Gulliver International Co., Ltd.

Financial Results

Fiscal 2011

(March 1, 2010 to February 28, 2011)

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.

Gulliver

SUMMARY OF FINANCIAL STATEMENTS

Results for the fiscal year ended February 28, 2011

Gulliver International Co., Ltd. **April 8, 2011**

Stock Code: 7599 Listed exchanges: Tokyo (1st Section)
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Chairman: Kenichi Hatori Telephone: +81 3 5208-5503
Scheduled date of the regular shareholders' meeting: May 25, 2011
Scheduled date for submission of the financial report: May 26, 2011 Scheduled date for distribution of dividends: May 26, 2011

1. Consolidated financial results for the fiscal year ended February 28, 2011

1) Consolidated Operating Results

(Millions of yen, rounded down)

	Fiscal year ended February 28, 2011		Fiscal year ended February 28, 2010	
		(% change)		(% change)
Sales	142,038	(4.6)	148,853	(9.1)
Operating income	8,001	51.5	5,281	35.2
Ordinary income	7,824	56.2	5,008	90.0
Net income	5,140	--	348	--
Earnings per share (¥)	544.67		38.29	
Fully diluted earnings per share (¥)	544.39		--	
Return on equity (%)	24.9		2.2	
Ratio of ordinary income to shareholders' equity (%)	12.2		7.9	
Ratio of operating income to sales (%)	5.6		3.6	

Notes:
1. Investment gains and losses under the equity method: FY ended February 2011: (¥8 million) ; FY ended February 2010: (¥12 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, 2011	As of February 28, 2010
Total assets	59,856	67,948
Net assets	24,891	16,393
Shareholders' equity ratio (%)	41.6%	24.1%
Net assets per share (¥)	¥2,454.79	¥1,794.18

Note:
1. Shareholders' equity: FY ended February 2011 ¥24,883 million; FY ended February 2010: ¥16,393 million

3) Consolidated cash flows

(Millions of yen, rounded down)

	Fiscal year ended February 28, 2011	Fiscal year ended February 28, 2010
Cash flow from operating activities	14,253	(3,586)
Cash flow from investing activities	2,790	(1,336)
Cash flow from financing activities	(11,749)	5,056
Cash and cash equivalents at end of period	8,869	3,586

2. Dividends

	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011	Fiscal year ending February 29 2012 (forecast)
Interim dividend per share (¥)	38.00	31.00	52.00
Year-end dividend per share (¥)	38.00	62.00	52.00
Annual dividend per share (¥)	76.00	93.00	104.00
Total dividends paid (Millions of yen)	692	911	
Dividend payout ratio (%)	198.5%	17.1%	30.0%
Dividends to net assets ratio (%)	4.4%	4.4%	

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3. Consolidated forecasts for the fiscal year ending February 29, 2012 (March 1, 2011 to February 29, 2012)

(Millions of yen, rounded down)

	Interim period ending August 31, 2011		FY ending February 29, 2012	
Sales	63,800	(12.4%)	133,000	(6.4%)
Operating income	3,100	(16.2%)	6,600	(17.5%)
Ordinary income	3,050	(15.1%)	6,500	(16.9%)
Net Income	1,670	(55.3%)	3,500	(31.9%)
Earnings per share (¥)	¥164.75		¥345.28	

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: None

3) Number of shares outstanding (ordinary shares)

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

As of February 28, 2011: 10,688,800 shares; As of February 28, 2010: 10,688,800 shares

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

As of February 28, 2011: 551,954 shares; As of February 28, 2010: 1,551,926 shares

Reference: Outline of Non-Consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended February 28, 2011

1) Non-consolidated operating results

(Millions of yen, rounded down)

	Fiscal year ended February 28, 2011		Fiscal year ended February 28, 2010	
		(% change)		(% change)
Sales	133,716	(2.0)	136,406	(2.3%)
Operating income	6,178	17.9	5,241	21.1%
Ordinary income	6,214	16.0	5,355	35.3%
Net income	3,496	90.0	1,840	--
Earnings per share (¥)	¥370.48		¥202.08	
Fully diluted earnings per share (¥)	¥370.28		--	

