Gulliver International Co., Ltd.

Financial Results

Fiscal 2009

(March 1, 2008 to February 28, 2009)

This document is a translation of sections of 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

Results for the fiscal year ended February 28, 2009

Gulliver International Co., Ltd. **April 20, 2009**

Stock Code: 7599
http://www.glv.co.jp/company/en
Chairman: Kenichi Hatori
Scheduled date of the regular shareholders' meeting: May 27, 2009
Scheduled date for submission of the financial report: May 28, 2009

Listed exchanges: Tokyo (1st Section)
Inquiries: Executive director: Yukihiro Yoshida
Telephone: +81 3 5208-5503
Scheduled date for distribution of dividends: --

1. Consolidated financial results for the fiscal year ended February 28, 2009

1) Consolidated Operating Results

(Millions of yen, rounded down)

	Fiscal year ended February 28, 2009		Fiscal year ended February 29, 2008	
		(% change)		(% change)
Sales	163,669	(14.1)	190,592	4.6
Operating income	3,905	(55.1)	8,698	(21.8)
Ordinary income	2,635	(69.7)	8,699	(20.8)
Net income	(2,836)	--	4,650	(29.1)
Earnings per share (¥)	(300.38)		482.27	--
Fully diluted earnings per share (¥)	--		482.15	--
Return on equity (%)	(15.5)		23.6	--
Ratio of ordinary income to shareholders' equity (%)	4.8		18.0	--
Ratio of operating income to sales (%)	2.4		4.6	--

Notes:
1. Investment gains and losses under equity method: FY ended February 2009: ¥ -- million; FY ended February 2008: ¥ -- million
2. Percentage figures for sales, operating income, etc. represent changes compared to the previous fiscal year.

2) Financial Position (consolidated)

(Millions *of yen*, rounded down)

	As of February 28, 2009	As of February 29, 2008
Total assets	58,773	50,426
Net assets	15,836	20,769
Shareholders' equity ratio (%)	26.9%	40.4%
Net assets per share (¥)	¥1,704.02	¥2,122.06

Note:
1. Shareholders' equity: FY ended February 2009: ¥15,829 million; FY ended February 2008: ¥20,365million

3) Consolidated cash flows

(Millions of yen, rounded down)

	Fiscal year ended February 28, 2009	Fiscal year ended February 29, 2008
Cash flow from operating activities	(6,539)	1,354
Cash flow from investing activities	(2,907)	(2,960)
Cash flow from financing activities	10,051	177
Cash and cash equivalents at end of period	4,215	3,639

2. Dividends

	Fiscal year ended February 29, 2008	Fiscal year ended February 28, 2009	Fiscal year ended February 28, 2010 (forecast)
Interim dividend per share (¥)	87.00	41.00	38.00
Year-end dividend per share (¥)	87.00	0.00	38.00
Annual dividend per share (¥)	174.00	41.00	76.00
Total dividends paid (Millions of yen)	1,744	393	
Dividend payout ratio (%)	36.1	--	30.1
Dividends to net assets ratio (%)	8.6	2.1	

3. Consolidated forecasts for the fiscal year ending February 28, 2010 (March 1, 2009 to February 28, 2010)

(Millions of yen, rounded down)

	Interim period ending August 31, 2009		FY ending February 28, 2010	
Sales	74,000	(18.7%)	154,000	(5.9%)
Ordinary income	2,300	(18.1%)	5,000	28.0%
Operating income	2,300	(20.7%)	5,000	89.8%
Net Income	900	(13.6%)	2,300	--
Earnings per share (¥)	¥98.93		¥252.82	

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

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, procedures and presentation in the preparation of these financial statements

(1) Changes in accordance with revision to accounting standards: None

(2) Other changes: Yes

Note: For details, see page 15 of 'Material Items Forming the Basis for the Preparation of the Consolidated Financial Statements'

3) Number of shares outstanding (ordinary shares)

(1) Number of shares outstanding at end of period (including treasury shares):

As of February 28, 2009 10,688,800 shares; As of February 29, 2008: 10,688,800 shares

(2) Number of treasury shares at end of period:

As of February 28, 2009: 1,591,730 shares; As of February 29, 2008: 1,091,723 shares

Note: See per share information on page 23 for detail on the number of outstanding shares used for the basis of calculations for earnings per share

Reference: Outline of Non-Consolidated Financial Results

1. Non-Consolidated financial results for the fiscal year ended February 28, 2009

1) Non-Consolidated operating results

(Millions of yen, rounded down)

	Fiscal year ended February 28, 2009		Fiscal year ended February 29, 2008	
		(% change)		(% change)
Sales	139,572	(25.6%)	167,219	0.4%
Operating income	4,327	(85.1%)	8,459	(21.0%)
Ordinary income	3,983	(53.8%)	8,614	(18.0%)
Net income	(2,093)	--	4,293	(23.9%)
Earnings per share (¥)	(221.75)	--	445.27	--
Fully diluted earnings per share (¥)	--	--	445.16	--

Percentage figures for sales, operating income, etc. represent changes compared to the previous fiscal year

2) Financial position (Non-Consolidated)

(Millions *of yen*, rounded down)

	As of February 28, 2009	As of February 29, 2008
Total assets	44,307	35,378
Net assets	15,263	19,389
Shareholders' equity ratio (%)	34.5%	54.8%
Net assets per share (¥)	¥1,677.81	¥2,020.31

Note:

1. Shareholders' equity: FY ended February 2009: ¥15,263 million; FY ended February 2008: ¥19,389 million

2. Non-Consolidated forecasts for the fiscal year ending February 29, 2010 (March 1, 2009 to February 28, 2010)

(Millions of yen, rounded down)

	Interim period ending August 31, 2009		FY ending February 28, 2010	
Sales	63,300	(17.9%)	130,500	(6.5%)
Operating income	2,300	(18.4%)	4,600	6.3%
Ordinary income	2,300	(20.1%)	4,600	15.5%
Net Income	1,100	0.1%	2,100	--
Earnings per share (¥)	¥120.92		¥230.84	

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

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.

1. Operating results

(1) Outline of consolidated operating results

Net sales for the consolidated fiscal year ended February 28, 2009 decreased 14.1% compared to the previous fiscal year. The primary causes were a decrease in the number of cars purchased by directly managed stores resulting in a decrease in the number of cars sold and decline in the market for used cars at auctions in comparison to the previous fiscal year, resulting in a drop in the average sale price per car. Although net sales decreased, retail auto sales, which are more profitable than used car auction sales, grew steadily, and in recent years we have begun to see the benefits of efforts to strengthen retail sales slowly emerge. Further, revenues of consolidated subsidiary G-One Financial Services Co., Ltd., a financial services company that primarily handles auto loans, expanded due to an increase in the number of retail cars sold and other factors.

Sales, general and administrative expenses increased due to an increase in the sales, general and administrative expenses of consolidated subsidiaries and an increase in personnel expenses resulting from an increase in staff compared to the previous fiscal year. Further, ¥1,097 million in non-operating expenses were recorded due to a foreign exchange loss at consolidated subsidiary G-Trading Co., Ltd. (JQ: 3348).

