

Gulliver International Co., Ltd.

Consolidated Results

Third Quarter of the Fiscal Year Ending February 28, 2009

(Three-month period ended November 30, 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.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

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

January 7, 2008

Gulliver International Co., Ltd.

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<http://www.glv.co.jp/>
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1. Consolidated financial results for the nine-month period ended November 30, 2008

1) Consolidated operating results

	Nine months ended November 30, 2008		Nine months ended November 30, 2007		Fiscal Year ended February 29, 2008	
		(% change)		(% change)		(% change)
Sales	131,162	(5.3)	138,549	2.4	190,592	4.6
Operating income	3,703	(50.5)	7,479	(3.0)	8,698	(21.8)
Ordinary income	3,486	(53.3)	7,462	(2.5)	8,699	(20.8)
Net income	1,242	(70.1)	4,156	(15.3)	4,650	(29.1)
Earnings per share (¥).....	130.14		430.35		482.27	--
Fully diluted earnings per share (¥).....	--		430.20		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)

	As of		
	November 30, 2008	November 30, 2007	February 29, 2008
Total assets	58,042	46,700	50,426
Net assets	19,696	20,399	20,769
Shareholders' equity ratio (%).....	33.6	42.8	40.4
Shareholders' equity per share (¥).....	2,040.58	2,083.46	2,122.06

3) Consolidated cash flows

	Nine months ended		
	November 30, 2008	November 30, 2007	Fiscal Year ended February 29, 2008
Cash flow from operating activities.....	(5,785)	3,042	1,354
Cash flow from investing activities	(1,718)	(3,511)	(2,960)
Cash flow from financing activities	6,761	(937)	177
Cash and cash equivalents at end of period ...	2,817	3,636	3,639

2. Dividends

	Fiscal year ending		
	February 29, 2008	February 28, 2009	February 28, 2009 (Forecast)
Interim dividend per share(¥)	87.00	41.00	--
Year-end dividend per share(¥).....	87.00	--	41.00
Annual dividend per share(¥)	174.00	82.00	

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

	FY ending February 28, 2009	
Sales	196,300	3.0%
Operating income	5,600	(35.6%)
Ordinary income	5,600	(35.6%)
Net Income	2,500	(46.2%)
Earnings per share (¥).....	260.50	--

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 November 30, 2008

1) Non-consolidated operating results

Millions of yen, rounded down

	Nine months ended November 30, 2008		Nine months ended November 30, 2007		Fiscal Year ended February 29, 2008	
Sales	110,873	(9.2)	122,086	(1.1)	167,219	0.4%
Operating income	3,728	(47.1)	7,045	(4.9)	8,459	(21.0%)
Ordinary income	3,759	(47.0)	7,099	(4.3)	8,614	(18.0%)
Net income	1,547	(60.6)	3,926	2.7	4,293	(23.9%)
Earnings per share (¥)	162.04		406.61		445.27	--
Fully diluted earnings per share (¥)	--		406.47		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 November 30, 2008	As of November 30, 2007	As of February 29, 2008
Total assets	39,847	38,203	35,378
Net assets	18,886	19,030	19,389
Shareholders' equity ratio (%)	47.4	49.8	54.8
Net assets per share (¥)	1,977.98	1,982.95	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

	FY ending February 28, 2009	
Sales	170,000	1.7%
Operating income	5,500	(35.0%)
Ordinary income	5,500	(36.2%)
Net income	2,500	(41.8%)
Earnings per share (¥)	260.50	--

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, 307 are directly operated stores (9 more than at the end of the same period of the previous fiscal year and 8 more than at the end of the previous fiscal year). The number of cars sold by directly operated stores was similar to that in the first nine months of the last fiscal year but, the average sale price per car decreased in comparison to the previous year due to a drop in the price of cars at used car auctions.

In sales, general and administrative expenses, advertising expenses decreased due to more effective advertising, however personnel expenses increased following an increase in the number of staff in the previous fiscal year and SG&A expenses of consolidated subsidiaries increased.

Non-operating expenses increased due to a ¥185 million yen foreign exchange loss at consolidated subsidiary G-TRADING Co., Ltd.

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 calculated in the first quarter of the current fiscal year.

As a result of the factors noted above, consolidated sales for the period under review decreased 5.3% to ¥131,162 million, operating income decreased 50.5% to ¥3,703 million, ordinary income decreased 53.3% to ¥3,486 million and net income decreased 70.1% to ¥1,242 million.