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, 2011	As of February 28, 2010
Total assets	55,461	57,848
Net assets	23,916	17,005
Shareholders' equity ratio (%)	43.1%	29.4%
Net assets per share (¥)	¥2,358.66	¥1,861.16

Note:

1. Shareholders' equity: FY ended February 2011: ¥23,909 million; FY ended February 2010: ¥17,005 million

2. Non-consolidated forecasts for the fiscal year ending February 29, 2012 (March 1, 2011 to February 29, 2012)

(Millions of yen, rounded down)

	Interim period ending August 31, 2011		FY ending February 29, 2012	
Sales	61,600	(9.1)	130,000	(2.8)
Ordinary income	2,800	(3.5)	6,200	(0.2)
Net Income	1,550	(29.0)	3,400	(2.7)
Earnings per share (¥)	¥152.91		¥335.41	

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, 2011 decreased 4.6% compared to the same period of the previous fiscal year. The primary contributing factors were a decrease in retail sales at directly managed Gulliver stores due to effects of the eco-car subsidy system, the reduced the scale of Gulliver's financing business (the result of a change implemented in May 2010 to have other credit companies handle the majority of auto loans at point of sale for used cars sold retail by Gulliver, and the removal of G-One Credit Services Co., Ltd. from the scope of consolidation due to the transfer outstanding shares), and a decline in the number of cars traded at consolidated subsidiary G-Trading Co., Ltd.

As the used car market environment remained challenging due to the effects of the eco-car subsidy system, Gulliver steered towards an emphasis on profits and cost cutting initiatives such as strengthening internal controls and streamlining marketing costs. Further cost reductions were achieved through by downscaling subsidiary businesses. As a result, selling expenses and general administration expenses decreased compared to the previous fiscal period.

An extraordinary profit of ¥1,157 million was recorded primarily due to the gain on sale of equity following the transfer of G-One Credit Services Co., Ltd. shares.

An extraordinary loss of ¥3,284 million was also recorded. The primary factors were as follows:

(1) Losses on adjustments to operations totaling ¥2,464 million recorded due to losses stemming from the withdrawal of G-Trading Co., Ltd. subsidiary G-Trading Rus. LLC, a construction machinery business in Russia, and anticipated losses generated by the transfer and consolidation of business functions as a part of Group consolidation.

(2) Expenses of ¥435 million recorded as addition to allowance of doubtful accounts due to the increase in the amount of liabilities exceeding assets at affiliates arising from the reduction of G-Rental Co., Ltd. business (construction machinery rentals), a subsidiary of consolidated subsidiary G-Trading Co., Ltd.

(3) A loss on retirement of fixed assets of ¥338 million was recorded due to the closing of some directly managed Gulliver stores. Corporate tax was reduced primarily due to the following: Losses recorded in the previous fiscal year following the transfer of all outstanding shares of G-One Credit Services Co., Ltd., to SBI Holdings, Inc. were offset by an extraordinary gain in the current period; Losses carried forward with respect to G-One Financial Services Co., Ltd., were recognized during the period for tax purposes; Allowance recorded in the previous fiscal year in regards to G-Trading Co., Ltd. that resulted from the sale of all outstanding shares of G-Trading Co., Ltd. to G-One Credit Services Co., Ltd. by Gulliver International in August 2010, were recognized during the period for tax purposes.

As a result of the factors noted above, and compared to the previous fiscal year, consolidated net sales decreased 4.6% to ¥142,038 million, operating income increased by 51.5% to ¥8,001 million, ordinary income increased 56.2% to ¥7,824 million, while net income for the period was ¥5,140 million, up 1,374.2%.

Performance by segment

i. Sales of used automobiles

Net sales of used automobiles declined due to a decrease in retail sales due to the effects of the eco-car subsidy system, and a decrease in the number of cars traded at consolidated subsidiary G-Trading Co., Ltd.

Operating income increased due to a decrease in sales, general and administrative expenses achieved through cost cutting strategies to strengthen internal controls, streamline marketing costs, etc.

The number of directly managed stores as of February 28, 2011 were 286, 2 less than at the end of the same period of the previous fiscal year.