Extraordinary losses recorded were due to the loss on disposal of fixed assets following the closure of certain stores, losses recorded following changes to the accounting method for reserve for directors' retirement benefit and changes to the accounting method for merchandize warranty reserve recorded prior to the financial report for the third quarter of the current fiscal year. Further, at consolidated subsidiary G-Trading Co., Ltd. extraordinary losses were recorded for inventory write downs, allowance for bad debts for accounts receivable on exports to Russia and leased assets to subsidiaries and impairment losses on fixed assets as a result of a rigorous review focused on asset value preservation. As a result of the above, extraordinary losses increased ¥3,251 million or 927.1% over the previous fiscal year to ¥3,601 million.

As a result of the factors noted above, consolidated net sales for the fiscal year under review decreased by 14.1% compared to the previous fiscal year to ¥163,669 million, operating income decreased 55.1% to ¥3,905 million and ordinary income decreased 69.7% to ¥2,635 million, resulting in a net loss of ¥2,836 million.

Performance by segment

i. Sales of used automobiles

Among the stores involved in the sale and purchase of cars, 308 were directly operated (9 more than at the end of the previous fiscal year). Vehicles handled by Gulliver are sold in a relatively short period of time through sales channels that include 1) auction sites throughout Japan, 2) an on-screen selling system 'Dolphinet', and 3) GAO! Auction, the internet based real-time auction aimed at used car dealers.

As previously mentioned, sales of used automobiles decreased due to a drop in the average sales price per car as a result of a decrease in the number of cars sold at directly managed stores and a decrease in the price of used cars at auctions in comparison to the previous fiscal year.

As a result, consolidated net sales for the period under review decreased 14.0%, or ¥25,144 million compared to the previous fiscal year, to ¥154,298 million, and operating income decreased 42.6%, or ¥4,856 million, to ¥6,538 million.

ii. Financing business

Revenues of G-One Financial Services Co., Ltd., a financial services company, grew steadily due to an increase in the number of loans relative to the growth in retail auto sales. As a result of the increase in number of loans, accounts receivable for the financial business increased 137.8%, or ¥11,941 million, to ¥20,605 million. Further, sales, general and administrative expenses increased following expansion of operations.

As a result, consolidated net sales for the period under review increased 26.0%, or ¥1,333 million, over the previous fiscal year to ¥6,460 million, and operating income decreased 29.5%, or ¥43 million, to ¥103 million.

iii. Other businesses

The number of Gulliver franchised stores decreased by a net 6 stores compared to the previous fiscal year end to 145 stores. As a result, revenues from Gulliver franchised stores also decreased. However, revenues from Hucobo Co., Ltd., a transport company, increased.

As a result, consolidated net sales for the period under review increased 5.7%, or ¥603 million, to ¥11,144 million and operating income decreased 7.3%, or ¥198 million, to ¥2,502 million.

Outlook for the fiscal year ending February 28, 2010

Note: Forecasts represent changes compared to the previous fiscal year.

The Company aims to continue to strengthen retail sales which are central to revenues in the used car sales business. As regards advertising, the Company will continue to invest efficiently while increasing appeal for retail sales. In store development, the Company will emphasize efficiency, restrain development of new directly managed stores and emphasize increasing the productivity of each store. Operating income of consolidated subsidiary G-Trading Co., Ltd. is forecasted to return to profitability.

Development of the financing business as an operation focusing on auto loans will continue. Revenues are forecasted to increase following the increase in the number of loans. We are not forecasting any significant change in other businesses.

As a result, consolidated forecasts for the fiscal year ending February 28, 2010 are for net sales to decrease 5.9% to ¥154,000 million, operating income to increase 28.0% to ¥5,000 million and ordinary income to increase 89.8% to ¥5,000 million and net income for the fiscal year of ¥2,300 million.

(2) Financial position

Consolidated financial position and related analysis
Assets, liabilities and shareholders’ equity

1) Current assets

The balance of current assets at the end of the period under review increased ¥9,053 million compared to the end of the previous fiscal period to ¥40,202 million, due primarily to a ¥7,130 million increase in accounts receivable and a ¥875 million increase in inventories.

2) Fixed assets

The balance of fixed assets at the end of the period under review decreased ¥707 million compared to the end of the previous fiscal period to ¥18,571 million, primarily due to a ¥650 million decrease in construction cooperation money largely due to the expansion of new directly managed stores.

3) Current liabilities

The balance of current liabilities at the end of the period under review increased ¥16,784 million compared to the end of the previous fiscal period to ¥40,862 million, due primarily to a ¥15,512 million increase in short-term borrowings as a result of business expansion.

4) Long-term liabilities

The balance of long-term liabilities at the end of the period under review decreased ¥3,504 million compared to the end of the previous fiscal period to ¥2,074 million, due primarily to a ¥3,460 million decrease in borrowings resulting from the shift from long-term borrowings to short-term borrowings.

5) Minority interests

The balance of minority interests at the end of the period under review decreased ¥398 million to ¥2 million compared to the end of the previous fiscal period.

6) Net assets

The balance of net assets at the end of the period under review decreased ¥4,933 million compared to the end of the previous fiscal period to ¥15,836 million primarily due to a ¥4,064 million decrease in retained profit.

Cash flow

For the fiscal year ended February 28, 2009, cash flow from operating activities and investing activities were negative while cash flow from financing activities was positive. Overall cash flow was a positive figure of ¥576 million. The balance of cash and cash equivalents at the end of the period was ¥4,215 million.

Cash flow from operating activities

Cash and cash equivalents used in operating activities was ¥6,539 million.
Principal components of this included a net loss before adjustment for taxes of ¥912 million, an increase in accounts receivable of ¥6,482million, and corporate taxes paid of ¥3,050 million.

Cash flow from investing activities

Net cash used in investing activities was ¥2,907 million. The principal factors contributing to this result were investments in the opening of new directly managed stores and in internal systems.

Cash flow from financing activities

Net cash generated from financing activities was ¥10,051 million. This was largely due to the proceeds from borrowings.

Trends in Gulliver's shareholders' equity and cash flow indicators are as follows:

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Equity ratio (%)	46.7	41.3	41.2	40.4	26.9
Shareholders' equity (market price base) ratio (%)	443.4	338.5	181.9	80.6	19.8
Debt redemption years (years)	1.4	2.1	2.3	12.7	--
Interest coverage ratio	207.9	141.3	93.6	9.6	--

Notes:

1. Breakdown of each indicator

   Equity ratio = shareholders' equity/total assets

   Shareholders' equity to asset ratio by market price = Market capitalization/Total assets

   Debt redemption years = Interest bearing debt/Operating cash flow

   Interest coverage ratio = Operating cash flow/Interest payments

2. Each index is calculated from consolidated figures
3. Market capitalization is calculated using the formula: closing share price at period end x number of shares issued (excluding treasury stock).