2. Financial Position

At the end of the third quarter, total assets increased ¥7,615 million compared to February 29, 2008, liabilities increased ¥8,689 million and net assets decreased ¥1,073 million.

The primary contributing factors to changes in total assets were a ¥6,985 million increase in accounts receivable and a ¥1,043 million increase in inventory. The primary contributing factor to changes in liabilities were a ¥9,033 million increase in short-term borrowing. The primary factor contributing to changes in net assets was a ¥787 million increase in treasury shares.

Further, of the ¥23,151 million in accounts receivable at the end of the third quarter, accounts receivable for the finance business increased ¥9,117 million to ¥17,913 million compared to the end of the previous fiscal year.

As a result, net assets per share were ¥2,040.58 and the shareholders equity ratio was 33.6%.

Cash flow

As of November 30, 2008, the balance of cash and cash equivalents, on a consolidated basis, was ¥2,817 million, a decline of ¥742 million compared to the end of the last fiscal year.

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

Cash flow used in operating activities

Cash used in operating activities during the period under review was ¥5,785 million compared to an inflow of ¥3,042 million in the comparable period of the previous fiscal year. This was primarily due to the effects of a ¥6,993 million increase in accounts receivable.

Cash flow used in investing activities

Net cash used in investing activities was ¥1,718 million, compared to cash of ¥3,511 million used in the comparable period 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 ¥6,761 million, compared to cash of ¥937 million used in the comparable period of the previous fiscal year. This was primarily due to an inflow of ¥9,070 million from an increase in short-term borrowing.

3. Qualitative information regarding forecasts

There have been no changes made to the full year consolidated results forecasts announced October 17, 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, the required amount of retirement benefits for directors at the end of the consolidated period under review will be based on the retirement benefits for directors' rules and will be recorded as reserve for directors' retirement benefit. This change follows the adoption of revisions to the treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws (JICPA Audit and Assurance Practice Committee Report No. 42) announced April 13, 2007 by the JICPA.

In comparison to use of the former method, operating income and ordinary income are ¥35 million lower and net income before taxes, etc. is ¥412 million lower as a result of this change.

Merchandise Warranty Reserve

Previously, warranty reserves were expensed when repairs to cars under warranty occurred. However, as of the fiscal year ending February 28, 2009, estimated future warranty payments will be accounted for as the merchandise warranty reserve. This change follows the application of revisions to the treatment for Auditing of Reserve under Special Taxation Measures Law, Allowance or Reserve under Special Laws (JICPA Audit and Assurance Practice Committee Report No. 42) announced April 13, 2007 by the JICPA.

In comparison to use of the former method, operating income and ordinary income are ¥78 million lower and income before taxes, etc. is ¥328 million lower as a result of this change.

Consolidated Balance Sheets

					<i>Millions of yen</i>
	As of November 30, 2008	As of November 30, 2007	Change		As of February 29, 2008
ASSETS			Amount	Percentage	
Current assets					
Cash and deposits	3,117	3,636	(518)		3,639
Accounts receivable	23,151	12,042	11,109		16,166
Inventory	8,338	6,855	1,482		7,294
Deferred tax assets	829	260	568		407
Other	3,621	3,564	57		3,667
Allowance for doubtful accounts.....	(193)	(8)	(184)		(25)
Total current assets	38,864	26,351	12,513	47.4	31,148
Fixed assets					
Tangible fixed assets					
Buildings and structures	8,060	7,903	157		7,848
Tools, fixtures and equipment	1,008	1,679	(670)		1,420
Land	407	327	80		327
Other	672	264	407		161
Total tangible fixed assets	10,148	10,174	(26)	(0.3)	9,758
Intangible fixed assets					
Software	1,593	2,077	(484)		1,994
Other	197	154	43		225
Total intangible fixed assets	1,791	2,231	(440)	(19.7)	2,220
Investments and other assets					
Investment securities	31	126	(94)		98
Shares in affiliate companies	55	--	55		5
Deposits and guarantee money	3,572	3,774	(202)		3,404
Construction cooperation fund	2,864	2,852	11		3,180
Deferred tax assets	541	430	110		465
Others	415	1,129	(714)		436
Allowance for doubtful accounts.....	(241)	(370)	128		(292)
Total investments and other assets	7,238	7,943	(705)	(8.8)	7,298
Total fixed assets.....	19,177	20,349	(1,171)	(5.8)	19,278
Total Assets	58,042	46,700	11,341	24.3	50,426

