)	8,495
Income tax, inhabitants tax and enterprise tax .....	326	741	(414)	(55.9)	3,669
Corporate tax adjustment .....	102	224	(122)	(54.5)	126
Minority interests .....	(51)	2	(53)	--	49
<b>Net income</b> .....	<b>266</b>	<b>1,430</b>	<b>(1,163)</b>	<b>(81.3)</b>	4,650



## Consolidated Statements of Cash flows

	<i>Millions of yen</i>		
	March 1, 2008 to May 31, 2008	March 1, 2007 to May 31, 2007	March 1, 2007 to February 29, 2008
<b>I. Cash flow from operating activities</b>			
Income before taxes, etc.....	644	2,398	8,495
Depreciation .....	526	511	2,342
Increase (decrease) in reserve for bonuses.....	(85)	(138)	109
Increase (decrease) in allowance for doubtful accounts .....	190	2	174
Interest and dividends received.....	(14)	(1)	(5)
Interest paid.....	7	20	140
New share issuance expenses .....	--	7	--
Gain on sale of fixed assets .....	--	--	(15)
Loss on disposal of fixed assets.....	--	33	330
Payment of directors' bonuses.....	--	(73)	--
Increase (decrease) in accounts receivable.....	(98)	2,383	(2,267)
Increase (decrease) in inventory.....	(2,649)	(113)	(2,588)
Increase (decrease) in accounts payable .....	1,038	(907)	169
Increase (decrease) in operating loans.....	--	(252)	(601)
Increase (decrease) in accrued consumption tax .....	43	(28)	(89)
Other .....	2,561	1,203	508
<b>Subtotal .....</b>	<b>2,163</b>	<b>5,045</b>	<b>6,705</b>
Interest and dividends received.....	14	1	5
Interest paid.....	(7)	(21)	(140)
Corporate taxes paid.....	(3,949)	(2,928)	(5,214)
<b>Cash flow from operating activities .....</b>	<b>(1,778)</b>	<b>2,096</b>	<b>1,354</b>
<b>II. Cash flow from investing activities</b>			
Payments for purchase of marketable securities .....	(589)	(942)	(1,946)
Proceeds from sale of marketable securities .....	--	0	116
Payments for acquisition of intangible fixed assets.....	(41)	(341)	(824)
Payments for acquisition of shares of affiliates .....	--	--	(0)
Amounts lent .....	(102)	(276)	(3)
Proceeds from repayment of loans .....	--	1	3
Deposit and guarantee payments .....	45	(142)	(305)
Other .....	(30)	6	--
<b>Cash flow from investing activities .....</b>	<b>(717)</b>	<b>(1,694)</b>	<b>(2,960)</b>
<b>III. Cash flow from financing activities</b>			
Net increase (decrease) in short term borrowings .....	2,918	(90)	(471)
Repayment of long-term loans .....	587	(25)	(986)
Proceeds from long-term loans .....	--	--	4,661
Payments for acquisition of treasury stock.....	--	(1,320)	(1,320)
Proceeds from disposal of treasury stock .....	--	41	56
Proceeds from issuance of new shares .....	--	(7)	--
Payment of dividends.....	(834)	(909)	(1,744)
Dividends paid to minority shareholders .....	--	(5)	(5)
Other .....	--	(1)	(10)
<b>Cash flow from financing activities .....</b>	<b>2,670</b>	<b>(2,317)</b>	<b>177</b>
<b>IV. Cash and cash equivalents currency translation differences.....</b>	<b>17</b>	<b>0</b>	<b>6</b>
<b>V. (Decrease) increase in cash and cash equivalents.....</b>	<b>174</b>	<b>(1,915)</b>	<b>(1,421)</b>
<b>VI. Cash and cash equivalents at beginning of period.....</b>	<b>3,639</b>	<b>4,855</b>	<b>4,855</b>
<b>VII. Increase in cash and cash equivalents from change in scope of consolidation.....</b>	<b>--</b>	<b>186</b>	<b>205</b>
<b>VIII. Cash and cash equivalents at end of period .....</b>	<b>3,831</b>	<b>3,126</b>	<b>3,639</b>

## 4. Segment Information

### Segment information by business type

First quarter of the fiscal year ending February 28, 2009 (March 1, 2008 to May 31, 2008)

Millions of yen

	Trading of used cars	Financial business	Other businesses	Total	Elimination/All company	Consolidated
Sales						
(1) Sales to external customers	42,818	1,259	2,120	46,198	--	46,198
(2) Inter-segmental sales or transfers	268	178	961	1,408	(1,408)	--
Total	43,086	1,438	3,082	47,606	(1,408)	46,198
Operating expenses	41,280	1,343	2,355	44,979	(25)	44,954
Operating income	1,805	94	726	2,627	(1,383)	1,243

First quarter of the fiscal year ended 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	1,823	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