2. Basic policy concerning distribution of profits and dividend forecasts

We have identified the return of profits to investors as an important management issue and also place emphasis on our dividend payout ratio. Specifically, the Company is targeting a dividend payout ratio of about 30% of consolidated net income. Actual dividends may differ from previously announced forecasted dividends due to disparities between consolidated net income results and their forecasts.

Based on these policies, forecast dividends per share for the fiscal year ended February 28, 2010 are based on a forecasted consolidated net income of ¥2,300 million and are expected to be ¥76.00 per share (an interim dividend of ¥38.00 and a year-end dividend of ¥38.00).

Retained capital will be used to carry out effective and efficient investments in such areas as strengthening internal infrastructure, developing new businesses, and training and educating personnel with the aim of further raising profits and increasing corporate value, as well as strengthening competitiveness and improving services.

Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2009		As of February 29, 2008	
ASSETS		%		%
Current assets				
Cash and deposits	4,215		3,639	
Accounts receivable	23,296		16,166	
Inventory	8,169		7,294	
Short-term loans receivable	2,287		2,085	
Deferred tax assets	456		407	
Others	2,726		1,581	
Allowance for doubtful accounts	(951)		(25)	
Total current assets	40,202	68.4	31,148	61.8
Fixed assets				
Tangible fixed assets				
Building and structures	11,011		10,547	
Depreciation	(3,241)		(2,699)	
Vehicles and transportation	53		48	
Depreciation	(39)		(36)	
Tools, fixtures and equipment	3,204		3,259	
Depreciation	(2,039)		(1,839)	
Land	409		327	
Construction in progress	164		124	
Other	--		25	
Total tangible fixed assets	9,522	16.2	9,758	19.4
Intangible fixed assets				
Goodwill	77		194	
Software	1,545		1,994	
Other	72		30	
Total intangible fixed assets	1,695	2.9	2,220	4.4
Investments and other assets				
Investment securities	118		98	
Shares in affiliate companies[1]	150		5	
Long-term loans	158		161	
Deposits and guarantee money	3,953		3,404	
Construction cooperation fund	2,530		3,180	
Deferred tax assets	434		465	
Other	406		275	
Allowance for doubtful accounts	(400)		(292)	
Total investments and other assets	7,352	12.5	7,298	14.4
Total fixed assets	18,571	31.6	19,278	38.2
Total Assets	**58,773**	**100.0**	**50,426**	**100.0**

Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2009		As of February 29, 2008	
LIABILITIES				%
Current liabilities				
Accounts payable	3,849		3,505	
Short-term borrowing	28,643		13,131	
Accrued expenses	2,420		3,039	
Accrued corporate taxes	551		1,306	
Deposits received	166		351	
Reserve for bonuses	559		562	
Reserve for director's bonuses	--		63	
Reserve for Merchandize warranty	354		--	
Others	4,317		2,119	
Total current liabilities	40,862	69.5	24,078	47.7
Long-term liabilities				
Long-term borrowing	624		4,085	
Guarantee deposits received	874		1,021	
Reserve for directors' retirement benefit	425		--	
Negative goodwill	138		--	
Other	11		471	
Total long-term liabilities	2,074	3.5	5,578	11.1
Total liabilities	42,937	73.0	29,657	58.8
NET ASSETS				
Paid in capital	4,157	7.1	4,157	8.3
Capital surplus	4,032	6.9	4,032	8.0
Retained profit	18,768	31.9	22,832	45.3
Treasury stock	(11,465)	(19.5)	(10,678)	(21.2)
Total shareholders' equity	15,492	26.4	20,344	40.4
Valuation difference on other marketable securities	(8)	(0.0)	7	0.0
Valuation and translation adjustments	345	0.6	13	0.0
Translation adjustments	336	0.6	20	0.0
Warrants for new shares	4	0.0	4	0.0
Minority interests	2	0.0	400	0.8
Total net assets	**15,836**	**27.0**	**20,769**	**41.2**
Total liabilities and net assets	**58,773**	**100.0**	**50,426**	**100.0**

Consolidated Statements of Income

(Millions of yen)

	March 1, 2008 to February 28, 2009		March 1, 2007 to February 29, 2008	
				%
Sales	163,699	100.0	190,592	100.0
Cost of sales	124,072	75.8	147,032	77.1
Gross profit	39,596	24.2	43,559	22.9
Sales general and administrative expenses*1	35,691	21.8	34,860	18.3
Operating income	3,905	2.4	8,698	4.6
Non-operating income				
Interest received	17		5	
Dividends received	1		17	
Commissions received	--		4	
Compensation received	--		15	
Other	239		265	
Total non-operating income	282	0.2	307	0.2
Non-operating expenses				
Interest paid	103		140	
Addition to allowance of doubtful accounts	101		27	
Exchange related losses	1,149		33	
Other	123		105	
Total non-operating expenses	1,552	1.0	306	0.2
Ordinary income	2,635	1.6	8,699	4.6
Extraordinary profit				
Gains on cancellation of insurance contracts	--		20	
Gains from cancellation in the previous term	--		92	
Gain from sale of fixed assets	10		15	
Other	43		17	
Total extraordinary profit	54	0.0	146	0.1
Extraordinary losses				
Loss on disposal of fixed assets	640		330	
Impairment losses	414		--	
Provision for reserve for directors' retirement benefit for prior years	376		--	
Provision for merchandize warranty reserve for prior years	249		--	
Inventory evaluation loss	981		--	
Impairment loss on shares in affiliates	76		--	
Evaluation loss on investment securities	39		--	
Provision for doubtful accounts	701		--	
Other	120		19	
Total extraordinary losses	3,601	2.2	350	0.2
Income (loss) before taxes, etc.	(912)	(0.6)	8,495	4.5
Income tax, inhabitants tax and enterprise tax	2,328		3,669	
Corporate tax adjustment	(9)		126	
Income (loss) from minority interests	395	0.3	(49)	(0.0)
Net income	(2,836)	(1.7)	4,650	2.5

Changes in Consolidated Shareholders' Equity: March 1, 2008 to February 28, 2009

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained profit	Treasury stock	Total shareholders' equity
Balance as of February 29, 2008	4,157	4,032	22,833	(10,678)	20,344
Change during the period					
Surplus dividend			(1,228)		(1,228)
Net income			(2,836)		(2,836)
Acquisition of treasury stock				(787)	(787)
Changes to items other than shareholders' equity during the period (net)	—	—	—	—	—
Total change during period	—	—	(4,064)	(787)	(4,851)
Balance as of February 28, 2009	4,157	4,032	18,768	(11,465)	15,492

	Valuation and differences due to foreign exchange			Warrants	Minority interests	Total net assets
	Valuation differences on other marketable securities	Adjustment due to exchange rate	Total valuation and translation adjustments			
Balance as of February 29, 2008	7	13	20	4	400	20,769
Change during the period						
Surplus dividend						(1,228)
Net income						(2,836)
Acquisition of treasury stock						(787)
Changes to items other than shareholders' equity during the period (net)	(16)	331	315	0	(397)	(82)
Total change during period	(16)	331	315	0	(397)	(4,933)
Balance as of February 28, 2009	(8)	345	336	4	2	15,836