Consolidated Balance Sheets

					<i>Millions of yen</i>
	As of November 30, 2008	As of November 30, 2007	Change		As of February 29, 2008
			Amount	Percentage	
LIABILITIES					
Current liabilities					
Accounts payable	3,906	2,746	1,160		3,505
Short-term borrowing	22,165	12,149	10,015		13,131
Accrued expenses	2,064	2,756	(692)		3,039
Accrued corporate taxes	323	586	(263)		1,306
Deposits received	190	343	(152)		351
Reserve for bonuses	1,150	341	809		562
Others	3,336	2,021	1,314		2,182
Total current liabilities	33,137	20,945	12,192	58.2	24,078
Long-term liabilities					
Long-term borrowing	3,812	4,075	(262)		4,085
Guarantee deposits received	970	849	121		1,021
Other	425	431	(5)		471
Total long-term liabilities	5,208	5,355	(147)	(2.7)	5,578
Total liabilities	38,346	26,301	12,045	45.8	29,657
NET ASSETS					
Shareholders' equity					
Paid-in capital	4,157	4,157	--		4,157
Capital surplus	4,032	4,032	--		4,032
Retained profit	22,847	22,472	374		22,833
Treasury stock	(11,465)	(10,678)	(786)		(10,678)
Total shareholders' equity	19,571	19,983	(412)	(2.1)	20,344
Appraisal and translation differences					
Unrealized gains and losses in other					
securities	(25)	17	(42)		7
Translation adjustments	(65)	(5)	(60)		13
Total appraisal and translation differences	(91)	11	(103)	(863.5)	20
Warrants for new shares	4	3	1	46.1	4
Minority interests	211	400	(189)	(47.2)	400
Total net assets	19,696	20,399	(703)	(3.4)	20,769
Total liabilities and net assets	58,042	46,700	11,341	24.3	50,426

Consolidated Statements of Income

Millions of yen

	March 1, 2008 to November 30, 2008	March 1, 2007 to November 30, 2007	Change		March 1, 2007 to February 29, 2008
			Amount	Percentage	
Sales	131,162	138,549	(7,386)	(5.3)	190,592
Cost of sales	100,274	106,264	(5,989)	(5.6)	147,032
Gross profit.....	30,888	32,285	(1,397)	(4.3)	43,559
Sales general and administrative expenses	27,184	24,806	2,378	9.6	34,860
Operating income	3,703	7,479	(3,775)	(50.5)	8,698
Non-operating income	160	155	4	2.7	307
Non-operating expenses	377	172	205	119.0	306
Ordinary income	3,486	7,462	(3,976)	(53.3)	8,699
Extraordinary profit	62	46	16	35.1	146
Extraordinary losses	945	170	775	455.2	350
Net income before taxes, etc	2,603	7,339	(4,735)	(64.5)	8,495
Income tax, inhabitants tax and enterprise tax	2,020	2,835	(815)	(28.8)	3,669
Corporate tax adjustment.....	(475)	300	(776)	(258.3)	126
Minority interests.....	(183)	46	(230)	(491.2)	49
Net income	1,242	4,156	(2,913)	(70.1)	4,650