As a result of the above factors, consolidated net sales for the segment were ¥132,728 million, ¥5,879 million (4.2%) lower than in the previous fiscal year, and operating income increased ¥568 million (7.4%), to ¥8,262 million.

ii. Financing business

Net sales from the financing business declined due the change implemented in May 2010, to use other credit companies to handle the majority of auto loans at point of sale for used cars sold retail by Gulliver, and the transfer of all outstanding shares in G-One Credit Services Co., Ltd.

Operating income increased due to reduced sales, general and administrative expenses as a result of the above share transfer and recognizing revenues from auto loans of prior years.

Further, accounts receivable for the financing business decreased 49.8%, or ¥13,085 million, to ¥13,186 million compared to the end of the previous fiscal year due to the reduction in the number of auto loans and the transfer of all outstanding shares in G-One Credit Services Co., Ltd.

Due to the above factors, consolidated net sales for the segment were ¥4,853 million, a decrease of 28.3%, or ¥1,913 million compared to the previous fiscal year, while operating income increased by ¥1,545 million to ¥1,501 million.

iii. Other businesses

As of February 28, 2011, the number of Gulliver franchised stores was 135 (5 more than at the end of the previous fiscal year).

Sales and operating income from consolidated subsidiary Hucobo Co., Ltd., a transport company, decreased due to a decline in the number of car orders and other factors.

As a result, consolidated net sales from Gulliver franchised stores decreased 5.7%, or ¥536 million to ¥8,882 million, and operating income decreased 13.4%, or ¥181 million, to ¥1,945 million.

Outlook for the fiscal year ending February 28, 2011

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

In Japan, the used car market continued to be a challenging environment impacted by a decrease in customers changing to new cars due to the effects of a spike in demand for new cars prior to the ending of the eco-car subsidy system in September 2010. Further, as a result of the March 11 earthquake and tsunami in eastern Japan, we believe that the market may continue to be challenging.

In this environment, we are conservatively forecasting a marginal increase in retail car sales from the previous period, however, we will continue to strengthen retail sales of our very profitable used-car sales business. In advertising, we will strengthen development of area marketing development targeting regional characteristics and emphasize efficiency. We will also strengthen initiatives to acquire more repeat and referral customers. Through initiatives such as these, we plan on becoming more efficient at attracting customers. In regards to store development, we will emphasize efficiency, curb development of new directly managed stores and focus on increasing store the productivity of each location.

In financing, we will continue to downsize our business, and this is expected to have an impact on earnings in the next period.

We are not forecasting any significant change in other businesses.

As a result, consolidated forecasts for the fiscal year ended February 29, 2012 are for net sales to decrease 6.4% to ¥133,000 million, operating income to decrease 17.5% to ¥6,600 million, ordinary income to decrease 16.9% to ¥6,500 million, and net income to decrease 31.9% to ¥3,500 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 decreased ¥13,840 million compared to the end of the previous fiscal period to ¥36,338 million.

Primary contributing factors included a ¥3,346 million decrease in products and a ¥13,307 million decrease in accounts receivable.

2) Fixed assets
The balance of fixed assets at the end of the period under review increased ¥5,748 million compared to the end of the previous fiscal period to ¥23,517 million.

Primary contributing factors included a ¥8,654 increase in long-term borrowings with business partners.

3) Current liabilities
The balance of current liabilities at the end of the period under review decreased ¥18,888 million compared to the end of the previous fiscal period to ¥22,698 million.

Primary contributing factors included a ¥17,641 million decrease due to decreases from the repayment of short-term borrowings and the transfer of short-term borrowings to long-term borrowings.

4) Long-term liabilities
The balance of long-term liabilities at the end of the period under review increased ¥2,298 million compared to the end of the previous fiscal period to ¥12,265 million.

The primary contributing factor was the ¥2,483 increase resulting from the transfer of short-term borrowings to long-term borrowings.

5) Net assets
The balance of net assets at the end of the period under review increased ¥8,498 million compared to the end of the previous fiscal period to ¥24,891 million.

The primary contributing factors included a ¥7,202 decrease in treasury stock.

Cash flow

For the fiscal year ended February 28, 2011, cash flow from operating activities and investing activities were positive while cash flow from financing activities was negative. Overall cash flow was a positive figure of ¥5,283 million. The balance of cash and cash equivalents at the end of the period was ¥8,869 million.