Changes in Consolidated Shareholders' Equity: March 1, 2007 to February 29, 2008

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained profit	Treasury stock	Total shareholders' equity
Balance as of February 28, 2007	4,157	4,032	20,283	(9,540)	18,932
Change during the period					
Surplus dividend			(1,744)		(1,744)
Net income			4,650		4,650
Acquisition of treasury stock				(1,320)	(1,320)
Disposal of treasury stock			(126)	182	56
Decrease in retained profit following changes to the scope of consolidation			(309)		(309)
Increase in retained profit following changes to the scope of consolidation			78		78
Changes to items other than shareholders' equity during the period (net)	—	—	—	—	—
Total change during period	—	—	2,549	(1,137)	1,411
Balance as of February 29, 2008	4,157	4,032	22,833	(10,678)	20,344

	Valuation and differences due to foreign exchange			Warrants	Minority interests	Total net assets
	Valuation differences on other marketable securities	Adjustment due to exchange rate	Total valuation and translation adjustments			
Balance as of February 28, 2007	6	(2)	3	1	366	19,303
Change during the period						
Surplus dividend						(1,744)
Net income						4,650
Acquisition of treasury stock						(1,320)
Disposal of treasury stock						56
Decrease in retained profit following changes to the scope of consolidation						(309)
Increase in retained profit following changes to the scope of consolidation						78
Changes to items other than shareholders' equity during the period (net)	1	15	17	3	33	53
Total change during period	1	15	17	3	33	1,465
Balance as of February 29, 2008	7	13	20	4	400	20,769

Consolidated Statements of Cash flows

(Millions of yen)

	March 1, 2008 to February 28, 2009	March 1, 2007 to February 29, 2008
I. Cash flow from operating activities		
Income (loss) before taxes, etc.	(912)	8,495
Depreciation	2,385	2,342
	67	--
	(37)	--
Increase (decrease) in reserve for bonuses	(3)	109
Increase (decrease) in allowance for doubtful accounts	1,038	174
Additional reserve for merchandize warranty	354	--
Additional reserve for directors' retirement benefit	425	--
Interest and dividends received	(17)	(5)
Interest paid	177	140
Gain (loss) on foreign exchange	1,149	--
Gain on sale of fixed assets	(10)	(15)
Loss on disposal of fixed assets	640	330
Impairment losses	414	--
Increase (decrease) in accounts receivable	(6,482)	(2,267)
Increase (decrease) in inventory	(1,562)	(2,588)
Increase (decrease) in accounts payable	(515)	169
Increase (decrease) in operating loans	(19)	(601)
(Increase) decrease in accrued consumption tax	46	(89)
Other	(283)	508
Subtotal	(3,328)	6,705
Interest and dividends received	17	5
Interest paid	(103)	(140)
Corporate taxes paid	(3,050)	(5,214)
Cash flow from operating activities	(6,539)	1,354
II. Cash flow from investing activities		
Payments for acquisition of tangible fixed assets	(2,253)	(1,946)
Proceeds from sale of tangible fixed assets	32	116
Payments for acquisition of intangible fixed assets	(478)	(824)
Payments for acquisition of shares in affiliates	(212)	(0)
Payments for acquisition of investment securities	(98)	--
Proceeds from sale of investment in securities	8	--
Amounts lent	(9)	(3)
Proceeds from repayment of loans	3	3
Increase (decrease) in deposits and guarantee payments	100	(305)
Cash flow from investing activities	(2,907)	(2,960)
III. Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	12,523	(471)
Repayment of long-term debt	(450)	(986)
Proceeds from long-term borrowings	--	4,661
Payments for acquisition of treasury stock	(787)	(1,320)
Proceeds from disposal of treasury stock	--	56
Payments for issuance of new shares	--	--
Dividend payments	(1,228)	(1,744)
Dividends paid to minority shareholders	(5)	(5)
Proceeds from payments from minority shareholders	--	(10)
Cash flow from financing activities	10,051	177
IV. Cash and cash equivalents currency translation differences	(28)	6
V. (Decrease) increase in cash and cash equivalents	576	(1,421)
VI. Cash and cash equivalents at beginning of period	3,639	4,855
VII. Increase (decrease) in cash and cash equivalents from change in scope of consolidation	--	205
VIII. Cash and cash equivalents at end of period	4,215	3,639

Material Items Forming the Basis for the Preparation of the Consolidated Financial Statements for Fiscal Year Ended February 28, 2009

Item	March 1, 2008 - February 28, 2009	March 1, 2007 - February 29, 2008
1.Items relating to the scope of consolidation	(1) Number of consolidated subsidiaries: 13 G-One Financial Services Co., Ltd. G-Care Kyousaikai. Gulliver Europe Ltd. G-One Credit Services Co., Ltd. G-Trading Co., Ltd. G-Bus., Ltd. Samurai Motors Co. G-Trading Rus LLC G-Rental Co., Ltd. Hucobo Co., Ltd. Takeoff Co., Ltd. Gulliver USA, Inc. Gulliver East, Inc. (Change in scope of consolidation) None	(1) Number of consolidated subsidiaries: 13 G-One Financial Services Co., Ltd. G-Care Kyousaikai. Gulliver Europe Ltd. G-One Credit Services Co., Ltd. G-Trading Co., Ltd. G-Bus., Ltd. Samurai Motors Co. G-Trading Rus LLC G-Rental Co., Ltd. Hucobo Co., Ltd. Takeoff Co., Ltd. Gulliver USA, Inc. Gulliver East, Inc. (Change in scope of consolidation) Of the above G-Care Kyousaikai, Gulliver USA, Inc. and Gulliver East, Inc. have been included in the scope of consolidation since their significance has increased during the fiscal year. As a result of an acquisition of shares in G-Rental Co., Ltd. during the consolidated fiscal year and having newly established G-One Credit Services Co., Ltd., both companies have been included in the scope of consolidation. However, Carbross Co., Ltd. has been excluded from consolidation since its significance has decreased during the fiscal period.
	(2) Main non-consolidated subsidiaries: Carbross Co., Ltd. G One Insurance Service Co., Ltd. Gulliver International Consulting (Shanghai) Co., Ltd. Gulliver India Co., Ltd. Gulliver Auto True Co., Ltd. G-TRADING INDIA PVT.LTD Reasons for exclusion from consolidation: Non-consolidated subsidiary Carboss Co., Ltd., G One Insurance Service Co,. Ltd., Gulliver International Consulting (Shanghai) Co., Ltd., Gulliver India, Gulliver Auto True are small and their total assets, sales, net income and retained profit (or the amounts proportionate to our holdings in these companies), do not significantly affect the consolidated financial statements.	(2) Main non-consolidated subsidiaries: Carbross Co., Ltd. G One Insurance Service Co., Ltd. Reasons for exclusion from consolidation: Carboss Co., Ltd. and G One Insurance Service Co., Ltd. are small and their total assets, sales, net income and retained profit, etc. do not significantly affect the consolidated financial statements.
2. Application of the equity method	(1) There are no non-consolidated subsidiaries or affiliates to which the equity method is applied. (2) Non-consolidated subsidiaries and affiliates to which the equity method is not applied: Carboss Co., Ltd. G One Insurance Service Co,. Ltd. UG Powers Co., Ltd. Gulliver International Consulting (Shanghai) Co., Ltd. Gulliver India Gulliver Auto True G-TRADING INDIA PVT.LTD Reasons for not applying the equity method: As at right	(1) There are no non-consolidated subsidiaries or affiliates to which the equity method is applied. (2) Non-consolidated subsidiaries and affiliates to which the equity method is not applied: Carboss Co., Ltd. G One Insurance Service Co,. Ltd. UG Powers Co., Ltd. Reasons for not applying the equity method: The effect of the company on net income and retained profit is immaterial and its overall importance is low.