Consolidated Statements of Cash flows

	<i>Millions of yen</i>		
	March 1, 2008 to November 30, 2008	March 1, 2007 to November 30, 2007	March 1, 2007 to February 29, 2008
I. Cash flow from operating activities			
Income before taxes, etc.	2,603	7,339	8,495
Depreciation	1,726	1,629	2,342
Increase (decrease) in reserve for bonuses	588	(112)	109
Increase (decrease) in allowance for doubtful accounts	117	235	174
Interest and dividends received	(15)	(9)	(5)
Interest paid	130	93	140
Gain on sale of fixed assets	--	--	(15)
Loss on disposal of fixed assets	116	170	330
Payment of directors' bonuses	--	(73)	--
Increase (decrease) in accounts receivable	(6,993)	1,861	(2,267)
Increase (decrease) in inventory	(1,043)	(2,187)	(2,588)
Increase (decrease) in accounts payable	303	(607)	169
Increase (decrease) in operating loans	(245)	(411)	(601)
Increase (decrease) in accrued consumption tax	38	(178)	(89)
Other	7	518	508
Subtotal	(2,667)	8,268	6,705
Interest and dividends received	15	9	5
Interest paid	(130)	(93)	(140)
Corporate taxes paid	(3,003)	(5,141)	(5,214)
Cash flow from operating activities	(5,785)	3,042	1,354
II. Cash flow from investing activities			
Payments for placement of time deposits	(300)	--	--
Payments for purchase of tangible fixed assets	(1,590)	(1,738)	(1,946)
Proceeds from sale of tangible fixed assets	192	--	116
Payments for acquisition of intangible fixed assets	(175)	(819)	(824)
Payments for acquisition of shares of affiliates	(50)	--	(0)
Amounts lent	(3)	(962)	(3)
Proceeds from repayment of loans	2	359	3
Deposit and guarantee payments	207	(350)	(305)
Cash flow from investing activities	(1,718)	(3,511)	(2,960)
III. Cash flow from financing activities			
Net increase (decrease) in short term borrowings	9,070	(1,440)	(471)
Repayment of long-term loans	(387)	(50)	(986)
Proceeds from long-term loans	100	3,575	4,661
Payments for acquisition of treasury stock	(787)	(1,327)	(1,320)
Proceeds from disposal of treasury stock	--	56	56
Payment of dividends	(1,228)	(1,744)	(1,744)
Dividends paid to minority shareholders	(5)	(5)	(5)
Other	--	--	(10)
Cash flow from financing activities	6,761	(937)	177
IV. Cash and cash equivalents currency translation differences	(78)	--	6
V. (Decrease) increase in cash and cash equivalents	(742)	(1,406)	(1,421)
VI. Cash and cash equivalents at beginning of period	3,639	4,855	4,855
VII. Increase in cash and cash equivalents from change in scope of consolidation	--	186	205
VIII. Cash and cash equivalents at end of period	2,817	3,636	3,639

Segment Information

Segment information by business type

Nine month period of the fiscal year ending February 28, 2009 (March 1, 2008 to November 30, 2008) *Millions of yen*

	Trading of used cars	Financial business	Other businesses	Total	Elimination/All company	Consolidated
Sales						
(1) Sales to external customers	121,504	3,658	6,090	131,254	--	131,254
(2) Inter-segmental sales or transfers	952	1,024	2,182	4,158	(4,158)	--
Total	122,456	4,683	8,273	135,413	(4,158)	131,254
Operating expenses	116,848	4,436	6,260	127,545	4	127,550
Operating income	5,607	247	2,012	7,867	(4,163)	3,703

Nine month period of the fiscal year ended February 29, 2008 (March 1, 2007 to November 30, 2007) *Millions of yen*

	Trading of used cars	Financial business	Other businesses	Total	Elimination/All company	Consolidated
Sales						
(1) Sales to external customers	129,864	3,093	5,591	138,549	--	138,549
(2) Inter-segmental sales or transfers	683	452	2,092	3,227	(3,227)	--
Total	130,547	3,545	7,684	141,777	(3,227)	138,549
Operating expenses	121,255	3,370	5,687	130,313	756	131,070
Operating income	9,291	174	1,997	11,463	(3,984)	7,479

(Reference) Fiscal year ended February 29, 2008 (March 1, 2007 to February 29, 2008)

Millions of yen

	Trading of used cars	Financial business	Other businesses	Total	Elimination/All company	Consolidated
Sales						
(2) Sales to external customers	178,455	4,503	7,632	190,592	—	190,592
(2) Inter-segmental sales or transfers	987	623	2,908	4,518	(4,518)	—
Total	179,443	5,126	10,540	195,111	(4,518)	190,592
Operating expenses	168,048	4,980	7,840	180,869	1,024	181,893
Operating income	11,394	146	2,700	14,241	(5,543)	8,698