Cash flow from operating activities

Cash and cash equivalents generated from operating activities was ¥14,253 million and were primarily composed of net income before adjustment for taxes of ¥5,744 million, a ¥3,563 million decrease in accounts receivable and a ¥3,362 million decrease in inventory assets.

Cash flow from investing activities

Net cash generated from investing activities was ¥2,790 million primarily due to the repayment of debt upon receipt of income.

Cash flow from financing activities

Net cash used in financing activities was ¥11,749 million, largely the result of outflows for the repayment of loans.

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

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Equity ratio (%)	41.2	40.4	26.9	24.1	41.6
Shareholders' equity (market price base) ratio (%)	181.9	80.6	19.8	44.2	61.4
Debt redemption years (years)	2.3	12.7	--	--	1.4
Interest coverage ratio	93.6	9.6	--	--	80.8

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).

(3) 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.

In light of our financial results for the current fiscal year under review, the annual dividend per share was ¥93 composed of an interim dividend of ¥31.00 and a year-end dividend of ¥62.00.

In accordance with the above policies, the forecasted dividend per share for the fiscal year ended February 29, 2012 is based on a forecasted consolidated net income of ¥3,500 million and is expected to be ¥104 per share (an interim dividend of ¥52.00 and a year-end dividend of ¥52.00).

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.

2. Management Policy

(1) Basic management policy

Gulliver has adopted ‘Growing together’ as its corporate philosophy and, under the principle of coexistence and mutual prosperity, the company is striving for continued growth together with all those involved with the Group, including customers, employees, partners and shareholders. Under this philosophy, Group management is making every effort to create an attractive company that is worthy of support from customers. We also aim to bring about a revolution in the distribution of cars, and to create a “car-life” concept to satisfy our customers.

(2) Management targets

Since its establishment in 1994, Gulliver has been a car dealership specialist that has expanded its business primarily as a wholesale seller of used vehicles through used car auctions. In recent years, we have endeavored to strengthen our retail business by selling cars directly to ordinary consumers in addition to our wholesale business. Aiming to further raise corporate value, Gulliver is committed to a medium-term target of 100,000 retail car sales through directly managed stores.

(3) Mid- to long-term management strategy

In order to achieve 100,000 used car retail sales through our directly managed stores, Gulliver is centralizing its management resources and promoting initiatives that include:

- Improving our sales force and services by strengthening employee training
- Strengthening community-based area marketing
- Winning more repeat and referral customers by improving customer satisfaction
- Enhancing brand power and recognition
- Building new sales channels such as through large scale facilities

(4) Tasks ahead

We are creating a management strategy that aims to rapidly expand retail sales while maintaining profitability, and we plan to improve customer satisfaction and our ability to attract customers through more targeted management activities and stronger employee training.

Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2011	As of February 28, 2010
ASSETS		
Current assets		
Cash and deposits	8,896	3,613
Trade notes and accounts receivable	16,979	30,287
Products	7,004	10,351
Operating loans receivable	1,234	2,045
Deferred tax assets	1,151	942
Others	1,625	4,340
Allowance for doubtful accounts	(552)	(1,400)
Total current assets	36,338	50,179
Fixed assets		
Tangible fixed assets		
Building and structures	10,133	10,343
Depreciation	(3,670)	(3,356)
Building and structures (net)	6,462	6,986
Vehicles and transportation	557	336
Depreciation	(290)	(58)
Vehicles and transportation (net)	267	278
Tools, fixtures and equipment	2,309	2,686
Depreciation	(1,836)	(1,722)
Tools, fixtures and equipment (net)	472	964
Land	218	218
Construction in progress	13	270
Total tangible fixed assets	7,434	8,717
Intangible fixed assets		
Goodwill	27	48
Software	909	1,532
Other	17	18
Total intangible fixed assets	954	1,599
Investments and other assets		
Investment securities	14	14
Shares in affiliate companies[1]	805	859
Long-term loans receivable	8,983	328
Deposits and guarantee money	2,926	3,055
Construction cooperation fund	2,814	2,955
Deferred tax assets	433	367
Other	251	525
Allowance for doubtful accounts	(1,101)	(654)
Total investments and other assets	15,128	7,452
Total fixed assets	23,517	17,769
Total Assets	**59,856**	**67,948**