Item	March 1, 2008 - February 28, 2009	March 1, 2007 - February 29, 2008
3. Items relating to the settlement days of consolidated subsidiaries	Of the consolidated subsidiaries, the following have settlement date that differ from the consolidated settlement date of the end of February: -Gulliver Europe Ltd. -Samurai Motors Co. -G-Trading Rus LLC, -Gulliver USA Inc. -Gulliver East Inc. Since the gap between the Consolidated Financial Statements settlement dates for the above 3 companies does not exceed 3 months, consolidation is performed based on the said subsidiary's financial statements. For material transactions occurring between the settlement dates, consolidation adjustments are made as necessary. Gulliver USA Inc. and Gulliver East Inc. have changed their financial statement settlement date from the end of February to December 31. Their financial statements for the 10-month period to December 31 were used in the creation of the consolidated financial statements. For material transactions occurring between the settlement dates, consolidation adjustments are made as necessary.	Of the consolidated subsidiaries, Gulliver Europe Ltd., Samurai Motors Co. and G-Trading Rus LLC, have a December 31 settlement date that differ from the parent consolidated settlement date of the end of February. Since the gap between the Consolidated Financial Statements settlement dates for Gulliver Europe Ltd., Samurai Motors Co., Takeoff Co., Ltd. and G-Trading Rus LLC does not exceed 3 months, consolidation is performed based on the said subsidiary's financial statements. For material transactions occurring between the settlement dates, consolidation adjustments are made as necessary.
4. Items relating to accounting treatment (1) Valuation criteria and valuation methods for material assets	1. Marketable securities Bonds intended to be held to maturity: As at right Other marketable securities As at right Those without a market value: As at right Shareholdings in subsidiaries: As at right 2. Derivatives As at right 3. Inventories A. Merchandise: Vehicles: As at right Other: As at right B. Supplies: As at right	1. Marketable securities Bonds intended to be held to maturity: Amortizing cost method (straight line) Other marketable securities Those with a market price: Valued by the market method based on the market price as at the accounting date. Valuation gains or losses are taken direct to net assets and the book value is determined by moving average method. Those without a market value: The cost method using the moving average method Shareholdings in subsidiaries: The cost method using the moving average method 2. Derivatives Market price method 3. Inventories A. Merchandise: Vehicles: Actual cost method Other: First in first out method applied B. Supplies: Final cost method applied

Item	March 1, 2008 - February 28, 2009	March 1, 2007 - February 29, 2008
(2) Depreciation methods applied to material depreciable assets	(i) Tangible Fixed Assets As at right (Additional information) Following the revision to the Corporate Tax Law, for tangible fixed assets acquired on or before March 31, 2007, the balance of an amount equivalent to 5% of the acquisition value and the memorandum price is depreciated using the straight line method and are recorded as depreciation expenses for a period of five years, starting in the consolidated fiscal year after the fiscal year in which depreciation based on a method stipulated in pre-revision Corporate Tax Law reaches 5% of the acquisition value. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial. (ii) Intangible Fixed Assets As at right (iii) Long Term Prepaid Expenses As at right	(i) Tangible Fixed Assets 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 years Vehicles: 2-6 years (ii) 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 (5 years) has been applied. (iii) Long Term Prepaid Expenses The Straight Line Method is applied
(3) Treatment of deferred assets	Share issue expenses As at right	Share issue expenses Expensed in their entirety at the time of expenditure
(4) Criteria for recording material reserves	(i) Reserve for Doubtful Accounts As at right (ii) Reserve for Bonuses As at right (iii) Reserve for Directors' Bonuses As at right	(i) Reserve for Doubtful Accounts To prepare for the losses occurring from bad debts, with respect to general claims the actual bad debt to loan rate is applied. Specific claims, such as those where there are concerns on the probability of recovery, are assessed on an individual basis and estimated unrecoverable amounts are recorded. (ii) Reserve for Bonuses To prepare for the payment of bonuses to employees, amounts are recorded based on the estimated payment amount. (iii) Bonuses for directors Amount based on forecasted provisional amount in preparation for payment of bonuses to directors.

Item	March 1, 2008 - February 28, 2009	March 1, 2007 - February 29, 2008
	(iv) Reserve for Directors' Retirement Benefit In order to prepare for payments for the retirement benefits for directors, the necessary allowance amount as of the balance sheet date is Accounted for in accordance with the rules for reserves for director's retirement benefit. (Change to accounting policies) 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 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 with the former method, operating income and ordinary income are ¥48 million lower and net loss before taxes etc., increased ¥425 million as a result of this change. (v) Merchandize Warranty Reserve In preparation for losses on repairs of cars with warranties, estimated warranty amounts for the warranty period are accounted for based on actual prior results. (Change to accounting policies) Previously, warranty reserves were expensed at the time of payment. However, as of the fiscal year ending February 28, 2009, estimated future warranty payments will be accounted for as the merchandize 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 the former method, operating income and ordinary income are ¥104 million lower and net loss before taxes, etc. increased ¥354 million as a result of this change.	----------------

Item	March 1, 2008 - February 28, 2009	March 1, 2007 - February 29, 2008
(5) Translation of major currency assets and liabilities valuations held by consolidated companies and others during the period under review and for the preparation of the financial report for the period under review	As at right	Valuations of foreign bonds and monetary liabilities are translated to Japanese yen using the spot exchange rate on the date of settlement. Differences are recorded as either a gain or loss. Valuations of assets and liabilities of existing subsidiaries and others are translated to Japanese yen using the spot exchange rate on the date of settlement and revenues and expenses are translated into Japanese yen using an average spot rate for the period. Translation differences are recorded under net assets in the minority interests, and valuation and translation adjustments sections.
(6) Treatment of material lease transactions	As at right	Financing 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.
(7) Material hedge accounting	(i) Method of Hedge Accounting As at right (ii) Hedging Tools and Hedge Targets As at right (iii) Hedging Policy As at right (iv) Method of evaluating hedge effectiveness As at right	(i) Method of Hedge Accounting According to Deferred Hedge Method. However, special methods are employed for interest rate swap transactions that meet specifications for special methods. (ii) Hedging Tools and Hedge Targets Hedging Tools – Interest Rate Swaps Hedge Targets – Interest on borrowings (iii) Hedging Policy Interest Rate Swap transactions are entered into for the purpose of hedging the risk of interest rate fluctuation on borrowings and entered into only for the target obligations. (iv) Method of evaluating hedge effectiveness Evaluations are based on the amount of volatility of hedging tools and hedge targets compared to total market price volatility for the period from the time the hedge was initiated until the evaluation for effectiveness.
(8) Other material items in the preparation of the consolidated financial statements	Accounting treatment for consumption tax As at right	Accounting treatment for consumption tax The Tax Exclusion Method is applied in the accounting treatment of Consumption Tax.
5. Evaluation of assets and liabilities of consolidated subsidiaries	As at right	Market valuation method is fully applied.