### 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.

## Non-consolidated Balance Sheets

Millions of yen					
	As of May 31, 2008	As of May 31, 2007	Change		As of February 29, 2008
			Amount	Percentage	
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and deposits.....	1,624	1,440	184		2,004
Accounts receivable .....	4,064	3,424	639		5,125
Inventory.....	4,794	2,606	2,188		4,042
Prepaid expenses.....	482	--	482		396
Accrued credit .....	178	--	178		300
Advances paid.....	812	--	812		280
Short-term loans to related companies....	--	6,497	(6,497)		--
Deferred tax assets .....	141	477	(335)		344
Others.....	100	1,556	(1,456)		96
Allowance for doubtful accounts.....	(22)	(188)	165		(7)
Total current assets.....	12,176	15,814	(3,638)	(23.0)	12,592
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Buildings and structures .....	7,604	7,883	(278)		7,595
Tools, fixtures and equipment .....	1,032	1,271	(239)		1,055
Land .....	327	327	--		327
Other .....	241	90	150		124
Total tangible fixed assets	9,206	9,573	(367)	(3.8)	9,103
<b>Intangible fixed assets</b>					
Software .....	1,548	1,988	(440)		1,673
Other .....	165	145	20		170
Total intangible fixed assets.....	1,713	2,133	(420)	(19.6)	1,845
<b>Investments and other assets</b>					
Investment securities.....	78	97	(19)		98
Shares in affiliate companies.....	2,267	2,191	76		2,267
Long-term loans to affiliates .....	4,246	--	4,246		3,116
Defaulted claims, etc.....	46	--	46		19
Long-term prepaid expenses.....	43	--	(43)		58
Insurance reserves.....	81	--	81		79
Deposits and guarantee money.....	2,950	3,654	(704)		3,035
Construction cooperation fund.....	3,180	2,540	639		3,180
Deferred tax assets .....	322	37	285		238
Other .....	--	231	(231)		--
Allowance for doubtful accounts.....	(333)	(33)	(300)		(257)
<b>Total investment and other assets.....</b>	<b>12,884</b>	<b>8,719</b>	<b>4,165</b>	<b>47.6</b>	<b>11,837</b>
<b>Total fixed assets .....</b>	<b>23,804</b>	<b>20,426</b>	<b>3,377</b>	<b>16.5</b>	<b>22,785</b>
<b>Total Assets .....</b>	<b>35,980</b>	<b>36,241</b>	<b>(260)</b>	<b>(0.7)</b>	<b>35,378</b>

## Non-consolidated Balance Sheets

*Millions of yen, rounded down*

	As of May 31, 2008	As of May 31, 2007	Change		As of February 29, 2008
			Amount	Percentage	
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable .....	2,291	1,915	375		2,217
Short-term borrowing .....	6,398	11,000	(4,601)		5,300
Accounts payable .....	1,402	2,164	(762)		1,185
Accrued corporate taxes .....	254	714	(459)		1,122
Accrued consumption taxes .....	188	--	188		90
Accrued expenses .....	1,089	--	1,089		842
Advances received .....	262	302	(39)		266
Deposits received .....	193	670	(476)		322
Reserve for bonuses .....	333	272	61		473
Reserve for directors' bonuses .....	63	--	63		63
Accrued expenses for facilities .....	138	--	138		106
Other .....	22	1,041	(1,019)		52
<b>Total current liabilities .....</b>	<b>12,637</b>	<b>18,081</b>	<b>(5,444)</b>	<b>(30.1)</b>	<b>12,043</b>
Long-term liabilities					
Long-term debt .....	3,100	--	3,100		3,100
Guarantee deposits received .....	860	876	(15)		844
Reserve for retirement benefits for directors .....	386	--	386		--
<b>Total long-term liabilities .....</b>	<b>4,346</b>	<b>876</b>	<b>3,470</b>	<b>396.1</b>	<b>3,944</b>
<b>Total liabilities .....</b>	<b>16,984</b>	<b>18,957</b>	<b>(1,973)</b>	<b>(10.4)</b>	<b>15,988</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 profit .....	21,486	19,811	1,675		21,869
Treasury stock .....	(10,678)	(10,724)	46		(10,678)
<b>Total shareholders' equity .....</b>	<b>18,998</b>	<b>17,276</b>	<b>1,721</b>	<b>9.9</b>	<b>19,381</b>
Valuation difference on other marketable securities					
Unrealized gains and losses in other securities .....	(2)	6	(9)		7
<b>Total appraisal and translation differences .....</b>	<b>(2)</b>	<b>6</b>	<b>(9)</b>	<b>(130.8)</b>	<b>7</b>
<b>Total net assets .....</b>	<b>18,996</b>	<b>17,283</b>	<b>1,713</b>	<b>9.9</b>	<b>19,389</b>
<b>Total liabilities and net assets .....</b>	<b>35,980</b>	<b>36,241</b>	<b>(260)</b>	<b>(0.7)</b>	<b>35,378</b>

## Non-consolidated Statements of Income

	<i>Millions of yen</i>				
	March 1, 2008 to May 31, 2008	March 1, 2007 to May 31, 2007	Change		March 1, 2007 to February 29, 2008
			Amount	Percentage	
<b>Sales</b> .....	39,866	37,663	2,202	5.8	167,219
<b>Cost of sales</b> .....	30,738	28,452	2,286	8.0	128,303
Gross profit .....	9,127	9,211	(84)	(0.9)	38,915
<b>Sales, general &amp; administrative expenses</b> .....	7,879	7,005	874	12.4	30,456
Operating income.....	1,247	2,206	(958)	(43.4)	8,459
<b>Non-operating income</b> .....	90	72	18	24.9	356
<b>Non-operating expenses</b> .....	90	21	69	325.8	201
Ordinary income.....	1,247	2,257	(1,009)	(44.7)	8,614
<b>Extraordinary profit</b> .....	--	52	(52)	(100.0)	20
<b>Extraordinary losses</b> .....	438	38	400	--	898
Net income before taxes, etc. ....	809	2,271	(1,462)	(64.3)	7,735
Corporate income tax, inhabitants tax and enterprise tax.....	233	698	(465)	(66.6)	3,307
Corporate tax adjustments .....	124	203	(78)	(38.8)	135
<b>Net income</b> .....	451	1,370	(918)	(67.0)	4,293