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Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2011	As of February 28, 2010
LIABILITIES		
Current liabilities		
Accounts payable	3,806	4,230
Short-term borrowing	8,517	26,159
Accrued expenses	2,278	3,032
Accrued corporate taxes	918	1,528
Deposits received	416	249
Reserve for bonuses	496	570
Reserve for merchandize warranty	1,336	797
Provision for loss on business liquidation	1,016	--
Others	3,912	5,020
Total current liabilities	22,698	41,587
Long-term liabilities		
Long-term borrowing	11,000	8,516
Long-term guarantee deposits received	816	877
Reserve for directors' retirement benefit	442	405
Reserve for loss from subsidiaries	--	57
Negative goodwill	--	101
Other	6	9
Total long-term liabilities	12,265	9,967
Total liabilities	34,964	51,555
NET ASSETS		
Shareholders' equity		
Paid in capital	4,157	4,157
Capital surplus	4,032	4,032
Retained profit	20,083	18,798
Treasury stock	(3,975)	(11,178)
Total shareholders' equity	24,297	15,810
Valuation difference on other marketable securities	--	--
Valuation and translation adjustments	586	583
Translation adjustments	586	583
Warrants for new shares	7	--
Minority interests	--	--
Total net assets	24,891	16,393
Total liabilities and net assets	**59,856**	**67,948**

Gulliver

Consolidated Statements of Income

(Millions of yen)

	March 1, 2010 to February 28, 2011	March 1, 2009 to February 28, 2010
Sales	142,038	148,853
Cost of sales	105,565	109,934
Gross profit	36,473	38,918
Sales general and administrative expenses	28,472	33,637
Operating income	8,001	5,281
Non-operating income		
Interest received	110	14
Depreciation of negative goodwill	9	37
Proceeds from insurance	10	25
Other	22	91
Total non-operating income	153	169
Non-operating expenses		
Interest paid	176	138
Exchange related losses	103	253
Other	51	50
Total non-operating expenses	330	442
Ordinary income	7,824	5,008
Extraordinary profit		
Gain from prior period profit revision	--	111
Gain from sale of fixed assets	--	14
Gain on sale of investment securities	--	90
Gain on liquidation of subsidiary	1,157	--
Other	46	13
Total extraordinary profit	1,203	229
Extraordinary losses		
Loss on disposal of fixed assets	338	938
Loss from prior period profit revision	--	1,386
Provision for subsidiaries' losses	--	42
Loss on adjustment to affiliates	11	24
Loss on adjustments to operations	2,464	155
Provision for doubtful accounts	410	91
Other	58	340
Total extraordinary losses	3,284	2,979
Income (loss) before taxes, etc.	5,744	2,257
Income tax, inhabitants tax and enterprise tax	827	2,328
Corporate tax adjustment	(223)	(423)
Total corporate taxes	603	1,905
Income (loss) from minority interests	--	3
Net income (loss)	**5,140**	**348**

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Consolidated Statements of Cash flows

(Millions of yen)