Item	March 1, 2008 - February 28, 2009	March 1, 2007 - February 29, 2008
6. Amortization of goodwill and negative goodwill	As at right.	The period of amortization of goodwill and negative goodwill will be based on a reasonable estimate of the period during which benefit will be realized not exceeding 20 years. Small amounts are written off in full in the fiscal year in which they arise.
7. Assets in the scope of consolidated cash flows	As at right.	The category 'cash' covers cash on hand, demand deposits, and easily convertible short-term investments with low risk of price fluctuation that mature within three months of acquisition.

Changes in Accounting Treatment

March 1, 2008 - February 28, 2009	March 1, 2007 – February 29, 2008
——————	**Changes to the depreciation method of tangible fixed assets** From the period of the fiscal year ended February 29, 2008, in accordance with the revision of Corporation Tax Law (Law Concerning the Partial Revision of Income Tax No. 6, issued on March 30, 2007 and Government Ordinance Concerning the Partial Revision of Corporation Tax Law Order No. 83, issued on March 30, 2007), the method of depreciation of tangible fixed assets acquired after April 1, 2007 has been revised. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial.

4. Segment Information

Segment information by business type

Fiscal year ended February 28, 2009 (March 1, 2008 to February 28, 2009) *(Millions of yen)*

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	150,959	5,032	7,677	163,669	—	163,669
(2) Inter-segmental sales or transfers	3,339	1,427	3,467	8,234	△8,234	—
Total	154,298	6,460	11,144	171,903	△8,234	163,669
Operating expenses	147,759	6,357	8,642	162,759	△2,995	159,764
Operating income	6,538	103	2,502	9,144	△5,238	3,905
Assets, Depreciation and Capital Expenditure						
Assets	26,785	23,343	1,774	51,903	6,869	58,773
Impairment losses on long-lived assets	335	79	—	414	—	414
Impairment losses	1,688	148	231	2,069	316	2,385
Capital expenditure	2,355	149	234	2,739	122	2,861

Notes:

1. Method of business classification: Businesses have been classified according to the classification used in calculating sales.
2. Names of principal products or services attributable to each business classification:

Business Classification	Principal Product Name or Service Name
Used car sales	Purchase and sales of used automobiles through directly operated stores and the like.
Financing business	Consolidated subsidiary G-One Financial Services Co., Ltd. provides financing services such as auto loans.
Other business	Provision of services for franchises relating to the management of Gulliver, for the sale and purchase of cars, and stores established for the graphic sales systems.

3. Amount and principal content included in the “Elimination or Total Company” item *(Millions of yen)*

	Previous fiscal year	Current fiscal year	Principal content
Amount of operating expense which cannot be allocated	5,543	5,238	Expenses relating to head office administration at the parent company
Amount of assets included in “Eliminations or Total Company” item	6,889	6,869	Assets, etc., related to management of surplus funds and head office administration at the parent company

Segment information by business type

Fiscal year ended February 29, 2008 (March 1, 2007 to February 29, 2008) *(Millions of yen)*

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) 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
Assets, Depreciation and Capital Expenditure						
Assets	28,780	12,877	1,880	43,537	6,889	50,426
Depreciation	1,497	85	251	1,835	507	2,342
Capital expenditure	1,792	453	29	2,275	407	2,682

Notes:

1. Method of business classification: Businesses have been classified according to the classification used in calculating sales.
2. Names of principal products or services attributable to each business classification:

Business Classification	Principal Product Name or Service Name
Used car sales	Purchase and sales of used automobiles through directly operated stores and the like.
Financing business	Consolidated subsidiary G-One Financial Services Co., Ltd. provides financing services such as auto loans.
Other business	Provision of services for franchises relating to the management of Gulliver, for the sale and purchase of cars, and stores established for the graphic sales systems.

3. Amount and principal content included in the “Elimination or Total Company” item *(Millions of yen)*

	Previous fiscal year	Current fiscal year	Principal content
Amount of operating expense which cannot be allocated	5,097	5,543	Expenses relating to head office administration at the parent company
Amount of assets included in “Eliminations or Total Company” item	1,904	6,889	Assets, etc., related to management of surplus funds and head office administration at the parent company

Segment information by geographical location

For the current consolidated fiscal year and for the previous fiscal year over 90% of total sales and assets for each segment were in Japan so segment information by geographical location has been omitted.

Overseas sales

For 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.

Per share information

Per Share Information

FY Ended February 28, 2009		FY ended February 29, 2008	
Net assets per share	1,704.02	Net assets per share	2,122.06
Net earnings per share	300.38	Net income per share	482.27
Due to a net loss, figures for fully diluted earnings per share are not provided		Fully diluted earnings per share	482.15

Note: The basis for the calculation of net income (loss) per share and the net income per share after adjustment for residual securities is as follows:

	FY Ended February 28, 2009	FY ended February 29, 2008
Net income (loss) (¥ million)	(2,836)	4,650
Net income (loss) attributable to common shares (¥ million)	(2,836)	4,650
Amount not attributable to common shareholders (¥ million)	--	--
Average number of outstanding common shares during the year (1,000 shares)	9,441	9,642
Breakdown of additional common shares used for calculating net income per share (diluted) (1,000 shares)	2	2
Increase in number of common shares (1,000 shares)	2	2
Residual securities not included in the calculation of the net income after adjustment for residual securities due to the fact that these securities had no dilutive effect.	2 types of subscription rights: Number of residual securities from subscription rights: 52,000 shares	2 types of subscription rights: Number of residual securities from subscription rights: 52,000 shares