Non-consolidated Balance Sheets

					<i>Millions of yen</i>
	As of November 30, 2008	As of November 30, 2007	Change		As of February 29, 2008
			Amount	Percentage	
ASSETS					
Current assets					
Cash and deposits	930	1,204	(273)		2,004
Accounts receivable	2,119	3,306	(1,186)		5,125
Inventory	4,245	4,618	(373)		4,042
Deferred tax assets	678	220	457		344
Others	655	1,468	(813)		1,083
Allowance for doubtful accounts	(22)	(8)	(14)		(7)
Total current assets	8,607	10,810	(2,203)	(20.3)	12,592
Fixed assets					
Tangible fixed assets					
Buildings and structures	7,833	7,758	74		7,595
Tools, fixtures and equipment	905	1,110	(204)		1,055
Land	407	327	80		327
Other	160	150	10		124
Total tangible fixed assets	9,305	9,345	(39)	(0.4)	9,103
Intangible fixed assets					
Software	1,373	1,734	(361)		1,673
Other	154	135	18		170
Total intangible fixed assets	1,527	1,869	(342)	(18.3)	1,845
Investments and other assets					
Investment securities	31	114	(82)		98
Shares in affiliate companies	2,163	2,061	102		2,267
Long-term loans to affiliates	11,985	7,600	4,385		3,116
Deposits and guarantee money	3,158	3,389	(230)		3,035
Construction cooperation fund	2,864	2,852	11		3,180
Deferred tax assets	277	275	2		238
Other	118	243	(124)		157
Allowance for doubtful accounts	(194)	(359)	165		(257)
Total investment and other assets	20,407	16,177	4,230	26.1	11,837
Total fixed assets	31,240	27,392	3,847	14.0	22,785
Total Assets	39,847	38,203	1,644	4.3	35,378

Non-consolidated Balance Sheets

Millions of yen

	As of November 30, 2008	As of November 30, 2007	Change		As of February 29, 2008
			Amount	Percentage	
LIABILITIES					
Current liabilities					
Accounts payable	1,761	1,901	(139)		2,217
Short-term borrowing	11,000	9,399	1,600		5,300
Accrued expenses	947	1,720	(772)		1,185
Accrued corporate taxes	94	468	(373)		1,122
Advances received	14	352	(337)		266
Deposits received	154	315	(160)		322
Reserve for bonuses	988	286	702		473
Other	1,564	779	785		1,155
Total current liabilities	16,526	15,223	1,302	8.5	12,043
Long-term liabilities					
Long-term debt	3,200	3,100	100		3,100
Guarantee deposits received	822	849	(27)		844
Reserve for retirement benefits for directors	412	--	412		--
Total long-term liabilities	4,434	3,949	485	12.2	3,944
Total liabilities	20,960	19,172	1,788	9.3	15,988
NET ASSETS					
Shareholders' equity					
Paid-in capital	4,157	4,157	--		4,157
Capital surplus	4,032	4,032	--		4,032
Retained profit	22,188	21,501	686		21,869
Treasury stock	(11,465)	(10,678)	(787)		(10,678)
Total shareholders' equity	18,912	19,013	(100)	(0.5)	19,381
Appraisal and translation differences					
Unrealized gains and losses in other securities	(25)	17	(42)		7
Total appraisal and translation differences	(25)	17	(42)	(248.6)	7
Total net assets	18,886	19,030	(143)	(0.7)	19,389
Total liabilities and net assets	39,847	38,203	1,644	4.3	35,378

Non-consolidated Statements of Income

	<i>Millions of yen</i>				
	March 1, 2008 to November 30, 2008	March 1, 2007 to November 30, 2007	Change		March 1, 2007 to February 29, 2008
			Amount	Percentage	
Sales	110,873	122,086	(11,213)	(9.2)	167,219
Cost of sales	83,995	92,937	(8,942)	(9.6)	128,303
Gross profit.....	26,878	29,149	(2,271)	(7.8)	38,915
Sales, general & administrative expenses	23,149	22,104	1,045	4.7	30,456
Operating income.....	3,728	7,045	(3,316)	(47.1)	8,459
Non-operating income	156	214	(58)	(27.0)	356
Non-operating expenses	125	160	(35)	(21.9)	201
Ordinary income.....	3,759	7,099	(3,339)	(47.0)	8,614
Extraordinary profit	64	20	44	219.0	20
Extraordinary losses	936	316	620	196.2	898
Net income before taxes, etc.....	2,887	6,803	(3,915)	(57.6)	7,735
Corporate income tax, inhabitants tax and enterprise tax.....	1,691	2,661	(970)	(36.5)	3,307
Corporate tax adjustments.....	(350)	214	(565)	(263.3)	135
Net income	1,547	3,926	(2,379)	(60.6)	4,293