	March 1, 2010 to February 28, 2011	March 1, 2009 to February 28, 2010
I. Cash flow from operating activities		
Income (loss) before taxes, etc.	5,744	2,257
Depreciation	1,203	1,630
Depreciation of goodwill	21	21
Depreciation of negative goodwill	(9)	(37)
Increase in reserve for bonuses	(38)	36
Increase (decrease) in allowance for doubtful accounts	18	254
Additional reserve for merchandize warranty	599	443
Increase (decrease) in allowance for directors' retirement benefit	36	(19)
Interest and dividends received	(110)	(14)
Interest paid	176	138
Gain (loss) on foreign exchange	68	37
Gain on sale of fixed assets	--	(14)
Loss on disposal of fixed assets	338	938
Loss (gain) on sales of stocks of subsidiaries and affiliates	(1,157)	--
Loss on liquidation of business	891	--
Loss from prior period profit revision	--	1,275
Impairment losses	--	248
Increase (decrease) in accounts receivable	3,563	(7,328)
Increase (decrease) in inventory assets	3,362	(2,326)
Increase (decrease) in accounts payable	(209)	1,115
Increase (decrease) in operating loans	811	239
(Increase) decrease in accrued consumption tax	276	46
Other	(76)	(761)
Subtotal	15,510	(1,819)
Interest and dividends received	110	14
Interest paid	(176)	(131)
Corporate taxes paid	(1,190)	(1,649)
Cash flow from operating activities	14,253	(3,586)
II. Cash flow from investing activities		
Payments for acquisition of tangible fixed assets	(946)	(1,055)
Proceeds from sale of tangible fixed assets	--	209
Payments for acquisition of intangible fixed assets	(399)	(815)
Payments for acquisition of shares in affiliates	--	(8)
Payments for acquisition of investment securities	--	(14)
Proceeds from sales of investment securities	--	222
Amounts lent	(887)	(99)
Proceeds from repayment of loans	4,998	27
Payment on difference in deposits and guarantee payments	(74)	(85)
Proceeds from return of deposits and guarantee payments	67	257
Payments for repayment of construction cooperation fund	(100)	(179)
Proceeds from return of construction cooperation fund	239	212
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(109)	--
Payment into fixed term deposits	--	(27)
Other	4	18
Cash flow from investing activities	2,790	(1,336)

Consolidated Statements of Cash flows (continued)

(Millions of yen)

	March 1, 2010 to February 28, 2011	March 1, 2009 to February 28, 2010
III. Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	(25,499)	388
Proceeds from long-term borrowings	11,000	9,000
Repayment of long-term debt	(658)	(3,983)
Proceeds from sales of treasury stock	4,038	--
Purchase of treasury stock	(0)	(4)
Dividend payments	(629)	(343)
Other	--	0
Cash flow from financing activities	(11,749)	5,056
IV. Cash and cash equivalents currency translation differences	(11)	(1)
V. (Decrease) increase in cash and cash equivalents	5,283	132
VI. Cash and cash equivalents at beginning of period	3,586	4,215
VII. Increase (decrease) in cash and cash equivalents from change in scope of consolidation	--	(761)
VIII. Cash and cash equivalents at end of period	8,869	3,586

Changes in Accounting Treatment

March 1, 2010 - February 28, 2011	March 1, 2009 - February 28, 2010
---	Unification of accounting policies applied to foreign subsidiaries and IFRS conversion. As of the current consolidated fiscal year, the "Unification of accounting policies applied to foreign subsidiaries and IFRS conversion" issued May 17, 2006 by the Practical Issues Task Force No. 18 will be applied. This will have no effect on profits.
---	**Accounting methods for auto loan revenues** Previously, accounting methods used by consolidated subsidiary G-One Financial Services Co., Ltd., a financial services company, and consolidated subsidiary G-One Credit Services Co., Ltd., recorded revenues such as interest from unexpired periods during the contractual period. As regards other parts of the contract, unobtainable income from full repayment before maturity payment in subrogation were excluded and revenues from auto loan contracts were recorded as a lump sum. However, as of the current consolidated fiscal year, we have changed our accounting methods to record revenue based on periods and will no longer recognize such revenue as a lump-sum. In line with the above change, operating loans have been transferred to a trust subsidiary and trust beneficiary rights and shares issued and sold as collateral assets. However, of these securitized assets through, the part of the assets that were sold at book value and the parts that we continue to hold were each valued at fair value. The accounting methods used has been changed to recognize the difference between the gains/losses on securitization and the book value allotted to assets sold. This change has been made in an effort to improve allocation of revenues by accounting period and the overall financial condition of the company and is the result of a review following an increase in the number of vehicles sold by Gulliver, an increase in the number of auto loans at consolidated subsidiaries, and increase in number of auto loan contracts accumulating, and a significant increase in the importance of transactions related to loan revenues. Further, accounting methods for contracts from previous year have been revised to match the current accounting methods. Following this change to the accounting method and in comparison to use of the previous accounting method, net sales are ¥1,124 million lower, gross profit is ¥1,124 million lower, operating income is ¥1,073 million lower, ordinary income is ¥1,073 million lower and net income before taxes is ¥2,208 million lower.