Non-Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2009		As of February 29, 2008	
ASSETS		% of total		% of total
Current assets				
Cash and deposits	1,811		2,004	
Accounts receivable	2,899		5,125	
Merchandise	6,016		4,001	
Inventory	44		41	
Advance payments	--		9	
Prepaid expenses	553		396	
Accrued credit	359		300	
Advances paid	101		280	
Deferred tax assets	405		344	
Others	0		96	
Allowance for doubtful accounts	(4)		(7)	
Total current assets	12,188	27.5	12,592	35.6
Fixed assets				
Tangible fixed assets*1				
Buildings	8,841		8,438	
Depreciation	(2,318)		(1,917)	
Structures	1,905		1,805	
Depreciation	(838)		(731)	
Tools, fixtures & equipment	2,644		2,873	
Depreciation	(1,847)		(1,817)	
Land	409		327	
Construction in progress	67		124	
Total tangible fixed assets	8,863	20.0	9,103	25.7
Intangible fixed assets				
Goodwill	71		91	
Trademarks	6		7	
Software	1,285		1,673	
Telephone subscription rights	63		63	
Facility rights	--		9	
Total intangible fixed assets	1,426	3.2	1,845	5.2
Investments and other assets				
Investment securities	118		98	
Shares of affiliates	2,901		2,267	
Investments	0		0	
Long-term loans to affiliates	12,983		3,116	
Defaulted claims, etc	127		19	
Long-term prepaid expenses	11		58	
Deposits and guarantee money	3,537		3,035	
Construction cooperation money	2,530		3,180	
Insurance reserves	86		79	
Deferred tax assets	164		238	
Allowance for doubtful accounts	(631)		(257)	
Total investment and other assets	**21,829**	**49.3**	**11,837**	**33.5**
Total fixed assets	**32,119**	**72.5**	**22,785**	**64.4**
Total Assets	**44,307**	**100.0**	**35,378**	**100.0**

Non-consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2009		As of February 29, 2008	
LIABILITIES		% of total		% of total
Current liabilities				
Accounts payable	2,274		2,217	
Short-term borrowing	18,133		5,300	
Accrued expenses	1,484		1,185	
Accrued corporate taxes	45		1,122	
Accrued consumption taxes	151		90	
Accrued expenses	899		842	
Advances received	912		266	
Deposits received	96		322	
Reserve for bonuses	472		473	
Reserve for directors' bonuses	--		63	
Reserve for merchandize warranty	354		--	
Accrued expenses for facilities	82		106	
Others	42		52	
Total current liabilities	24,948	56.3	12,043	34.0
Long-term liabilities				
Long-term debt	49		3,100	
Guarantee deposits received	825		844	
Reserve for directors' retirement benefit	425		--	
Reserve for loss from subsidiaries	2,794		--	
Total long-term liabilities	4,095	9.2	3,944	11.2
Total liabilities	29,044	65.5	15,988	45.2
NET ASSETS				
Shareholders' equity				
Common stock	4,157	9.4	4,157	11.8
Capital surplus				
Capital reserves	4,032		4,032	
Total capital surplus	4,032	9.1	4,032	11.4
Accumulated earnings				
Profit reserve	39		39	
Other accumulated earnings				
Deferred accumulated earnings	18,508		21,830	
Total accumulated earnings	18,547	41.9	21,869	61.8
Treasury stock	(11,465)	(25.9)	(10,678)	(30.2)
Total shareholders' equity	15,271	34.5	19,381	54.8
Valuation and translation differences				
Valuation difference on other marketable securities	(8)	(0.0)	7	0.0
Total Valuation and translation differences	(8)	(0.0)	7	0.0
Total net assets	**15,263**	**34.5**	**19,389**	**54.8**
Total liabilities and other net assets	**44,307**	**100.0**	**35,378**	**100.0**

Non-consolidated Statements of Income

(Millions of yen)

	March 1, 2008 to February 28, 2009		March 1, 2007 to February 29, 2008	
		% of total		% of total
Sales				
Merchandise sales	132,963		160,874	
Sales of other goods	6,609		6,344	
Total sales	139,572	100.0	167,219	100.0
Cost of goods sold				
Cost of merchandise sold				
Inventory at start of period	3,628		2,681	
Purchases during the year	105,849		129,123	
Total	109,478		131,805	
Inventory at end of term	6,016		3,628	
Other transfers	60		409	
Net: cost of goods sold	103,401		127,767	
Other operating revenues cost of goods sold	975		536	
Total cost of sales of other goods	104,376	74.8	128,303	76.7
Gross profit on sales	35,195	25.2	38,915	23.3
Sales, general and administrative expenses				
Advertising	4,747		5,381	
Directors' remuneration	275		282	
Salaries	8,089		7,452	
Bonuses	1,246		1,215	
Addition to reserve for directors' bonuses	--		63	
Addition to reserve for bonuses	472		473	
Statutory welfare expenses	1,247		1,103	
Contracting fees	2,247		2,089	
Travel and transportation	1,013		966	
Communication expense	706		748	
Consumables	361		419	
Depreciation	2,125		2,219	
Rent	168		228	
Land rent	4,541		4,475	
Provision for directors' retirement benefit	48		--	
Other	3,575		3,337	
Total sales, general and administrative expenses	30,868	22.1	30,456	18.2
Operating income	4,327	3.1	8,459	5.1
Non-operating income				
Interest income	90		70	
Dividends income	8		11	
Commissions income	--		4	
Compensation received	--		15	
Insurance income	25		--	
Other	116		255	
Total non-operating expenses	240	0.1	356	0.2

Non-operating expenses				
Interest expense	106		98	
Addition to allowance for doubtful accounts	371		18	
Other	107		84	
Total non-operating expenses	585	0.4	201	0.1
Ordinary income	3,957	2.8	8,614	5.2
Extraordinary income				
Gain from cancellation of insurance policy	--		20	
Total extraordinary income	--	--	20	0.0
Extraordinary loss				
Losses on disposal of fixed assets	456		326	
Loss on shares in affiliate companies	378		572	
Legal settlements.	89		--	
Provision for directors' retirement benefit reserve for prior years	376		--	
Provision for merchandize warranty reserve for prior years	249		--	
Provisions for reserve for loss from subsidiaries	2,794		--	
Other	89		--	
Total extraordinary losses	4,345	3.1	898	0.5
Net income (loss) before taxes	(362)	(0.3)	7,735	4.7
Corporate income tax, inhabitants tax and enterprise tax	1,708		3,307	
Corporate tax adjustments	22		135	
Total taxes	1,731	1.2	3,442	2.0
Net income (loss)	**(2,093)**	**(1.5)**	**4,293**	**2.7**

(3) Changes to shareholders' equity

Changes to shareholders' equity for the fiscal year ended March 1, 2008 to February 28, 2009

(Millions of yen)

	Shareholders' equity							
		Capital surplus		Accumulated earnings				
	Capital	Capital reserves	Total capital surplus	Profit reserve	Other accumulated earnings: Deferred profit reserve	Total accumulated earnings	Treasury stock	Total shareholders' equity
Balance as of February 29, 2008	4,157	4,032	4,032	39	21,830	21,869	(10,678)	19,381
Change during the period								
Surplus dividend					(1,228)	(1,228)		(1,228)
Net income					(2,093)	(2,093)		(2,093)
Acquisition of treasury stock							(787)	(787)
Changes to items other than shareholders' equity during the period	—	—	—	—	—	—	—	—
Total change during the period	—	—	—	—	(3,322)	(3,322)	(787)	(4,109)
Balance as of February 28, 2009	4,157	4,032	4,032	39	18,508	18,547	(11,465)	15,271

(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 29, 2008	7	7	19,389
Change during the period			
Surplus dividend			(1,228)
Net income			(2,093)
Acquisition of treasury stock			(787)
Changes to items other than shareholders' equity during the period	(16)	(16)	(16)
Total change during the period	(16)	(16)	(4,125)
Balance as of February 28, 2009	(8)	(8)	15,263

Changes to shareholders' equity for the fiscal year ended March 1, 2007 to February 29, 2008

(*Millions of yen)*

	Shareholders' equity							
	Capital	Capital surplus		Accumulated earnings			Treasury stock	Total shareholders' equity
		Capital reserves	Total capital surplus	Profit reserve	Other accumulated earnings: Deferred profit reserve	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					(1,744)	(1,744)		(1,744)
Net income					4,293	4,293		4,293
Acquisition of treasury stock							(1,320)	(1,320)
Disposal of treasury stock					(126)	(126)	182	56
Changes to items other than shareholders' equity during the period	--	--	--	--	--	--	--	--
Total change during the period	--	--	--	--	2,423	2,423	(1,137)	1,286
Balance as of February 29, 2008	4,157	4,032	4,032	39	21,830	21,869	(10,678)	19,381

(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			(1,744)
Net income			4,293
Acquisition of treasury stock			(1,320)
Disposal of treasury stock			56
Changes to items other than shareholders' equity during the period	1	1	1
Total change during the period	1	1	1,287
Balance as of February 29, 2008	7	7	19,389

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

Item	March 1, 2008 – February 28, 2009	March 1, 2007 – February 29, 2008
1. Valuation criteria and valuation methods for marketable securities	(1) Bonds intended to be held to maturity. As at right (2) Shares of subsidiaries As at right (3) Other securities Those with market value: As at right Those without market value: As at right	(1) Bonds intended to be held to maturity. Amortizing cost method (straight line) (2) Shares of subsidiaries The cost method using the moving average method (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: Cost method using the moving average method
2. Basis for valuation of inventory and valuation method	(1) Merchandise Vehicles: As at right Other: As at right (2) Stored goods: As at right	(1) Merchandise Vehicles: Cost method using actual cost method Other: First in first out method applied (2) Stored goods Final cost method applied
3. Depreciation method for fixed assets	(1) Tangible Fixed Assets As at right (Additional information) Following the revision to the Corporate Tax Law, for tangible fixed assets acquired on or before March 31, 2007, the balance of an amount equivalent to 5% of the acquisition value and the memorandum price is depreciated using the straight line method and are recorded as depreciation expenses for a period of five years, starting in the consolidated fiscal year after the fiscal year in which depreciation based on a method stipulated in pre-revision Corporate Tax Law reaches 5% of the acquisition value. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial. (2) Intangible Fixed Assets As at right (3) Long Term Prepaid Expenses As at right	(1) Tangible Fixed Assets 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 years 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 (5 years) has been applied. 3) Long-term prepaid expenses The Straight Line Method is applied
4. Treatment of Deferred assets	Share issue expenses: As at right	Share issue expenses: Expensed in their entirety at time of expenditure

Item	March 1, 2008 – February 28, 2009	March 1, 2007 – February 29, 2008
5. Criteria for recording material reserves	(i) Reserve for Doubtful Accounts As at right	(i) Reserve for Doubtful Accounts To prepare for the losses occurring from bad debts, with respect to general claims the actual bad debt to loan rate is applied. Specific claims, such as those where there are concerns on the probability of recovery, are assessed on an individual basis and estimated unrecoverable amounts are recorded.
	(ii) Reserve for Bonuses As at right	(ii) Reserve for Bonuses To prepare for the payment of bonuses to employees, amounts are recorded based on the estimated payment amount.
	(iii) Reserve for Directors' Bonuses As at right	(iii) Bonuses for directors Amount based on forecasted provisional amount n preparation for payment of bonuses to directors.
	(iv) Reserve for Directors' Retirement Benefit In order to prepare for payments for the retirement benefits for directors, the necessary allowance amount as of the balance sheet date is accounted for in accordance with the rules for reserves for director's retirement benefit. (Change to accounting policies) 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 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 with the former method, operating income and ordinary income would decrease by ¥48 million and net loss before income taxes, etc., increased by ¥425 million as a result of this change.	-----------------------
	(v) Merchandize Warranty Reserve In preparation for losses on repairs of cars with warranties, estimated warranty amounts for the warranty period are accounted for based on actual prior results. (Change to accounting policies) Previously, warranty reserves were expensed at the time of payment. However, as of the fiscal year ending February 28, 2009, estimated future warranty payments will be accounted for as the merchandize warranty reserve.	----------------------

Item	March 1, 2008 – February 28, 2009	March 1, 2007 – February 29, 2008
	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 ¥104 million lower and net loss before taxes, etc., increased ¥354 million as a result of this change. (vi) Reserve for losses of subsidiaries In order to provide for losses of subsidiaries with excess debt judged to require a long repayment period, the equivalent amount of the excess debt has been recorded in the accounts.	----------------------
6. Treatment of material lease transactions	As at right	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
7. Other material items in the preparation of the non-consolidated financial accounts	Accounting Treatment of Consumption Tax As at right	Accounting Treatment of Consumption Tax: Tax Exclusion Method is applied in the accounting treatment of consumption tax

March 1, 2008 – February 28, 2009	March 1, 2007 – February 29, 2008
	Changes to the depreciation method of tangible fixed assets From the fiscal year ended February 29, 2008, in accordance with the revision of Corporation Tax Law (Law Concerning the Partial Revision of Income Tax No. 6, issued on March 30, 2007 and Government Ordinance Concerning the Partial Revision of Corporation Tax Law Order No. 83, issued on March 30, 2007), the method of depreciation of tangible fixed assets acquired after April 1, 2007 has been revised. The effects of this change on operating income, ordinary income or net income before adjustment for income taxes is immaterial.

Per share information

Per Share Information

FY ended February 28, 2009		FY ended February 29, 2008	
Net assets per share	1,677.81	Net assets per share	2,020.31
Net earnings per share	221.75	Net income per share	445.27
Due to a net loss, figures for fully diluted earnings per share are not provided		Fully diluted earnings per share	445.16

Note: The basis for the calculation of net income (loss) per share and the net income per share after adjustment for residual securities is as follows:

	FY Ended February 28, 2009	FY ended February 29, 2008
Net income (loss) (¥ million)	(2,093)	4,293
Net income (loss) attributable to common shares (¥ million)	(2,093)	4,293
Amount not attributable to common shareholders (¥ million)	--	--
Average number of outstanding common shares during the year (1,000 shares)	9,441	9,642
Breakdown of additional common shares used for calculating net income per share (diluted) (1,000 shares)	--	2
Increase in number of common shares (1,000 shares)	--	2
Residual securities not included in the calculation of the net income after adjustment for residual securities due to the fact that these securities had no dilutive effect.	2 types of subscription rights: Number of residual securities from subscription rights: 52,000 shares	2 types of subscription rights: Number of residual securities from subscription rights: 52,000 shares