4. Segment Information

Segment information by business type

Fiscal year ended February 28, 2010 (March 1, 2010 to February 28, 2011) *(Millions of yen)*

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(1) Sales to external customers	132,082	3,522	6,433	142,038	--	142,038
(2) Inter-segmental sales or transfers	645	1,331	2,449	4,426	(4,426)	--
Total	132,728	4,853	8,882	146,464	(4,426)	142,038
Operating expenses	124,465	3,352	6,937	134,755	(717)	134,037
Operating income	8,262	1,501	1,945	11,709	(3,708)	8,001
Assets, Depreciation and Capital Expenditure						
Assets	21,738	16,223	1,402	39,323	20,532	59,856
Depreciation and amortization expense	846	42	383	1,271	224	1,496
Capital expenditure	979	208	110	1,298	108	1,406

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	4,495	3,708	Expenses relating to head office administration at the parent company
Amount of assets included in “Eliminations or Total Company” item	7,619	20,532	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 28, 2009 (March 1, 2009 to February 28, 2010) *(Millions of yen)*

	Trading of used cars	Financing business	Other business	Total	Elimination/ All company	Consolidated
Sales						
(2) Sales to external customers	136,861	5,311	6,680	148,853	—	148,853
(2) Inter-segmental sales or transfers	1,745	1,455	2,739	5,940	△5,940	—
Total	138,607	6,767	9,419	154,793	△5,940	148,853
Operating expenses	130,913	6,811	7,291	145,017	△1,444	143,572
Operating income	7,693	△44	2,127	9,776	△4,495	5,281
Assets, Depreciation and Capital Expenditure						
Assets	26,197	32,572	1,558	60,328	7,619	67,948
Depreciation and amortization expense	1,017	81	197	1,296	355	1,651
Capital expenditure	1,260	421	116	1,797	363	2,161

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	5,238	4,495	Expenses relating to head office administration at the parent company
Amount of assets included in “Eliminations or Total Company” item	6,869	7,619	Assets, etc., related to management of surplus funds and head office administration at the parent company

Segment information by geographical location

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

Overseas sales

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

Non-Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2011	As of February 28, 2010
ASSETS		
Current assets		
Cash and deposits	8,592	3,248
Accounts receivable	2,947	3,123
Products	6,933	9,450
Merchandise	61	118
Prepaid expenses	492	542
Deferred tax assets	964	826
Others	797	371
Allowance for doubtful accounts	(81)	(16)
Total current assets	20,708	17,664
Fixed assets		
Tangible fixed assets		
Buildings	8,261	8,312
Depreciation	(2,665)	(2,398)
Buildings (net)	5,595	5,914
Structures	1,861	1,853
Depreciation	(1,001)	(918)
Structures (net)	859	935
Vehicles and transportation	542	299
Depreciation	(280)	(33)
Vehicles and transportation (net)	261	265
Tools, fixtures and equipment	2,285	2,144
Depreciation	(1,821)	(1,547)
Tools, fixtures and equipment (net)	464	597
Land	218	218
Construction in progress	13	270
Total tangible fixed assets	7,412	8,201
Intangible fixed assets		
Goodwill	27	48
Trademarks	1	1
Software	864	909
Other	15	15
Total intangible fixed assets	907	974

(Millions of yen)

	As of February 28, 2011	As of February 28, 2010
Investments and other assets		
Investment securities	14	14
Shares in affiliate companies	2,022	2,021
Long-term loans receivable	7,703	--
Long-term loans to affiliates	10,969	25,916
Defaulted claims, etc	36	50
Long-term prepaid expenses	50	36
Deposits and guarantee money	2,728	2,709
Construction cooperation fund	2,814	2,955
Deferred tax assets	439	111
Other	98	90
Allowance for doubtful accounts	(444)	(2,898)
Total investments and other assets	26,432	31,008
Total fixed assets	34,753	40,184
Total Assets	**55,461**	**57,848**

(Millions of yen)

	As of February 28, 2011	As of February 28, 2010
LIABILITIES		
Current liabilities		
Accounts payable	3,604	3,529
Short-term borrowing	8,516	21,033
Accrued expenses	1,045	1,466
Accrued corporate taxes	618	1,481
Accrued consumption taxes	530	232
Accrued expenses	724	756
Advances received	1,019	877
Deposits received	408	165
Reserve for bonuses	463	476
Reserve for merchandize warranty	1,336	757
Accrued expenses for facilities	49	49
Income in advance	439	250
Provision for loss business liquidation	498	--
Others	29	28
Total current liabilities	19,285	31,104
Long-term liabilities		
Long-term borrowing	11,000	8,516
Long-term guarantee deposits received	816	800
Reserve for directors' retirement benefit	442	405
Reserve for loss from subsidiaries	--	15
Total long-term liabilities	12,259	9,739
Total liabilities	31,545	40,843
NET ASSETS		
Shareholders' equity		
Paid in capital	4,157	4,157
Capital surplus		
Capital reserves	4,032	4,032
Other capital surplus	--	--
Total capital surplus	4,032	4,032
Retained profit		
Earned Surplus Reserve	39	39
Other retained profit		
Earned surplus brought forward	19,655	19,954
Total retained profit	19,695	19,993
Treasury stock	(3,975)	(11,178)
Total shareholders' equity	23,909	17,005
Valuation difference on other marketable securities	--	--
Total Valuation and translation differences	--	--
Subscription rights to shares	7	--
Total net assets	23,916	17,005
Total liabilities and net assets	**55,461**	**57,848**

Gulliver

Non-Consolidated Statements of Income

(Millions of yen)

	March 1, 2010 to February 28, 2011	March 1, 2009 to February 28, 2010
Sales		
Merchandise sales	127,030	130,065
Sales of other goods	6,686	6,340
Total sales	133,716	136,406
Cost of sales		
Cost of merchandise sold		
Inventory at start of period	9,450	6,016
Purchases during the year	98,039	104,959
Total	107,489	110,975
Inventory at end of term	6,933	9,450
Other transfers	338	417
Net: cost of goods sold	100,217	101,108
Other operating revenues cost of goods sold	1,056	1,032
Total cost of sales of other goods	101,273	102,140
Gross profit on sales	32,442	34,266
Sales, general and administrative expenses		
Advertising	3,839	5,325
Directors' remuneration	192	230
Salaries	7,107	7,406
Bonuses	1,300	1,393
Addition to reserve for bonuses	463	476
Statutory welfare expenses	1,209	1,239
Contracting fees	2,088	2,134
Travel and transportation	776	810
Communication expense	501	602
Consumables	383	429
Depreciation	1,148	1,541
Rent	146	141
Land rent	4,401	4,479
Provision for directors' retirement benefit	36	44
Allowance for doubtful accounts	66	--
Other	2,603	2,769
Total sales, general and administrative expenses	26,264	29,024
Operating income	6,178	5,241
Non-operating income		
Interest income	198	156
Insurance income	10	25
Other	21	64
Total non-operating income	230	246
Total extraordinary profit		
Non-operating expenses		
Interest expense	173	118
Other	21	14
Total non-operating expenses	194	132
Ordinary income	6,214	5,355

(Millions of yen)

	March 1, 2010 to February 28, 2011	March 1, 2009 to February 28, 2010
Extraordinary profit		
Gain from prior period profit revision	--	91
Gain from sale of fixed assets	--	10
Gain on sale of investment securities	--	90
Reversal of allowance for doubtful receivables	14	78
Reversal of provision for loss on business of subsidiaries and affiliates	14	--
Other	--	0
Total extraordinary profit	28	272
Extraordinary losses		
Loss on disposal of fixed assets	291	932
Evaluation loss on shares in affiliates	--	248
Provisions for reserve for loss from subsidiaries	--	15
Loss on sales of stocks of subsidiaries and affiliates	1,433	--
Provision for doubtful accounts	--	484
Loss from prior period profit revision	--	224
Loss on liquidation of business	779	--
Other	166	19
Total extraordinary losses	2,670	1,925
Income (loss) before taxes, etc.	3,572	3,701
Income tax, inhabitants tax and enterprise tax	541	2,234
Corporate tax adjustment	(466)	(373)
Total corporate taxes	75	1,861
Net income (loss)	**3,496**	**1,840**